

PROFESSIONAL COMPETENCIES DEVELOPMENT ON THE LABOR MARKET IN THE EUROPEAN UNION: ORGANIZATIONAL INVOLVEMENT

BÎRCĂ ALIC

PROF. PHD DOCTOR HABILITATUS

THE ACADEMY OF ECONOMIC STUDIES OF MOLDOVA,

REPUBLIC OF MOLDOVA

e-mail: alicbir@yahoo.com

Abstract

In the present scientific endeavour, professional competence is analyzed, as a factor of increasing organizational performance. The need to address this issue is determined by the growing significance of employee competencies on organizational performance. Senior management of organizations needs to be increasingly aware of the impact of employee performance on ensuring competitive advantage. In this context, several concepts of competence and how it has evolved are presented, in the view of several researchers. Several types of skills are also shown, as well as the constituent elements of professional competence.

Methodologically, the results of the Continuing Vocational Training Survey, applied in EU Member States, were analyzed. Thus, the categories of competencies that were developed among the employees, through the continuous professional training programs, were analyzed.

Key words: *human resources, human resources development, competence, professional competence, skills development.*

JEL Classification: *J24; J44; L25; M53.*

1. Introduction

It is proven that organizational performance is ensured, for the most part, by human resources, through the professional skills they possess at a given time. At the same time, in order to ensure sustainable performance, organizations need to be increasingly aware of the need to invest in the development of their employees, in order to update and enrich their professional competencies. In the knowledge-based economy, when professional skills have become an important, even strategic, resource for organizations, the need for employee professional development is becoming increasingly evident. In addition, a major challenge for human resources specialists is to attract human resources with the highest professional skills, thus contributing to increasing the value of the organization's human capital and achieving its performance. In this context, Rodriguez and others. (2002) mentioned that human resource management professionals can contribute to the achievement of the missions and objectives of organizations by providing managers and employees with information and tools to meet these challenges by maximizing human capital. The same authors argue that competencies provide the foundation through which human resource management professionals can contribute to the success of their organization [17].

The professional competence of the employees can be ensured through a continuous process of professional training, as well as through the personal qualities that each individual has. Competent people in the workplace are those who rise to the level of performance expected by the organization. They are able to use their personal knowledge, skills and attributes to achieve the objectives and standards specified for their jobs.

Some authors believe that employees with a high level of professional skills have developed a much greater spirit of innovation, thus contributing much more to achieving organizational performance. According to Vila and others. (2014), managers who want to encourage innovation in their organizations should focus on recruiting and promoting employees with high levels of

professional skills, thus increasing the likelihood of their contribution to workplace innovation activities [20]

In the process of approaching competencies, individual learning and performance play a fundamental role. This view is based on the psychological approach to learning and performance initiated by McClelland (1973) and other psychologists who launched the field of competency study. Underlying this vision is the assumption that the individual is the main unit of analysis in understanding organizational performance. Consequently, most of the skills modeling work that has taken place in recent decades has largely focused on exploring differences in performance between people. As long as the “job” continues to be the basic unit of analysis for the job description, the individual approach to skills development has served human resource professionals well.

Human resources professionals have an important role to play in the process of assessing and identifying the need for skills within organizations. Knowing and understanding the skills needed for certain roles is the optimal foundation for creating situations and learning plans from human resources professionals. As the process of digitizing the economy increases, it is important for HR professionals to consider the application of information systems to support the development of employees' professional skills.

2. Significance and content of professional competence

Over the years, the concept of competence has come to the attention of several researchers. Competence as a notion has evolved significantly, from McClelland (1973) to the present day. The earliest concept provided by McClelland (1973) referred to competencies as components of performance associated with “clusters of life outcomes [15]. This definition considers very broad competencies as any psychological or behavioral attributes associated with success.

Later, Boyatzis (1982), analyzing competence through the prism of the job holder, defines it as behavioral characteristics of an individual that are causally related to efficiency or high performance in the workplace [9]. Approached from a job perspective, the Management Charter Initiative (1990) defines professional competence as the ability to perform activities in an occupation or position at the level of performance expected at employment. The concept of professional competence itself has been developed in different stages, taking into account various historical contributions, as well as an open, flexible and cross-disciplinary perspective [11].

