

Sylwia Wiśniewska

## Development of Employee Competencies as a Determinant of Employability in the Modern Labor Market

The aim of the article is to identify key employee competencies that improve particular types of employability and unfold possibilities for their development. The study presents the main challenges of the modern labor market. It shows definitional problems associated with the concept of employability and defines its various dimensions and determinants. It also explains mechanisms of employee competency development. Moreover, it underlines the importance of employee competency development in the process of creation of employability in the modern labor market. The article ends with deliberations on categories of competencies that should be developed in order to increase employability in selected areas. The study reviews topical literature applying a descriptive method.

**Key words:** competencies, employability, labor market\*

### Introduction

Contemporary challenges facing the labor market, including progressive employment flexibility and insecurity, the deepening of the competence gap, and the complexity of professional career paths, imply an increase in the importance of the concept of employability. Multifaceted issues of employability are a consequence of differences in theoretical concepts as well as in practical experience. Employability

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is analyzed both at the macro and micro level in relation to organizations or individuals. Furthermore, various dimensions of employability are subject to analysis. In one-dimensional terms, employability is understood as a person's ability to obtain, maintain, and change employment both in the internal and external labor markets. The multidimensional approach, in its turn, indicates that employability refers not only to a specific person, but also to a certain total numbers of people. It also shows that employability is a human resource management strategy. The complexity of the analyzed subject also reflects the diversity of determinants of employability, which may be demand-side, supply-side, or mixed (demand- and supply-side). Topical literature emphasizes that the key factors that determine individual employability include employee competencies. At the same time it is worth noting that current market conditions and the intensity of organizational and technological changes generate a need for the continuous development of employee competencies. The aim of this article is to identify key employee competencies that improve particular types of employability and unfold possibilities for their development. The study reviews topical literature applying a descriptive method.

### **Main Challenges of the Modern Labor Market**

Rules governing the professional development of employees to date are no longer fully adequate with respect to current market conditions. Thus, a need arises for new directions and methods of competency development that allow employees to meet the requirements of the modern labor market. The multilateral development of employees should be beneficial both to themselves and to the organizations where they currently work or will work in the future. However, an accurate response, which determines the development of specific employee competencies to the challenges of the labor market, is a complex issue [Pawlak, 2014, p. 262]. The scope of competencies determining employability is actually quite broad. It is for this reason that its development requires time and the involvement of multifarious resources.

Moreover, the model of long-term employment is becoming less and less common in the modern labor market. That market is dominated by new types of employment, which are temporary and flexible. The current problems of the Polish labor market are its massive instability, high unemployment, and strong pressure on cutting labor costs. In addition, a high level of expertise results in difficulties in reconciling the needs and expectations of employees and employers. Career paths are increasingly complex and difficult to plan. Due to the situation on the labor market, employees need to be proactive and flexible. To adapt to market changes they are encouraged to increase labor mobility, lifelong learning, and take more responsibil-

ity for the security of their employment. Employees face the necessity of meeting not only the needs of their current employer, but also the requirements of various, potential employers [Marzec, 2010, pp. 127–128, 135–136].

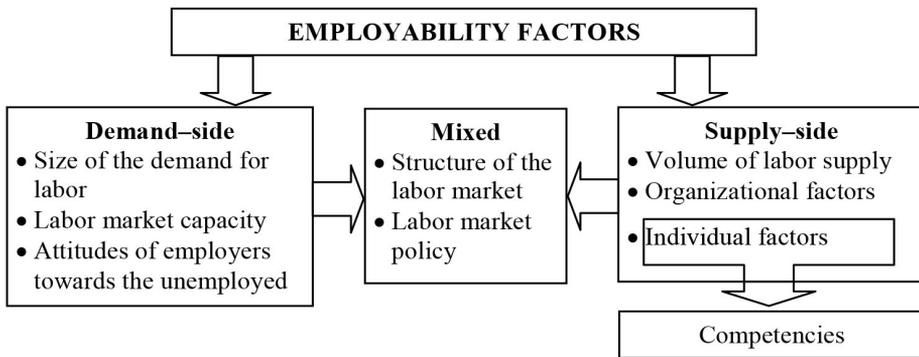
These challenges imply the need for employees to undertake continuous efforts aimed at increasing their own employability. A particularly difficult task to tackle is the problem of employability of young inexperienced people or people over fifty years of age whose competencies often fail to meet the requirements of the modern labor market. Moreover, the deepening competency gap and low employability is reflected in employer difficulties in the acquisition of talented employees with unique skills, who contribute to the organization's competitive advantage in the market.

