

Management by Competencies

Introduction

Previous lessons

Management

- Tasks
- Principles
- Role of information

Analytics tools

- STEPE
- 6C
- SWOT

Management



Management

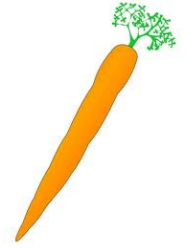
- is a process of achieving desired or given goals and objectives by means of other people

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

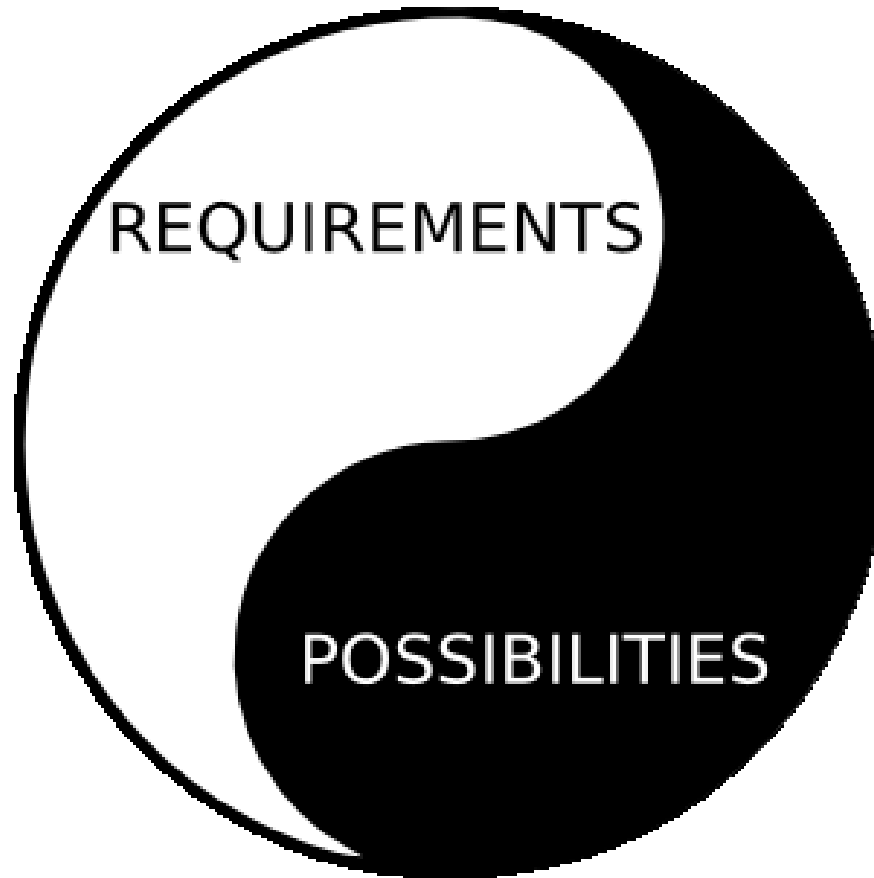
- World of **requirements** and
- World of **possibilities**