As the concept has matured, Mirable, (1997) defines competence as “knowledge, skills, or other characteristics that differentiate between high and average performance” [1]. Researchers' growing concerns about competence have led to its approach from a multidimensional perspective. Thus, Woodall and Winstanley (1998) define competence as: "skills, knowledge and understanding, qualities and attributes, sets of values, beliefs and attitudes that lead to effective performance in a particular context, situation or role" [21]. Athey and others. (1999) consider that, in addition to the elements stated by Woodall and Winstanley, competence also includes the work team, processes and organizational capabilities that are related to high performance and give the organization a sustainable competitive advantage. Thus, according to the authors, competencies encompass a wide range of individual, collective or organizational capabilities, as a result of:

- the knowledge or skills associated with current performance in the workplace;
- the emerging knowledge or skills needed for future success;
- the best intellectual or behavioral practices proven by the performing people or teams;
- process capabilities that improve organizational performance;
- new ways of thinking or behaving that offer a distinctive competitive advantage [1].

According to Rauner (2004), for the multidimensional perspective, the notion of skills development is essential, which includes the occupational, personal and civic development of the individual, both in an occupational field and in society as a whole. The concept presents the

individual as an active operator in the construction of knowledge through reflected experience, also called "knowledge of the work process" [3].

In the literature, there are two terms for describing the notion of competence. The first term refers to "competence" which has the meaning of personal competence or capacity, while the second term - "competence" - is understood as authority [2].

The concept of competency was first popularized in 1982 by Boyatzis. According to him, "competency is an inner capacity due to which the person has a behaviour that can meet the requirements of the job within the parameters of the organizational environment, which leads to the desired results" [2]. The competency includes such elements as: interpersonal skills, leadership, analytical skills and orientation. The concept of competence, as an authority, was first proposed in Great Britain. According to the definition given by the Agency for Vocational Training, competence is what a person in a certain job should be able to do [2].

Sparrow et al. (1994) suggest that competencies fall into three categories, behavioural, managerial, and basic [19]. Behavioural skills are defined as a set of behaviours that employees bring and contribute to the workplace. Managerial skills tend to be defined as knowledge, skills and attitudes, as well as a small number of personal behaviours. In turn, core competencies derive from the sphere of strategy and competitive advantage, and some authors consider them as strategic resources of the organization. Hamel and Prahalad (1994) defined core competence as "collective learning in the organization, especially the way of coordinating the various production skills and the integration of several technology flows" [16]. The virtue of approaching core competencies is that it "recognizes the complex interaction of people, skills and technologies that determine firm performance and addresses the importance of learning and the trajectory to be taken in its evolution" [18].

Devisch (1998) argues that core competencies refer to the means by which employees adapt to the culture of the organization [6]. Such competencies are considered non-transferable and differ from one organization to another. Functional competencies are related to the roles of the job and how it interacts with other roles. They are considered essential for performance and can be both technical and organizational in nature. Technical competencies are defined as the attributes that a person must bring to a job to ensure successful performance. These competencies may be transferable if a person accepts a similar job in another organization, but is unlikely to be transferred to other different activities.

Therefore, the criterion defining professional competence consists of both elements that characterize the employee and elements specific to the job held by the employee, chosen so as to be able to highlight the degree to which he succeeds or is able to meet the detailed requirements; and imposed by the work tasks, respectively by the exigencies and particularities of the activities they carry out.

From a philosophical perspective, Garavan and McGuire (2001) argue that the notion of competence can be liberating as well as empowering and can be seen as a force for equality in the context of workplace learning [9]. This philosophical position argues that employees should be offered a high degree of self-control and self-regulation, based on the fact that employees dedicated to the organization will work actively to achieve its goals. Epistemologically, Haddadj and Besson (2000) observe that the logic of competence is polarized in two distinct directions:

- individual - focused on individual behaviours;
- collective, focused on building the necessary competence in an organization [12].

Analysing the content of definitions of competence, Klarsfeld (2000) finds that they are somewhere between two extremes. On the one hand, competence as a universal attribute, such as literacy, and, on the other hand, competence in terms of individual ability, which is found only in the context of work [13].

Investigating the significance of competency within organizations, Daniels, Erickson, and Dalik (2001) identified several guidelines for introducing the use of competencies, namely:

improving operational performance, achieving cultural integration and organizational alignment, strengthening human resource processes, and managing organizational change [5].

