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COMPETENCY EXCLUSION AS A CHALLENGE OF THE MODERN LABUOR MARKET – RECOMMENDATIONS AND BEST PRACTICES

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INTRODUCTION

The dynamically changing situation in the modern world encompasses transformations within societies, states, and the economic, political, technological, and healthcare spheres. The 20th and 21st centuries have brought about radical advancements in communication methods. These developments must be considered alongside changes in demographic structures and workforce participation in society. New conditions within our surrounding reality contribute to the emergence of challenges that must be addressed. One such challenge is undoubtedly the phenomenon of competency exclusion, which manifests in the labour market. This issue arises from the necessity of adapting to a state of permanent change. It requires individuals to go beyond merely acquiring knowledge, as knowledge itself is subject to rapid obsolescence. Thus, effective functioning in modern reality also demands much broader conceptual ‘competencies’.

The main objective of this article is to introduce the phenomenon of competency exclusion and analyse best practices and recommendations that can be implemented to mitigate its negative consequences. To this end, an analysis of secondary sources was conducted, particularly the 2021 report ‘Competency Exclusion and Its Impact on

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the Labour Market in Poland', commissioned by the Przyszłość Pokoleń Foundation (Fundacja Przyszłość Pokoleń, 2021).

This organisation formulated its own definition of the discussed phenomenon, understanding it as the prolonged marginalisation of individuals in social and professional life due to a lack of competencies essential for functioning in a given social or professional environment. Competency exclusion affects individuals who, for various reasons, are either not adapted to their environment or possess skills but are unable to function effectively.

Due to its complexity, competency exclusion negatively impacts the quality of human capital, entrepreneurship, activity, and innovation during the productive age. Upon exiting the labour market, it affects self-sufficiency and activity. In both cases, this phenomenon determines full participation in social and economic life and increases the costs of state functioning (Fundacja Przyszłość Pokoleń, 2020).

COMPETENCY EXCLUSION AS A CHALLENGE IN THE MODERN WORLD

Rapid technological progress and pervasive digitalisation, affecting almost every sphere of life, are referred to as the 'Fourth Industrial Revolution'. Similar to previous breakthroughs, it encompasses new tools, labour input, and financial investments. Additionally, in this case, the process of continuous learning and the development of well-prepared teams plays an extremely important role. A significant part of Industry 4.0 is the automated technology market, which is growing at a rate of 40.6% per year and is projected to reach a value of \$25.66 billion by 2027 (Deloitte, 2020a).

However, moving to a new level of development is not just about investing in new equipment. A new approach is also necessary for both the business model and human capital.

The study 'Industry 4.0 in Poland – Revolution or Evolution? The First Edition of Deloitte's Study on the Scale and Level of Industry 4.0 in Poland', conducted among senior managers, indicated that the main obstacle to implementing changes that would introduce companies to the new reality is the lack of an adapted organisational culture, employee composition, and necessary skills. These factors were cited more frequently as barriers than the lack of funds for implementing changes. When asked about the main factors driving innovation in their organisations, respondents pointed to operational activities (75%), information technology (48%), and human resources/talent (43%), followed by engineering (31%), finance (28%), after-sales service (27%), supply chain (24%), and marketing and sales (18%). The study also examined employees and their competencies in the context of working in Industry 4.0 and creating new solutions within it. Interestingly, among the factors driving transformation, 18% of respondents

indicated ‘employee demands’. As operational challenges and needs, the following were identified: ‘lack of implementation and training for rank-and-file employees’ (53%), difficulties in recruiting, training, and retaining competent talent (48%), and the need to build an organisational culture capable of supporting digital transformation (48%). Regarding the importance of attracting and retaining talent for organisations, 20% considered it important, 22% very important, and 30% extremely important (Deloitte Polska, 2020).

Additionally, Deloitte’s global study on intelligent automation and related changes showed a significant increase in the percentage of organisations that have begun implementing intelligent automation solutions, rising from 15% five years ago to 73% today. With this progress, many organisations are seeking ways to integrate automation with their workforce to maximise the complementary capabilities of humans and machines. Such integration represents a profound organisational transformation (Deloitte, 2020a).

