

HUMAN RESOURCES MANAGEMENT SYSTEM BASED ON COMPETENCES – SCANIA CASE STUDY

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Abstract

The aim of the paper is to present the practical application of competence model in the whole system of human resources management (HRM) on the example of global automotive concern Scania AB by using data collected at polish daughter company – Scania Production Slupsk SA. The definitions of competencies and competence model are compared and an argumentation for the holistic approach of human resource management with central position of competence model is done. As an illustration for it, the case study consisted with main five steps Scania human resource management system is presented. In conclusion – the integrative role of competence model elaborated in Scania human resource management system as a factor causing high efficiency of HR is accented, as well its positive impact on building new quality of Scandinavian organizational culture in polish socio-economic conditions.

Scania global human resources management system is based on well defined, unitary competence model conditioned by productive profile of the company and patterned on very effective Japan organizational schema. It is a kind of ‘tailor made’ model, but fits to different cultures worldwide where Scania locates its business. Most characteristic is central position of competencies in HRM system what helps to integrate five main personnel processes. Central role of competence model in company allows fulfil main target of its human resource policy: to ensure, nurturing and keeping of dedicated, well-motivated and innovatively orientated staff.

Key words: competencies, competence model, human resources management system.

Classification JEL: M12 – Personnel Management

1. Introduction – firstly competencies

The notion of *competences* (competence, competency) for over thirty years (McClelland, 1973; Boyatzis, 1982) systematically widening its presence in area of HRM and gradually substitutes the old concept of *qualifications* – and this replacement seems to be non reversable. The main prevalence of the “competences” is they cover the individual or organizational ability to express effective job performance. It allows predict expected real – not only potential, job proficiency (Oleksyn, 2006). The main positive attributes of competencies are summarized as following (Kwiatkowski & Symela, 2001):

- demonstration during job performance (real behavior)
- dynamic structure of competencies, changing together with internal (from side of organization) and external (from surrounding) influences.

Since competences have become the code words for the HRM systems and a kind of “fashion” for competencies was developed in area of personnel management, unfortunately also aroused many disparities in basic definitions of the *notion* (Oleksyn 2006, p. 17-20; Sidor-Rzqdkowska, 2011, p. 24-31). It can be seen as the reflection of frequently chaotic approaches to the issue of personnel activities undertaken in frame of organizations under the theme of HRM. Very often particular personnel processes as are: recruiting, selecting, placing, leading, training and evaluating of employees are guided at least non consequently, frequently – non coherently or even – in mutual contradiction (Sidor- Rzqdkowska, 2011, p. 15). Because of it, discussion around topic of competencies in organization seems desirable and useful.

We choose an approach to the concept of competence which is based on the construct of professional behavior understood as a *triple elements behavior* demanded at work and

consisting with two components based on employee's knowledge and one – based on his/her motivation at work. Those elements are exactly for employee:

1. “Cold” knowledge – theoretical (employee theoretically knows *what to do*).
2. “Hot” knowledge – based on practical experience (employee practically knows *how to do* and demonstrates it as skills).
3. Motivation – based on habits expressed as an attitudes at work (employee performs work with observable effort, perseverance, diligence, teamwork, etc.).

Such approach is similar to the definition of competences done by Filipowicz (2004, p. 17) or to behavioral competences according to Rakowska & Sitko-Lutek (2000, p. 17-18), but we disagree, that it could be summarized only by the concept of knowledge and that motives at work can't be evaluate as part of competences (Sidor-Rzqdkowska, 2011, p. 25). We would answer – directly, maybe not, but indirectly – as demonstrated at work attitudes – yes, especially when the job evaluation is systematical, based on standardized episodic work description and framed in coherent organizational competence model. Competence model should to specify not only positive (expected) behavioral indicators on given job position, but also negative (unaccepted) indicators, and in practice, usually appears as a description of competencies in form of episodes demonstrating concrete attitudes at work (Blaškova, 2011, p. 116-118). Different sources stress the crucial role of *competence management system* in integration of the separate personnel processes into one unitary system of HRM, as well – its impact on realization of company's strategic targets. According to some authors: “competence management represents the basis for the whole human resources management system,” (Oleksyn, 2006, p. 10-11). Other authors however warn – it is valid only for an ‘appropriately executed’ competence management (Sidor-Rzqdkowska, 2011, p. 16).

