

## COMPETENCIES - THE COMMON LANGUAGE OF EMPLOYEES IN INDUSTRIAL COMPANIES

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### Abstract

Competent, disciplined and loyal workers represent, in addition to a realistic and suitably elaborated business plan and the associated financial resources, technical and technological equipment, and logistic support, the basis of success, progress, development, and competitiveness of every single industrial company. One of the aims of both authors of this article was in particular to highlight the significant and irreplaceable role and the importance of competencies as one of the segments of the process of human resources management, necessary to define and identify the required abilities, knowledge, and skills related to the anticipated performance of specific work activities that have become the common language of workers in industrial companies. The second aim was to present the basic rules, the meaning and the content focus of the creation of competency models of companies, providing not only immediate instruments used to measure the efficiency and the innovation potential of workers holding a concrete work position, but especially long-term instruments regulating the development efforts and flexibility in the strategic direction of the company, while taking into account the hectically changing internal and external conditions in which companies in general exist and operate.

**Keywords:** competencies, ability, knowledge, skills, competency model

### 1. INTRODUCTION

Thinking and acting positively in life and work is certainly better, easier and more rewarding than dealing with common problems and drawbacks that life brings every day both in private and family life, in a relationship, as well as in the workplace - in the company. The life of every man is mainly influenced by his/her personal approach, conduct, behaviour, and by pursuing his/her own resolutions. Of course, the life of person is influenced by many factors and impacts that one can't and is not able to control.

Many or most of us know the present time in connection with the words "crisis - recession", it is especially important, if not the most important, to realize, and not only to realize, but especially act in such a way not only to maximize the efforts in relation to the quantitative side of meeting our tasks and solving our daily duties, but also in relation to the improvement of our abilities, skills, and knowledge - competence, while bearing in mind the human dimension associated with the character and personal prerequisites and qualities.

Every company, or the individual organizational units, meet their goals thanks to and by means of active and good efforts of all their workers. The more consistently and purposefully the individual basic management levels are accomplished - planning, organizing, selection and placement of workers, management and control, the more competent the company personnel is, and the better results are achieved.

"Everything good is the enemy of great". This is one of the main reasons why we have so little of what turns into great. We don't have great schools primarily because we have good schools. We don't have a great government primarily because we have a good government. Only few people live a great life and it is especially because arranging a good life is so easy. The vast majority of companies never become great, simply because the vast majority of them are good enough and that is their main problem. [1]

In industrial practice, from the perspective of focusing on the identification of tasks and responsibilities with regard to concrete work roles, it is important and necessary to carry out an analysis of the work. Sometimes, it is difficult to transfer information to a description of traceable behaviour accompanying the tasks and responsibilities. Thanks to that, the analysis of competencies has become very popular in companies, because it helps them to define the evaluation criteria, focusing on a particular worker. [2]

## 2. COMPETENCE

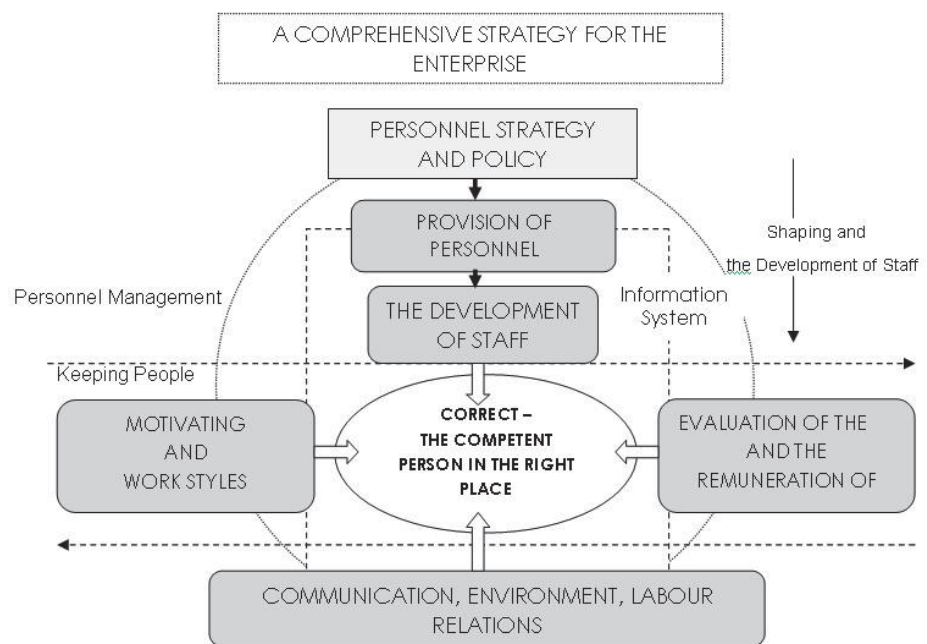
### 2.1 Attitude to work and to work performance and how to influence them

