

# MANAGEMENT

## THE CORE COMPETENCES OF POLISH INDUSTRIAL ENTERPRISES

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**Abstract:** Among many methods of strategic management, special attention should be put to the concept of core competences, which is an excellent and modern tool of competitiveness. Its essence comes to the belief that the differentiated framework of leading economic activities forces the use of different ways of achieving its objectives. Such is the way it is described by a set of unique, rare, and above all, personalized assets, which together form the specificity and nature of the organization. Taking into account the importance of the concept of core competences in strategic activities of the company, the purpose of the article was to identify and assess the basic attributes of the organization and present them in a comprehensive range. The theoretical part was developed on the basis of analysis of Polish and English-language bibliography, the empirical part was based on surveys conducted on a sample of 192 entities representing the industrial enterprises operating in Poland. Analysis of the answers allowed concluding that the main core competences of Polish enterprises are: the quality of product and services, staff qualifications, flexibility, clearly defined goals, and ability to adapt to the environment.

**Keywords:** core competences, values of the organization, competitive positions.

**JEL:** L20.

### Introduction

The basic priority of a modern enterprise is to strive for obtaining and maintaining a proper competitive advantage, the task of which is to display the most important, unique and core features of the entity, allowing them to be

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distinguished from other market participants. However, it should be emphasized that the attempt to build their own position using traditional instruments, such as quality, price, brand or distribution, are not sufficient factors to achieve the set goal. It was necessary to find a new solution that would implement many dispersed values of the organization into one cohesive whole. Enterprises must therefore undertake a number of initiatives involving the comprehensive and versatile involvement of their diverse resources. This approach allows identifying and developing the basic advantages of the organization, which in practice take the form of core competences.

This concept assumes that the internal potential of the enterprise is the basis of advantage and development. This potential is understood as "the ability of the company to operate actively"; what uses the basic resultant strengths of experience, skills, management style, specialization as well as a wide range of resources have (Krogh and Roos 1995, p. 62). It is believed that a strategy based on the concept of core competences allows for a deep reconstruction of existing activities; provides a new value to buyers as well as the expansion to other previously unsupported markets. The correctly defined assets of the organization allow including special, unrepeatable and unique attributes in the management system. They will enable the organization to achieve above-average income, improve productivity, reduce risk, increase hitherto market share or enter new areas of activity, introduce a new product or services, and therefore effectively compete with rivals. The concept of core competences allows to focus on those areas of the company's functioning which, from the point of view of the given entity, are the most important, bring the greatest income and profits, and within which the organization has the greatest competences, characterized by such parameters as: experience, practice, skills, equipment, technology, resources, etc.

The implementation of a strategy based on the core competences enables a quick and correct response to the contemporary economic turmoil and perturbations, thus defining the directions of present and future development. The diagnosis, selection and evaluation of assets, which are the core competences for the company, is not an easy task. It should be emphasized that not every positive feature, not every value, resource or merit is distinctive, unique and, most importantly, valuable attribute that could be the core of the created competitive advantage. This problem is

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particularly important in Poland where enterprises face significant problems with identification and evaluation of their own fundamental assets. This causes the concept to be relatively unpopular.

Therefore, taking into account the importance of the concept of distinguishing advantages in strategic management and its impact on the competitive position, the aim of this paper is to present the essence and nature of core competences in the cognitive aspect as well as their recognition and assessment in Polish enterprises. The diagnosis was made by means of surveys, interviews and observations taking part in entities belonging to the industrial enterprises.

### **1. Core competences – the theoretical approach**

The concept of core competences was introduced and developed by Prahalad and Hamel (1990), who define competences as a process of team acquisition of knowledge by an organization. This process contributes to the consolidation of individual technologies and production skills and consequently determines the possibilities of developing basic product lines in the enterprise and quick adaptation to the changing environmental conditions. This process is the basis for the creation of products and services that are in line with the expectations of both present and potential buyers. According to the authors' assumptions, the competences are core if they have been characterized by the following features:

- they make a big contribution to the value of the product being manufactured or the provided service,
- they are unique, so they are not present in the competition and are difficult to copy,
- they form the basis of the company's operation and can therefore be used in various areas of the company's activities.

