

## COMPETENCES OF THE SME'S AND PUBLIC ORGANIZATIONS' MANAGEMENT STAFF

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Key words: social potential, model of competences, enterprise, public organisation.

### Abstract

Market position of enterprises and quality of operations of public organisations depend on numerous variables positioned within and outside those entities. The social potential within the enterprise or public organisation is one of such internal variables.

The study aimed at assessment of quality of the management in enterprises of SME sector and public organisations, including units of territorial government. The empirical material collected revealed the competence gaps mainly in the areas of personality predispositions and management skills.

### KOMPETENCJE KADRY MENEDŻERSKIEJ MSP I ORGANIZACJI PUBLICZNYCH

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Słowa kluczowe: potencjał społeczny, model kompetencji, przedsiębiorstwo, organizacja publiczna.

### Abstract

Pozycja rynkowa przedsiębiorstw oraz jakość działań organizacji publicznych zależą od wielu zmiennych umiejscowionych wewnątrz oraz na zewnątrz tych podmiotów. Jedną z wewnętrznych zmiennych jest potencjał społeczny tkwiący w przedsiębiorstwie lub organizacji publicznej.

Celem badań była ocena jakości kompetencji zarządzających przedsiębiorstwami zaliczanymi do sektora MSP oraz organizacjami publicznymi, w tym jednostkami samorządu terytorialnego. Zebrany materiał empiryczny ukazał luki kompetencyjne umiejscowione głównie w predyspozycjach osobowościowych oraz w umiejętnościach zarządczych.

## **Introduction**

Every organisation aims at achievement of market success. In case of enterprises it translates into a strong market position and in activities of the public organisations the aim is to satisfy the needs and expectations of stakeholders of those organisations at high level of quality and possibly the lowest costs.

Enterprises and public organisations may compete in various ways. Some aim at retaining or building the monopolistic position. Other rationalise their material and financial resources. Still others aim at obtaining “secret” information thanks to which they can be ahead of the competitors. The activities presented are not mutually exclusive. In practical terms those strategies are applied in parallel. Each organisation also aims at minimising the production costs but that path is limited by reasons of quality, as minimising the costs cannot deteriorate quality, which in consequence could cause resignation of customers from the producer or supplier of services. As a consequence current managements are searching for specific resources differentiating them from competitors. It seems that competences of the management staff of enterprises and public organisations represent such a resource.

Subject literature provides a rich description of competence models of the management staff. It refers, however, mainly to managers of large business organisations. A shortage of empirical studies concerning the management staff of SME sector enterprises and public organisations, on the other hand, is noticeable. The results presented in the paper might represent modest contribution to filling that gap.

## **Research assumptions**

At the Chair of Organisation and Management works are in progress on the research subject “Social potential of enterprises and public organisations”. Assessment of the social potential of management staff in enterprises and public organisations, including units of territorial government was one of the objectives of that subject.

The term social potential is defined widely. In the current research subject it was assumed that competences of management staff are one of the components of that potential. As a consequence, the described partial studies aimed at identification and defining the competence gap of the management staff categorised according to position and function held. As a consequence competences<sup>1</sup> of managers were the subject and owners and managers in enterprises and managers in public organisations were the object of the studies.

The research problem was formulated in the form of the question: what are the key competences of the managers of micro and small enterprises and managers employed in public organisations? To solve that problem the research procedure was focused on finding answers to four fundamental detailed questions:

1) what competences form the model of competences of key management staff in micro and small enterprises and public organisations?

2) do models of competences of entrepreneurs and managers in public organisations differ?

in which competences the largest gaps exist?

3) is there any concurrence as concerns the subject scope in competence gaps encompassed by models?

In view of the objective of studies and the detailed questions the following hypothesis was formulated: sets of competences forming the models differ significantly and the largest gaps occur in management competences, including human resources management competences.

The study used the methods of diagnostic polls, ABC based on Pareto principles and self-evaluation. The research techniques were questionnaire-based studies and interviews and the research tools were the questionnaires or polls and interviews of own design.