DEFINITIONS OF THE CONCEPT OF COMPETENCY

Today, the term ‘competencies’ is commonly used as a synonym for skills, qualifications, authorisations, responsibilities, or expertise (synonymy.pl, 2023). The Polish language dictionary defines competencies as ‘the scope of powers and authorisations of an authority or organisational unit, or the scope of someone’s knowledge, responsibilities, and skills’ (Sobol, 2005). Referring to the origin of the Latin word *competere*, meaning ‘to be suitable’, the term *competentia* can be characterised as possessing knowledge that enables judgment. It also signifies conformity, appropriateness, authorisation to act, or a scope of knowledge, skills, and responsibilities that allow for the proper execution of assigned tasks (Furmanek, 1997; Kopaliński, 2007). Historically, the concept of competency has evolved, shifting perspectives until it became widespread in the 1970s as a measure of human capital resources (Kocór, 2019).

Table 1.
Perspectives on competency perception based on differences

Perspectives on competency perception based on differences	
CULTURAL	AMERICAN TRADITION Competencies are treated as general characteristics of individuals, taking into account personality traits; the result of possessed competencies is the level of job performance (distinguishing those who perform tasks at the highest level from average performers).
	BRITISH TRADITION Competencies are determined by standards related to job positions and professional roles, excluding the personality aspect (competencies are described by specific tasks – competency frameworks).
	GERMAN – FRENCH TRADITION Competencies are treated more holistically – considering both various individual attributes (knowledge, experience, and behaviours) and the complexity and nature of tasks associated with a position or professional role, understood quite broadly (not only narrowly standardised tasks).
FORMATTING COMPETENCES	CONSTRUCTIVIST PARADIGM Great emphasis is placed on norms, values, and beliefs in the process of shaping competencies. Employees participate in developing competency systems.
	COGNITIVE PARADIGM Competencies are equated with efficiency (task performance outcomes), and competency systems are built top-down.
APPLICATION AREA	EDUCATION AND COMPETENCY DEVELOPMENT Competencies are treated as sets of knowledge and skills that can be cultivated.
	CANDIDATE SEARCH Competencies are considered as only partially trainable.
	EVALUATION OF WORK AREA Competencies are understood through work results (effectiveness).

Source: Kocór, 2019, p. 30.

Literature presents various approaches to defining competencies. Numerous definitions typically highlight the inclusion of basic components such as knowledge, skills, and responsibility/attitude. Some authors also consider personality traits as a fourth element (Whiddett and Hollyforde, 2003). However, some researchers now regard this definition as outdated (Rostkowski, 2002).

It is worth noting that competency is a theoretical construct and does not exist independently of observable behaviours. Each competency manifests through a range of behaviours (Wojewódzki Urząd Pracy, 2023).

We can conclude that competencies consist of multiple components such as traits, skills, and attitudes, which together create new qualities, contributing to the multidimensionality of competencies.

Table 2.
Competency characteristics

Competency characteristics
Subjective nature
Gradability and measurability
Enabling effective task execution at an appropriate level
Varied content scope and connection to a specific situation
Dynamic nature, development through reconstruction
Once shaped, a competency system reflects the level of professional preparation and direction of its improvement
Transferability to other task situations
Manifestation of potential in the form of motivational acts not only in task situations but also always in relation to others

Source: Furmanek, 1997, p. 20.

In everyday life, competencies accompany us in two primary spheres: their acquisition and their application. Competencies are characterised by their lack of permanence, as they change and evolve with experience, and with professional and personal development. Measuring competencies is an extremely complex process. One proposed method is the creation of a competency matrix or the adoption of a scale for each competency. For example, each competency can be described in levels, with each level encompassing specific behaviours. One proposed model suggests a five-level scale, where Level 1 represents a lack of competency acquisition, and Level 5 indicates mastery at an excellent level (Filipowicz, 2002).

Due to the vast diversity of the phenomenon, there is no single, complete, and definitive list of competencies. Furthermore, given that the concept itself is highly ambiguous, multidimensional, and interdisciplinary, it is not easily systematised (Żeber-Dzikowska and Olczak, 2014).

In literature, various models, classifications, and attempts at categorising competencies can also be found.

Table 3.
Classification of competencies as levels

Classification of competencies as levels		
Key competences	Basic competencies necessary for acquiring other competencies.	For example: text comprehension, mathematical reasoning, use of computer technologies, cognitive competencies.
General competences	Competencies used to perform similar professional tasks in different positions.	For example: interpersonal, managerial, technical, self-organisational, artistic.
Professional competences	Specific competencies related to professional tasks at a single position (or within a family of positions).	For example: ability to use project management software, knowledge of operational principles and maintenance methods for water and sewage systems.

