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The methods and the tools of managerial competence in modern organizations

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ABSTRACT

The author of the article has reviewed and analyzed the most important methods and tools of examining managerial competence. At the beginning of the article the author has defined contemporary economy and indicated the roles of the managers in the organizations. The further part of this paper shows the interpretation of the term managerial competence presented by different authors. The last part of the article is devoted to the overview of the methods and tools which can be used to examine the competence of the management staff. The author has also indicated the types of obtained information depending on the selected method or tool as well as the level of the costs related to their use. The purpose of the article is to present the methods and the tools of examining managerial competence. As a research tool, query literature has been used. The analysis carried out may contribute to improve the processes of examining managerial competence in the contemporary organizations.

Keywords: managerial competence, the methods of competence examining, the tools of competence examining, competence games

1. INTRODUCTION

Contemporary organizations exist in the economy which is often defined as the economy based on knowledge (Mikuła, 11) or new economy (Charles, 1983), whereas the society is called the society of knowledge (Naisbitt, 105) or post-industrial one (Bell, 57).

This paper assumes to specify the knowledge-based economy which will refer to the contemporary economy.

The issues on knowledge-based economy has been described in details in the report of the research made by OECD in 1996. The authors of this report have been the first ones who defined the term knowledge-based economy. According to them knowledge-based economy is the economy which is directly based on the production, the flow and the use of knowledge information (OECD, 82). P. F. Drucker has defined it as the economic order in which the knowledge is the key resource, neither work, raw materials nor capital (Drucker, 1994). In contrast Powell and K. Snellman have defined knowledge-based economy as the production and services related to the knowledge-acquisitions activities that affect the intensification in scientific and technological progress (Powell and Snellman, 199). In conclusion it can be stated that in the knowledge-based economy the most important resource is the knowledge and its proper use has a significant impact on scientific and technological progress.

The knowledge-based economy needs 'new type' managers who will play new and more complex roles. The complexity of the leadership roles are mostly affected by continuous and rapid changes in the scope of organizations and economy globalization. The leadership roles of the managers in modern organizations include the tasks which mostly involve people integration, processes and emerging opportunities (Chapman, 56-68). To meet these tasks and to develop the organization, the employees development is necessary. Therefore there are new challenges for the organization, in particular for management staff, as they are the key factor which defines when and what changes occur in the company. For that reason contemporary manager must constantly improve him/herself to complete and develop own competence needed in effective management of the organization.

The purpose of the article is to present the methods and the tools of examining managerial competence. As a research tool, query literature has been used.

2. THE CONCEPT OF MENAGERIAL COMPETENCE

The concept of managerial competence has been introduced in 1973 by D. McClelland and then developed by R. Boyatzis in 1982 as well as L. M. Spencer and S. M. Spencer in 1993. (Ryan *et al.*, 860). R. L. Katz has been the pioneer in defining the managerial skills. The author has distinguished three groups of managerial skills: technical, social and creative which are used at different management levels (Katz, 33-42).

The source literature devoted to the issues of managerial competence offers wide and diverse range of this concept meaning. Most noted components are: knowledge, skills, personality traits, attitudes, experience and behavior. In addition, the competence are often looked at in two perspectives. The first one relates to people and their behavior in the workplace, second one is oriented to work; it means that it formulates tasks/ functions where specific employee is competent enough to implement them (Winterton, 17-18). R. E. Boyatzis defines the managerial competence as ' potentials, existing in man, leading to such behavior which contributes to the fulfillment of the requirements on the specific workplace within the parameter of the organization which in turns, gives the desired results' (Boyatzis, 18).

By contrast C. J. Constable defines the managerial competence as ' the abilities to use the knowledge and skills for effective manager role' (Constable, 1988). Yet, another definition is given by A. Rakowska. In her opinion managerial competence means: 'skills,

knowledge, attitudes and personality traits which are characteristic for managers achieving high scores' (Rakowska, 2007). Many definitions of the manager's competence underline his/her effectiveness in actions, achieving high scores, effective problem solving or fulfilling management duties.

Managerial competence improvement should be preceded by a properly conducted research related to the level of competence, using the appropriate methods and tools.

3. METHODS AND TOOLS IN EXAMING MANAGERIAL COMPETENCE

Many methods and tools are used in the process of competence examining. Competence examination is usually conducted during the recruitment process on the specific work position as well as in the process of competence improving.