The respondents were managers of SME sector enterprises, managers in those enterprises and management staff employed in public organisations. In total the analysis covered contents of 435 questionnaires completed by:

a) 140 owners who at the same time were managers of micro and small enterprises conducting business in services and production-services-trade in the hospitality sector (hotels and gastronomy), transport and communication as well as industry and construction;

b) 186 line managers employed in enterprises described in point a;

c) 56 managers employed in large and medium size public organisations from banking and insurance institutions sector;

d) 53 managers employed in units of territorial government at municipality (15), county (27) and voivodship (11) level.

The respondents were selected at random. Among potential respondents 637 managers were approached directly and 200 by electronic means. Not all the questionnaires returned were correctly (completely) completed. Out of 435 questionnaires mentioned above only 38 were received by electronic means.

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<sup>1</sup> Termin *kompetencje* oznacza w tym opracowaniu zestaw wiedzy, umiejętności, cech osobowościowych, doświadczenia, postaw i zachowań kierownika nakierowany na sprawne działanie (R. Walkowiak 2004. *Model kompetencji menedżerów organizacji samorządowych*. Uniwersytet Warmińsko-Mazurski w Olsztynie, Olsztyn).

The contents of questionnaires were subject to quantitative and qualitative analysis followed by comparative analysis.

## Results of studies

The questionnaire delivered to the respondents personally or by electronic means contained the list of 50 competences. Those competences were selected on the basis of theoretical models presented in subject literature. The task of respondents was to indicate ten, in their opinion most important in their work, competences and next ranking them in the scale from 1 (lowest value) to 5 (highest value) according to the level of possessing those competences. They were asked to indicate the demanded (desired) level and the actual level at which the given competence is manifested in their practical behaviours.

Data presented in Table 1 present approximated, as concerns the number, set of competences, although the sets are not identical, as well as importance of individual competences is diverse. Agreement occurred only in case of the most important, according to respondents, competence, i.e. business sector knowledge.

Table 1  
Hierarchy of competences of managers of enterprises

Competence name	Hotels and gastronomy <sup>1</sup>				Transport and communication <sup>2</sup>				Industry and construction <sup>3</sup>			
	W	status		LK	W	status		LK	W	status		LK
		P	A			P	A			P	A	
1	2	3	4	5	6	7	8	9	10	11	12	13
Business sector knowledge	1	4.7	3.8	-0.9	1	4.8	3.8	-1.0	1	4.8	4.4	-0.4
Creativity	2	4.5	3.7	-0.8	7	4.4	3.5	-0.9	8	3.9	2.7	-1.2
Professional experience	3	4.7	3.8	-0.9	2	4.5	4.1	-0.4	15	4.1	3.3	-0.8
Care for quality	4	4.8	4.0	-0.8	3	4.6	3.5	-1.1	2	4.8	4.3	-0.5
Focus on success	5	4.7	4.1	-0.6	-	-	-	-	9	4.7	4.1	-0.6
Care for reputation	6	4.8	4.2	-0.6	10	4.3	3.7	-0.6	6	4.2	4.0	-0.2
Panning skills	7	4.7	3.6	-1.1	-	-	-	-	3	4.7	4.5	-0.2
Communicativeness	8	4.8	3.7	-1.1	4	4.5	3.8	-0.7	13	4.4	2.9	-1.5
Focus on cooperation	9	4.3	3.1	-1.2	14	4.3	3.1	-1.2	17	4.3	2.8	-1.5
Skills in motivating others	10	4.5	3.2	-1.3	6	4.5	3.9	-0.6	11	4.0	2.9	-1.1
Energy (vitality)	11	4.5	4.0	-0.5	16	4.4	3.9	-0.5	-	-	-	-
Negotiation skills	12	4.7	3.2	-1.5	8	4.8	3.5	-1.3	10	4.5	3.3	-1.2
Teambuilding skills	13	4.5	3.8	-0.7	-	-	-	-	-	-	-	-
Conflict solving skills	14	4.8	4.0	-0.8	17	4.5	3.7	-0.8	-	-	-	-
Care for costs	15	4.5	4.2	-0.3	9	4.2	3.8	-0.4	7	4.7	3.9	-0.8

