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Shaping Competence Development Through Innovative Work-Based Learning

Qualitative Insights from HR Professionals in Multinational Enterprises

Introduction

With rapid changes in technology and job expectations, many multinational enterprises find that developing employee competence is more important than ever. As a result, traditional classroom-based training is often no longer sufficient, increasing interest in more flexible and sustainable forms of work-based learning (WBL).

Work-based learning views learning as taking place within everyday work activities, allowing employees to develop competence through experience, problem-solving, and reflection rather than through isolated instruction (Kolb, 1984; Cole, 1989). In this sense, competence can be seen as a dynamic and context-dependent process shaped through ongoing interaction with work tasks and organizational environments (Hager et al., 2002). Research on innovative work-based learning has often focused more on formal structures and tools than on the learning mechanisms through which competence develops in everyday organizational practice. This limitation is especially noticeable in multinational enterprises, where these learning processes remain poorly understood.

Within organizations, human resource professionals play an important role. Because HR professionals are involved in organizational strategy, learning systems, and employee development, they strongly influence how work-based learning is understood, designed, implemented, and applied. Their work is not limited to administering training programs; it also includes creating environments that encourage reflection, experimentation, and knowledge sharing (Armstrong, 2020; Marsick & Watkins, 2003). By defining priorities and organizing learning opportunities, HR professionals influence how learning is built into work processes and how competence development is supported over time.

Organizational culture also shapes how competence development is understood. Learning practices are rooted in shared values, norms, and assumptions that influence how employees engage with learning opportunities and how organizations create and apply knowledge (Hofstede, 1980, 1993; Hall, 1969). Organizational learning theories emphasize that innovation in learning is closely linked to reflection, feedback, and the ability to question existing practices (Argyris & Schön, 1978). In this way, innovative WBL creates a setting in which employees can engage in experiential learning, challenge established routines, and contribute to organizational competence.

Innovation in work-based learning is also linked to how organizations create knowledge. From a knowledge-creation perspective, interaction, dialogue, and experiential learning are important in turning individual knowledge into shared organizational competence (Nonaka, 1988; Nonaka & Takeuchi, 1995). By integrating learning into everyday work practices, innovative WBL supports continuous competence development through collaboration, shared problem-solving, and applying knowledge in real organizational settings.

These perspectives suggest that innovative work-based learning contributes to competence development by making learning part of everyday work, encouraging reflection and experimentation, and connecting individual development with broader organizational learning processes. However, how HR professionals in multinational enterprises actually understand and support these processes in practice remains unclear. This study addresses that gap by examining competence development through HR professionals' accounts. This is the focus of the present study.

This study addresses the following research question

How does innovative work-based learning shape employee competence development, as interpreted and put into practice by HR professionals in multinational enterprises?

Theoretical Background

Work-Based Learning and Experiential Learning

Work-based learning (WBL) is commonly understood as learning that occurs directly through engagement in work activities, where knowledge develops through participation in real tasks, challenges, and interactions within organizational settings. Experiential learning theory emphasizes that knowledge and competence develop through a cyclical process of experience, reflection, conceptualization, and application (Kolb, 1984). This perspective shifts attention away from formal instruction and instead emphasizes everyday work activities as primary sites of learning, where individuals refine their understanding through ongoing practice.

Early organizational learning research similarly highlights the importance of learning through participation and problem-solving rather than through detached instruction. Learning at work enables individuals to develop practical understanding by responding to concrete organizational situations, experimenting with solutions, and reflecting on outcomes (Cole, 1989). Work-based learning is a continuous and context-dependent process closely tied to the realities of organizational work.

In adult learning theory, experiential and work-related learning is particularly relevant, as adult learners bring prior experience to learning situations and seek immediate applicability of knowledge (Knowles, 1984). Work-based learning responds to these characteristics by enabling learning through meaningful tasks and responsibilities, allowing competence to develop through engagement rather than transmission. Work-based learning can therefore be understood as a continuous and context-dependent process closely tied to organizational practice.

Competence Development as a Dynamic Process

Competence development is increasingly understood as a dynamic process involving the application of knowledge, skills, and attitudes across varying work contexts. Competence is shaped through interaction with organizational demands, social relationships, and contextual factors rather than being developed solely through formal training interventions (Hager et al., 2002).

Competence develops over time as individuals engage in work activities that require judgment, problem-solving, and adaptation. Work-based learning supports this process by providing opportunities for learning through action, feedback, and reflection, enabling individuals to integrate experience into their professional practice. Instead of viewing competence as a fixed outcome, WBL conceptualizes it as an evolving capability shaped through participation in everyday organizational practices.

