

## COMPETENCE MANAGEMENT

### Abstract

*Competence management represents the main component of human resource planning in the contemporary age, and is viewed as integral to employment relations (Parlier, M., Masson A., 2004). It constitutes a relatively novel approach in human resource management and is simultaneously ambitious and demanding. The issue of competence must be tackled both from the standpoint of the organisation and also individually, at employee level (Merle, V., 2003). Competence is a dynamic notion, which must be approached at three levels: individual, collective and organisational (Dejoux, C., 2001). The article outlines the results and conclusions of a survey aimed at assessing competence-based approaches in 30 Romanian firms (based in the North East region), employing 11575 persons. The research was conducted during the period 1 March – 15 April 2010.*

**Keywords:** human resources, competences, careers.

JEL classification: 14 c

### 1. Introduction

Competence management, a dimension that has been incorporated in human resource management, represents the foremost component of human resource planning in the contemporary age, being also integral to employment relations (Parlier, M., Masson A., 2004). The issue of competence must be tackled both from the standpoint of the organisation and also individually, at employee level (Merle, V., 2003).

The range of competences available on labour market and the training level of prospective employees have undergone major qualitative shifts, as the number of university graduates has reached unprecedented levels. Key developments include the diversification of specialisations, the increase in individual adaptability and in the capacity to become integrated in various organisations. As a counterweight to these developments, employees' demands to employers have grown, related both to work conditions, remuneration and additional awards linked to performance levels and to the ways in which the organisation, by continuous training, seeks to maintain and secure the development of personal skills and consequently to ensure an ascending career path and long-term attractiveness on the job market.

As regards competence demand, the firm is faced with the exigencies and reactivity of employees to the long-term attractiveness of the organisation, the higher quality of services and increased competitiveness. Nowadays, the employer may opt to integrate the potential employees in the organisation or to conclude fixed-term labour and service contracts, depending on competition on the labour market.

Although competence-based management is pursued in a relatively informal manner, it has come to replace, in social management, the notion of qualification, as it evolves in close connection with training and career management.

### 2. Theoretical considerations

Competence has been broadly defined as “the set of knowledge, technical and professional abilities and skills that may characterise an employee, a group of employees or an organisation” (Thierry, D., 1990).

Competence derives from the mix and actual use of personal resources, practical experience, social abilities and from the way in which employees (teams of employees) leverage the resources allocated to them, i.e.: work equipment and tools, technical sheets, information, relation networks. Individuals must be able to research and select within their work environment and to deploy appropriate means to complete any tasks assigned to them.

---

<sup>1</sup> Associate Professor “Petre Andrei” University, Iași, Romania  
[catalina\\_lache@yahoo.com](mailto:catalina_lache@yahoo.com)

In this respect, competence reveals the practical capacity of a person or a group of employees to develop, mix and integrate a whole range of heterogeneous knowledge and abilities to fulfil their assigned tasks.

Professional competence represents a person's capacity to apply diverse practical knowledge and abilities, to exhibit the appropriate attitudes demanded by the practice of their particular occupation and to ensure that all these abilities are blended and transposed in different work situations and environments, in order to perform the activities demanded at the workplace at the level specified in the relevant occupational standard.

A competent person has the ability to communicate effectively, work effectively as part of a team, demonstrates critical and decision-making skills, can adjust to the specific work environment and also cope with unforeseen situations, is creative, resilient to stress, applies specialist knowledge and proves the capacity to perform the activities specific to a particular occupation.

Professional and organisational competence, value-creating production performance, innovation, employee involvement, and incentive schemes lead to high-performance activities and to efficiency and effectiveness in the firm's operations.

Competence is a dynamic notion, which involves taking action, adjusting to the environment and altering the firm's internal and external environment.

Dejoux highlighted three level of competence: individual, collective and organisational (Dejoux, C.,38).

**Individual competence** constitutes the basic element of competence management, matching individuals with concrete work situations.

**Collective competence** is an aggregate of individual competences, of the capacity to leverage individual competences by enhancing cooperation, information exchange, value-creation and performance.