cont. table 1

1	2	3	4	5	6	7	8	9	10	11	12	13
Resistance to stress	16	4.3	2.6	-1.7	5	4.4	3.3	-1.1	-	-	-	-
Consistency in action	17	5.0	3.8	-1.2	13	4.5	3.5	-1.0	18	4.5	3.2	-1.3
Skills of working in a team	18	4.2	3.4	-0.8	12	4.4	3.9	-0.5	12	3.9	3.5	-0.4
Actions coordination skills	19	4.5	3.0	-1.5	-	-	-	-	19	4.6	3.7	-0.9
Strategic thinking	-	-	-	-	11	4.8	3.6	-1.2	-	-	-	-
Innovativeness	-	-	-	-	15	4.4	2.5	-1.9	5	4.4	3.3	-1.1
Focus on own development	-	-	-	-	18	4.5	2.8	-1.7	-	-	-	-
Skills of catching the opportunity	-	-	-	-	19	4.3	3.0	-1.3	14	4.6	3.2	-1.3
Focus on changes	-	-	-	-	20	4.4	3.6	-0.8	20	4.4	3.9	-0.5
Focus on the future	-	-	-	-	-	-	-	-	21	4.2	3.8	-0.4
Fascination with work	-	-	-	-	-	-	-	-	4	4.2	2.9	-1.3
Situation analysing skills	-	-	-	-	-	-	-	-	16	4.1	3.0	-1.1

Source: Own studies.

Legend:

W – importance (order) of competences

P – desired status of competences

A – actual status of competences

LK – competence gap

Population of study group:

<sup>1</sup>  $n = 39$ , including 17 managers of small enterprises and 22 owners (managing) micro-enterprises,<sup>2</sup>  $n = 35$ , including 20 managers of small enterprises and 15 owners (managing) micro-enterprises,<sup>3</sup>  $n = 66$ , including 27 managers of small enterprises and 39 owners (managing) micro-enterprises.

Key competences were determined on the basis of ABC method based on Pareto principles, and the index of efficiency of management activities was assumed at the level of 80%. That rigor necessitated expanding the set of key competences. As a consequence the models of key competences encompass not only those listed in subset A (according to Pareto analysis) but also all competences of subset B (in the model for hotels and gastronomy sector) and 85% of competences from subset B in the models for sectors of transport and communication as well as industry and construction. If the number of competences in individual subset had been limited to subset A only, the management efficiency would have been at the level of 47.5% (hotels and gastronomy), 53.8% (transport and communication) and 48.5% (industry and construction) respectively, which would offer highly unsatisfactory solutions.

According to the same methodology key competences for persons holding management positions in enterprises from the covered sectors. The results obtained are presented in Table 2.

The number of competences included in models presented in Table 2 is similar. Assuming the same as for the (managing) owners of enterprises

assumption as concerns management efficiency it was necessary to include among key competences all the competences from subset A (according to Pareto principles) and almost all competences from subset B (secondary). Narrowing the list of competences only to those included in subsets A would render efficiency of management activities at the levels of 41.2% (hotels and gastronomy), 46.7% (transport and communication) and 47.6% (industry and construction) respectively.

