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## The forms and the methods of managerial competence improvement in modern organizations

**Janusz Berek**

Faculty of Organization and Management, Silesian University of Technology, Gliwice, Poland

E-mail address: [berekj@gmail.com](mailto:berekj@gmail.com)

### **ABSTRACT**

The author of the article reviewed and analyzed the most important forms and methods of managerial competence improvement. At the beginning of this paper the author has discussed the general issues concerning the functioning of the organization in the modern economy. In the next section of the article the author has presented chosen theories on learning and development of the management staff. The author has also pointed out the elements which cause the formulation of competitive gap. The last part of this paper presents the most important forms and methods of managerial competence improvement with the indication to the most popular and effective ones. The author has also presented the examples of functioning among chosen corporate universities considering selected characteristics. The purpose of the article is to present the forms and the methods of managerial competence improvement. The query literature has been used as the research tool. The analysis can contribute to the streamline of the managerial competence improvement processes in the modern organizations.

**Keywords:** managers learning and improvement, the forms and the methods of managerial competence improvement; corporate universities

### **1. INTRODUCTION**

Modern organizations operate in the turbulent and unpredictable environment. Consequently, they need professional management staff having the ability to independent,

effective and efficient operation as well as meeting the emerging challenges. In the context of ongoing economic changes, the professionalism of the executives must be performed by constant development of the competence (Białasiewicz, 18).

The key factor for the organizations operating in today's economic is the knowledge. Many of today's organizations use it and base their activities on the knowledge, at the same time turning themselves into organizations known as knowledge-based ones<sup>1</sup>. For such organizations the priority is the competence and abilities of own employees without whom it is impossible to create effectively and maintain a sustainable competitive advantage. Building the sustainable competitive advantage is mostly possible on the basis of resources which must meet several conditions, taking into consideration: the importance, rarity, unmistakability and non-substitutable (Barney, 1996; Grant, 1996). In unstable and dynamic environment the most important is resources' unmistakability (Jashapara, 2011). It should be noted that competitive advantage often arises as a result of the knowledge of a few people.

It means that the knowledge is awkward resource or only partially possible to forge (copy). In this context the knowledge is mostly seen as the strategic resource for creating a sustainable competitive advantage (Kogut and Zander, 1992).

The effective management of the knowledge-based organization is determined by possessing proper executives' competence<sup>2</sup> such as their skills, knowledge, attitudes and personality traits used for specific management functions (Rakowska, 2007). Constant changes in business environment cause that managers must continually improve their competence. The purpose of the article is to present the forms and the methods of managerial competence improvement. The query literature has been used as the research tool.

## **2. MANAGERS' LEARNING AND IMPROVEMENT**

According to many researchers the development of modern organizations mainly depends on the smooth managers' learning and improvement process. The researcher Harrisom claims that 'the learning process affects the increase in company's value but only if it results in knowledge which extends the organization's abilities to operate effectively in its environment' (Harrisom, 6).

In source literature different theories on learning and executives' development are presented. For example E. Houldsworth enumerates five approaches in terms of managers' learning (Houldsworth, 208-224):

- theories based on reinforcement - relating to practice and repetition of the appropriate reactions,
- cognitive theories - learning is carried out completely by changing human cognitive schemes,
- experimental approach, experience sharing, active learning - this concept is mainly based on sharing the experience and group learning,

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<sup>1</sup> 'The key feature of the knowledge-based organization is that it mostly employs highly qualified specialists so-called knowledge workers. Their work is mainly connected with the conversion of the information into knowledge which allows the company to build competitive advantage on the market' (Sveiby, 19).

<sup>2</sup> 'Competence is the personality traits which can be proved and which enable the activities and require knowledge, skills and behaviors which facilitate the employees to overachieve' (Dessler, 362).

- information transfer approach - the main emphasis is put on the information gathering, it can be used in e-learning,
- approach based on features' modification - it is based on the modification of the manager's profile traits, the classes are held in form of the trainings.