The skilful use of the above features and, especially their joint implementation allows achieving the synergy effect that reveals itself in the optimal use of the possessed resources. It should be emphasized that the authors have extended the presented approach, and, in addition they have recognized that the core competences may take on the nature of (Gilgeous, Parveen 2001):

- market access competencies: these are skills that allow to locate the company in close proximity to its buyers,
- integration and relational competences: these are skills that allow the company to perform work faster, with much greater flexibility or with much greater reliability and credibility than competitors do,
- functional and relational competences: these are skills that enable the company to invest in its own products or services.

The core competences are, therefore, treated as a specific field on which the coherent enterprise assets, the extensive knowledge covering relevant information from all the entity's cells and the proficiency in performing specific tasks, meet and are mutually penetrated. According to Ji (2012, p. 1896) the adopted definition indicates the three main attributes of the core competences, i.e.:

- knowledge and, in particular, the ability to accumulate it, both those of open and hidden nature,
- integration which enables combining the dispersed assets into a common ground that constitutes a basis for competition,
- accumulation constituting a set of basic advantages developed over a long period of time.

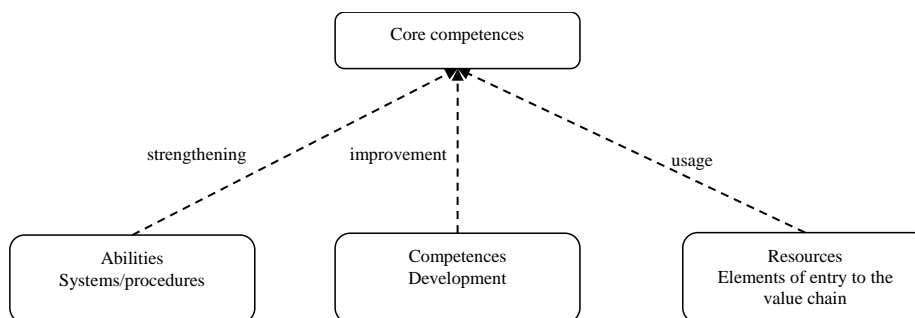
Ljungquist (2007, p. 395) also emphasizes that the core competences should be seen as the concept of a "competence hierarchy" which can be presented as a combination of two types of hierarchy: cumulative and qualitative. The cumulative one is related to mutual penetration and integration of resources. The qualitative hierarchy assumes that the combination of resources contributes to the organization's achievement of greater value. The resources become the basis of hierarchization and the abilities that are based on resources are the next level whereas the competences are the subsequent level and their essence is revealed in both the resources and the abilities. As a consequence, the core competences are at the highest level of the hierarchy, they contribute to achieving the greatest value for the organization but they are the most difficult to achieve. However, according to Teece and others (1997, p. 510), the core competence base is the range, scale and scope of activity of company and its competitors as well as the specificity and uniqueness of manufactured products or provided services. In addition, the value of core competences can be enriched and developed by the appropriate combination of them with the appropriate complementary assets.

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Looking for the essence of core competences, it should be noted that this concept contains a large dose of abstractness which in consequence may contribute to its low usefulness in practice. In the simplest terms, the core competences of an organization are defined as the ability to perform specific tasks better than the competitors do. Thus, it is all that the company develops, what it focuses on and what affects the final results (Cyrus and Moghaddam, 2014). Therefore, it can be emphasized that this is the area on which certain attributes of the enterprise, such as skills, resources and processes, interpenetrate, supplement and complement each other (Torkkeil and Tuomin, 2002). Among these attributes, the particular attention must be paid to the appropriate allocation of resources, production abilities and possibilities, knowledge, professionalism of action and experience acquired throughout the entire value chain. These properties are derived from streams of unique skills coming from various areas of the company and competitive technologies (Clark 2000, p. 17) which cannot be borrowed from outside.

Similarly, Ljungquist thinks (2007, p. 400) that core competences are the resultant of three interlocking elements: company's abilities, professionalism of action and resources. The author indicates that the abilities have a significant share in the benefits contained in the product for the client, the professionalism is associated with exceptional and unique character in terms of competition, and the resources constitute a potential attribute of access to new markets (Ljungquist 2013, p. 455).



Source: (Ljungquist 2008, p. 77).

