

## MANAGEMENT COMPETENCIES OF MILLENNIALS FOR LABOUR MARKET

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### Abstract

The goal of the paper is to define and discuss management competencies of millennials (generation Y) on the base of university students' competencies needed for successful career on the Czech labour market. The paper is based on the analysis of available scientific literature and the results of the authors' questionnaire survey focused on university students' opinions in 2016-2018. The 1090 respondents were full-time and part time bachelor's and master's students of the Ambis College, the MIAS of the CTU in Prague and the Education Management Centre of the Faculty of Education of the Charles University. The data analysis was based on the statistical calculation. The results indicate that today's generation of university students is aware of their management competencies for successful career, but their real professional qualities and career expectations often do not meet the common requirements and possibilities of today's employers.

### Keywords

Management, Competencies, Human Capital, Generation Millennials

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### I. Introduction

Currently, it is important to monitor the changing views of the young generation on their changing knowledge, labour market conditions, interest in self-realization, and so on. On the one hand, labour market conditions and employers' demands change; on the other hand, at present, with the generation of millenarians, the views and ideas of current young people are changing significantly on working conditions and work performance. The paper sees to a small part of the opinions about the job descriptions and the performance of the work of the future employees in the lower managerial positions and on the opinions on the manger competencies of the students of the managerial and economic fields of study. Based on the authors' scientific cooperation and research results, the goal of the paper is to define and discuss management competencies of millennials (generation Y) on the base of university students' competencies needed for successful career on the Czech labour market. The paper is based on the analysis of available scientific literature and the results of the authors' questionnaire survey focused on university students' motivation to study at university and their expectations about the future career. The survey was conducted in 2016-2018. The respondents were full-time and part time bachelor's and master's students of the Ambis. College in Prague, the Masaryk Institute of Advanced Studies of the Czech Technical University in Prague and the Education Management Centre of the Faculty of Education of the Charles University in Prague. The results indicate that today's generation of university students is aware of importance of higher education and their management competencies for successful career, but their real professional qualities and career expectations often do not meet the common requirements and possibilities of today's employers.

The authors' research results and teaching experience show that the development of management competency is determined by motivation of students to learn and study at university and by the quality of teaching, mainly by training of soft skill in seminars or project works and that the university should be able to provide students with both theoretical knowledge and practical applications for their future career.

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### II. Literature review

Competency is one of the most important parts of management and human capital management, just because people are the greatest asset of the company, which generates profit. The human capital is defined in the Czech expert literature as a summary of inborn and acquired skills, knowledge, abilities, experience, talents, habits, motivation and energy which people have and that during a certain period can be used to manufacture the products (i.e. Hroník, 2007; Tureckiová, 2007). The concept of human capital is used principally in connection with the issue of competencies (Bosch-Sijtsema and Henriksson, 2014). It is pointed out that the significance of social capital as a component of the productivity potential of a given country increases when such country moves to the next stages of economic development. Therefore, social capital becomes a very important driver of the upgrading of national incomes in those countries, in which competitive advantages are based primarily on intellectual capital assets (Jantón-Drozdowska and Majewska, 2015).

During the last twenty years, the terms Human resources management or Human capital management acquired a synonym and the literature used the term "management by competencies". Hroník (2007) defines competencies as a bunch of knowledge, skills, experience and qualities that supports the achievement of goals. Müller and Turner (2010) agree and add that competency models and profiles of a successful project manager focus rather on soft skills than hard skills. They divide these competencies into three bundles: intellectual (critical analysis, vision etc.), managerial (empowering, communicating, achieving etc.), and emotional (intuitiveness, interpersonal sensitivity, conscientiousness etc.). Tureckiová (2007) under the term competency understands a statement of general ability to adequately assess the situation (far beyond only working situations) and manage to adapt their behaviour to such a situation, or to be prepared to (be able to) respond to the situation by interventions in the system, which can be changed in a desirable way as a consequence of this proactive behaviour. There is considerable evidence that organizational competitiveness or management competitiveness depends on management and employee performance that is determined by management and employee abilities, motivation and working conditions and competencies of an individual should reflect the organizational strategy (Medina and Medina, 2014). Competencies help to presently hold a large number of positions and functions, and they are suitable for coping with a wide range of mostly unpredictably changing requirements throughout life.

