

# Tools for Competencies Development Based on the Company's Strategic Objects (on the Example of PJSC Transcontainer)

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**Abstract**—The article deals with a comprehensive approach to the staff competencies development. The beginning of the competencies developing process is determined by the company's strategy, reflects the strategic objects and finally determines the competence model. In the competence model it is described, what the skills the staff should master, and what specific position related functions should be demonstrated through the behavioral activities. Further, on the basis of this competence model, a level-by-level model of corporate competencies is developed.

**Keywords**—corporate competences, competencies development tools, qualification matrix

## I. INTRODUCTION

Currently, the railway industry is undergoing a complex transformation, and the formation of the JSC Russian Railways is entering its final phase. In the structure of the holding, the public joint stock company (PJSC) "TransContainer" is positioned as a business unit, which is created by three state railway companies: Russian, Kazakh and Belarusian.

The priority activity of PJSC TransContainer is the development of its own international agency network, through effective interaction with the Railways of Europe and Asia, as well as freight forwarding companies. The branch of PJSC "Center for goods transportation in containers "TransContainer" on the East Siberian railway is a structural unit of PJSC "Center for goods transportation in containers "TransContainer", located in Irkutsk, has branches (agencies) in Bratsk and in Ulan-Ude.

In the current conditions for the largest, developing and integrating into the world transport network company the key issue is to increase knowledge and competence of the staff [1, 2].

Taking into account the fact that the branch development strategy of PJSC "TransContainer" is a part of the strategic development program of the Russian Railways Holding, the use of the model of key corporate competencies of the Russian Railways Holding will be most appropriate for competence management. Schematically, this model is shown in figure 1 [3, 4]:

## II. RESULTS

Following Lyle M. Spencer-Jr. and Sayne M. Spencer, we admit that "competence is the basic quality of an individual that has a direct relationship to the effective or best performance based on achieved criteria or in other situations... competence

does predict good or bad performance, which is measured by a specific criterion or standard" [5, 6].

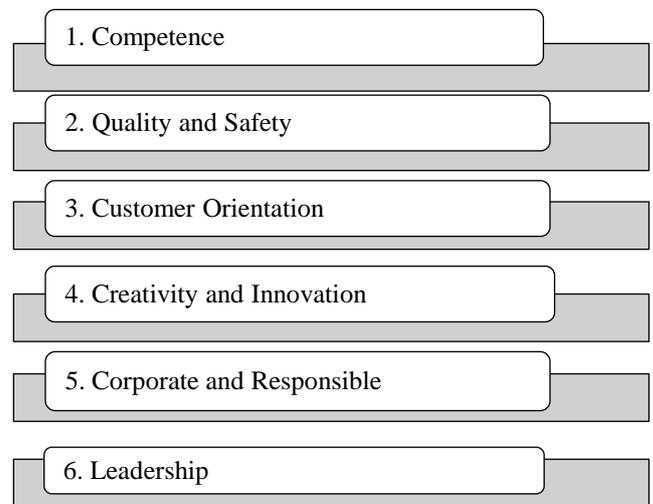


Fig 1. Competencies Model "5C+L"

To master the necessary competencies means to become able to perform their job at a high level of efficiency and in accordance with the standards established in the company [3, 7].

In modern organizations, the implementation of competence approach is determined by the requirement of constant development of human resources, the requirement of staff promotion and motivation. Competencies become the center of integration of personnel processes in modern management, set the standard of management and business skills and design a corporate culture.

The relevance of this topic is important for the company's management to know the professional abilities and capabilities of the staff, to pay special attention to their training, namely, to identify the current competencies of employees. Due to this, the importance of applying a competency-based approach for employee assessment and promotion is growing. It helps to find the proper candidate for the right position or simply to assess the compliance of the employee with the position according to the position's requirements. The competency-based approach also allows setting parameters and indicators for the replacement or promotion of an employee to any position, which in the long period has a positive impact on the strategy objects

achievement.

For competence approach implementing is currently given a lot of attention.

According to the competence approach, the level of the employee's education is determined not only by the amount of knowledge, but also by his capability and the ability for solving professional problems and various complexity processing tasks on the basis of gained knowledge and experience.

