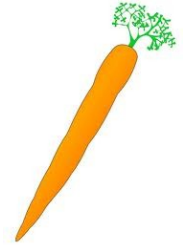


# Management by competencies

Theory of vitality

# 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!

# What is MbC?



Company management approach based on harmonical development of

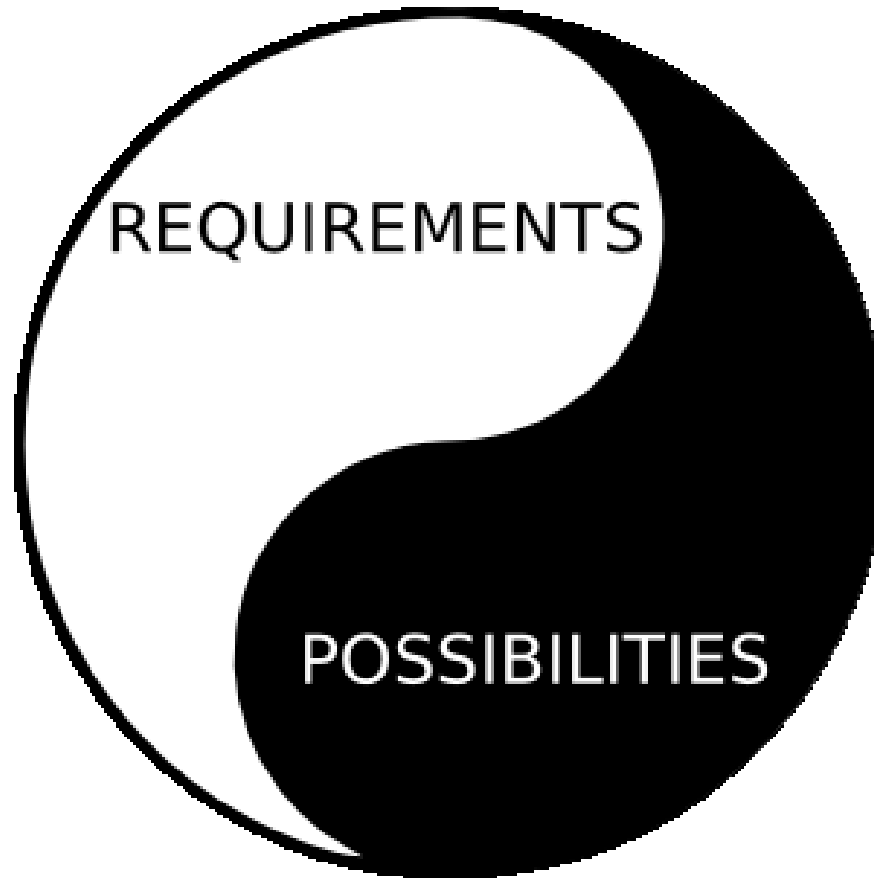
- World of **requirements** and
- World of **possibilities**

