

# Soft Competencies in Bulgaria<sup>1</sup>

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## Summary:

Bulgaria is witnessing the growing importance of soft competencies for individual success on the labour market. This paper is, therefore, focused on the identification of employers' needs for soft competencies and their comparison with soft competencies of students, who represent significant part of future labour supply. Questionnaire surveys among 86 employers (representing 12,434 employees) and 394 students were conducted in Sofia in the period between September and October 2012 in order to gather relevant information. The findings show that there are five soft competencies and that their development should support employability and productivity of Bulgarian graduates. They are customer orientation, co-operation, efficiency, independence and problem solving.

**Keywords:** Soft competencies, graduates, employability, education

**JEL:** J23, J24

## Introduction

The transition from social to market economy highlighted the importance

of formal education in all countries of Central and Eastern Europe<sup>2</sup>. At present, these countries have to deal with new significant changes of their labour markets connected with the spreading of a competency approach in human resources management. The focus on soft competencies, which can be defined as *a set of transferable and generally applicable knowledge, skills and attitudes, which are necessary for personal development and success on the labour market*, and their growing importance for individual employability can be seen as the most significant one.

The growing importance of soft competencies was confirmed by results of many empirical studies regardless of whether they are focused on changes in employment patterns in jobs requiring soft competencies (e.g. Borghans, Weel, Weinberg, 2006 or Weinberger, 2011) or changes in wage returns to these competencies (e.g. Bacolod, Blum, 2008).

The Czech Republic can be mentioned as an example of high effort devoted to the identification of employers' needs in the field of soft competencies and development of these competencies. Extensive research among employers enabled identification and subsequently definition of 14 soft competencies, which employers consider important for high work performance. Detail specification of their levels facilitated

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<sup>2</sup> See e.g. Jones, Simon (2005), Campos, Jolliffe (2002), Flanagan (1998), Noorköiv, Orazem, Puur, Vodopivec (1998), Chase (1997), Stanovnik (1997) and Bird, Schwarze, Wagner (1994).

their measurement and the creation of the educational product developing described soft competencies. This product which was noted as best practice by DG Employment in 2006 and won the national round of European Business Award in Investment in Human Resources section in the same year (see Šimek, 2010 for details) was created under the framework of Competencies for Labour Market project (reg. No. CZ.04.4.09/3.1.00.4/0001). Also the Czech classification of soft competencies in the National System of Occupation (see <http://www.nsp.cz>), describe the necessary competencies for high-quality performance in particular jobs, is based on outputs of this project. Moreover, the educational product for the development of soft competencies and its methodology was adapted for primary and secondary schools (see ateflová, 2012) and they are provided within the framework of Competencies for Life project (reg. No. CZ.1.07/1.1.00/14.0200). All these activities have been accompanied by intensive research on the need for soft competencies, which helps react to changing demands of employers. Empirical studies use different methodologies (such as questionnaire surveys in different sectors or regions, job advertisements analyses and interviews with representatives of private recruitment agencies or public employment offices) and sets of competencies to provide the most comprehensive view of demand for soft competencies; see Balcar, Janíčková, Filipová (2012) for a list of relevant studies and brief overview of their results.

The aim of this paper, inspired by the Czech experience, is to examine the impor-

tance of soft competencies for the Bulgarian labour market, evaluate a gap between employers' requirements on soft competencies and graduates' ability to meet their demands, as well as discuss the list of competencies that should be promoted and supported by Bulgarian educational system. It is based on brief questionnaire surveys among employers (demand side) and students (part of supply side) in order to identify differences in their approaches to soft competencies.

### 1. Methodology and data

The aim of this paper is to examine the importance of soft competencies for Bulgarian labour market<sup>3</sup> and evaluate soft competencies gap, as was stated above. A questionnaire survey among the employers that evaluate the competencies of job applicants and decide on their hiring was used for this purpose. A section of the questionnaire was focused on soft competencies of graduates and a survey among students was conducted aimed at showing whether students have real or biased perception of their own soft competencies and their importance for labour market success. The survey tries also to identify ways to promote soft competencies in Bulgarian schools.