Organizations have begun to use competency models pursuing different objectives. Thus, some organizations have developed models of competence, as a result of the design of work processes and the restructuring of jobs. Many organizations that have redesigned their work processes and restructured their jobs have developed competency models for newly designed jobs in which there are few employees with the necessary experience [10]. At the same time, other organizations have developed several competency models for different jobs within the same organization [14].

3. Factors influencing professional competence

The competency-based approach in human resource development (HRD) and vocational education and training (VET) was determined by several factors, some of a global nature, others of European specificity [7]. The first factor, also considered universal, was determined by the pace of technological innovations in products and processes, along with demographic changes, which led to an increase in the importance of adaptive training and work-based learning in the HRD agenda. Replacing traditional supply-side with demand-side education models, which favour production-related continuing education systems (usually described as "skills-based"), is the second factor. The replacement of the traditional model of supply-side education with demand-side education, which favours production-related vocational education and training systems, usually described as "skills-based", is the second factor. The next factor, more characteristic of EU Member States, is the lifelong learning policy which emphasizes informal and non-formal learning. This has led to initiatives such as the Personal Skills Card and the European Skills Accreditation System, to identify and validate the competencies acquired. The third factor that also has a political emphasis is related to the following factor that supports „Social Europe”, since recognizing learning outcomes, irrespective of the routes of acquisition involved, rather than inputs in terms of time spent in institutions of learning, is key to widening access to learning and providing ‘ladders’ for those who have had fewer opportunities for formal education and training but have nonetheless developed competence experientially [7]. The fifth factor, also linked to the objectives of the European Lifelong Learning Policy, is the potential of a skills-based approach to the integration of traditional education, lifelong learning and experiential development. And, the last factor, elaborated in the European Employment Strategy, is the need to improve the skills and qualifications of the labour force and to promote labour mobility through constructing common reference levels of occupational competence.

4. Research Methodology

In order to assess the level of involvement of organizations in the process of developing employees' professional skills, the results of the Continuing Vocational Training Survey applied to organizations in EU Member States were used. The Continuing Vocational Training Survey includes all categories of organizations, regardless of their size and field of activity. Taking into account the fact that the Continuing Vocational Training Survey is conducted every 5 years, the latest information available is for 2015. Starting from the definition of professional competence that includes a set of knowledge and skills, we analysed which categories of knowledge and skills organizations have focused their efforts in the process of training employees, considering them insufficient or necessary, due to changes in the content of work tasks, or the introduction of new technologies, or organizational changes. In this context, organizations in the EU Member States, through continuing vocational training programs, improve the level of professional knowledge and skills of employees. The Continuing Vocational Training Survey included several categories of

skills that could be developed among employees, through vocational education and training programs. The first skill category included in the survey refers to general IT skills. From Figure 1, we see the extent to which organizations have been concerned with the development of those skills.

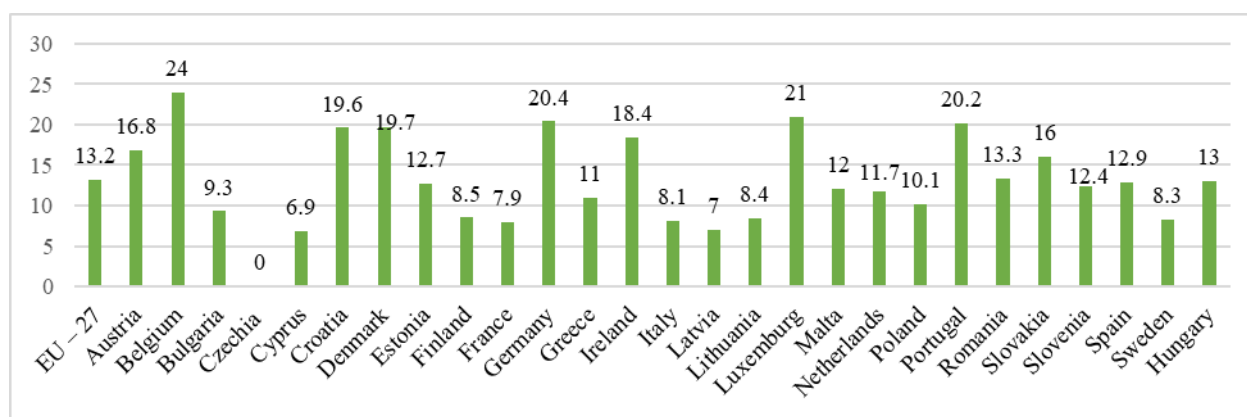


Figure 1. Share of organizations concerned with the development of general IT skills, %
Source: Processed by the author based on statistical data of the European Union.

