

# Management by Competencies

Introduction

# Previous lessons

## Management

- Tasks
- Principles
- Role of information

## Analytics tools

- STEPE
- 6C
- SWOT

# Management



Management

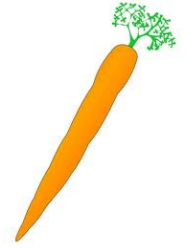
- is a process of achieving desired or given goals and objectives by means of other people

is

Contextual

- human activities can be managed in many contexts
  - projects by project managers
  - abilities and knowledge development by human resources managers
  - companies by company leaders
  - their lives by themselves

# MbC Motivation



## Successful company

- company that achieve its business goals

## Sustainably successful company ~ Vital company

- company where attaining of current goals does not diminish the chance to achieve its goals in the future

**MbC is designed to help companies to achieve vitality!**

# MbC Presumptions and Principles

## Human responsibility

- Every success or failure of any company corresponds to the competencies of people responsible for company performance

## Competence focus

- Problems are analyzed to reveal unsatisfactory or completely missing competencies

In achieving vitality of company, people are the only critical aspect!

# MbC Essence



Problems arise when performance requirements exceeds the possibilities

- MbC interconnects world of requirements and world of possibilities to keep them in harmony

Performance assessment is based on results

- however, MbC focuses on the source of performance, i.e. competencies of people

MbC deals with problems causes, not consequences!

# What is MbC?



Company management approach based on harmonical development of

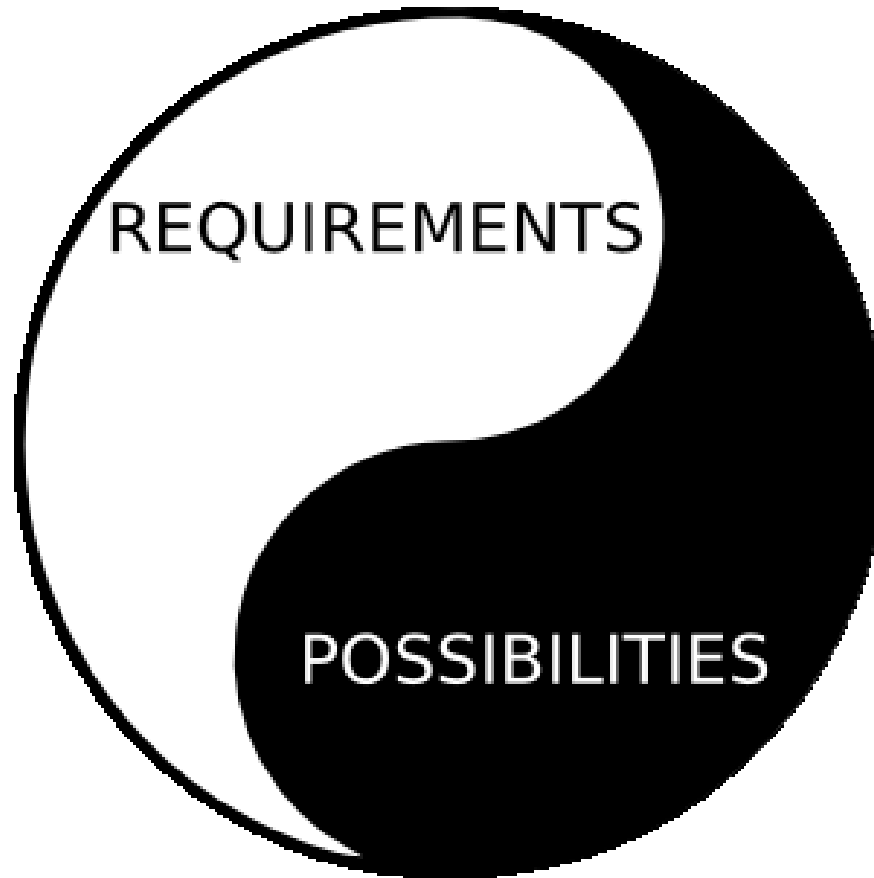
- World of **requirements** and
- World of **possibilities**

Controls and regulates duality of these worlds to achieve synergistic effect

- **Requirements** have to fit to current possibilities
- **Possibilities** have to be developed to be ready to meet requirements of the future

