

# Pursuing talents in Czech higher education based on analysis of functional model in Germany

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**Abstract** One of the challenges that universities have to face these days is to attract and retain students – talents, who very often struggle to choose an appropriate study program from the high number of different specializations and programs. Similarly, companies struggle for qualified employees even though, the number of university-degree people increases. Authors of this article come up with a solution based on the analysis of cooperation among universities and private companies in Germany and its comparison to the Czech environment.

**Key words** students attraction, recruitment, quality of education, university and company cooperation, talent management

## 1. ABOUT THE RESEARCH

Number of university graduates is much higher than it used to be 10 years ago. There are so many universities offering tens of different study programmes that current young people do not even know what to choose. For them, it is important the status of having a university degree rather than being an expert in certain field of expertise. On contrary, companies are looking for experts, who are able to work independently while creating high quality results. Most of the recruiters in companies would say it is almost impossible to find such employees among the large number of graduates applying for their first job.

We decided to look at this problem and come up with a possible solution. Our goal was to develop a strategy cooperation plan for a university and a private company. In this sense, we targeted a Liberec region, where Technical University of Liberec (TUL) and private company Valbek agreed to on participation in this research. What we believe is the solution is usability of talent management practises in devising a cooperation plan between TUL and Valbek in terms of attracting, retaining and developing talents among students from the view of the university and from the view of the company as possible candidates for the job.

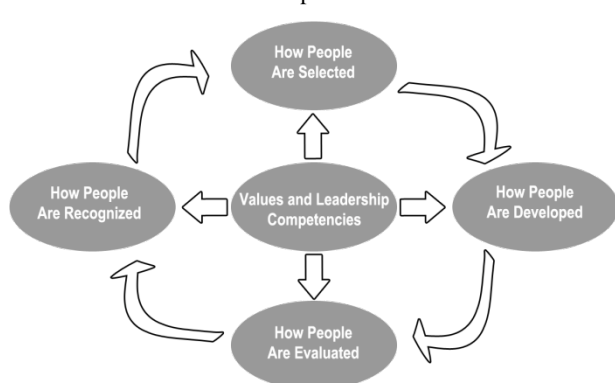
Specifically, we stress out the necessity of understanding a human capital concept and model of competences in the HR strategies. Important part of the project and this article is analysis how such cooperation work in Germany. On this basis, we structured the comparison of situation in the Czech Republic with the analysis in Germany. Results of the study are sets of recommendations for both sides on how they could cooperate in order to mitigate their current problems and meet the demand.

## 2. TALENT MANAGEMENT AND HUMAN CAPITAL

Even though laying off employees is still one of the common method how to cut costs, many companies in the Czech Republic realized that such actions lead only to operative results and that in the long-term period it can even make their position more difficult than before. The reason is simple, it is still people who create values, who provide labour or who make the company growing. Considering people in the company in this sense, we talk about a human capital. (LAWLER, ULRICH, 2008)

The importance of such concept is on hand. When company goes through a crisis, managers look for ways how to lower costs in order to minimize the loss, but when they lay off their qualified employees they weaken company's human capital which is very difficult to build. This is where implementation of talent management is applied. Attracting, retaining and developing talents give companies a competitive advantage as Lawler with Ulrich describe it. They ultimately continue with the human-centric company which is an overall company's functioning based on integrated model of competences and capabilities. (2008) Carter and Goldsmith implement this model into the HR decision process of developing the human capital. (2010)

**Figure 2.1** - Model of HR decision process of developing the human capital



Source: CARTER, L.; GOLDSMITH, M. (2010), p. 120

Illustrating the emphasis on people rather than processes (LAWLER, ULRICH, 2008) on cases of large companies operating in the Czech Republic, we can observe that working with talents shows results. If we consider, for instance, Škoda Auto<sup>1</sup>, there are numerous possibilities for students and graduates how to get experiences. However, in this research, we rather focus on small and medium enterprises which function with much less of capital than Škoda Auto.

### 3. TALENT MANAGEMENT AND HUMAN CAPITAL

One of our targets in this research was to find institutions willing to participate in the project in terms of considering the results and applying them completely or partly in practice. We specifically chose Liberec region which is neighbouring with Saxony, Germany. This regional approach was chosen because of the aim of showing that principles utilized by large companies can be applied by SME, too.

