

Managing Employee Competencies in Crisis Conditions on the Example of a Manufacturing Company

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ABSTRACT

Managing employee qualifications and competencies is an important element of all management activities and organizational policy. The subject of the research is the process of qualifications management and effective employment planning. The set of elements and factors that make up the human resources management process in a manufacturing company is taken into account. The aim of the article is to diagnose the current state and propose actions aimed at improving the qualifications management system and the personnel management planning system in a selected manufacturing company. Based on the conducted research process, it was concluded that it is advisable to place particular emphasis on the development of non-material incentive mechanisms in the proposed activities.

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1. INTRODUCTION

The degree of establishment and development of market relations in each country depends largely on the proper functioning of enterprises in today's realities. Effective personnel management can provide the organization with greater efficiency, high quality and significant profitability of the enterprise. Qualifications management and staffing management are an

important element of all management activities and production policy of the organization. As of today, organizations can only achieve success if they are well-organized, have a sufficiently high level of management, and have competent and disciplined employees, which in the short term are able to change the qualification. In fact, few companies pay enough attention to HR problems. Moreover, in recent years, not only scientists, but also managers of many enterprises

have begun to pay attention to the importance of the role of the human factor in companies. Many leaders have realized that managerial foreign experience does not entirely correspond to employees with a mentality that remained in people after the Soviet Union and in the current state of the economy. Therefore, it is necessary to take into account the national characteristics and the dominant managerial mentality. Generally speaking, motivation is a complex social phenomenon that takes into account needs, motives, interests, values, value orientations, incentives and stimulation of employees to work, and is ambiguously interpreted by various authors. Well, based on the literature review, it can be said that the term motivation has two meanings. On the one hand, it is an individual or group motivation system, and on the other hand, this term means the process of motivating individuals (all employees). So it is a process of forming, introducing and maintaining the operation of specific incentive schemes. The development of HR policy and corporate culture is also particularly interesting, because these issues are aimed at creating a team capable of creatively searching for the most correct and effective solutions, excellent methods and techniques of work. Therefore, the general problem of the management process is interesting, because it is the manager who develops and establishes the algorithm for all work with staff, sets the strategy and tactics. The personnel policy aims to create a coherent, responsible, highly developed and highly productive workforce. Well, managing qualifications and HR planning should not only create favorable working conditions, but also provide opportunities for professional advancement and the necessary degree of certainty in the future. The success of any institution depends primarily on the well-coordinated and stable work of qualified staff. In terms of the literature review, it can be noted that without a thorough personnel qualifications management system, it is difficult to expand the organization's capabilities, its rapid adaptation to the changing requirements occurring in the technological market in the near future, the creation of favorable working conditions, providing employees with opportunities for advancement and the necessary degree of confidence in the future. The human resources management process should be planned in such a way as not only to constantly increase the

number of employees, but also to constantly strive to increase the number of people in the organization who have the knowledge necessary to achieve success in the company's industry. Therefore, the competences required from employees involved in the development of new products or devices are important, if only because the creation of good new technology requires at least basic knowledge of how old machines and devices work.

Forming and shaping the necessary competences among employees begins at the stage of personnel selection. People who come and start working in an organization should strive as much as possible to master aspects of the relevant activity more quickly. These problems largely characterize the situation in the analyzed production company located in Ukraine.

The problem of managing personal qualifications of employees in modern organizations has recently been regularly raised in the works of both domestic and foreign researchers. At the same time, although recently there have been more and more publications on the general issues of personnel management in a modern organization and the implementation of personnel policy, in particular the specificity of personnel management and planning in the conditions of operation of individual organizations has not been studied to a sufficient extent.

The subject of the research is the process of qualifications management and efficient employment planning. This means that a set of elements and factors that make up the employee management process in a coffee-producing company is taken into account. The aim of the article is to propose actions that would improve the qualifications management system and the personnel management planning system in a selected manufacturing company.

2. FUNDAMENTALS OF KNOWLEDGE ABOUT MANAGING EMPLOYEES QUALIFICATIONS IN THE ENTERPRISE, INCLUDING IN CRISIS SITUATIONS

Human resources management can be understood as a method that allows you to search for staff necessary for the effective business [1]. The activities of this area include the process of

planning, recruitment and subsequent implementation of employees, evaluation and control of their work, activities motivating them to work better, atmosphere at work and remuneration, the level of which is influenced by the demand and supply of the market in which the organization operates, as well as employee lifecycle [2].

