Competence-Based Approach to the HR Management Using in Industrial Branch

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Abstract

In the article the nature of the competence-based approach towards the formation of an effective system of staff management was revealed. The aim of this article is to justify a new competence-based model to staff management using in industrial branch and its application at the Russian industrial enterprises. The authors present their version of a competency Model. Characteristic feature of the presented Model of competencies for employees of industrial enterprises is that it is built on the basis of blocks, which are called clusters of competencies. Each cluster of competencies has its levels - set of related behavioral indicators that represent the standards of behavior of a person who has a specific competence. As many authors believe, the application of this model will allow managing the staff more effectively, including the stage of selection of a right candidate for a specific position. As a result, organizations will receive the information necessary for the deployment of personnel at the workplace, as well as correction of goals of new employees' development. The model given below will allow compensating for missing competencies and promote the most promising employees. Thus, introduction of the competence model will enhance the productivity of labor of each worker, will make possible an active professional growth and will help the disclosure of labor potential.

Keywords: industrial enterprise staff, competence-based approach, HR management system, industrial enterprises

1. Introduction

Modern economic conditions make the issues of improvement of motivational management of staff at the Russian industrial enterprises very urgent. The existing instruments of motivation and incentives have lost their relevance and they badly influence the results of activity and type of work and do not have the flexibility to evolve in accordance with external market changes (Lazareva & Fursov, 2011). Recently labor-market has undergone significant changes. Negative impact of the external environment, shortage of qualified staff at the labor-market, constant employee turnover in the regional industry force to form new adapted to modern market conditions mechanisms of labor motivation and stimulation.

In modern labor conditions it becomes more important not only a person's knowledge, but much of his potential and capacity for learning (Tanzharikova, 2012). The industrial enterprises require specialists who can not only achieve the goals, but do it professionally and efficiently (Lyubitskaya, 2011). That is why one of the primary objectives while practice of construction of HR (human resources) management system is motivational interest of workers of industrial enterprises based on the principles of competence-based approach in the process of professional activity (Dias, 2011). Competence-based approach is a tool that makes it possible to estimate the dynamics of personal and professional development that improves motivation and involvement of industrial enterprises staff in the production process (Joshi, 2013).

The basis of competence approach was laid by American researchers D. Mac-Clelland (1973), R. Boyatzis (1982) and L. Spencers (1994), whose works were devoted to the problem of competences and their development, and still remain fundamental to supporters of the competence approach. D. Mac-Clelland was put forward the thesis that if a specific employee has a diploma of higher or secondary education it does not mean that he corresponds his position. L. and C. Spencers in their study "Competence at work" highlighted the thesis that the development of competencies is a fundamental factor for the effectiveness of professional activity of a particular employee.

Since the 2000s, works on the problems of implementation of competence-based approach appear in Russia. First of all, the studies of V. I. Bidenko (2005), A. A. Verbitsky (2004), X. Z. Ksenofontova (2012, 2013), A. V. Hutorskoy (2002), N. L. Chubarova (2012) on various aspects of the implementation of the competence-based approach worth mentioning.

The process of using competencies in Russian business is actively implemented for more than a decade. However, many companies still do without their competency model, using situational sets of criteria and requirements to the behavior of employees. During the past period the domestic practice of application of competencies for various business purposes enriched own experience, appeared supporters of the competence-based approach, as well as precedents quite legitimate criticism. However, you must admit, that competences helps to structure the job evaluation and development of the company personnel and focusing it on the important moments, allows us to influence corporate and management culture of the organization (Rodriguez et al., 2002).

Competence-based approach is based on the required competencies, which a worker of the industrial enterprise must have. The processes of assessment and comparison of the staff contributed to the creation of the concept "competencies". There are different approaches to understanding of the term "competence", which allows determining the potential of a man, the orientation of this potential, the most dedicated competence and the scope of their most effective application (Bagshawe, 2011). Competence-based approach is a modeling technology for representation of education results and their presentation as norms of quality of professional education (Bozvanova, 2011). There are two major approaches to understanding of the competency – American and European.

