

Fostering Cooperative and Competitive Competencies of Non-business Graduates by Economic Education

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In the course of the European Bologna process, the notion of employability becomes increasingly important for universities. Graduates are in particular employable, if they exactly possess those abilities and skills, which are required by employers. Studies show that in the context of recruiting university graduates, employers do not only pay attention to expertise and soft skills, but also care about knowledge referring to products, markets, customers and competitors of their relevant industry. Employers increasingly expect economic knowledge as well as its application which is also expected by graduates, who have not completed a course of studies in economics or business administration. At this point, business skills take on greater significance. Whereas the expertise normally is achieved by completing a course of studies at university and soft skills are incorporated in a cross-section of universities, business skills are not. The article discusses, in what way, cooperative and competitive skills are predestined for enhancing the employability of graduates. With regard to business education and ethics, particular attention should be paid to the concept of competency as well as the self-determined taking on of one's own position. An inclusion of economic educational modules as a part of extracurricular studies can, by means of its practical with use-oriented focus, not only improve employability, but also form the basis of a reflexive professional life.

Keywords: competency, economic education, employability

Employability as an Objective of the Bologna Process

Foundation for the educational reform of the last decade is, among other things, the general objective of the EU (European Union) to become “the most competitive and dynamic knowledge-based economy in the world” within the next 10 years. The EU considers the development to an innovative knowledge-based society as the key to economic growth, employment and social cohesion (European Council, 2000). On that assumption, educational policy pursues the aim to initiate processes of transformation to a European higher education area with standardized structures (Reuter, 2003, p. 9). The Bologna process creates an European translation system for the level of qualifications. Furthermore, universities are requested to establish a link between their courses of study and the (European) employment market (Universities UK, 2002) and to arrange therewith associated study goals with respect to the employability of their graduates (BMBF, 2007). Thus, the European educational

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policy explicitly focuses on the requirements of economy and creates general conditions to increase the mobility of students between and within the educational systems as well as the mobility of employees on the labor market. At the same time, the higher level of transparency of course achievements brings about that it is easier for employers to compare levels of qualification and to acquire human resources throughout Europe.

Employability as a study goal focuses on human performance and its contribution to the enhancement of business competitiveness. It is an efficiency aim which at first only concentrates on the economic value added of a human being. Thus, employability can be associated with a pragmatic attitude, whose conception can be described as follows: The truth is, what proves itself worth by its practical consequences (James, 1994). At the same time, the human development remains unconsidered (Mittelstaedt & Wiepcke, 2007, p. 170). The danger exists that in courses of studies, scientific findings will be reduced to practically utilizable facts and that the ethical dimension is distorted or even disregarded due to the interests of some individuals or a group of people. A purely pragmatic orientation of employability would result in a relativism which justifies all study goals, as long as they prove to be successful. However, universities are not only in charge to prepare graduates for working life, but also to educate them (Mittelstaedt & Wiepcke, 2007, p. 172; Wiepcke, 2008b). Therefore, an educational theoretical foundation has to be considered as “*conditio sine qua non*” of an employability strategy. Instead of being based on the training of single and useful abilities, it is based on the critically-constructive education of the “complete human being” (Woll, 2006).

In this context, it is helpful to understand the German concept of “*Bildung*”, which must not be confused with the English expression “education” or the French expression “formation”. “*Bildung*” is closely connected with the idea of the freedom of the individuals and the dignity of the human being, which is inalienable human rights and may, therefore, not be disregarded. Within the concept of “*Bildung*”, people can only be considered as “educated”, if they are able to act in a self-determined manner and take responsibility for the knowledge they acquire. In this way, education is not about memorizing facts and merely applying knowledge that has been passed down. Rather, education only works if the learner has studied a subject to such a degree that he/she understands the knowledge and develops a rationally founded, critical and constructive attitude towards it. Especially, the behaviouristic approaches by Skinner and Watson are not appropriate for this educational process, as they tend to condition and to socialise learners, instead of giving them the chance to become self-determined, critically-constructive and responsible graduates (Liening, Mittelstaedt, & Wiepcke, 2007, p. 65).

