Applying a competencies system at the master programs according to professional associations*

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Abstract: The purpose of this paper is to create the premises for a system of competencies in Romania coherent with the European regulations at master level in the area of economic analysis and valuation of businesses, real estates and financial assets, according to the requirements of professional associations.

The master programs organized by universities should be based on a system of competencies adapted to the requirements of business environment and professional associations, considering the Romanian and European institutional frameworks and the demands of the European labour market. A key element is to adapt the curricula of master studies to generate knowledge and skills in correlation with the undergraduate and doctoral education level. It's also essential to implement the competencies in teaching and assessment of students to create the support to growth the learning opportunities.

The paper focuses especially on the competencies system for master programs from field of economic analysis and valuation of business, real estate and financial assets in connection with the requirements of professional associations which is essential for the correct implementation of university graduates in the market of professional valuators. Curricula should provide to graduates of master programs the professional skills mentioned in the occupational standards, in accordance with the methodologies developed by national and international standards.

1. Introduction

As is shown in the Recommendation 2008/C 111/01/CE of European Parliament and European Council, the development and recognition of knowledge and skills are essential for the development of citizens' individual competitiveness, employment and social cohesion in the community.

Such development should facilitate the recognition and transnational mobility of workers and those who study and contribute to meeting the requirements of supply and demand on the European labour market. Access and participation in learning throughout life for all, including disadvantaged people, and use of qualifications should therefore be promoted and improved national and community level. Greater transparency of qualifications should to be one of the key components necessary to adapting education and training systems in European Union at the demands of knowledge-based society. Furthermore, the European Council made call for closer cooperation at university level and improving transparency and recognition methods in education and training.

The main objective is to create a framework common reference to serve as translation between different systems and levels of qualifications, both general and higher education and for education and training. This will improve transparency, comparability and transferability citizens' qualifications in accordance with the practice in different Member States. Each level of qualification should, in principle, be achieved through a variety the educational and career paths. In addition, the European Qualifications should enable organizations to relate international qualifications systems a common European reference point, showing so the relationship between international qualifications and national qualifications systems. Another goal is to promote lifelong learning and growth opportunities for employment, mobility and social integration of workers and students.

The competencies system recognized at European level should contribute to the modernization of education and training systems, creating connections between education or training systems and employment, building bridges between formal, non-formal and informal, and also lead to the validation of learning outcomes acquired through life experience.

The European strategy envisages the appointment of national coordination, depending on structures and requirements of the Member States, to support and, in cooperation with other competent national authorities, to guide the relationship between national systems and European Qualifications Framework (EQF) and to promote quality and transparency of this relationship.

2. Defining a competencies system at the master programs

To create a competencies system at the master programs consistent with European Union requirements, the Romanian national education system must to adjust to a list of demands urgently needed.

First, is very important to correlate levels of National qualifications systems to EQF, to ensure a transparent methodology that is used to make the correlation, on the one hand to facilitate their comparison and, secondly, to ensure that the resulting decisions are published.

Second, is necessary to provide access to information and guidance to stakeholders on the correlation between National Qualifications Framework and European Qualifications Framework through national qualifications systems.

Third, the qualifications system must promote the participation of all stakeholders in accordance with national law and practice. The main stakeholders are the higher education institutions, the professional education institutions, the training partners from social sectors and experts which use the qualifications at European level.

To create an effective system of competencies to the master programs, is necessary to consider some basic concepts used in the field of academic qualifications (Annex 1 of Recommendation 2008/C111/01/CE).

The first concept, *learning outcomes* means what it knows, understands and can make the learner to completion learning, which are defined in terms of knowledge, skills and competencies.

The *knowledge* means the result of assimilation of information through learning. Knowledge is the body of facts, principles, theories and practices related to a particular field of work or study. In the context of the European qualifications, knowledge is described as theoretical and/or factual.

The *skills* mean the ability to apply and use knowledge to complete tasks and solve problems. In the context of EQF, skills are described as cognitive (involving use of logical, intuitive and creative thinking) and practical (involving manual dexterity and the use of methods, materials, tools and instruments).

The *competence* means the proven ability to use knowledge, skills and personal capabilities, social and/or methodological in situations of work or study and for professional and personal development. In the context of the European Qualifications, competence is described in terms of responsibility and autonomy. Each type of competence has its own autonomous learning outcome indicates distinct targets of the training, specialized vocational training processes and specific processes of assessment. Among these three types of learning outcomes are interrelated and at the same time, a hierarchy in the process of achieving these results, namely: certain types of knowledge based skills and a certain set of knowledge and skills lead to the development competence.