### Theoretical Characteristics of Employability

Studies of topical literature point to a diversity of definitions of the concept of individual employability. In general terms, employability is understood as a combination of factors that allow individuals to obtain and maintain employment and to develop a professional career [CEDEFOP, 2008, p. 70]. Employability is conditioned by many factors, including demand-side, supply-side, and mixed (demand and supply-side). Demand-related factors include the demand for labor, labor market capacity, and attitudes of employers towards the unemployed. Supply-side determinants include the volume of labor supply as well as organizational and individual factors. Mixed determinants, in their turn, can be represented by the structure and policies of the labor market. It is worth mentioning that the primary individual factors are employee competencies [Wiśniewska, 2015, p. 20–21]. Key employability factors are illustrated in Figure No. 1.

The definition of employability based on the notion of competencies was formulated by C. M. Van der Heijde and B. I. J. M. Van der Heijden [2006, p. 451]. According to their definition, employability means the ability of an individual to constantly maintain, acquire, or create employment by making optimal use of acquired professional competencies. A similar idea of employability, which refers to components of competencies, was drawn up by M. Yorke and P. T. Knight [2006, p. 3]. According to these authors, employability is a set of achievements, skills, and personal qualities that contribute to greater employment security and labor market success. The authors also note that employability benefits not only the persons themselves, but also the community and the economy. The mentioned interpretations emphasize both the person's responsibility for his or her own career development and the growing importance of continuous improvement of employee competencies.

Figure No. 1. Key Employability Factors



Source: Own studies based on Wiśniewska, 2015, pp. 20–21.

## The Essence of Employee Competency Development

In this era of the creation of a knowledge-based economy, employees are expected to have increasingly higher qualifications and competencies and to be focused on their continuous development. Topical literature emphasizes that a competency is a broader concept than a qualification. Competencies include the sum total of permanent characteristics of an individual, correlated to significant performance effects achieved by that person and whose nature is measurable [Pocztowski, 2007, p. 117]. Furthermore, it is noted that qualifications are an inherent part of competencies, but they are often acquired before starting a professional career. Thus, they do not always correspond to its object and can be associated with a different domain than the one covering the work performed [Niedzielski and Walkowiak, 2004, pp. 230–231]. Qualifications are conceived as a formally confirmed set of knowledge and skills required to complete professional tasks in a given specialization [Laakso–Manninen, Viitala, 2007, pp. 52–53].

There are many approaches to defining employee competencies that differentiate competencies in terms of the following criteria:

- Focus – from a general attitude to life to a realities-oriented focus on a specific situation,
- Level of detail of components – from a general approach to a detailed classification, and

■ Rationality of their creation and development [Gruszczyńska–Malec and Strużyna, 2011, pp. 175–176].

Analysis of topical literature indicates that of the approaches according to which the concept of employee competencies is interpreted, two currently prevail. According to the first approach, competencies are seen as personal characteristics forming the basis for desired behavior at work and allowing the achievement of intended results. Competences are therefore understood as the ability to implement specific patterns of behavior. According to the second approach, competencies are seen as the characteristics of a professional position. This interpretation defines competencies as the ability to effectively perform professional duties in compliance with standards established by the organization or to achieve desired results [Whiddett and Hollyford, 2003, p. 15].

Topical literature presents numerous definitions of competencies as behavioral descriptions that recognize competencies as a set of specific components. However, taking into consideration the components of competencies—encompassing knowledge, skills, talents, abilities, personality traits, attitudes, behavior, motivation, and health—there is no agreement among researchers. Among the most often quoted components are knowledge, skills, and attitudes. Referring to the above considerations it can be assumed that employee competencies include knowledge, skills, and attitudes acquired, extended, or deepened through work experience, which allow the implementation of professional tasks in accordance with the standards set by the organization. It is worth mentioning that competencies are the ability to properly design and use knowledge, skills, and attitudes in order to perform professional tasks in accordance with the requirements of the job.