Competency is commonly understood as a set of knowledge, skills and attitudes that are required at a given position in a company, while it is also a person's set of knowledge, skills and attitudes. Competencies can generally be divided to managerial, behavioural competencies and technical competencies (Armstrong, 2015). Technical competence and professional skills ("technical competencies") are often based on formal education of a worker, usually translated as "hard skills" or "professional competences". Several recent research studies (e.g. Kacerova, 2016) suggest that "soft-skills" are more important for graduates' future career, but are underestimated during university studies that focus primarily on hard-skills. These studies understand soft-skills as managerial and behavioural competencies in its definition.

Millennials, also known as Generation Y, are individuals born from the early 1980s to the mid-1990s (currently, individuals in their twenties to thirties). Post-millennials, also known as Generation Z, are individuals born from the mid-1990s to the present (currently, individuals younger than twenty years of age). Both theory and practice show that millennials' personalities, abilities, values, attitudes and beliefs are different from those of their parents and grandparents that belong to the generation X – individuals born from the early 1960s to the late 1980s (Horváthová and Čopíková, 2015; Barbuto, 2016) and it seems that in the case of post-millennials, these differences will be more apparent.

In the developed world, the young generation of millennials and post-millennials is greatly influenced by modern technologies (Issa and Isaias, 2016) and high standard of living (Yazici, 2016). Everything seems to be possible and available. There is no need to worry. Everything will be ok. This easy approach to life is also reflected in the approach to study, work and career. It is positive that many young people study to increase their chances on the labour market (Kopertynska and Kmiotek, 2015;

Johnson et al., 2016), but the real professional and personal qualities of them often do not meet the common requirements of employers. Many young people lack relevant professional skills and social habits (Cutillas, Monfort and Tortajada, 2011). Some of them also have no real idea about their future career, but often require positions that do not match their abilities, just to get a job promising them high earnings and rapid career (Garcia-Aricál and Van der Velden, 2008). Moreover, many young people crave for meaning-full work, flexible hours, work-life balance, personal development, friendly relationships or career changes (Inanc and Ozdilek, 2016). This all leads to the fact that most employers tend to hire experienced workers than young people with inadequate experience and unreal expectations.

Many employers are afraid of organizational and performance problems of employing young people, which, among other things, leads to unemployment among young people that is a serious social and economic problem (Koňušíková and Kucharčíková, 2015). But the fundamental problem lies in the fact that many employers have lack of effective strategies, policies and practices of employing young people as well as lack of understanding of their specific personalities, abilities, values, attitudes and beliefs (Grenčíková and Španková, 2016). In other words, the young generation entering the labour market make employers change their HR strategies, policies and practices (Grenčíková, Španková and Karbach, 2015) and employers must learn to effectively and efficiently attract, employ and develop millennial and post-millennial workers, whose expectations about work and career are different from those of their older colleagues and managers (Fok and Yeung, 2016). The current labour market mentions four generations that are living and working today: the Baby boomers generation, the Generation X, the Generation Y and the Generation Z. The differences between generations can affect the way corporations recruit and develop teams, deal with change, motivate, stimulate and manage employees, and boost productivity, competitiveness and service effectiveness. A corporation's success and competitiveness depend on its ability to embrace diversity and realize the competitive advantages and benefits (Bejtkovsky, 2016; Kacerova, 2016). Researches justifies that there are significant differences between the two generations despite the similarities. These differences appear rather emphasized in the corporate environment when several questions arise at workplaces in the process of cooperation – especially in the field of knowledge-sharing and knowledge transfer-regarding the characteristics of the two generations (Bencsik, Horváth-Csikós and Juhász, 2016).

### III. Methodology

The aim of the paper is focused on the level of professional competencies - technical, managerial, economic, project, and team competencies - and their level demanded for positions that require predominantly university education with concentration to generation of millennials. The theoretical basis of this paper is the issue of professional competencies in managerial fields, focusing on competencies of graduates from managements study programmes in terms of competencies required by their employers and their self-assessment of their own competence. The main activities of companies are pursuing more and more effective work with human potential and its use to improve business performance and productivity.