We agree with this statement, and also share the doubts about theoretical relevancy of the concept of “*Competence Management*” – which suggests the owner of competencies is organization. As it is repeatedly stressed in literature, an organization “has” competencies only indirectly – through competencies of employed people and only – if they want to share their competencies with organization. Because of it, more adequate seems to be the formulation “management based on competences” in place of “competence management”. For the question “Who has to manage competences in a company?”, the answer should be “employees” but with the support of managers and in coherence with company's HRM and business strategy.

2. Competence model as a pattern of competences

The *competence model* represents the integrated set of competences required for excellent performance according to company's fixed standards. There were described many theoretical competence models till now, some of them acting as more universal, like for example the Kirkpatrick Model or five-step Strategic Systems Model (Dubois, 1993) but a majority of them are ‘tailor made’ for particular company. Some authors distinguish *competency model* and *competence model*. They note that a *competency model* describes the qualities required of a worker to be successful in a position, on a team, and within an organization, and a *competence model* describes what an individual worker must perform consistently to achieve or exceed the strategic goals of the organization (Delamare, Le Deist & Winterton, 2005; Teodorescu, 2006).

2.1. Clarification of the notions

According to us, over mentioned distinguishing is pointless – competency models in holistic approach to HRM, which we prefer (see part 3 of this article), means in fact the same as competence models, and we will use the last one term. Additional argument for such

simplification is that competencies not only exist for individual efforts but are especially important for work functions that require team collaboration. A team competency model was first proposed by Margerison (2001), with performance being assessed on nine competencies. Authors stress: any competency framework must be from one side robust and concrete, but also dynamic and flexible. Sensitive for technological, economic, and other changes (Dubois, 1993; Lucia & Lepsinger, 1999) and should be re-evaluated and refined, along with the selection and other human resources tools developed and used with the competency model (Egodigwe, 2006; Lucia & Lepsinger, 1999). All those remarks support the conclusion about unification of the notions of *competence* model and *competency* model.

2.2. An integrative role of competence model in HRM

Theoretical *competence model* represents mostly a descriptive lists of competences identified as necessary to optimal operate in a specific role within a job, occupation, organization, or industry. Some more classic authors believe an organizational competence model represents a *behavioral job description* that must be defined by each occupational function and each job inside of organization (Fogg, 1999). And, depending on the work and organizational environment, usually a group of seven to nine total competencies required for a particular job is defined and depicted in a competency model (Shippman et. al., 2000).

Table 1. Job profile pattern – an example

Job position name	
Place within the organization	
Purposes of the Job	
Detailed scope of tasks	
<i>Key tasks</i>	<i>Incidental tasks</i>
Outcome of the work required at job position	
<i>Quantitative</i>	<i>Qualitative</i>
Responsibilities of the decision-making	
Contacts	
<i>Outside of company</i>	<i>Inside of company</i>
Competence Profile	
<u>Knowledge</u>	
<ul style="list-style-type: none"> • Professional education • Professional experience 	
<u>Skills</u>	
<ul style="list-style-type: none"> • Operational (technical) • Psychosocial 	
<u>Behavioral</u>	
<ul style="list-style-type: none"> • Attitudes • Personality features 	
<u>Professional trainings</u>	
<ul style="list-style-type: none"> • Demanded • Desirable 	

Source : own study, on basis of author's private consultancy in HRM area

Although many authors alert, competences can't be treated fragmentally and must be integrated throughout all of human resources (Fulmer & Conger, 2004; Montier et. al., 2006), the traditional way of understanding competencies, as a kind of more or less universal "lists,

according to us, currently is not sufficient. Main argument is that simply doesn't exist something like universal pattern of competences, fitting to different organizations. It implicates an individual approach to building competence model for any organization. Till now however, the most popular exemplification of competence models are more or less accurately described patterns for particular job positions defined in organizational structure in form so named *job position profiles* (Oleksyn, 2006, p. 33-35) or *organizational roles* (Arnold et al., 2007, p. 134). Objectively described job position profiles are undoubtedly very important and useful HR tools, especially for personnel processes of staff selection and evaluation. The example of universal sheet for *job position profile* is presented in Table 1.

Competences included in job profile represent the specific description of demanded *personal standards* for expected by company adequate job efficiency on concrete job position. Typically it is used as a pattern for matching competences offered by employee (actual or potential) and those demanded by organization. The standard should be estimated before recruitment/selection for the vacant job position. But equally important is to monitor and to evaluate job performance of employee on job place through comparing his/her results with job profile and standards of job evaluation. The illustration for is shown in Figure 1: selection process means searching for adequate competences, best fit to company's competence model on the entrance, while the evaluation process means monitoring how the competencies are developing and if they still guarantee company's success.