Source: Kocór, 2019, p. 33.

In everyday use, we most often encounter the division of competencies into soft and hard skills. Soft skills include abilities related to behaviour, interpersonal relationships, communication, and personal development. In contrast, hard skills refer to knowledge, qualifications, and skills acquired through education (Konieczna-Kucharska, 2015; Andruszkiewicz and Kulik-Grzybek, 2017). When analysing the concept of competencies in relation to other frequently interchangeable terms, it is important to distinguish between competencies and qualifications. In literature, these terms are sometimes used synonymously, but their meanings are not identical, especially in the Polish educational and professional system, where the differences are more pronounced (Wojewódzki Urząd Pracy, 2023). Qualifications have a more formal character – they signify obtaining a degree, completing a certain level of education, or possessing professional experience, though they do not always directly translate into authorisation to perform a specific job. Competencies, on the other hand, encompass not only knowledge and experience but also the ability to apply them in practice. Thus, it can be said that qualifications provide the foundation for developing competencies (Whiddett and Hollyforde, 2003).

In practice, performing specific duties allows for verification of the extent to which an employee's formal qualifications align with their actual competencies. Traditionally, competencies were confirmed mainly through diplomas and certificates, but modern approaches emphasise that experience and professional activity play a key role in shaping them. The evaluation of employees is also evolving. The traditional model assessed

their suitability based on past achievements, whereas the new approach places greater emphasis on adaptability to changing work conditions and the ability to acquire new competencies (Wojewódzki Urząd Pracy, 2023).

In the context of this publication, it is also important to distinguish between individual and organisational competencies. The former are often referred to as an individual's abilities, while organisational competencies result from the integration of employees' knowledge and skills with the effective use of resources to achieve the organisation's mission and objectives (Bratnicki, 2002).

The concept of competencies is also linked to the term 'competency gap', which can be defined as the mismatch between an organisation's competency potential and the requirements necessary to implement its development strategy (Twardowski, 2007). There are two main types of competency gaps. The first is the current gap, which relates to the company's existing strategic goals and may hinder or even prevent its efficient operation. The second is the anticipated gap, associated with the organisation's future objectives – its current competency potential may prove insufficient for their effective realisation (Twardowski, 2011). If a competency gap is identified within an organisation and its members, which translates into a gap at the company level, various strategies can be applied. One approach is to eliminate the gap by intensifying training programmes and implementing projects to develop missing competencies. Another approach is to strengthen the organisation's strongest areas and build a competitive advantage on that basis (Sitko-Lutek, 2007). Upon detecting a competency gap, organisations can also utilise procedures outlined in literature aimed at reducing it.

Table 4.
Model of competency gap reduction procedure, divided into stages

Model of competency gap reduction procedure, divided into stages
1. Aspirations of owners and management – include expectations regarding the company's image, pace and direction of development, and role in the environment.
2. Owners and management seek opportunities that enable the realisation of aspirations; threats necessitate actions to eliminate them to achieve aspirations.
3. Analysis and assessment of broadly understood company resources, including competencies, aimed at determining to what extent existing material resources and competencies are useful for seizing opportunities or eliminating threats to fulfilling aspirations. If the company lacks such competencies, a competency gap is identified.
4. Considered strategic options result from aspirations and express intentions taken into account after analysing opportunities, threats, and competencies; competencies necessary to achieve aspirations that the company does not possess are defined as a competency gap.

Model of competency gap reduction procedure, divided into stages
5. Gap assessment aims to determine the level of discrepancy and how much it hinders the realisation of aspirations; then, a decision is made to eliminate (fully or partially) or tolerate it.
6. Organisational learning processes are initiated by activating the aspirations of owners and management and occur in each of the mentioned stages; they have a cyclical nature.

Source: Baskiewicz and Ożóg, 2017, p. 43.

There are also methods that not only directly influence the level of competencies within an organisation but also indirectly enhance its efficiency, due to the close relationship between competency potential and operational effectiveness (Twardowski, 2011).