**Ultimate goal of MbC is to achieve vitality!**

# Two elements of Vitality



vitality = possibilities + requirements

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# Semaphore of Vitality



Crisis



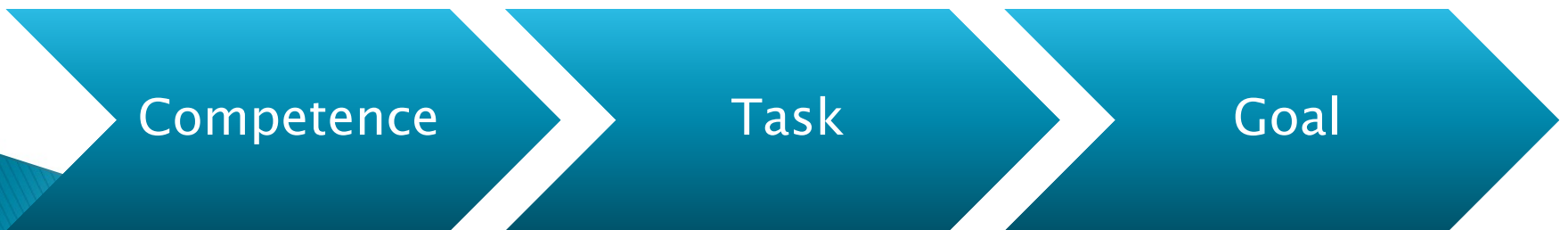
Equilibrium



Stability

# What is competence?

- ▶ **Competence** of a person is sum of
  - job performance, i.e. human labor, and
  - potential, i.e. human resources
- ▶ Competence ought to be always contemplated in the context of certain task to be performed



