

# The Utilization of the Potential of Employees in Specific Jobs as an Instrument of Company Competitiveness Increase

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**Abstract:** This paper's aim is to analyze the potential of the workforce in the context of how to determine its work effectiveness to increase the competitiveness of corporate organizations. The tools for effective job securing, i.e., job analysis (personnel audit) or eventually profesigraphy, are not sufficiently exploited. Within the theory, there is no clearly defined boundary between the job analysis and the job function audit. The analysis will first focus on the key theoretical bases and the comparison of the current empirical approaches to the matter. It is necessary to specify the key terminological attributes of the subject in order to proceed with the solution in a specific environment. The discussion will address the question of what methodological approach to choose in the problem analysis, what the specific examples are, and their evaluation in the context of the established terminological dilemmas.

**Keywords:** potential, job analysis, personnel management, personality, competitiveness

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## 1. Introduction

The workforce in a company, despite the growing tendency of robotics and automation in the context of the advancing concept of Industry 4.0, remains the key capital that requires the organization's management due attention. Investments in the human resources have become an integral part of the corporate strategies that must be clearly based on the local labor offers (labor market structures).

Although the social science research has drawn for decades parallels between the human labour and machine labour, the human personality remains the most changeable variable in the production process. This means that its performance is highly variable depending on external and internal determinants (e.g., individual motivation, physical and mental health, aspiration level, measures to coordinate work and family life, working climate, remuneration system, political situation, etc.).

Armstrong (2017) emphasized the importance of employees, pointing out that their skills, abilities, and experience, which they use in their work, are a significant source of a competitive advantage. The human capital is a valuable asset if used in the most efficient way. The potential of employees' knowledge and experience is a source of the future values and innovations, thanks to which the

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companies win over the competitors. Dvořáková (2012) defines the concept of the intellectual capital, which is owned by the man. However, this raises the issue of how to measure, report, and manage this capital. And there is still the issue of whether the employee in a given job is using his/her full potential, and whether there is a danger that he/she might use it even better in the future work for a competitor. Also Jiang, Lepak, Hu & Baer (2012, p. 1266) show that if a human capital is valuable and unique to an organization, then it is difficult to replace it without significant costs, and is not easily replicated by the competitors. "With high-quality human capital funds, organizations are more likely to achieve their goals, such as high productivity and quality of products and services and innovation. However, the full value of employees cannot be realized if they are unwilling to use their abilities."

The methods and methodological approaches examining certain professions and analyzing them psychologically are called profesigraphy. Profesigraphic analysis of a profession includes, e.g., a qualified psychological assessment of an applicant's suitability for a specific job, a qualified assessment and a mutual comparison of various jobs intensity (e.g., as a basis for remuneration, etc.). When selecting an employee, the essence is to compare his/her abilities and skills with the demands and specifications of the job. For this valid and reliable information on the requirements for the employee, resulting from the job nature, are needed (Pauknerová, 2012).

A job analysis is the basis for creating a job and defining its requirements. To this end, Armstrong (2007) uses the term role analysis, which is defined as "the process of identifying what people are expected to achieve in the course of their work and what abilities and skills they need to meet those expectations" (Armstrong, 2007, p. 171). The result of the analysis is the "job profile" that sets out the specific outputs and results expected of the employee, as well as his/her abilities and skills to achieve the maximum performance.

## **2. Theoretical Background**

Sanchez and Levine (2012, p. 417) point out that, unlike flowers and stones, the work is not separate from the individuals who perform it. This should be kept in mind, especially by job analysts. They should lead employees to reflect on how they approach their job responsibilities, and thus improve the way their work is done. In such a case, the analysis of the work turns into a psychological effort, the aim of which is to clearly understand the psychological requirements for the given job. The analysis is usually a part of a personnel audit the task of which is to broaden the control of the effectiveness and results of the personnel management. It has a positive effect on the engagement of employees as well as on their motivation. It helps streamline internal processes and consequently eliminate excessive company expenses. An effective human resource management therefore leads to profitability and to gaining competitive advantage (Negi & Chaubey, 2015).