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



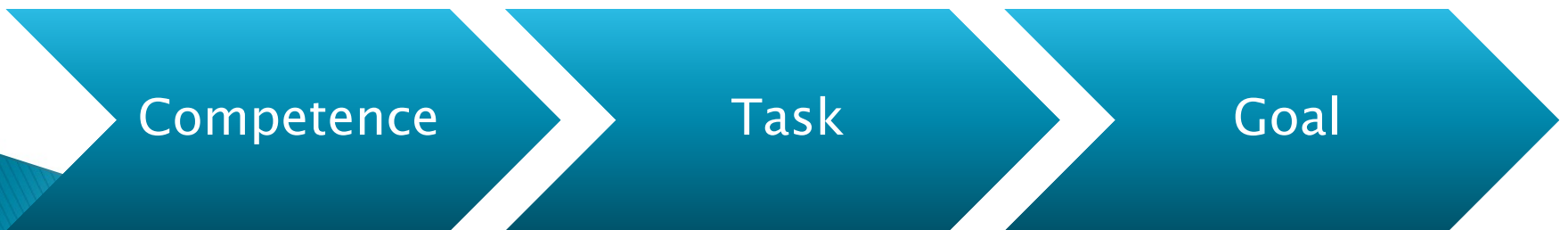
Equilibrium



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



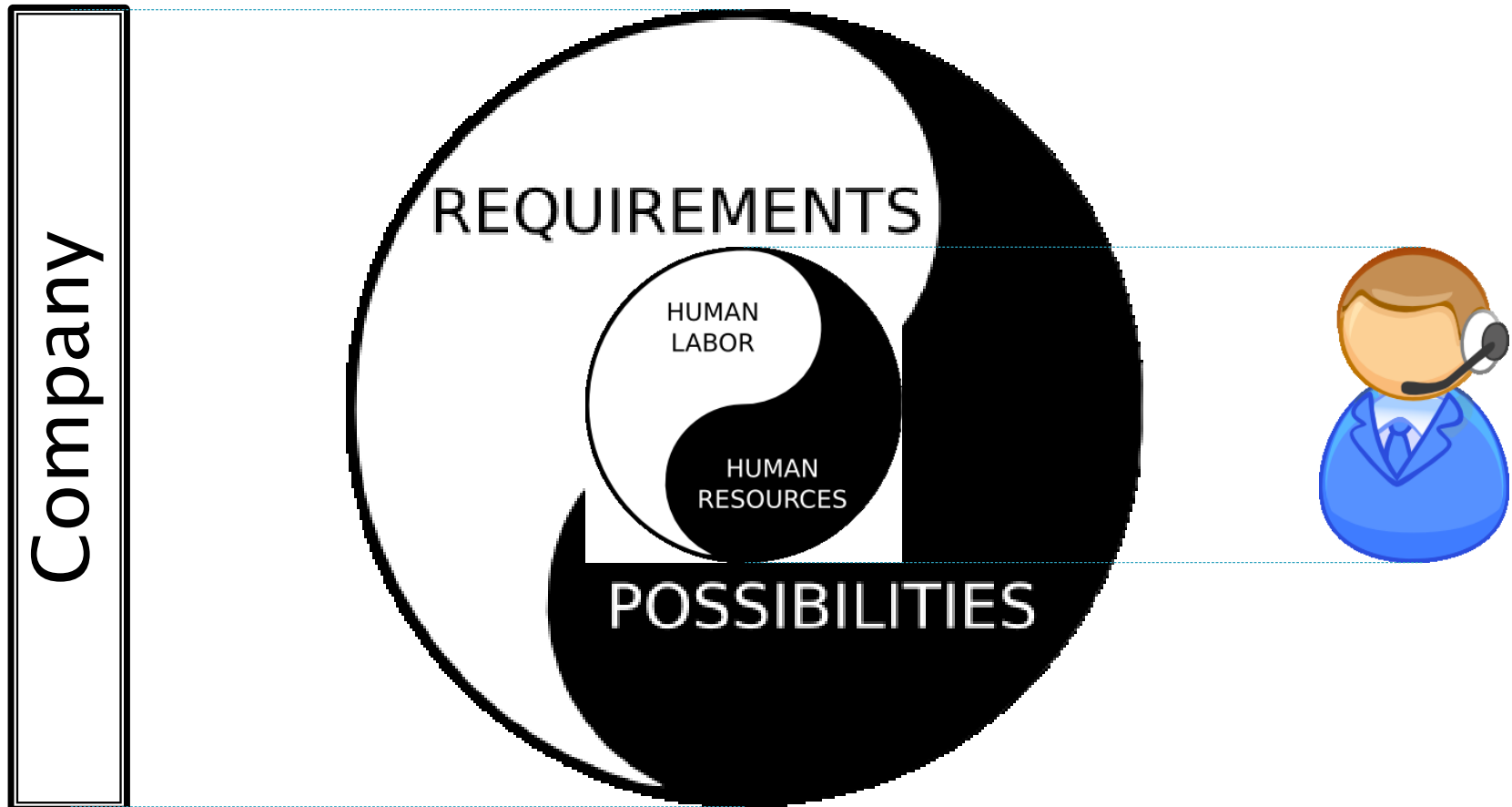