Wise management of human resources allows the company to acquire benefits, even though they cannot be measured using accounting methods. The company must ensure that the knowledge that a person has, the so-called personalized knowledge, is encoded so that the knowledge remains in the company regardless of whether people are present in it.

The most popular definition of the meaning of knowledge management is the process of continuous improvement management based on knowledge and focused on resources derived from knowledge [3]. However, the definition of management is provided by various consulting companies. Below are several definitions of knowledge management created by world-famous consulting companies [4]:

- Pricewaterhouse Coopers compares knowledge management with art, because both tasks involve the process of transforming information into value that will be lasting both for customers and employees [5];
- Cap Gemini Ernst&Young defines knowledge management as a designed system that can help enterprises acquire, analyze and properly use knowledge in order to make the best possible decisions and achieve a competitive advantage [6];
- BearingPoint Inc. explains knowledge management as its systematic and organized use within the organization in such a way as to be able to process the skills acquired over time to collect and use knowledge in various market directions [7].

On the basis of literature, it could be assumed that knowledge management consists in selecting appropriate means, methods and techniques to enable continuous processes in all types of conditions, especially those related to the creation, collection, flow and dissemination. leveling and purposeful application of knowledge.

Sustainable competitive advantage can be achieved when human resources management systems are integrated with goals that are consistent with the organization's capabilities, in turn determined by individual competencies.

The degree to which the most important goals are achieved depends on the human resources management strategy an organization chooses. This is due to the fact that the selected strategy defines the vision and tactical actions, which ensures the appropriate use and adaptation of human resources to the company's needs [8]. That is, what human resources management philosophy will be chosen by the organization depends on the chosen market strategy. For example, the human capital model is used in the case of enterprises intending to consolidate their market position with an offer through a brand. And the sieve model is used by companies that compete with each other on the market based on costs.

The term crisis is quite a complicated and difficult concept to define clearly. This is particularly due to the fact that a crisis may arise at all levels of an organization's activity, i.e. both in the macro and micro environment. Therefore, this concept should be considered in a multidimensional scope, and be able to take correct actions within a minimum time frame, because the crisis may threaten the company's values [9]. That is, after analyzing the definition of this concept in the literature, it can be said that it is a series of unplanned events of a random nature that disturb or threaten the smooth functioning of the company.

How a company will perceive a crisis situation plays a large role in answering the question of whether a given organization will survive the crisis situation. Therefore, the differences between a crisis situation and a crisis have long been mentioned. Well, every crisis is an element of a crisis situation, but not every crisis situation has an element of crisis [10].

Various studies have helped determine the basic factors that influence whether a company will succeed or fail. Therefore, the factors that should be emphasized in a given job are those related to the company. This means that they may concern both the level of advancement of systems (e.g. information systems) or the ability to manage the

financial side of the enterprise, as well as human resources in general, and especially the level of qualifications of the management staff. Companies encounter various problems in

almost every sphere of their activities. Therefore, we can generally list the problems that enterprises encounter in their development, based on a review of various literature (Table 1).

Table 1. Problems of enterprises during development.

Phase	Marketing problem	Financial and accounting problem	Management problems
Establish	Location, defining the market, customer acquisition, development of unique proposals	Financial planning, cost and profitability testing	Planning, business knowledge (covering management and legal and political aspects of business activity)
Survival	Generating the same sales volume, improving unique proposals	Cash flow, cost and profitability optimization, greater financial control	Business knowledge, costs control
Early growth	Intensifying the fight against competition, deeper market penetration, contact with the customer	Tightening financial control, improvement of marginal values, cash flow, difficulties in obtaining foreign capital	Costs control, delegating, inventory and cost control
Late growth	Improving the competitiveness, new products, new markets	Tightening financial control	Organizational structure and HR management, long-term planning
Stabilization	Maintaining flexibility	Control of increased cash flows	Organizational structure and HR management, production and material resources
Source: adapted from F. Bławat, <i>Przetwarzanie i rozwój małych i średnich przedsiębiorstw</i> , Scientific Publishing Group, Gdańsk 2004; J. Wasilczuk, <i>Wzrost małych i średnich przedsiębiorstw. Aspekty teoretyczne i badania empiryczne</i> , Wyd. Politechniki Gdańskiej, Gdańsk 2005			