Table 2  
Hierarchy of competences of managers of enterprises

Competence name	Hotels and gastronomy <sup>1</sup>				Transport and communication <sup>2</sup>				Industry and construction <sup>3</sup>			
	W	status		LK	W	status		LK	W	status		LK
		P	A			P	A			P	A	
1	2	3	4	5	6	7	8	9	10	11	12	13
Business sector knowledge	1	4.7	3.5	-1.2	1	5.0	4.8	-0.2	1	4.8	4.3	-0.5
Creativity	2	4.1	3.8	-0.3	3	4.1	3.3	-0.8	8	4.1	3.0	-1.1
Focus on cooperation	3	4.0	3.2	-0.8	12	4.6	4.0	-0.6	20	3.8	3.6	-0.2
Professional experience	4	4.8	4.2	-0.6	4	4.1	4.0	-0.1	2	4.7	4.3	-0.4
Activities coordinating skills	5	3.6	3.0	-0.6	-	-	-	-	22	4.1	3.7	-0.4
Skills in motivating others	6	4.6	3.4	-1.2	5	4.8	3.5	-0.5	6	4.3	3.1	-1.2
Expansiveness	7	3.8	3.4	-0.4	-	-	-	-	-	-	-	-
Situation analysing skills	8	3.8	3.1	-0.7	22	4.2	3.8	-0.4	-	-	-	-
Care for quality	9	4.2	3.8	-0.4	7	4.8	4.0	-0.8	3	4.8	4.3	-0.5
Personal culture	10	4.8	4.2	-0.6	-	-	-	-	-	-	-	-
Skills of working in a team	11	4.1	2.8	-1.3	2	4.5	3.9	-0.6	-	-	-	-
Resistance to stress	12	3.0	2.8	-0.2	6	4.6	3.4	-1.2	7	4.2	3.2	-1.0
Focus on processes	13	4.1	3.8	-0.3	21	5.0	3.8	-1.2	14	4.0	3.5	-0.5
Care for reputation	14	4.5	3.8	-0.7	18	4.8	3.6	-1.2	13	4.5	4.4	-0.1
Conflict solving skills	15	4.6	3.0	-1.6	10	4.6	3.4	-1.2	9	4.6	3.3	-1.3
Focus on success	16	4.2	3.7	-0.5	9	4.4	4.1	-0.4	11	4.5	4.2	-0.3
Focus on results	17	4.0	3.5	-0.5	-	-	-	-	5	4.5	4.0	-0.5
Delegation of authority	18	4.2	3.6	-0.6	-	-	-	-	19	3.6	3.5	-0.1
Care for costs	19	4.3	3.5	-0.8	23	4.8	4.1	-0.7	4	4.9	4.1	-0.8
Ethical conduct	20	4.6	3.4	-1.2	-	-	-	-	-	-	-	-
Cultural flexibility	21	4.3	3.0	-1.3	-	-	-	-	-	-	-	-
Consistency in actions	22	4.2	3.0	-1.2	15	4.5	3.4	-1.1	18	4.4	4.0	-0.4
Analytical thinking	23	4.1	3.1	-1.0	14	4.0	3.0	-1.0	-	-	-	-
Planning skills	24	4.0	3.2	-0.8	-	-	-	-	17	4.2	3.5	-0.7
Extraversion	25	3.6	2.8	-0.8	-	-	-	-	-	-	-	-
Communicativeness	-	-	-	-	8	4.5	4.1	-0.4	10	4.3	3.7	-0.6

cont. table 2

1	2	3	4	5	6	7	8	9	10	11	12	13
Energy (vitality)	-	-	-	-	11	4.7	2.9	-1.8	21	4.5	3.8	-0.7
Teambuilding skills	-	-	-	-	13	4.3	3.8	-0.5	26	3.5	3.2	-0.3
Negotiation skills	-	-	-	-	16	4.2	2.8	-1.4	15	3.9	3.5	-0.4
Focus on own development	-	-	-	-	17	4.4	3.2	-1.2	25	4.8	3.8	-1.0
Skills of catching the opportunity	-	-	-	-	19	4.8	3.1	-1.7	23	4.0	2.8	-1.2
Strategic thinking	-	-	-	-	20	4.8	4.2	-0.6	-	-	-	-
Focus on the future	-	-	-	-	12	4.3	3.8	-0.5	-	-	-	-
Innovativeness	-	-	-	-	-	-	-	-	16	4.3	3.1	-1.2
Focus on changes	-	-	-	-	-	-	-	-	24	4.1	3.3	-0.8

Source: Own studies.

Legend: as in tab. 1.

Population of study group:

<sup>1</sup>  $n = 46$ , including 23 managers from micro and 23 managers from small enterprises,<sup>2</sup>  $n = 55$ , including 29 managers from micro and 26 from small enterprises,<sup>3</sup>  $n = 85$ , including 24 managers from micro, 32 from small and 29 from medium enterprises.

For line managers, similar to (managing) owners of enterprises in which they work, the most important competence is business sector knowledge on the sector they operate in. Competence gaps were diagnosed in all competences, and the largest ones were recorded in case of managers working in the sectors of transport and communication enterprises.

The subject scope of studies also covered the competence models of managers in public organisations. The analysis encompassed questionnaires completed by managers employed in banking and insurance sectors (56 in total) and managers employed in territorial government units at municipality, county and voivodship level (53 in total). From other public organisations marginal numbers of questionnaires were returned and they were disregarded from analysis. The results of studies are presented in Table 3.

