COMPETENCE BASED MANAGEMENT

SUMMARY
At the moment, almost every company acting on the market has to take into consideration competence management of its employees. It is the result of a dynamic market environment and innovations development which requires adjustment of professionalal skills to occurring changes. A proper competence management can cause competitiveness increase.

In the article selected issues from the field of competence management are presented, competence typology is mentioned as well as the most frequently applied methods of competence assessment.

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KEY WORDS: competence, management, organization, 360º method, competence tests

INTRODUCTION

Competence management can be defined as actions taken by an organization aimed at assuring knowledge, experiences and skills which allow to realize visions, strategies and targets. Management perceived in such a way determines – on the basis of present situation analysis and future requirements – what is the gap in competence and serves gaining new lacking competence in the organization. Not only courses and trainings are sources of competence acquirement but also job recruitment, organization development, partnership consultants’ support. In such a system of management it is of vital importance to isolate the company’s competence resulting from its mission and strategy, departments and particular teams competence as well as employees’ competence – knowledge, experiences and skills connected with job positions. Competence should fulfil two criteria: measurability and changeability – to be subject to development. In the model of competence development professional, social and business competence can be distinguished. Profiles of personal and position competence are created where twelve competence are taken into consideration – an amount which an employee is able to cover within one’s annual development plan. Competence management can serve such purposes as: to plan a career path, assessment and return information, to create people’s attitudes and corporate culture, to join economic targets of the company with developmental aims of a particular person, selection of candidates.

COMPETENCE TYPOLOGY

In literature, competence is defined as professionalal skills, general knowledge one’s possess, interpersonal communication ability, motivation, teamwork, formal entitlements and other. Classification of competence may be due to different criteria:
- source of acquiring competence: formal and real competence,
- substantial scope: limited and wide,
- accessibility: organization’s own competence and acquired by borrowing,
- destination: general competence, common for all employees and specialist,
- time perspective: actual and anticipated competence,
- impact scope: limited competence necessary at a specific position and wide competence important within a social environment,
- measurability: easily or difficult to measure,
- property: individual and team competence,
- content: professionalal, social, bussiness, conceptual competence,
- definition accuracy: generalny or specifically defined.

The tendency to use competence by companies in order to widen development of an organization and employees becomes more and more popular.

There are following types of competence which can be distinguished:
- organization competence,
- professional competence,
- position competence connected with particular job position requirements,
- real competence owned by particular employees,
- possible to gain competence accessible within the limits of employee’s abilities.

It is of vital importance to establish so called key competence for the company, the most important competence for a given position which as the result achieve a goal. Key competence are identified with the strongest employee’s features.

Organization competence condition results of organization activity and consist of managerial competence – concerning particular people and at the same time their personal competence connected with ability of efficient, effective and ethical management, employees’ and co-workers’ competence – are connected with their knowledge and skills, creative thinking, ambitions and involvement as well as with abilities to cooperate ( those competence have influence on the form and company’s development, brand creation and products made), knowledge and collective memory – contained in management systems, databases and other information stores used by a company. All those factors consist of identity and corporate culture of every organization, competence received from outside e.g. all kinds of patents, licences, competence in the field of technologies and products, social competence connected with cooperation with outside and inside environment as well as ethics.

Ethical social competence realized within the organization may be an expression of social responsibility displayed in economic practice in inner and outer sphere which derives from the division on outer and inner environment of a company. The inside of a company consists of human resources, material (machines, machinery, tools, buildings etc.), financial,

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4 T. Oleksyn, Zarządzanie kompetencjami, op. cit., s. 19.
technological and information resources. Some of the experts of management theory and practice add the category of enterprise (ability to create and do business).\(^5\)

In the group of higher-ranking employees e.g. at the manager position technical skills are indispensable (knowledge of practical procedures of professional competency, efficiency in doing things) and conceptual (ability to see the organization as a complex structure). Strategic thinking and future visualization are also of vital importance.\(^6\)

At a given job position, some basic competence are required, which an employee has to fulfill apart from the company he currently works at. In this way professionalal competence are ascribed to certain job positions which form and develop in a longer period of time within the frames of a wider social process whereas in a certain organization only some details change.

In majority, companies are neither obliged to accept uniform names of job positions nor to determine identical qualifications standards. However, in some cases there are legal regulations connected with job positions. A lot of people apply to such top-down regulations because it allows to protect professional status and as a consequence work quality and public trust. On the other hand, employment market constantly changes and there is a tendency of widening contents of work within the scope of professional and specialty. In such a way a lot of old professionals and specialties disappear. Those types of changes in a contemporary world are unavoidable and objectively necessary. Unfortunately, they can become an obstacle impossible to overcome for people advanced in years and with low level of education.