The competitiveness of a company is related to its performance which can be formulated with the human capital. To improve the performance, it is necessary not only to attract and invest in the human capital, but also to retain experienced managers and employees, and to develop their potential. The key is not to focus only on a certain type of management but on all employees comprehensively (Crook, Todd, Combs, Woehr & Ketchen, 2011). Albrecht, Bakker, Gruman, Macey & Saks (2015, p.26) emphasize that in the human resource management it is crucial to help and support employees to achieve and maintain a high level of involvement and performance, and thus gain competitive advantage. Employee training and development should focus on "optimizing employees'

personal expectations, involving them in terms of willingness to share their ideas, suggestions, and concerns that will lead to improvement and change."

Labor analysis data are one of the most important information for the human resource management system development. It forms the basis for other personnel activities such as employee selection, training, performance management, and the remuneration system. Job analysis combines two areas of information: job-oriented and employee-oriented. The former area includes work tasks and procedures, and the latter focuses on the requirements for employees: their knowledge, skills, abilities, and other characteristics. However, the disadvantage of job analysis is the fact that the job analysis information is affected by self-presentation process. In their study, Morgeson, Delaney-Klinger, Mayfield, Ferrara & Campion (2004) found out that employees approved their skills rather than tasks as a part of their work. Employees also made more of false statements about abilities than about tasks. In a given job, the tasks are more clearly identified than the skills. Jobseekers were also prone to overrate the self assessment of their skills.

In connection with the jobs analysis, or with the data collected through it, Aguinis, Mazurkiewicz, & Hieggstad (2009) point out another issue resulting from the fact that the evaluation of personality traits necessary for a given job is derived from the personal traits of the people being evaluated. This issue carries a risk that an organization will make a decision based on a distorted assessment. In such a case, a 360-degree feedback assessment could lead to a recommendation that employees behave like the current employees. As a consequence, the workforce would be increasingly homogeneous in terms of employees' personalities, but there would be no improvement in the work performance.

### **3. Methodology**

The intricacy of the subject can be defined by a complex of interactions between the employee (or his/her potential) and the work environment, bearing in mind that the interactions are affected both internally and externally. The result of the reflections is a complex model of the subject.

The correct definition of the model can be based not only on the primary theoretically defined key concepts but also on two case studies of selected companies that try with their business activities to promote the optimal models in practice. Two different approach paths are presented further on. In order to maintain the anonymity the firms used in the study are referred to as "The Consultancy Company A" (further on Company A) and "The Consultancy Company B" (further on Company B). The main difference between the two is that the Company A is a large consulting firm while the Company B consists solely of the owner who only occasionally hires an external personnel. More details on the companies and their problem-solving philosophies are provided in the following paragraphs.

#### **3.1. Company A**

The Company A primarily provides online consultations. The Company A's output is psychometric, and the methods the Company A applies to solve the clients' problems are derived from it. The company's service portfolio comprises the following: HR technology, employees pre-selection, recruitment, employee adaptation, employee development, reaching out to and attracting talent.

The problem boundaries frame the management of the activities (in particular those of adaptation, i.e. adaptation plans, training, diagnostics) and the employee development

This includes 360-degree feedback, diagnostics and staff development, development centres, coaching, mentoring, therapy and hypnotherapy, training, team building, outdoor and training, and educational programs. The exact psychometric path is therefore also reflected in the approach to identify and verify the employee potential - the Company A combines specific forms of tests and questionnaires. With regard to all activities, the Company A's approach can be called psychometrically systemic with the following attributes: 360-degree feedback; diagnostics; work with the employee's strengths and weaknesses; subsequent development and support activities (mentoring, training, coaching, etc.).

### **3.2. Company B**

The Company B is based on the ideas and approach of the company's owner. In his concept, he presents personnel consulting as a psycho-philosophical path focused on improving human resources processes in organizations. A great emphasis is placed on an individual approach to a better employee performance and on the focus on the hidden employee potential. It is based on the experience of a consultant who has a proved track of building several human resource management consulting companies.