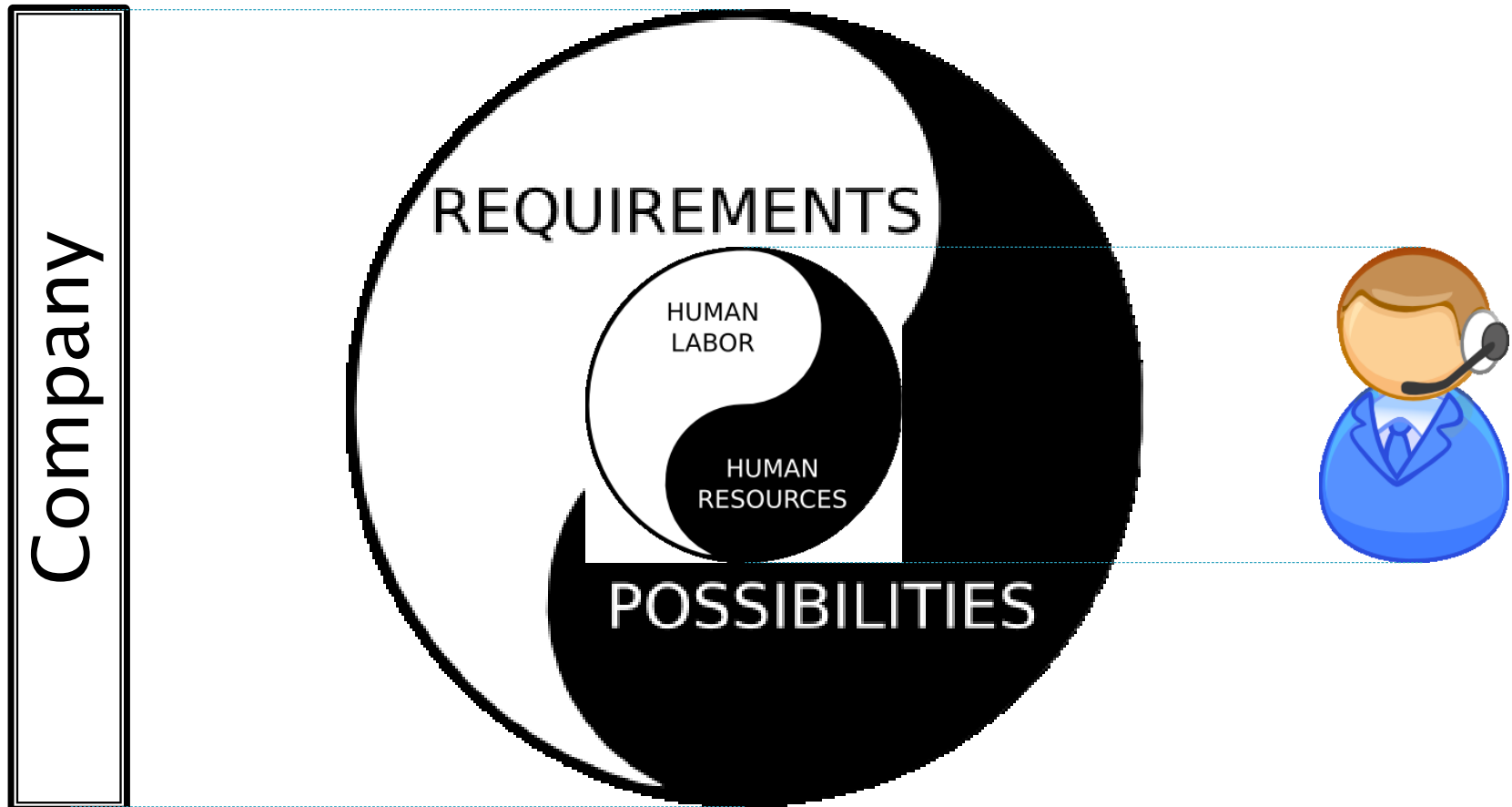
# Two elements of Competence



competence = resources + labor

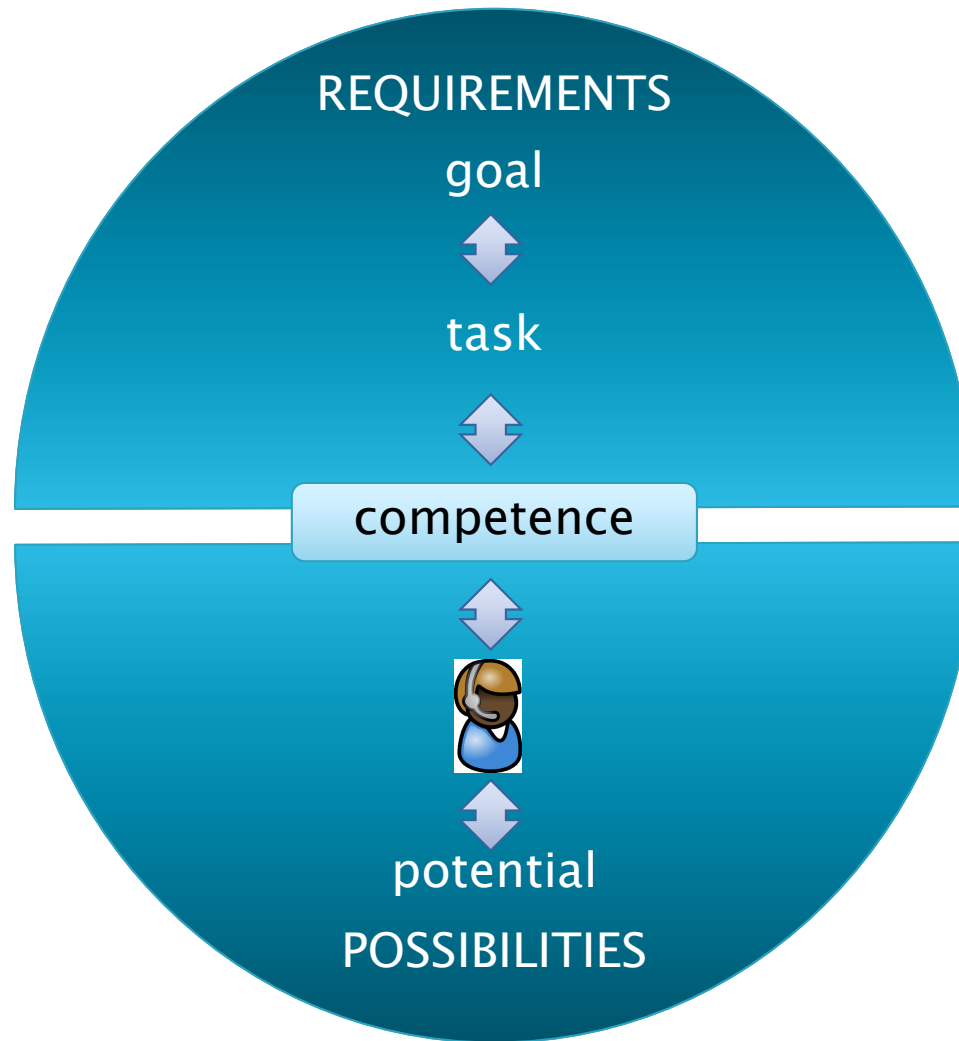
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# Vitality and Competence