In turn, Binsted claims that in terms of the executives, mainly the three approaches have been used: these are those based on reinforcement, cognitive theories and based on the experience (Houldsworth, 208-224).

In spite of the developed theories concerning learning and executives' development, the researchers point out the appearing of the competitive gap in terms of various managerial competence (Elmuti, 439-453). The existence of the competitive gap is caused by two main factors which include the lack of correlation between theory and management practice as well as the use of the inappropriate learning and improvement methods and the lack of consistency in terms of the organizing managers' development and improvement (Elmuti, 439-453).

### **3. THE FORMS AND THE METHODS OF MANAGERIAL COMPETENCE IMPROVEMENT**

In today's economy, where the changes occur in a dynamic and unpredictable way, the managers, in particular, need the support of the organization in terms of their own development. Executives' development may be achieved by the improvement of their competence. The improvement of managerial competence is done by using different methods within the scope of the three approaches (Jackson *et al.*, 185-265):

- unplanned learning,
- planned learning in the workplace,
- planned, long-term learning, for example at the university.

Depending on the current needs and possibilities we can use all the approaches at the same time, however, bearing in mind to sustain proper proportions.

The executives' improvement process is a complex one because most often there are many entities participating in it as well as different forms and methods are used. Figure 1 shows the model of the increasing the effectiveness of the executives' performance (Listwan, 83).

The source literature has described many methods of managerial competence improvement. Their division is made on the basis of various criteria. Traditional and modern methods have been distinguished and for the sake of the place: internal and external ones. The degree of the participants involvement is taken into account as: active, passive, group and individual ones. There are also divisions due to the level of student's independence, the use of modern technology, the subject of teaching, duration etc. (Rakowska, 2007). Table 1 presents the overview of the methods of the executives' improvement (Rakowska, 213).

Currently managers, in particular, need the support from the organization in terms of their own development mainly on the basis of coaching<sup>3</sup>, mentoring<sup>4</sup>, planning the career

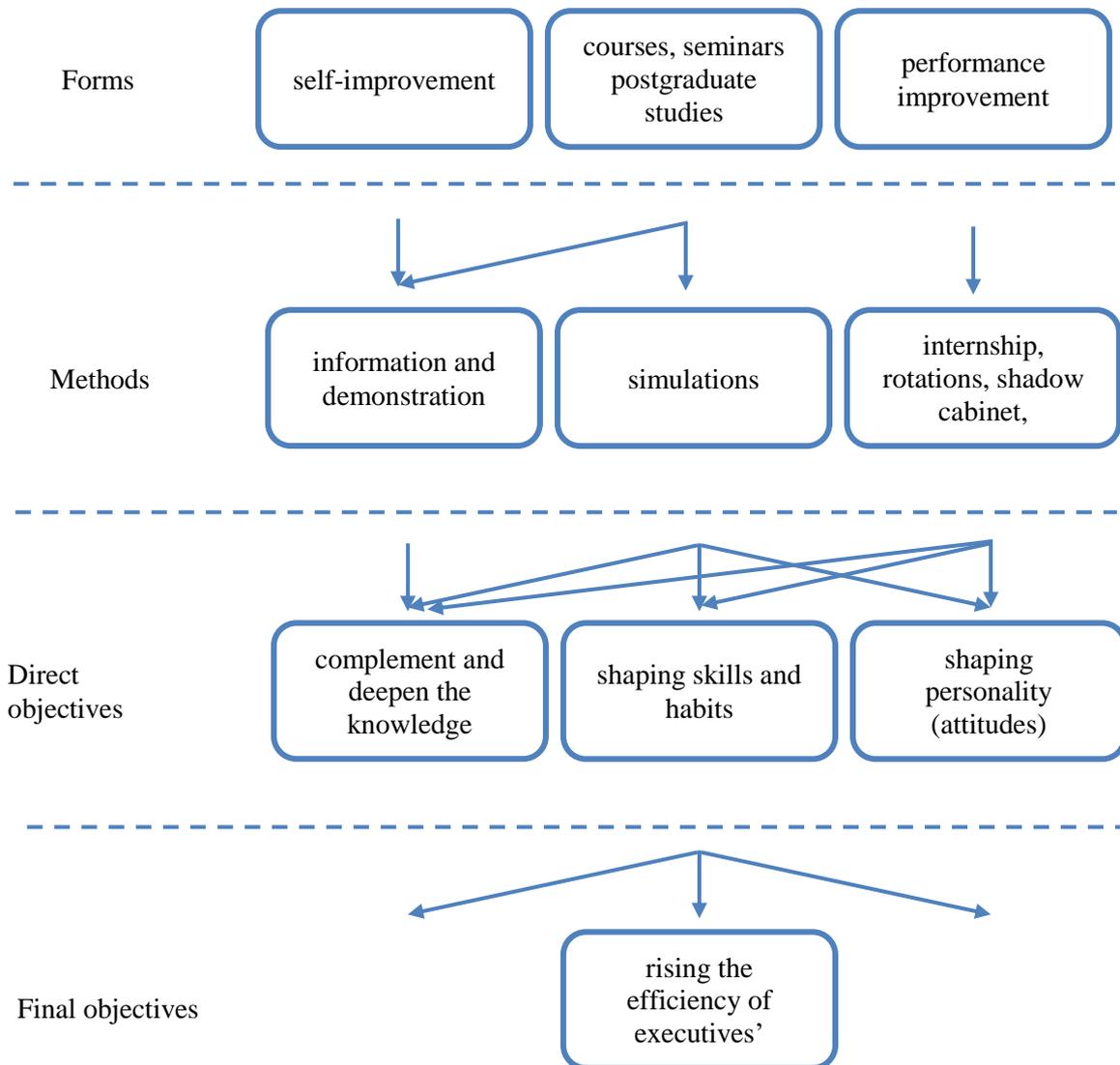
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<sup>3</sup> 'Coaching is the method of the management staff improvement defined as two-sided process of the company personnel development, using the knowledge and the experience of the employees which is connected with systematic evaluation to provide feedback' (Encyclopedia of the management, <https://mfiles.pl/pl/index.php/Coaching>).