The table (Table 1) shows that growth can be described from two points of view - as a quantitative growth of the company, i.e. its increase in size, and as a qualitative growth, i.e. continuous development of the company in relation to management practices or technologies. The literature emphasizes that the emphasis should be placed not on the growth of the organization in the quantitative sense, but on the development and increase of the organizational capabilities of the enterprise [11].

It should be remembered that each stage of the development model is characterized by different, even different activities, where the same participants may play different roles.

Then you should move on to the role of a human being, or rather, qualification management in crisis contracts [12]. Well, qualifications management in times of crisis in the company is a carefully planned and well-thought-out activity that is based on the model of developed systems, i.e. it is an art that the manager must be able to use efficiently [13]. Employee motivation to work is one of the key activities in personnel management. It includes a set of measures that influence employees' awareness in order to

develop their lasting motivation to increase efficiency and quality of work.

When managing in crisis contracts, special emphasis is placed on the quality of leadership, the ability of the main managers of the enterprise to solve the most complex business problems using all management tools based on innovative methods and techniques [14]. Therefore, the requirements for the manager should be high enough.

Therefore, qualification management in crisis contracts aims [15, 16]:

- creating a team of managers capable of developing and implementing a program for the survival and development of the enterprise not only during the crisis, but also in general;
- maintain the core of the organization's human resources, which consists of managers, specialists and employees of significant value to the enterprise;
- restructuring of the enterprise's human resources potential caused by changes taking place in the organization in the course of restructuring, implementation of innovative investment projects, production

diversification and reorganization of the enterprise;

- reduce social and psychological tension in the team;
- ensure social protection and employment of dismissed workers.

3. DRAFT OF AMENDMENTS QUALIFICATIONS MANAGEMENT IN A MANUFACTURING COMPANY – CASE STUDY

3.1 The current situation in employee management planning in a manufacturing company

The Human Resources Department is the main entity responsible for personnel management in the surveyed company. This department is responsible for shaping high professionalism and culture of management activities, implementing and achieving results of the assumed goals, according to which the organization's staff will consist only of qualified, proactive and highly moral employees, effective use of intellectual and human resources potential, its preservation and expanding, as well as creating favorable conditions and providing each employee with the conditions to demonstrate their skills, pursue positive interests and personal plans, personal professional development and professional advancement, and increase work efficiency.

We analyzed the current state of employee management in the company and tried to consider how the main functions of management are implemented: work motivation, professional and advanced training, conflict management.

A special role in personnel management of any organization is played by stimulating employees to effective professional activity, which implies knowledge of the basics of psychology, organizational behavior, etc. An employee who comes to work every day and performs specific functions is, first of all, a person and cannot be treated only as labor force. Therefore, the goals of the organization include an increase in work efficiency and an increase in production efficiency, but the goals of the employee, as a person with different needs, may not coincide with, and even often do not coincide with, the interests of the organization.

As mentioned above, a given company experiences quite high employee turnover, regardless of the specific age of the employees. Moreover, conflicts periodically arise, both between employees and between employees and the administration. Many employees who find a job in an organization through a difficult process become disillusioned and end up resigning from their positions. In order to determine the motives for professional activity and the degree of job satisfaction of employees at all levels, a survey was conducted in which 61% of employees (68 people) took part.

Men and women from different age groups and levels of education participated in the study, taking into account the representativeness of the sample. Women – 16, men – 46. The study used a questionnaire consisting of 14 questions, where employees had to give a weight on a scale from 1 to 5. This survey allows you to assess not only the overall staff satisfaction with the work performed, but also its components. The study results are presented in Fig. 1.