Surveys among employers and students were conducted in Sofia region (encompassing Sofia and Sofia-city districts)<sup>4</sup> in September and October 2012. Data gathering was ensured by NIBA Consult Company.

Survey among employers: Employers were invited as respondents in the survey through Bulgarian Chamber of Commerce and

<sup>3</sup> The survey employed 14 soft competencies defined by "Competencies for Labour Market" project, i.e. effective communication, co-operation, entrepreneurship, flexibility, customer orientation, efficiency (achievement orientation), independence, problem solving, planning and organizing, life-long learning, proactive approach, stress resiliency, exploring and orientation in information, communication in foreign languages. Professional competencies, as an approximation of hard competencies, were employed as well. It enabled to compare relative importance of soft and hard competencies for employers.

<sup>4</sup> 1.51 million inhabitants lived in these districts in 2011. It corresponds to 20.5% of Bulgarian population (Euro-stat, 2012).

Industry, the Bulgarian Industrial Association, the Union for Private Economic Enterprise and the National Chamber of Crafts of Bulgaria. Unfortunately, the online questionnaire was responded only by 86 employers (respondents with prevailing number of employees outside the Sofia region or providing incomplete answers were excluded). Although the sample is relatively small and not representative, it covers economic agents and 12,434 employees and thus provides at least basic information on soft competencies on the Bulgarian labour market.

of soft competencies, which were analysed in Romania (only 10 of 14 soft competencies used in the paper).

Survey among students: The questionnaire was distributed among more than 1,000 pupils from 11<sup>th</sup> and 12<sup>th</sup> grade from Sofia city and Sofia region. Students were invited to take part in the survey via the Internet (Facebook, youth forums and blogs, webpages) or were directly asked to fill in the questionnaire on paper (with the assistance of school teachers, school psychologists or school headmasters). The questionnaire was

Table 1. Sample of employers

Characteristic	Description
Number of respondents	The questionnaire was responded by 86 employers.
Size	Respondents cover 12,434 persons. The prevailing group in the sample consists of micro- and small employers (up to 49 employees) because they represent 86.0% of all respondents. Medium sized employers (50-249 employees) represent additional 5.8% of respondents. Large sized employers (250 and more employees) form the rest 8.2% of respondents.
Economic sector	The prevailing economic activity of respondents was concentrated mainly in other services (NACE S, 34.9% of respondents), wholesale and retail trade (NACE G, 9.3%), finance and insurance (NACE K, 9.3%), information and communication (NACE_J, 7.0%) and arts, entertainment and recreation (NACE R, 5.8%). These sectors represent 66.3% of respondents. The rest of respondents can be found in construction (NACE F, 4.7%), accommodation and food service activities (NACE I, 4.7%), real estate activities (NACE L, 4.7%), professional, scientific and technical activities (NACE M, 4.7%), administrative and support service activities (NACE N, 4.7%), education (NACE P, 3.5%), Activities of households as employers (NACE T, 3.5%), human health and social work activities (NACE Q, 2.3%) and Manufacturing (NACE C, 1.2%).
Knowledge-intensity	Respondents' knowledge-intensive economic activities are considered as a relevant factor affecting the awareness of the importance of soft competencies for work performance. Employers with less than 25% (50%) of highly educated employees represent 19.8% (36.0%) of respondents.

Source: Author

It is worth noting that the results of the survey conducted among employers are partially comparable with the results of a survey conducted in Romania (Balcar, 2012), as the same questionnaire and methodology was used. Limited comparability is given by different number

distributed also among more than 500 university students (most of them from Sofia Universities St. Kliment Ohridski and University of National and World Economy). In addition the invitation was sent to students associations, university career centres and youth associations.

Table 2: Sample of students

Characteristic	Description
Number of respondents	The questionnaire was responded by 394 students.
Gender	The sample consists of 36.0% of males and 64.0% of females.
Level of education	62.9% of respondents study at university, 33.2% at high school and 3.8% at professional school.