**INTEGRATED COMPETENCE MANAGEMENT IN A COMPANY**

Competence management can seen in a wide perspective both as a certain management philosophy, a way of thinking of an organization about all of its skills and storages and its employees’ competence management especially their professionalal competence. Professionalal job competence management organizes processes adequate for a proper human resources management such as job recruitment, assessment, professionalal training, promotion, work judgement. It allows those processes to become efficient and effective. It enables the organization a full realization of strategic targets which depends on human resources. The coexistence of phenomena such as professional competence management and achieving the aims of human resources policy coherent with strategic targets is emphasised.\(^7\)

The most important aims of competence management and their description are presented in the Table 1.

<table>
<thead>
<tr>
<th>Aims of competence management</th>
<th>General description</th>
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<tbody>
<tr>
<td>Defining proper work standards at the job positions</td>
<td>Outlined work standards at certain positions are connected with professionalal qualifications standards as well as work division in a given organizaton.</td>
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<tr>
<td>Real employees’ and managers’ competence research</td>
<td>The research enables selection of candidates on the positions within the scope of organization and orientation on professionalal</td>
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\(^5\) W. Ocieczek, B. Gajdzik, *Społeczna odpowiedzialność w przedsiębiorstwie produkcyjnym*, Podręcznik akademicki (w druku).


\(^7\) J. Moczydlowska: *Zarządzanie kompetencjami zawodowymi…*, op. cit, s. 182.
| Preparing company workers for present and future tasks | development and promotions preparation. A proper employees’ preparation to efficient realization of both present and future tasks depends on such criteria fulfilment: efficient recruitment planning, competent human resources recruitment and selection, increasing recruitment flexibility, efficient communication, efficient leadership, financial resources, discipline at realization of tasks. |
| Increasing value of the company through human resources growth | Real increase in this field is usually possible via skillful investments such as remuneration, trainings, integration programmes. |
| Using maximum of employees’ strong points by minimising the influence of their weak points on organization | Recognition and making good use of employees strong points is vital as well as relying on talents, advantages and interests of employees. Professional competence management allows to depict the proper development path and company requirements according to its employees. |
| Increasing the level of employees’ satisfaction and their position on employment market | Satisfaction increase occurs due to enabling professional development of an employee or his retraining. Every employee can use competence management in order to conduct one’s own ‘marketing’ and professional development planning. |

**Source:** Own work based on: G. Filipowicz, *Zarządzanie kompetencjami …*, op. cit., s. 44

An essential factor of professional competence management is their consequent implementation. It creates possibility to combine all systems connected with actions taken regarding employees. Due to its universality professional competence management is easy to understand for all employees. Competence become the basic factor of getting the job, promotion, training participation, work assessment, depicting expectations etc. Implementation of professional competence management should lead to orientation of personal actions taken by a company in the direction of training key skills, attitude development and gaining knowledge by employees of all levels.

Development of this kind creates the basis to achieve strategic and operational targets of organization as well as being an element of corporate culture constituting which of the qualities in a certain company are the most desirable, which are old-established qualities and to which qualities a company aspires to.

Implementing professional competence management most frequently is done by expert methodology (creation of competence descriptions and competence profiles commissioned to independent experts) or participational method (combining experts’ actions with company members).

On the basis of expert method profiles of position competence are depicted and after being approved procedures of their usage are created. Advantages of this method are its action speed, relatively small company’s involvement and possibility to apply reliable methods. Frequent dismissal of expert descriptions by employees is the method’s disadvantage. According to employees expert descriptions are not adequate with real position

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9 J. Moczyłowska, *Zarządzanie kompetencjami zawodowymi a motywowanie …*, op. cit., s. 190.
requirements or in some cases outside company’s lack of professionalism. In order to eliminate such difficulties of participational methodology is used\textsuperscript{10}.

In the participational method, it is essential to create conditions for initiative, expressing ideas, activity, a right to criticise some solutions and expressing one’s own ideas to make the most appropriate decisions. Awareness of the impact an employee has on company’s functioning and co-responsibility for the company influences integration and identification of employees with the workplace. Participation enables employee satisfaction from taking part in realization of important activities. An important element of this kind of methodology is systematically applied information process over competence management directed to employees. Everyone included in competence system should receive information concerning causes of system’s introduction, the manner of its usage and design. Creation of positions profiles would require collecting a large amount of information concerning specific functioning of particular job positions. People employed in a company will be the main source of information\textsuperscript{11}.