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

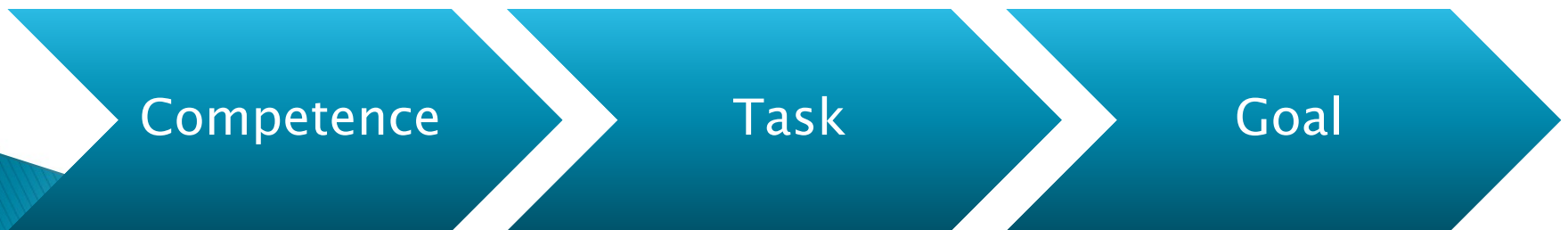


vitality = possibilities + requirements

(C) J. Plamínek

# 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



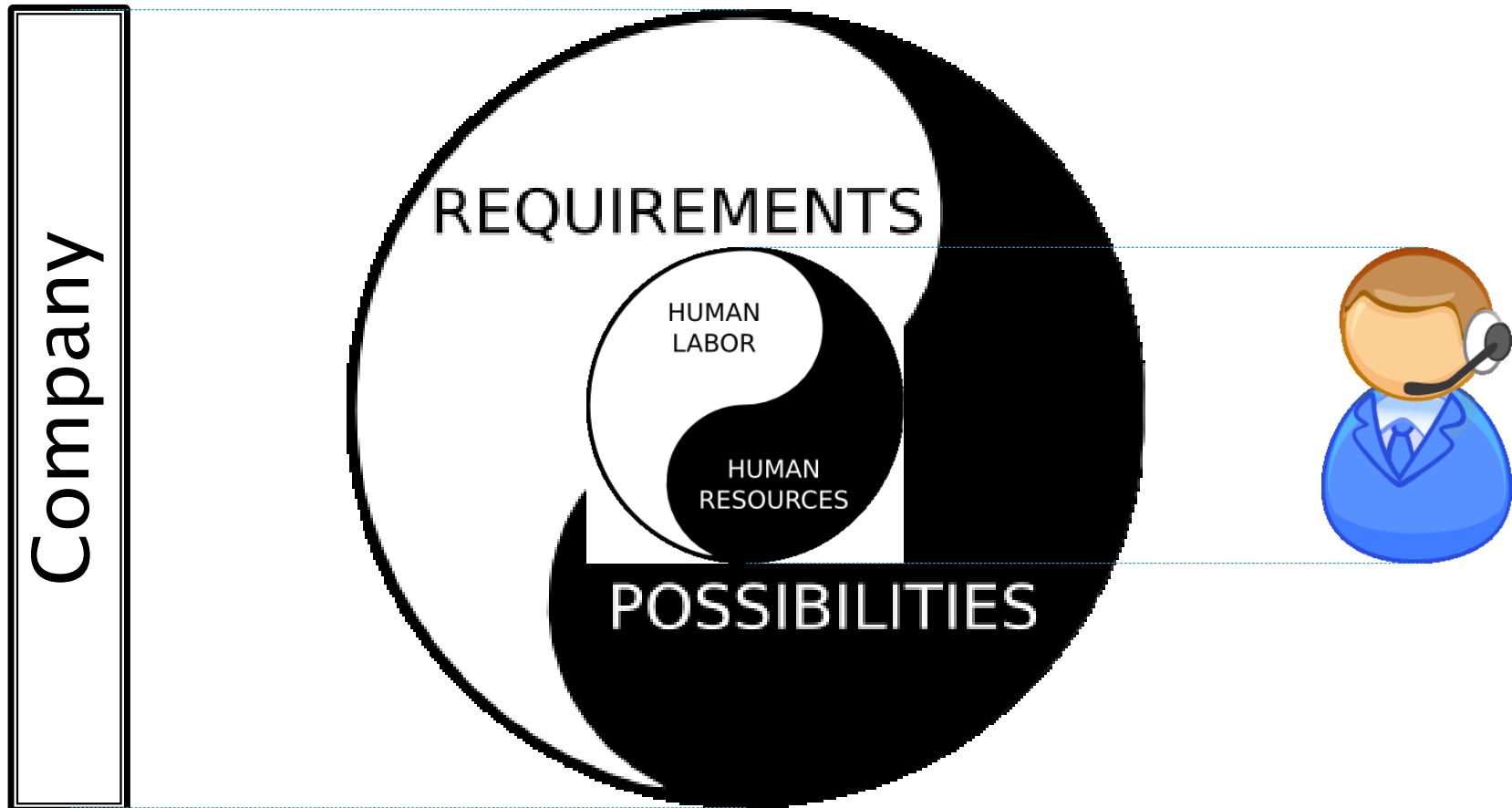
# Two elements of Competence



competence = resources + labor

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# Vitality and Competence