In industrial practice, it is desirable for a worker to have, respectively a worker must have the required competencies - powers or qualifications, figuratively speaking abilities, competencies, qualifications, skills and agility. Competence is a term related to work which the given person is eligible for. People eligible for the job are those who meet the expectations regarding performance [3], [4].

One of the most important tasks in the system of human resources management is to lead the workers in such a way and use such methods to make them take part in ensuring the effective functioning of the industrial company, while the following factors must be respected when meeting these goals:

- external environment, associated with questions and problems of economic nature, problems represented by the market, pressure groups, professional ethics, the influence of the executive power - government, problems of ecological character, problems of international character,
- internal environment, which can include the vision, strategy and objectives of the company, the philosophy and criteria of the company, its shared values, the style and form of management, the company culture, its organizational structure, financial situation, implemented technology, the applicable and enforceable system of in-house management standards and regulations,
- characteristics of workers and the available skills associated with them, knowledge, experience and skills - competences, their needs, efforts, talent, enthusiasm, willingness, loyalty, habits and motivation.

The logic of connection of the individual activities within the scope of human resources management of an industrial company is shown in Fig. 1 [5].



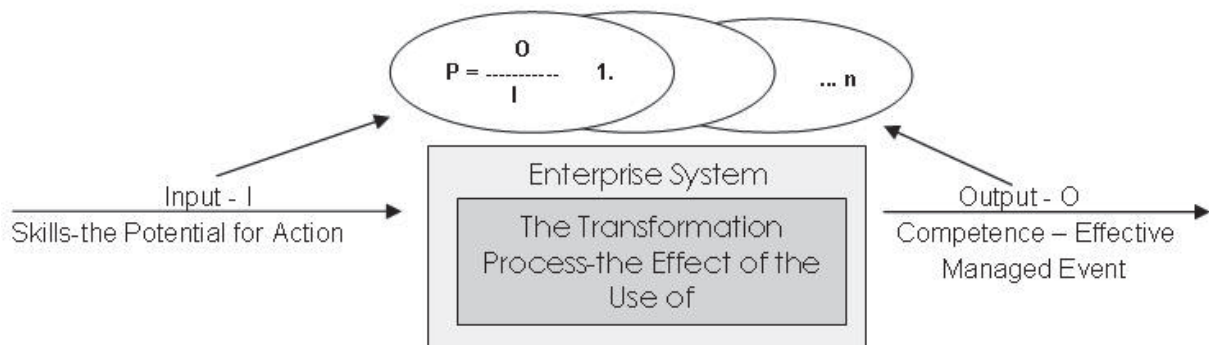
**Fig. 1** The logic of connection of the individual human resources management activities (adjusted according to [5])

## 2.2 Effectiveness of the utilization of abilities, the transformation process and productivity

Effectiveness is the basis and prerequisite of the growth of performance and productivity. If a company wants to thrive and to ensure a smooth execution of the planned tasks on the required quantitative and qualitative level, the individual workers and managers must not waste time, energy and resources used within the scope of achieving their goal - work task.