Implementing the professional competence management should help the organization in achieving its strategic goals. A proper implementation of professional competence management causes creation of clear expectations among employees who in most cases perceive the advantages of competence thinking and have a right to expect their introduction. Implementation of professional competence management consists of five stages presented in the Table 2.

<table>
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<th>Stage</th>
<th>Actions</th>
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<td>Stage I</td>
<td>It is an introductory verification of the group of competence which will be later used in implementing activities. The group of competence should be limited to 40-60 basic competence. The chosen competence should be carefully checked as far as the definition adequacy and specification of the company is concerned. At the same time it is advisable to organize a strategic workshop during which the basic aims of implementation should be depicted as well as chosen competence important for all company’s employees. It is a vital action because competence requirements which are depicted will be effective to absolutely everyone. At this stage it is worth to consider setting up a specialized section which task is to take care of professional competence management. People in this section should collect information, materials, tools, data etc. Connected with the issue of competence in the company. Basic results obtained at this stage is depiction and verification of basic competence group, choice of competence and creating specialists team to manage professional competence management affairs.</td>
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<tr>
<td>Stage II</td>
<td>In this stage competence is assigned to certain groups or individual positions. Most frequently the process starts from requirement analysis at certain positions. Some various data should be taken into consideration such as the principal aim of position existence; tasks performed at the position; basic challenges and difficulties; systems which currently function in the company for example assessment system, sequence plan; management guidelines for example in the case of company’s mission. On that basis a choice of several key competences is done for every position in the system. Basic result obtained at this stage is adjustment between competence and position.</td>
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<td>Stage III</td>
<td>It is competence audit and developmental actions planning. Level of competence development among employees should be also determined. Normally several independent assessment sources can be used in this case: - competence tests - employees assessment made by managers on the basis of complex competence scales - assessment of a chosen target group representative made by independent consultants based on work observation. This stage requires a survey or working out adequate questionnaires, precise observational scales</td>
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\textsuperscript{10} G. Filipowicz, Zarządzanie kompetencjami ..., op. cit., s. 43.
\textsuperscript{11} J. Moczydlowska, Zarządzanie kompetencjami zawodowymi a motywowanie ..., op. cit., s. 191.
preparation and detailed analysis of gathered data. It is important to achieve the aim which is precise determination of the gap between desirable competence and diagnosed competence. Basic result obtained at this stage is the level of acquisition assessment among employees and initial developmental actions planning.

Stage IV
This stage consists of selection, introduction and appliance of adequate activities having impact on development of particular competence. It can be stated that this is the essence of competence systems. Competence selection, positions depiction and audit are necessary actions which, however, are only a basis for adequate method selection for employees’ competence development. Basic results obtained at this stage are implementation of development programmes in a company and development of competence defined as desirable.

Stage V
This is the stage of keeping current functioning and company development which was implemented in a particular company. The element which is vital at this stage is monitoring the effects of professional competence management implementation. Monitoring may consist of choice of set and constant measurement of factors level (for example a questionnaire conducted among employees). Basic results obtained at this stage are monitoring of professional competence management functioning and updating programmes which support competence development.

Source: Own work based on: G. Filipowicz: Zarządzanie kompetencjami ..., op. cit., s. 40-50

METHODS OF COMPETENCE ASSESSMENT

Methods most frequently used in practice are: observational scales, competence tests, 360° method, assessment center, participational observation, A&DC. The choice of method is specifically conditioned by the construction of assessment system which at the same time depend on many factors. Such factors can be enumerated: company’s size, level of diversification of performed tasks, current experiences within the scope of assessment, stage of organization development. Particular methods are presented in the Table 3. For the purpose of this article the assessment scope of technical competency assessment is presented. Technical competency concerns subcontractors who provide services for production enterprise. Such key criteria assessment can be enumerated:

- determining technical competence of subcontractors based on presented certificates,
- technical competence assessment on the basis of specialist documentation analysis,
- subcontractor’s assessment and his declaration of performing task or service according to presented procedures,
- technical competence assessment on the basis of audit results performed by contractor,
- one’s own inspection of research results presented by subcontractor (a report on task/service accomplishment),
- technical competence assessment on the basis of analysis of the results received through public opinion, contracting party research, etc.