From Figure 1, we find that the share of organizations concerned with the development of general IT skills ranged from almost 7% to almost a quarter of organizations. The organizations in Belgium (24%), Luxembourg (21%), Germany (20.4%) and Portugal (20.2%) were most concerned about the development of general IT skills. At the other pole are Cyprus (6.9%), Latvia (7.0%), Italy (8.1%), Sweden (8.3%), Lithuania (8.4%) and Finland (8.5%). The level of involvement of organizations in the process of developing general IT skills is more related to the policy that organizations promote in the field of training and professional development of employees. In this case, the development of general IT skills targets all categories of organizations, regardless of their size and field of activity.

Professional skills in the IT field represent the following category of competencies included in the Continuing Vocational Training Survey. Unlike general IT skills that can include all employees of the organization, professional IT skills target certain categories of employees. Therefore, the share of organizations that have requested training programs for the development of professional skills in the IT field is lower (Figure 2).



Figure 2. Share of organizations concerned with the development of professional IT skills, %

Source: Processed by the author based on statistical data of the European Union.

The share of organizations that participated in the development of professional skills in the IT field, through vocational education and training programs offered by various educational service providers, ranged from 6.0% to 22.8%. As the level of digitalization of the economy increases, but also of jobs, in the future we could see an increase in the interest of organizations for these categories of skills, indispensable for performing work tasks.

The next category of skills we are referring to are managerial skills. The results of the survey demonstrate that organizations are interested in developing employees' managerial skills, even if they only target managerial staff. Regardless of the size of the organizations, they contracted vocational education and training programs for the development of managerial skills (Figure 3).

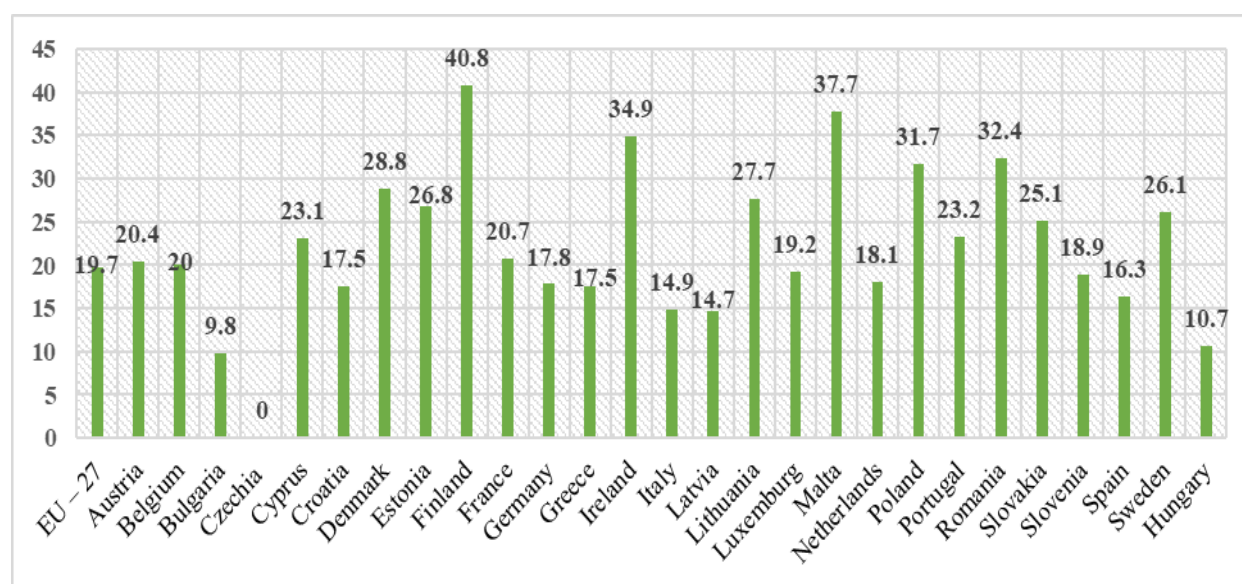


Figure 3. Share of organizations concerned with the development of managerial skills, %

Source: Processed by the author based on statistical data of the European Union.