Two elements of Competence



competence = resources + labor

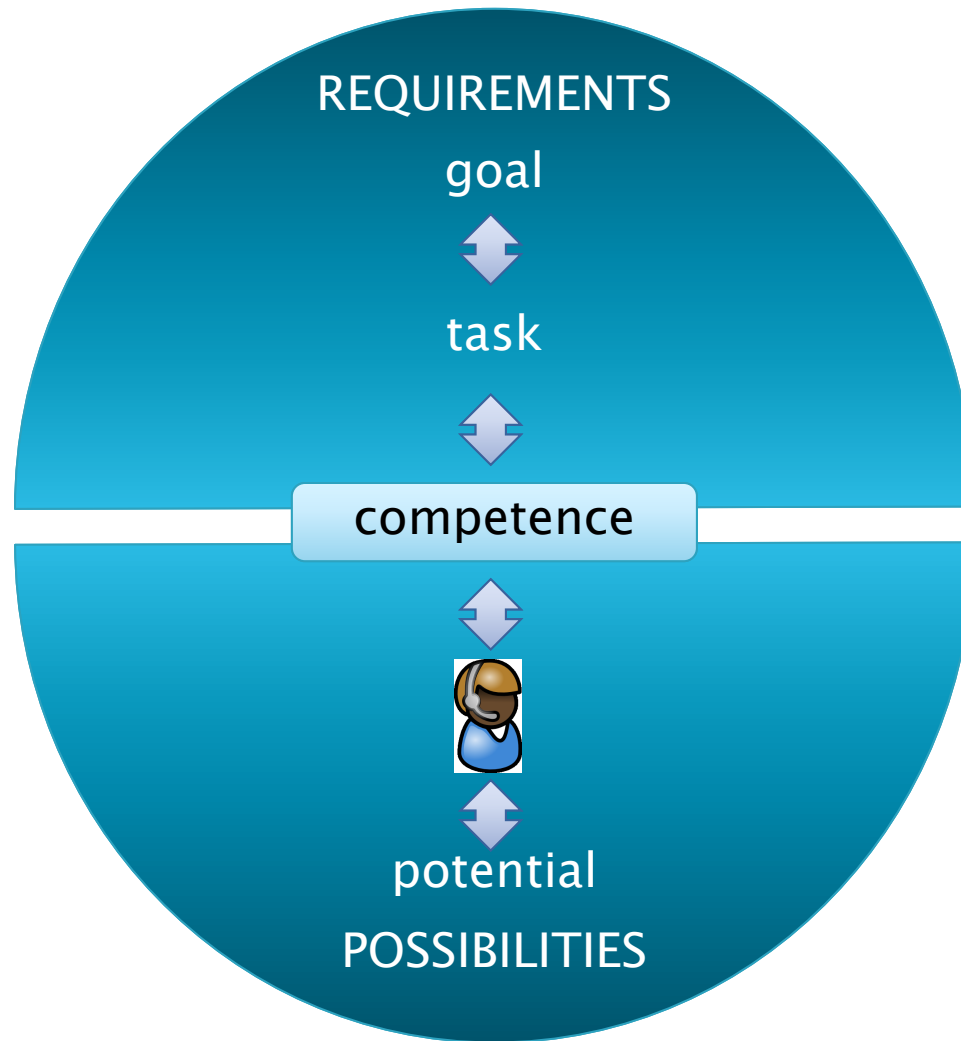
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Vitality and Competence

