# CONSIDERATIONS REGARDING COMPETENCE MANAGEMENT AND THE COMPETENCE MANAGEMENT INFORMATION SYSTEMS OF THE SMALL AND MEDIUM ENTERPRISES

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### Abstract:

As firms evolve in an ever-changing environment, new perspectives are needed to explain management practices and the competence management that involves several heavy processes. We have categorised them in four classes: competence identification, competence assessment, competence acquisition and competence usage. Partnership is a relationship that emphasises equality, shared responsibility, co-operation, individual competence and competence management information systems that are defined by the concept of internal networking (which characterises an organisational structure that is catalysed by, and embedded in partnership relations), form the central theme of this paper in examining the success of the Small and Medium Entreprises, deploying the partnership concept, the paper also questions the importance of contextual factors in corporate management.

**Keywords:** Competence Management, Competence Management Information Systems, Competency Resource Aspect Individual Model for Small and Medium Enterprises.

**JEL Classification:** A1 - General Economics

### 1. Introduction

With ongoing globalisation, organisations are increasingly confronted with worldwide competition. In order to build and sustain their competitive advantage, the competence management and expertise of an organisation's staff needs to be seen as a critical strategic resource. We present a general overview of competence management and the transfer of competence management information systems and expertise throughout organisations operating on a global scale. A particular emphasis is placed on the importance of global assignments in transferring knowledge and furthermore on the implications for practices to ensure the successful and effective retention of expertise.

Broadly speaking, competence management is the way in which organizations manage the competencies of the corporation, the groups and the individuals. It has the primary objective to define, and continuously maintain competencies, according to the objectives of the Small and Medium Enterprises. A competency is a way to put in

practice some knowledge, know-how, know-whom and also attitudes, inside a specific context. Competence management is becoming more and more important: competence has been well recognized as extremely important for the achievement of company goals, complimentary to, for instance, core business processes, customer relationships, financial issues and so on.Our current thinking is that competence management can be organized according to four kinds of process (inside each one, several processes may run).

Competence identification, when and how to identify and to define competencies required (in the present or in the future) to carry out tasks, missions, strategies; how competence is represented is included here.

Competence assessment, (i) when and how to identify and to define competence acquired by individuals and/or (ii) when and how the Small or Medium Enterprises can decide that an employee (or an individual) has acquired specific competencies; how the relationships between individuals and required competencies are represented is included here.

*Competence acquisition*, how the Small and Medium Enterprises can decide about how to acquire some competencies in a planned way and when;

Competence usage, how to use the information or knowledge about the competencies produced and transformed by identification, assessment and acquisition processes; for instance, how to identify gaps between required and acquired competencies, who should attend required training, how to find key employees (holding key competencies) and so on.

Most of the reviewed knowledge techniques seem to be useful for improving heavy tasks (such as to find the competencies, required or acquired) in the various competence management processes and for integrating much better the supporting information system (reducing the need to perform several times the same or similar tasks). Therefore, knowledge techniques are generally useful for improving the performance of competence management processes (as any tool for supporting the the Small and Medium Enterprises activities).

## **Knowledge techniques for competence identification**

The CRAI model suggests that there are two main elements for modelling required competencies: the enterprise model, which provides the reason to require a competence and the definition of the competence itself. The definition of the required competence can be approached by using ontologies, by introducing an explicit competence ontology of the required competencies. This competence ontology can further be composed of a specific ontology and a reference ontology (for instance). To define the required competencies various ways can be used. The most practical is related to the use of Interview (structured or unstructured, automatically collected). However, especially whenever new required competencies are unknown, a goal-oriented modelling may be envisioned. Goal oriented modelling focuses on the reasons of a competence (in this context, why a competence is required): this aspect characterises the required competences according to the mission or to the objective to be achieved. Ontology is often represented in some description logics even in the context of competence modelling. This logic representation enables the usage of competencies and provides a support to competence evolution through, for instance, automatic classification mechanism. Description logics can also be suitable for modelling incomplete definition of competencies.