The transformation process in a company system leads to the use of inputs to outputs, and it is the transformation process itself which, to a large extent, decides about the final production efficiency. [6]

In terms of the defined elements of competencies (Armstrong 1999, p. 37) related to the provision of increasing labour productivity in business practice, it is desirable for the input represented by abilities or the potential of workers to perform some activity - role, to be effectively linked to the process output through the use of knowledge and skills, ultimately completed by an effectively mastered action focused on achieving the set goal. [7] It comes down to the basic fact that a competence should make sense. The concept of the system of labour productivity measurement, linked to the competence elements, is shown in **Fig. 2**.



**Fig. 2** The concept of measurement of productivity linked with the elements of competences (adjusted according to [6])

In the production process, the input materials are transformed into products. Taking into account the fact that there is no company existing in isolation from its environment and, as mentioned in sub-chapter 2.1, that the human resources management should respect, among other things, the effects of external environment, it is not different even in evaluation of company performance, which must include both the internal performance (assessed through the declared indicators) as well as the external performance (comparison with other companies, benchmarking). The system of performance measurement must be able to measure improvement. From the perspective of business practice, improvement is essential in five main areas:

- effectiveness = (current output/expected output),
- performance = (currently used source/planned source),
- productivity = outputs/inputs,
- quality,
- effect.

Based on the content of the practically used statements saying that effectiveness - means doing the "right things", efficiency - means doing "things right", and based on the fact that productivity is the ratio of produced outputs to the consumed input resources, it can be said that it is the ratio of effectiveness to efficiency. [6]

### 2.3 Competencies as a criterion of the selection of workers

The selection of workers, the selection of the most suitable candidate for a newly created position or for an existing or re-manned work position within the scope of improving staffing of concrete work positions, within the systematization of positions in the existing organizational structure of the company, is one of the most important activities in the process of company human resources management from the perspective of the future.

In addition to the required expertise associated with a specific work place, the selection of candidates also takes into account soft skills. These include the characteristics, abilities and attitudes, and just the individual characteristics that are consistent with the declared company culture and that contribute to high efficiency, are referred to as competencies in the language of experts in human resources management. A competence, in fact, represents what a person - a worker is able to transform into the desired results. A competent worker can generally be a person who:

- has the required abilities, qualities, knowledge, experience acquired in practice, and skills,
- is sufficiently stimulated and motivated to use the desired behaviour and activities, while exerting the necessary energy,
- is allowed to use the desired behaviour and activities (authority) in the given environment, and who is willing and able to bear responsibility for his/her actions.

Competencies, which represent the conditions of the required successful transformation of business strategy into reality, are organically assembled into a competency model.

### 3. COMPETENCY MODEL

A competency model belongs to the priority instruments of leadership of people in companies, while being an organized and complex list of competencies to perform a concrete activity related to a concrete work position. A competency model provides a clear and quick reference in the sphere of what people the company needs, what qualities, abilities, skills are typical and desirable for the position.

A competency model is a formal instrument used by the employer, represented by the manager, to allow him to determine what the necessary personal and professional qualities and skills of a worker related to a concrete work place are, which is directly related to the selection and subsequent deployment of new and relocated workers in the company.

A competency model defines what must be expected from a man for the given function - what a man must achieve to meet the required criteria in terms of the quantitative and qualitative benefits of his/her activity in the company. It is a powerful tool within the frame of human resources management of company employees, and this is not the goal itself, but rather the mean to achieve the goal, by increasing the effectiveness and efficiency of the worker performing the function - work position. Each functional competency model is just the one that contains those competencies that are important for the specific company and that declared clear expectations related to employee behaviour in compliance with the content of company culture of the company in question.