Source: Author

## 2. Employers on soft competencies

Problems with hiring new employees declared 57.0% of respondents. Regarding the frequency of hiring (58.1% of respondents hired new employee(s) in the last 12 months<sup>5</sup> and 34.5% of them plan to do so in following 12 months), this is a factor that can pose a serious barrier to economic development. It is possible to identify the most common problems (declared by more

than 20% of all respondents); they are low motivation for work (22.1% of respondents), inadequate qualification (23.3%), lack of work experience (24.4%), high wage expectations (33.7%) and underdeveloped soft competencies (36.0%).

Employers were asked to evaluate the importance of particular soft competencies (and professional competencies representing an instrument for benchmark) for high work performance along a 7-point scale. The results

Table 3: Importance of soft competencies for work performance

Competency	Importance
Co-operation	6,20
Efficiency, achievement orientation	6,16
Effective communication	6,13
Stress resiliency	6,07
Customer orientation	6,05
Exploring and orientation in information	5,81
Proactive approach	5,74
Problem solving	5,59
Flexibility	5,57
Planning and organizing	5,41
Life-long learning	5,35
Communication in foreign languages	5,21
Entrepreneurship	5,09
Independence	5,08
Professional competencies	6,05

Source: Author

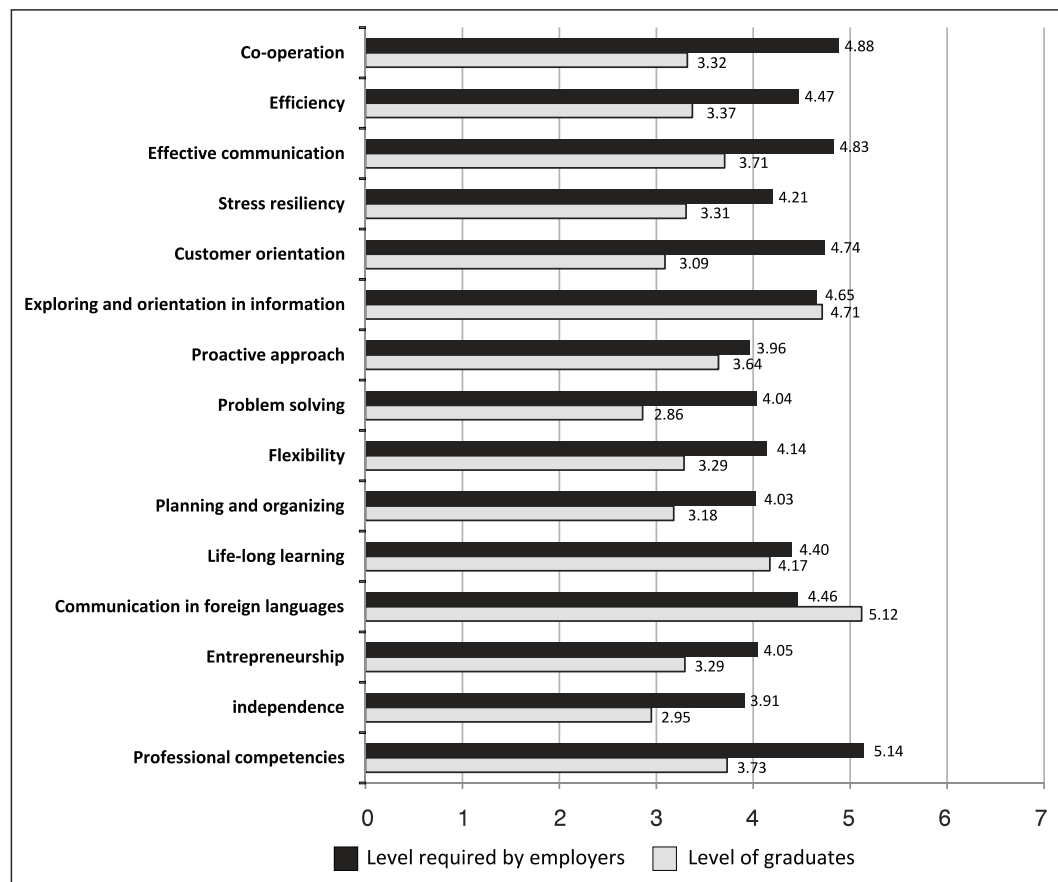
Note: Importance of competencies was evaluated at 7 point scale, where 1 represents "not important" and 7 represents "extremely important". An importance of particular soft competencies was counted as a mean value.