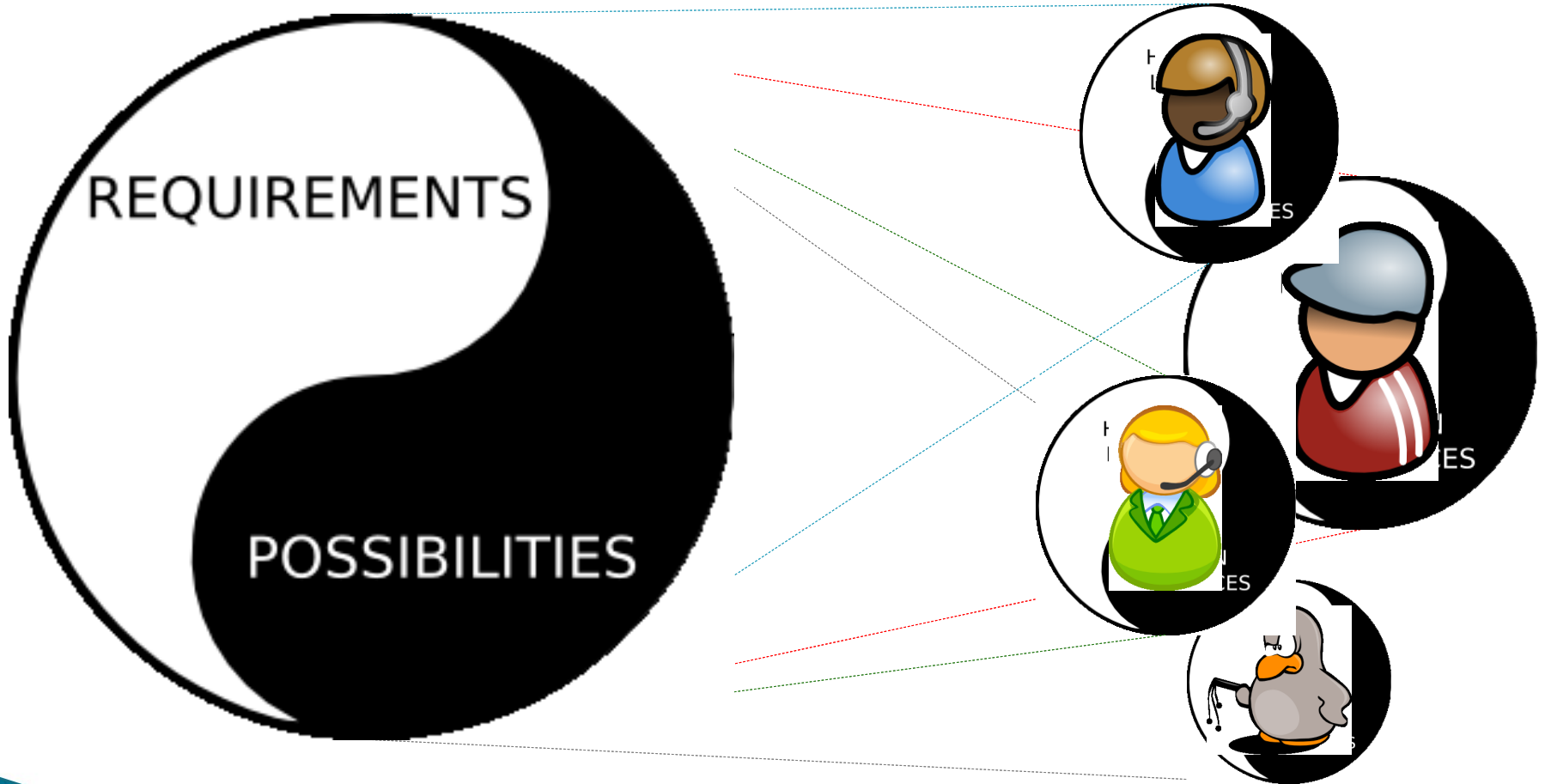


level of vitality ~ set of competencies

The role of Competence



Company and Competencies

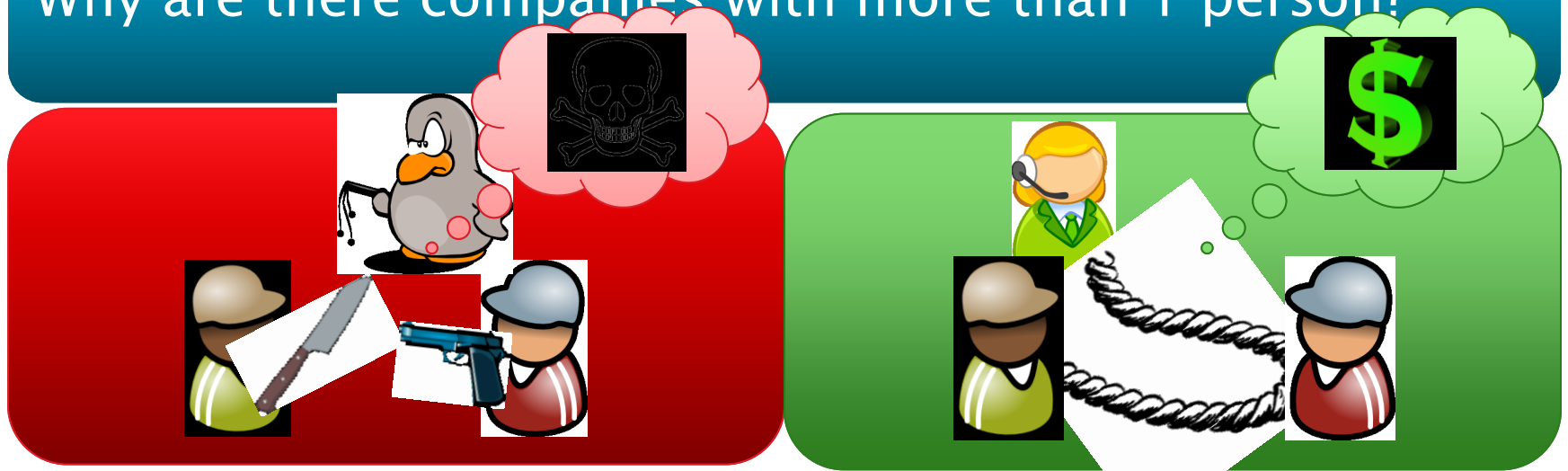


company

people and
their
competencies

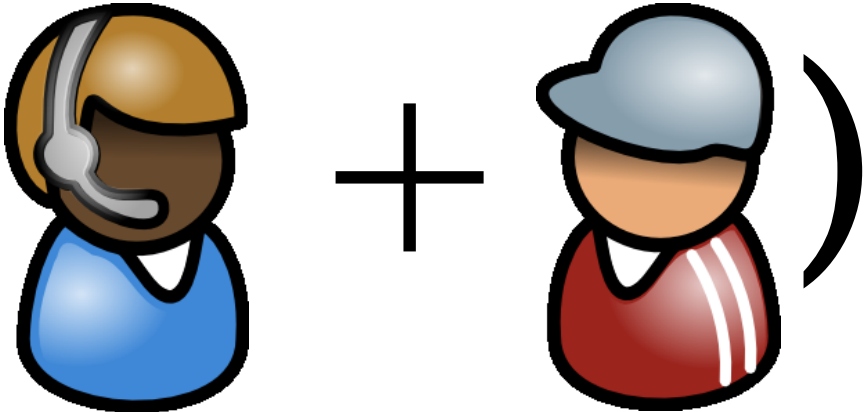
Success and Relationships

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

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


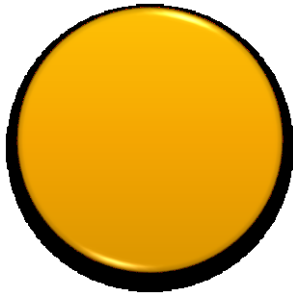