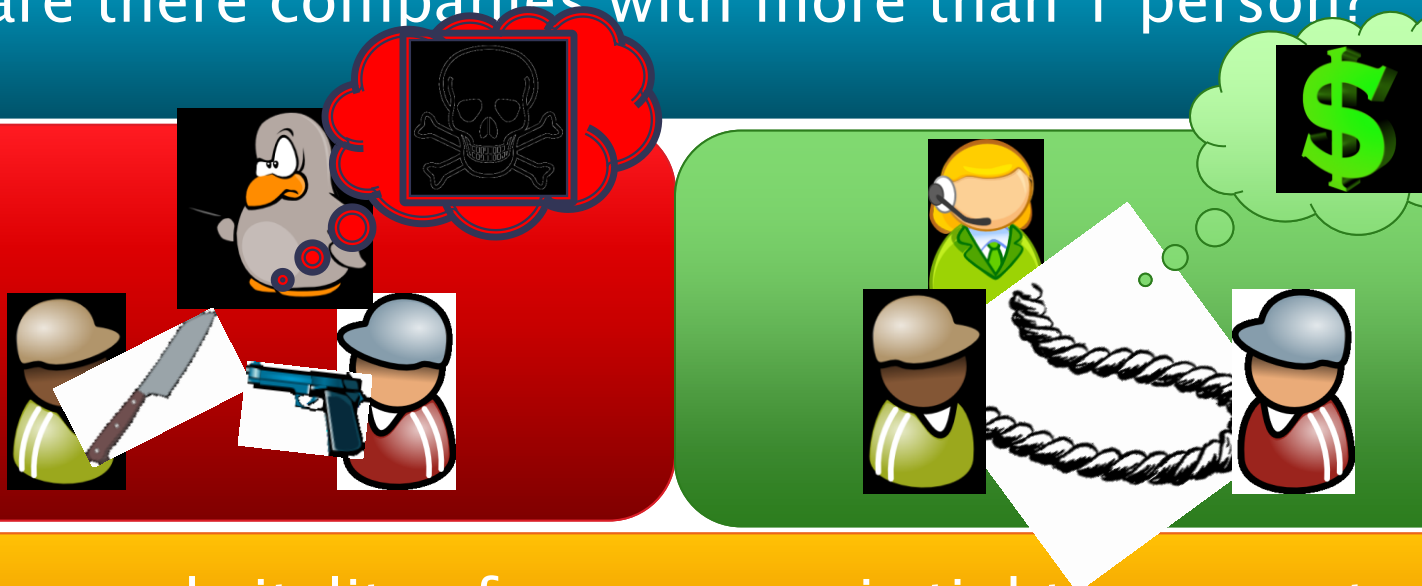


level of vitality ~ set of competencies



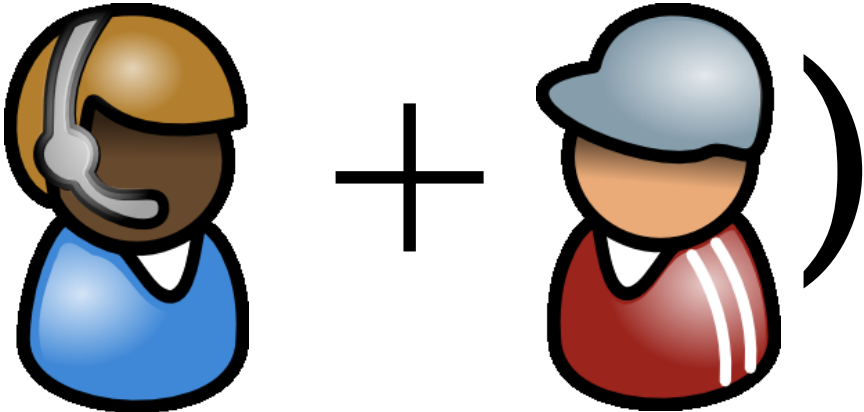
# Success and Relationships

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

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


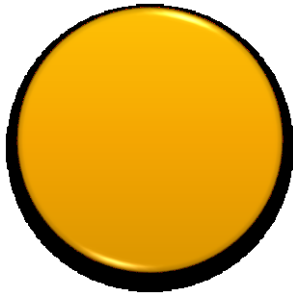
$c_{re} > 0$  ... relationship efficiency coefficient  
E ... resulting effect