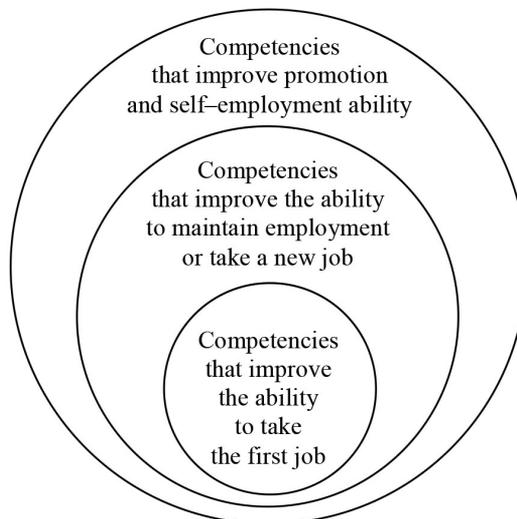
Improvement of employee competencies, which arises from the necessity to tackle more and more challenges and professional obligations, should be a permanent process. Instruments of employee development include training, mobility, work structuring, career shaping, health, and social service related actions. The fundamental tool for employee competency development is training, directed at the acquisition, expansion, or deepening of knowledge and skills as well as forming appropriate attitudes. Achievement of the desired goals of the training process requires creation of an effective training system, which would include such components as identification of training needs, planning, and implementation of the training and evaluation of its effects. At the same time, it is worth noting that in the process of employee training, unconventional training methods and techniques are sometimes used that, thanks to innovative approaches, result in the comprehensive development of employee competencies required in modern organizations.

## Importance of Developing Employee Competencies in Creating Employability in the Modern Labor Market

The modern labor market does not provide employment security for all, but it implies the necessity to increase the employability level of people who want to find an attractive place to work. Actually, employability is a factor that compensates for the risk related to a lack of employment and supports career development. A specific set of competencies should be put into continuous development in order to increase employability in the modern labor market. Due to their turbulent environment, modern organizations require more and more employees with a high level of employability and a wide range of competencies, who are able to perform a variety of professional roles set by the current needs of the organization [Marzec 2010, pp. 127–128, 135–136].

Studies based on topical literature have identified a set of competencies that determine employability in the modern labor market. It is from this set that the following competencies, which enhance individual employability types, have been selected: the ability to take the first job, the ability to maintain employment and to take a new job as well as promotion and self-employment ability. It is worth noting that competencies improving the ability to maintain employment also include the abilities necessary to take the first job. In turn, development of competencies that improve the abilities responsible for promotion and self-employment triggers the improvement of the ability to maintain employment (Figure No. 2).

**Figure No. 2.** Structure of Competencies that Improve Employability



Source: Own studies.

There is an extensive set of competencies relevant to type of employability, such as the ability to take the first job (Table No. 1). It includes many core competencies whose acquisition is possible through a training process. This process includes formal, non-formal, and informal learning. Formal learning is implemented in the school system and on a university level, while non-formal learning is effected in the form of organized educational activities such as training, seminars, conferences, briefings, apprenticeship, internship programs, international exchanges, volunteer work, and scholarship programs. Informal learning, in its turn, refers to self-learning with the use of printed and electronic materials or the advice and suggestions of other people. It can be also based on the observation of other people's work.

**Table No. 1.** Competencies Improving the Ability to Take the First Job

Areas of employability	Key competencies	Forms of learning
The ability to take the first job	<ul style="list-style-type: none"> <li>■ Analytical thinking</li> <li>■ Reading comprehension</li> <li>■ Communication skills</li> <li>■ Involvement</li> <li>■ Perseverance</li> <li>■ Accurate use of the mother tongue</li> <li>■ Striving to achieve results</li> <li>■ Proactivity</li> <li>■ Creativity</li> <li>■ Resourcefulness</li> <li>■ Timeliness</li> <li>■ Punctuality</li> <li>■ Positive attitude</li> <li>■ Motivation to work</li> <li>■ Resilience</li> <li>■ Result orientation</li> <li>■ Emotional control</li> <li>■ Willingness to learn and develop</li> <li>■ Acquisition and processing of information</li> <li>■ Understanding of own strengths and limitations</li> <li>■ Creation and maintenance of relationships</li> <li>■ Career planning</li> <li>■ Numerical abilities</li> <li>■ Self-presentation ability</li> <li>■ Ability to use information and communication technologies</li> <li>■ General and specialized knowledge necessary to start the job</li> <li>■ Practical implementation of the acquired knowledge</li> </ul>	<ul style="list-style-type: none"> <li>■ Formal learning</li> <li>■ Non-formal learning</li> <li>■ Informal learning (self-learning)</li> </ul>

Source: Own studies based on Agrotec, 2014, pp. 77 and 85; Budnikowski et al., 2012, p. 5; Górnjak (Editor), 2014, pp. 193–194; Lowden et al., 2011, pp. 12 and 17; *New...*, 2009, p. 19; Pavlin, 2009, p. 11–17; The Gallup Organization, 2010, pp. 12, 25.