The choice of the examining competence method should include various factors such as (Dale, 2005):

- work position of the examined employee,
- the method impact on the manager and organization,
- probability of achieving the desired result,
- the possibilities of using the method considering the costs, needed skills and the necessary time to carry out the methods.

The choice of the method and the tools in competence examination mostly depends on the needs and possibilities of specific organization. The overview of the selected methods and tools in examining competence are presented in the table 1 (Musioł-Urbańczyk, 2010).

Table 1. Chosen methods and tools in examining managerial competence.

The method/tool in examining competence	Obtained information after implementing the method/tool	The cost of using the method/tool
Assessment/development Centre	<ul style="list-style-type: none"> • characteristics of the candidate in terms of his psychosocial and professional functioning, • the degree of compliance of the candidate's competence with the competence profile on specific work position, • current candidate's competence appearing in the interactive context close to work situation 	Extremely high
Abilities tests	<ul style="list-style-type: none"> • the profile of the candidate's abilities used on the specific workplace, • candidate's efficiency and his competence, 	High

	<ul style="list-style-type: none"> • interpreted data about the candidate in relations to specific standards 	
Work samples	<ul style="list-style-type: none"> • the opportunity to learn about candidate's behavior relating to his/her professional habits, substantive skills, • the ability to handle the tasks associated with the work position treated as experience test 	High
Personality tests (psychological)	<ul style="list-style-type: none"> • information about candidate's mental predisposition • a report indicating the relation between the test and the personal profile 	High
Biographic questionnaire	<ul style="list-style-type: none"> • demographics data, • qualification data, • interests, • personal experience, • professional experience, • prediction related to tasks performing on the specific position by defining candidate's biographical data with the data describing the company employees, involved in the same or similar duties 	Low
Competence test	<ul style="list-style-type: none"> • what are the competences and their level of the tested person 	Medium
References	<ul style="list-style-type: none"> • a description of the duties at the work position, • a description of the skills obtained in the former employers, • sometimes assessment of employee's work, • a description of difficult defined traits such as involvement, responsibility well as relationship between the candidate and his boss or coworkers • other people's opinion about the candidate 	Low

<p>Structured interviews:</p> <ul style="list-style-type: none"> - Biographical - Behavioral 	<ul style="list-style-type: none"> • based on the premise that the past behavior is likely to occur in the future, • what are the competence and its level of the tested person, • the possibility of observing in stressful situation, • the possibility of observing communication skills, • broaden the information about career development, • candidate's ambitions and aspirations 	<p>Low</p>
<p>Situation interview</p>	<ul style="list-style-type: none"> • the behavior of tested person in a hypothetical situation (it is the form of structured interview), • suitable to test the competence of the people who have not the experience in a given situation, • the behavior of the tested person during the interview 	<p>Low</p>
<p>Graph-logical analysis</p>	<ul style="list-style-type: none"> • identifying the personality traits and behavior tendency of the tested person 	<p>Low</p>
<p>Self-assessment</p>	<ul style="list-style-type: none"> • candidate's competences and their current level 	<p>Low</p>
<p>360^o assessment</p>	<ul style="list-style-type: none"> • candidate's competences and their current level 	<p>Low</p>

Among the presented methods and tools of competence testing, the most reliable is the assessment/development center method. Its predictive value is up to 75%. This method involves a complex combination of other selection methods. The most often assessment/development center is based on the use of the prepared simulations of the events which usually occur in the professional/working life (Musioł-Urbańczyk, 62).

Information and communicative modern technologies are increasingly often used for the measurement and development of the professional competence. The example is the cooperation of The Research and Development Institute (IOCUS) and Laboratory of Training Games where, in response to the needs of labor market, The Project Competence Game has been developed. Thanks to the project implementation an on-line tool for competence diagnosis has been developed - Archipelago Competence Game (Competence Game).

Regarding the methodology, the computer game allows us to make accurate measurements of player's behavior along with his/her decision taking. In 'computer' reality, tested situational tasks are analyzed in details while in traditional form they often could be unnoticed. In Archipelago Competence Game all the decisions and behavior of the player are recorded, the program collects the data and information, asks the user questions to assess the understanding of the situation as well as others which are related to the strategic and objective purposes. The player receives feedback related to his strong points and suggested development direction. The Picture 1 shows the sample screen of the Archipelago Competence Game (Competence Game).



Picture 1. The sample screen of Archipelago Competence Game

The matched results of the tested models as well as the indicators of the accuracy competence measurements allow us to consider that Archipelago Competence Game allows you to examine the indicated competences in an accurate way. The reliability of the measurement measured by using rho Dillona-Goldsteina ratio has been presented in the Figure 1 (Competence Game).