Apart from subcontractors assessment enterprise assesses competence of its employees. It can be done at a special list called the list of employee’s competence. Manager of every department should at least once a year conduct an assessment of tasks and functions performed by particular employees. Manager also assesses the form, manner and result of periodical testing of knowledge and skills. Employee is notified in writing about the results of competence verification. The result of competence verification can be positive – in accordance with functions and tasks assignment of an employee or negative, which requires limitation of assigned function, position or entitlements. This kind of limitation is withdrawn

on the condition that an employee supplements the gap in qualifications and competence (professional training, theme training)\(^{13}\).

The most popular methods of competence assessment are:

**Competence tests:**

*Introspective tests* – They consist of questions connected with functioning of a particular person. Normally the sentences are formulated as descriptions of certain behaviour in a specific situation and the person being asked has to determine how she manages in a certain case. This kind of tests actually are not created to conduct a reliable audit. Those kinds of tests can only serve as the method of introductory autodiagnosis and a way of better competence understanding.

*Accomplishment tests* – Those tests allow to depict how an employee will behave in certain situations. They are conducted in the form of a short situation description with a few possible answer choices. It enables to maximize difficulty level via introducing the requirement of making the best and the worst choice in a particular situation. Such tests considerably widen the scope of possible analyses and received results. What is more, these tests are much more difficult to ‘cheat’ and also provide a rich analysis material. Competence level diagnosis cannot rely on one or two questions. The analysis of tests used in practice shows that the optimal number of questions is 7 or 8 per every competence. It gives the possibility to ascribe questions to particular areas of behaviour connected with certain competence.

**360° method** It is a modern method of collecting information about competence and possibilities of development among employees. Self-assessment is the basis of this method as well as opinions accessible for the employee expressed by co-workers. The main aim of back information in 360° method is the possibility to confront his self-assessment with other people opinions from at least three independent sources. Research should be kept confidential and based on a specially prepared questionnaire. The questionnaire will be used by several people that is why criteria must be very precise so that everybody will understand questions in the same way. Employee is able to confront his self-assessment with outside assessment on the basis of the questionnaire results whereas reports concerning all employees enables comparison between individual assessment and the level of other employees from a certain group.

**Observational scale:** It is generally a correlation between competence description on all levels to language of behaviours. In other words the method describes the behaviour of a person who acquired competence at certain level. It is of vital importance not to make assessment on the basis of a single observation but a whole range of observations on condition that they describe single competence category. A following procedure should be applied while preparing observational scales:
- to determine what kind of competence is assessed,
- to enumerate from 4 to 10 characteristic behaviours for every competence,
- each kind of distinguished behaviour should be divided according to the level of its acquisition, which will correlate with a scale of competence measurement,
- to present data in table form,
- to attach a short instruction of table usage.

The main advantage of using adequately constructed observational scales derives from precise descriptions used in scales. Observational scales may serve the purposes other than assessment for example as the source of information about what behaviours are desirable by a company within the scope of particular competence.

**A&DC (Assessment/Development Center)** – It is a method of employees’ assessment and development in which a meeting is planned and arranged. During the meeting participants

\(^{13}\) B. Gajdzik, *Zarządzanie kompetencjami pracowników* …, op. cit.
perform a series of tasks. Tasks realized during the session are constructed in such a way that the subjects could demonstrate certain competence. Assessment of the level of competence development is performed by assessors in relation to properly constructed tools (most often estimate scales). A varied number of subjects as well as assessors can participate in the meeting. There exist at least several procedures of formulating assessment during A&DC sessions. There are various approaches which define differently the role and competence of assessors. Despite a significant diversification of research procedure in A&DC several common stages of proceedings can be distinguished:

Greetings and contract, diagnosis of current competence possessed by participants in relation to desirable competence profiles; session of back information

CONCLUSIONS

Common characteristics of modern organizations are rapidly progressing technological, social and cultural changes and in order to remain on a global market organizations have to struggle with competition and changing customers tastes. All these factors force constant changes within organization which, in order to remain on the market, has to continually adjust to changing reality or even has to be ahead of those changes. The increase of employee’s competence greatly influence creating competition advantage of a company. That is why employees assessment within the scope of their knowledge and competence is of vital importance.

Dynamic changes taking place in company’s environment and evolution of views on the role of staff within organization increase professional competence management necessity. This phenomenon is noticed in Poland. First product companies implemented integrated programmes of competence improvement and applied assessment of employees knowledge usefullness to production processes.

LITERATURE