Due to the current situation on the labor market, employment cannot be maintained by only relying on competencies that improve the ability to take the first job after (or even during) formal education. It is vital to develop acquired competencies and to acquire new competencies using a variety of training methods, both at work and outside work (Table No. 2). Permanent development of competencies is particularly important in view of the possible occurrence of a necessity to change jobs, i.e. as a result of losing the first job. In this context, the priority is acquiring work experience that can be useful for other jobs.

**Table No. 2.** Competencies that improve the Ability to Maintain Employment or to Take a New Job

Area of employ-ability	Key competencies	Training methods	
		On the job	Off the job
Ability to get a promotion (horizontal and vertical) or self-employment	<ul style="list-style-type: none"> <li>■ Understanding of processes taking place in the organization and its environment</li> <li>■ Own work management</li> <li>■ Team work</li> <li>■ Time management</li> <li>■ Active listening</li> <li>■ Orientation change</li> <li>■ Work under time pressure</li> <li>■ Planning</li> <li>■ Responsibility</li> <li>■ Flexibility</li> <li>■ Adaptability</li> <li>■ Assertiveness</li> <li>■ Loyalty</li> <li>■ Acting with respect to ethics</li> <li>■ Data, information, and knowledge management</li> <li>■ Problem identification and solving</li> <li>■ Identification of own needs in terms of development of competencies</li> <li>■ Knowledge relating to a specified domain</li> <li>■ Avoiding burnout</li> </ul>	<ul style="list-style-type: none"> <li>■ Action learning</li> <li>■ Coaching</li> <li>■ Quality circles</li> <li>■ Mentoring</li> <li>■ Work in projects</li> </ul>	<ul style="list-style-type: none"> <li>■ Case study</li> <li>■ Exercises</li> <li>■ Discussions</li> <li>■ E-learning</li> <li>■ Gaming</li> <li>■ Conferences</li> <li>■ Role play</li> <li>■ Seminars</li> <li>■ Distance learning</li> <li>■ Simulations</li> <li>■ Training</li> <li>■ Lectures</li> </ul>

Source: Own studies based on Agrotec, 2014, pp. 77 and 85; Budnikowski et al., 2012, p. 5; Górnaiak (Editor), 2014, pp. 193–194; Lowden et al., 2011, pp. 12 and 17; *New...*, 2009, p. 19; Pavlín, 2009, pp. 11–17; The Gallup Organization, 2010, pp. 12 and 25.

The largest set of competencies is needed for horizontal and vertical promotion and for self-employment (Table No. 3). It is associated with a wide range of duties and responsibilities. It particularly relates to vertical promotion and self-

employment, which require the acquisition of competencies in the field of human capital management in individual and organizational terms. Moreover, promotion and self-employment are associated with an increased interdisciplinary dimension of performed professional tasks and the necessity for cooperation with diverse groups of stakeholders of the organization.

**Table No. 3.** Competencies that Improve Abilities Associated with Promotion and Self-employment

Area of employ-ability	Key competencies	Training methods	
		On the job	Off the job
Ability to get a promotion (horizontal and vertical) or self-employment	<ul style="list-style-type: none"> <li>■ Self confidence</li> <li>■ Autonomy</li> <li>■ Leadership abilities</li> <li>■ Empowerment and taking initiative</li> <li>■ Taking risk</li> <li>■ Independent thinking</li> <li>■ Decision-making</li> <li>■ Focus on aim</li> <li>■ Linking personal goals with the organization's goals</li> <li>■ Parallel implementation of several tasks</li> <li>■ Cooperation with stakeholders of the organization</li> <li>■ Project management</li> <li>■ Openness to negotiations</li> <li>■ Own career management</li> <li>■ Seeing new opportunities</li> <li>■ Revision of own and others' ideas</li> <li>■ Coordination of activities</li> <li>■ Work in interdisciplinary teams</li> <li>■ Crisis situation management</li> <li>■ Abstract thinking</li> <li>■ Conflict resolution</li> <li>■ Networking</li> <li>■ Expressing and understanding different positions</li> <li>■ Delegation of powers</li> <li>■ Team management</li> <li>■ Self-organization and the organization of other people's working time</li> <li>■ Enforcement work results from co-workers</li> <li>■ Management of the organization and its organizational units</li> <li>■ Public speaking</li> <li>■ Interdisciplinary knowledge</li> </ul>	<ul style="list-style-type: none"> <li>■ Action learning</li> <li>■ Coaching</li> <li>■ Quality circles</li> <li>■ Mentoring</li> <li>■ Work in projects</li> </ul>	<ul style="list-style-type: none"> <li>■ Case study</li> <li>■ Exercises</li> <li>■ Discussions</li> <li>■ E-learning</li> <li>■ Gaming</li> <li>■ Conferences</li> <li>■ Role play</li> <li>■ Seminars</li> <li>■ Distance learning</li> <li>■ Simulations</li> <li>■ Training</li> <li>■ Lectures</li> </ul>

