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**CONTEXT OF THE ASSESSMENT AND STRATEGIC PERSONNEL
MANAGEMENT AT AN ENTERPRISE ON THE BASIS OF LEVEL
COMPETENCES**

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Abstract. *The article deals with the problem of improving the methodology of assessment and strategic personnel management at an enterprise using level competencies. Leading methods of strategic evaluation of the enterprise personnel are examined in order to identify sources of competence formation as the basis of strategic personnel management. The methodology for expert assessment of the personnel competences based on the rank model and comparisons has been developed.*

Keywords: *enterprise personnel strategic management, personnel competences, personnel competencies assessment methods, expert assessment, rank model.*

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Introduction

In today's liberalized and globalized world, economic development of any business entity depends crucially on investment in human capital, as well as on the ability to produce new competency-based solutions, adapt them to specific business conditions and put them into practice. Not only liberalization is necessary for this, but also mutual, comprehensive cooperation between managers and employees. One of the main stages of managing the enterprise personnel competencies is to assess and

develop competencies of employees in order to activate internal resources and increase efficiency of economic activity of the enterprise itself. In this context, it is relevant to consider methods of assessing employees and developing a proper methodology for determining the level of competence.

Literature Review

Well-known researchers in the field of personnel management (Fuller, 2002; Malhorta, 2009) believe that an indicator of success of an enterprise is the effective management, including personnel management, which, according to modern management concepts, is the main source and driving force of its development and prosperity. Development of personnel competences (Mathis & Jackson, 2003; Tomé, 2011) is a set of mechanisms, principles, forms and methods of interaction during formation, development and activities of the personnel, which is implemented as a series of interrelated directions and activities. In the works (Asree et al. 2010; Jenny, 2008) it is stated that development of personnel competencies is interpreted as a set of personnel administration tools, purposeful active influence of managers of the enterprise (company) through interrelated organizational and economic and social means to increase production and creative activity of the employee.

Methods

We propose to base the methodology of this research on the following series of methodologies and methodological provisions: 1) complex coordination means that personnel management should be coordinated in accordance with the concept of enterprise development, i.e. it must be clearly congruent and subordinate to its strategy, ensure formation of highly qualified employees, rational use of personnel, effective system of motivation and development; 2) systematic source of development means that the enterprise personnel acts as the only internal source and driving force of its development and prosperity. Success of the enterprise depends on the personnel efficiency, and the interest of employees in the results of their own work, continuous training, extensive use of knowledge, proper experience, working time, efficient use of technical aids, rational use of material resources; 3) performance evaluation - the greatest success of the enterprise management does not depend on the isolation (integration) of additional or change (elimination) of the existing human resources management subsystems, but on the extent to which these functional subsystems would be consistent with each other in time and space and would meet the strategic goals of the enterprise.

Results

The issue of personnel assessment involves the process of determining effectiveness of an employee, during which objective information regarding their professional qualification level, socio-psychological qualities, behavioral models, attitude to work, contribution to the end result of a particular unit and the enterprise as a whole is obtained. In the context of our study, we consider it necessary to move away from the statement “personnel assessment” and propose to conditionally

introduce a direction based on the assessment of personnel competencies, since we believe that after we have found out the essence of personnel competencies, it is incorrect to speak about the personnel assessment (Jantti & Greenhalgh, 2012). Analyzing research papers on employee evaluation (Vila et al. 2014; Wickramasinghe & De Zoyza, 2008), we can distinguish three main groups of assessment methods.

1. Qualitative - methods of assessment through discussion and reference data. For this purpose, it is necessary to determine certain qualities that the employee should possess and compare the object of assessment with the selected set of qualities (Table 1).