**Organisational competence** represents the foundation of professionalization, defining the level of "competent organisation", an organisation that can learn to combine economic efficiency with social performance. The ratio of available resources and their effective use by the firm defines the level of organisational competence.

The simultaneous deployment of the three levels of competence enables the inclusion of competence management in the firm's strategy.

Table 1 outlines the various uses of the notion of competence.

Table 1

The use of the notion of competence

Area	The notion of competence	Operational level	Specific instruments	Goals
Human resource management	Individual	Professional	Employee competence references	Enhance human resource management Identify and develop personal potential Combine economic efficiency and social performance
Individual	Individual	Counselling	Review of competences	
Organisational	Collective	Hierarchy	Professionalisation targets	
Resource allocation	Individual Collective	Hierarchy	Database of competences	Staff deployment
Strategy	Organisational	Management	Human resources assessment based on the competence portfolio	Identify and promote competences that generate performance
Quality	Organisational	Management	Quality standards, procedures	Certify competences

Source:Dejoux, C. – *Les competences au coeur de l'entreprise*, Les editions d'organisations, Paris 2001. Processed and adapted by autor

Competence management concerns mainly the evolving, specialised and decentralised

organisations, with high levels of employee initiative and autonomy and major focus on cooperation and mobilisation on specific projects.

Viewed from this perspective, labour no longer appears a mere cost, but rather as a driver of performance. The competence-based approach therefore is geared towards the constant increase in the firm's efficiency and effectiveness, by correlating the following demands:

- Increasing performance and the quality of products/services;
- Constantly adjusting competences to the technological and organisational changes;
- Greater demands related to employees' capacity to interpret and assess information, entrepreneurship, and their capacity to respond and solve in real time any work-related issues, autonomy and adaptability;
- Leveraging knowledge and technical proficiency in order to solve work-related issues and being fully invested in the production process. All this also generates to changes in employment relations.

H. Bertrand argues that „*the competence-based approach is part of a vast array of innovative management means, method and principles, which have prompted changes in employment relations in order to meet current quality and performance demands*” (Bertrand, H., 2002). Consequently, competence shapes and clarifies what the employer expects of employees. By establishing a sound competence management, employees occupying similar roles can be differentiated and their abilities can be utilised more effectively. As there are no laws governing these choices, they are made in a discrete and informal manner in human resource management.

The identification of competences is a challenge for the operation of human resources within the firm, especially in cases of radical overhauls of the organisation of work, because competence demand is not standardised, contrary to qualification lists and salary rankings, types of studies, seniority, experience in other positions, etc., which define a standard profile for each occupation or position. From this perspective, human resource management does not target only the management of the diverse professions and positions in a firm, but represents a more thorough development in the classification of occupations and of the skills required for new activities in relation to the existing competences of a job holder, highlighting key strengths and shortcomings, due to the particular work context, stress, novelty or uniqueness of situations, reaction time etc.

Table 2 proposes a grid that can serve in defining the competences necessary to a firm and the roles associated to each of them.

Table 2

#### Competences and related roles

Components of competence	Related roles
Theoretical knowledge	Capacity to understand
	Capacity to interpret
Knowledge of the firm's environment	Capacity to adapt
	Sense of moderation, no abuse, etc.
Procedural knowledge	Capacity to act
	Capacity to respond rapidly
Social and networking skills	Being cooperative
	Knowledge of proper behaviour, of information assessment, etc.
Cognitive resources	Reasoning, knowing precisely how to act
	Learning
Emotional resources	Instinct
	Responses
Physical resources	Managing one's energy
	Capacity to act under pressure
	Resilience to stress

Source: Bertrand, M. – *La gestion des compétences, Acteurs et pratiques*, Ed. Economica, Paris, 2002.

The practical deployment of the competence-based approach entails the leveraging, development and recognition of competences.

The **leveraging of competences** refers to the increased demands on employees and is manifested at several levels:

- **polyvalence**, which aims to improve the organisation's capacity to respond optimally to the most diverse and particular demands of customers;
- **behavioural competence**, which refers to the involvement and motivation of employees, communication and interaction coupled with stimulating entrepreneurship and optimal solutions to unforeseen situations;
- **the dynamics of competence**, which is linked to the constant evolution of products and services delivered to customers and to the capacity to constantly advance.