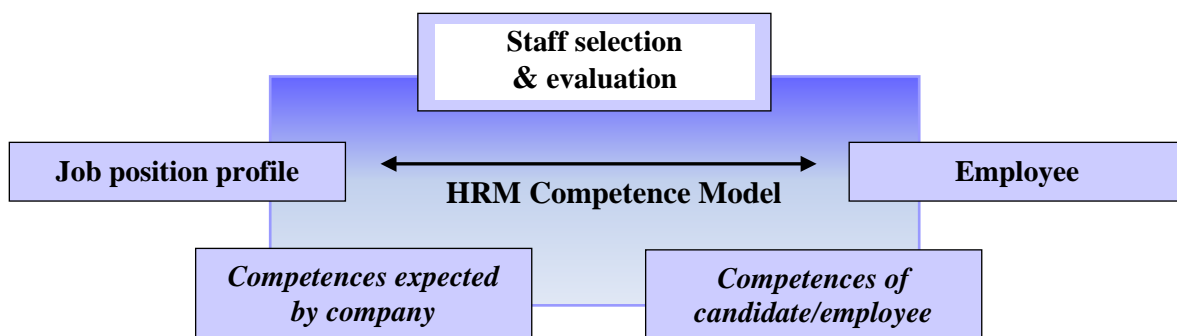


Figure 1. Staff selection and evaluation in frame of competence model

Source: own study on basis: Kostera, M. (1997). Zarządzanie personelem. Warszawa: PWE, p. 60

The quality of competences which company "is acquiring" with employee's entrance to the organization and how further develops competencies during his/her job performance – has key impact on efficiency of the whole company's HRM system and even determines her global efficiency. Competency model can be also successfully used as a frame for organizational training sub-system (Matuska, 2012, p. 253), to guide individual and team professional development, as well as assist trainers in developing curricula that meets the needs of employers and new company's tasks (Rothwell & Wellins, 2004). Because of it, the big mistake is to limit competence management only to the preparation and using job profiles during staff selection or staff evaluation. In fact, job profiles are rarely integrated into one complete competency model elaborated by the company in coherency with its HRM strategy and general business strategy. Decision, which competences are most important and how to combine them for particular positions, depends on the type of organization and the industry in which it operates, on its strategy and stage of development, competitive pressures and other factors. It is materialized as over mentioned company's *competence model* – a global vision of company's unique competences. Raven and Stephenson (2001) assumed four areas of competencies expected as material for global company's competence model:

- 1) *Meaning* competence – understanding the culture of the organization and acting in accordance with it.
- 2) *Relation* competence – creating and maintaining connections with all stakeholders of organization.
- 3) *Learning* competence – identifying solutions to tasks and reflecting on experiences so that what is learned improves the next task completed.
- 4) *Change* competence – acting in new ways when the task or situation calls for it.

Nowadays, to expected by company professional values of employees were added specific social and psychological demands. Social competences are expressed in interpersonal relations and are represented for example by such employee's features as: emotional intelligence, communication, team working, and cooperation. Psychological competence refers to the internal functioning of the individual and their rates are: self-awareness, self-esteem, locus of control, resistance to stress, logic thinking, creativity, decision making, etc. Socio-psychological competences are recently regarded as the most important group of professional competencies (Moczyłowska, 2008, p. 39-40) but process of shaping them is strongly determined by personality features and starts much more earlier then employee joins the organization – during his/her socialization and together with previous practical experience.

In summary of this subchapter we stress the need for new look at competence models – perceived not only as job profiles or lists of demanded individual competencies – but more holistic – as a kind of an integrative model anchored in whole system of HRM, with strategic role shaping demanded organizational culture.

3. The central place of competency model in holistic HRM system

Competence management, directly or indirectly, influences all elements of personnel process acting in a company. The frame of competence model allows base all personnel decisions on well-defined rules and makes personnel policy transparent. Especially it refers to such elements of personnel process as: staff recruitment and selection, shaping staff assessment system, training needs analysis, evaluation of training results, planning career paths, and decisions about de-recruitment (Sidor-Rzqdkowska, 2011, p. 15-16).

The holistic approach to management puts the organizational competency model in central part of company's strategic management system (Oleksyn, 2006, p. 18, Matuska 2012, p. 253), in subordinate position to company's HRM strategy and in superior position to all personnel processes. We illustrate it in Figure 2.