As shown in Figure 3, organizations in EU member countries have expressed a desire to develop staff management skills through vocational education and training programs. The relatively large share of organizations interested in developing managerial skills can also be determined by the diversity of vocational education and training programs provided by educational service providers. The organizations most concerned with the development of managerial skills were organizations in Finland (40.8%), Malta (37.7%) and Ireland (34.9%). Organizations from Bulgaria (9.8%), Hungary (10.7%) and Latvia (14.7%) showed less interest in developing managerial skills. Regarding the Romanian organizations, practically every third organization has acquired vocational education and training programs for the development of managerial skills.

Another category of skills, with an impact on organizational performance, are those related to teamwork. Although, they are not characteristic of all jobs within the organization, where work is done in a team, it is necessary to develop such skills. These, in large part, lead to the achievement of the performance objectives of the team, in particular, and of the organization in general. (Figure 4).

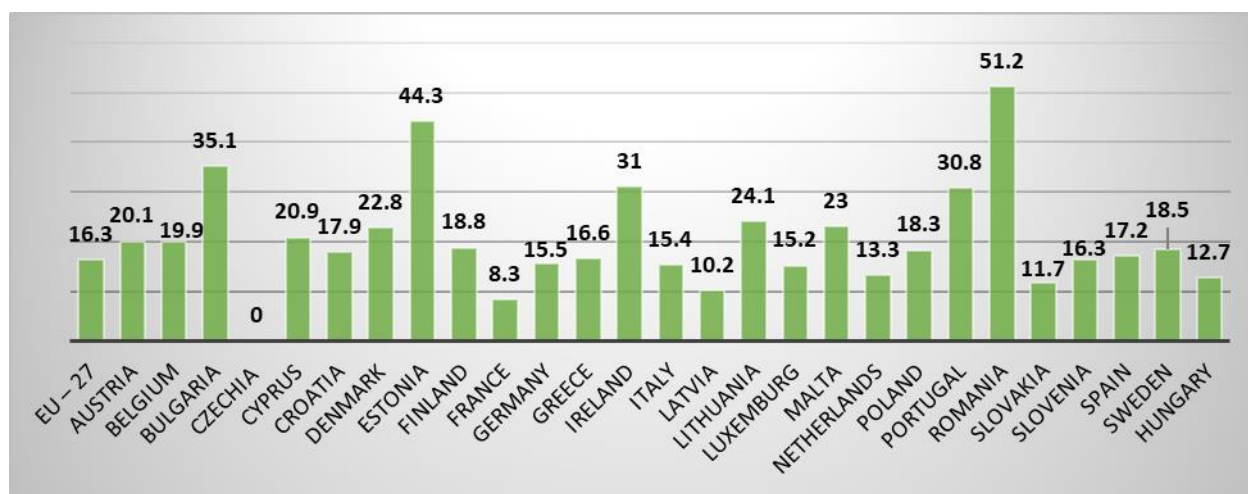


Figure 4. Share of organizations concerned with the development of team working skills, %

Source: Processed by the author based on statistical data of the European Union.

Organizations' predilection for the development of teamwork skills varies quite a lot - from 8.3% (France) to 51.2% (Romania). A particular interest in the development of teamwork skills is observed in organizations in Estonia, Bulgaria, Ireland and Portugal.

Customer handling skills are another category of competencies that organizations today, especially those in the field of services, are increasingly concerned about. Employees who work with customers need skills that have to be constantly developed to meet the new challenges facing organizations. Figure 5 presents the information on the involvement of organizations in developing customer handling skills.

