

THE LINK BETWEEN THE DEVELOPMENT OF MULTINATIONALS AND WORKFORCE COMPETENCES. ROMANIAN GRADUATES' CAREER PRIORITIES

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Abstract. *Literature recognizes that the development of multinationals has led to a change in human resources management and to an increase in the need for competences that require communication in multicultural environment and flexibility to adapt to complex issues and projects. Multinational corporations' existence is based on efficiency derived from setting certain activities in other countries in order to reduce the costs and to access the best resources. Based on efficiency analysis, the company's management also decides which activities will carry out and which activities will be contracted outside the company. The "brain drain" phenomenon related to the migration of high-skilled labor force from developing countries to developed countries leads to the openness of managers to choose those employees with relevant interpersonal and professional competences. In addition, literature recognizes that the main advantage of internationalization comes from employee diversity and creativity that lead to innovation and development of the companies. The purpose of this article is to analyze the dynamics of Romanian graduates' required competences due to the development of multinationals. The conclusion includes a comparison of students' expectations regarding their future career and their perception of the required competences for high-skilled employees. In addition, this paper highlights the importance of students' practical experience for their future career and the availability of graduates to take part in trainee programs in the home country or abroad. The paper also emphasizes the role of high specialization in an international environment in accomplishing strategic tasks in multinationals.*

Keywords: *high-skilled employee; internationalization; international mobility; global competences; labor market.*

Introduction

This article approaches students' high specialization from the perspective of internationalization of companies. In this regard, the literature review chapter will analyze the demand for the global competences related to multinationals development and internationalization of the companies. The literature review chapter will also detail the abilities of a globally competent person and the importance of the multinational environment and team diversity in providing innovation, opening new markets, a better understanding of international customers and competitors. Thus achieving international competences has become a necessity for both companies and graduates. In order to provide competences available at the national and international

level, the universities have a crucial role in ensuring a successful transition from student to employee status especially in this global market context.

The methodology comprises, on the one hand, a secondary data analysis of selected information from Trendence Graduate Barometer – Romanian edition and, on the other hand, a qualitative research conducted in April 2017 at the National University of Political Studies and Public Administration. The findings will examine the Romanian graduates' preference for specialization, the availability to relocate in order to develop their career and also the graduate's preference for strategic or operational tasks and the availability to work in a multinational environment or in Romanian SMEs. The analysis will equally investigate the graduates' perception of their competences and will find the link-up between achieved competences, their preference for MNC or SME and the need for high specialization upon graduation.

Internationalization of companies, multinationals and the demand for global competences

A definition from Business Dictionary approaches the process of internationalization of companies on the one hand from the perspective of international commerce and on the other hand from a marketing viewpoint. Thus, the two approaches for the internationalization of companies are:

Commerce: The growing tendency of corporations to operate across national boundaries.

Marketing and Computing: An approach to designing products and services that are easily adaptable to different cultures and languages.

By expanding their business outside the national market boundaries, the companies have the opportunity to develop the technology using the resources from new markets. Another reason for companies to become international is to reduce costs and to take advantage of lower labor costs, lower taxation and cheaper resources. Also, the technological, economic and social development has led to increased demand for employees with higher skills and qualifications (Muller & Wolbers, 2003, p.57). Studies related to multinationals development (Gronroos, 1999; Cantwell & Janne, 2000) show that traditional obstacles in expanding the business in an international environment (lack of resources for expanding the business abroad, the lack of knowledge about export and cultural differences that creates issues regarding internationalization of business) have rather become opportunities for increasing profits by using the international resources (including the human resources) than obstacles in expanding the companies abroad. In addition, these studies have shown that not only manufactured business but also service business has become more international in recent decades following their clients across borders. This has also led to the increasing need for technological specialization in the entire production chain. Thus, technologically strong firms are more likely to be able to adopt international strategies for diversification abroad and to obtain access to local technological expertise.