The American approach defines competence as a description of the employee conduct: competence is the main characteristics of an employee, with the help of which he is able to show proper behavior and, as a consequence, achieve high results at the work.

The European approach determines the competence as the description of job tasks or expected results of work, considering that the basis of competence should be the ability of an employee to act in accordance with the standards adopted by the enterprise.

To summarize the existing interpretation of competence, we define it as a set of characteristics (qualities) of an employee, including, along with knowledge and skills and personal characteristics (capacity, emotional and volitional characteristics, values and attitudes manifested while working). It is not just the amount of professional knowledge and skills, but personal characteristics and attitudes, manifested in human behavior, which are necessary for the duties of an employee in specified conditions and specified level of quality.

Motivational management of staff competencies, which is actively used in many successful organizations, has allowed them to improve all processes of HR management. The essence of the competence-based approach is the development and application of models of competences of employees, their selection and training in accordance with these models, the use of appropriate assessment methods (Konovalova et al., 2012). Usage of competencies in the evaluation of staff allows analyzing not only the results achieved by the employees for the last period, but the ways of achieving such results.

2. Materials and Methods

Currently, the method of studying of competence models is widely used around the world. Corporate competency models play an important role in motivation system of employees, training and HR management (Smirnova, 2013).

The competency model is defined as a set of personal characteristics and behavior indicators necessary for successful work of staff, which are shown in appropriate situations in a particular enterprise with its individual objectives and corporate culture (Sorokopud, 2009). Their main purpose is to help enterprises to select such employees, who will provide not only the best results, but also develop their skills and abilities. Thus, the company needs the motivation system taking into account both opportunities and needs of employees (Chulanova, 2013).

The work also involves the creation of a simple, clear and easy to use corporate competency model, based on the concept of differentiation or the concept of their simplification for effective HR management.

Methodological basis of the study is the systematic approach, the theory of economic behavior and general states of labor Economics, general management theory, works of Russian and foreign scientists in the sphere of labor Economics and HR management, sociology of labor management, management and marketing.

The paper uses a system approach to the analysis of the problems, methods of logical analysis, grouping methods and classifications, analysis and synthesis, method of scientific observations.

3. Results

Effective competence model should be clear and easy to understand it should be described in popular language and have a simple structure. The more competencies model contains, the harder it is realized in everyday practice. Most models contain 10-12 individual competences.

Currently, oil industry companies (TNK-VR, OJSC "NK "Rosneft", OJSC "Gazpromneft" and others) widely use descriptions of employees' activity from the point of view of the competence approach. There were developed the methodology, questionnaires for the formation of a competency profile for different activities.

Competencies model for industrial enterprises employees must contain, in our opinion, a certain number of units, the so-called competence clusters. Each competence cluster should have some layers – a set of behavioral indicators that represent the standards of behavior of a person holding a specific competence. Usually the following types of competencies are identified: key, management, special, personal, simple and detailed.

Practice shows that some companies in the oil industry for the development of a competency model use only key or commercial competences (for example, TNK-VR), others develop and use management - to assess senior managers (OJSC "NK "Rosneft"), and some companies develop special competences only for employees of certain departments (such as OJSC "Gazpromneft").

The competency models in industry must play an important role in the training system, and HR management, taking into account:

-Staff recruitment - applying at low productive enterprises with constant employee turnover;

-Staff training – using for building training programs aimed at the development of specific competences;

-Staff certification – justifying criteria for evaluating competence level of employees and their work status;

-Motivation of staff development – developing regulations on salaries and employee incentives according to competencies and principles of remuneration.