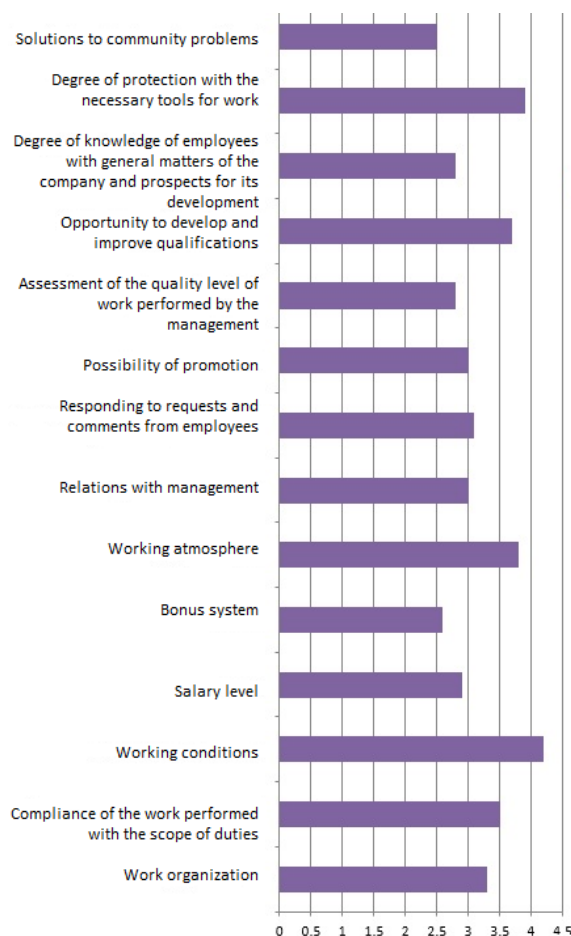


Fig. 1. Results of surveys of the staff motivation system (average rating).

The results of the employee survey showed that almost all responses received average scores. Response scores range from 4.2 to 2.5 points on a 5-point scale. The least satisfaction among employees concerns solving community problems (2.5 points) and the level of remuneration (2.6 points). Social problems are not solved effectively enough in the organization, but this is typical for most Ukrainian organizations. Employees are also not fully satisfied with the bonus system. The study shows that the average score for this motivator is 2.6 points.

Research also shows that employees are not fully satisfied with the relationships in the team, because management focuses on production issues and not on establishing interpersonal relationships that shape the social and psychological climate in the team. Conflicts often arise in teams of different departments, which negatively affect employee productivity.

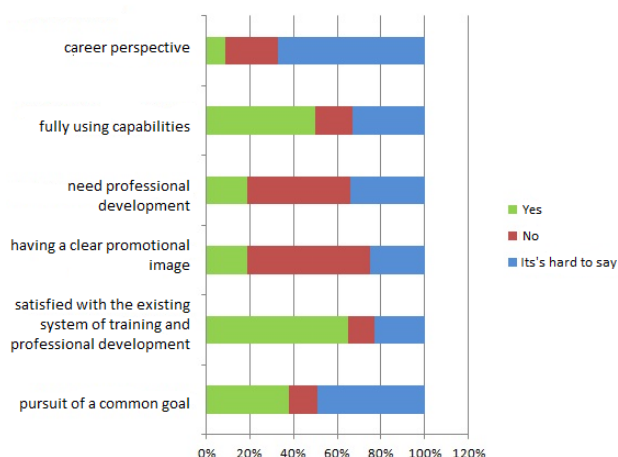


Fig. 2. The results of the employee opinion survey on development opportunities in the company.

The results of personnel research in the field of potential development are presented in Fig. 2 – the company has a well-established training system for potential and current employees of the organization, as evidenced by data on training conducted in the company. About 30% of the organization's employees took part in various training courses and acquired new knowledge in 2018-2019. However, the organization lacks a clear system that would function properly and help in developing and climbing the career path. As the survey results show, one of the factors that would help achieve a given goal, i.e. the motivational factor regarding career

development prospects, is currently at a very low level because almost half of employees do not know how to develop a career in this company. Often, employees are hired externally, rather than promoted, into management positions, which negatively affects the motivation of the organization's staff and reduces overall productivity, as well as leading to increased staff turnover

3.2 Proposal for improvement actions

The analysis of the company's personnel management system revealed a number of imperfections that significantly reduce employee job satisfaction and are often the reason for their decision to dismiss. After analyzing staff turnover, it can be concluded that the main causes of staff turnover are the following factors:

- uncompetitive salary in such a rare and unique industry;
- unfair salary structure;
- imperfect bonus system;
- lack of a proper system of material and non-material incentives;
- lack of opportunities for promotion, participation in training or professional development, gaining experience or career development (for most employees).