Within the typology, based on the logic of the company's structure and strategic objects, the following levels of competence are considered: corporate, managerial, personal and functional. Corporate competencies define the requirements for all staff of the company, the employee's potential for career growth and describe the individual attitudes and motivation. Managerial competencies provide the opportunity to perform employee management functions, develop managerial skills and abilities. Personal competencies include self-understanding and other people, the personal spiritual values, life goals, the ability to understand the underlying motives of behavior. Functional competencies show the willingness of the employee to perform effectively and describe the skills and abilities required for effective performance in this function, in this position.

Competence approach provides wide opportunities to describe the professional and personal aspects required for achieving the strategic objects of the company. It is possible to focus on the key aspects of personal and business qualities that affect the performance process and the result, while maintaining the ability to use the concept of competence for describing knowledge and skills that are expected of employees to perform their duties. Personnel assessment, based on the competence approach, allows coordinating all the elements of the personnel management system and providing information for design of the employee's development integrated system in the company.

According to the conclusions and recommendations made on the basis of regular competencies assessment, identifying employees exceeding profile competencies of the position held, which are to be included in the list of candidates for the personnel reserve. Based on this, it can be concluded, that the competence approach as a tool for personnel management giving a clear definition of professional and behavioral requirements for an employee depending on the managerial level, profession, position and tasks. It allows to form a comprehensive personnel policy of the company, ensuring the ability to manage changes, by creating internal structures and processes that affect the promotion of employees.

As competencies model of the branch of PJSC "Center for goods transportation in containers "TransContainer" describes in the most detailed way what competencies employees will have to master and in what specific behavioral activity this should be demonstrated, as presented in table I [2].

TABLE I. THE "5C+L" COMPETENCIES MODEL DESCRIPTION

"5C+L" Competencies Model	Description
Competence	Availability of professional competencies. Ability to learn and to develop. Readiness to share experiences and transfer knowledge
Customer Orientation	Orientation to the benefit for the company's clients
Corporate and Responsible	Teamwork skills. Focus on results.
Quality and Safety	Orientation to quality and efficiency. Security.
Creativity and Innovation	Creativity. Initiation of initiatives and innovation. Support of initiatives
Leadership	Encouraging and engaging others. Motivation and persuasion without administrative pressure.

Based on this model, a layered model of corporate competencies for PJSC "TransContainer" was developed, as presented in table II.

TABLE II. THE LAYERED MODEL OF CORPORATE COMPETENCIES FOR PJSC "TRANSCONTAINER"

"5C+L" competencies model	Corporate competencies by level			
	Specialists and workers	Heads of structural units	Heads of branches	Top management
Competence	<b>Professional Competences</b>			
	<b>Ability to develop</b>			
	Help in development	The employees development		Development management
<b>Customer Orientation</b>	Orientation to the benefit for the company's clients	Orientation to the benefit for the clients by processing	Customer service system design	Customer orientation culture implementation
<b>Corporate and Responsible</b>	Responsible thinking	Rational thinking	System thinking	Strategic thinking
	Teamwork	Team building	Teamwork implementation	
	<b>Focus on results</b>			
<b>Quality and Safety</b>	Performance with high quality	Performance Control	Performance process organization	Efficiency management
	<b>Security management</b>			
<b>Creativity and Innovation</b>	Initiative	Support for initiatives	Formation of innovative environment	
<b>Leadership</b>	Ability to leadership	Leadership as a leadership style		

This competencies model meets the following requirements:

- corporate competencies become a tool for implementing the development strategy of PJSC “TransContainer”;

- corporate competencies description takes into account the significant difference between employee positions in the company;

- competencies are described in terms of the observed behavior, allow to assess at the workplace using instrumental methods;

- competencies are homogeneous, they consist of related blocks.

A five-point system is used to assess staff competencies, which is presented in table III:

TABLE III. THE FIVE-POINT COMPETENCIES ASSESSMENT SYSTEM

Level value	Level title	Informative level description
1	Superficial knowledge and skills	Superficial knowledge and skills are available/ are required
2	Knowledge of general principles	Knowledge of the general principles of the matter, field of knowledge or skills is available/ is required
3	Ability to apply knowledge regularly	Ability to apply knowledge regularly is available/ is required
4	Profound knowledge and skills	Profound knowledge and skills are available/ is required
5	Expert	Expert knowledge and skills are available/ is required

The implementation of competencies comprehensive management allows to improving each stage of the competencies development process and determining the necessary requirements for it. First, individual qualification matrix of staff are analyzed. These matrices identify the requirements in the competencies development, i.e. the competencies corresponding to one of the criteria are chosen:

- competence assessment below the requirements for the position the employee holds;

- competence refers to a group of competencies that require constant improvement.