The fundamental inputs for the creation of a competency model should be the principles of:

- how to work,
- company values,
- types of competitive advantage.

Within the scope of the competitive advantage, it is necessary to focus especially on:

- helpfulness,
- creation and innovation of products,

- tailor-made supplies, while respecting, honouring and professing:
  - pro-client orientation,
  - entrepreneurial thinking,
  - professional competence,
  - relationships and team cooperation,
  - flexibility of thinking,
  - creativity and innovativeness,
  - perceptivity (open eyes = signals from the market) and foresight (perspective),
  - progress,
  - fearlessness.

From the perspective of understanding the importance of competency model for the business sector, it is important to note that it represents a link between the business strategy and the human resources strategy, but also a link between the values of the company and the job description and, unlike the set of values, which is only one and which the company adheres to, there are more job descriptions.

### **3.1 Advantages of implementation of competency model in business sector**

In general, it is possible to summarize the benefits of the development (creation), implementation and use of a competency model in business practice the following way:

- common language of all workers in the company,
- continuous availability of uniform criteria for the selection and evaluation of workers in the company,
- interconnection with statistic evaluation,
- basis for a uniform system of evaluation, remuneration, company staff development and education,
- basis of the concept of targeted development programs in business practice.

Unlike the period of boom, when the scope of employment of concrete people witnesses minimal or sporadic changes, at present, during the period of recession, the scope of employment changes very often, while the desirable competencies change very rarely. By the transition of a company to competence models, there is a transfer from structures based on tasks to a structure based on people and, especially, on teams - teamwork, which is another important advantage of the implementation and application of the competency model in business sector at present.

### **3.2 Functionality and updating of the competency model**

In the event that the competency model implemented in practical use is not functional, it causes complications. To avoid that and to utilize all its positive aspects and benefits it was created for, the competency model must be characterized and must comply with the following properties [8]:

- linking - follow-up on the company strategy that creates the framework for the interpretation of human resources activities of the company, which are interconnected by the competency model,
- user-friendly - clear and apposite for all managers, while being apposite from the point of view of the merits,
- uniform - functioning across the entire company, which creates a uniform framework for the application of the individual human resources activities and in the communication within the company,
- spatially applicable - providing a unified scheme to ensure the selection, evaluation, development and education, or even remuneration of the company workers,
- shared - not submitted as complete and binding, but its creation should incorporate the largest possible group of those who will use it, and they must identify with its content.

Competency models define the key behaviour associated with the performance of the target work role. It is necessary to understand that competency models are not static documents. They change over time, as the

company needs evolve, but especially because of many external effects, such as legislative changes or customer demands that also change the requirements for work and competencies with respect to a concrete role. From the point of view of the current application potential of the contents of competency models, they must be periodically reviewed, especially when using selection programs for assessment of the original evaluation criteria of employees. Among other things, there are also legal reasons why to ensure exact selection procedures, since they must comply with the content of the basic legislative framework for employment, the Labour Code. [2]

## CONCLUSION

It turns out that people with similar work capability show different performance, while the explanation of this fact usually uses the uniform term of competence. A competence then expresses the desired state of development of working prerequisites of a man, i.e. his/her working capabilities and qualification on the given work position and in concrete conditions of the industrial company.

The basic objective factors affecting the real image of the competence of a worker include, in particular, the actual job title, the human resources management in the company, the professed and implemented company culture within the firm, the style of management and leadership of workers, the organization and regime of work, the method of evaluation, remuneration, motivation of workers, the communication, environment, labour relations, and the social climate in primary working groups. These facts create a specific, suitable and unsuitable framework and space for the work of each individual worker. [9]

If the work capability of a man is in harmony with the subjective and objective factors of his/her competence, he/she turns out to be a dynamic worker, with natural authority, and he/she becomes a generally respected personality within the environment where the person works and that's where the human resources management of every single successful and great industrial company is heading for.

## ACKNOWLEDGEMENT

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