

SUSTAINABILITY THROUGH COMPETENCE DEVELOPMENT: CLOSING THE GAP FOR FUTURE CHALLENGES

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Abstract: *While the concept of sustainability is widely recognized, the practical implementation often demands specific skill sets, innovative thinking, and the ability to engage stakeholders effectively. Thus, the research question in this study is: Is there a gap between existing and required competencies in organizations of different characteristics? The research was conducted on 454 employees in managerial and non-managerial positions. The participants were employed in organizations of various characteristics, in terms of size, industry, and ownership. The instrument for assessing competency gaps was defined by competencies gap questionnaire (Duffy, 2015) and includes an evaluation of 12 competencies relevant for various industries in both managerial and non-managerial positions. Based on results of testing the significance between current and required competencies of employees in organizations with different characteristics, it is determined that there is a statistically significant difference – there is a gap between all perceived current and required competencies for successful job performance.*

Key words: competencies, gap, sustainability

1. INTRODUCTION

The development of competencies plays a vital role in ensuring the long-term sustainability of organizations. In today's rapidly changing business landscape, organizations must constantly adapt to new challenges, technological advancements, and market demands. A workforce with relevant and up-to-date competencies is essential to meet these evolving requirements and maintain a competitive edge. Investing in competency development fosters a culture of continuous learning within the organization. Employees actively engaging in education and skill-building are more adaptable and better equipped to handle unforeseen challenges. They become more open to innovation and change, making them valuable assets in driving organizational growth and development. Sustainable organizations recognize the importance of nurturing talent from within.

By providing opportunities for employees to enhance their competencies, organizations can groom a skilled and motivated workforce capable of taking on leadership roles in the future. This approach also promotes employee loyalty and retention, as individuals are more likely to stay with an organization that invests in their professional growth. The current business environment imposes continuous development of competencies for organizations, primarily aiming for survival in the market and then creating a competitive advantage (Assensoh-Kodua, 2020; Sitorus et al., 2020). Planning and developing human resources today represent a significant challenge for managers. Their long-term goal is to timely address the deficiencies in knowledge and skills of existing resources and ensure continuous development to enable the organization to survive and achieve better business results.

Highly trained personnel bring many benefits to the organization and the individual. The organization becomes stronger, more competitive (Singh et al., 2019), achieves higher profits (Al Karim, 2019), reduces turnover (Park et al., 2021), while individuals, by acquiring new knowledge, gain personal development (Stachová et al., 2019), efficiency in their work and increased work motivation (Ozkeser, 2019). Competencies are defined as abilities, skills, traits, and behaviors that contribute to the superiority or performance of an organization. Competencies encompass both technical and personal skills as well as observable behaviors. They also include behaviors through processes, skills, and traits that are not directly visible (Cripe et al., 2011). The skills gap is the distance between job demands and an individual's current skills (McKenney & Revees, 2020).

Sustainable development requires organizations to adopt environmentally friendly practices, promote social responsibility, and ensure economic viability. However, many organizations might lack the necessary competencies and expertise in sustainable practices. By identifying and addressing the

competencies gap, organizations can equip their employees with the knowledge and skills required to integrate sustainable practices into their operations effectively. In today's rapidly changing world, sustainable development has become an imperative for organizations to address environmental, social, and economic challenges responsibly. To achieve sustainable goals, organizations must adopt and integrate sustainable practices into their operations. However, a significant impediment lies in the competence gap - the disparity between the skills and knowledge possessed by employees and the competences required to effectively address future sustainability challenges. The research problem is related to question how organizations can bridge the competence gap to foster sustainability in the face of uncertain and evolving challenges. While the concept of sustainability is widely recognized, the practical implementation often demands specific skill sets, innovative thinking, and the ability to engage stakeholders effectively. Thus, the proposed research question of the study is:

RQ: Is there a gap between existing and required competencies in organizations of different characteristics?

2. METHODS

2.1 Sample

The research was conducted on 454 employees in managerial and non-managerial positions. The participants were employed in organizations of various characteristics, in terms of size, industry, and ownership.