We recommend the following order of HR management system at industrial enterprises on the basis of competence-based approach. At the beginning it is necessary to analyze the strategic position of the enterprise sector aimed at its comparison with the available resources and choice of the forms of influence to align them (Figure 1) (Lazareva & Fursov, 2011).
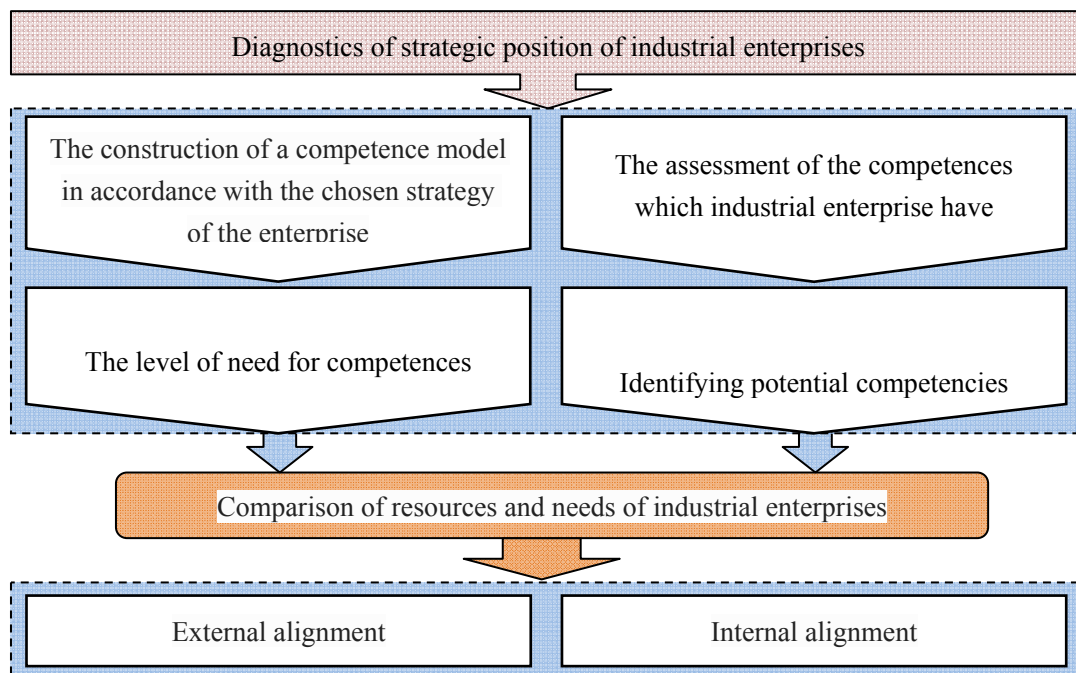

Figure 1. Order of diagnostics of the strategic position of the industrial enterprise

At the next stage of the application of a competence-based approach in practice it is necessary to assess the level of competence of an employee through its components.

In our opinion, to form the original model of HR management on the basis of competence approach, the industrial enterprise should:

-To create a description of all posts and all functional duties of workers for realization of certain tasks, in accordance with the organizational structure and staffing (Vatchkova, 2004);

-On the basis of the chosen strategy and corporate ethics determine necessary for competitiveness of enterprises competences of the employees.

Different posts imply different types of behavior, therefore, the industrial enterprise should create multiple models of employees' competences. We offer five to nine competencies as an optimal number of competences for employee (Table 1).

Table 1. Grading scale of competencies

The level of a revealed competence	Point	The description of a revealed competence	
Excellent	100	The employee' competence is fully comply the competency model	Positive indicators are observed in all the structural elements of the competency model
Good	80	A large part of the structural elements of the employee' competence corresponds to the competency model	More than half of the structural elements of the competency model have positive indicators
Satisfactory	60	Half of the structural elements of competence correspond to the competency model	The structural elements of the competency model have either positive and negative indicators
Weak	40	Less than half of the structural elements of competence correspond to the competency model	Most of the structural elements of the competency model have negative indicators
Poor	20	Nothing of the competency model is used	Overwhelming majority of structural elements of the competency model have negative indicators. There are no positive indicators

For assessment of worker' competence level constant monitor should be made. The assessment model should include the elements of competence, which are mostly significant for certain categories of workers and for enterprises at each stage of its development.

We believe that the competencies' method will become an effective tool for assessing the industrial enterprises staff when there is a possibility to measure the level of a revealed competence of the employee. For this purpose a rating scale should be developed. Usually the average scores of such scale correspond with the level of competence required for a specific task.

First level – pent-level – worker does not have required skills, and does not understand their importance and he is not trying to develop them (Garner, 2013).