Table 1. Qualitative methods of assessment of personnel competences

Method	Method description	Advantages	Disadvantages
Group discussions	Evaluation of knowledge, personal and business qualities of employees during the group discussion	Availability of feedback	Results depend on adequate choice of reference points
Performance analysis	Determining contribution of employees to achieved results	Clarity, enhancing employee motivation	Complexity of calculations
Reference method	Assessment of the employee's business and personal qualities compared to the "ideal" employee	Ease of use, takes into account specifics of organizational culture	Difficulty in defining the "ideal" due to different job requirements
Method of expert assessments	Determination certain qualities of an employee due to the experts' estimates	Versatility of the assessment, credibility of the assessment results	Time-consuming, possible subjectivity
Graphic profile method	Graphical evaluation that fits the personality profile is applied	Illustrative; enables to compare employees with each other, ability to predict behavior in different situations	Requires involvement of graphic analysis specialists
Critical situation management method	Assessment of employee behavior in critical situations	Allows to define "excellent" and "unsatisfactory" level of performance of duties, to estimate the potential of the employee	High level of subjectivity
Manager folder	Setting priorities, developing a plan of action based on a specially formulated package of documents	Assessment of fulfilment of responsibilities and ability to make a plan of actions	Takes much time to prepare, a large amount of documentation
Management by goals	Setting goals, planning work is carried out during joint discussions with the supervisor and subordinates	Creates an atmosphere of cooperation, encourages display of responsibility	Complexity of application, time-consuming, places high demands on executives who makes assessment
Score «360»	Employees are evaluated by managers, subordinates, colleagues by filling in a unified evaluation form	Objectivity, feedback	Costly, the assessment is based on facts, not analysis

2. Quantitative – all methods with a numerical evaluation of the employee's performance. The most effective and the simplest among them are the coefficient method and the scoring method (Table 2).

Table 2. Quantitative methods of assessment of personnel competences

Method	Method description	Advantages	Disadvantages
The score method	Adding or deducting of a certain number of points for certain achievements (losses) during evaluation	Straightforwardness, economy	Highly subjective results
Performance assessment method	Describes performance of an employee doing a task of a certain degree of complexity	Takes into account professional competence	Many formulas, complexity of calculations
Method of coefficients	Each employee is assigned a goal achievement coefficient	Determining the level of achievement of the specified standards	Complexity of calculations
BSC method	Applied to manage financial, labor and material resources of the enterprise	Use of optimal set of indicators of company activity	Many indicators are difficult to identify

The main purpose of this element of the personnel management system is to provide feedback between the subject and the object of the given system (that is, between the manager and the subordinates, administration and employees) regarding all aspects of economic and social behavior of a person in an organization. In other words, the purpose of the personnel competency assessment system is to increase efficiency of personnel skills, knowledge and expertise.

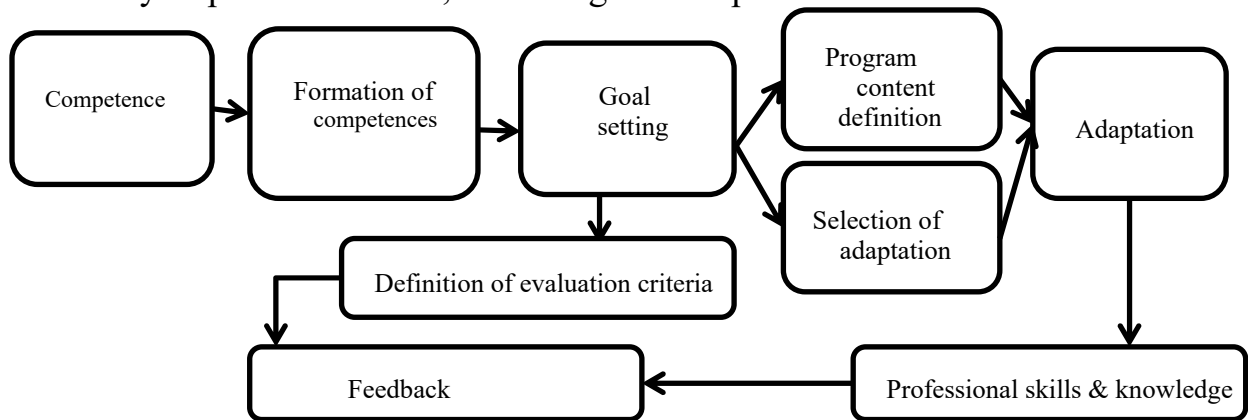


Figure 1. Strategic assessment of personnel competencies in the enterprise personnel management system