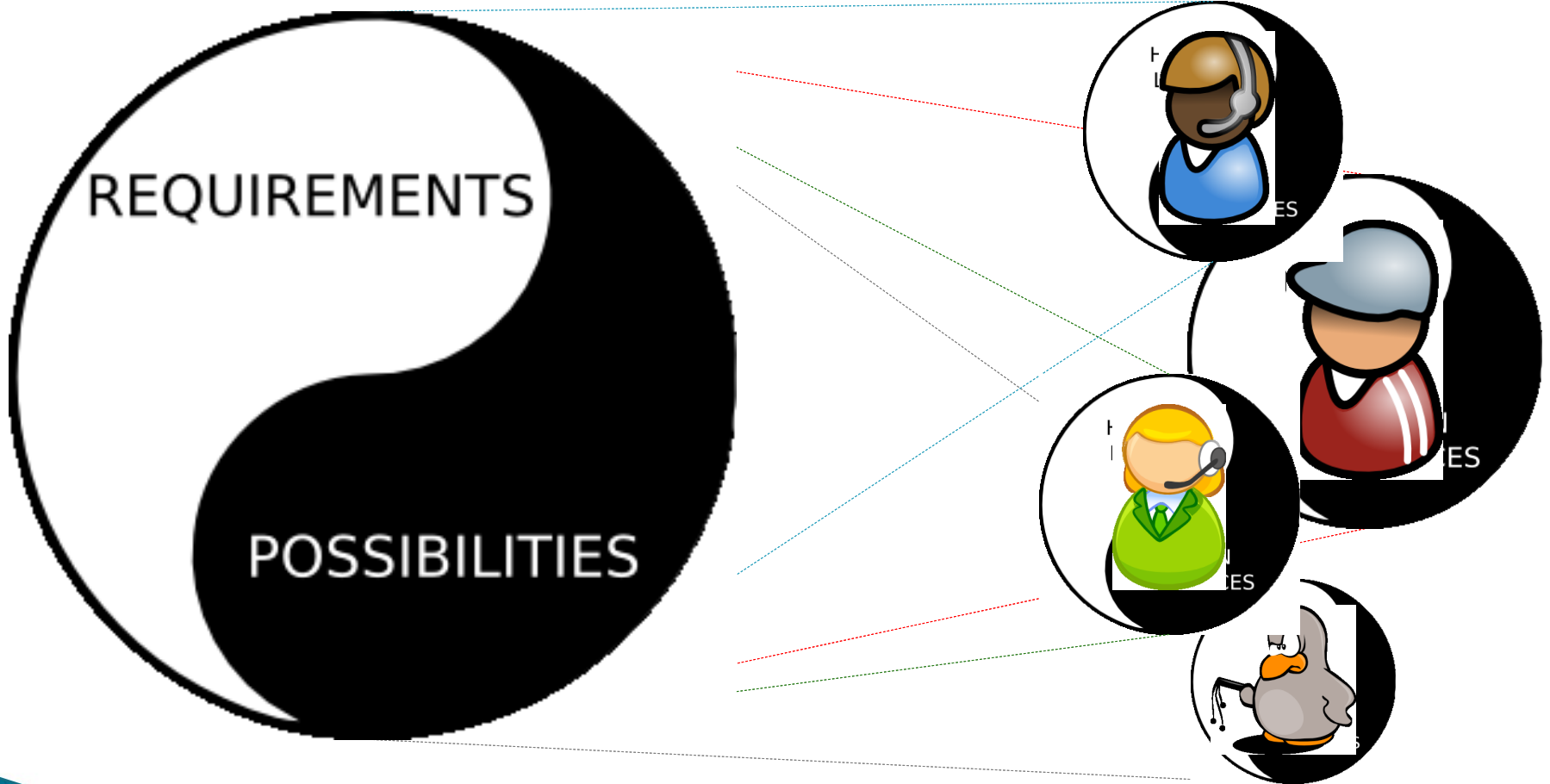


level of vitality ~ set of competencies

# The role of Competence



# Company and Competencies

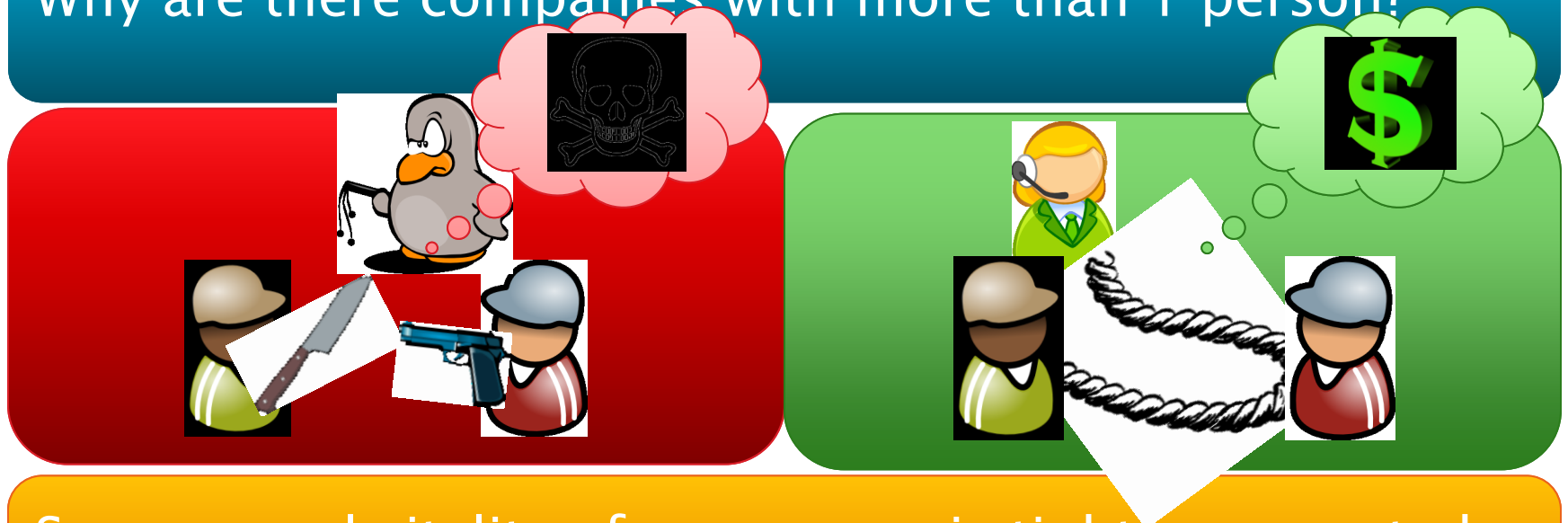


company

people and  
their  
competencies

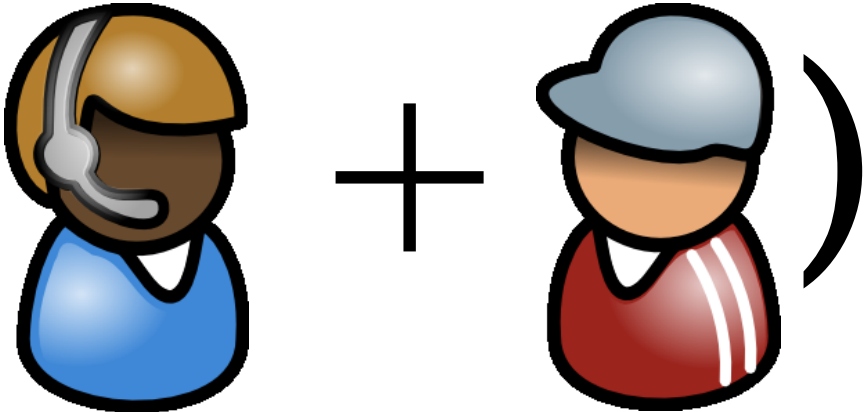
# Success and Relationships

Why are there companies with more than 1 person?



Success and vitality of a company is tightly connected with nature of relationships inside that company!

# Relationship

$$C_{re} (\text{Icon 1} + \text{Icon 2}) = E$$


$c_{re} > 0$  ... relationship efficiency coefficient  
E ... resulting effect

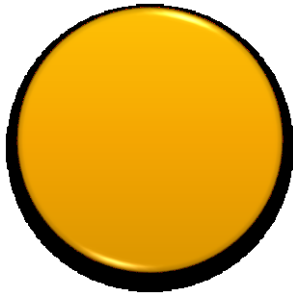


# Types of Relationships

$$c_{re}(\text{👤} + \text{👤}) = E$$



Conflict ( $c_{re} < 1$ )



Neutral ( $c_{re} = 1$ )



Synergy ( $c_{re} > 1$ )

# Company culture

$$c_{re}(f_1 + f_2) = E$$

Company culture is the set of relationships between key factors essential for the company