**The development of competences** begins with the training process, induction and integration, the acquisition of professional experience and cooperative skills, but must be accomplished through continuous learning. The learning organisation constantly expands and improves its professional knowledge.

**The recognition of competences** refers to their classification and setting up an evaluation and rewards system.

Competence management can be carried out by resorting to a broad array of tools, generally covering four stages:

- highlighting the conditions required for attaining global performance and ways to organise work in order to achieve performance, setting responsibilities, product and service quality levels and labour productivity targets;
- setting clear benchmarks, specifying and classifying the competences expected by general management. This can be undertaken by job descriptions, establishing procedures, creating patterns, etc.;
- describing the competences of each of the members of the organisation and comparing to the established benchmarks or models;
- deploying employees based on projected activities, improving competences through various learning methods, developing the career path, acquiring competences outside the firm's environment, appropriate compensation.

The assessment of individual competences, by comparison the firm's requirements, is conducted regularly, depending on the projects under way. The assessment can be undertaken individually or globally, at the level of the whole staff.

**Gilbert and Parlier** have highlighted the following three principles for putting into practice the competence-based approach (Gilbert, P., Parlier, M., 2008):

- competence alone cannot act as the driver of the firm's ambitious projects; a strategic vision is needed to address customers' evolving demands, effecting organisational changes based on enhanced quality, more comprehensive labour organisation and high-performance management;
- sharing responsibilities and benefits, by achieving a viable compromise between the interests of the various employee categories and by cooperating with unions and trade associations; harmonising economic efficiency with the social one;
- mobilising all stakeholders to become engaged in the competence-based approach, so as to prevent counterproductive actions and subsequent disruptions in the implementation of a project.

The recognition of competences remains a highly controversial issue. Assessment grids are based on the requirements for a particular position. The methods used to determine the level of competence of various persons holding quasi-similar positions include: assessments, professional examinations, interviews and reviews of actions taken to solve specific work-related situations. The level of subjectivity of such procedures must not be underestimated and the subsequent translation of the recognised level of competence into individual financial

incentives can prove to be highly counterproductive.

Competence management remains a relatively novel approach in human resource management, at once ambitious and demanding.

The development of competences is frequently understood as being synonymous with professional training. While it is true that training practices are essential in this process, nevertheless they do not act alone, as the organisation has the opportunity to act in order to improve information and communication practices, which can also often contribute to expanding the range of competences.

This approach does not address the goal of cost reduction, as it focuses primarily on increasing quality, meeting customer needs and complaints at the optimal level, securing customer loyalty and assuring a long-term added value to the organisation by achieving competitiveness in its operations. For these reasons, human resource management must be incorporated in the firm's strategy as it assesses added efficiency which gives the firm an edge over its competitors.

### 3. Objectives, methodology and results of the research

The objective of the article is to present the results and conclusions of a research aimed at assessing competence-based approaches, conducted using the questionnaire-based method, in 30 Romanian firms (from the North East region), which employ 11575 persons. The research was conducted during the period 1 March – 15 April 2010.

The sample is composed with two categories:

- 95 managers, conducting the operations of 30 firms in the North East region, with a total of 11575 employees;
- 180 employees, randomly selected from the 30 firms.

The sample is appropriate to ensure quantitative representation and the reliability of the findings is also optimal.

Table 3 presents a classification of enterprises into four categories, by number of employees, according to European classifications. The fields of economic activity they represent are: transports, textile industry, vehicle services, post and telecommunications, retail and tourism.

*Table 3*

Classification of firms by number of employees

Employees	Micro-enterprises	Small enterprises	Medium enterprises	Large enterprises
<b>Total number</b>	<b>3</b>	<b>15</b>	<b>7</b>	<b>5</b>
<b>In % terms</b>	<b>10</b>	<b>50</b>	<b>23.33</b>	<b>16.66</b>

Table 4 illustrates the views of the managers of the surveyed firms on their employees' proficiency and on the competence-based approach in the organisations they lead.