Developing and utilizing competency models has been equated with running a profitable and successful organization through strategic management of the professional talent within the organization. And currently – competence management and talent management seems to be very similar, or maybe even – means the same.

During last twenty years, many private industry organizations have evolved to assist companies and businesses with developing organizational competency models. As examples we can indicate ITG which designed the *Right Competency Model* that align jobs, competencies, and learning resources (Dubois, 1993) or an industrial competence model - *Scania Production System* based on model of Toyota's House (Matuska, 2012, p. 252-262).

Another example represents well known five-step *Strategic Systems Model (SSM)*, which can train individuals in their present job, educate workers for future jobs, and develop workers by assisting in learning and acquisition of knowledge not specific to any particular job (Dubois, 1993). Within the context of the organizational and external environments, and strategic business directives, the SSM operates as follows:

1. Analyzes and assesses needs and plans for competency-based education;
2. Develops competency models based on needed activities;
3. Creates a competency-based curriculum plan where learning takes place in logical,
4. meaningful segments;
5. Designs and develops competency-based learning interventions with a focus on what is to be mastered and what level of mastery is required of the critical job competencies; and evaluates activities based upon one of two operational models:
 - a) *Context, Input, Process, and Product Model* – in this model evaluation is focused on decision-making and accountability common to management training.
 - b) *Kirkpatrick Model* – in this model evaluation concerns the learner's reactions, competencies acquired, changes in job behavior, and strategic organization impacts. This model was described as most appropriate to manual and technical skills training.

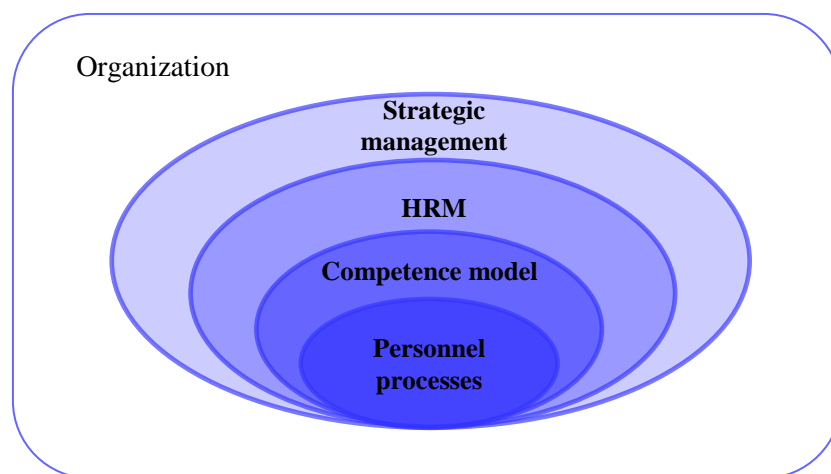


Figure 2. Central location of competence model in company's strategic management system

Source: own adaptation on the basis: Oleksyn, T. (2006). *Zarządzanie kompetencjami. Teoria i praktyka*. Kraków: Oficyna Ekonomiczna, p. 187

If any organization decides to integrate competency models throughout its all HR practices, the competency model frameworks should be shared with all managers and all staff. Employees' participation in development of a competency model assists with providing awareness of the model as well as creates its acceptance (*Lucia & Lepsinger, 1999; Montier et al., 2006*). As successful example of an integrative approach to competences in whole HRM system, accepted by employees and bringing economic satisfaction to owners, we want to present the case of global automotive concern Scania AB using data collected at polish daughter company – Scania Production Slupsk SA. The practical aim of the paper is to disseminate this good HR practice and to show its universal value in building highly effective organizational culture.

4. Scania HRM system based on competence model

Scania AB Group is one of the oldest manufacture of motor vehicles in the world. Tradition dates back to 1891 and is headquartered in Sweden, but its daughter companies are located in about 100 countries worldwide and employed over 37 000 people (*Scania Year – End Report, Jan. – Dec. 2011*). Scania is a global company and one of the four largest in the world in the production and supply of heavy vehicles and couches. Through all those years, has always been at the forefront of business development and played a leading role in the

innovation development. Identity of Scania is formed by its customers and products: vehicles, services and finance, as well as by its employees – their values and ways of working. The three Scania core values: *customer first, and respect for the individual and quality* – bind the company and form the basis of Scania culture, providing the leadership and success in business (<http://www.scania.com/scania-group/strategic-platform>).