The goal of the paper is to define and discuss management competencies of millennials (generation Y) on the base of university students' competencies needed for successful career on the Czech labour market. Achieving the goal of the paper is based on the analysis of the results of the authors' questionnaire survey focused on university students' motivation to study at university and their expectations about the future career. The survey was conducted in years 2016 – 2018 (ones per year with the same questionnaire). The respondents were full-time and combined bachelor's and master's students of the College of Regional Development in Prague (now rename to Ambis College) (Urban and Regional Development Management and Security and Safety Management in Regions), the Masaryk Institute of Advanced Studies of the Czech Technical University in Prague (Personnel Management in Industrial Enterprises and Management and Economy of an Industrial Enterprise) and the Education Management Centre of the Faculty of Education of the Charles University

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(Education Management). The sample is representative for analysing part of institution - for College of Regional development and for Masaryk Institute of Advanced Studies, there are not representative for all university students.

The questionnaire included thirty two multiple choice questions focused on university students' motivation to study at university and their expectations about the future career, managerial competencies are one part of the questionnaire. The relevant data were obtained from 1090 students. The respondents were characterized by gender (25% male, 75% female), age (82% 29 years or less, 18% 30 years or more), form of study (76% full-time, 24% combined), and year of study (27% first year, 17% second year, 21% third year, 7% fifth year). 598 undergraduate full time study at the College of Regional Development, 260 undergraduate full time study at Czech Technical University, Masaryk Institute of Advanced Studies, 172 undergraduate part time study at the College of Regional Development, 60 postgraduate part time study of Management of Education, Faculty of Education, Charles university. All three universities are situated in Prague, Czech Republic.

For comparison we asked by structured interview 119 graduates of The College of Regional Development - managerial study programme about managerial competencies and employers' views (10 semi-structured interviews, small and medium-sized organizations up to 100 employees, was realised in 2017).

The data analysis was based on the calculation of relative frequencies (as a share from the total number of respondents) and the evaluation of the dependence of responses on gender (male and female students) and age (students aged 29 or less and students aged 30 or more) using contingency tables, chi-square tests of independence and sign schemes.

### IV. Results

From the perspective of employability of young people, the most important condition needed to succeed on the current labour market is the capability and motivation to learn and develop necessary professional knowledge, skills and abilities as well as suitable work and social habits. There are no statistically significant differences between student responses of all three parts of analysed management study programmes at universities.

According to the authors' survey results, students stated that they are motivated to study at university by an effort to increase their chances on the labour market (70%), by the possibility of higher earnings (57%) or by an effort to obtain the university degree (64%). In this context, 92% of students agreed that higher education gives them more chances to succeed on the labour market. On the other hand, 73% of students stated that they see their chances on the labour market as medium. They were afraid of the strong competition and the lack of work experience.

The data analysis showed no significant difference between students aged 29 or less and students aged 30 or more, but it shows a significant difference between male and female students ( $p < 0.05$ ). The male students estimated their chances on the labour market as much higher than the female students. The feeling of the lack of work experience affects the interest of students in studying. 54% of students stated that they are interested in the selected field of study, but it does not meet their expectations. Students complain of theoretical subjects without obvious connections and practical applications. 67% of students evaluated the quality of teaching at the university as medium.

The data analysis showed no significant difference between male and female students, but it showed a significant difference between students aged 29 or less and students aged 30 or more ( $p < 0.05$ ). The students aged 30 or more evaluated the quality of teaching at the university as much better than the students aged 29 or less.

From the perspective of today's common job requirements, suitable job applicants must demonstrate relevant professional knowledge, skills and abilities, suitable work and social habits, and appropriate development potential and personal aspirations for successful performance, professional growth and career advancement. Although many young people do not meet the common job requirements, their

expectations about the future career are relatively high. According to the authors' survey results, the students' expectations about the future career included meaningful work (80%), self-fulfilment (70%), friendly team (66%), fair wages (63%), favourable environment (61%), job security (54%), professional management (43%), personal development (43%), employee benefits (33%) or career prospects (32%).

