# The Mechanisms that Contribute to the Competencies Development of Employees in the Organization

Nikitovic, Zorana; Somborac, Borko; Malovic, Marko

Abstract - Employees' competence measurement, their evaluation, and the development of the employees are very important activities in the human resource management. Investing in the staff development is increasing of the quality of each employee and the organization by itself. When employees are motivated and satisfied with their job than their performance will be higher, and that will help increasing the efficiency and effectiveness of the organization. Therefore, the goal of every organization is to create the conditions for improving the competence of its employees and it will, also, improve the performances of the company.

Index Terms: Competencies, Organizational development, Human resource management

### 1. INTRODUCTION

ncreasing demands of the market, which are caused by constant qualitative and quantitative changes, lead to the fact that every serious business organization must keep up with the development trends of its human resources through the system of upgrade, training and constant evaluation of the performances of each individual in the working system. In modern business world, there are different mechanisms which lead to the desired level of the development of one individual, which is reflected in the success of the entire company, and the selection of "tools" that will improve the technological and conceptual knowledge of an individual largely depend on the success of educational mission. Human resources (HR) functions are concerned with management and development of people in organizations (Armstrong M., 2007, p.53).

# 2. Increase of the Group or Individual Competence

Employees which must adapt themselves to the many changes which organizations facing, must be trained and developed continually in order to maintain and update their capabilities (Sims R, 2006, p. 25). Every modern corporation needs to have, within their organizational

Manuscript received on May 21, 2014. Zorana Nikitovic Borko Somborac are with Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia. (E-mails: zorana.nikitovic@vspep.edu.rs and borko.somborac2009@gmail.com). Marko Malovic is with the Institute of Economic Sciences, Belgrade, (E-mail: profmarkomalovic@gmail.com).

structure, a great emphasis on training, development and the improvement of the working model of an individual or group as the company itself gives less possibilities of error, and the protection of organizational assets and ensuring maximum return on investment in human resources. To accomplish something like that, it is important to plan the required human resources, which should be an assessment focused on the prediction of future which is tasks and environments requires business organization to meet the needs of human resources which will dictate those terms. Training method of an individual, which company has selected, is the foundation for further growth and success of the task that we want to accomplish.

Great number of companies recognized that investing in the existing staff can only lead to the greater productivity and the return on those investments significantly exceeds the economic expectations and caused the company to successfully cope with the competition and to achieve long-term competitive ability advantage. It is natural to, in a period of fast changes and opportunities, approaches to learning, development and training have grown their importance (Reid M.A., Barrington H., Brown M., 2004, p. 9). The lack of the right people and skills, as well as the burden of an inadequate human recourses slowed down development of many companies, and it's only because the lack of systematic plan for the development and improvement of human resources as an essential part of business planning.

The main segments of increasing employment potential (competence) of group or individual are:

- Planning phase,
- 2. Phase of training,
- 3. Implementation phase,
- 4. Phase of the controls.

### 2.1 Staff development plan

Staff development plan is an important tool for improving competence or conduct that company (or the person who's doing it) has recognized as necessary to improve in the future, for an individual or in a group. The objective of development planning and improved power of knowledge or competence of each individual is that all "consumers" of future educational programs are introduced to the ideas and values, as well as to the fact what is expected of them,

and also to understand all the tasks that the company requires from them. It is very important that in the initial planning stage, the sector that deals with the training organization "release" the individual to be free to in any moment of possible misunderstanding some part of the training, stop teaching and seek further explanation, because such errors can be eliminated only at an early stage, while during the integral part it can be a big problem when you need to connect several new segments in the work system.

A variety of methods are available to help mentors in their effort to design successful learning activities (Sims R, 2006, p. 95). The role of the mentor is crucial in such situations, if we want certain task to be successfully completed its necessary to tell the employee to commit achieving goals outlined in this plan, which primarily includes (McArdle G., 2007, p. 34):

- 1. Timeframe,
- 2. The steps to be followed,
- 3. Expected results,
- 4. Necessary training,
- 5. Remedial goals,
- 6. Necessary feedback,
- 7. Necessary practice.