All the above negative factors lead us to the biggest problem - staff turnover, both among young employees with little experience and among employees with many years of experience and work in a given company.

If the liquidity level is 3-5% per year, it is considered natural. Natural staff turnover contributes to staff renewal and does not require any action on the part of the company's management. The complete lack of employee turnover leads to the so-called employee stagnation. And finally, new people, new employees in the company - it's always a new look at old problems and new, interesting ideas.

To understand the problem more deeply, it is not enough to simply determine the level of employee turnover. It is necessary to understand what losses the organization incurs or may incur due to high levels of turnover.

Therefore, the costs associated with replacing employees who retire can be attributed to:

- low level of work efficiency of new employees during the training period;
- cost of training employees at a training and certification center;
- the cost of training employees on the job;
- overtime pay for employees replacing retired employees;
- time of the HR Department employee for formalities when dismissing and hiring new employees;
- decrease in work efficiency of other employees;
- costs related to searching for a new employee (submitting an advertisement, time for an interview).

It is difficult to quantify all the losses indicated above, but most experts believe that the total amount of economic disadvantage caused by staff

turnover is equal to the sum of all private costs incurred.

In the company, of the people who resigned of their own will, 14.1% were dismissed with the consent of the parties, and 2.9% due to employment reduction. Therefore, the company's liquidity level was 17%. This ratio is higher than the acceptable level of similar enterprises in the trade. This indicates a serious problem in working with staff.

The results of the analysis showed that the issues of personnel planning, selection, evaluation, career guidance and adaptation in the organization are not fully resolved. Also, no attention is paid to the process of creating a team, which is caused by frequent conflicts in the organization. The study showed that a significant number of employees are dissatisfied with team relations.

Table 2. Recommendations for improving personnel management.

No.	Problem	Recommendation	Improvement actions	Responsible person	Result
1.	Lack of staff motivation	Development of a system of material motivators	1. Increasing the level of the fixed part of remuneration for 1 month by 5%. 2. Increase the amount of additional bonus payments, including: • introduction of a monthly or quarterly bonus payment system, determined as a percentage of the value of the sold production for employees, who may affect the sales volume; • supplementary premiums – annual bonuses based on the results of work, taking into account changes in sales volume.	Human Resources and Development Manager in cooperation with the Finance department.	Confidence in the future, work stability, lower staff turnover.
		Development of a system of non-material motivators (moral incentives)	Implementation of an additional social package for employees for writing 1% of salaries per month for the budget fund of the organization.	Human Resources and Development Manager	Additional internal motivation of the team and the attractiveness of the company itself, loyalty to it from employees.
2.	Lack of ability to raise qualifications and lack of prospects for development	Separation of additional work among employees, who have improved their qualifications	Additional training for employees at the expense of the organization in order to save money, which are spent on the employment of new staff.	Human Resources and Development Manager	Skills promotion amongst workers, increasing self-esteem, reduction of employee turnover.

4. CONCLUSION

The effectiveness of personnel management directly depends on the degree to which the overall goals of the organization are achieved [17, 18]. Appropriate criteria should be drawn up to determine the effectiveness of workforce management. In management practice, two types of executive criteria are used, which are related, firstly, to the subject of management, and secondly, to the management apparatus itself. Therefore, when assessing the effectiveness of individual HR programs, it is necessary to determine the extent to which they influence the results of employees and the organization as a whole (increasing work efficiency, improving product quality, saving resources, etc.). Based on the research process, it was concluded that it is advisable to place special emphasis in the proposed activities on the development of mechanisms of intangible incentives. Of course, fair wages contribute to shaping a positive image of the organization. Modern management experts have formulated a concept called motivational hygiene. The meaning of this concept means that lack of pay is the main factor that demotivates an employee. However, as soon as the salary increases, it ceases to be a motivating factor. Therefore, we must not forget about non-material incentives for employees, because they are quite an important factor influencing the effective performance of job duties and one of the main elements of corporate culture.

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