$c_{re} > 0$... relationship efficiency coefficient
E ... resulting effect

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

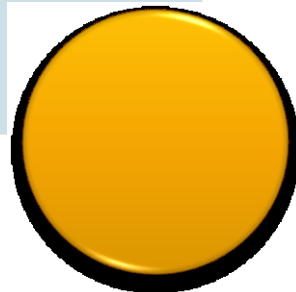
Absence of factors binding people together

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

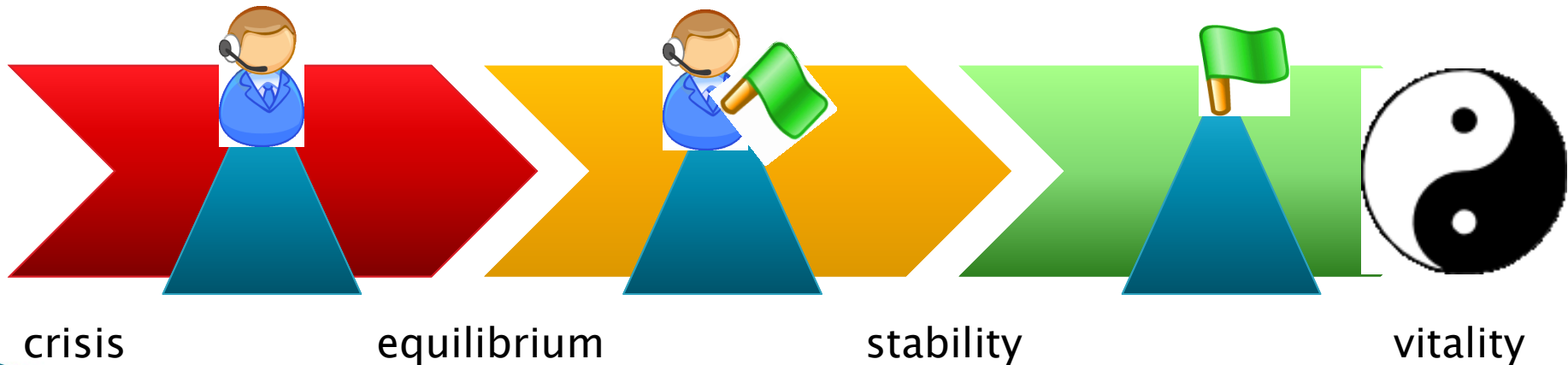
- it is created and formed by long-term evolutionary process
- however, it can be disrupted or even destroyed very quickly by insensitive actions and therefore