# 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

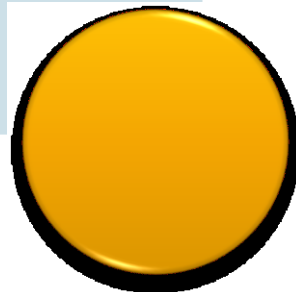
Absence of factors binding people together

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

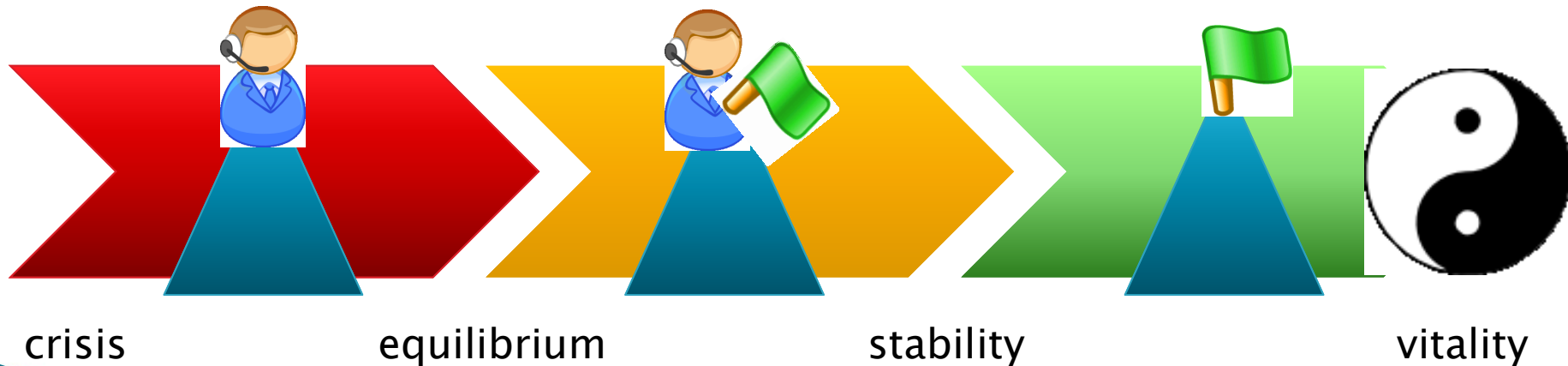
- it is created and formed by long-term evolutionary process
- however, it can be disrupted or even destroyed very quickly by insensitive actions and therefore

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

# Company culture management objectives

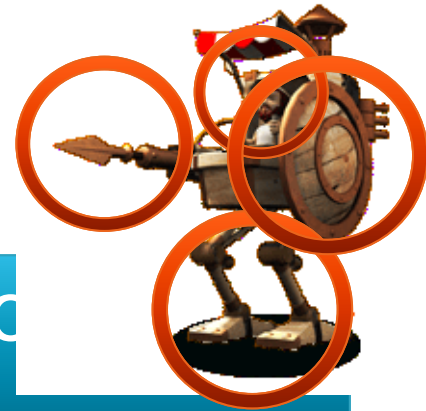
Avoid the culture to become chaotic!