4.1. Scania market strategy

To achieve set by the central management objectives, also the management board of polish daughter company – Scania Production Slupsk S.A decided to introduce complete Swedish (also called Nordic or Scandinavian) model of governance (*Unger, 2006*) that works in all branches of the company in the world. This model assumes a balance between the achievement of the objectives and the general sense of satisfaction and workforce development, and attaches great importance to friendly interpersonal relationships. It is completely different from the models based on the induction of a strong rivalry between the employees and encouraging them to fight for the ranks. Slupsk company products complete couches and other automotive parts for the whole concern and currently employs ab. 650 workers (after partly de-recruitment in 2012, caused by global downturn), (<http://www.scaniaproductionslupsk>). Since middle 90th of XX cent., company acts in line with the transformation of socio-economic landscape of the middle Pomerania region in Poland, loaded still unresolved problems in the form of relatively high level of unemployment and a small number of large enterprises. After extensive renovation in 2010 Scania's facility in Slupsk has been transformed into Europe's most modern, efficient factory for bus manufacturing. Workstations and production logistics have been designed for efficient, high-quality production according to the method-based way of working that characterizes the Scania Production System (SPS) which generally is used in concern from 1990.

4.2. Scania HRM policy

The company's main objective in managing staff is to create a system based on high work efficiency, what is achieved by:

- increase the involvement of employees in the company's objectives,
- investing in their development,
- motivation to achieve high results.¹⁹

Scania elaborated the document setting out the company's policy in area of company HRM: *human resources competence supply* processes with the aim of developing qualified and dedicated employees. They are modified to meet local/regional needs and designed to deliver continuous improvement. This means the process must be adapted to the needs and circumstances of a specific country or a branch in Scania Group and must be transformed in such a way, as to ensure the possibility of the application of these processes in practice. The five key HR processes are: *employer branding, recruitment, remuneration, competence development and management planning*. Each process is actively monitored, managed and improved at the local level to maximize its efficiency. Scania's *human resource management policy* is the guidelines for working HR departments and covers general principles underlying the action. The company elaborated the document setting out the company's policy in area of HRM.

Main motto of human resources competence supply states: "*Scania shall be a highly regarded employer with competent and dedicated employees who work in a creative and healthy environment where diversity and an ethical approach are cherished*", and dedicated

¹⁹ Internal materials of Scania obtained in Scania Production Slupsk S.A.

employee – is an employee: “*who undergoes continuous professional development, feels a sense of participation and feels well contributes to higher efficiency and quality.*”²⁰ This document also specifies a range of activities aimed at ensuring the organization of competent coworkers and monitoring the development of their competence.

The main purpose of it is to provide each person in a management position adequate tips and tools to provide a “normal” situation circumstances to their subordinates during every day work, but also – the possibility for continuous updating professional experiences, knowledge and skills. The same is in case of managers: they are also obliged to continuous learning and to use the same tools for learning. Those tools are anchored in rules of *Scania Production System (SPS)* – the specific and unique company’s quality management model based on prototype of Toyota Production System. We described SPS details elsewhere, arguing it represents the kind of “tailor made” competence development system (*Matuska, 2012, p. 255-262*). And really, every employee at company has an individual development plan. Scania in all offers more than 300 different courses and training programs in such fields as: leadership, technology, communication, English language. A large proportion of these programs are taught by internal lecturers and teachers recruited from coworkers (named at company: *leaders*) in keeping with Scania’s “learning organization” concept.

To meet the need for highly capable service technicians, Scania Group also provides training in its service network at more than 50 service schools with about 100 full-time instructors. All of Scania’s about 12,500 service technicians update their skills every year. By taking advantage of the unique knowledge, wishes and talents of each employee, the company is also continually redefining its working methods. However many new ideas and improvements are generated in day-to-day work. At Scania, all employees are responsible first for their operations on job positions and for improving them, but as well for their general own professional development. The progress in it is systematically monitored by job evaluation system elaborated by company.