#### 3.1 Technical University of Liberec<sup>2</sup>

Operating more than 50 years, TUL offers numerous study programmes in the fields of engineering, IT, education or economics. It educates around 8000 students. There is a very specific cross-border cooperation programme called Neisse University. A bachelor study programme administrated by three universities from three countries – the Czech Republic, Poland and Germany. Each year located in one of the three countries. It is officially taught in English and it offers broad spectrum of subjects – from business management to information technologies. Ideal graduate should have basic knowledge of each country's national language, proficiency in English and specializations in IT and communication. All financed by national governments and the European Union<sup>3</sup>. It almost seems like a perfect study programme for anyone who wants to have certain degree of expertise in both, hard and soft skills. For companies, it is an ideal person for junior positions.

#### 3.2 Valbek<sup>4</sup>

A designing company based in Liberec founded in 1990 counting only 7 employees grew in well-known Czech company counting

almost 250 people scattered around the Europe. It focuses mostly on designing and engineering of constructions of any kind (water buildings, bridges, highways, etc.). Interestingly, one part of Valbek is software department focusing on development one of the leading software for managing construction projects in the Czech Republic. It is called Aspe<sup>®</sup>. What is even more interesting is that its only office is located in Liberec. It counts no more than 30 people in total including programmers, analysts, salesmen, administration workers and consultants. And consultant position is the one we were interested in.

### 3.3 Current situation

Situation at the Neisse University programme is that their number of students each year is decreasing. This is very surprising if we consider the fact that students are studying in three universities, in three countries, in English, specialised subjects and all of that for free. The reality is that the programme itself is not very well-known even in Liberec. Then there is the English. Not many students are proficient in English to the level that would allow them to study full-time in English or they are just not that confident to try it. The financing of the programme is of course derived from the number of students; therefore this trend is an issue of high priority.

In case of Aspe, the problem is obviously difficult recruitment in the region, especially for the position of a consultant. The core of the problem is the job description itself. Software consultant needs to be a good communicator, because he/she provides trainings and technical support while he/she must be proficient in IT on the overall level (installations, settings, customization, etc.), which are quite complex criteria for any study programme.

We believe cooperation of these two institutions can be mutually beneficial while costing almost only time and effort of both sides. To get a better idea how such cooperation between rather smaller university and small or middle-sized company function, we look couple kilometres across the border to Germany.

### 4. ANALYSIS OF COOPERATING INSTITUTIONS IN GERMANY

By looking at Germany, we wanted to find out whether the famous German engineering, precision and high-quality products are derived from different approach to people, especially students at universities. Overall, Germany represents the strongest economy in the European Union<sup>5</sup>, so there has to be something to learn.

As described above, we focused on regional approach to do more specific type of research. That is why we contacted universities and its students, right across the border, not far from Liberec, to see how conditions changes in a relatively small area. To analyze functioning of cooperation between universities and companies, we considered perspectives on the same problem. Firstly and mainly, we considered a perspective from the point of view of students. Secondly, it was universities and lastly, it was companies' perspective.

#### 4.1 Students' Perspective

We devised a set of questions which we then used during several interviews and surveys with German students studying in the region of Saxony. What we were mostly interested in was how they were influenced by outside sources (companies) during their studies, how their experiences with support from companies went through and if they continued cooperating (partly, full-time) with the company.

<sup>1</sup> Detail information at <http://new.skoda-auto.com/career/university-students>

<sup>2</sup> More informatik at <http://www.tul.cz>

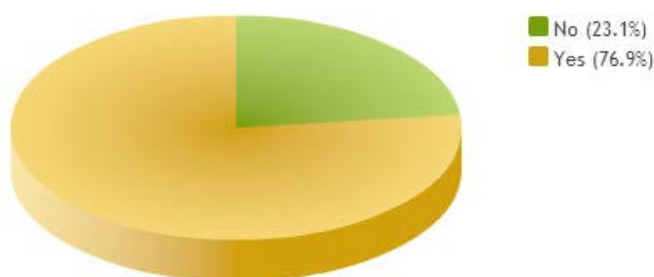
<sup>3</sup> Details at <http://www.neisse-uni.org>

<sup>4</sup> Details at <http://www.valbek.eu>

<sup>5</sup> More at <http://ec.europa.eu/eurostat>

Firstly, we asked if they ever cooperated in any way (thesis, projects, case study, etc.) with a private company. More than 70% of them answered yes. Following question was more specifically aimed – whether students voluntarily looked for a company to help them (any kind of support) during their work on bachelor/master thesis. Again, more than 60% answered positively.

**Graph 4.1 – Any cooperation (support) during studies**



Source: processed authors

These results show that even the perception and ambitions of German students is more practically oriented. Many of them agreed on the fact, that such cooperation and support gave them the best experiences.