Opinions of managers in banking/insurance and territorial government units are convergent as concerns the two most important for them competences, i.e. business sector knowledge and skills of delegating authority. In both abovementioned competences significant and compatible gaps were also recorded. Additionally, in case of managers from territorial government units shortages, at a similar level, in competences of skills of working in a team, creativity and conflicts solving skills were also present. On the other hand, among managers from banking/insurance sector the largest gaps were recorded in competences such as skills of motivating others, analytical thinking and resistance to stress.

Table 3

Hierarchy of competences of managers in public organisations

Competence name	Banking/insurance <sup>1</sup>				Units of territorial government <sup>2</sup>			
	W	status		LK	W	status		LK
		P	A			P	A	
Business sector knowledge	1	4.8	4.4	-0.4	1	4.9	4.6	-0.3
Delegation of authority	2	3.9	3.0	-0.9	2	4.2	3.2	-1.0
Skills of working in a team	3	4.5	4.5	0.0	9	4.0	3.9	-0.1
Creativity	4	4.0	3.5	-0.5	5	4.6	3.6	-1.0
Professional experience	5	4.3	4.1	-0.2	12	3.5	3.8	0.3
Communicativeness	6	5.0	4.3	-0.7	-	-	-	-
Focus on own development	7	4.7	4.5	-0.2	14	4.0	4.0	0.0
Focus on results	8	4.5	3.8	-0.7	-	-	-	-
Conflicts solving skills	9	4.3	3.8	-0.5	6	4.5	3.5	-1.0
Resistance to stress	10	4.6	3.5	-1.1	4	4.5	4.0	-0.5
Analytical thinking	11	4.7	3.1	-1.6	2	4.4	4.0	-0.4
Skills of motivating others	12	4.7	3.0	-1.7	8	4.0	3.6	-0.4
Care for quality	13	4.8	4.2	-0.6	-	-	-	-
Teambuilding skills	14	4.5	4.0	-0.5	10	4.5	3.7	-0.8
Consistency in actions	15	4.0	4.2	-0.2	11	4.1	4.1	0.0
Skills of analysing situation	16	4.1	3.8	-0.3	-	-	-	-
Focus on cooperation	-	-	-	-	7	5.0	4.2	-0.8
Planning skills	-	-	-	-	13	4.0	3.8	-0.2

Source: Own studies.

Legend: as in tab. 1.

Population of study group:

<sup>1</sup>  $n = 56$ , including 35 managers employed in large and 21 in medium organisations,<sup>2</sup>  $n = 53$ , including 11 managers employed in territorial government units of voivodship, 27 – county and 15 – municipal level.

## Conclusion

The goal of research assumed was achieved because during the research procedure answers were obtained to all formulated questions. The formulated hypothesis was verified positively in part only. It was established that competence models (sets of competences) of managers in enterprises and organisations from encompassed sectors were significantly coherent although the respondents allocated different values to those competences. The second part of the hypothesis was verified positively because the largest gaps were identified in management competences.



The empirical material collected during the research procedure allows formulating the following conclusions:

1. In conducting hierarchical organization of competences it can be noticed that in all models subject knowledge related to the sector in which the enterprise/organisation operates is the most important competence.

2. Gaps positioned in personality predispositions (e.g. resistance to stress, consistency in actions) as well as knowledge and skills of managing people (skills of negotiation, solving of conflicts) occur in the vast majority of key competences identified.

3. Lists of competences considered by respondents the key ones had to be expanded by competences included in the secondary subset (according to Pareto principles) to obtain management efficiency at the level of 80%.

4. None of the identified models of key competences included, among others, such social competences as skills of creating organisational culture, focus on satisfying social needs, cultural flexibility, skills of winning supporters or social responsibility.

In view of the above conclusions the following recommendations for practitioners in management and institutions providing education for potential managers or upgrading competences of people already holding management positions can be formulated:

1. People who are owners and at the same time managers of SME sector enterprises and managers employed in such enterprises should change their awareness as concerns the necessity of permanent improvement in the areas of enterprise management including human resources management.

2. Management staff employed in public organisations should, next to continuous improvement in business subject areas, also improve its human resources management skills.

3. Knowledge of management skills and socio-psychological knowledge thanks to which the chances of effective human resources management, on which success of any organisation is mainly dependent, increase should be articulated to a larger extent than currently in the process of educating managers.

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