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

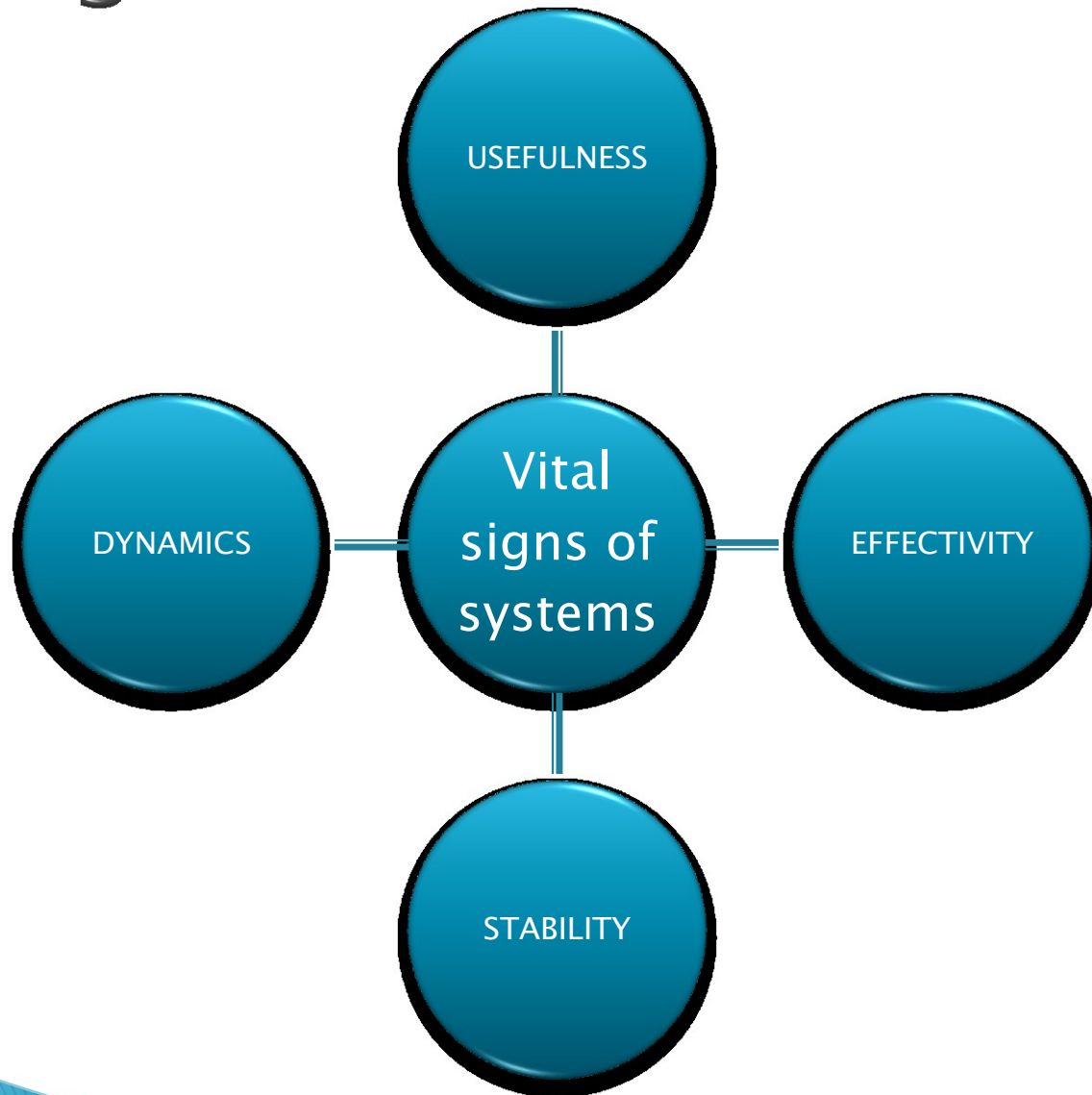
resistant

- to threatening forces and environment changes

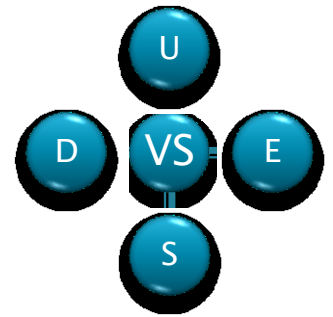