<sup>5</sup> Information on hiring shows that 88.0% of employers, who hired new employee(s) in last 12 months, hired some graduate (66.0% of employers hired university graduate and 36.0% of them hired some other graduate). On the other hand, there were only 14.0% of respondents, who hired a person registered at Employment Office. It shows that graduates represent important source of potential employees, which have strong implication for soft competencies development.

show that competencies for cooperation, efficiency, effective communication, stress resiliency and customer orientation represent the five most important soft competencies for high work performance. Employers perceive most of these soft competencies more important than professional competencies. See Table 3 for more details.

in the analysis of soft competencies on Bulgarian labour market. The second step consists in evaluation of job seekers' ability to meet employers' requirements. Employers were, therefore, asked to evaluate levels of soft competencies required from their employees and the current levels of soft competencies of graduates and

Figure 1: Level of soft competencies demanded by employers and supplied by graduates



Source: Author

Note 1: Ranged according to importance attributed to particular competencies (in descending order), except professional competencies.

Note 2: Level of competencies was evaluated along a 7-point scale, where value 1 represents "underdeveloped" and value 7 represents "perfectly developed". Values presented in the figure were counted as a mean value.

An identification of the most important (and also the most demanded) soft competencies represents only the first step

unemployed people registered at Labour Offices. Unfortunately, only few employers were able to provide relevant information

on soft competencies of the unemployed people (see note 5 for possible explanation), which led to the exclusion of this group from the analysis. Although information on graduates' soft competencies were provided by all employers, some of them were not able to evaluate the current levels of all soft competencies, which could bias the comparison of required and available levels of particular soft competencies. In order to prevent this possible bias, many respondents who had not answered all relevant questions were eliminated. This step reduced the sample of respondents from 86 to 78. (It should be noted that the required level of soft competencies does not differ significantly between full and restricted sample. Figure 1 presents the results based on the restricted sample.)

A gap between employers' requirements

on soft competencies and graduates' ability to meet them has been identified. The average level of all soft competencies required by employers reach the value 4.34 at the 7-point scale (7 represents "perfectly developed"), while mean level of graduates' soft competencies reach the level of 3.57, i.e. 82.3% of employers' requirements. A closer look enables identification of the least developed soft competencies. They are problem solving (level 2.86), independence (2.95), customer orientation (3.09), planning and organizing (3.18) and flexibility (3.29). It is possible to identify also soft competencies with the biggest gap between graduates' real level and employers' requirements. They are customer orientation (65.1% of employers' requirements), co-operation (68.0%), problem solving (70.8%), efficiency (75.4%) and independence (75.4%).<sup>6</sup> On

Table 4: Development of competencies and supply of relevant courses on educational market (share of respondents in%)

Competency	Development of employees' competencies by training/education	Lack of courses for competencies development on educational market
Co-operation	34,9	47,7
Efficiency, achievement orientation	11,6	43,0
Effective communication	30,2	41,9
Stress resiliency	16,3	52,3
Customer orientation	33,7	34,9
Exploring and orientation in information	16,3	30,2
Proactive approach	14,0	41,9
Problem solving	15,1	45,3
Flexibility	5,8	38,4
Planning and organizing	16,3	36,0
Life-long learning	4,7	24,4
Communication in foreign languages	23,3	25,6
Entrepreneurship	5,8	33,7
Independence	3,5	31,4
Professional competencies	62,8	25,6

Source: Author

the other hand, it is possible to identify soft competencies that do not represent any problem as they are sufficiently developed. They are communication in foreign languages (114.7% of employers' requirements), exploring and orientation in information (101.2%), life-long learning (94.9%) and proactive approach (91.9%).