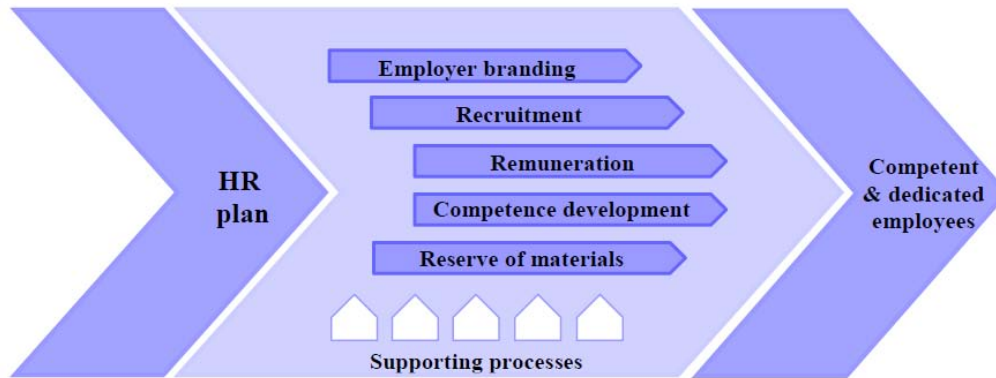
4.3. Scania HRM processes on the example of Scania Production Slupsk S.A.

As we mentioned, Scania Group uses company – wide *human resources competence supply* processes with the aim of developing qualified and dedicated employees. The five key HR processes described here are: *employer branding, recruitment, remuneration, competence development and management planning*. Each process is actively monitored, managed and improved at the local level to maximize its efficiency. In order to ensure the quality and continuous improvement of personnel management, also polish daughter-company developed HRM processes according to these rules (Figure 3).

The company aims to have in their resource specialists and well-qualified staff, which involves training opportunities with the development of the company. This can be achieved through the acquisition of appropriate staff, orientation and professional development, as well as through the creation of favorable work conditions. Way of working based on the standards of *Scania Production System* creates a kind of stability and the ability to identify and develop “best practices”. Management determined the requirements for the personnel necessary for the development of documentation and implementation of HRM and its verification. To ensure compliance with specified requirements of Scania’s HRM policy, it was necessary to develop, implement and maintain special procedures and instructions that are contained in the *Book of Management at Scania Production Slupsk SA*. General procedures located in the *Book* are used in all sectors of business. At lower levels of the organization are moreover established departmental procedures and instruction manuals. Acting according previously prepared

²⁰ Ibidem

annual *Human Resources Plan*, company consequently builds own *employer brand* by fulfilling rules and procedures its personnel policy on subsequent main five personnel processes: recruitment, remuneration, competence development, building reserve of managerial staff. There are also used different supportive processes, as for example: talent management or outplacement – in case of necessary staff de-recruitment. All of them serve to achieve the main HRM objective: to collect and nurture in a company competent and dedicated employees.



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Figure 3. Schema of Human Resources Competence Supply in Scania AB

Source: Internal material from Scania Production Slups S.A.

4.3.1. Recruitment

Company generally prefers internal recruitment strategy and internal candidates have always preference in compare to external. External recruitment is used as an opportunity to present company outside on the job market and is aimed to attract new ambitious potential employees – for example fresh graduated technicians or engineers. From other side, active internal recruitment stimulates employees to develop their skills to perform new tasks. This in turn, creates opportunities for people looking for new challenges when company has vacancies. Any recruitment process actually begins at the time of consideration of alternatives that do not require the recruitment of a new employee. Each vacancy is treated as an opportunity to reorganize of the existing structure positions. Therefore, the assignment of the position of another employee or an extension of the position must be approved by the immediate environment of the vacancy in organizational structure.

The recruitment process is continued in accordance with the procedures comprising the following steps: preparation of job profile, search for candidates, selection of candidates and selecting the best of them, signing a contract for employment. During process must be respected the adopted general rules:

- to disclose all vacancies for workers in Scania;
- internal candidates should have preference in obtaining employment after an assessment of their level of competence to be equal to or higher than external candidates;
- a close relative can't be employed as a direct subordinate to the already employed worker;
- conditions of employment must be in accordance with the standards of the company and confirmed in writing by both parties.²¹

²¹ Ibidem

4.3.2. Remuneration

Compensation of employees Scania – just as is indicated in the literature of HRM – the first is based on organizational needs, and secondly – reflects the employee's responsibilities and performance in their implementation and refers to the degree of difficulty of the task. The level of remuneration is an important factor in attracting good candidates to work in the recruitment process, for both internal and external, and above all, increase motivation and self-development of workers already employed at the company. And Scania generally guides the policy of “good” remuneration in relation to local average level of salaries.