The Company B's presentation is formed on mentoring, lectures, and cognitive approach to understanding the problem. The Company B is narrowly defined and its key activity is the audit of the personnel. As part of the promotion of its activities it also creates an informative and educational blog. The personnel audit is carried out according to the basic parameters of the audited human resources activity and the results basically depend on the auditor's personality. In the Company B's concept the greatest emphasis is placed on the auditor who represents the key determinant in the success of the changes in the client firm and in the growth of its employees potential.

The Company B's approach can be briefly defined as follows: 1. selection of the right auditor; 2. objectivity and credibility of the audit; 3. detailed analysis of the audited firm and its processes, thorough mapping of the personnel situation; 4. additional areas of audit according to the client firm's needs: current state of the firm's culture and motivation, analysis of the firm's internal environment, working tools and working time usage, etc.

This concept is based on methods such as assessment of the current job description, control of the working conditions, process maps, facilitated meetings between the management and employees, time frame of the employee's day, observation of employees at their workplace, shading, or "mystery shopping". The primary pros and cons of both approach paths are presented in the table below where the individualistic and metric (exact) routes are evident. The table diametrically distinguishes the two companies in terms of the analysis method and of the final evaluation of employees in a firm.

The above demonstrated differences between the methodological opinions on how to examine the reality of the work potential represent only a fraction of how the business organizational practice work. The above-mentioned primary theoretical considerations already show how multilayered the problem is.

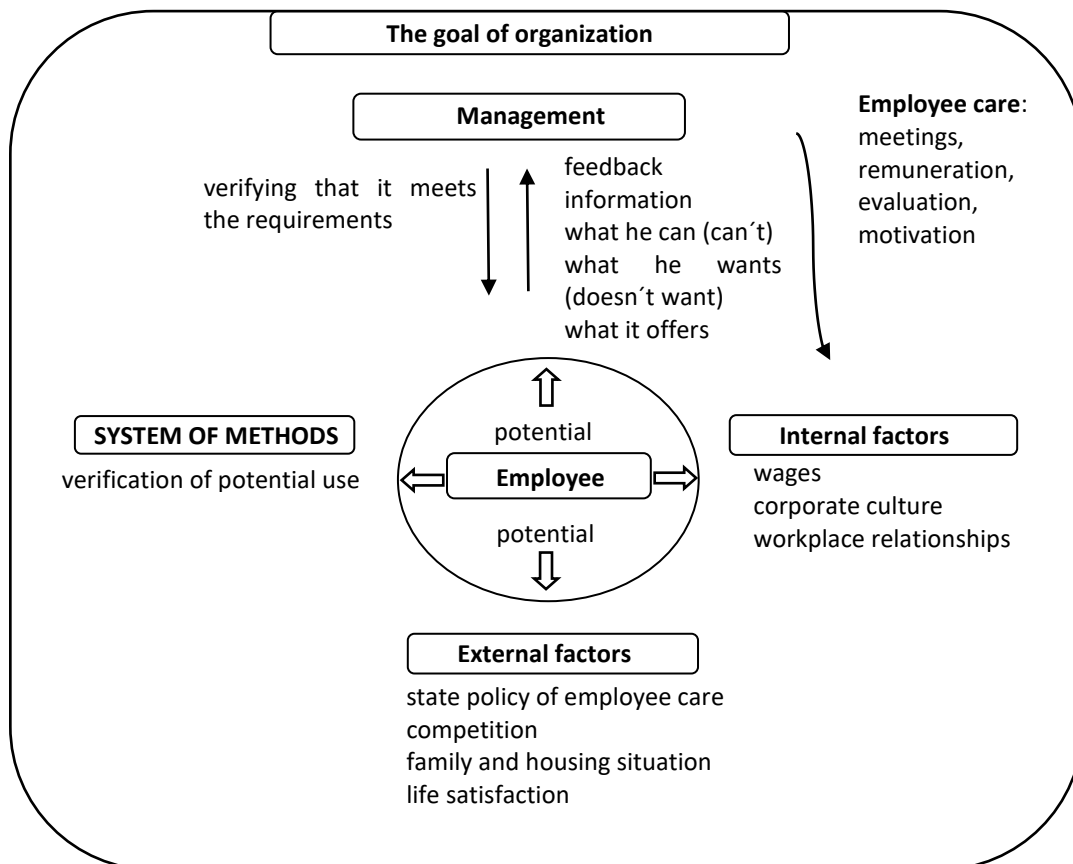
**Table 1: The Company A's and the Company B's approach comparison**