paths as well as well-thought development strategies. The most effective methods include (Sajkiewicz, 199):

- coaching and mentoring,
- learning in action,
- rotation of the positions (horizontally, vertically and outside the organization).

Coaching and mentoring, according to the researches, are among the most desirable improvement method by management staff (Clarke *et al.*, 269-292; Longenecker and Fink, 2001).



**Figure 1.** The elements of the executives' improvement

<sup>4</sup> Mentoring 'means the care during the competence development, implementing the career path on the trained person. Unlike the coaching it is conducted in the longer term 1-3 years' (Encyclopedia of the management, <https://mfiles.pl/pl/index.php/Mentoring>).

**Table 1.** The methods of the executives' improvement.

Traditional methods		Modern methods	
class methods	non-class methods	class methods	non-class methods
<ul style="list-style-type: none"> <li>- lectures,</li> <li>- trainings,</li> <li>- seminars,</li> <li>- discussions,</li> <li>- shows and presentations,</li> <li>- diagnostic tests</li> </ul>	<ul style="list-style-type: none"> <li>- observations of the working samples and others in action,</li> <li>- learning in the workplace,</li> <li>- internships and practice,</li> <li>- conferences,</li> <li>- own readership,</li> <li>- discussions with experienced colleagues, experts</li> </ul>	<ul style="list-style-type: none"> <li>- simulations with IT use,</li> <li>- role-play with IT use,</li> <li>- presentation with the multimedial techniques use,</li> <li>- theatre of improvisation,</li> <li>- music,</li> <li>- spiritualism,</li> <li>- analogies to sport</li> </ul>	<ul style="list-style-type: none"> <li>- distance learning,</li> <li>- e-learning with multimedia techniques use,</li> <li>- video conferencing,</li> <li>- coaching,</li> <li>- mentoring,</li> <li>- outdoor training,</li> <li>- project groups,</li> <li>- virtual teams</li> </ul>
Traditional self-improvement		Self-improvement using the latest information technology	
<p>Modern approach, which means tailor-made one, combines traditional and modern methods depending on the area of development and improvement (knowledge, skills, attitudes). Combining company's strategy with the employees' competence, for example corporate universities.</p>			