Next, the acquired changes are made to the employee individual development plans, as presented in table IV.

After training, phased evaluation and efficiency analysis of gained knowledge and skills are carried out, first by the employee, including the knowledge and experience self-assessment, then by the experts [2].

The obtained assessment of the developed competencies level (presented in table IV) is to be put in the employee's individual qualification matrix form, as presented in table V.

TABLE IV. THE EMPLOYEE INDIVIDUAL DEVELOPMENT PLAN

3 Expert level	Able to influence the events, to show appropriate skills in the performance and situations of increased complexity The employee/candidate has confident knowledge (skills, abilities). He meets the company's requirements to this professional level. No requirement for supervision
2 Experience level	Demonstrates most of the assessed competencies indicators in the performance The employee/candidate has sufficient knowledge (skills, abilities). He meets the company's requirements to this professional area. Requires occasional supervision
1 Development level	Some competence indicators appear incomplete and unstable. The employee / candidate has superficial knowledge (skills, abilities). He partially meets the company's requirements. Competence development is required. He strives showing the necessary skills, but not always succeed.
0 Incompetence level	Demonstrates no competence indicators The employee / candidate has no sufficient knowledge (skills, abilities), no striving to gain it. Immediate competence development is required.

TABLE V. THE EMPLOYEE'S QUALIFICATION MATRIX

Competence/ requirements	Requirements to position	Competences by position start	Gained knowledge	Competence development requirement
General demand				
General professional competencies				
Knowledge of documents				
Knowledge of automated systems and process technology				
Corporate competencies				

The process of competence development, based on this tool also allows to formulate certain requirements for the frequency and duration of training and professional competence development. These initial requirements can be considered as follows:

- focus on key and the company's most important competencies;

- requirements are based on cost reduction;

- employee's placement and rotation on the most significant professional competences.

The proposed approach to staff training, built on the basis of competence management means that its main stages (the assessment of the required competence development, the

training program choice and training efficiency) are carried out by comparing the levels of competencies development [4, 8].

### III. DISCUSSION

The success of employee promotion in the company depends on the relevance to the following four groups of factors: socio-professional, personal, occasional and demographic. Under social and professional factors we mean general and special knowledge, qualification, professional abilities, experience and quality of performance. Under personal factors we mean efficiency, social and political activity, orientation and attitudes, social and technological qualities. Occasional factors are a relationship with the authorities, a good set of circumstances. Demographic ones are gender, age, visual natural attractiveness.

One of the tools for determining these factors and considering an employee as a candidate for professional advancement is the use of a competencies model. The competencies model is a list of competencies with specific indicators of their demonstration in professional activity. The model includes the most important competencies for the company at this stage of the strategic development. The competencies model is convenient because it allows you to determine how an employee corresponds to his position and what exactly in his competencies requires to be developed, as the qualification requirements for employees and the measure of their responsibility increase.

Currently, there are many "ready-made" models of competencies and their application facilitates the work of human resources management. But it will be more effective if each company develops its own model of competencies, as each company is unique and acts according to its own rules.

When developing models are guided by the choice of the most important competencies, which are usually grouped into functional blocks. This approach is especially useful for training, because the competencies are not only a way to analyze and describe the profile of an employee, but also the immediate object and content of the training process.

The competencies model allows to unify the requirements to employees and to create uniform standards of corporate behavior, a basis for the employee's assessment and promotion.