To create master programs with positive impact on the labour market is necessary to develop a system of competencies assigned to master graduates. From the above definitions is very clear that making a competency is to summarize the knowledge, skills and abilities. The Application Guide from Methodology of the National Framework of Qualifications in Higher Education (CNCIS) from Romania group competencies into two main categories:

- Professional competencies;
- Cross-cutting (transversal) competencies.

The *professional competence* means the ability to select, combine and use appropriate knowledge, skills and other acquisitions (values and attitudes) to successfully resolve a particular category of work or learning that profession falling under conditions of effectiveness and efficiency.

The professional competencies can be separated in two types as follows:
- Cognitive competencies given by the level of accumulated knowledge, expressed by generic descriptors as:
    - Knowing, understanding and using the specific language of the domain;
    - Explaining and interpretation of reality.

- Functional-additional competencies given by the acquired skills, expressed by generic descriptors as:
    - Application, transfer and problem solving;
    - Reflection and constructive criticism;
    - Creativity and innovation.

The *cross-cutting or transversal competencies* are those skills that transcend a particular field, the program of study, with a disciplinary nature. They consist of teamwork skills, oral and written communication skills in their mother tongue/foreign, information and communication technology, problem solving and decision making, recognition and respect for diversity and multiculturalism, learning autonomy, initiative and entrepreneurship, openness to lifelong learning, and development of values and professional ethics, etc.

The cross-cutting competencies can be classified into two types as follows:
- Social competencies, expressed by generic descriptors as:
    - Autonomy and responsibility;
    - Social interaction.

- Competencies for professional development, expressed by the generic descriptor:
    - Personal and professional development.

At level of master programs, the knowledge and skills that lead to competencies is defined as:
- Highly specialized knowledge, some of them placing itself at the forefront of knowledge level a field of work or study as a basis of thinking and/or research critical awareness of knowledge from one domain and knowledge at the interface between different areas;
- Specialized problem-solving skills in research and/or innovation in order to develop new knowledge and procedures and to integrate knowledge from different areas.

The professional and cross-cutting competencies at the master's level can be obtained through a mechanism described in the Figure 1:
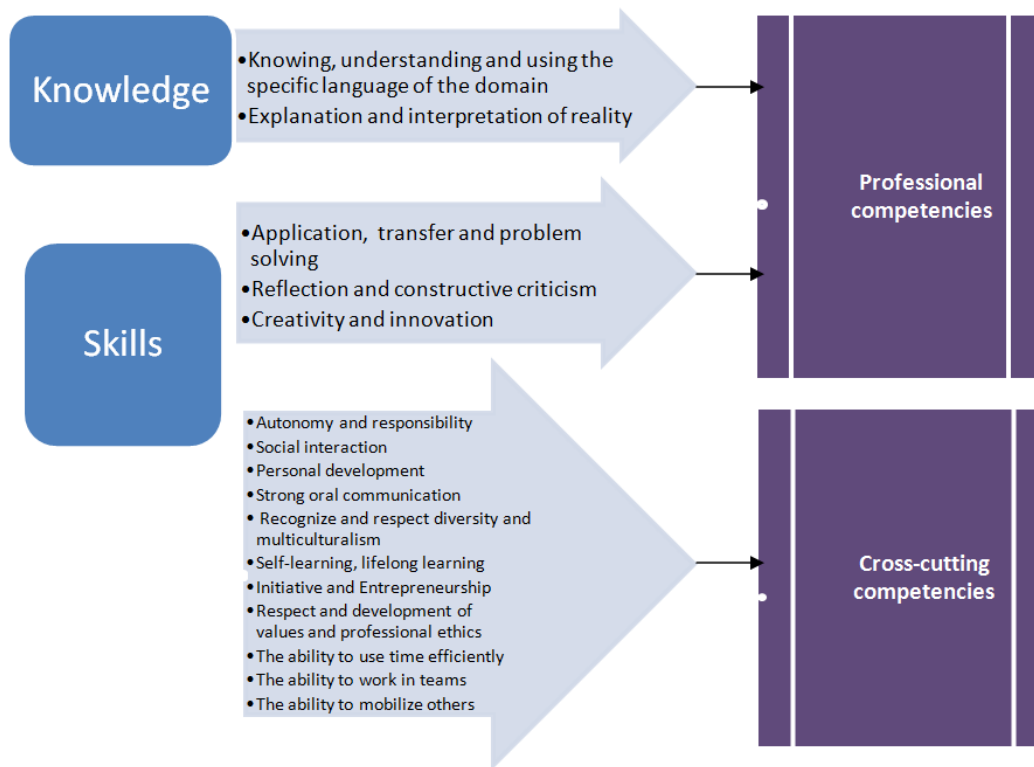
Figure 1. *The system of competencies*