proactive

- flexible enough to generate changes

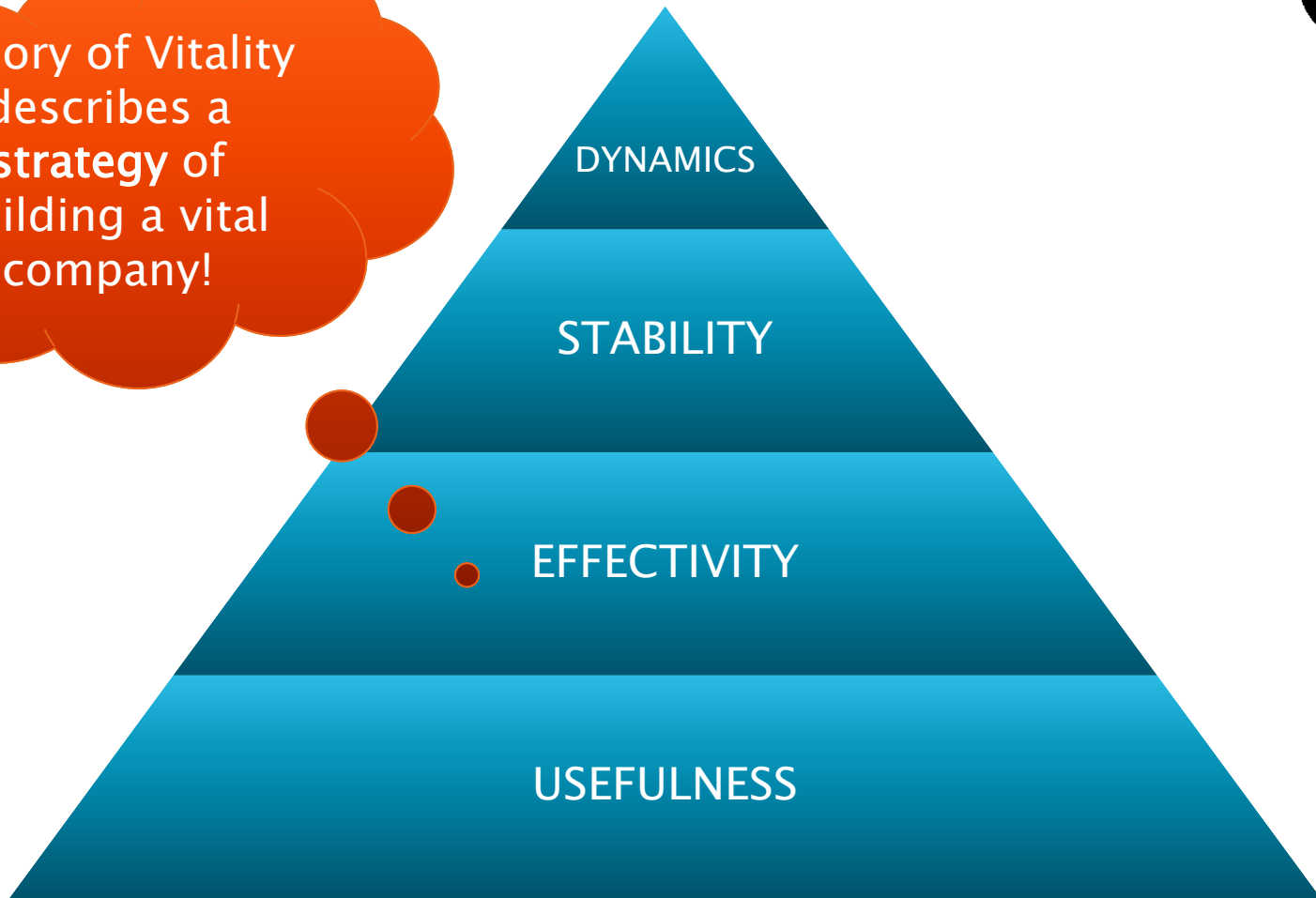
# Vital signs



# Pyramid of Vitality



Theory of Vitality describes a strategy of building a vital company!