Globalization effects have made easier the way in which companies are designing the products and services for the global market needs. This aspect is reflected in companies' policies regarding international services and in designing the standard products that are suitable for different cultures or nations. International companies

usually identify the competitive advantage that is achieved by using low prices for their products, maintaining the same quality of their services and products in all the international markets. A recent study shows that this policy has been leading to positive appreciation from customers that perceive the products and services to be better than those of competitors, including local competitors (Burduş & Alpopi, 2010). The expansion of multinationals is usually considered to be the main cause of failure of the local businesses. The study also mentioned that in order to counter this effect, the small companies could develop a close contact with customers by offering personalized attention and flexibility in satisfying their needs. Another way of maintaining the standards for products and services is to know and understand the competitors' international policies and to find those competitive advantages that can develop the local business. All the more, it means that even if the local businesses are not willing to go abroad they also need the knowledge to expand their business in an internationalized environment and they need to be customer-centered in order to keep them loyal to the company.

In terms of human resources, the internationalization of companies and the development of the internationalized business environment lead to an increased need for employees with skills and knowledge that are important for the development of the international business. Some studies (Bush & Bush, 2008, Yu et al., 2005) suggested that firms usually tend to fill positions requiring international management skills by choosing those employees with international expertise, foreign language abilities, international marketing skills and general world business knowledge. These studies also highlighted the specific skills that a graduate should possess to be successful in an international corporation that are also related to intercultural competences: the ability to solve the problems and to find information, the ability to work under pressure, to develop and coordinate multicultural teams and the ability to deal with different communication styles. Analyzing the demand for competences (Rizvi, 2007, p.393) mentioned that global competences are associated with the capacity to analyze intercultural issues from multiple perspectives and that the need to develop qualifications for the international labor market is stronger than the demand for qualifications needed for the national labor market. Also, a recent study (OECD, 2016, p. 4) highlights that "the globally competent person brings knowledge, skills, attitudes, and values together in order to work with others, to solve globally-relevant problems and to improve the collective well-being of current and future generations".

In this global labor market vision, the employee brings not only technical competences but also a diversity of cognitive and behavioral skills that are integrated into the work process and are considered important resources for the company. The demand for highly skilled employees with international competences that influence positively the interaction between members is all the more evident in high- performing international research teams where the communication issues related to customs, language, and management can be challenging (Cheruvilil et al., 2014, p.35). In order to have an integrated international team, the study mentioned that the teams' structure should be based on efficiency derived from equally sharing the responsibilities between all the members along with the demand for flexibility and adaptability. These arguments came to confirm a similar opinion (Azim et al., 2010, p.392) related to soft and hard skills needed in complex projects. The study mentions that in complex projects an efficient employee should have a sum of competences related to communication, teamwork, leadership, conflict management, negotiation, human resource

management, behavioral characteristics, professionalism, and ethics. Thus the development of internationalized companies or the development of international teams in different projects has led to an increased need for both technical competences and soft skills abilities in the international environment. Also, the diversity of team members is seen as the main resource for generating ideas (Vătămănescu & Andrei, 2014, pp.59-60). The authors have focused on advantages generated from the internationalization of businesses identifying four benefits resulting from the multicultural labor force and from expanding the business across national borders. These advantages are:

- innovation and work creativity;
- a better understanding of international customers;
- opening to new markets based on international specialization of the labor force;
- the international image of the company that strengthens the company's representation.

Analyzing graduates' expectations and employers' requirements (Nicolescu & Păun, 2009; Qiang, 2003), the authors drew important curriculum development lines by highlighting the skills desired by both students and companies. On the one hand the employers appreciate the theoretical and international experience achieved by students and on the other hand, the students estimate that the practical abilities obtained upon graduation are more valuable in finding a good job. The skills related to international business are achieved by modern teaching methods, practical activities and international experience and thus, periodically, the university needs to adapt its curricula to meet the stakeholders' needs (companies, students, and society). The authors have focused more on identifying the differences between graduates' qualifications and employers' demands for both professional and interpersonal skills. Thus, the main gap between demand and supply for graduates' skills is that related to the practical component of the studied courses and interpersonal skills. In their study, Nicolescu & Păun (2009, p.29) also mentioned that employers want adaptive employees, "people who can rapidly fit into the workplace culture, work in teams, take on responsibility, perform efficiently and effectively". Since many employers highlight the importance of integrity, communication, and flexibility in the workplace, these interpersonal skills become equally important as technical skills (Robles, 2012, p.462). In his study, Robles suggests that the employers want employees with strong hard and soft skills that complement one another. He also analyzed the interpersonal skills and came to the conclusion that these skills should be integrated into curricula in order to create successful graduates.