*Picture 1. Outline of the core competences model based on three criteria*

This platform, according to Ji (2012, p. 1896), is the area of four interpenetrating competence attributes, which include:

- value; it is believed that competences should affect the improvement of the efficiency of operations and thus determine the creation of value; the basic criterion, determining whether a given asset performs the function of core competences, is checking if it has value and provides a significant benefit to the buyer,
- heterogeneity which means that individual assets are characterized by unique properties that other entities cannot possess,
- scalability, a feature that causes the core competences to bring benefits to the enterprise in line with the effect of scale; for example, the organization's basic assets should allow to enter into many potential markets and thus influence the achievement of a proper competitive position,
- durability, resulting from combination of particularly important, unique and specific attributes of the organization what in practice makes it impossible to copy, follow or imitate them.

A similar, surface approach was presented by Lopes et al. (2015) who think that competences are a set of skills considered at the situational, technical and behavioral level which together form the so-called "competence eye". The first ones describe skills related to the proper management and are associated with the ability to combine organizational aspects with structure and strategic plans. The technical level is considered from the perspective of the manager's competences which are conditioned by the knowledge and skills required for a given position. The last one called behavioral level concerns attitudes, abilities and behaviour in the context of teamwork.

The core competences are also analyzed in the context of values. For example, Bacha (2012, p. 753), considering the discussion on core competences, defines it as a specific and unique experience of the company that allows creating value and thus offering products that stand out due to the uniqueness and difficulty in mapping by rivals in the medium period of time.

In the definitions of Gimzauskiene and Staliuniene (2010), it is pointed out that core competences are communication, active participation

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and deep involvement in work within the organization's boundaries which are determined by three parameters, i.e.: value created for clients, scarce resources and opportunities to compete.

Similarly, a comprehensive perspective on core competences is presented by Reynaud and Simon (2006, p. 245), who create a specific construction, distinguishing the characteristic attributes of the concept to which they included the difficulty of exchange (specificity), the difficulty of imitation and insubstantiality, value and rarity or uniqueness.

The core competences are treated as a strictly defined thing, as know-how, as something that an enterprise does exceptionally well and which provides it with a better than average degree of success in the long period of time (Gallon, Stillman and Coates 1999). These elements are defined by knowledge and skills that can be identified with the necessary qualifications needed to perform the assigned tasks at the right time and place. It is believed that core competences are the basic trend affecting the development of the organization and the key to its success (Ng and Kee, 2018).

From an enterprise perspective, the core competences can also be defined as the ability to perform specific works better than competitors do. Thus, it is all that the company develops, what it focuses on and what affects the final results (Cyrus and Moghaddam, 2014). A competent company is one that has a high degree of compatibility between the requirements needed to achieve success and the ability to meet these requirements (Baker et al 1997, p. 265).

The core competences can also be considered through the prism of the organization's goals and in particular, their compatibility and impact on the implementation of the assigned tasks (Eden and Ackermann, 2010). It comes from the assumption that defined, specific and unique intentions of the organization provide value to suppliers, buyers, shareholders and other stakeholders gathered around a specific entity.

Analyzing the above-mentioned approaches, it can be emphasized that the intensity and dynamics of using the concept of core competences in business management is conditioned by (Francioli, Albanesse 2017):

- the value it creates for customers and the impact on the competitive advantage,

- the prospect of possibilities to be used in the future,
- the stability over a long period of time,
- the deep rooting in the organization.

It can therefore be emphasized that the key role that the core competences play in the company's strategy, consists in satisfying the specific requirements of buyers faster and more efficiently than the direct competitors do.

## **2. Selection of the test sample and the test method**

The research on the identification and assessment of core competences was conducted as part of the comprehensive research related to the widely understood aspects of cooperation and joint action of enterprises in the process of joint implementation of objectives. They were in the nature of in-depth survey work, using a specially constructed questionnaire. In many cases, the study was enriched with participant observation during which interviews and discussions with representatives of individual entities were conducted. One of the issues discussed was to determine, based on own experience, the knowledge of business, the market and the competition, basic strengths, qualities and values that influence and shape a competitive advantage. The list of variables has been developed on the basis of a critical analysis of domestic and foreign bibliography, conducted surveys as well as opinions and comments from entrepreneurs obtained during previous interviews. The respondents also had the opportunity to indicate their own competences not included in the questionnaire.

The selection of companies, among which the survey was conducted, was based on a targeted selection, non-random entities commonly occurring, using strictly defined criteria. The basic condition for qualifying an enterprise to participate in the study was the type of business activity, which focused on the production or provision of production services.