The aim of this kind of approach is to, as soon as possible, bring workers in a phase of greater efficiency and quality of work, and also to discover, as far as possible, work and human resources' potential, as well as to motivate and direct them on the right way.

### 2.2 Staff Training

Any deficiency in the organization or operation of an enterprise indicates the need of additional improvement of development and competence of the staff, especially if we are aware of the constant scientific and technological progress, as well as the continuous improvement of socio - economic relations. The effectiveness of training largely depends on how it is prepared and how training is provided to control the outcomes of organizational training. From modern economy, as an example, we can see the importance of strong technical and technological progress, which means that the company which owns the latest equipment has a competitive advantage, but in order to valorize that in the long term, it is necessary to continuously improve work capacity of its employees. This is the reason why it is necessary to continuously educate and develop, and if is necessary, to change the job descriptions of people, if market dictates the need for different job types. In the training process that company organize and run by a particular sector or group of mentors, should be required to include in this process the relevant managers which will tomorrow manage the team of people which are trained, because the relationship manager - employee is largely determined by the effective system operations of the entire company. It is also important to be aware of the fact that training system of each individual depends on the type of job for which is trained, as well as mental and physical abilities, age and other conditions, knowledge and skills acquired faster or slower, and therefore it is important to pay attention to the training of each individual (Figure 1).

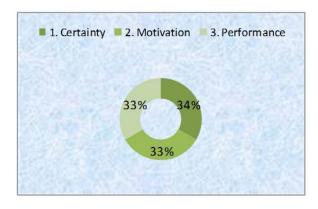


Figure 1. The development of integrated value system of the individual

Staff education for a particular job can be seen through two main segments:

- 1. Training at the workplace
- 2. Training out of the workplace

A number of companies often calculate what is better, more cost-effective, more efficient, and faster in the training system of the two abovedescribed methods. But, combination of the two gives the most efficient model training and increasing workers' competencies. Training at workplace has a major advantage of learning and working at the same time, and all are done under the supervision of qualified staff and instructors, but it is important to note that at this stage the more important is result of learning effects than the work itself. It is very important to emphasize that the employee would not have been under pressure in this stage of education and maximizing is focused on acquiring of new knowledge, rather than the work effect itself. because it is known that currently there is not enough knowledge about it. Part related to the training outside the workplace, is a little more relaxed for each worker, as these are determined mainly by seminars or lectures, or it is the presence in the system of work, but only as an observer (Figure 2). However, neither individuals nor groups can be left alone, but after the completion and observed parts of the training, they must provide the report to the company, give their views and ideas, as well as to show on the workplace current progress as a result of the education. The advantage of this training method

is that it can avoid potential serious consequences of mistakes and injuries at work which may arise in the process of learning at workplace.

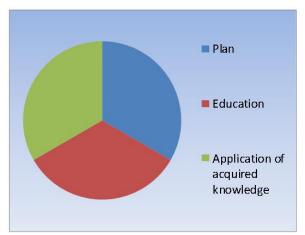


Figure 2 Substantial elements of increasing competence

# 2.3 Application of acquired knowledge in improvement of staff competencies system

Training aims its practical application in the system of work, because without it, every kind of planned training or increasing of any kind of new knowledge loses its meaning. Without clear and visible training results, we can conclude that our investment is far below the expectations, which automatically may affect the company's competitive value and ability, which entails a reduction in productivity, profits and ratings. It is very important to constantly observe and evaluate performances of the system, applying newly acquired knowledge for each individual, which is reflected in the success of every part of the organization. Synergy is a vital segment in modern business world and it must be the main postulate of cooperation between all the organs of the company, so that the final product has a maximum possible value of a given moment. The implementation stage of system improvements of staff competencies is the exact proof that you have made training system in the right way or not. That is probably the most stressful part for the management at all levels, because it shows is the company's investment in human resources justified - or not. And at the beginning and at the end of the training sessions, there are three main levels, what does this mean for the company when increase the competences of each individual:

- 1. Reduced time for implementation of work
- 2. Motivation for further progress
- A positive example of promoting the company from the inside

One of the main goals is to every individual within their working part-time (5, 6, 7 or 12 hours) use their maximum employment potential, use time in the most efficient percentage, cut errors that lead to loss of time in the phase of work realization. Such a relationship can only be expected from the staff which is well trained in their job, they know what is expected from them and in which timeframe, and as the main generator of these conditions are high quality and training development. ongoing and decreasing expenditure energy and time on the project realization, the company gets a better effectiveness to the customers, competitive ability is much higher and growing of company rating is a normal consequence of high-quality human

The motivation for the work is always a special topic for large number of authors, because without real work motivation, not one individual can express their full working potential. The fair relationship between the company and employee is the first step for successful performing of the business tasks, but it is still only beginning.