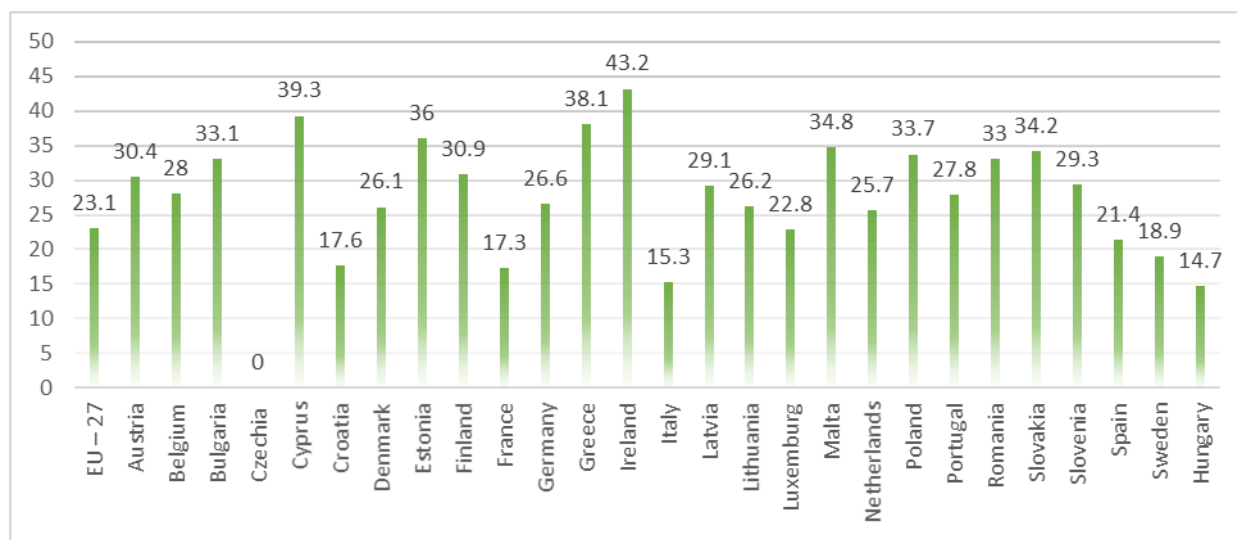


Figure 5. Share of organizations concerned with the development of customer handling skills, %

Source: Processed by the author based on statistical data of the European Union.

According to the Continuing Vocational Training Survey, more than 1/3 of the organizations in 9 EU Member States (Ireland, Cyprus, Estonia, Greece, Malta, Slovakia, Romania, Bulgaria, Poland) are concerned with developing customer handling skills. In service organizations, this category of employees has a significant impact on organizational performance. On the other hand,

there are organizations from Hungary and Italy. In these countries, approximately 15% of organizations have provided employees with vocational education and training programs for the development of customer handling skills.

Another category of competencies, included in the Continuing Vocational Training Survey, refers to problem solving. As society evolves, new and unpredictable challenges and situations arise that organizations have to face. This requires employees to be constantly trained to acquire professional knowledge and skills in order to be able to overcome such situations more easily and to keep the organization on an upward trend from an economic point of view. Figure 6 shows the level of involvement of organizations in the process of acquiring problem-solving skills, through vocational education and training programs.

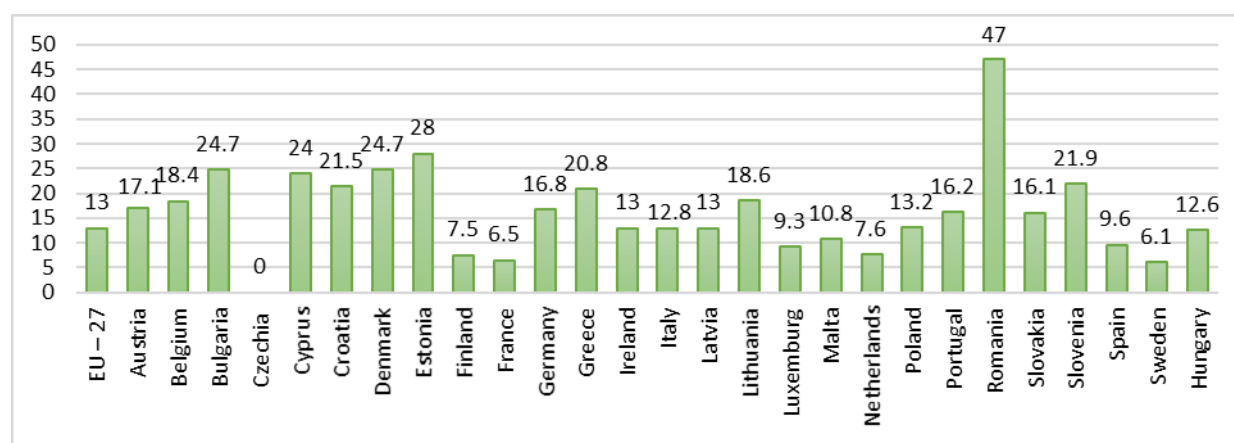


Figure 6. Share of organizations concerned with the development of problem solving skills, %