Table 1: Sample structure

Variable	Category	N	%
Type of ownership	Private	266	58,6
	Public	188	41,4
Company activity	Service	320	70,5
	Mix	58	12,8
	Production	76	16,7
Company size	Micro	72	15,9
	Small	96	21,1
	Medium	108	23,8
	Large	178	39,2

2.2 Instrument

The instrument for assessing competency gaps was defined by modifying existing questionnaire (Duffy, 2015) and includes an evaluation of 12 competencies deemed relevant for various industries in both managerial and non-managerial positions. The instrument assesses the following competencies: Communication, Time Management, Problem-Solving, Critical Thinking, Setting Priorities, Interpersonal Skills, Team Management, Negotiation, Flexibility/Adaptability, Sales, Foreign Language Proficiency, and Technical Skills. Participants rated their current competencies and the desired - required competencies for their job on a scale from 1 to 5 (1 - low level - 5 - highest level). The difference between existing and required competencies represents the competency gap.

2.3 Research procedure and analysis

Data were collected through a survey conducted among employees in organizations with different characteristics. The survey was administered to the selected employees using an online data collection method. Clear instructions were provided to ensure consistent and accurate responses. Participants were informed about the purpose of the study, the voluntary nature of their participation, and the confidentiality of their responses. After data collection, the data were analyzed using the statistical analysis software SPSS. The following tests were conducted: descriptive statistics, frequency analysis, and paired t-test.

3. RESULTS

Table 1 provides the means and standard deviations obtained from the assessments of current and the level of required competencies for employees performing various types of jobs in different organizations. The analysis includes 12 competencies: Communication, Time Management, Problem Solving - Critical Thinking, Setting Priorities, Interpersonal Skills, Team Management, Negotiation, Flexibility/Adaptability, Sales, Foreign Language Proficiency, and Technical Skills. The table below the text presents the comparative values obtained by determining the mean values of current and required competencies for job performance.

Table 1: Descriptive statistics of current and required competencies of employees

		M	SD
Pair 1	Communication (C)*	4,02	,927
	Communication (R)**	4,36	,973
Pair 2	Time Management (C)	3,86	1,010
	Time Management (R)	4,27	,987
Pair 3	Problem Solving - Critical Thinking (C)	3,90	,973
	Problem Solving - Critical Thinking (R)	4,14	,988
Pair 4	Prioritization (C)	4,06	1,021
	Prioritization (R)	4,35	1,003
Pair 5	Interpersonal Skills (C)	3,91	1,035
	Interpersonal Skills (R)	4,23	1,035
Pair 6	Organizational Skills (C)	3,86	,952
	Organizational Skills (R)	4,13	,999
Pair 7	Team Management (C)	3,49	1,062
	Team Management (R)	3,67	1,229
Pair 8	Negotiation (C)	3,38	1,069
	Negotiation (R)	3,64	1,172
Pair 9	Flexibility/Adaptability (C)	3,95	,943
	Flexibility/Adaptability (R)	4,19	1,019
Pair 10	Sales (C)	2,70	1,316
	Sales (R)	2,85	1,386
Pair 11	Knowledge of foreign languages (C)	3,63	1,105
	Knowledge of foreign languages (R)	3,89	1,273
Pair 12	Technical Skills (C)	3,83	,908
	Technical Skills (R)	4,10	1,042

*C – current; **R - required

Based on results of testing the significance between current and required competencies of employees in organizations with different characteristics, it is determined that there is a statistically significant difference – there is a gap between all current and required competencies for successful job performance. The results of the paired t-test are shown in Table 2 below the text.