The universality of the competencies model applying is that:

- it allows you to directly connect the HR management system with the strategic objects of the company. Communication is built through the definition of professional and personal qualities of managers and specialists, key competencies of the company' vision and strategic foreseeing;
- competencies stimulate the corporate culture formation and the achievement of a common understanding of the mission and current objects of the company, both the company's management and its employees;
- describes the actually demonstrated employee's behavior at performance in an accessible way, which increases the output of the applied competencies;
- is the basis of the HR management system in the next

way;

- facilitates the recruitment process – it is possible to compare the characteristics of the candidate with the requirements for the position;
- employees are given a clear idea of the requirements for them, the standards of successful performance;
- increases the efficiency of training and development of employees, as training programs are formed to achieve corporate standards specified in the competencies;
- the manager receives criteria for assessing the effectiveness of employee and, as a result, to assess the compliance of personnel with the strategic objects facing the company;
- staff development and career planning is ensured [9].

Thus, it can be concluded that the competencies model is a unique coordinate system of the employee's assessment, which creates conditions for the harmonization of assessment criteria as well as professional and qualification promotion of the employees in accordance with the strategic objectives of the company.

Interesting for managers of national companies was the way how R. Boyatzis proposed an integrated model of managerial competence, after a study of 2000 managers of 21 companies. His author's model explains the features of the companies in the market and intra-organizational relations, reveals the relationship with management functions, strategic objectives and the organizational environment within the company [10].

In the 90-ies of the last century, thanks to the results of these studies, the competence approach was introduced in Russian and American business schools. Competence-based approach has become widespread and has become a promising technology of HR-management. Russian and European researchers have proposed and discussed typologies, structures and possible applications of this promising area. In 1993, a 20-year study of Spencer&Spencer competencies based on the McClelland and McBer methodology was completed. McClelland can be considered the founder of the approach of HR management using the competence approach, outlined the essence of the methodology in comparison of more successful employees with less successful, defined by their psychological characteristics. On this basis, a new structure of competencies was built: including cognitive behavioral components, which are now included in the domestic practice [11].

We are currently in the transition to Industry 4.0 increasing the importance of management by values [12]. In the unstable external environment of the company, management by values is a unique managerial technology. This means that the importance of the staff increases, its impact on the company's strategic goal the achievement. In turn, the competition increases among staff in connection with the digitalization and automation of performance operations. In this regard, the qualification requirements for employees and the assessment of their responsibility are also increasing. Labor efficiency can be enhanced by people's dedication and unique abilities. These

unique abilities are a set of knowledge, skills, experience of personal characteristics that are demonstrated in the approach to their performance.

The company needs to understand what competencies are key today and in the future, and whether employees understand the need to develop together with the company and develop their competencies. Based on this, we summarize that the competency-based approach is able to combine the requirements of business and HR management by developing a system with the tasks of training and education of employees [13]. Training began to be considered as part of the business process. Received the development of corporate training, self-study on the basis of professional standards [14].

Studies of enterprises of the real economy sector show that the spread and popularity of the competence approach are due to a number of objective reasons, one of which is the change in the production sector. As of 2018, many companies are actively developing and implementing the competence approach, understanding its strategic target. Already in many of the largest Russian enterprises, such as PJSC "Gazprom", JSC "Rosneft", PJSC "Sberbank", PJSC "VTB", PJSC "MegaFon", state corporation "Rosatom", JSC "Russian Railways", etc [15]. Here in the article we have analyzed the competencies model of PJSC "TransContainer" and the tools developing the competencies.

On the basis of the analysis it can be concluded that in modern companies the implementation of the competence approach is conditioned by the requirement of continuous development of human resources, the need to promote staff and its motivation in achieving the strategic goals and objectives of the company.

Competencies become the center of integration of personnel processes in modern management, set the standard of management and business skills, form a corporate culture, as well as ordering institutions of secondary and higher professional education for training.

A systematic approach to the use of competence approach in management involves the coordinated participation of HR departments, managers and employees in the implementation of various aspects of staff development [16].

#### IV. CONCLUSION

The process of corporate competencies development is considered as a tool in which the description of competencies takes into account the significant difference between the positions in the company and it is described in behavior terms. Along with this, the competencies are homogeneous and consist of related blocks. First, individual staff qualification matrix are

analyzed. The matrices data identify the requirements for the development of competencies, i.e. competencies that meet one of the criteria are chosen: competence assessment is lower than the requirements for the position occupied by the employee; competence refers to the group of competencies that require constant development. Then some changes are made to the individual development plans of employees. Then comes the process of staff training. After that, the assessment and analysis of the competencies development is carried out in stages: by the employee, including the self-assessment, and the integrated expert assessment.

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