It can be assumed that employers have to develop soft competencies of their employees (not only graduates), which do not meet their needs. Information on the training/educational activities of employers can provide further information on the soft competencies gap on Bulgarian labour market. Only 14.0% of respondents do not pay any attention to the soft competencies development (compared to 37.2% of employers, who do not develop professional competencies of their employees), which suggests that employers are convinced of their importance. More than of them develop communication in foreign languages (23.3%), effective communication (30.2%), customer orientation (33.7%) and cooperation (34.9%).

Another dimension of soft competencies development is the available relevant training/educational courses on the market, which determine their possible effective development. Only 3.5% of respondents think that current supply on the educational market meets the real needs in soft competencies development. More than 40% of respondents see the current supply of training and educational courses as insufficient with regard to competencies for proactive approach (41.9%), effective communication (41.9%), efficiency (43%), problem solving (45.3%), co-operation (47.7%) and stress resiliency (52.3%).

### 3. Students on soft competencies

How students, representing substantial part of future labour supply, see importance

of particular soft competencies? Can they assess their weaknesses objectively in order to develop competencies, which could represent limitation of their employability?

Students were asked to evaluate the importance of particular soft competencies and professional competencies on Bulgarian labour market. They consider communication in foreign languages, effective communication, customer orientation, efficiency and co-operation as the most important soft competencies, which is quite similar to a view of employers. Professional competencies were seen as very important (their importance was equal to the importance of competencies for effective communication). It shows that students see professional competencies as more important (relative to soft competencies) than employers do.

The information of how students assess their own soft competencies is more interesting. What competencies do they see as their strengths or weaknesses? Communication in foreign languages, exploring and orientation in information, life-long learning, efficiency and planning and organizing represent competencies seen as the most developed, while entrepreneurship, stress resiliency, customer orientation, flexibility and effective communication are regarded as the least developed competencies. Also the level of professional competencies was not assessed well (compared to others). It is interesting that a comparison of "strengths and weaknesses" of university students and students of high and professional schools revealed only minor differences (not showed here).

The students also provided valuable information on ways of development of particular soft competencies at schools. It shows that the biggest attention is paid to communication in foreign languages (it is suggested by a big share of answers

<sup>6</sup> Also professional competencies are relatively underdeveloped as they reach only 72.6% of employers' requirements.



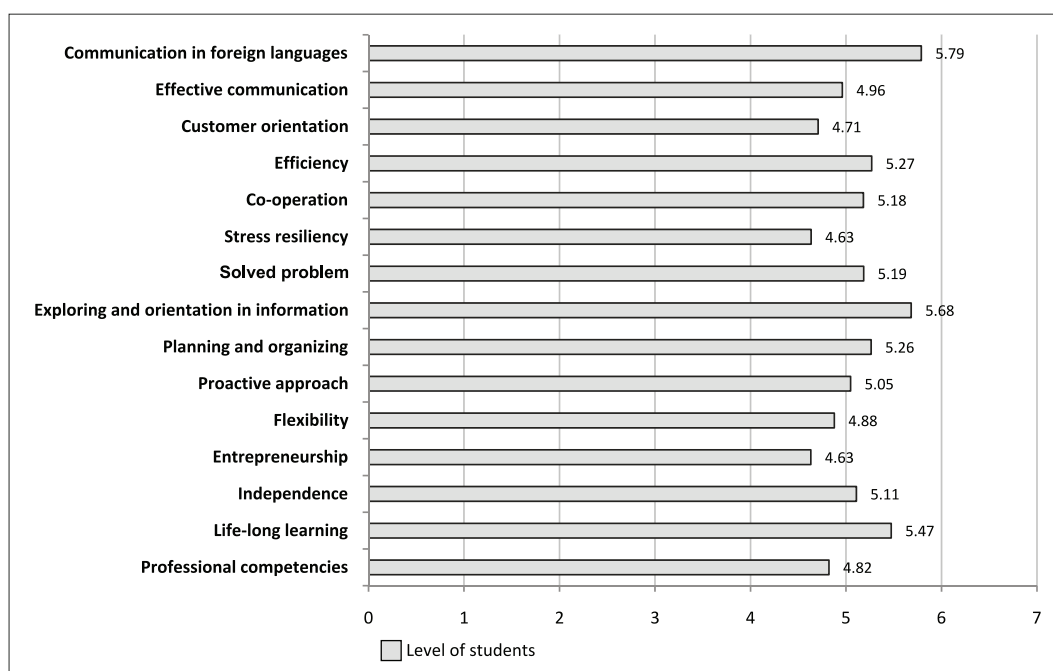


Fig. 2. Self-assessed level of students' soft competencies (ordered according to importance of soft competencies defined by students)