The internationalization of companies has brought important changes in the development of curriculum, leading universities to provide competences that ensure students' success at both national and international level (Qiang, 2003, p.250). Also, universities have a complex role in the context of employability, having the aim to ensure a successful transition from student to employee status. European Commission defines employability as "a combination of factors which enable individuals ...to progress during their career" (EC, 2014, pp.61-63). Also, this study mentions that not only education quality influences the employment of young graduates, but also the changes in economy and labor market, the graduates' previous work experience and the graduates' decision to relocate in order to take up a job opportunity. Both students and universities consider that any work is beneficial for gaining practical skills. This came to confirm also the opinion of Matthews et al. (2009,

pp.151-162) that volunteering is becoming an important strategy adopted by students and universities to facilitate the transition from higher education to work, recognizing that important skills are gained during volunteer work. In their study Matthews et al. mentioned a range of skills related to negotiation, public speaking, dealing with information in an ethical manner, report writing that are gained by students during volunteering. Besides gaining skills, another important factor developed by volunteering is the intercommunion of students and universities with the community. Universities also have an important role in guidance and career orientation that makes students better evaluate labor market reality and the correspondence with their own competences. In this regard, not only curricula provide knowledge, but also other university departments, such as consultation service and career advice, offer directions which open the graduates' path for a future career in the internationalized environment.

Methodology

The paper aims to analyze the results of 3-year statistic data from Trendence Graduate Barometer (Trendence Institute, 2014, 2015, 2016) along with qualitative research regarding Romanian students' perception of their achieved practical competences, their international and practical experience and their availability for future specialization and relocation in order to obtain the desired job. Trendence is a European research institute that provides information regarding students' perception of achieved skills upon graduation, analyzing collections of data from universities across Europe. The dynamic of collected data from Romanian universities in years 2014-2016 is shown below:

Table 1. Survey participants in Trendence Graduate Barometer (Trendence Graduate Barometer – European edition years 2014, 2015, 2016)

Number of survey participants – graduates	Romania		
	2014	2015	2016
	7.376	7.413	12.893

This research aimed at structuring and synthesizing the collection of data in order to analyze Romanian graduates' option for high specialization in Romania or abroad for gaining highly technical competences and achieving practical experience. In addition, the purpose of this study is to evaluate Romanian students' appreciation for interpersonal competences achieved upon graduation.

The qualitative research contains representative results of the interviews with 20 respondents, graduates of the National University of Political Studies and Public Administration. Their opinion came to confirm and to highlight the results of the secondary data analysis from Trendence Graduate Barometer.

Findings

Romanian graduates' need for specialization in accordance with their preference for performing tasks

Analyzing the dynamics of Romanian graduates' appreciation for continuing specialization (Figures 1 and 2), the data shows that lately, it became more important for Romanian students to gain general skills and then become employees than obtain high specialization before finding a job. Thus the information provided in the figures reveals that in 2014, 43,70% of respondents' number prefer to gain general skills before becoming an employee, the percentage growing to 53,60% in 2016.