But how can employability be brought in line with the educational theoretical approach, which is anchored in the public mission of universities? In order to answer this question, the construct of employability and the current requirements with regard to employability from a company’s point of view are analyzed in the following.

The Importance of Employability

What Is Employability?

The concept of employability comprises criteria, which characterise an individual as capable or non-capable concerning his/her occupation (Blancke, Roth, & Schmid, 2000, p. 5). Employability has been related to “an individual’s capacity to obtain and maintain fulfilling work; the capability to move self-sufficiently within the labour market; and the ability to realise potential through sustainable employment and knowledge, skills and attitude” (Kenny, English, & Kilmartin, 2007, p. 35).

In order to ensure one’s own employability throughout the whole working life, relevant expertise and competencies for changing scopes of duties have to be established, maintained and enhanced continually. This

implies lifelong learning which is supposed to ensure the qualificational basis for coping with changing requirements. Thus, the concept of employability has significantly gained in importance since the 1990s. By now, it is considered as a central objective of education policy not only by the EU, but also by the United Nations and OECD (Organisation for Economic Cooperation and Development).

Competencies and Characteristics of Employability

Graduates are employable, if they exactly possess those abilities and skills, which are required by businesses. In this context, in addition to expertise, “soft characteristics” become increasingly important for businesses. In the literature, these soft characteristics are referred to not only as soft skills, business skills and key qualifications, but also competencies (Mittelstaedt & Wiepcke, 2007, p. 163). But what are the differences between these concepts?

Qualification versus competence. When students graduate from university, they receive a degree and thus a professional qualification. Qualification is understood as the teaching of individual abilities, skills and knowledge, attitudes and value systems, which enable to execute jobs being specific to the work place. Qualifications are supposed to enable persons to cope with job requirements within a certain economic system (Beck, 1995, p. 17; Baethge, 1976, p. 479). Qualifications, such as job-related abilities, skills and knowledge are legally certified. The professional qualification of university graduates is, as described above, the degree.

If one compares the definition of qualification with the definition of employability, it becomes obvious that qualifications alone are not enough to make university graduates employable. Why? Whereas with the concept of qualification one, clings to “external organization” (Huisinga & Lisop, 1999, p. 97) and responsibility is collectivised, employability to an increasing degree demands “self-organisation”, and thus individual responsibility, from persons. This component is taken up by the concept of competency, which has developed alongside the concept of qualification in the last decades. Whereas qualification directly refers to job-related abilities, skills and knowledge, the concept of “competency”¹ comprises the characterization of the ability of persons to orient oneself in a self-organised way in open, unclear, complex and dynamic situations. Competencies are dispositions of self-organised action, and they comprise non-explicit knowledge in form of emotions, motivation, attitudes, abilities, experiences and conation, which are based on internalised values and norms (Erpenbeck & Rosenstiel, 2007, p. XX).

This explanation shows that a qualification can be the “entrance card” for the occupational system, but a permanent permit to stay can only be acquired on the basis of competencies. In the following, it deals with the question “What kind of competencies a person needs in order to be employable”.

Employability competencies. Cooperative competencies: Soft skills and networking. Studies showed, which characteristics were of utmost importance for businesses with regard to employees. Regardless of the occupation, the Institut der deutschen Wirtschaft (1997) mentioned the attitude to work, achievement orientation, reliability, ability to work in a team, sense of responsibility, logical reasoning, initiative, self-dependent learning and motivation as the most important competencies. In addition, Rump and Eilers (2006) mentioned about commitment, willingness to learn, empathy, resilience, ability to deal with conflicts, ability to reflect critically, readiness to change and frustration tolerance. The embedding into a network

¹ Two different meanings form the basis of the concept of competency: On the one hand, “competency” is in the sense of responsibility for certain actions; on the other hand, it is in the sense of an ability to accomplish certain actions. In this paper, competency in the sense of an ability to accomplish certain actions is central.