Source: Author

Note 1: Ordered according to importance attributed to particular competencies by students (in descending order), except professional competencies.

Note 2: Level of competencies was evaluated at 7 point scale, where value 1 represents "not developed" and value 7 represents "perfectly developed". Values presented in the figure were counted as a mean value.

"learning by doing with instruction", which means that this competency is developed in the frame of special subject or students get useful advices how develop it and can practice it). On the other hand, the development of competencies for stress resiliency, customer orientation, flexibility, entrepreneurship and independence are often left out. These competencies correspond to ones evaluated by students as least developed.

#### 4. Discussion

A lot of information on soft competencies on Bulgarian labour market was presented in previous chapters. Employers identified soft competencies necessary for high

quality work performance, provided information about the development of these competencies in firms and assessed competencies gap of graduates. Graduates stated their idea of soft competencies, which will have the most significant effect on their employability, assessed their own soft competencies and provided valuable information on development of soft competencies at schools. The main results are presented in Table 5, which identify five competencies which are grouped under particular headings.

It shows that students have a clear idea of what competencies are important on Bulgarian labour market. On the other hand, self-assessment of their soft competencies



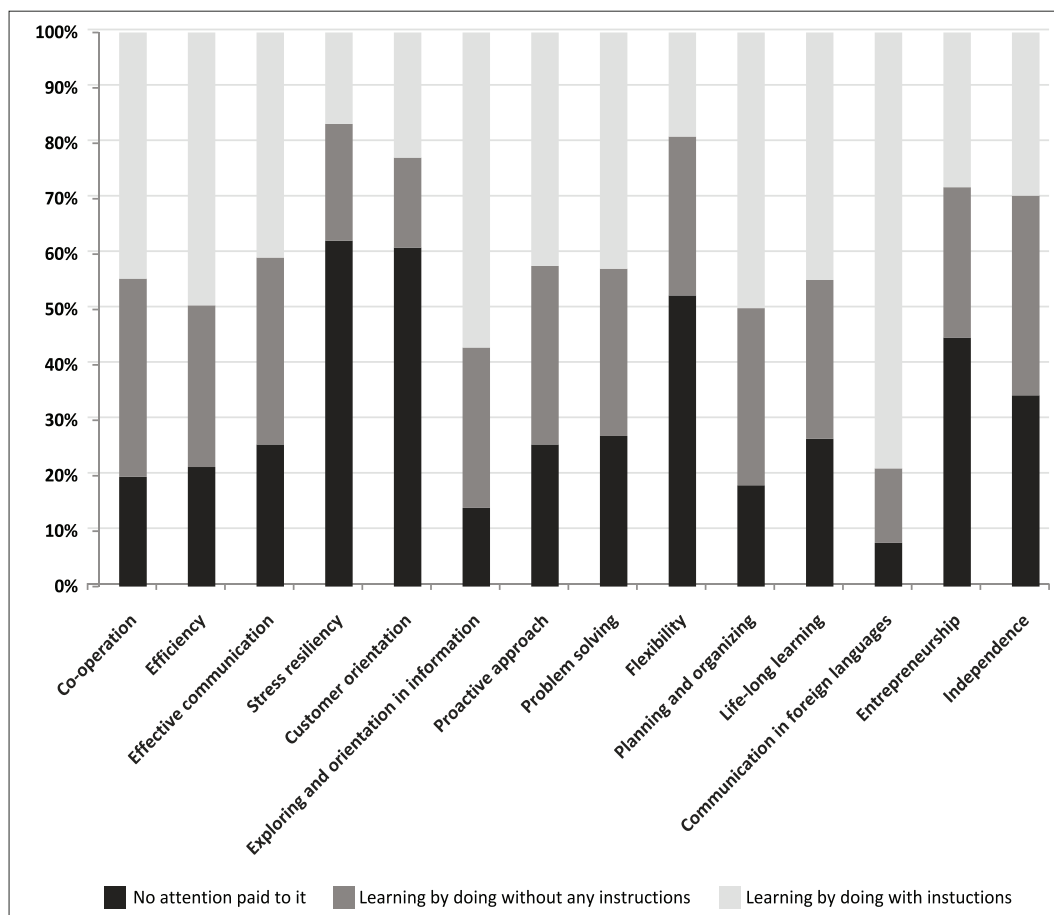


Figure 3: Development of soft competencies at schools (ordered according to importance of soft competencies defined by employers)

Source: Author

did not match the opinion of employers. They agreed only on customer orientation and flexibility as the least developed soft competencies, which can be result of low attention paid to them by the educational system (as well as to stress resiliency, entrepreneurship and independence).

Information on the importance of particular soft competencies for employers (column A, employers' part only), deficiencies of graduates (columns B and C) and lack of opportunities for their development (columns E and F) enables identification of soft

competencies, whose development should be actively supported by education system. They are customer orientation, co-operation and efficiency, followed by independence and problem solving.

## 5. Conclusions

Bulgaria is aware of the growing importance of soft competencies for individuals' success on the labour market as other European countries. This paper was, therefore, focused on the identification of employers' needs for soft competencies and their comparison

Table 5: Bulgarian "soft five"

Competency	Employers					Students		
	(A)	(B)	(C)	(D)	(E)	(A)	(B)	(F)
Co-operation	•		•	•	•	•		
Efficiency, achievement orientation	•		•		•	•		