Many young people do not want to start from scratch, overestimate themselves and require positions that do not match their abilities. According to the authors' survey results, 69% of students stated that they want to be managers (manage people), which is normal when they study to become managers, but they forget that it is a long way and that they have a lot to learn. The data analysis showed no significant difference between male and female students or between students aged 29 or less and students aged 30 or more.

**Table 1. Competencies – opinions of students and graduates of managerial study programmes, survey 2016-2017, Czech Republic**

Competencies	Students	Students	Average	Graduates
	2016 (%)	2017 (%)	Students (%)	2017 (%)
Ability to communicate with people, clients	79	67	73	82
Ability to solve problems	76	71	73	76
Ability to apply their knowledge	57	63	60	37
Team work ability	57	51	54	66
Ability to acquire new knowledge	55	53	54	66
Ability to adapt to business requirements	40	37	39	49
Risk capacity	36	37	36	47

*Source: authors*

Despite all the expectations and problems, students are aware of the fact that the success on the labour market is determined by their abilities (Table 1). According to students, the most important abilities necessary for the success on the labour market include the ability to communicate with people (73%), the ability to solve problems (73%), the ability to apply own knowledge (60%), the ability to acquire new knowledge (54%) or the ability of team work (54%), ability to adapt to business requirements (39%) and risk capacity (36%). Generally, students should continually improve their knowledge of foreign languages, their computer skills or their knowledge of management, economics, psychology, sociology, marketing, informatics or law.

According to graduates (Table 1), the most important abilities necessary for the success on the labour market include the ability to communicate with people (82%), the ability to solve problems (76%), the ability to apply own knowledge (37%), the ability to acquire new knowledge (66%) or the ability of team work (66%), ability to adapt to business requirements (49%) and risk capacity (47%).

The results clearly show stable opinion on the need of particular competencies needed for good job prospects regardless the year of graduation. The graduates continuously highly appreciate the ability to solve problems and ability to work with information, which were highlighted by four fifths of graduates, and also current students perceive these abilities as important. The following abilities are the ability to communicate with people, ability to acquire new knowledge and ability to apply their knowledge. These two last abilities connected to knowledge reflect not yet fully understood importance of appropriate work with knowledge. Both the graduates and current students appreciate teamwork ability and the ability to think and act economically.

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**Table 2 Students' expectation about job**

Students' expectation	
meaningful work (%)	80
self-fulfilment (%)	70
friendly team (%)	66
fair wages (%)	63
favourable environment (%)	61
job security (%)	54
professional management (%)	43
personal development (%)	43
employee benefits (%)	33
career prospects (%)	32

*Source: authors*

Students' expectation about job (Table 2) are meaningful work – 80 %; self-fulfilment – 70 %; friendly team – 66 %; fair wages – 63 %; favourable environment – 61 %; job security -54 %; professional management – 43 %; personal development – 43 %; employee benefits – 33 %; career prospects - 32 %.

In our research in this case of students approaches to need of managerial competencies there are not statistically significant differences between students from public and private universities. The students' opinions at public and private university are the same, the small difference is between students in each year of study, but not statistically significant, 1-2% of disparity.

Results of employers' views (10 semi-structured interviews, small and medium-sized organizations up to 100 employees):

- Young people - their professional and personal qualities often do not meet the employers' requirements for professional skills and experience, as well as for social behaviour and professional motivation.
- Coming to work, most of them do not have any real idea about their profession.
- They often do not know the main duties or responsibilities of the work.
- Even if they worked during their studies, they usually have no understanding of how to perform daily work tasks and how to solve real professional problems.
- They do not know how to use their theoretical knowledge in practice.
- They also do not have the teamwork skills.
- They lack the ability to collaborate and communicate with colleagues, managers and clients.
- They are not able to analyse the available information, identify key issues, express their views and discuss alternative solutions.
- They lack relevant professional skills and social habits, but they want great earnings and rapid career.
- This leads to the fact that employers usually employ experienced workers than young people with no relevant experience and unreal expectations.