## Elements of culture

- Symbols
- Values
- Rituals
- Heroes

## Examples of factors

- interpersonal relationships
- work environment
- vision clarity
- leader authority
- organizational structure
- level of formality
- Benefits
- work/life balance

# Synergistic company culture



## Companies driven by people

- key decision criteria is opinion of superiors
- if people do not know what or how to fulfill a task, they ask their superiors
- superiors have good overview what is happening, but may be overwhelmed by operational stuff



## Companies driven by ideas

- key decision criteria are visions, objectives and tasks, i.e. ideas the company breath for
- if people are uncertain firstly they ask what will lead at best to support and reinforce these ideas
- superior can focus more on the broader context of operational affairs



# Chaotic company culture

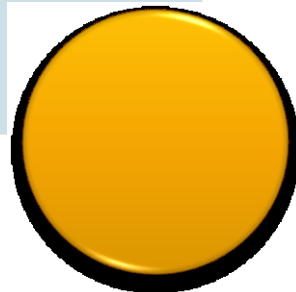
Absence of factors binding people together

People behave totally unpredictably

- Brownian motion
- Results in random, neutral environment

People follow their individual profit

- Organized in interest groups
- Results in conflict environment



# Company culture management

Company culture is essential part of company identity

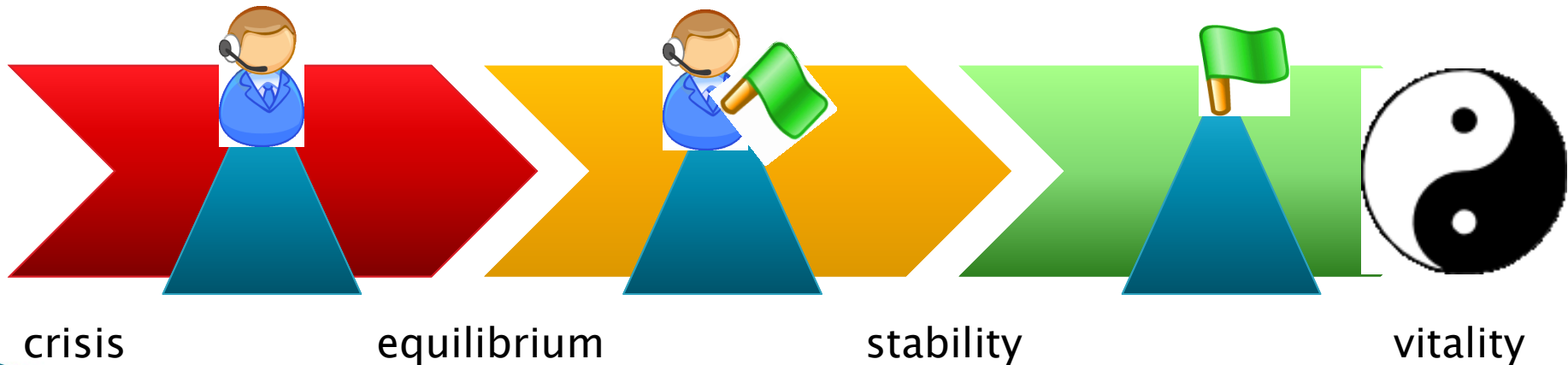
- it is created and formed by long-term evolutionary process
- however, it can be disrupted or even destroyed very quickly by insensitive actions and therefore

Company culture management is a important element in achieving vitality of a company!

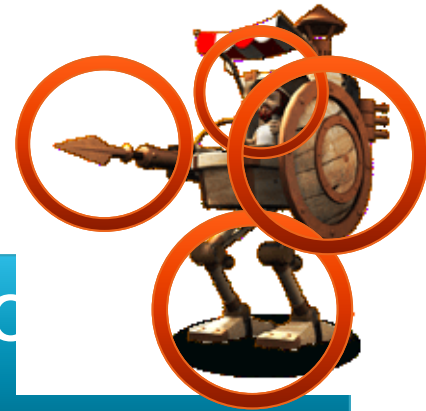
# Company culture management objectives

Avoid the culture to become chaotic!

Continually transform the culture:



# Theory of Vitality



The existence of organism has to be **gradually** (inspired by ecosystems observations)

**meaningful**

- useful to someone, even if to itself

**effective**

- it cannot exhaust itself to death

**resistant**

- to threatening forces and environment changes

**proactive**

- flexible enough to generate changes

# Vital signs