Table 2: Significance of differences between current and required competencies

		M _{dif}	SD	t	p
Pair 1	Communication	-,334	,747	-9,417	,000
Pair 2	Time management	-,405	,810	-10,420	,000
Pair 3	Problem solving and critical thinking	-,231	,743	-6,545	,000
Pair 4	Determining priorities	-,287	,879	-6,848	,000
Pair 5	Interpersonal skills	-,321	,789	-8,494	,000
Pair 6	Organizational skills	-,266	,738	-7,524	,000
Pair 7	Team management	-,173	,935	-3,880	,000
Pair 8	Negotiation	-,255	,965	-5,543	,000
Pair 9	Flexibility and adaptability	-,222	,821	-5,624	,000
Pair 10	Sale	-,150	,887	-3,496	,001
Pair 11	Knowledge of foreign languages	-,264	,958	-5,784	,000
Pair 12	Technical skills	-,266	,738	-7,524	,000

4. DISCUSSION

The rapid pace of technological advancement in today's society presents a challenge for maintaining competencies in a contemporary labor market oriented towards sustainability. Many employees may struggle to keep up with the technical skills evolving in their respective fields. Recognizing that labor market demands are continuously evolving, it is imperative for organizations to stay competitive and adapt to the changing business environment by continuously identifying and developing the necessary competencies for successful job performance. Employees who fail to update their skills accordingly may experience a significant gap between their current competencies and the new demands, leading to various negative and counterproductive behaviors at the individual level, with potential negative effects on the organization as well. Within this research, an analysis of 12 competencies was included: Communication, Time Management, Problem Solving - Critical Thinking, Setting Priorities, Interpersonal Skills, Team Management, Negotiation, Flexibility/Adaptability, Sales, Foreign Language Proficiency, and Technical Skills. Based on testing the significance between current and required competencies of employees in organizations with various characteristics, it is determined that there is a statistically significant difference, or gap, between all current and required competencies for successful job performance. Identified gaps - discrepancies between the current level of competencies and the desired level of competencies included in the study necessary for quality job performance - represent areas for improvement and development within the organization. These gaps indicate disparities between the skills, knowledge, and abilities that employees currently possess compared to the ideal or desired level of expertise required for effective job performance and achieving high-quality results.

Essentially, when there is a gap between current and desired competencies, it implies that employees may lack certain skills or abilities necessary to meet the performance standards set by the organization. These gaps can arise due to various factors, such as changes in job requirements, technological advancements, evolving market demands, or the need to align with new organizational goals and strategies. Identifying these gaps is essential as it provides valuable insights into the areas on which training, development, and improvement initiatives should focus. It helps organizations understand their current strengths and weaknesses in terms of competencies, enabling them to bridge the gaps through targeted interventions. Closing these competency gaps allows organizations to enhance their overall performance, productivity, and competitiveness. Developing a comprehensive plan to bridge these gaps and providing targeted training and development opportunities enables employees to acquire the necessary skills and competencies to achieve the desired level of performance. This, in turn, contributes to improved job satisfaction, employee engagement, and organizational success. The identified gaps between current and desired competency levels highlight the areas in which organizations need to focus their efforts to improve the skills and knowledge of their employees.

5. CONCLUSIONS

The dynamic nature of the labor market and rapid technological changes contribute to the absence of a systematic approach to competency development. The skills required for success are constantly evolving, and organizations may struggle to keep pace with these changes. Inadequate awareness of new competencies and failure to adapt to technological advancements can hinder the establishment of a systematic process. The existing and required skills gap may be partially attributed to deficiencies in the developmental elements of education. While educational systems often prioritize knowledge acquisition, they may overlook the holistic development of an individual's personality and the necessary job-related competencies.

Education plays a crucial role in shaping individuals' cognitive abilities, but it should also focus on nurturing interpersonal skills, problem-solving abilities, critical thinking, and effective communication. Developmental elements such as experiential learning, practical applications, and hands-on experiences can enhance the integration of theoretical knowledge with practical competencies. Simultaneous personal and competency development are essential to bridge the gap between current and required skills in the labor market. Individuals should develop self-awareness, emotional intelligence, adaptability, and resilience to effectively apply their competencies in the real-world work environment. Nurturing these elements within the educational system can contribute to creating "well-rounded" individuals capable of responding to the challenges of the labor market and maintain the organizational sustainability.

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