(networking) is increasingly considered as a general principle for the use of soft skills. Networking of employees within and outside the company (for example, in informal working groups and their communication with important stakeholders, such as customers, suppliers and public authorities) strengthened, in the form of relational capital, the position of the company and helped individuals and the company to gain competitive advantages (Siemens, 2006).

Competitive competencies: Business skills and entrepreneurship. Antoni and Sommerlatte (1999) analysed which knowledge is important for businesses. The study showed that in addition to methodological skills, thus the knowledge, “How something has to be done”, knowledge about products, customers, markets and competitors as well as its use have significantly gained in importance. At this point, business skills, which require economic knowledge as well as its realisation by employees, take on greater significance. According to Mittelstaedt and Wiepcke, business skills relate to the handling of resources, i.e., to economic activities as planning, mastery of complexity, prioritisation, judging risks, negotiation, positioning, solving conflicts, judging, decision-making and leading. These actions take place under the condition of scarce resources and their carrying out should incorporate economic patterns of thought. Thus, business skills comprise competencies for the reconstruction and application of decision-relevant knowledge in economically affected action situations (Mittelstaedt & Wiepcke, 2007, p. 163).

Over the past years, in organizations a new requirement profile for employees has emerged, which is referred to as entrepreneurship (Schulte, 2006, p. 2). Entrepreneurship stands for entrepreneurial thinking and action in dependent employment, and requires from employees not only to accomplish the formal requirements of the job. Rather, employees should be able to recognize or bring about business opportunities, i.e., being aware of price advantages, taking risks, coordinating resources and implementing innovations. In this context, competencies, such as innovative ability, willingness to take risks, leadership skills, ambiguity tolerance, achievement orientation, energy and initiative are essential (Wiepcke, 2008b).

Figure 1 gives an overview of the relevant employability competencies.

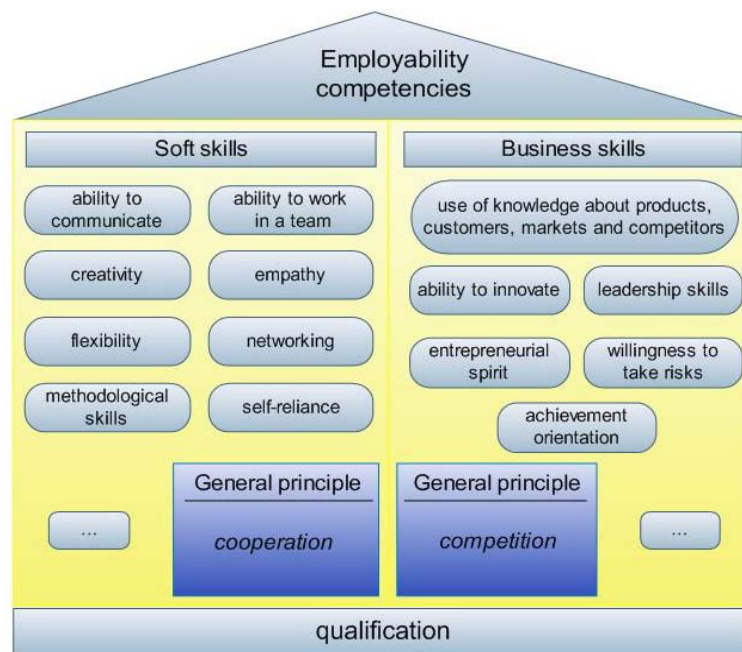


Figure 1. Employability competencies. (Wiepcke, 2008a, p. 22)

The consideration of current demands of businesses shows that for an employable person it is not only necessary to possess expertise, but also to have soft and business skills. Whereas expertise is acquired through studies at university (degree) and the training of soft skills has been embedded in the course of the reorganization to staged courses of studies (bachelor/master/doctorate)², this does not apply for business skills, in particular not beyond the borders of economic science (medical doctors, jurists, humanists and engineers). Therefore, it can be stated that employability as a goal of study is only implemented rudimentarily at European universities.