## Knowledge techniques for competence acquisition

One of the main way in which competencies can be acquired is through learning processes. Therefore, because we are analysing the knowledge techniques for competence management, advanced e-learning systems (for instance) are relevant to our study. Over an e-learning system, two scenarios should be implemented in a competence management information system:

- A competence management system should help the Small and Medium Enterprises to decide and to plan the overall trainings, given a set of possible learning resources;
- A competence management system should help employees to decide and to plan his/her own learning, given a set of possible learning resources.

The consequence is that a competence management information system can be integrated (or coupled) with an e-learning system. This e-learning system provides fully the definition of learning resources and their relationships with the required competencies.

Under the competence acquisition umbrella, we found relevant techniques that can be useful for recruiting the personnel. As an example, agent-based systems such as recommender systems, seeking relevant individuals over a set of interrelated archives (including databases, files and documents).

### Knowledge techniques for competence assessment

According to the Introduction, Competence Assessment concerns the acquired competencies. We are currently thinking that these processes concern both employees and candidates. We carefully distinguish between identification of competence acquired and its evaluation: the first one is about when and how to identify individual potentially related (with an "high score") to some competencies; the second one is about how to perform direct evaluation of individuals.

Under this kind of processes, we found very useful the definition of a competence management ontology (distinct from the competence ontology) for identifying and updating the acquired competencies. This competence management ontology can be related to

- E-learning systems, if available, that store the learning history of employees (or candidates, if an interoperability scenario is put in place),
- Some enterprise (real) data (for instance, documents or traces describing performed activities)
- Some "expert rules" as in, (an example of "rule" is "if an individual has participated to several projects dealing with Java, then this individual can be considered competent on Java").

Whenever real data (data produced and transformed by the enterprise activities) are used, the semantic annotation techniques for documents. Moreover, some information retrieval techniques can be applied for establishing the relevance of the documents in relationship with some individuals.

Because both the identification and evaluation of acquired competences are very heavy tasks, some techniques envision the usage of the "interests" of employees through a recommender system. These "interests" are close to the domains of competence than to the concept of competence itself. Some other proposals envision a guided self-assessment through a competence reference ontology.

# Knowledge techniques for competence usage

The competence usage processes are all the processes which are not specific to the previous three ones. They are tightened on specific objectives to be achieved. For instance, we are using the competencies for re-organising the enterprises or we are using the competencies to find relevant individual for a specific task (taking into account time and location constraints) and so on.

The usage of competencies is closely related to the possibility to inquiry the acquired and required competencies. It may concern simple and quantitative queries, or semantic queries. In the second case, the logic approach seems to be the most suitable for that. The specific feature that has to be integrated is a similarity measure between competencies or approximate search—because finding exact matches seems to be too much restricted. Therefore, semantic matchmaking is a valuable contribution to the competence usage processes.

### Conclusions

In the literature, many research works have interested on applying knowledge techniques to competence management. These works concerns the various processes of competence management. They often use a formal language to define a competence ontology and to reason on it. To simplify competence assessment, they use methods to extract acquired competencies from documents related to individuals, their interests or the tasks they perform. Finally, to retrieve a semantic correspondence between required and acquired profiles, they propose algorithms based on semantic distances. However, they prioritise one kind of processes among, identification, assessment and acquisition. They are sometimes poorly modular with respect to the competence modelling; for instance, they do not distinguish between competencies and qualification, or availability and competencies; they poorly distinguish between required and acquired competencies.

As a main conclusion, based on the performed classification and analysis of the existing works, it seems interesting to us to provide an unified representation of a conceptual architecture supporting the various competence management processes. This architecture integrates both the reviewed literature (competence reference ontology, competence management ontology, e-learning system, etc.) and the CRAI model (the relationships between competence, individual, competence resource and the Small and Medium Enterprises aspects).

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