Organizational learning theory further supports this view by highlighting that learning involves questioning existing assumptions and adjusting behavior in response to experience. Argyris and Schön's (1978) concept of single-loop and double-loop learning highlights the role of reflection and questioning in competence development. Through work-based learning, individuals are exposed to situations that encourage not only incremental improvement but also deeper reconsideration of practices, contributing to stronger, more adaptive competence.

Innovation in Learning and Knowledge Creation

Innovation in work-based learning can be understood as a shift away from standardized training approaches toward more flexible, context-sensitive learning practices. Innovative WBL practices emphasize learning through collaboration, experimentation, and knowledge sharing within work processes. These practices build competence by supporting learning through direct experience and peer interaction in real work settings.

The knowledge-creation perspective highlights how interaction and dialogue transform individual knowledge into organizational competence. Nonaka's (1988) middle-up-down management concept emphasizes the importance of dynamic knowledge flows between individuals and organizational levels. Building on this, Nonaka and Takeuchi (1995) describe knowledge creation as a socially embedded

process in which tacit and explicit knowledge are continuously transformed through shared practice and reflection.

WBL creates conditions that enable these knowledge creation processes to unfold within everyday organizational activities. By embedding learning in everyday work, organizations create opportunities for employees to contribute to collective learning and competence development. Innovation in WBL lies not only in using new tools or methods, but in rethinking how learning is integrated into work and how knowledge is generated and applied within organizations (Nonaka & Takeuchi, 1995).

The Role of HR Professionals in Shaping Learning Environments

Human resource professionals are central actors in shaping the conditions that enable work-based learning and competence development within organizations. Beyond administering formal training programs, HR professionals influence learning by designing systems, policies, and practices that support continuous development. Human resource management literature emphasizes HR's strategic role in aligning learning initiatives with organizational goals and fostering environments that encourage learning and development (Armstrong, 2020).

The concept of a learning organization further highlights the importance of organizational structures and cultures that support learning at multiple levels. Marsick and Watkins (2003) emphasize that learning-oriented organizations create opportunities for questioning, dialogue, and reflection, enabling individuals to develop competence through engagement with work. HR professionals contribute to these environments by facilitating access to learning opportunities and supporting practices that integrate learning in daily work activities.

In multinational enterprises, HR professionals operate within complex organizational and cultural contexts. Organizational culture, strategic priorities, and contextual limitations shape how they interpret innovation in learning and competence development. Examining HR professionals' accounts therefore provides insight into how innovative work-based learning is implemented and how competence development is supported through organizational learning systems rather than formal training alone.

Organizational Culture and Contextual Influences on Learning

Organizational culture strongly shapes learning and competence development through shared values, norms, and underlying assumptions that influence how learning is perceived, how knowledge is shared, and how individuals engage with learning opportunities. Cultural frameworks highlight that organizational practices, including learning and development, are shaped by broader cultural patterns related to communication, authority, and collaboration (Hofstede, 1980, 1993; Hall, 1969).

Organizational culture research emphasizes that learning practices cannot be understood independently of their cultural context. Ogbanna and Harris (1998) argue that culture shapes organizational behavior in subtle ways, influencing how learning initiatives are interpreted and implemented. In multinational enterprises, these cultural influences are particularly important, as learning practices must accommodate diverse expectations and organizational norms.

Innovative work-based learning operates within these cultural contexts, shaping and being shaped by organizational values and practices. Examining competence development through WBL necessitates careful consideration of the cultural and organizational contexts in which learning takes place. HR professionals, positioned within these environments, play a key role in navigating cultural influences and supporting learning practices that foster competence development across diverse organizational settings (Hofstede, 1993).

Methodology

This study uses a qualitative research design and aims to examine how innovative work-based learning contributes to competence development within multinational enterprises. A qualitative approach was chosen to gain deeper insight into learning processes and organizational practices as experienced and

interpreted by human resource professionals. This approach is particularly appropriate for examining complex social phenomena where meaning, context, and interpretation play a central role (Creswell, 2009).

Research Design and Data Collection

This study gathered empirical data through semi-structured interviews with HR professionals working in multinational enterprises. HR professionals were considered key informants given their direct involvement in the design, implementation, and oversight of organizational learning and development practices. A purposive sampling strategy was used to include participants actively engaged in learning and development activities within their organizations. The semi-structured format allowed in-depth exploration of participants' experiences while maintaining consistency across key topics related to work-based learning, innovation, and competence development. During the interviews, participants reflected on learning practices embedded in daily work processes, recent changes in training approaches, and the ways competence development is supported through routine organizational activities. Participation was voluntary, and all interviewees provided informed consent before data collection. The interviews lasted between 30 and 40 minutes and were audio-recorded with participants' permission. All interviews were transcribed prior to analysis.