Personnel competences are assessed for the three purposes: administrative, informational and motivational. Strategic assessment made with administrative purpose is necessary to make personnel decisions on an objective and regular basis (promotion, demotion, dismissal, remuneration). Assessment with an informational purpose is a means of informing employees about their relative professional level, strengths and weaknesses, areas of improvement, and also provides managers with necessary data on the quantitative and qualitative composition of personnel. The specifics of personnel competency assessment functions show in their close relationship, which confirms the need to create a self-functioning evaluation system

within the framework of enterprise management (Maimunah, 2011). Thus, we can offer architecture of the personnel management system on the basis of competency assessment (Figure 1).

It should be noted that the process of assessing personnel competences should be based on definition and further grouping of these competencies (Figure 2).

In addition to the methods and approaches to competency assessment outlined above, a peer review method is applied to establish quantitative characteristics and qualitative attributes of scientific and training personnel competences based on the opinion of most experts. Furthermore, a number of rules should be followed: 1) to conduct a research a set of questions is made aimed at achieving one goal; 2) proper selection of experts: competent in issues under research or interested in solving a particular problem; 3) data processing is based on considering opinions of all experts on the studied features (for this purpose, it is necessary to calculate the sum of ranks on the *i*th question and draw conclusions on the resulting rank); 4) reliability of results of the experts' work is estimated by the coefficient of concordance (in general) (Patil et. al. 2014).