In the following, a proposal is submitted, how an entire implementation of the employability strategy under the primacy of the public mission of universities can be guaranteed with the help of economic educational modules as a part of extracurricular studies.

Economic Education for the Advancement of Employability Competency

According to Kaminski's definition, economic education is the totality of all educational endeavors, to provide learners with such knowledge, abilities, skills, motivation and attitudes, which enable them to deal with the economic conditions of their existence and its social, political, legal, technical and ethical dimensions on private, corporate, economic and global economic levels, with the objective of enabling them to cope with and organize future life situations (Kaminski, 1996, p. 19). On the basis of Kaminski's definition, the economic issues in Figure 2 are of central importance for human life:

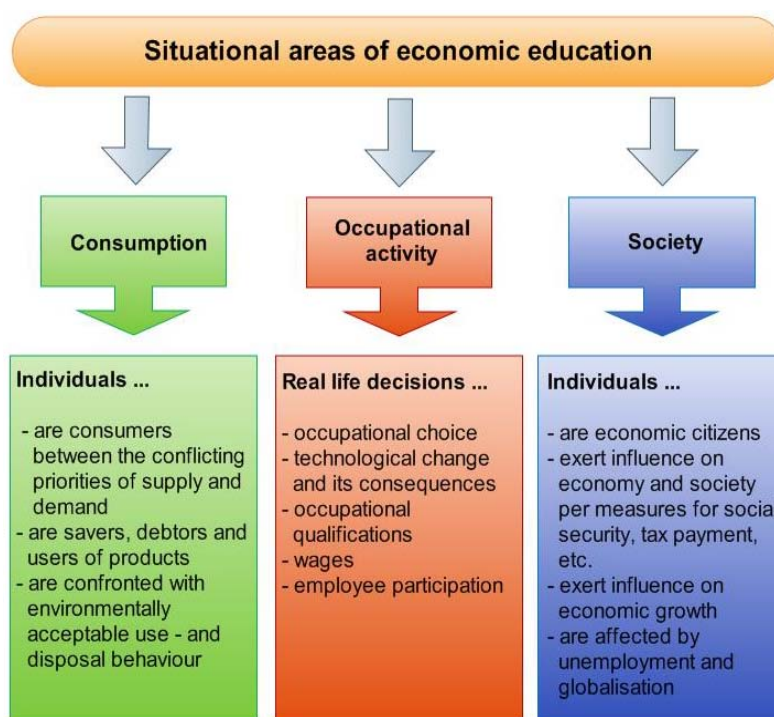


Figure 2. Situational areas of economic education. (Kaminski, 1996, p. 29)

² The implementation of staged courses of studies (bachelor/master) opened up possibilities for the creation of a new field of study, the "Studium Generale", at all universities. This field of study is named differently—depending on the concrete orientation and objectives, at German universities: Optionalbereich (University of Bochum), Bildung und Wissen (University of Dortmund), General Studies (University of Lüneburg), Studium Fundamentale (University of Erfurt) and Allgemeine Studien (University of Münster). The "Studium Generale" complements the special study with the objective of enhancing interdisciplinary and specialised competencies and general knowledge. The aim is to increase the employability of students as well as to support their personality development (Michelsen & Märkt, 2006, p. 11f.).

On the basis of these situational areas, three topic categories for economic education are formulated and divided into: (1) private households; (2) labour, occupation and businesses; and (3) state, foreign countries (Kaminski, 1996, p. 39). According to this subdivision, the requirements which are necessary from the point of view of businesses, can only be related to the second situational area of occupational activity as well as to the category of labor, occupation and businesses. Economic education complements relevant knowledge and required abilities by an economic ethical component and expands it to the whole range of human action. The target system in its social, economic and ecological facets and the legitimacy of the instruments in business ethical form, remains unconsidered in the case of mere competence training. This “more” between current employability requirements of companies and the reference framework of economic education can be considered as pedagogical difference (Liening, 1999, p. 309), which should be filled by educational institutions.