The study is based on twelve semi-structured interviews with HR professionals representing twelve multinational enterprises operating in Hungary. The interview sample reflects a balanced gender distribution; Figure 1 provides an overview of participant characteristics.

Figure 1 — Characteristics of Interview Participants

No	Interviewee	Age	Gender	Work Experience (Years)
1	Interviewee 01	47	M	14
2	Interviewee 02	38	F	8
3	Interviewee 03	41	M	10
4	Interviewee 04	32	F	7
5	Interviewee 05	48	F	12
6	Interviewee 06	35	M	7
7	Interviewee 07	46	F	10
8	Interviewee 08	39	M	8
9	Interviewee 09	33	F	6
10	Interviewee 10	39	M	8
11	Interviewee 11	41	M	11
12	Interviewee 12	38	F	9

Source: Own compilation

Data Analysis

The interview material was analyzed using an inductive qualitative approach informed by grounded theory principles. This approach develops concepts directly from empirical data through systematic comparison rather than relying on predefined hypotheses (Glaser & Strauss, 2008). The analysis aimed to identify recurring patterns and underlying learning mechanisms that explain how competence development emerges through innovative work-based learning practices.

ATLAS.ti software supported the coding and organization of the interview material across all cases. The analytical process involved several stages, beginning with open coding and followed by developing higher-level categories through constant comparison across interviews. This process resulted in a thematic structure that captured key areas of work-based learning practices, competence development, and innovation in organizational learning. Figure 2 summarizes the main themes and related subthemes identified through this analysis, providing an overview of the core analytical categories.

Figure 2 — Overview of Main Themes and Subthemes Identified Through Interview Analysis

Main Theme	Related Subthemes
Work-Based Learning Practices	On-the-job training approaches; training methods; feedback and evaluation; success stories
Competence Development	Competence evaluation; development strategy; investment in development; role of managers
Innovation in Learning	Definition of innovation; innovation in HR; strategic HR programs; fostering innovation
Learning Support Mechanisms	Development tools and platforms; motivation for learning; benefits of learning

Source: Own compilation based on qualitative interview analysis using ATLAS.ti

Ethical Considerations

The Ethical Review Board of the Faculty of Education and Psychology at Eötvös Loránd University granted ethical approval for the study (Approval No. 2024/285).

To ensure the trustworthiness of the qualitative analysis, the researcher paid particular attention to maintaining transparency and consistency throughout the research process. Systematic coding procedures and constant comparison across cases supported the credibility of the findings. The researcher's continued engagement with the data and familiarity with the organizational contexts contributed to a deeper interpretation of participants' accounts. These strategies align with established qualitative research standards for ensuring rigor and analytical depth (Cohen et al., 2000; Creswell, 2009).

Findings

The interview data point to four interrelated mechanisms through which innovative work-based learning contributes to competence development in multinational enterprises. These mechanisms emerged through iterative coding and comparison across the interview material, reflecting recurring patterns in how learning processes are experienced within organizations. The findings do not focus on formal training programs; instead, they examine how competence development is constructed through learning processes embedded in organizational practice.

Embedding Learning in Everyday Work Practices

One of the most prominent patterns across the interviews relates to the integration of learning into everyday work activities. HR professionals described a deliberate shift away from formal, classroom-based training toward learning that occurs through participation in real tasks, projects, and problem-solving situations. Learning was often described as happening during work itself, rather than as a separate activity that required time away from daily tasks.

“Most learning doesn’t happen in training rooms anymore. People learn while doing their daily tasks and solving real problems at work.” (Interviewee 03)

Participants consistently highlighted that competence development was most effective when employees engaged in challenging tasks that required them to apply existing knowledge in new contexts. Learning was embedded in project work, cross-functional collaboration, and task rotation, allowing employees to develop competence through experience. One of the HR professionals highlighted that “When employees work on real projects and face real challenges, they develop skills much faster than through formal training alone.” (Interviewee 06)

Embedding learning within daily work was considered especially important in dynamic organizational environments, where predefined training content can quickly lose relevance. By situating learning within everyday work, organizations created conditions in which competence development could evolve in response to changing demands rather than being constrained by fixed training curricula.

Experimentation, Reflection, and Feedback as Learning Mechanisms

Another important pattern identified in the data concerns the role of experimentation, reflection, and feedback in learning processes. HR professionals described learning as an ongoing process involving experimentation, reflection on outcomes, and adjustment based on feedback.