Table 5.
Ways organisations acquire competencies (Z. Malara)

Ways organisations acquire competencies (Z. Malara)
Learning and studying: learning, self-education, new knowledge resources, new theories, and research findings.
Learning from competition: tracing, monitoring, public relations, benchmarking, sponsoring, franchising.
Drawing knowledge from the environment: consulting firms, business schools, media, conferences, and symposiums.
Learning through exchange: dialogue, discussions, negotiations, interviews, communication.
Learning through systematic experience and problem-solving.

Source: Twardowski, 2011, p. 9, cited after: Malara, 2006, p. 133.

Another important issue related to competencies is the competency mismatch. For a long time, discussions on labour market mismatches focused primarily on education – whether there was an excess or shortage of it. However, increasing attention is being paid to the limitations of this approach, as it does not consider the balance between the supply and demand for human capital. The classical model assumed that individuals with the same level of education had similar competencies, but this perspective is increasingly being questioned today. These differences stem from various factors, including individual educational paths, the massification of higher education, and the broad diversity of people – both psychologically and socially. As a result, research on competency mismatches in the labour market is gaining importance (Kocór, 2019). Competency mismatches occur when employer requirements and expectations differ from the level or type of competencies possessed by candidates or employees. Such mismatch can be analysed in two dimensions. In a vertical sense, it occurs when the required competency level for a given position is higher or lower

than that of candidates or employees. In a horizontal sense, it happens when the expected competencies for a position differ from those possessed by the employees (Górniak, 2015).

Competency asymmetry can be considered both at the individual level, referring to a specific person, and at the structural level, concerning the entire labour market (Kocór, 2019).

Table 6.
Skills Mismatch

Skills Mismatch	
Individual Level Skills mismatch at the individual level arises from discrepancies between required and possessed competencies on a personal basis – specific job positions.	Due to skills surplus (overskilling) Overskilling occurs when an individual's competencies exceed those required for a given job. As a result, these skills are not fully utilised, leading to wasted potential. The consequences of this situation are mutual – both the employee and the employer experience losses.
	Due to skills deficit (underskilling). Underskilling arises when an individual's competencies are lower than required for a given job. In such cases, the employer bears a greater loss, as they must contend with lower productivity or additional costs to enhance the employee's skills. For job seekers, a skills deficit may reduce their chances of finding employment or result in lower wages.
Structural Level At the structural level, skills mismatch is assessed in a broader context, considering the demand and availability of competencies at an aggregated level – within companies, industries, or even the entire economy.	Due to skills shortage A skills shortage occurs when the demand for specific competencies exceeds their availability – there is a lack of individuals in the labour market possessing these sought-after skills.
	Due to skills surplus A skills surplus occurs when the supply of certain competencies surpasses the demand for them – individuals possessing these skills are unable to find jobs where they can utilise them.

Source: Kocór, 2019, pp. 50–58.

Competency mismatch can occur at different levels. The first concerns specialised competencies, which require a longer acquisition period, while the second pertains to general competencies, which can be obtained more quickly. Initially, this distinction mainly applied to technical competencies, but contemporary literature suggests expanding this approach to other types of competencies. Another aspect is structural mismatch, which can be divided into current and projected competency shortages. Competencies are not permanent and may 'wear out' due to various factors, such as ageing, infrequent use, technological changes, or corporate reorganisations. This phenomenon leads to greater mismatches in the labour market. In response, both companies and employees

should focus on continuous competency development, emphasising the importance of lifelong learning (Kocór, 2019).

The competency gap and competency mismatches have significant labour market consequences. Employers struggle to find suitable employees, while job seekers often face employment barriers. This can lead to decreased productivity, affecting the economy and GDP. The most affected sectors are those requiring highly skilled workers. Additionally, competency mismatches can result in lower wages and job satisfaction, increased absenteeism, and wasted human capital potential (Górniak, 2015).

THE PHENOMENON OF COMPETENCY EXCLUSION IN POLAND

In the context of the discussed issues, it is crucial to develop not only hard skills, such as foreign language proficiency or computer literacy, but also soft skills at every stage of education. The latter include creativity, teamwork, communication skills, and stress resistance. These are universal abilities that facilitate adaptation in various environments. The labour market requires both individuals with hard skills – measurable and certified – and those possessing soft skills, enabling them to work under stressful conditions, under time pressure, in teams, and to solve problems effectively. When considering the competencies necessary for functioning in the labour market, one must take into account the nature of the market itself. We live in an era dominated by haste, globalisation, and constant economic and technological changes (Andruszkiewicz and Kulik-Grzybek, 2017).