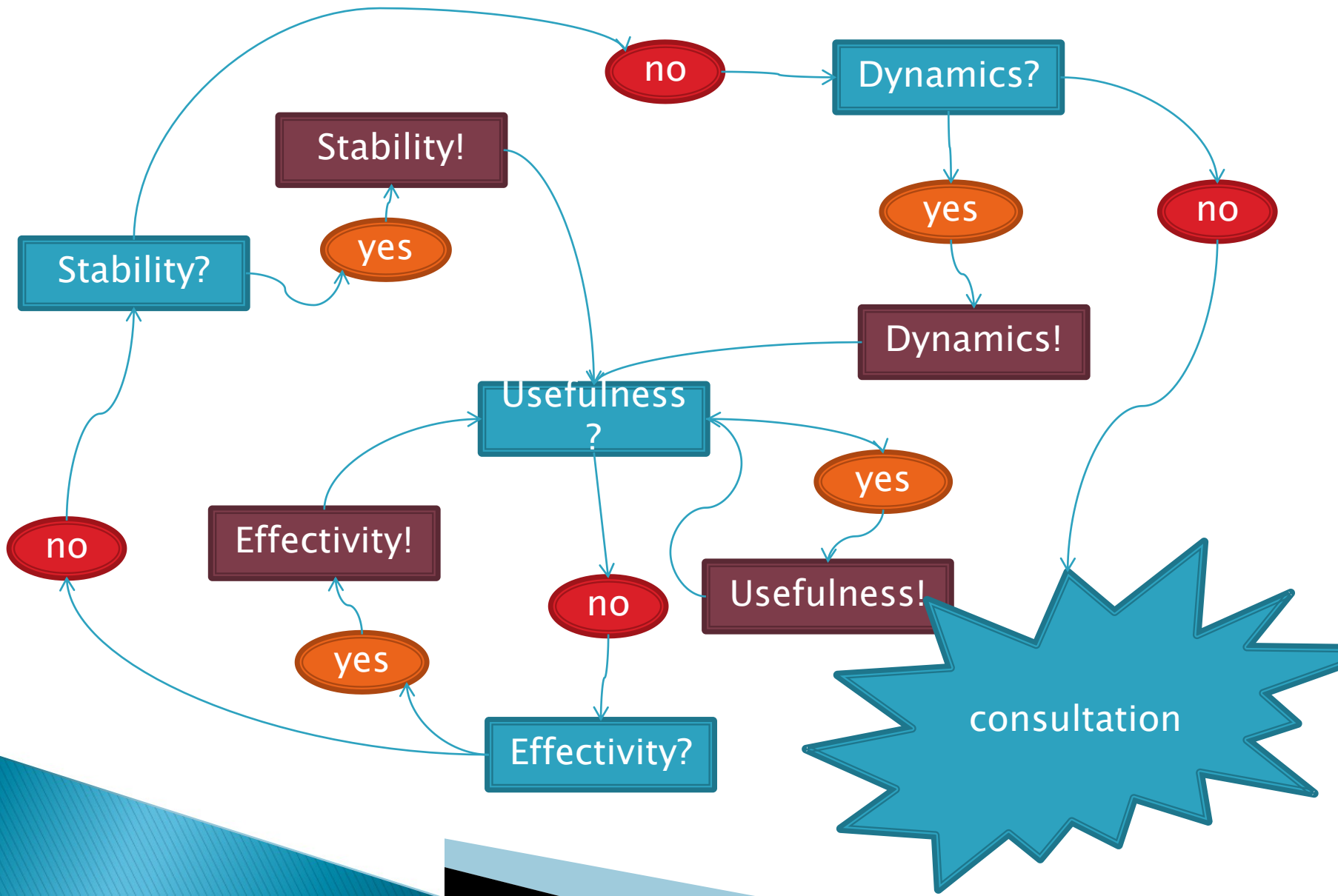


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# Theory of limitations

- ▶ The order of the pyramid is
  - Logical
  - Not possible to accomplish to 100%
- ▶ None of the vital signs can be developed to 100%
- ▶ We improve it until it has any limitations
- ▶ That leads to sequence of “curative” interventions

# The sequence



# Synergistic company culture



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## Companies driven by ideas