Effective communication	•			•	•	•	•	
Stress resiliency	•			•	•		•	•
Customer orientation	•	•	•	•		•	•	•
Exploring & orientation in information								
Proactive approach								
Problem solving		•	•		•			
Flexibility		•					•	•
Planning and organizing		•						
Life-long learning								
Communication in foreign languages				•		•		
Entrepreneurship							•	•

Source: Author

Note: (A) The most important soft competencies

(B) The least developed soft competencies of graduates compared to levels of other competencies

(C) The least developed soft competencies of graduates compared to employers' requirements

(D) The competencies most often trained

(E) Training/educational courses with the most insufficient supply on the market

(F) Competencies that the educational system does not develop

with the soft competencies of students, who represent a significant portion of future labour supply. Questionnaire surveys among 86 employers and 394 students (conducted in Sofia in September and October 2012) were used for this purpose. The main findings in the surveys can be summarized under the following points:

- 57.0% of employers declared problems with hiring new employees and insufficient soft competencies were the most frequent cause.
- Employers see cooperation, efficiency, effective communication, stress resiliency and customer orientation as the five most

important soft competencies for high work performance.

- Graduates' soft competencies reach only 82.3% of employers' requirements (customer orientation, co-operation, problem solving, efficiency and independence represent competencies with the biggest gap between graduates' level and employers' requirements).
- Regardless of employers' requirements, competencies for problem solving, independence, customer orientation, planning & organizing and flexibility represent the most significant weaknesses of graduates.
- Only 14.0% of employers do not pay any attention to the soft competencies development, which suggests that employers are convinced of their importance. Moreover, 96.5% of them think that current supply of educational courses does not correspond to the real needs in soft competencies' development.
- Students' opinion on importance of particular soft competencies is quite similar concerning employers, but their assessment of own soft competencies differ significantly from an assessment done by employers.
- Students also revealed that schools pay only minimal attention to development of competencies for stress resiliency, customer orientation, flexibility, entrepreneurship and independence, which is reflected by low self-confidence of students in these areas.

These results helped us identify of five soft competencies, whose development should support employability and productivity of Bulgarian graduates and thus represent

a relevant input for an adaptation of current education curricula. They are customer orientation, co-operation, efficiency, independence and problem solving.

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