In the coming years, the labour market and employers' competency needs will be particularly influenced by three major megatrends: globalisation, technological progress, and demographic changes (Narodowe Centrum Badań i Rozwoju, 2019). To avoid exclusion and remain an effective part of this dynamically developing socio-economic system, continuous professional reorientation and lifelong learning are essential. Therefore, it is crucial for graduates of vocational schools, secondary schools, and universities to understand that completing a stage of education does not mark the end of their learning journey. On the contrary, it may be just the beginning of their future decisions regarding further development and skill enhancement (Andruszkiewicz and Kulik-Grzybek, 2017).

Table 7.
Methods of skills development among adults (aged 25–64) in 2019

Methods of skills development among adults (aged 25–64) in 2019	
Learning from online materials	51%
Learning from books or other printed materials	38%
Occupational health and safety (OHS) and fire protection training	32 %
Learning from friends, acquaintances, or colleagues	25%
Learning from television or radio programmes	22%
In-person OHS and fire protection training	22%
Learning through computer programmes	19%
Sports activities (e.g. training sessions, sports courses)	19%
Learning from or together with family members	18%
Conferences, seminars	12%
Visiting exhibitions, museums, galleries	11%
Online vocational courses and training (e-learning)	8%
In-person courses and training (excluding sports)	7%
Learning through meetings in organisations, associations, or interest groups	5%
Learning through volunteering or other charitable work	4%
Non-vocational online courses and training (e-learning)	4%
Non-vocational conferences and seminars	4%
Postgraduate studies, part-time studies, MBA programmes	2%
Internships, apprenticeships	2%
Adult education schools	1%

Source: Bilans Kapitału Ludzkiego, 2019.

The modern labour market seeks employees who are versatile, creative, flexible, and aware of the necessity of lifelong learning. Although the demand for specific competencies mainly depends on the state of the economy and labour market conditions, in the face of recruitment difficulties, competency gaps are often pushed into the background. When there is a shortage of job candidates, employers typically lower their requirements, accepting competency gaps in the hope of filling them after hiring.

Competency shortages, especially in professional and self-organisational skills, are becoming an increasing challenge for employers. Companies often hire young people without experience, expecting them to develop on the job. Aligning skills with the requirements of the Digital Economy is crucial for Poland's competitiveness, and ongoing globalisation and increasing life expectancy necessitate the continuous development of transferable skills. Establishing a culture of lifelong learning is essential, particularly in Poland, where adult education participation rates remain low (Narodowe Centrum Badań i Rozwoju, 2019).

Table 8.
**Reasons for developing professional skills and
employment status of adults in 2019**

Reasons for developing professional skills and employment status of adults (aged 25–64) in 2019	Employed	Unemployed	Inactive	General
Improving skills needed for work	60%	52%	55%	60%
Employer requirements	56%	27%	29%	55%
Obtaining a certificate or license	19%	44%	32%	20%
Increasing earnings	18%	8%	7%	18%
Opportunity to participate for free	9%	14%	18%	10%
Finding a better job	10%	40%	15%	10%
Reducing the risk of job loss	7%	15%	3%	8%
Planning to start own business	4%	15%	18%	4%
Referral by the employment office	-	-	5%	2%

Source: Bilans Kapitału Ludzkiego 2019.

Regarding the shortage of universal competencies relevant across all sectors, the most frequently mentioned gaps include general and social skills, as well as inadequate workplace attitudes, such as conscientiousness, responsibility, and loyalty. When discussing competencies required for specialist positions, the most frequently cited include teamwork, communication, creativity or innovation, and networking skills. Additionally, two categories of competencies are often emphasised by employers: organisational and professional skills. It is also important to remember that, similar to universal competencies, workplace attitude and the ability to learn are highly valued by employers, even in specialist roles (Narodowe Centrum Badań i Rozwoju, 2019).

In Poland, the proportion of people with low competencies is high, encompassing both basic skills, such as reading comprehension and mathematical reasoning, and educational attainment levels. Factors closely linked to low competency levels include age, education, unemployment, living in rural areas, and the absence of a partner. Moreover, the causes of low competencies are multidimensional and involve both individual and environmental factors, such as cultural capital and career and family life paths. Low competencies are often associated with unemployment or low-skilled jobs, low participation in various forms of learning, digital exclusion, and broader social exclusion (Chłóń-Domińczak *et al.*, 2015).