(After *The Methodology of the National Framework of Qualifications in Higher Education* - CNCIS)

Based on acquired knowledge and skills, the competencies assigned by the graduation of a master program have to transform the way to work or study. These are complex, unpredictable and require new strategic approaches responsibility to help professional knowledge and practice and/or reviewing the strategic performance of teams. This definition of competencies at level of master programs is given by the descriptor for the second cycle in the Framework for Qualifications of the European Area of Higher Education, agreed by higher education ministers at their meeting in Bergen in May 2005 in the Bologna Process, corresponds to learning outcomes for EQF level 7 (as is presented in Recommendation 2008/C 111/01/CE).

In the vision of National Framework of Qualifications in Higher Education (CNCIS), the qualifications of higher education can be seen from two perspectives of analysis: the vertical and horizontal.

The vertical analysis indicates progress of training in knowledge and understanding, the base of a result of learning, until the state of creativity and innovation and cross-competencies.

The horizontal analysis materializes a generic descriptor for that three university courses levels: undergraduate level, graduate (master) level and doctoral studies level. In this case, the descriptors emphasize the development of competencies and the increase of the level of professional qualification. It is noted that the model aimed at a different kind

of progress, suggesting the increase of value added to each type of learning results, along with the transition from one level to another academic qualification.

Vertical perspective emphasizes the fact that a certain result of learning cannot be achieved without the subordinated levels.

Horizontal perspective shows that each type of learning result, for the three cycles of study necessarily integrates previous levels. Each learning result has a relative autonomy, because is conditioned by previous acquisitions, both horizontally and vertically.

3. Creating the competencies system for masters in the field of analysis and valuation
First of all, when put the bases for a competencies system for masters in the field of analysis and valuation should be kept in mind especially the requirements of the professional associations which are activating in this particular area.

In Romania, the professional valuators of business, property and financial assets are regulated by the National Association of Valuators from Romania (ANEVAR), established in 1992. ANEVAR members operating in accordance with the International Valuation Standards adopted since 2004 as mandatory national standards (developed by IVSC - International Valuation Standard Committee, the UN body).

As a consequence of the system of professional development of its members, and by the promotion of national standards, European and international Code of Conduct, ANEVAR activity is recognized by many Romanian organizations, governmental or non-governmental associations that require valuation reports ANEVAR be consistent with standards and recommendations. Also, ANEVAR is a member of the Board of the International Valuation Standards Council (IVSC), European Group of Valuators Associations (TEGoVA) and World Association of Valuators (WAVO).

In the last years, the most important matter of ANEVAR becomes the education, specialization and continuing education of its members. From the total amount of its revenue, the association invests approximately 75% in the costs of courses. Among the main activities undertaken by the association is remarkable: organizing training courses in the field of valuation for real estate, business, equipment and financial assets. ANEVAR initiated and developed valuation courses at universities, showing openness to training carried out, for the purposes of recognition of these courses organized in the valuation area. The association has a total of eight cooperation agreements with universities from most important Romanian academic centres as Bucharest, Timisoara, Cluj-Napoca, and Constanta. The students who graduate courses of an accredited faculty receive recognition from ANEVAR and can subsequently become members of the association.

In complement with the activity of ANEVAR in recent years has been involved in the market valuation of Romania the most prestigious professional association of Royal Institute of Chartered Surveyors (RICS). Although not yet accredited any educational program in Romania, RICS has been involved in helping create a system of competencies necessary to develop the valuation profession.