Everyone would be motivated when recognize that the company wants to invest in their development, the long-term planning of their human resources, as well as providing them with the opportunity to improve workplace and personal income. However, to these steps could be achieved, there must be fulfilled the main condition for such a thing, which is to increase competency through the training and education system which increase the knowledge of the individual an opportunity to put their newly acquired knowledge on a much higher level place than before. Another important thing which motivates everyone to work is a sense of security, or criteria that staff can progress in their career, but through the promotion inside. This means that management is guided by a long-term vision with staff who are already in the company and want to invest in their development, not wanting to bring one to the side, especially in high managerial positions, which can collapse hierarchy at the whole team, but investing in existing staff who already knows the system and business organizations (Figure 3).

# 2.4 Staff development control

When it comes to the evaluation of the performances and work control, it must be said that it has to include not only the lower parts of organization, but must be equal for all levels of management in the organization, in order to obtain a comprehensive picture of the performance of the whole company. Person analysis data are also used to define furred development needs, which can be identified during the periodic performance evaluation (Werner J, DeSimone R, 2012, p.131). When it

to educating and increasing comes competency of the individual, there is not only the technology or technical knowledge, but also on the conceptual and managerial, and accordingly all management levels, must be trained for leadership and new trends in management. The aim of control is not to offend someone, aim is to confirm and justify any investment in new technology, staff training and leading system, but on the other hand, it the best way to see all the errors, mistakes and failures that are manifested occasion planning and improvement (Parry S., 1997, p. 67). And these errors should be the best indicators which segments of the organization need most of the work, to what need to be paid special attention, and which type of staff need more development.



Figure 3 Fundamentals of successful system

Best mechanisms and methods related to the analysis and evaluation of the work output should be reflected in:

- 1. Direct observation of the individual in the workplace
- 2. Staff Interviews
- 3. Filling the questionnaire by the employees
- 4. Recording of daily, monthly, quarterly and annual businesses

This system of evaluation, leads to the results which provide answers to the questions managed through the training system to increase the working efficiency of the individual, reduce the number of errors in the work, get a new profile of staff and strengthen the synergies between the all parts of the organization.

# 3. Managers' Knowledge and Competence Levels

As we have already mentioned, it is very important for a complete system of quality functioning of an organization, that the

management staff has a sufficient level of knowledge and competence in order to manage teams in the best way and thus the scheduled tasks can be completed in accordance with a predetermined schedule. Therefore current managers cannot train for certain complex and responsible tasks, but the preparation is done during their entire work time. Career development is ongoing process in which individual progresses through the series of stages, and each of them is characterized by a relatively unique set of issues, themes and tasks (Werner J, DeSimone R, 2012, p.12).

Therefore, it is important to recognize the importance of the constant development of one manager, all in order of their progress on the hierarchical scale of enterprise management, and the company by itself makes the improvement of the management system at the highest possible level and in line with the modern corporate needs. Only if the motives of both factors are satisfied (employee - the company), than the complete form of modern business systems value could have been concluded. It is reflected in the fact that for the worker is important to see how he progress, along with increasing personal income, as well as to see that the company is investing in its staff. On the other hand, for the organization is essential to demonstrate success through clearly visible results and to return on the investment in development and progression of existing human resources.