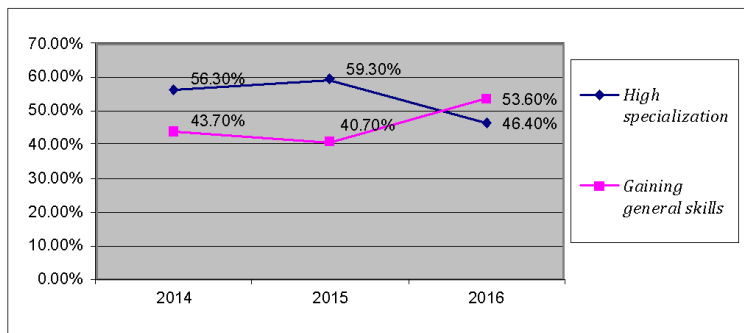


Figure 1. Romanian Student's continuing specialization (Trendence Graduate Barometer – European edition years 2014, 2015, 2016)

The students' preference for high specialization is transferred upon becoming employees by following graduate trainee programs as seen in Figure 2. The information presented below shows that in 2016 61,50% of respondents want to gain more specific competences required by employers by completing trainee programs, workshops, obtaining international certificates and other forms of specialization. The data from the figure shows that the number of Romanian graduates who considered that they could obtain a job without any trainee program upon graduation has been reduced from 43,90% in 2014 to 38,50% in 2016.

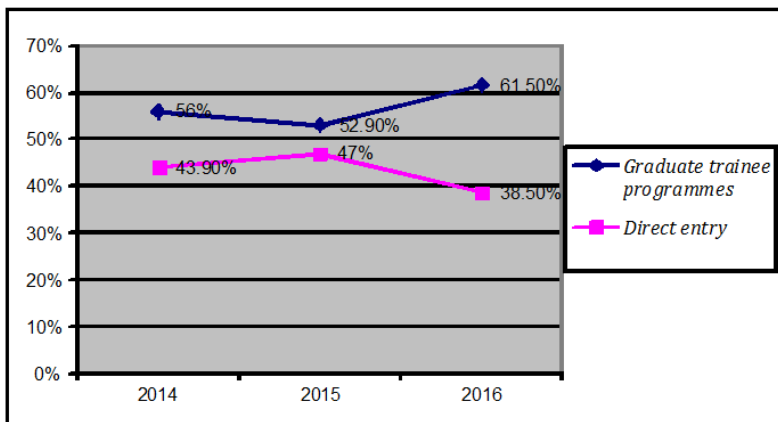


Figure 2. Romanian students' priorities after graduation (Trendence Graduate Barometer – European edition years 2014, 2015, 2016)

Analyzing the responses from the interviews with graduates and connecting the information with the above results, it could be concluded that Romanian students are usually connected to the work force reality and they realize that a direct entry is not always suitable for a successful career. All 20 respondents recognize the importance of a graduate trainee program and they consider that lifelong learning is beneficial for obtaining a better job.

I would opt for a high specialization in my field of study for a manager position in the next 2 years.

I am available for improving my competences and abilities (that are currently undergoing training) by continuous participation in workshops and interactive sessions.

I want to get the PMI certification and also other relevant certification that will be beneficial for my career.

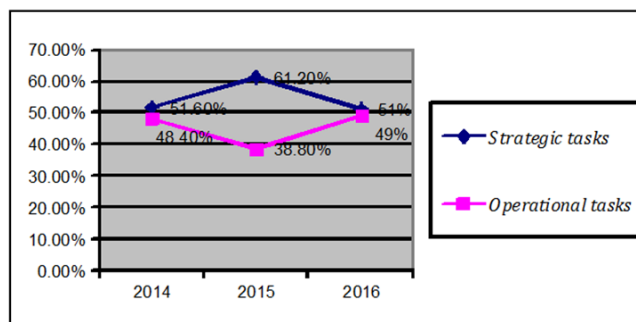
According to graduates' answers, the trainee program may vary from a high professional certification needed in accomplish strategic tasks to short term workshops required in operational tasks. Also, the respondents recognize the importance of the university prestige along with the knowledge provided by curricula.

I haven't experienced any difficulties in finding a job until now, but I hope that when I reach a different level, my diploma and my knowledge will be considered useful in finding a better job.

I haven't experienced any problems in finding a job until now. I consider that the university prestige represents a plus for the employers' conviction.

Analyzing respondents' answers it can be observed that the graduates haven't experienced notable problems in finding an entry job, their technical competences being appreciated by employers. Also, their answers could lead to the conclusion that many graduates want a successful career connected to the accomplishment of strategic tasks in a dynamic environment.