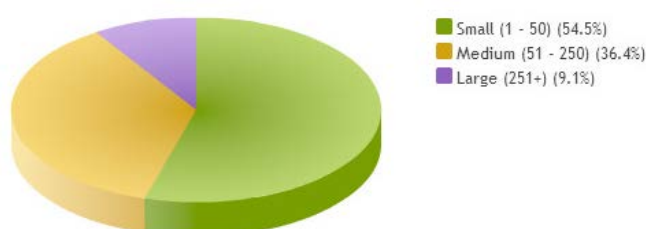
**Graph 4.2 – Actively looking for a company to support**



Source: processed authors

The following set of questions was focusing on the companies and forms of their support to students. Firstly, we wanted to know how the companies were positioned on the market in terms of size. Secondly, what common forms of support they provided to students.

**Graph 4.3 – Market position of companies**



Source: processed authors

Clearly from the results, we can observe that most of the companies that supported students or cooperated in any way are rather local small or medium business than large national corporations, which of course also partly present in that area.

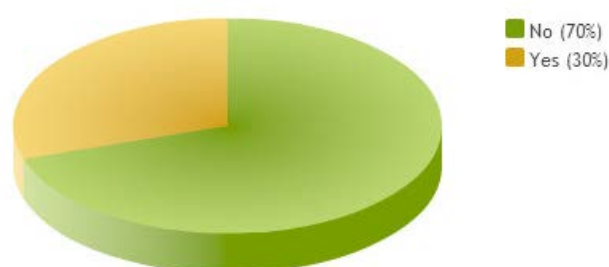
What students answered in part focusing on specific types of support was that in most cases companies provided students with their know-how on the area of expertise which was crucial for finishing their thesis. On the second place, it was typical support for students – internship. They let students work at their company to get

experiences. Apart that, some of the companies provided even financial or technical support, mainly in case of IT projects.

In the next part, we focused on the administration of the cooperation, specifically if there were for example any administrative obstacles or any other problems concerning the cooperation. More than 80% answered that there were not any obstacles or problems. In fact, they said that since companies and universities are closely interlinked, teachers and company representatives know each other, which makes the whole process of supporting and cooperating much easier.

Interestingly, next chart shows that only 30% of asked students continued cooperating with the company and yet the companies state that it is worth it as we will describe later.

**Graph 4.4 – Continuous cooperation after studies (project)**



Source: processed authors

At the end, we asked students couple of questions. Firstly it was about what competences and if any at all they gained from their studies and the cooperation with companies. Interestingly enough, most occurring competences were:

- communication,
- time management,
- working in team,
- real life experience.

Next question concerned what would students welcomed to improve from the side of companies:

- financial incentives – most frequent and reasoned by the amount of work they do for companies with no or little financial compensation,
- even more support offers from companies during the studies – this point shows that there will be always something to improve.

The last question for students was more of a general preferences and priorities. We asked them to order certain preferences (i.e. career, education, family, doing business, etc.) according their priorities. The top three preferences were family, education and career. This is from our point of view specifics of this region that people here are very family-oriented and education together with proper career progress are more preferred than starting their own business.

#### 4.2 Universities' Perspective

With university representatives, we discussed mainly in what fields their cooperation with companies is taking place and how they promote this “outside” support among students.

Firstly, there are two fields in which universities in Germany mostly cooperate:

- scientific research – engaging students in real applications to develop new technologies,

- offering internships for students – either as a standard job for a limited time or working on a specific project within the company.

Secondly, how universities promote cooperation with companies to students:

- let companies advertise in exchange for supporting university activities,
- communicating job and internship offers to students,
- no unnecessary administration.

Concerning the question of administrative burden, university representatives and teacher are trying to require as less as possible. The internships or projects usually lasts 3 or more months and there has to be regular reporting to the mentoring teacher. Apart the reporting, there is no non-standard paperwork or difficulties.

### 4.3 Companies' Perspective

German small and medium companies invest their time and resources (financial, technical, information) to the promotion of university students even though only small part of them stay in the company after their support ends or their studies are finished.

What all sides, students, teachers and companies more or less agreed on is that the most talented and promising students in the internship or project groups are usually the ones who receives an interesting job offer.

For companies, it is of course a great mean of advertising and recruiting. The key for the success is according to the companies is following:

- consistency,
- offer engagement,
- measure,
- gather thoughts from students and universities,
- provide high-end conditions for research,
- participation on university events.

Most of the companies, students and universities provided an answer that cooperation and support from the companies to students and universities is mostly satisfactory and beneficial.