Innovative work-based learning created opportunities for employees to test new ideas and approaches without immediate negative consequences. HR professionals noted that competence development was supported when organizations encouraged learning from mistakes and treated unsuccessful attempts as part of the learning process. Reflection was often facilitated informally through team discussions, project debriefings, or one-to-one conversations rather than through formal evaluation procedures.

Feedback played a central role in linking experience to competence development. Participants emphasized that timely and constructive feedback helped employees make sense of their experiences and translate them into learning. Through iterative cycles of action and reflection, employees refined their skills, deepened their understanding, and developed more adaptive forms of competence. Another participant emphasized that “Feedback after projects is very important. Talking about what worked and what didn’t helps employees understand how they can improve.” (Interviewee 09)

HR-Enabled Structures and Conditions for Innovative Work-Based Learning

The data further point to the importance of HR-enabled structures and organizational conditions in supporting work-based learning. HR professionals described their role as creating conditions that allow learning to take place within organizational routines. This included providing time for learning within work schedules, legitimizing learning activities as part of work, and encouraging managers to support learning-oriented practices.

As one HR professional noted, “Our role is to make sure learning has space in daily work. We try to give people time and support so learning is seen as part of the job, not something extra.” (Interviewee 07)

Their role extended beyond training delivery to include designing environments that support continuous learning. This included fostering collaboration across departments, supporting mentoring relationships, and facilitating access to learning resources. HR professionals also highlighted the importance of aligning learning practices with organizational strategy to ensure that competence development was relevant and valued.

In multinational enterprises, HR professionals often had to balance standardized learning frameworks with local flexibility. The data indicate that innovative work-based learning was most effective when HR structures allowed flexibility while maintaining a shared learning orientation. As one participant explained, “We have common learning frameworks, but we also allow teams to adapt them to their local needs. That flexibility makes learning more effective.” (Interviewee 11)

From Individual Learning to Organizational Competence

Another pattern in the data relates to how individual learning translates into organizational competence. HR professionals emphasized that competence development extends beyond individual skill acquisition and becomes organizationally meaningful when learning is shared, integrated, and sustained over time.

Participants described how they shared, documented, and integrated individual learning experiences into organizational practices. Innovative work-based learning supported these processes by encouraging collaboration and dialogue across teams and organizational levels. As one HR professional noted, "Learning becomes really valuable when people share what they have learned with others. That's how individual experience turns into something the whole organization can use." (Interviewee 04)

This collective dimension of competence development was considered essential for sustaining organizational adaptability and innovation. HR professionals highlighted that when learning remained isolated at the individual level, its impact was limited. In contrast, when learning was embedded in organizational processes and shared across the organization, it contributed to organizational competence development and long-term capability building. As another participant emphasized, "If learning stays with one person, the impact is limited. When it becomes part of how we work as an organization, it supports long-term competence and improvement." (Interviewee 12)

The findings show that competence development is shaped through interconnected processes that embed learning in work, support experimentation and reflection, enable learning through organizational structures, and extend individual learning into collective organizational capability.

Discussion

This study examined how innovative work-based learning contributes to competence development in multinational enterprises, as interpreted by HR professionals. The findings indicate that competence development takes shape through interconnected learning mechanisms taking place within everyday work, rather than through isolated training interventions. The study contributes to existing work-based learning and competence development literature by shifting attention from learning structures toward learning processes, highlighting how competence is constructed within organizational contexts.

A central contribution of this study is reconceptualizing competence development as a process integrated into work rather than an outcome of formal training. Consistent with experiential learning theory (Kolb, 1984), the findings demonstrate that competence develops through engagement with real work tasks, problem-solving, and participation in organizational activities. At the same time, the findings extend experiential learning perspectives by showing that these processes are not only individual but are also structured and supported at the organizational level. Work-based learning functions as an organizational learning mechanism through which competence development is continuously shaped in response to changing work demands.

The findings also contribute to competence development theory by reinforcing the view of competence as dynamic and context-dependent (Hager et al., 2002). Instead of viewing competence as a predefined set of skills delivered through training, HR professionals described it as evolving through cycles of action, reflection, and feedback. This aligns with organizational learning theory, particularly the distinction between single-loop and double-loop learning (Argyris & Schön, 1978). Innovative work-based learning creates conditions in which employees not only refine existing practices but also question underlying assumptions, enabling deeper forms of learning and more adaptive competence development.

