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IMPORTANCE OF COMPETENCIES OF REAL ESTATE GRADUATES IN EMPLOYERS' PERCEPTION

Authors:

Assoc. Prof. Ciprian SIPOS, Ph.D., FRICS

*West University of Timisoara,
Romania*

Prof. Alexandru BUGLEA, Ph.D.

*West University of Timisoara,
Romania*

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Introductory issues



- Graduation of a master program have to be based on professional and transversal competencies offered by universities, which opens the door to different professions.
- Many studies show that the “traditional” education focuses most on cognitive and professional competency development and is not able to produce multi-skilled, flexible and adaptable graduates. Existence of uniform competency system for the same domain helps to create a common language with favourable effect on national and European education system.
- In September 2011, Romania has finalized the procedure recommended by the Council of Europe for the implementation of the qualifications framework for higher education. In this context, is necessary to analyze the importance of competencies of real estate graduates in employers' perception.

Introductory issues

The main issues about the **employers' expectations** from graduates of master programs in real estate appraisal are mainly referring to:

- the level of satisfaction of employers on the quality of skills and competencies of master graduates;
- the importance of certain knowledge, competencies and skills that graduates should have;
- education level best to fill vacancies in companies;
- most important challenges facing companies employing graduates;
- ways of increasing the employability of graduates.



Which are the competencies, knowledge and skills that can increase the employability?



Knowledge:

- Knowing the methodological and practical program of specific area of study;
- Advanced description of a specific language training on the concepts, principles and approaches to economic analysis and property valuation;
- Knowing of the general characteristics of the objectives and scope of economic analysis and valuation of real estate;
- Identifying relevant information sources;
- Knowing the concepts and techniques of forecasting;
- Updating with new developments in valuation techniques;
- Knowing the valuation approaches and specific methods;
- Knowing the management methods and techniques necessary to carry out the valuation missions.

Which are the competencies, knowledge and skills that can increase the employability?



- Using the conceptual and methodological system to solve new theoretical and practical problems
- Pertinent using of criteria and appraisal methods valuating the real estate
- Elaborating professional and/or research projects, using a wide variety of quantitative and qualitative methods

Which are the competencies, knowledge and skills that can increase the employability?



The professional competencies:

- The capacity to use advanced concepts, principles and practical approaches based on economic analysis and property valuation
- The capability to collect and select the relevant and reliable information about valuated real estate
- The capacity to elaborate a diagnostic of appraisal
- The ability to operate with specific techniques and assumptions and the capacity to make a scenario-based valuation
- The ability to estimate and express a valuating opinion
- The capability of managing and monitoring the valuation process and the ability to offer assessing consultancy

Which are the competencies, knowledge and skills that can increase the employability?



The transversal (soft) competencies:

- Execution of complex professional tasks in terms of autonomy and professional independence. This descriptor quantifies the capacity of graduates to apply the doctrine and professional ethics in the execution of complex, interdisciplinary tasks
- Assuming the business management roles of professional groups or institutions. This descriptor requires communication skills, teamwork abilities and capacity to take the leader role
- Self learning, diagnose training needs analysis of their reflective professional activities. This descriptor assumes the capacity of self evaluation and diagnosis of need for continuous training to adapt to dynamic social context

The most important competencies, knowledge and skills in employers' perception



- The adequacy of competencies, knowledge and skills acquired in the traditional educational process to the specific professional activities are considered that are not fitting enough to the job requirements
- This first general indicator of business positioning in relation to the characteristics of the formation indicates a significant segment perceiving low level adequacy of education to the needs and expectations of the business environment
- A higher proportion of those who consider less appropriate skills among specific profession are in the companies with majority of international capital and large companies (over 250 employees or with turnover of more than one hundred thousand Euros)

The most important competencies, knowledge and skills in employers' perception



- It seems that in employers' opinion the education of candidate (qualification and skills acquired) is slightly equal as importance with previous practical experience
- Nevertheless, the reputation of formative institutions is a secondary factor in the decision to employ
- Data analysis indicates two main dimensions of the important factors in the hiring decision:
 - **The formative component**, focusing on skills and educational level of candidates;
 - **The competency component**, focusing on experience and reputation of the university.

These two components are evenly distributed: according to managers, the university reputation can explain the education and skills of the applicant.

The most important competencies, knowledge and skills in employers' perception



Most appropriate in the educational portfolio of a potential employee are two categories of *professional competencies*:

- The first category involve knowing, understanding and using specific language for explanation, interpretation and problem solving;
- The second category includes critical reflection and constructive creativity and innovation. In a more individualized register for a graduate master studies in the field of real estate appraisal, according to the respondents, are very important the ability to use computational tools to interpret indicators of economic and financial analysis and to collect and select the relevant and reliable data;
- Slightly less important are competencies to carry out inspections that require technical expertise or operating with diagnosis assumptions and techniques.

Overall, professional competencies are important for a master graduate in order to succeed to employ.

The most important competencies, knowledge and skills in employers' perception



A very important component of formation of graduates is *transversal* (“*cross*” or “*soft*”) *competencies*.

- All competencies with transversal dimensions as autonomy, social interaction, personal development and capacity to lead are assessed relatively similar by all employers as very important for the profile of a potential employee graduating master studies.
- In the specific case of the graduates of master studies in real estate appraisal the transversal skills are most frequently indicated as a “must have” in the educational portfolio. Very important are ability *to communicate, to relate, to work in teams and taking the lead role.*

In this regard there are practically no differences between perceptions of employers from different categories of companies.

The most important competencies, knowledge and skills in employers' perception



- Employers surveyed are among those who usually employ qualified human resources with master studies.
- The data indicate no significant differences between general economic companies and companies specialized in business consulting services or real estate transactions.
- Average employment in companies in the most developed regions is significantly higher than in other regions.
- Also employing graduates of master in foreign capital companies is much higher developed than in other companies.
- Large companies employed, on average, significantly more master graduates than small companies (under 10 employees).

Conclusions (1)



- Based on the studies on Romanian labour market the **most important** professional competencies that led to the employment of master graduates are collecting and selecting relevant information, ability to relate procedures and interdisciplinary knowledge and capacity to use advanced calculation and interpretation instruments.
- **Less important** for the decision to employ are professional competencies as performing technical inspections and estimates that require technical expertise, proposing and implementing new approaches and techniques for valuing assets/businesses.
- Incidence of employment for master graduates in fields related to the real estate is around one third of total institutions investigated and around three thirds of institutions that have employed at least one economic master graduate in the last two years.

Conclusions (2)



- The companies that have employed graduates of master in areas related to the real estate hired an average number of four graduates in the last two years. Even in this case, the data do not indicate significant differences between general economic companies and specialized business in consulting services and real estate transactions;
- In contrast, average employment in companies from developed regions is significantly higher than in less developed regions. Also employing degree of real estate graduates in foreign companies is much higher than local companies. Large companies have employed significantly more master graduates than small companies.

Conclusions (3)



- Further education as training at work or postgraduate studies is very important according to the employers' perception, without significant differences between different categories of companies. However, only slightly more than a half of employers have a contract with an educational institution for practical training of employees;
- A significant number of cooperation agreements between companies and educational institutions are registered in the case of private companies with foreign capital, in the companies with over 250 employee and those with an annual turnover of over 1 million Euros;
- And finally, is very important to underline the particular importance in employers' perception of transversal competencies such as autonomy, social interaction and continuous personal development, capacity to activate in team-works and to lead teams.

THANK YOU!