The separated research sample did not take into account a representative spatial distribution of entities; hence the results presented



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below should be treated as a survey. It should be emphasized, however, that the presented results constitute a background for the theoretical considerations, allowing to recognize in qualitative and quantitative terms the occurrence of characteristics features for this type of entities.

The enterprises selected for the analysis were characterized according to several variables, whereas the following parameters were taken into account in this study:

- number of employees employed,
- period of company's operation on the market,
- business domains,
- form of doing business,
- nature of the market served,
- basic strategy
- location.

The detailed characteristics are presented in table 1. It should be emphasized that the cross-section of the sample was very diverse, the companies surveyed represented various activities, often widely diversified what made it impossible to create a harmonious and uniform portrait. However, they had many common features, defined by boundary conditions, which in turn enables their joint analysis.

*Table 1.*  
*Characteristics of the test sample according to various criteria*

No.	Characteristic	No. of indications N=192	Share (in %)
The size of the enterprise			
1.	Big	17	8,9
2.	Medium	51	26,6
3.	Small and micro	124	64,6
Foundation year			
1.	before 1990	31	16,1
2.	1991-2000	70	35,5
3.	2001-2010	71	37,0
4.	after 2010	20	10,4

Domain of activity <sup>1</sup>			
1.	Production	100	52,4
2.	Industrial supply	73	38,2
3.	Production services	52	27,2
4.	Other services	34	17,8
5.	Construction	17	8,9
6.	Transport	12	6,3
Legal form			
1.	The enterprise of a natural person	77	41,1
2.	Limited liability company	64	33,3
3.	General partnership	15	7,8
4.	Joint-stock company	13	6,8
5.	Civil partnership	11	5,7
6.	Other form	10	5,2
7.	Limited partnership	2	1,0
Type of market served <sup>1</sup>			
1.	Local market	98	51,0
2.	Regional market	70	36,5
3.	Domestic market	92	47,9
4.	International market	54	28,1
5.	Global market	6	3,1
Type of the base strategy used <sup>1</sup>			
1.	Quality strategy (differentiation)	105	54,4
2.	Price strategy (cost leadership)	83	43,0
3.	Diversified strategy - depending on the regions and enterprises served	59	30,7
4.	Niche strategy	32	16,6
5.	Mixed strategy (average quality at an average price)	25	13,0
6.	No clear strategy	12	6,2
7.	Follower's strategy	9	4,7
Location according to the size of the place			
1.	Places up to 50,000 residents	95	49,5
2.	Places from 50 thousand up to 100,000 residents	28	14,5
3.	Places from 100 thousand up to 200,000 residents	29	15,1
4.	Places over 200,000 residents	40	20,8

<sup>1</sup> the company could indicate more than one option.

Source: own study based on the results of empirical research.

### **3. Core competences of industrial enterprises – results of the study**

The research on core competences aimed at identifying the basic advantages of enterprises, which are the basis of the adopted and implemented strategy and, as a consequence, contribute to building a competitive advantage. This identification was made on the basis of a specially constructed questionnaire, in which dozens of variables, divided into six thematic areas concerning: technological, behavioral, relational, resource, strategic and market competences, were presented for evaluation. These variables were identified on the basis of previous studies, critical analysis of literature and opinions and comments of entrepreneurs, expressed at various types of meetings and discussions. The disadvantage of the study was the classification difficulty of individual variables as a number of them could be assigned to different areas, the indicated advantages complement each other, and they often reproduce containing a similar cognitive load. However, it should be emphasized that this division was made in accordance with the suggestion of entrepreneurs who indicated the big difficulties associated with the necessity to identify several of their own strengths, based on several dozen of the variables presented to them. The division into several interlocking areas made it possible to properly identify those features that were of most importance to the group under study. The study adopted the traditional competence model described by Prahalad and Hamel (1990; 1994).

The research was a direct interview during which respondents were asked to mark those variables, which in their opinion constitute a distinctive, valuable and difficult to copy asset of their organization. It should also be emphasized that interlocutors had the opportunity to indicate their own, individual and separate features, which in their opinion were the source of the organization's dominance and attractiveness. It should also be noted that the answers were provided by competent persons occupying management or managerial positions.