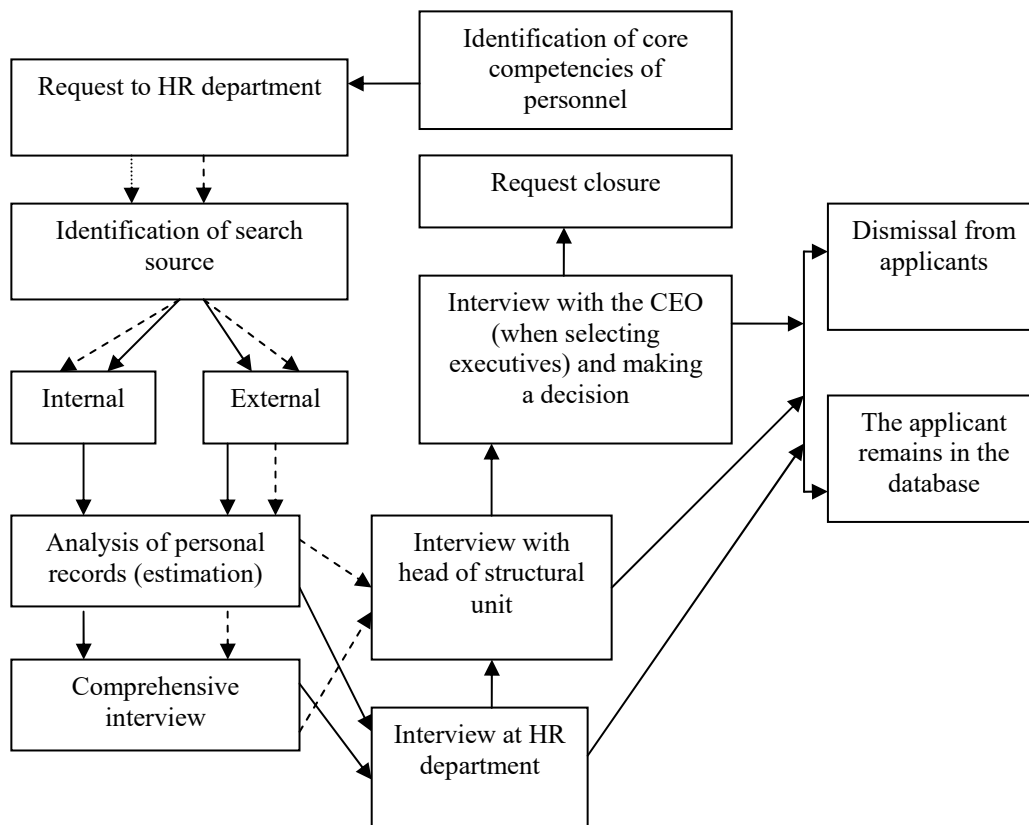


Figure 2. The process of defining and grouping the enterprise personnel competencies

The formula for root mean square deviation is:

$$G = \sqrt{\frac{\sum (x - \bar{x})^2}{\sum n}} \tag{1}$$

The difference between the largest and the smallest value characterizes the scope of variation and is determined by the formula:

$$R = X_{\max} - X_{\min} \tag{2}$$

If the magnitude of the variation in the estimates obtained by the expert survey does not exceed 6 quadratic deviations (the law of normal distribution), then the statistical characteristics are considered to be interrelated and correspond to the normal distribution. The data evidence that the peer reviews are consistent and the norms of distribution, so the results of the peer review process can be considered reliable. Experts make an estimation of the degree of significance of parameters by assigning them a rank number of the factor to which the expert gives the highest rating, is assigned a rank 1. Reforming the ranks is carried out without changing the opinion of the expert, that is, between rank numbers the corresponding relations should be preserved - we calculate the average value. Deviation from the average sum of ranks is calculated by the formula:

$$\Delta = \sum E_i - \frac{\sum \sum E_i}{n} \tag{3}$$

The degree of consistency of the positions of experts will be determined by calculating the coefficient of concordance by the formula:

$$W = \frac{12 \times \Delta^2}{m^2 \times (n^3 - n)} \tag{4}$$

The value of the coefficient of concordance can range from 0 to 1. If $W = 0$, it is considered that the experts' opinions are not in agreement. If $W = 1$, then experts' estimates are completely consistent. The value for all HR employees was less than 1, so the calculated coefficient of concordance (W) indicates low consistency of expert opinions. General strategic assessments of the personnel professional competencies and their ranks are summarized in the matrix presented in the form of the Table 3.

Table 3. Strategic assessment of the enterprise personnel professional competencies by ranks

Professional competences	Ranks					ΣE_i	Δ	Δ^2
	E_1	E_2	E_3	E_4	E_5			
PC_1								
PC_2								
.....								
PC_n								
Σ :								

An effective mechanism for fulfilling the enterprise personnel competencies can be created on conditions of freedom of choice for each person of the types and forms of activity he needs and on conditions of free personal development.

Conclusion

Applying a competent approach is a very promising direction for formation of personnel management systems in modern enterprises. In particular, at present, it is important not only to be able to operate one's proper knowledge, but also to be ready to change and adapt to the new requirements of the labor market, to manage information, to perform actively, to make quick decisions. Particularly important is the development of competencies in the HR department, who are directly involved in formation of a competent model for the enterprise employees. The competence approach becomes the basis for developing a system that combines the requirements of business and HR management.

The theoretical and methodological model for determining the personnel competencies and behavior indicators necessary for successful performance of the personnel functions, which show in appropriate situations and time, for a particular organization with its individual goals and corporate culture, was developed in the paper. The competency model is a complete set of key characteristics that enable an employee to perform qualitatively in a specific position to successfully achieve the strategic goals of the organization.

Technology of developing the required competencies of the personnel management specialist includes the following stages: clarification of the list of typical competences; combination of functional updating of job descriptions (enrichment of standard competences and (or) formation of new ones); defining additional functions of key competence or defining the functional content of the required competence; compilation of their complete profile necessary for carrying out working activity at a specific workplace; clarification of employee's rights and responsibilities; choice of ways to solve the expected (unexpected) situation.

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