When using economic educational modules, it has to be considered that economic topics and their methodological orientation in the sense of economic didactical models are linked to each other. Apart from that the students’ “real lives”, previous knowledge and the horizon of experience have to be kept in mind. The consideration of economic ethical aspects furthermore implies that the adopting of a self-determined attitude of students is enhanced. This shows that a combination of employability and social sensibility is possible (Aff, 2004, p. 7). The didactical orientation of economic educational modules comprises five groups of teaching and learning objectives (Ripsas, 1997, p. 229):

(1) Basis of values: On the one hand, the basis of values establishes understanding and appreciation towards the business in an economic process. But on the other hand, it keeps a critical distance towards intended purpose and allocation of resources in the value-added process;

(2) Economic creativity: Economic creativity comprises the ability to develop innovations whilst taking economic general conditions into account. In this context, the ability to think creatively is to be enhanced. This comprises the competency of knowledge transfer as well as creativity to make use of and to generate new value creation potentials;

(3) Decision-making ability: Objective of this category is the ability to make decisions also without complete information and under uncertainty;

(4) Economic methodological skills: Economic methodological skills comprise functional abilities, e.g., with regard to marketing and controlling instruments. It aims to be able to use these methods in the context of entrepreneurial actions;

(5) Interpersonal skills: This category aims at enhancing leadership, motivational and communication skills so that students learn to delegate tasks, to be able to inform and lead in a target-oriented and efficient way as well as to network with persons involved.

These five categories of learning targets show that economic education stands for a holistic approach, which fosters economic creativity, individual responsibility, decision-making ability, independence, achievement orientation, networking and an ethical attitude.

In particular, economic methods and therewith connected didactical methods, e.g., case studies, business games, junior firms with their immanent orientation to decision-making and action, are predestined for enhancing employability pragmatically and in an educational way.

Economic topics promote decision-making abilities and the capacity to act in all situational areas of economy and, due to their job-related horizon of application, not only improve employability but also form the basis of a reflexive professional life in the future.

Chances and Risks of Employability for University Graduates

Mainly, employability focuses on the usefulness for businesses. For students, chances and risks arise from this.

Those graduates, who, at university, were able to develop essential competencies for protecting themselves against the risks in a fast changing working environment with the help of continuous learning and further education, possess the consciousness and confidence to use their own initiative for directing their development in the favored direction (Rump & Eilers, 2006, p. 13). They are given the opportunity to deal with their individual future on the labor market anticipatorily and actively and to find jobs which feature an adequate qualification or salary level.

If graduates remove themselves from expected standards on the labor market as a result of “non-labor market oriented” qualifications or lacking flexibility and mobility, this can lead to unemployment or jobs below the aspired qualification or salary levels respectively. The increasing responsibility for oneself and for one’s own occupational biography could result in feelings of uncertainty and helplessness. The adoption of an internationally coordinated system of studies in the context of the Bologna process implies an increasing comparability of final degrees. The corresponding arrangement of reciprocal recognition, the specification and assessment of acquired competencies according to standardised patterns as well as the elaborate description of topics of study and competency profiles (Nagel, 2006, p. 58) implicate an increased transparency of graduates’ course achievements. This increased international comparability results in an increased pressure of competition between university graduates.

Universities as well as students are confronted with new challenges. Universities are expected to organise their structures with respect to the objectives in the Bologna process and to develop general conditions for enhancing the employability of students. In doing so, universities have to give consideration to their holistic and educational mission. The current general principles of businesses and their requirements show that economic education is considered as basic prerequisite for employable graduates. Thus, universities are asked to integrate economic educational modules, in particular for non-business students, as a part of extracurricular studies.

Not only universities, but also students will be faced with a new responsibility. They are expected to make use of competency-oriented, economic learning opportunities and to accept responsibility for themselves and for their own occupational biography to a greater extent.

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