Starting the interpretation of the obtained results, it should be emphasized that a significant number of enterprises could not indicate distinctive and specific features that could constitute their core

competences. In this group, as many as 54 companies recruiting mainly from small entities (28% of the sample) did not indicate any asset. The rest, however, focused on several traditional aspects, such as the quality of the products or offered services, the owned machinery park, the appropriate location, reputation and low operating costs. A few of the respondents drew attention to their skills and experience which were often the result of their previous professional work. Occasionally, they emphasized specific features that in practice may constitute a competitive position. The following aspects were pointed out: clearly defined vision of development, precisely defined market and target customer, consistency and regularity in operation as well as business culture, which is based on reliability, honesty and infallibility.

More interesting results were obtained in the survey in which respondents were presented with a list of dozens of variables, identical with the strengths of the organization, with a simultaneous request to mark those that are the core asset of their company.

In case of the interpretation of the first area, regarding broadly understood technical and technological aspects, in which respondents had 14 variables to choose from, it should be emphasized that the surveyed enterprises do not have any particular, distinctive assets that would allow them to conduct effective competitive struggle. Three aspects prevailed: the first one referred to offering high quality products and services which was indicated by 126 companies (over 65.6% of surveyed entities), the second one referred to compatible production capacities (106 indications, 55.2% of the sample), the third one referred to properly matched production program fulfilling the requirements of recipients (102 indications, 53.1%). It should be underlined that the indicated competences are characteristic for most entities conducting economic activity in Poland and as such, they are not of a distinctive, valuable and difficult to copy nature. On the other hand it is possible to identify those areas in which there are certain competence gaps. The innovativeness of the possessed technology was particularly low evaluated (17 indications, 8.8% of the sample) and so same the technological and process compatibility with partners (15 indications, 7.8% of the sample) as well as the standardization (12 indications, 6.2% of the sample). The indicated aspects are related to investment processes, which

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in Poland are not yet a commonplace. Most entrepreneurs, especially those representing the SME sector, base their activity on technologies the age of which is estimated at 10 – 15 years. The sources of their origin are, first of all, German factories that underwent the restructuring process and exchanged their production potential for a new one.

*Table 2.*  
*Ranking of technological competences*

Technological area		
Competence	No. of indications <sup>1</sup> N=192	Share %
Quality and modernity of products (quality leadership)	126	65,6
Production capacity adapted to market requirements	106	55,2
Production program adapted to market requirements	102	53,1
Production potential (modern production equipment)	82	42,7
Specialized production capacities	69	35,9
Low production costs	55	28,6
Universal production capacities	45	23,4
Unique technology and manufacturing process	43	22,4
Possessed know-how	33	17,2
Patents and licenses	24	12,5
Short production cycles	24	12,5
Innovation of possessed technologies	17	8,8
Technological and process compatibility	15	7,8
Normalization and standardization processes	12	6,2

<sup>1</sup>Enterprises had the opportunity to indicate several competences.

Source: own study based on empirical research.

As part of the second area characterized by 15 variables, which were analyzed from a behavioral perspective, the respondents distinguished four aspects which together can form the basis of competitive struggle. Competences, education and experience are highly rated, both these ones of employees (115 responses, 59.9% of the sample) and of management staff (94 indications, 49% of the sample). It should be emphasized that in practice the indicated advantages are very important from the point of view of building a competitive advantage, and can take the form of core competences. Two more elements are associated with the previously indicated ones: the first one relates to the involvement of the

crew in achieving goals and tasks (108 responses, 56.3% of the sample); the second one is a high work culture (88 indications, 45.8% of the sample) which the respondents identify with the appropriate, professional and a reliable approach to contractors. It should be noted that care for the interests of buyers and suppliers as well as the ability to flexibly adapt to their requirements and demands, ensure long-term cooperation based on reciprocity. Within the behavioral area, the responsibility, which often assumes a fuzzy, indefinite nature, lack of internal communication structure and a mutual learning process, was relatively poorly assessed. The last aspect is related to the employees' approach to the tasks performed. In Poland, the dominant approach is that one in which each employee strives to have certain exclusive assets which raises his position in the crew ranking and may be the basis for applying for additional remuneration.