This could also be noticed from the secondary data analysis, the information presented in Figure 3 showing that Romanian students tend more to obtain management positions and to accomplish strategic tasks. Thus, for a long-time career development, the preference for performing strategic tasks exceeds the preference for operational tasks. The data below shows that the preference for performing strategic tasks varies from 51,6% in 2014 to 61,2% in 2015 and then decreases to 51% in 2016.

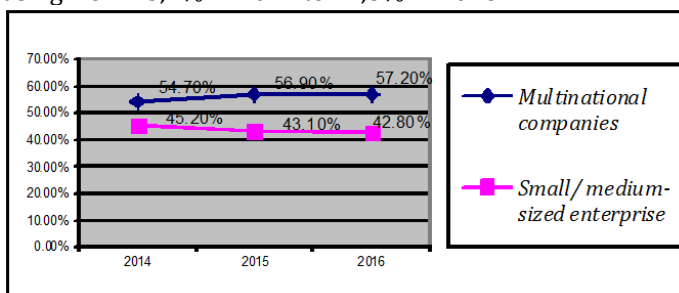


**Figure 3. Romanian graduates' preference to perform tasks
(Trendence Graduate Barometer – European edition years 2015, 2016)**

Romanian graduates' choice for high specialization could be also connected to their preference for a job in MNC (as will be seen in Figure 4) due to the salary package and the presumably higher opportunities to advance in their career.

Romanian graduates' career opportunities and the availability to relocate

Starting with the secondary data analysis of the information presented in Figure 4, the multinational companies are by far favorites in students' view. Thus, on the one hand, the degree of trust in a successful career in an MNC has a linear growth from 54,70% in 2014 to 56,90% in 2015 and then to 57,20% in 2016. On the other hand, the SME appears to lose importance for the development of a successful career over a long-term period, decreasing from 45,2% in 2014 to 42,8% in 2016.



**Figure 4. Romanian graduates' career opportunities
(Trendence Graduate Barometer – European edition years 2015, 2016)**

The qualitative research revealed that, in graduates' view, the SMEs are more suitable at the beginning of their career, having the advantage of providing practical experience and the ability to become used to the employee status; once the graduates accumulate more experience, they search for a more attractive salary package and for the opportunity to advance in their career.

For a start in my employee career the SME appears more suitable, for better adaptation to the work field, but after gaining experience I think that MNCs are also an option. I also think that I could develop a career even in an SME ... I also believe that the MNCs are more attractive from the salary package point of view.

The selected data regarding Romanian graduates' availability to change their residence in order to obtain a better job shows that only a small minority of respondents choose to relocate before achieving practical experience. Thus, in the analyzed years 2015 and 2016, only 17,8%, respectively 12% of respondents are available to relocate abroad without previous relevant work experience. The majority of responses mentioned that they would prefer that the first job would be in their residence town residence or region. It could also be noticed that in 2016, 49.3% of respondents prefer to have their first job in their town residence.

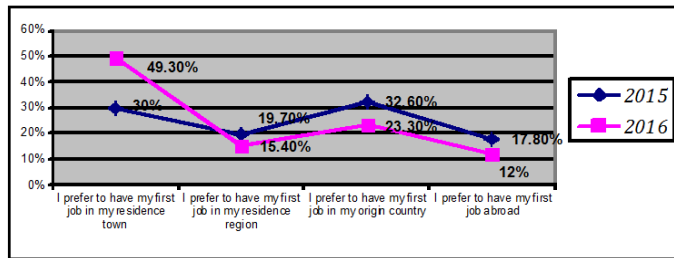


Figure 5. Romanian graduates' availability to relocate (Trendence Graduate Barometer – European edition years 2015, 2016)

The qualitative research revealed that the decision to relocate varies also from one student to another but usually their decision is connected more to the possibility of gaining professional experience.

If obtaining a job and career advancement brings me considerable benefit, then I will be available for relocation. I think that my expectation is idealist.... I wish to have a motivating salary and the possibility to develop my career.