*Table 4*

Managers' opinions on the competence-based approach

Opinions/ Qualitative level	Very good 5	Good 4	Average 3	Satisfactory 2	Unsatisfactory 1
<b>Professional training:</b> -information -knowledge					
<b>Total number</b>	5	75	15	0	0
<b>In % terms</b>	5	79	16	0	0
<b>Leveraging of competences</b>					
<b>Total number</b>	5	15	21	22	32
<b>In % terms</b>	5	16	22	23	34
<b>Development of</b>					

<b>competences</b>					
<b>Total number</b>	7	18	21	25	24
<b>In % terms</b>	8	19	22	26	25
<b>Recognition of competences</b>					
<b>Total number</b>	0	20	26	22	27
<b>In % terms</b>	0	21	27	23	29

The majority of the surveyed managers (84%) stated that employees are well or very well prepared professionally and that 16% have average qualification.

- 34% estimated that the leveraging of competences was unsatisfactory, 22% viewed it as satisfactory, 22% as average, while 21% rated it as good or very good
- 25% considered that the development of competences was unsatisfactory, 26% rated it as satisfactory, 22% average, 19% good, while 8% declared that its level was very good;
- as regards the recognition of competencies, 29% estimated that the level of recognition was unsatisfactory, 23% graded it as satisfactory, 27% average, 21% good, while no manager rated it as very good.

The same questionnaire was administered to the 180 employees, high school or university graduates, employed in the surveyed firms, and yielded the following results:

- 77% declared that the level of professional training is good and very good, while 23% rated it as average;
- 47% estimated that the leveraging of competences is unsatisfactory, 40% viewed it as satisfactory, 12% declared it was average and 1% good; no person interviewed rated it as very good;
- 31% stated that the development of competences was unsatisfactory, 20% rated it as satisfactory, 22% average, while 21% declared it to be good; none of the interviewees rated it as being very good;
- with respect to the recognition of competences, 30% estimated that the level of recognition is unsatisfactory, 21% rated it as satisfactory and 29% average, 20% declared it was good, while none of the surveyed employees rated it very good.

The findings of the investigation illustrate the convergence of the perceptions of the surveyed samples regarding the issue of the competence-based approach in the firms in which they operate.

#### 4. Conclusions and proposals

In the analysed Romanian firms, the competence-based approach is relatively new and is manifested primarily in the processes of staff training, integration in the organisation and knowledge preservation by means of continuous learning. The recognition of competence is sporadic and not necessarily reflected in employee promotion or compensation. In Romanian firms, politically-motivated management appointments and nepotism are still prevalent, and the consideration of competence as a promotion criterion remains a significant goal.

#### References

1. Bertrand, M. (2002)– *La gestion des compétences, Acteurs et pratiques*, Ed. Economica, Paris.
2. Boterf, L. G., (2006).- *Ingénierie et évaluations des compétences*, Les Edition d'Organisation, Paris.
3. Brillman, J., and Herard, J.(2006).– *Les meilleurs pratiques de management dans le nouveau contexte économique mondial*, Les Edition d'Organisation, Paris,

- 
4. Dejoux, C. (2001)– *Les compétences au coeur de l'entreprise*, Les éditions d'organisations, Paris.
  5. Gilbert P., and Parlier M., (2008).– *Notion de compétence et ses usages en gestion des ressources humaines*, Editions d'Organisation,
  6. Lache, C., (2001)– *Auditul Social* [Social Audit], Editura Tipo Moldova, Iași,.
  7. Lache, C., (2001)– *Exigențe economico-sociale privind gestiunea resurselor umane* [Economic and social exigencies related to human resource management], Editura Tipo Moldova, Iași,.
  8. Merle, V. (2003) – *Le role du salarié dans la gestion de la compétence*, în *Personnel* nr. 440,.
  9. Parlier, M., and Masson A., (2004).- *Les démarches compétence*, Ed. L'ANACT, Lyon,
  10. Thierry, D. (1990).– *La Gestion prévisionnelle et préventive de l'emploi et des compétences*, L'Harmattan.