*Table 3.  
Ranking of behavioural competences*

Behavioural area		
Competence	No. of indications <sup>1</sup> N=192	Share %
Qualifications and experience (level of education) of the crew	115	59,9
Committed and competent employees	108	56,25
Qualifications and experience (level of education) of the staff	94	49,0
High work culture	88	45,8
Experience acquired while working	76	39,6
Matching skills to possessed technology	68	35,4
Knowledge of strategic goals by the crew	28	14,6
Strictly defined tasks for individual cells	73	38,0
The attitude of the company to motivation to work	59	30,7
Courses and internal training	46	24,0
Developing employees' knowledge	34	17,7
Procedures and programs	34	17,7
Learning process (individual and group)	28	14,6
Structure enabling proper communication	26	13,5
Strictly defined responsibility	22	11,5

<sup>1</sup>Enterprises had the opportunity to indicate several competences.

Source: own study based on empirical research.

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The next area, described by 9 variables, concerned relational determinants. In practice, it is considered to be one of the most important areas of business activity within which the core competences can be developed. The appropriate relationship, based on the principle of reciprocity, is a distinctive, specific feature, which is difficult to copy and with versatile usage possibilities. In the analyzed group of enterprises, the most important relational aspects included openness and flexibility in relation to the contractors' requirements (128 responses, 66.7% of the sample) and appropriate, professional methods of customer service (116 indications, 60% of the sample). High assessment of the identified issues indicates a change in the approach to running a business from confrontational to relational form, which proves the evolutionary development and transition to higher, more advanced forms of cooperation. The indicated competences are related to another one concerning partner relations with clients and suppliers (87 indications, 45.3% of the sample) which often manifests itself in informal relationships. These relationships, in specific cases, may be corrupt, unreliable and dishonest. This hypothesis is reflected in a relatively low assessment of compliance with certain norms and values, as only 16 respondents, constituting 8.3% of the sample, indicated this replacement competence. When analyzing the competence regarding the following of standards and values, it should be emphasized that in practice many enterprises, especially those with a strong position, achieve their goals and tasks at the expense of the partner.

*Table 4.*  
*Ranking of relational competences*

Relational area		
Competence	No. of indications <sup>1</sup> N=192	Share %
Openness and flexibility in relation to the recipient's requirements	128	66,7
The manner and method of customer service	116	60,0
Partner relationships with clients and suppliers	87	45,3
Partner relationships with other stakeholders	76	39,6
Partnership relations between employees	68	35,4
Relations between the crew and the management staff	51	26,6
Team work skills	26	13,5
Ability to manage conflicts	18	9,4
Management values and standards (ethics)	16	8,3

<sup>1</sup>Enterprises had the opportunity to indicate several competences.

Source: own study based on empirical research.

Competences, including the core ones, can also be built using resources. The human resources, which are valued at all levels of enterprise management, are particularly important in the studied group. The engineering and technical staff are highly rated (136 responses, 70.8% of the sample) as well as the management staff (122 indications, 63.5% of the sample) and the operational employees (108 indications, 56.3% of the sample). The skillful and professional cooperation between particular groups guarantees the implementation of tasks and thus achieving the set goals. The respondents stressed that the quality of human resources is conditioned on one hand by a high level of education, on the other hand, by the acquired experience and practice in specific production plants. Other resources, including tangible, financial and intangible ones, are not and rather will not be in the near future the strengths of Polish industrial enterprises. The basis for their development are investments, the level and scope of which are still insufficient. The lack of investment is conditioned in the first place by the political situation and then by the economic and social situation.

*Table 5.*  
*Ranking of resource competences*

Resource area		
Competence	No. of indications <sup>1</sup> N=192	Share %
Possessed personnel resources – engineering staff	136	70,8
Possessed personnel resources – management staff	122	63,5
Possessed personnel resources – executive employees	108	56,3
Possessed financial resources (shares, debentures, funds)	52	27,1
Material resources owned (e.g. technical equipment)	45	23,4
Access to rare raw materials and materials	26	13,5
Intangible assets	28	14,6
Access to unique sources of supply	22	11,5

<sup>1</sup>Enterprises had the opportunity to indicate several competences.

Source: own study based on empirical research.