The second level is the level of understanding – worker understands the need of these competencies, tries to show them, but it is not always the case. At this level it is assumed that the employee should develop his skills.

The third level – elementary – the level of competence is good, an employee shows the qualities needed for work. This level is optimal for effective work of a middle manager.

The fourth level – strong – competence may occur in situations requiring the solution of difficult problems. It is necessary only for management team.

The fifth level – leadership – worker sets standards for the whole collective. It is a necessary condition for senior management that is empowered to make strategic decisions.

4. Discussion

Choosing the methodical approaches to the formation of competencies' system of the enterprise, it is possible to use the existing models for the posts of enterprises in general instead of developing a unique model for each particular enterprise (Alomran, 2009). At the same time we should borne in mind that universal competency models are applicable to all work and to none of it exactly, but the development of a unique model is time- and labor-consuming (Igropulo, 2013). Sample competencies' models are based on universal competences (for example, for managers it is "the ability to set goals and monitor their performance", "ability to motivate employees") (Lokhoff & Wegewijs, 2010). In practice, each industrial enterprise has its strategic aims and peculiar features. Therefore, in addition to the typical profile it is necessary to identify those workers' qualities that are important for this industrial enterprise at this very moment of time.

It is necessary to apply competences while staff recruitment when evaluation of demonstrated competence and their comparison with the required ones take place (Bishop, 2014). As a result the organization receives the information necessary for the staff appoint, as well as defining the goals and objectives of the training and development of new employees (Sage & Walley, 2014). So the missing competencies will compensate and the most talented workers will get the career advancement. Therefore, the competences are expedient to use while staff recruitment, staff appoint, training, career advancements and at all the stages, connected with evaluation of their activities (certification, career planning). Carefully developed competence will help to streamline the certification activities. The model will not work effectively if you select a standard model of competences not adapted to the strategic goals and the specifics of the industrial enterprise (Liskova & Tomsik, 2013).

As any other method of assessment of staff competence-based approach using for HR management has its own set of advantages and disadvantages (Bozvanova, 2011).

For industrial enterprises the advantages are as follows:

1. This approach allows developing unified standards for describing efficiency of work, which contributes to the establishment of mutual understanding between employees of different departments and levels.

2. There is a coherence while evaluating of the employee' work, as all the workers have the same understanding of what is valuable, what is judged, and what you can ignore.

3. There is an opportunity to identify the strengths and weaknesses of each employee and according to this plan his career and development.

4. On the basis of this approach standards of quality of works are being developed.

5. The staff reserve is formed and workers' careers are planned.

The disadvantages of HR management on the basis of a competence model also exist. They can be determined as a very time-consuming preparatory stage, including the preparation of the list of competences, the formation and training of a group of experts. Also there can be possible mistakes while building the competence model connected with the development of overlapping, complex and conflicting competencies (Kibanov, 2012).

Competence approach as a tool of motivational management of the development of the staff provides a clear concept of the professional and behavioral requirements of the company to the employee, depending on his governing level, profession, post, and his professional duties.

5. Conclusion

To conclude, the competence-based approach is a methodological basis for motivation management of the staff development of the Russian industrial enterprises. The advantages of the competence model in comparison with other approaches and forms of organization of motivation development of workers, in our opinion, allow not only defining the required characteristics of a worker, but also showing what competencies you need to develop in order to do your job in the best way.

While basing the competence approach we have taken into account the psychological effect of staff assessment (simulation of necessary labor behavior), along with the effects: economic (improvement of the financial and commercial performance of the organization), social (improvement of satisfaction with the results of work of both employees and employers) and others. However, specific tools for coordination of economic interests of workers and employers were not reflected in this article because of the diversity and complexity of the study. Remuneration of labor could be one of such tools, in our opinion (Lazareva & Fursov, 2011).

We consider further researches of this area in the development of necessary recommendations for the improvement of the existing industrial enterprises of the wage system. Payroll, based on competence approach, in our opinion, will increase the interest of the workers of the enterprise in increasing the results of their work and the enterprise as a whole.

Management of compensation taking into account competences of the personnel opens opportunity for a choice of a wide range of administrative decisions in the field of design of systems of remuneration.

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