Table 9.
Factors affecting the lack of educational activity
among employed adults aged 25–64

Factors affecting the lack of educational activity among employed adults aged 25–64	
Not needed for work	64%
Lack of time due to professional commitments	24%
Lack of time due to personal reasons	20%
No point in studying at this age	4%
No interesting offers available near the place of residence	4%
Participation was too expensive	3%
Health condition did not allow it	3%
Lack of support/encouragement from the employer	1%

Source: Bilans Kapitału Ludzkiego, 2019.

In the context of skill development, it is important to utilise various forms of education, including formal, non-formal, and informal learning. Formal education includes primary, vocational, secondary, higher education, and education for individuals with special needs, characterised by institutionalisation and state-recognised programmes. Non-formal education serves as an alternative to formal education, covering courses, training, and workshops, while informal learning is less structured and occurs in daily life, work, or family settings. Poles demonstrate high educational activity. According to the 2019 ‘Human Capital Balance’ report, 80% of individuals aged 25–64 developed their competencies in the past 12 months. The dominant form of learning is informal learning, with 70% using the Internet, 30% learning at work through observation or mentoring, and 20% participating in courses and training.

While 63% of respondents apply their acquired knowledge at work, 37% do not have full opportunities to do so. In the field of non-formal job-related education, 17% of individuals participated only in mandatory training, such as health and safety courses. The main motivations for skill development include the need to improve qualifications for work (60%), employer requirements (57%), and salary increases (19%). The Polish development services market is dominated by private entities (84%), with most (63%) operating for at least ten years. Small and medium-sized enterprises (SMEs) constitute 99% of the sector, and 70% finance development services privately. However, the sector lacks innovation and is increasingly fragmented. Before the pandemic, in-person services dominated (81%), focusing mainly on management, accounting, finance, soft skills, and specialised professional skills. The sector invests little in the professional development of trainers, with an average employee training budget of PLN 200 per year. The value of development services is assessed positively by sector representatives, who frequently conduct quality controls; however, only 56% hold accreditation or certifications (Górniak, Strzebońska and Worek, 2019).

SOLUTIONS AND BEST PRACTICES WORLDWIDE

The issue of misalignment between employers' competency needs and employees' skills is not unique to Poland but is also addressed at the European Union level, as evidenced by the Council Recommendation of 22 May 2018, on key competencies for lifelong learning. This document emphasises that every individual has the right to lifelong education, enabling them to acquire skills essential for full participation in society and the labour market. Supporting skill development is a key objective in creating a European Education Area. The recommendation highlights that maintaining the current standard of living, supporting employment, and increasing social cohesion require the acquisition of appropriate skills, particularly in the face of increasing job automation and the growing importance of technology. It also underscores the rising significance of social, civic, and entrepreneurial competencies in ensuring resilience to change. Supporting the development of competencies is a key objective in creating the European Education Area. The recommendation indicates that having the appropriate skills is essential for maintaining the current standard of living, supporting employment, and increasing social cohesion, especially in the context of growing work automation and the increasing significance of technology. The document also highlights the increasing importance of social, civic, and entrepreneurial competencies in ensuring resilience to change. The recommendation aims to clarify various forms of education, including formal, non-formal, and informal

learning, in the context of lifelong learning. It also provides guidelines regarding key competencies that member states should support as part of their education strategies. Key competencies are those essential for self-fulfilment, employment, social inclusion, and civic engagement. They are developed throughout life and include critical thinking, analytical, communication, and negotiation skills, creativity, and intercultural competencies. These competencies are interconnected and can be applied in various contexts, contributing to successful social life. The recommendation outlines key competencies that member states should support within their lifelong learning strategies, including:

1. Basic skills – literacy, numeracy, and digital skills.
2. Learning-to-learn competencies as a continuously improving foundation for lifelong learning and societal participation.
3. Competencies in natural sciences, technology, engineering, and mathematics (STEM), considering their links to arts, creativity, and innovation.
4. Entrepreneurial, creative, and initiative-taking competencies.
5. Language competencies, including official and foreign languages.
6. Cultural awareness and expression competencies.
7. Digital competencies.
8. Civic competencies. (Council of the European Union, 2018).