Source: Processed by the author based on statistical data of the European Union.

The development of problem-solving skills was a special interest for Romanian organizations - 47.0%. At the opposite pole are the organizations in Sweden (6.1%), France (6.5%), Finland (7.5%) and the Netherlands (7.6%).

Organizations are mostly concerned with developing job-specific skills. Even if it is more difficult to achieve, due to the content and variety of jobs, organizations are most concerned with the acquisition of vocational education and training programs that contribute to the development of job-specific skills (Figure 7).

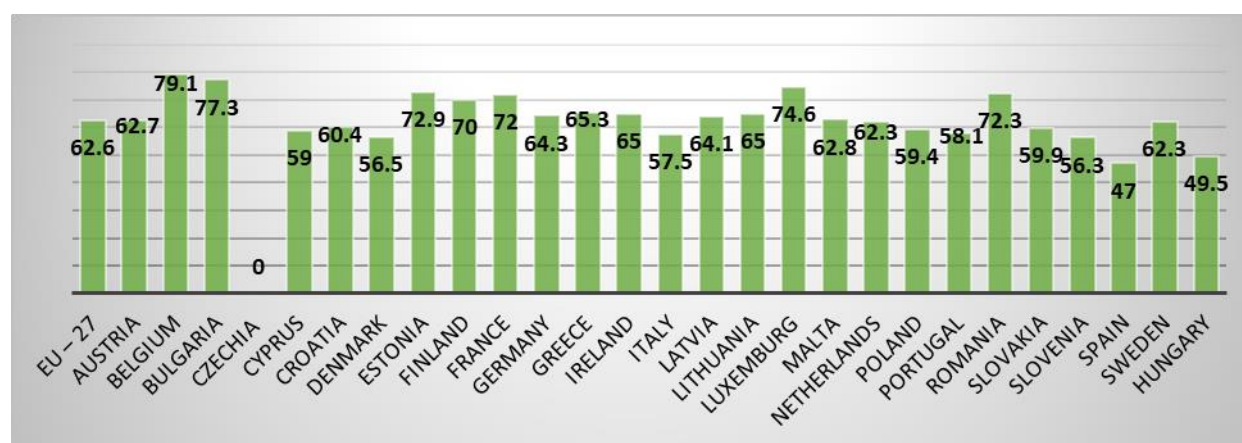


Figure 7. Share of organizations concerned with the development of technical or job-specific skills, %

Source: Processed by the author based on statistical data of the European Union.

From Figure 7, we find that more than 50% of organizations are concerned with the development of job-specific skills, with the exception of Spain and Hungary. This demonstrates that senior management of organizations is aware of the importance of professional skills, specific to the job, on achieving organizational performance and ensuring competitive advantage.

In addition, organizations in the EU Member States, through the acquisition of vocational education and training programs, have also contributed to the development of language and oral and written communication skills, as well as basic literacy and arithmetic skills.

5. Conclusions

The competence is an important element that has received special attention from researchers in recent decades. Increasingly aware of the value and significance of professional competence in achieving organizational performance, both practitioners and researchers, have contributed to the development of professional competence. Several studies in the field have shown that by investing in the human resource development, including the professional skills development, they are able to cope more easily with challenges, regardless of their nature. By developing professional skills, organizations contribute to increasing the value of human capital, and employees become more loyal to them. The pace at which knowledge and skills change as a result of the much faster development of the knowledge-based society in recent years has led organizations to expand the spectrum of employee skills, regardless of their position in the organizational structure.