Because of it *Scania's employer brand* is perceived as an attractive and worth of efforts to achieve employment in a company. Employee's level of salary is generated by a range of duties performed, the manner and form of their exercise, and individually developed values that benefit the company. The remuneration of Scania ensures that basic wages and extra wages make up the value of that benefit both the employee and the company as it promotes the effort to achieve its objectives. The salary is compensation paid to the employee for his/her personal contribution in creating the success of Scania. Salary is based on an assessment of performance and aims to promote the continuous improvement of both individual performance and teamwork skills. The remuneration is organized by the procedures specifying the scope of work and the form of its execution, analysis and determination of the remuneration structure and acceptance of the terms of remuneration in accordance with the following guidelines addressed to line managers:

1. Identify the functions in the form of performance, release competencies (knowledge, intentions, capabilities), and the responsibility that is required of every employee at the moment and in the future. Form their duties shall be determined on the basis of specific combinations of requirements that are specific success factors and expected performance.
2. Focus on tasks and responsibilities that are critical in the process of achieving the results data and make methodical assessment of how the employee is trying to meet the obligations imposed on him. This is the basis on which employee's compensation is based on, acting as a coherent and clear answer to the effects of the work generated by him for company.
3. Evaluate the effort to be put into operation in relation to the degree of difficulty and level of competence required for the position. Determine the basic wage and any additional form of remuneration for the position. After careful consideration, decide on the final form and level of remuneration in accordance with the applicable decision-making process.²²

4.3.3. Competence development

Developing competences, according to internal company's call is “an ongoing journey on the way to success”. The required level of employee competence is applied to the level of its professional potential and willingness carry out the tasks by applying the necessary knowledge and skills. Continued development of employee competence is a prerequisite for the success of Scania as an organization and therefore must be integrated with the short-term and long-term needs of the organization. It completely fulfills what we described in previous chapter as a central place of competence in strategic and holistic HRM system. That is characteristic for the company employees' competence development managing is delegated to

²² Ibidem

the duties of line managers, although first – employee is responsible for own professional development. Two main operational procedures dedicated to line managers are:

- building together with the employee plan and timetable for the development of his competencies, so named “*Planning and Development*” established for every subordinate employee;
- conducting and using the results of periodic evaluation of an employee according “*The procedure for the evaluation and Development Planning Workers*” – addressed to production workers (“blue collars”) or according “*The procedure for professional development*” – in case of administration staff.

A key part of the assessment dialogue of line managers with employees is detailed analysis of their competences in term of powers, weak points and targets for close future. There are following 14 competences which are evaluated in group of production workers of company as the pattern shared in the whole Scania’s concern production units:

- The quality of performing the tasks and manner of reporting.
- The organization of work and timely implementation of the tasks.
- Command of English.
- Familiarity with Management System.
- Improvements.
- Understanding the customer.
- Ability to build good relationships in the team.
- The development of self and others.
- Elimination of waste.
- Willingness to take on new challenges.
- Independence, decision-making.
- Attitude to Occupational Health and Safety.
- Availability.
- Observance of labor discipline.

As a result of whole procedure of an employee periodic evaluation for each of the above powers can be obtained from 1 to 4 points. On the assessment form is saved evaluation of the current state of mastery of competencies the employee in the form of amount of points received, but also is determined (mainly by employee itself) – what is the purpose of employee intends to achieve over the next year. Each target must be associated with the actions to be taken within the company that the employee’s permit the achievement the planned objectives. It is noted in the feedback form with the assignment of the staff responsible for the implementation of all planned activities in employee competence development plan for the next year.

Global result of the competence analysis is presented graphically using the radar chart (Figure 4). A radar chart is particularly useful when comparing competence, because very transparently illustrates the differences between the real and the desired level of competence and level differences between individual employees.



Figure 4. Radar schema of competences evaluated in Scania Production Slupsk S.A. in group of "blue collar" workers (double Polish and English description of every competence)

Source: Internal materials obtained in Scania Production Slupsk S.A.

The last part of the conversation on the development consists in comments the employee, where the vote may comment on the obstacles in their daily work and what can remove these obstacles. In this part of the employee is able to assess the work of his superior, by the answer to the question whether his supervisor respects the principles and industry standard Scania. The intention of the conversation with the employee should be to identify areas where there are potential opportunities for further improvement. It is important that during this conversation to create a personal plan for further development of an employee who will be coherent with further development the company. The effect of the evaluation interview is not automatic grounds for changing employee's salary. Competence development implementation generally has to respect the **following principles** put into continuation of guidelines addressed to line managers:

1. Conversation in form of dialogue between manager and employee on the *Planning and Development* is the basis for the development of employee's competences in the planning process. Such discussion about employee competence assessment should be done at least once a year and end up creating a personal development plan with clear goals. It is important to separate the conversation about withdrawals from the dialogue evaluation.
2. Each employee is responsible for his own professional development. The role of the manager is to encourage employees to develop skills. All workers should have an agreed development plan to be updated every year.
3. Measures aimed at staff development should be linked to the requirements of the organization and can be implemented in various ways such as: job rotation, task projects, seminars, *Program for Increasing of Workers Opportunities*, as well as through different training programs.