In recent years, numerous government programmes have been implemented worldwide to improve the skills of individuals with low competencies. These programmes are part of broader education and training strategies, and their outcomes indicate that skill improvement enhances the social and economic situation of adults in need of support.

Programmes differ in form, depending on whether skill improvement is a direct or indirect goal and where the training takes place. Best practices are observed in Europe and beyond, serving as inspiration for other countries.

For instance, the UK's *Skills for Life* strategy, launched in 2001 by Prime Minister Tony Blair, aimed to improve adult literacy, numeracy, and essential workplace skills. The goal was to enhance basic competencies in the context of a changing labour market and increasing job complexity while promoting social equality (Department of Education and Skills, 2004).

Similarly, Australia's *National Foundation Skills Strategy for Adults* is a ten-year strategy focusing on improving educational and employment outcomes for working-age adults with low basic skills. It prioritises four key areas:

1. Raising awareness and engagement – promoting understanding of the importance of basic skills and reducing the stigma associated with low adult skills.

2. Providing high-quality learning opportunities – ensuring diverse, tailored development opportunities.
3. Strengthening workplace skills – fostering partnerships between the government, industry, employers, and unions to offer relevant training.
4. Developing the skills of educators – enhancing expertise in specialised language, literacy, numeracy, and employability training (Australian Government. Department of Education and Training, 2012).

Germany has adopted a similar strategy, while France has established an agency dedicated to combating illiteracy and implementing solutions for adult education. The United Arab Emirates' *National Program for Advanced Skills* takes a long-term approach to lifelong learning, targeting students, graduates, and experienced workers. It defines four skill categories: basic skills, competencies, personal traits, and specialised skills, ensuring flexibility across professions and industries (UAE Cabinet, 2019; UAE, 2023).

SUMMARY AND RECOMMENDATIONS

As repeatedly emphasised in this article, we are on the threshold of a new era, mainly due to megatrends such as increasing globalisation, rapid technological progress, and inevitable demographic changes. Consequently, the key factor for economic success, individual well-being, and social cohesion in the coming years will be the development and strengthening of individuals' competencies before entering the labour market, during employment, and after retirement. While management definitions indicate that companies' performance depends on the value of accumulated resources and skills that create organisational competencies (Baskiewicz and Ożóg, 2017), in the authors' opinion, it is not an exaggeration to state that a country's performance depends on the value of its citizens' accumulated resources and competencies. Although competencies are well described in the context of the labour market and its related challenges, such as the skills gap or social mismatch, a broader perspective on the overall competency deficit is lacking. Existing definitions primarily focus on the labour market and enterprises, but competencies also impact other areas of human life and social functioning. For this reason, introducing the concept of competency exclusion is crucial for addressing new challenges faced by individuals. While terms such as digital, educational, cultural, economic, structural, or informational exclusion have been used so far, the contemporary world and its emphasis on individual competencies require new definitions. Existing literature indicates that those particularly at risk of exclusion include individuals who are socially inept, poorly educated, unemployed, elderly, migrants, foreigners, homeless, disabled, children from large or single-parent families, residents of post-state farm

villages, addicts, youth leaving foster care facilities, or those exiting correctional institutions (Wilk and Pokrzywa, 2013). However, in the context of competency exclusion, the list appears to be even broader.

According to the definition presented by the Future Generations Foundation, competency exclusion is understood as ‘the prolonged marginalisation of an individual in social and professional life due to a lack of competencies that are fundamental to functioning in a given social or professional environment’. Competency exclusion affects individuals who have not adapted (for various reasons) to the environment in which they live or work, or who, despite being present in that environment, are unable to function effectively. The lack of competencies refers both to ‘hard’ skills, such as specific qualifications, trade knowledge, or the ability to operate equipment, and ‘soft’ skills, which manifest in the inability to adapt to social norms, culture, and an understanding of the mechanisms governing a given environment. Competency exclusion is most common among the elderly but can also affect younger individuals. It may be accompanied by social or digital exclusion, although this is not always the case. Nevertheless, these phenomena can contribute to the occurrence of competency exclusion (Fundacja Przyszłość Pokoleń, 2020).

This definition addresses three fundamental questions:

1. What causes exclusion? – This refers to the reasons and conditions leading to exclusion.
2. Who is excluded? – This pertains to individuals or groups experiencing exclusion.
3. What does exclusion pertain to? – This concerns what an individual or group will not have access to, such as public resources, services, income opportunities, and more (Wilk and Pokrzywa, 2013).