Another important professional association in the area of analysis and valuation is The Body of Expert and Licensed Accountants of Romania (CECCAR) which is the organization representing the Romanian accountancy profession, autonomous, non-governmental, non-profit and of public interest. Having a remarkable development at national level, CECCAR is represented in all Romania's 42 counties, by its territorial

branches. CECCAR acts in determination for the understanding and application of International Financial Reporting Standards in order for the capital markets of Romania to have a high standard reporting in a European language. Also, in order to unitarily apply the accountancy profession, the professionals have been given by the Body a series of norms (basic ones, behavioural, for work and reporting purposes) and professional guidelines - that, once complied with, develop reputation in the activities carried out. Respecting these norms and guidelines was, and still is, attentively monitored by CECCAR, by implementing a quality control (audit) of the members' activities.

In collaboration with the national professional associations in the field (ANEVAR and CECCAR), five of the leading universities in Romania – Babes-Bolyai University from Cluj-Napoca, Academy of Economic Studies from Bucharest, West University from Timisoara, Al. Ioan Cuza University from Iasi and Aurel Vlaicu University from Arad – started a project co-financed by EU funds named *„Applying a system of competencies coherent with the European system at master level in the field of economic analysis and valuation of assets and business - MECAEV"*, project number POSDRU/86/1.2/S/53849, which aims the adoption and implementation of a system of high quality competencies in higher education at master's level.

The main goal of the project is to increase the competitiveness of human resources by providing a university education and training related to labour market requirements in the current context of Europe. The objectives deriving from the main goal are:

- Designing a competencies system based on descriptors, adapted to the area of economic analysis and valuation of business and assets, given by the Romanian institutional frameworks (National Qualifications Framework for Higher Education - CNCIS) and European labour market requirements;
- Adapting the curricula of master programs in the field of competency system developed in conjunction with undergraduate, respective, doctoral level preparation;
- Monitoring the implementation and evaluation competencies in teaching students (through the development of monitoring and assessment systems) that support the increased opportunities to learn in connection with the practice in the field.

Generally, major areas of study in which are activating the masters of analysis and valuation are Management, Accounting and Finance. Under these conditions, the specific professional competencies that graduates of a master in this area need to acquire are:

- Advanced using of values theories, the understanding of different valuation approaches and of methods and tools for valuating businesses, real estate or financial assets;
- Identifying the appropriate sources of data and information relevant for analysis and valuation and, also, to know the proper methods to collect these data;
- Analysis capacity, data processing and interpretation of market and the specific elements of the analyzed business or real estate;
- The capability to elaborate the analysis or valuation reports for business, real estate or financial assets;

- Substantiation and argument selection of appropriate values for the context and purpose of analysis and valuation
- Carrying out activities of consulting in the area of analysis and valuation for businesses, real estates and financial assets.

The specific cross-cutting competencies which graduates of a master in analysis and valuation need to acquire are:
- Applying the principles, the professional and ethical standards and the moral values in analysis and valuation of businesses, real estates and financial assets;
- Implementation of activities based on the principle of team-working, with assuming the role of leading or execution, based on motivation and consensus.
- Awareness of the necessity of long-life learning and meeting requirements for continuing education in the profession.

4. Conclusions

The project which is the base of this paper started from the idea that the academic curricula need to be designed based on student needs and learning effect on the labour market. The project has as main goal to shape the universities curricula of master programs from the area of the economic analysis and valuation of assets and business. In this way will provide a qualitatively higher level of qualification and, at the same time, facilitate the development of other masters in this field within the partner universities have not yet developed. The project wills also supports employers who will get a reduction in the cost of training new employees because the competencies system agreed by all parties involved will increase the market relevance of education to master.

The project aims to unify a wide range of professional tools available on the Romanian market and provide a common framework of definitions and classifications of learning, learning outcome, qualification, profession, occupation. These will be designed within the framework of the tripartite working groups: university - professional association – students. Thus, it offers concrete solutions to rethink and improve curricula related to a qualification and to determine the proper type of degree for program master. Another goal of the project is to establish descriptors punctual specified within the professional skills and cross content areas and related disciplines.

The assessment of competencies will have visibility and will be a working basis, a reference for those involved in university qualification. In addition, the project team will provide advice in writing and evaluation of competency and will emphasize the practicality of master studies in multiple actions: agreements with business practice, relevant assessments by officers, practice, prepare a database of useful indicators of practice reports.

This paper represents only the first part of the research in the project. Will following the work to define the detailed descriptors of each competency and then, based on competencies and descriptors will be shaped the master curriculum to include subjects required to achieve defined competencies. The last part of the project will consist in developing curricula for each subject, so finally to define every functional element of the master programs in order to accomplish the objectives proposed.

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