In order to determine the relevance of competence measurement with the computer game Archipelago Competence Game, there have been made the analysis of the results correlation obtained by the same people in the game with the results obtained during Development Center session. The results obtained (Competence Game):

- defining and achieving goals – 0,345
- system thinking – 0,387
- customer orientation – 0,336

Correlation results indicate statically significant and positive relationship between these two measurements. The higher the game scores, the higher ratings have been achieved by the participant during the trainings.

The people participating in the process of competence examination – both those who have been tested and the those who assessed the competence-should be trained. The purpose of the training is to avoid the most common mistakes as well as reduce the mutual impact of the subjective feelings of the people participating in the examination. The aim of the process of the competence examination among the management staff is, first of all, identify so-called competitive gap, it means the difference between the currently expressed competence and the competence desired on the specific work position. On this basis the improvement program and competence development of the management staff in the organization can be developed and implemented.

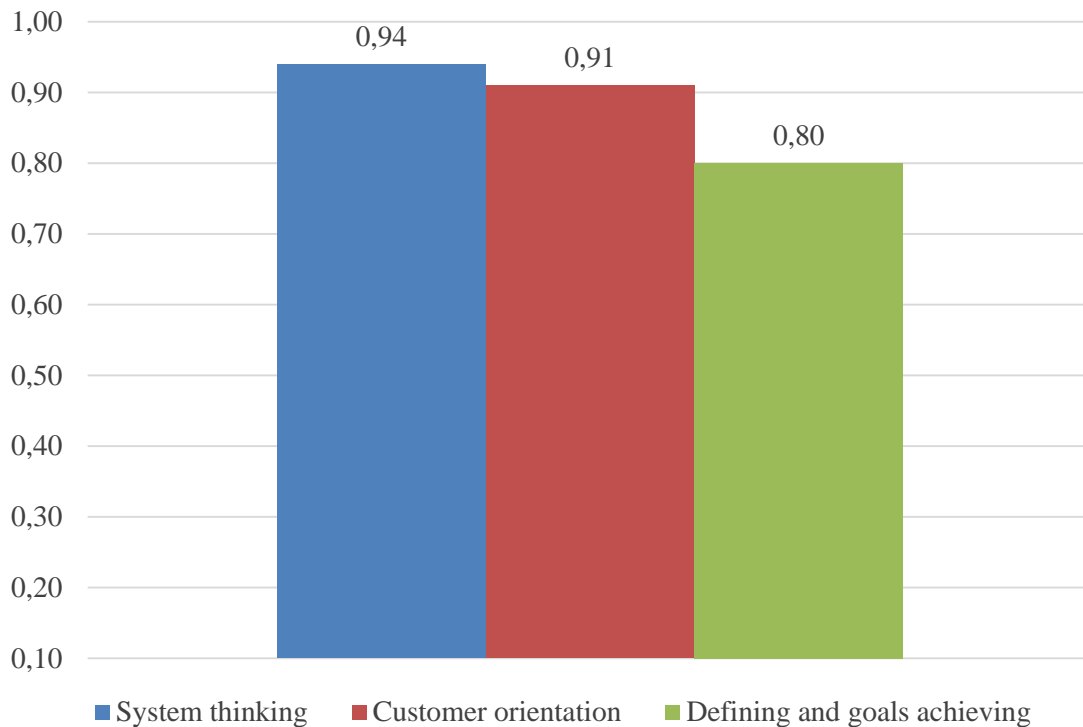


Figure 1. Measurement reliability of the Archipelago Competence Game

4. CONCLUSIONS

Each organization should possess knowledge related to the competence level of its own employees, consciously develop them and take advantage of them. Nowadays, searching for solution, competitiveness and productivity raising, lack of such knowledge cause that the organization is not able to compete effectively with other institutions on the market. What is more, the cost of inaccurate and accidentally delegated tasks are much greater than the costs of conducting competence examination even using the most expensive method.

On the basis of the above considerations, the following conclusions can be drawn:

- in modern economy, defined as the knowledge-based economy, there is a need for the managers who will play new and more complex roles,
- the effectiveness in carrying out managers' tasks is their appropriate competence,
- measurement of managers competence level is possible by the use of a variety of the methods and tools, among which one of the most reliable is Assessment/Development Centre method,
- competence examining is increasingly often supported by the use of modern information and communication technologies,
- appropriate information about competence level allows us to develop and implement the proper improvement program and managerial skills development.

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