**Table 2.** The examples of the chosen corporate universities functioning.

Chosen features	Chosen organizations		
	Shell Group (petrochemical company)	CGEY (deals with the systems integration using IT)	Barclays PLC (global financial service provider)
The objectives deriving from the strategies	the development of the general management staff, rationalization of the trainings on the global scale, employees' legitimation	after the merger integration, intercultural work dimension, technological changes, development of the intellectual leadership in the organization, better relationship with the customers, higher profits	reorganization of business units, changing the HR function, trainings rationalization, the increase of the individual responsibility for the career management

The form and the approach	getting to know the whole organization (organizational development) using the latest ICT technologies (Eng. <i>Information and Communications Technology</i> ) and professional development programs	'blended' learning - internal and external programs, the emphasis on common practice	scattered small centers in various parts of Great Britain
Location	at the headquarters of the organization, in the buildings allocated for this purpose	at the headquarters of the organization, near the company, in the buildings allocated for this purpose	administrative offices near the headquarters, small buildings in different parts of the country
The range of the programs	employees with high potential, the executives at all management levels	employees with high potential, the executives at all management levels	the best management staff of the individual business units
The methods	competency models, coaching, e-learning, blended methods with IT, business schools, contracts and programs with the universities, academic advice	competency models, coaching, e-learning, blended methods with IT, network community, business schools, contracts and programs with the universities, academic advice	competency models, e-learning, blended methods with IT,

The source literature analysis shows that the managers most often prefer the following forms of the ratings improvement (Longenecker and Fink, 7-18):

- support in terms of the understanding of organizational goals,
- precise information and the feedback from the competed assessments,
- mentoring of the general management staff,
- mentoring for setting priorities in the organization.

The examples of the creation of the new knowledge and its development tool are corporate universities. The corporate university is defined as 'strategic tool which helps parent organization in fulfilling its mission through education process' (Allen, 2002). Foundation of the corporate universities is connected with the realization of the objectives defined as (Shinn, 2004):

- training of the management staff in terms of the highest level of the leadership and communicative skills,

- standardizing the knowledge and the skills in the specific work areas in terms of the whole organization,
- support in terms of development, modification and standardization of the organizational culture in the company,
- network development ( social network in the organization).

The first corporate universities/schools were founded in USA in the 19<sup>th</sup> century (Rakowska, 219). According to R. Dealtry 77% of the corporate universities influence on the creation of the new knowledge for the organization while 46% work as the development tool and the implementation of global actions (Dealtry, 65-78). Table 2 presents chosen corporate universities with the examples of their functioning (R. Paton *et al.*, 109).

The purpose of the corporate universities/schools foundation is, most of all, the integration of numerous training programs which are often implemented in different organizational units of the company. What is more the organization does not liable extra costs connected with searching the appropriate institutions which provide training services.

Consequently, the organizations most often focus their activities on the improvement of the managers competence in one coherent program which is dedicated to the organization.

#### **4. CONCLUSIONS**

Dynamically, changing environment causes the increase of the importance of management staff in the organizations and the management standards are improving along with the expectation towards managerial competence. The modern manager is the person who, first of all, should constantly improve his/her competence. Therefore the organizations must create favorable conditions for the improvement of the manager competence process. To create these conditions it is necessary to possess the knowledge about the forms and the methods used for this process.

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

- professionalism of the management staff, among others, is seen through the development parameters of its competence,
- the development of the modern organization depends on the smooth learning and development process of the managers,
- the improvement of the management staff is the complex process because most often there are many entities participating in it and it uses many forms and methods,
- the result of managers' improvement is the development of their efficiency,
- the most effective methods of managers' competence improvement are: coaching, mentoring, learning in action and positions rotations,
- corporate universities influence on the creation of the new knowledge for the organization and they are the tool of the development and global action implementation.

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