<b>Company A</b>	<b>Strengths of the Approach</b>	<b>Weaknesses of the Approach</b>
	Using a globally respected methods Exact measurement methods Partnership with external institutions Technological sophistication	Excessive emphasis on psychometry General data collection on employees Complex system for customer understanding The approach may encounter stereotypes of the Czech mentality
<b>Company B</b>	<b>Strengths of the Approach</b>	<b>Weaknesses of the Approach</b>
	Highly individual approach Proven service model based on the general practice Maximum flexibility of the consultant Large portfolio of experience not only with business companies, but also with public and non-profit organizations	Emphasis on a sole responsible consultant Pedagogical approach based on dogmatic personnel theory Limited ability to respond to personal disharmony between the organization and the consultant Unclear added value of the approach excluding individual approach

#### 4. Discussion

In the frame of the theoretical discussions and business practice examples, a reasoning model of the whole work potential usage system was generated. These are initial theses that have the potential for a further validation.

We must first realize that each person (his mental and physical side) belongs to a number of social microsystems (e.g., family, interest group, working group, etc.), which are located not only outside the organization where he works, but also inside. A man is part of a network of many interactions, which are the key to understanding the man and then using it to improve his potential.



**Figure 1: Work potential utilization model**

If we simplify the deliberation on a man within a company, we need to define two key variables. They are the employee and the organization's objective. This reflects the role of the management as a facilitator of all events, which aims to connect the abilities and skills of employees (adequately use their potential) with the intentions of the organization in order to achieve the meaning of its existence. The external and internal factors shown in the model are only an indication. There are many more of them in the real life of a man and of a company.

To be able to define the whole system allowing to increase the employees potential and consequently the company competitiveness, we must answer the following questions:

1. What does the management specifically do so that an employee contributes to reaching the goals of the company while making the most the most of his/her individual potential?
2. What factors need to be eliminated (i.e. not addressed empirically) in the consideration of the support of the potential, as their impact on companies or individuals cannot be eliminated (e.g., political or economic situation)?
3. What factors in the internal and external environment can be influenced by the management (e.g., family and work life coordination, working place climate)?
4. What methods does the management in fact use to motivate and support employees, and how does it measure how employees work (including the potential)? In this point, we can search the key to an exact measuring of the organization's success in personnel policy. In other words, whether there is a system of methods in the company at all.

These questions may provide the basis for the future empirical research in the field of employees potential, as well as in the field of the profesigraphy and work analysis theoretical dilemmas. Investing in the human potential is an issue that will be increasingly discussed. On a theoretical level, it is constantly talked about, but in practical (measurable) one, we don't know much about it. Available data measuring is missing.

## **5. Conclusion**

There is a number of contradictions in the theory within the theoretical foundation of measuring the work potential of workers. Methods such as profesigraphy or job analysis are intertwined and are also inconsistently interpreted within the human resources activities. Primarily, specific measuring in companies can help optimize the management processes.

It is necessary to examine the specific procedures of how the management verifies whether its human resources activities bring the desired effects. Furthermore, it is necessary to determine what external and internal factors impacting the employees potential must be eliminated for they are utterly out of the management's control. At the same time, it is necessary to examine the system of methods used by the company in order to verify that an employee performs the work for which he/she has an individual potential.

The whole journey means recognizing the the work procedures, methods, guidelines, and specific examples of practice in selected companies. Then, based on this analysis, conducting a survey among employees. And finally comparing the findings of the two against each other. Both, a qualitative and a quantitative approach to problem analysis are indispensable.

Competitiveness is the primary attribute of the companies or organizations success in the environment where they exist. Competitiveness can be increased by investing not only in technology, marketing, but primarily in employees. The introduced model constitutes an initial reflection for a further empirical research. A search for answers to the asked questions can indicate the course of further empirical reflections on these human resources issues.

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