## 5. COMPARISON – CZECH VS. GERMAN

How can we use this analysis to help TUL and Valbek to cooperate? In previous phases of this project, we analysed current situation of both subjects and based on known practises from the Czech environment, we proposed a draft of cooperation plan. It was specifically aiming for the positions of a student at Neisse University programme and a consultant at Aspe department in Valbek. Based on model of competences, we compared these two positions (see Table 5.1).

**Table 5.1:** Comparison of NU graduate and Valbek consultant competences

Neisse University (TUL)	Aspe (Valbek)
Organization:	Organization:
time management	project management
project management	

analytical skills Expertise IT: programming databases information systems data security Expertise Management: business marketing intellectual property European law Communication: rhetoric negotiation psychology cultural understanding	analytics time management change management Expertise IT: databases server installation, configuration Expertise (Aspe): Aspe® Customer-orientation: customers satisfaction managers satisfaction colleagues satisfaction Communication: telephoning rhetoric training skills negotiation
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Source: (HLAVNÍČKA, KREJČÍ, 2013)

Using these competences, we prepared a set of activities within a timeframe of the course study (6 semesters) and additional activities indirectly connected with the study programme.

**Table 5.2:** Suggested activities

Time Frame	Activity
1st semester 2nd semester	Introduction by showing the possibilities (not only consulting Aspe) Case studies – specific subjects (help identifying talent) , Practical seminars
summer holidays	Internship (3 months)
3rd semester 4th semester	Practical seminars Real problems finding solutions – competitions for “prizes”
summer holidays	Internship (3 months)
5th semester	Own ideas – competition, Thesis support
6th semester	Internship (3 months) with the possibility to extend (if capacity allows it) Thesis support

Source: (HLAVNÍČKA, KREJČÍ, 2013)

With following additional activities (mainly promoting the course and the cooperation itself):

- attending conferences of other partner in cases it relates in the field of discussed competences,
- promote the partner at related events,
- prepare together plans for increasing the quality of education by practical activities,
- promote students creativity (case studies, practical exercises).



Using the data from analysis in Germany, we compared what we suggested in the first place with results that work in Germany.

### 5.1 Set of recommendations

Given the previously proposed activities, we prepared a chart of activities comparing the situation from Germany:

**Table 5.3:** Comparison draft plan with analysis from Germany

Draft	Germany
Case studies	Scientific research
Practical seminars	Projects
Competitions (solving given problems)	-
Competitions (devising a new ideas)	-
Internship	Internship
Thesis support	Thesis support
Conferences - promotion	-

Source: processed authors

Clearly, in Germany, companies and universities focuses on fewer activities but in more scale. Also the participation and overall students' activity to search companies and practical projects are much higher than in case of Czech students.

On the other hand, when consulting this matter with representatives of Neisse University, we found out that when students actually decide to try and study this programme, they are much more engaged in overall studies and outcomes they can get, which ultimately means that attract them with interesting projects may be easier.

Obviously, TUL and Neisse University cooperate with private companies, but it usually does not comprise an active approach from their side. This is where Valbek as a company can contribute.

## 6. CONCLUSION

"Better talent is worth fighting for.", authors in War for Talent developed by McKinsey (2007) wrote and we completely agree with the statement, especially in the times when every small detail can decide about competitive advantage. New talents are a great asset for the company, not only it can bring new ideas, but also connections and knowledge (ČERVENKOVÁ, 2013) that is even more valued today than it used to be. Using talent management, competence models and other principles for attraction, development and retention of talents can of course have its drawbacks too. For

instance, companies tend to make very complex and complicated competence models instead of focusing on the key competences. It ultimately leads to almost impossible execution of any HR strategy. Another pitfall is derived from the core of the competence model. It is based on findings from the past or present, but current conditions and environment is changing so fast that after the strategy is complete, the results are already out-of-date.

In case of this research and its participants, we recommend to focus on following points:

- key competences – adjust study plans to meet the real expectations of employers,
- students engagement – regularly offer projects, case studies to let students use their theoretical knowledge in practise,
- active offering of internships, thesis support,
- mutual promotion – NU at conferences, Valbek among its partners.

Such cooperation does not have to be financially demanding, but it can be mutually beneficial for both sides. We have seen that German companies can more or less choose who to offer the job rather than choosing the least worst from the applicants for the job. That should be the goal of Valbek. By engaging this cooperation, university will gain a partner from real practise which can lead to more exclusive position among the numerous study programmes in the Czech Republic.

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