Following the analysis of the results from the Continuing Vocational Training Survey, we find that organizations invest, by purchasing vocational education and training programs, in the development of employees' professional skills. Most organizations in EU Member States are concerned with developing job-specific skills. In addition, European organizations invest financial resources to develop IT skills, managerial skills, problem-solving skills or teamwork.

6. Acknowledgement

This paper was developed within the research project "Development of labour market policies to increase employment", provided in the State program for 2020-2023 and funded by the Government of the Republic of Moldova.

7. Bibliography

- [1] **Athey, T. R., Orth, M. S.** (1999). Emerging competency methods for the future. *Human Resource Management*, 38(3), p. 215–225.
- [2] **Armstrong, M.** (2003). *Managementul resurselor umane. Manual de practică*, Editura CODECS, București, 872p.
- [3] **Brockmann, M., Clarke, L., Winch, C.** (2009). Competence and competency in the EQF and in European VET systems. *Journal of European Industrial Training*, 33(8/9), p. 787–799.
- [4] **Cole, G. A.** (2000). *Managementul personalului*, ediția a 4-a. Editura CODECS, București, 428p.
- [5] **Daniels, D. R., Erickson, M. L., Dalik, A.** (2001). Here to stay—Taking competencies to the next level. *Work at Work Journal*, 10(1), p. 70-77.
- [6] **Devisch, M.** (1998), The Kioto people management model, *Total Quality Management*, Vol. 9, No. 4-5, p. 62 - 65.
- [7] **Delamare Le Deist, F., Winterton, J.** (2005) What is Competence? *Human Resource Development International*, 8(1), p. 27-46.

- [8] **Gangani, N., McLean, G. N., Braden, R. A.** (2008). A Competency-Based Human Resource Development Strategy. *Performance Improvement Quarterly*, 19(1), p. 127–139.
- [9] **Garavan, T., McGuire, D.** (2001). Competencies & Workplace Learning: Some Reflections on the Rhetoric & the Reality, *Journal of Workplace Learning*, Vol. 13, (4), p. 144 - 164.
- [10] **Green, P. C.** (1999). *Building robust competencies*. San Francisco: Jossey-Bass.
- [11] **Guerrero, D., De los Ríos, I.** (2012). Professional Competences: a Classification of International Models. *Procedia - Social and Behavioral Sciences*, 46, p. 1290–1296.
- [12] **Haddadj, S., Besson, D.** (2000) Introduction a la gestion des competences, *Revue Francaise de Gestion*, January – February, p. 82 – 83.
- [13] **Klarsfeld, A.** (2000). La competence, ses derfinitions, ses enjeux. *Revue Gestion* 2000, March – April, p. 31 – 47.
- [14] **Lucia, A. D., Lesinger, R.** (1999). *The art and science of competency models: Pinpointing critical success factors in an organization*. San Francisco: Jossey-Bass/Pfeiffer. 222p.
- [15] **McClelland, D. C.** (1973). Testing for competence rather than for "intelligence." *American Psychologist*, 28(1), p. 1–14.
- [16] **Prahalad, C. K. Hamel, G.** (1990). The core competence of the corporation, *Harvard Business Review*, May – June, p. 79 – 91. Available at: [file:///C:/Users/user/Downloads/The%20core%20competente_Prahalad%20and%20Hamel%201990%20\(1\).pdf](file:///C:/Users/user/Downloads/The%20core%20competente_Prahalad%20and%20Hamel%201990%20(1).pdf). Accessed at: 01 06. 2021.
- [17] **Rodriguez, D., Patel, R., Bright, A., Gregory, D., Gowing, M. K.** (2002). Developing competency models to promote integrated human resource practices. *Human Resource Management*, 41(3), p. 309–324.
- [18] **Scarborough, H.** (1998) Path(ological) dependency? Core competencies from an organizational perspective, *British Journal of Management*, 9, p. 219 – 232.
- [19] **Sparrow, P.R., Hiltrop J.M.** (1994). *European Human Resource Management in Transition*, Hertfordshire: Pretence Hall.
- [20] **Vila, L. E., Pérez, P. J., Coll-Serrano, V.** (2014). Innovation at the workplace: Do professional competencies matter? *Journal of Business Research*, 67(5), p. 752–757.
- [21] **Woodall, J., Winstanley, D.** (1998): *Management Development: Strategy & Practice*, Oxford: Blackwell.