Competency exclusion means the prolonged marginalisation in social and professional life due to a lack of essential competencies that enable functioning in a given environment. The lack of competencies may pertain to both ‘hard’ skills, such as professional knowledge or operating equipment, and ‘soft’ skills, such as adapting to cultural norms, understanding teamwork mechanisms, or the ability to adapt to changing environments. Competency-excluded individuals are those who cannot function effectively in their environment, often due to a failure to meet its requirements. While this phenomenon primarily affects the elderly, it can also include younger generations.

The discussed phenomenon limits access to the labour market and complicates functioning in an increasingly complex and digitalised world. It requires individuals to be mobile, digitally literate, collaborate with technology, and be flexible in working with diverse teams. Additionally, in an increasingly integrated social environment,

competency exclusion hinders participation in public debate, information creation, and keeping up with technological advancements and communication changes.

A report on competency exclusion includes a set of recommendations and best practices that should be implemented to mitigate the negative effects of this phenomenon.

Table 10.
**Recommendations and best practices that should be implemented
to mitigate the negative effects of competency exclusion**

Recommendations and best practices that should be implemented to mitigate the negative effects of competency exclusion	
General recommendations	Specific recommendations
<ol style="list-style-type: none"> 1. A diversified approach to mitigating the effects of competency exclusion 2. Real collaboration between authorities, businesses, and education 3. Prioritising general competencies in education 4. Strengthening the competency focus as early as possible in education, Enhancing the social presentation of the benefits of skill development 5. Platforms and advisors available in schools and offices 6. Preventive measures promoted in places where the problem may arise 7. Tailoring offerings to the expectations of interested parties 8. Removing recruitment barriers 9. Adapting offerings to different groups 10. Adjusting educational information channels to different audiences 11. Integrating schools into the communication chain 12. Supporting small and medium-sized enterprises in diagnosing competency needs and seeking ways to address them 	<ol style="list-style-type: none"> 1. Creating an information platform on competency development opportunities 2. Introducing tax incentives for individuals wishing to improve their skills 3. Developing 'competency vouchers' 4. Establishing a system of interest-free educational loans 5. Freeing training subsidies from employer control 6. Promoting postgraduate education as a potential alternative to second-cycle studies

Source: Fundacja Przyszłość Pokoleń, 2021.

These recommendations are addressed to various entities, particularly government and local government institutions that oversee or implement tasks related to the labour market functioning in Poland (Fundacja Przyszłość Pokoleń, 2021).

Competency exclusion is one of the significant challenges of the modern world; therefore, actively mitigating its negative effects will undoubtedly remain a subject of further discussion and research.

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COMPETENCY EXCLUSION AS A CHALLENGE OF THE MODERN LABOUR MARKET – RECOMMENDATIONS AND BEST PRACTICES

Abstract

Competency exclusion constitutes one of the key challenges for contemporary societies. Mitigating the negative effects of this phenomenon requires the implementation of appropriate measures. The primary objective of this article is to explore the issue of competency exclusion and to identify best practices and recommendations that can be implemented at various levels of management. This is achieved based on the authors' analysis of secondary sources, including reports and studies from both Polish and international contexts.

Keywords: competency exclusion, labour market, best practices, competency gap, qualification, education, development

WYKLUCZENIE KOMPETENCYJNE JAKO WYZWANIE WSPÓŁCZESNEGO RYNKU PRACY – ZALECENIA I NAJLEPSZE PRAKTYKI

Streszczenie

Wykluczenie kompetencyjne to jedno z kluczowych wyzwań dla współczesnego społeczeństwa. Łagodzenie negatywnych skutków tego zjawiska wymaga wdrożenia odpowiednich środków. Głównym celem niniejszego opracowania jest zbadanie kwestii wykluczenia kompetencyjnego oraz wskazanie najlepszych praktyk i zaleceń, które można wdrożyć na różnych szczeblach zarządzania. Autorzy dokonali analizy źródeł wtórnych, w tym raportów i badań dotyczących zarówno kontekstu polskiego, jak i międzynarodowego.

Słowa kluczowe: wykluczenie kompetencyjne, rynek pracy, najlepsze praktyki, luka kompetencyjna, kwalifikacje, edukacja, rozwój