4. The most intensive development of employee competences takes place every day in the course of performing work – “learning through work” – and this process, which is essential – should be connected to the work performed on an ongoing basis in the workplace.
5. Evaluate the effects of competence development. You can use a variety of methods such as dialogue evaluation, self-assessment and analysis. Stated goals or the number of key operating within the organization may be very useful, for example, you can use performance data or execution of the plan.²³

4.3.4. Reserve of managerial staff

Scania Production Slupsk SA performing procedures to use the results of periodic employee assessments and identify the right people who can at any time take the representation of another person, be promoted or transferred to another position within the staffing needs. Managers at all levels are responsible for the development of the leadership group and provide core competences in the organization. Scania has a significant need for qualified leaders in each segment of its business, leaders who shall act in accordance with the basic principles contained in the formula of Scania Production System. The planning of reserve of managerial staff begins with the discussion with the subordinate employees about their individual development plans. This process then continues by analyzing the potential of managerial, a compilation of periodic employee evaluation and debate on forum for human resources planning. This is done according to the following rules dedicated in continuation of managerial guidelines:²⁴

1. Assess the potential of managerial is done by so called ABCDE list. This list is an assessment of managers and qualified candidates for leadership positions in terms of a review of their leadership potential, where four categories are distinguished:
 - A. An employee who has not been already promoted, but is rated as potential candidate for a managerial position.
 - B. The manager with the potential for further advancement.
 - C. The manager evaluated as a potential candidate for higher key position.
 - D. The manager who needs to gain more experience before further advancement.
 - E. The manager who should be moved to the non-managerial position.
2. Leadership skills must be a key factor in the way of promotion to a managerial position. Each candidate must obtain acceptance of immediate supervisor.
3. Each manager is responsible for the documentation on the subject to his other subordinate managers and of other high-potential candidates.
4. Check all the points of [ABCDE] list in order to evaluate the overall managerial potential of every employee.
5. Analyze the whole managerial potential implications and make a plan to ensure staffing personnel in key leadership positions.
6. Once a year discuss a list of C-level executives and analyze it in relation to other levels of the list.

Qualified management team has a decisive influence on the organization and creates a basis for ongoing success and growth of Scania. The planned policy of development personnel reserve reflects also in specific elements of Scania's corporate: so called “*Success Book*”, “*Executives Book*” and “*Qualification Book*”. The first of them – “*Success Book*”, contains information about the current cast of all jobs and the workers in the company, who in

²³ Internal materials from Scania Production Slupsk S.A.

²⁴ Ibidem

the event that a particular vacancy would occur - are able and willing to accept the new job. In addition to this book, there is also a book dedicated to managers – “*Executives Book*”. It contains information on executives – as well senior managers, as middle and lower level management in the company. These figures relate to their experience, education, skills, job performance, personal goals, needs and aspirations. The third one – “*Qualification Book*”, contains information on the qualifications of the regular employees. Those all information builds a base for any decision relating to both promotions and movements within the company. Located there biographical information about employees, their experience, skills, knowledge, and training courses completed, etc. is extremely useful in succession planning of regular member staff as well managers. A very important tool represents also constant access of line managers and HR section to the results of periodic assessments of staff with fixed employees’ developmental targets for close future.

5. Conclusion

Scania global HRM system is based on well defined, unitary competence model conditioned by productive profile of the company and patterned on very effective Japan organizational schema. It is a kind of ‘tailor made’ model, but fits to different cultures worldwide where Scania locates its business. Most characteristic is central position of competencies in HRM system what helps to integrate five main personnel processes. Central role of competence model in company allows fulfil main target of its HR policy: to ensure, nurturing and keeping of dedicated, well-motivated and innovatively orientated staff. With such staff Scania has chance to survive even during economic global downturn. It is sufficient reason to disseminate this example of good HR practice and to try to multiply it. In Slupsk company Scania introduces the new quality of Swedish highly effective organizational culture in polish socio-economic conditions (Gołębiowski & Szczepankowski, 2008).

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