A key theoretical insight of the study concerns the role of innovation in learning. Innovation in work-based learning was less about introducing new technologies or formal programs and more about reconfiguring how learning is integrated into daily work. This finding resonates with the knowledge-creation perspective, which emphasizes learning as a socially grounded process involving interaction, dialogue, and shared practice (Nonaka, 1988; Nonaka & Takeuchi, 1995). By embedding learning

in everyday work, organizations facilitate the transformation of individual experience into collective knowledge and organizational competence. The study thus contributes to learning theory by conceptualizing innovative work-based learning as a pathway for organizational knowledge creation rather than as a set of discrete learning interventions.

The findings also clarify HR professionals' role in competence development. Existing human resource management literature highlights HR's strategic role in supporting learning and development (Armstrong, 2020; Marsick & Watkins, 2003). This study extends that perspective by demonstrating how HR professionals act as learning architects who shape the organizational conditions under which work-based learning occurs. Rather than acting primarily as training providers, HR professionals influence competence development by shaping conditions that support learning at work. This conceptualization moves beyond functional views of HR toward a more process-oriented understanding of HR's role in organizational learning.

Organizational culture emerges as a key contextual factor shaping how work-based learning and competence development occur. Consistent with cultural frameworks (Hofstede, 1980, 1993; Hall, 1969), the findings suggest that shared values and norms shape learning practices and influence employees' willingness to engage in learning, experimentation, and knowledge sharing. In multinational enterprises, these cultural influences add complexity to designing and implementing innovative work-based learning. The study contributes to organizational culture theory by showing how cultural and organizational contexts mediate competence development through work-based learning, rather than making it universally transferable.

Taken together, the findings contribute to theory by integrating perspectives from experiential learning, organizational learning, and knowledge creation to explain how innovative work-based learning shapes competence development. The study highlights that competence development is not a linear or standardized process but a socially grounded and organizationally supported phenomenon. By focusing on learning mechanisms rather than training formats, the paper offers a process-oriented understanding of competence development that complements and extends existing theoretical approaches.

This study also highlights the value of examining competence development through qualitative inquiry. By drawing on HR professionals' accounts, the research captures the interpretive and contextual dimensions of learning that are often overlooked in more outcome-oriented studies. This approach enables a deeper understanding of how learning is experienced in practice and how competence development is shaped within complex organizational environments.

Conclusion

This study examined how innovative work-based learning shapes competence development in multinational enterprises, drawing on qualitative insights from HR professionals. The findings indicate that competence development does not stem from isolated training activities but is shaped through learning mechanisms that are integrated into everyday work practices. By focusing on how learning unfolds in practice, the study offers a process-oriented understanding of competence development.

From a theoretical perspective, the study contributes to work-based learning and competence development literature by integrating experiential learning, organizational learning, and knowledge-creation perspectives. Competence development is conceptualized as a dynamic, socially grounded process shaped by experimentation, reflection, feedback, and knowledge sharing within work environments. Innovative work-based learning functions as an organizational learning mechanism through which individual experience is transformed into collective competence. This shifts the focus away from static or skill-based conceptions of competence and highlights the importance of learning processes that occur in everyday work.

The study also clarifies HR professionals' role in organizational learning. Instead of viewing HR professionals primarily as providers of training, the findings position them as enablers and architects

of learning environments. By shaping organizational conditions that legitimize learning within work, support experimentation, and encourage reflection and collaboration, HR professionals influence how competence development unfolds over time. This perspective extends existing human resource management theory by emphasizing HR's role in shaping learning processes rather than merely managing learning programs.

From a practical perspective, the findings suggest several implications for organizations seeking to support competence development in complex and dynamic environments. Organizations may benefit from rethinking learning strategies that prioritize formal training over learning that is integrated into work. Creating organizational conditions that encourage experimentation, reflection, and feedback can enhance learning outcomes and support continuous development. In this context, HR professionals play a central role in legitimizing work-based learning and aligning learning practices with organizational goals, thereby strengthening organizational capacity to respond to change.

Limitations and Future Research

This study has several limitations typical of qualitative research. The findings are based on interviews with HR professionals and therefore reflect their interpretations of work-based learning and competence development. Although this perspective offers important insights into organizational learning processes, it does not capture the experiences of other organizational actors, such as employees or line managers. In addition, the study focuses on multinational enterprises, which may limit the transferability of the findings to other organizational contexts.

Future research may extend these findings by incorporating multiple perspectives, including those of employees and line managers. Longitudinal research designs would be particularly valuable for examining how competence development evolves through work-based learning practices. In addition, comparative studies across different organizational or institutional contexts could provide deeper insight into how contextual and cultural factors shape innovative work-based learning.

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