Source: Own studies based on Agrotec, 2014, pp. 77 and 85; Budnikowski et al., 2012, p. 5; Górnica (Editor), 2014, pp. 193–194; Lowden et al., 2011, pp. 12 and 17; *New...*, 2009, p. 19; Pavlin, 2009, pp. 11–17; The Gallup Organization, 2010, pp. 12 and 25.

It is worth mentioning that even though the presented competencies are universal in character, they do not constitute the whole set of employee competencies necessary to work in individual work places. They constitute a set of fundamental key competencies that should be developed by every person who is interested in getting, maintaining, and changing jobs. Topical literature emphasizes the growing importance of universal competencies that are easily transferable in the internal and external labor market.

## Summary

The discourse on the concept of employability becomes ever more important in conjunction with the turbulent character of the modern labor market, conditioned globalization, demographic changes, development of new information and communication technologies, creation of new, previously unknown jobs, and many other factors. Reflections on employability are focused on solutions that will allow individuals to enter the labor market, get around it with ease, and become self-employed. Competencies are one of the determinants of employability. Their skillful development can result in the ability to meet the demands of the market. Competencies are the basis for improvement of employability. This is particularly important because of such factors as ongoing employment temporariness and flexibility, a more and more frequent need for professional, organizational, and spatial mobility, and the necessity to simultaneously hold several different positions in several organizations. Currently, to maintain a high level of employment, a person should continually develop a wide range of employee competencies. It can be assumed that an ability for multidirectional development of competencies will be an increasingly important factor determining the getting of a first job, maintaining employment, returning to work, promotion, or profitable self-employment. Taking into account the considerations included in this study, it is possible to indicate several directions for further research in the field of employability. It seems that it is worthwhile to seek effective methods of development of competencies in a short time, allowing the flexibility to respond to challenges arising in the labor market. Due to the fact that it is becoming more and more common to transfer responsibility from the organization to the employee, one should also look for solutions that will allow employees to effectively manage their competencies. In the era of the creation of a knowledge-based economy, it is also reasonable to analyze activities aimed at the development of employability of workers as led by socially responsible organizations.

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### **Rozwój kompetencji pracowniczych jako determinanta zatrudnialności na współczesnym rynku pracy**

#### **Streszczenie**

Celem artykułu jest wskazanie kluczowych kompetencji pracowniczych zwiększających poszczególne typy zatrudnialności oraz możliwości ich rozwoju. W opracowaniu przedstawiono główne wyzwania współczesnego rynku pracy. Zaprezentowano problemy definicyjne związane z pojęciem zatrudnialności wraz z charakterystyką jego różnych wymiarów i determinantów. Omówiono również istotę rozwoju kompetencji pracowniczych. Ponadto określono znaczenie rozwoju kompetencji pracowniczych w kreowaniu zatrudnialności na współczesnym rynku pracy. Artykuł

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zakończono rozważaniami dotyczącymi kategorii kompetencji, które warto rozwijać dla zwiększenia zatrudnialności w wyróżnionych obszarach. W opracowaniu, wykorzystując metodę opisową, dokonano przeglądu literatury przedmiotu.

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S y l w i a W i ś n i e w s k a – Ph.D. in economic sciences in management sciences, Assistant Professor at the Department of Labor Resource Management at the Faculty of Management, Cracow University of Economics. Research interests include human capital management, enterprise innovativeness, and innovation centers. Conducted research activity forms the basis for the development of innovative solutions in the field of human capital management meeting the needs of business practice. Tutor of the Personal Development Scientific Circle active at the Department of Labor Resources Management, Cracow University of Economics.