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

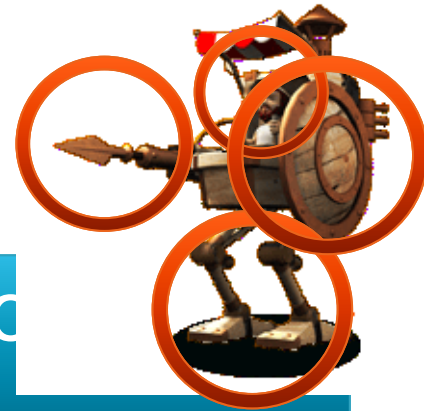
Company culture management objectives

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

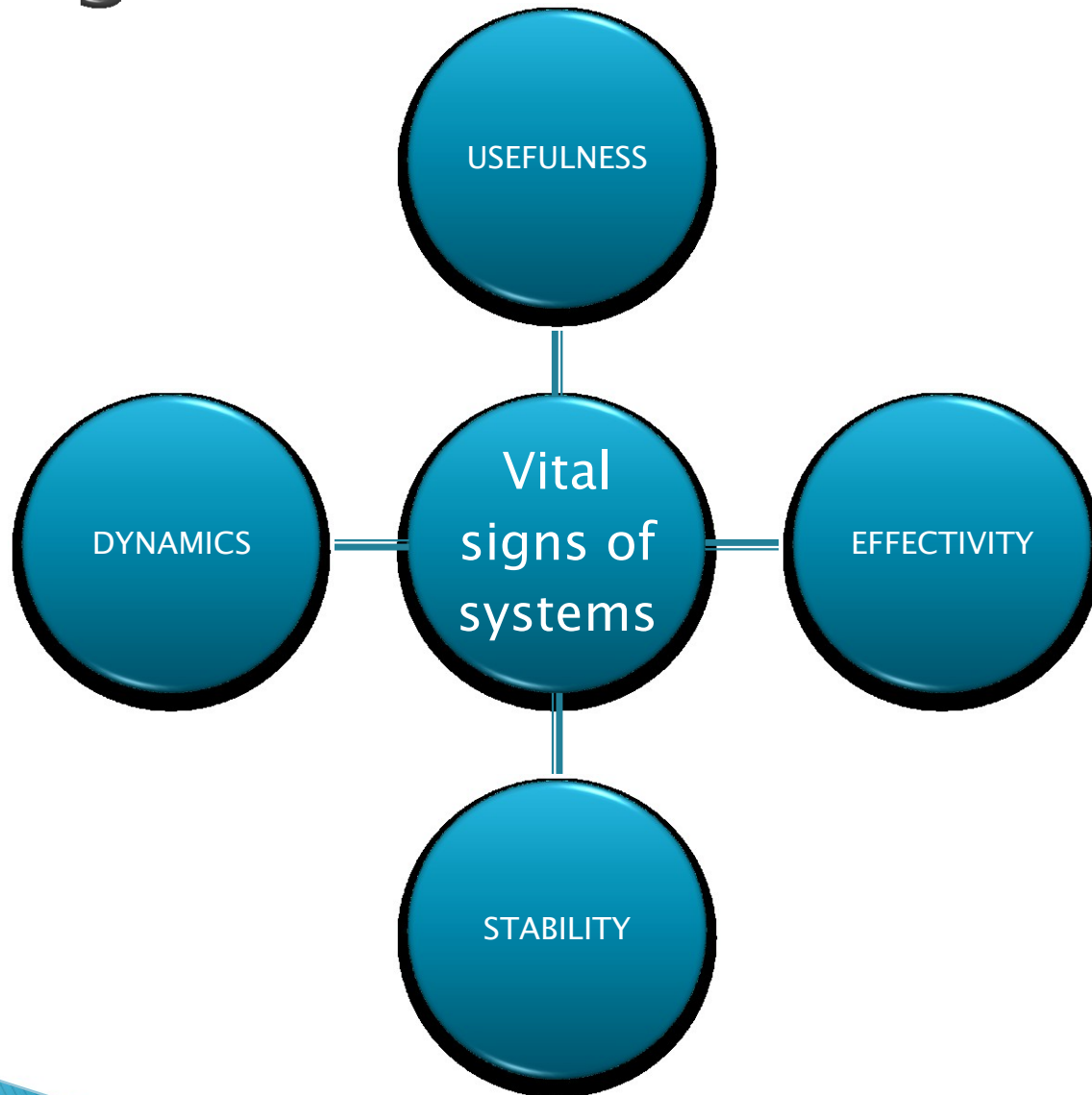
resistant

- to threatening forces and environment changes

proactive

- flexible enough to generate changes

Vital signs



Conclusion

- ▶ What is competence?
 - ▶ Management by competencies
 - ▶ Company culture
 - ▶ Vital signs
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