Preparing managers for responsible positions within the organization is part of personnel policies that allows individuals to express their leadership abilities of individual holders of management activities. They are primarily related to initiating, encouraging, and guiding people in businesses. In accordance with this organization setup, companies must be aware that essential concept and the idea of universal managers do not exist, and such an idea can be "very expensive". Every activity, both in life and in business, must be accompanied by adequate knowledge, experience, and timely decisions, which requires a certain period of time for each of these functions. We have already mentioned the need for the gradual and systematic development of competencies of each individual in the organization, regardless of whether he's new employee or someone who needs to be improved in some of organizational systems. Exactly the same situation can be applied to the education of managers, which in the future should be a part of the executive management and if the company wants to ensure the highest possible level of quality, managers must be educated on three levels:

- 1. Initial
- 2. Medium
- 3. Top

The initial level, and every basic level, involves the acquisition of a fund of knowledge and experience of young managers, but through a process which is based on a mentoring system (Petkovic V, Djokic A, 2012, p.106). It means that basic level of competence in the managing of some sector, or part of organization, means developing managerial skills under supervision of a more experienced manager who has enough technical and conceptual knowledge and whose main task is to identify all welldeveloped properties and potential weaknesses of future managers. This is very important because in the earliest stages of education mentors must recognize all potential gaps in future leadership, and powering to adequately correct and direct managers towards the proper forms of leadership.

Training for middle level management should include greater emphasis on management and general skills in relation to the technical. At this stage of development, educated managers need to be placed on certain task their existing knowledge and models of functioning, which they have presented at the initial level. Consequently, their powers are much higher than before, and in front of them are goals which realization allows greater freedom in their work. This, of course, does not mean that at this stage of development managers become fully independent and unsupervised from the experienced colleague, but only released is their organization ability to specific tasks, but still under serious supervision and control. This level of education is the most important, because it shows a real filter for future leaders and managers at the highest level, and recognizes those managers maximum middle management level. Because of this it is clear that every manager is not designed to be a leader or manager of the highest level. To lead a team or manage the entire system of work is a big difference.

That is why preparing for the highest level of management is the capacity to develop the individual's ability to perceive a much wider picture of business. Such a process of preparation, which includes education to the highest level of management, is carried out in two directions (Petkovic V, Djokic A, 2012, p.108):

- Changing the organizational unit of the company
- 2. Additional training on company business.

By changing the organizational units, primarily means that the company has developed a long-term improvement staff strategy and a new management structure in a given period of time. New people always bring new ideas, new enthusiasm and new momentum, but the important thing is that the direction and the goal of the company which is moving cannot be changed, but only way to reach this goal may be

new, what is expected of the new staff who have received training in accordance to contemporary trends in business. Education is the essence of the good management of all types and forms of work.

There is no place or function within the company, which is not subject of constant education including highest organs governance. Only such an approach can ensure the lasting success of companies. In this process of training managers are contained in training for independent decision-making on objectives and their achievements, which connect the knowledge of market opportunities in the wider social environment. That is the reason why expectations of top managers are to be visionaries, who have creative potential to make new trends and developments in management systems, which lead us to the conclusion that the need for professional development continuous improvement of staff must represent an important component of the personnel policy of enterprises.

## 4. THE NEGATIVE CONSEQUENCES OF INADEQUATE EDUCATION

Like any other type of training, promotion of managers as well may have a negative effect in the case of an inadequate implementation of tools for increasing competence or outdated training methods. Also, it is important to emphasize that the choice of mentors, largely influences the success of the whole process of education (Bohlander G., Snell S., 2010, p. 49). The consequences of the inadequate training can be great for the company itself and for individual.

The most common causes due to which workers may be inadequately trained are:

- Education as non-priority item for management
- Insufficient amounts of time to effectively train employees
- Inadequate access in combination with a large amount of requests
- 4. Belief that the individual is already enough competent for a new position
- Unclear plan that defines a set of activities and plan to solve them

Systematic approach to these problems needs to encourage mentors (managers) to access training and education in the systematic manner in order to avoid crucial errors occurred in the system of work, which could lead to negative consequences.