Yes, I am available for changing my residency for a job that would benefit my professional development rather than financial development.

These answers associated with graduates' preference for MNCs and also the preference for completing strategic tasks all the more highlight the importance of a career in a multinational environment and complex teams or projects. In students' view, it is important to have a continuing growth in career along with a motivating salary package.

Romanian graduates' appreciation for interpersonal and professional skills achieved in their university

In order to analyze the appreciation of Romanian graduates for interpersonal and professional skills in the table below is presented relevant information in order to determine the students' perception of achieved skills upon graduation. The evaluation of the dynamics of skills achieved after completing the curriculum shows that there is growing interest in both interpersonal and professional skills. Thus, in the last 3 years, the number of respondents who recognize the importance of social competences has grown from 71,1% in 2014 to 71,3% in 2015 and 79,2% in 2016. Also, other interpersonal skills such as responsibility, flexibility, achievement and aspiration and the ability to work under pressure are considered very useful by Romanian graduates. In 2016, more than 78% found these skills essential for finding a job. These results are also supported by the information provided by graduates' answers to the interviews.

The main abilities achieved are orientation towards results and communication.

I have learned to better organize the working time and I have improved the capacity to present my work in front of people.

**Table 2. Graduates' appreciation for interpersonal and professional skills
(Trendence Graduate Barometer – European edition years 2014, 2015, 2016)**

Skills	2014	2015	2016
Responsibility	79,60%	81,60%	87,50%
Flexibility	77,40%	75,80%	82%
Achievement and aspiration	74,50%	74,20%	78,70%
Ability to work under pressure	71,10%	72,20%	83,20%
Social competency	71,10%	71,30%	79,90%
Professional theoretical skills	67,60%	91,80%	91,90%
Professional practical skills	54%	76,60%	81,10%

Analyzing the professional skills, the data from Table 2 also shows an increased interest in both theoretical and practical skills provided by curricula. Thus, the dynamics reveal that from 67,6% of respondents that found the theoretical skills are very important in finding a job in 2014, the percentage has grown at 91,8% in 2015, respectively 91,9% in 2016. Also, the dynamic of graduates' appreciation towards practical competences has grown from 54% in 2014 to 76,6% in 2015 and then to 81,8% in 2016. The last 2 years show a clear tendency in students' preference for obtaining relevant skills for the labor market. These results are also supported by graduates' answers. They also mentioned that combining the practice with the theory has led to a better understanding of the work environment and their practical achievement will be considered a plus when they apply for a future job.

The main abilities that I have gained upon graduation are related to optimal fulfillment of a project plan and better detection of the risk factors in projects.

I participated in the project "Student's internship, the first step for obtaining a job" a year ago and I can say that it was an interesting experience in which I obtained knowledge, I had met new people and I could observe closely how is implemented a real project financed from EU funds.

I consider that I have obtained a complete and compact set of information useful in my future professional career.

These answers also highlighted the importance of working in effective teams and in international projects, the necessity to identify the risk factors and to find solutions to complex issues.

Conclusions

The global development of markets and the growing role of MNCs in developing business all over the world have led to an increased need for adaptable employees with both interpersonal and professional competences. In this regard, the graduates tend to prefer gaining global competences during their university studies and to develop continuously their knowledge upon graduation. Also, the demand for

specialized employees has brought into discussion how connected are the graduates with the labor market realities. This article has showed that most of Romanian graduates choose some position even if it is not related to their field of study or is lower than their competences and after they gain practical experience and complete their education with trainee programs, professional certification and other forms of lifelong learning, they usually search for an attractive salary package and for a recognized company at both national and international level. This attitude towards enrolment in a global labor market also has implications for their future career development and also in their decision to relocate.

The results of the research also highlighted that, as more the graduates tend to achieve high competences and specialization, they would prefer to perform strategic tasks, rather than operational tasks. All the more graduates' practical experience represents the way in which they could better understand the theory and appreciate more the ability to work in multicultural teams. They also tend to develop the ability to identify the risk factors and to find rapidly the solutions for the identified issues.

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