### V. Discussion

Many employers value qualified and motivated people as the most important source and the greatest wealth of the organization, because suitably qualified and motivated people determine the future prosperity and competitiveness of the organization. On the other hand, people with suitable qualification and motivation significantly increase their chances on the labour market to reach a satisfying and rewarding career.

From the perspective of needs of the current labour market, a common problem of employing university students and graduates is that a part of them has problems with their professional and personal qualities who often do not meet the requirements of employers. Many university graduates from management studies do not meet the requirements for professional skills and experience, as well as managerial and social behaviour and professional motivation. Coming to work, most of them do not have any real idea about their profession. They often do not know the main duties or primary responsibilities of the work. Even if they worked during their studies, they usually have no understanding of how to perform daily work tasks and how to solve real professional problems. They do not know how to use their theoretical knowledge in practice. They also do not have the teamwork skills. Many of them lack the ability to collaborate and communicate with colleagues, managers and clients. Many of them are not able to analyse the available information, identify key issues, express their views and discuss alternative solutions. Many of them lack relevant professional skills and social habits, but they want great earnings and rapid career. This leads to the fact that employers usually employ experienced workers than university graduates from management studies with no relevant experience and unreal expectations.

From the perspective of employability of university graduates, the most important condition needed to succeed on the current labour market is the capability and motivation to learn and develop necessary technical and personal competencies, including relevant professional knowledge, managerial skills and abilities as well as proper work and social habits. Many university students and graduates have a good chance to succeed on the labour market due to their broader knowledge, skills and abilities, but they should change their attitude to the future career. They should be ready to start from scratch. They should not overestimate themselves and require positions that do not match their abilities. They should be ready for the hard work at the beginning of their career and for the systematic development of their professional knowledge, skills and abilities, including knowledge of foreign languages, computer skills or leadership abilities.

Possible adjustments in education based on the findings arising from the research results are as follows: Survey results confirmed both the shortcomings in the abilities of fresh graduates are currently in high need practice management, managerial competencies, labour organization, people, presentation skills, teamwork skills, etc. The managerial skills and teamwork there are not currently in education at universities received sufficient attention. The project teaching students on a semester divided into teams have split roles, tasks and responsibilities which are based on goals specified at the beginning of the semester and that everyone must meet. Students bear collective responsibility for the task and must work on the basis of a system that encourages project management and evaluation for the completed project.

From the perspective of common job requirements, suitable job applicants must demonstrate relevant professional knowledge and skills, managerial skills, suitable work and social habits, and appropriate development potential for successful performance, professional growth and career advancement. However, to find such applicants on today's labour market is not easy.

## **VI. Conclusion**

The young generation of millennials and post-millennials, that is greatly influenced by modern technologies and high standard of living, show relatively high expectations related to work and career. Many young people expect meaningful work, friendly team, fair wages, favourable environment, job security, professional management, personal development, employee benefits or career prospects, but their real professional and personal qualities often do not meet the common requirements of employers. This all leads to the fact that most employers tend to hire experienced workers than young people with inadequate experience and unreal expectations.

Many employers are afraid of employing young people (as well as older people), but from the perspective of potential shortage of qualified and motivated people on the labour market, this is not a sustainable approach. Employers should change traditional stereotypes and apply a positive

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approach to the employment of young people (as well as older people), which means to focus on their strengths, not weaknesses. They also should apply proven strategies, policies and practices in talent and diversity management to create appropriate and attractive employment opportunities for young people (as well as older people) to ensure effective development of their potential.

Many employers value experienced workers as the most important source in their organizations. Employers require and appreciate workers with relevant professional knowledge and skills, suitable work and social habits, and appropriate development potential for successful performance, professional growth and career advancement.

On the other hand, young people should be ready to continually learn and develop necessary professional knowledge, competencies, skills and abilities as well as suitable work and social habits needed to succeed on the labour market. These include knowledge of foreign languages or information technologies, as well as the ability to communicate with people, to solve problems, to apply own knowledge or to collaborate and communicate with others. These issues open up new possibilities for further research in the field of management, people management and managing diverse groups of workers.

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