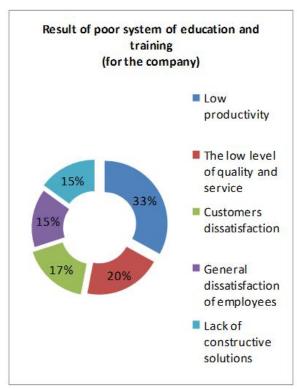


Figure 4 Result of poor system of education and training (for the company)

Clear and precision results of managers' success are the best indicator of the training system and its implementation in specific tasks. If

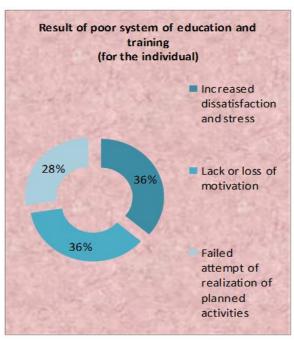


Figure 5 Result of poor system of education and training (for the individual)

upon completion of the job analysis, we find that the newly educated manager met the set criteria; we can conclude that the investment has paid off with all the positive effects of performance assessment (Mathis R., Jackson J., 2007, p. 145).

But in order to come to such knowledge mentors must be continuously executed by the measurement of success, its control, and its management. To give the effect to measure the results of success, it is necessary that education to be conducted with clear objectives and carefully determined and based on the need for educating managers. In order to establish an effective system of control of education effects, primarily providing good preparation in an interview with the CEO with future managers, and introducing them to the system of control and a clear definition of the concept of control by an experienced manager or supervisor.

It is definitely clear that each of these results is important for the company as it provides a comprehensive picture of the degree of education success. But to be sure that the company has made good education system, each phase must be planned and verifies, and it primarily refers to the success of education to increase the competence of workers and turn it into a success. If company wants to achieve that must provide the conditions for the application of newly acquired knowledge, to encourage creativity and motivation, as well as to provide support.

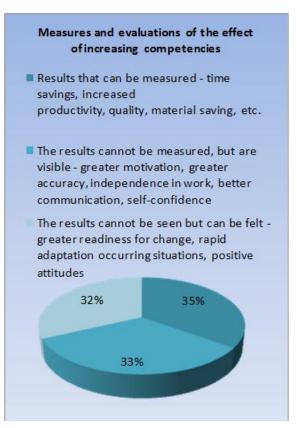


Figure 6 Measures and evaluations of the effect of increasing competencies

#### 5. CONCLUSION

In today's modern business environment, successful companies recognize the value of their employees in an effort to maximize their potential in order to gain competitive advantage in the marketplace. Only continuing education is the basis for survival in the market. Companies which have recognized that training is a part of the investment in the global success of highlighting its creativity and quality of services, and therefore the investment in each individual also increase employee's productivity and overall business success. Human resources development and education must be key core competence for any world class manufacturing company (Swart J., Mann C., Brow S., Price A., 2005, p.127).

Education and training have their greatest effect when they are focused on developing of the potential of individuals in accordance with the current laws of the market economy and quality systems. The idea of this paper is, primarily, to point the need for continuous education system, as the basis for a successful business, but also to show the importance of training for all levels of regardless management. the current organizational position. If the education was related only to new hires, the question is who will educate them within the company, if company themselves do not have enough competence mentors. Therefore unreservedly emphasize on continuous improvement of each individual in the system of work, because that is the only guarantee of long-term survival in the market.

#### REFERENCES

- [1] Armstrong M, "A handbook of HRM," Kogan Pagge Publisher, 2007
- [2] Bohlander G., Snell S., "Managing Human Resources," 2010
- [3] Mathis R., Jackson J., "Human Resource Management", 2007, Twelfth edition
- [4] McArdle G., "Training design and delivery", American Society for Training and Development, ASTD press, 2007
- [5] Parry S., "Evaluating the Impact of Training," American Society for Training and Development, ASTD press, 1997
- [6] Petkovic V, Djokic A, "Human Resource Management," Visoka skola za poslovnu ekonomiju i preduzetnistvo, Beograd, 2012
- [7] Reid M. A., Barrington H., Brown M., "HR Development," 2004
- [8] Sims R., "HR Development," IAP, 2007
- [9] Swart J., Mann C., Brow S., Price A., "HR Development: Strategy and Tactics", Oxford, 2005
- [10] Werner J., DeSimone R., "Human Resource Development," *South-Western*, 2012