Another ranking is very interesting, concerning strategic aspects and it is characterized by 11 variables. According to the respondents, the skillful use of assets of prominent importance enables development,



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acquisition of new markets, diversification of activities and thus building the value of the enterprise. In the study group, the defined objectives and tasks (124 responses, 64.6% of the sample) as well as the image and reputation that the company developed on the market (107 indications, 55.7% of the sample), were considered to be particularly important. The highlighted aspects can be the distinctive assets of an organization that, if used properly, contribute to success. The first issue that is particularly important proves the growing awareness of entrepreneurs for prospective planning. It should be emphasized that a few years ago, most enterprises was acting temporarily, planning their activities for a few or at most a dozen or so months. Currently, the situation has changed and most entrepreneurs thoroughly analyze the environment, competition and market what allows setting a long-term strategy. According to the respondents, there cannot be included as distinctive assets such aspects as the culture of the organization (perceived as some accepted norms of procedure), history and tradition as well as a stable financial situation.

*Table 6.*  
*Ranking of strategic competences*

The strategic area		
Competence	No. of indications <sup>1</sup> N=192	Share %
Clear objectives and tasks	124	64,6
Image and reputation of the company on the market	107	55,7
Clearly defined strategy and development directions	83	43,2
Creating effective action plans	74	38,5
Cost leadership	65	33,8
The company's financial policy	57	29,7
Mission and vision of enterprise development	56	29,2
Implemented quality assurance systems	54	28,1
Stable and solid financial position	36	18,2
History and tradition	34	17,7
Organizational culture	10	5,2

<sup>1</sup>Enterprises had the opportunity to indicate several competences.

Source: own study based on empirical research.

Also in the last area, concerning market aspects, the entrepreneurs indicated specific assets, which in their opinion assume the nature of core

competences. Among the 15 variables, the most significant ones were the flexibility in responding to changes in the environment (146 responses, 76% of the sample), the appropriate location (128 responses, 66.7% of the sample) and offering a product or service of a unique nature (108 indications, 56, 2% of the sample). The indicated aspects have a specific nature, difficult to be copied, allowing to build lasting relationships with contractors what according to the respondents positively affects the development and growth of enterprises. It should be emphasized that the entrepreneurs also indicated other advantages, which, in their opinion, may assume the nature of core competences. In this respect, it is worth paying attention to: complexity of the offer, access to distribution channels and possession of various types of certificates, approvals and distinctions that, in the opinion of the respondents, facilitate the establishment and development of relationships. In terms of strategic competences, the aspects such as the scope and area of the market served, its diversification as well as the depth and breadth of the possessed assortment, were relatively poorly assessed.

*Table 7.*  
*Ranking of market competences*

Market competences		
Competence	No. of indications <sup>1</sup> N=192	Share %
Flexibility in responding to changes in the environment	146	76,0
Appropriate location	128	66,7
A unique, unrepeatabe product or service	108	56,2
Comprehensive offer	94	48,9
Access to distribution channels	94	48,9
Certificates, attestations and distinctions	94	48,9
Reputation of the company on the market	90	46,9
Marketing, promotional and sponsoring activities	88	45,8
Recommendations of other market participants	57	29,7
Openness to new concepts, ideas and innovations	52	27,1
The company's brand on the market	48	25,0
Access to suppliers	47	24,5
Depth and width of the assortment	35	18,2
Diversification of the market	24	12,5
The scope and size of the market served	18	9,4

<sup>1</sup>Enterprises had the opportunity to indicate several competences.

Source: own study based on empirical research.

### Conclusions

The core competences are defined as the sum of tangible and intangible assets of the organization, which is also the source of the company's ability to provide its buyers with unique value. However, the attempts to identify and characterize them, are a serious challenge and many organizations are unable to correctly indicate their strengths what would have a positive impact on building a competitive advantage.

It should be emphasized that the carried out research allowed identifying several factors that are treated by enterprises as an element of the market game, which makes it possible to achieve the success. The particularly significant factors include: quality and modernity of offered products in terms of technological competence, qualifications of the crew, behavioural area, openness and flexibility in relational approach, personnel resources, clearly defined goals and tasks considered through strategic prism and the ability to adapt to the environment in terms of the competence market.

Nevertheless, analyzing individual rankings it can be stated that some competences show a high degree of interdependence what means that they repeat the same or similar information. In addition, the differences in individual assessments are very small what contributes to difficulties in their correct interpretation and the result is of subjective and tendentious nature, being often under the influence of current events. It is therefore justified to conduct further analyses and research in the field of core competences of industrial enterprises.

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