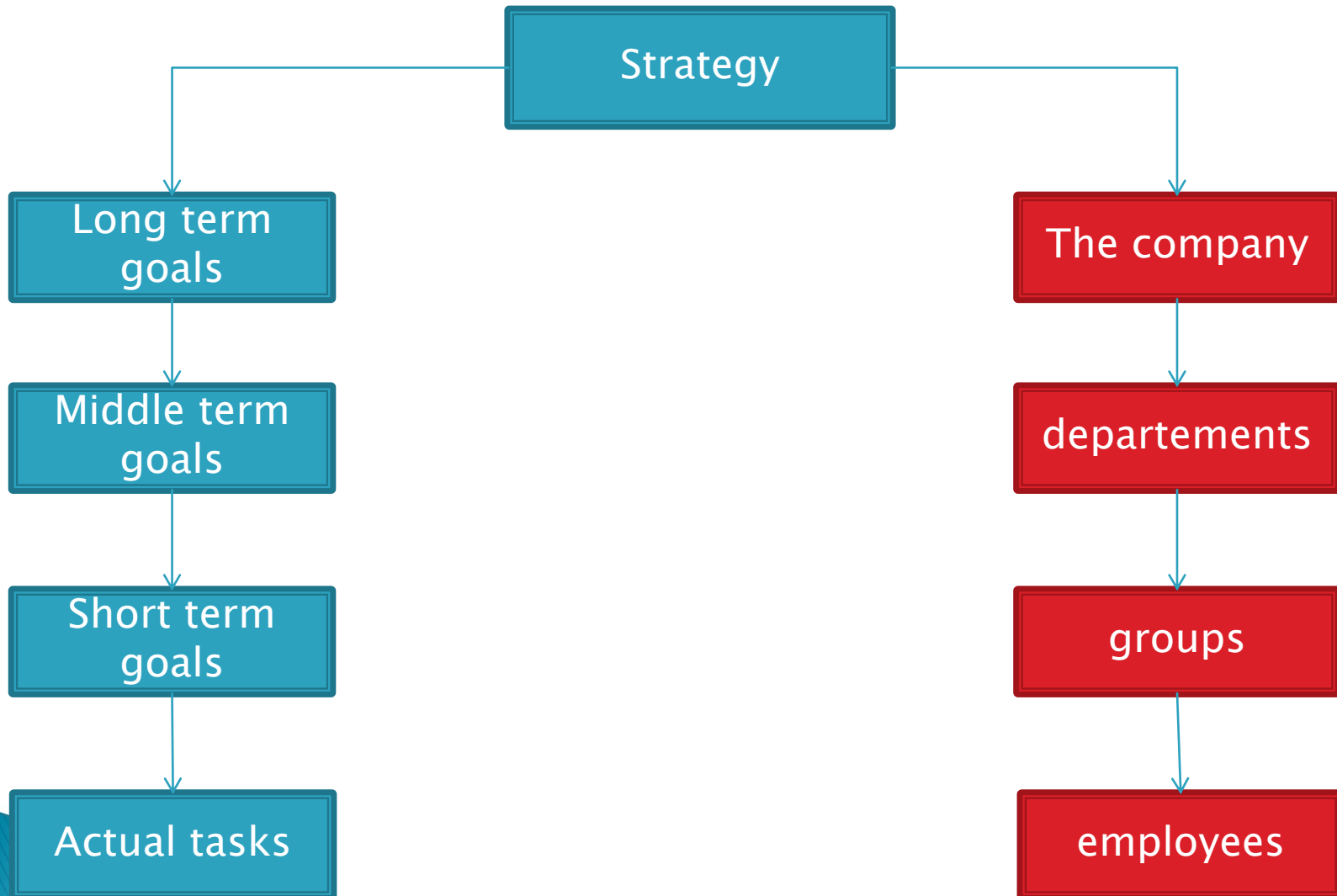
- key decision criteria are visions, objectives and tasks, i.e. ideas the company breath for
- if people are uncertain firstly they ask what will lead at best to support and reinforce these ideas
- superior can focus more on the broader context of operational affairs



# The company driven by ideas

- ▶ It is necessary to “decompose” the ideas
  - ▶ Motivation is the basement for listening ideas
  - ▶ Different people are willing to wait different time
  - ▶ Motivation must be designed for concrete position
- 

# The road of ideas





# Political barriers

- ▶ Fight for the
  - Power
  - Influence
  - Money
- ▶ Support of the high management is the key to vitality

# Proceses

- ▶ All processes must be done for OUTPUT
- ▶ Output is giving the money and profit
- ▶ Limit the power of OPE and Controlling
  - Administration
  - Forms filling
  - Other non productive tasks
- ▶ But it is need to have feed back!!!

# Management of the processes

- ▶ Needs to be separated from the sources
- ▶ Only one owner of the problem (project manager)
- ▶ At last one more level of the sub-process
  - More levels adds more problems
  - More levels needs more owners
  - The space for non-profit tasks

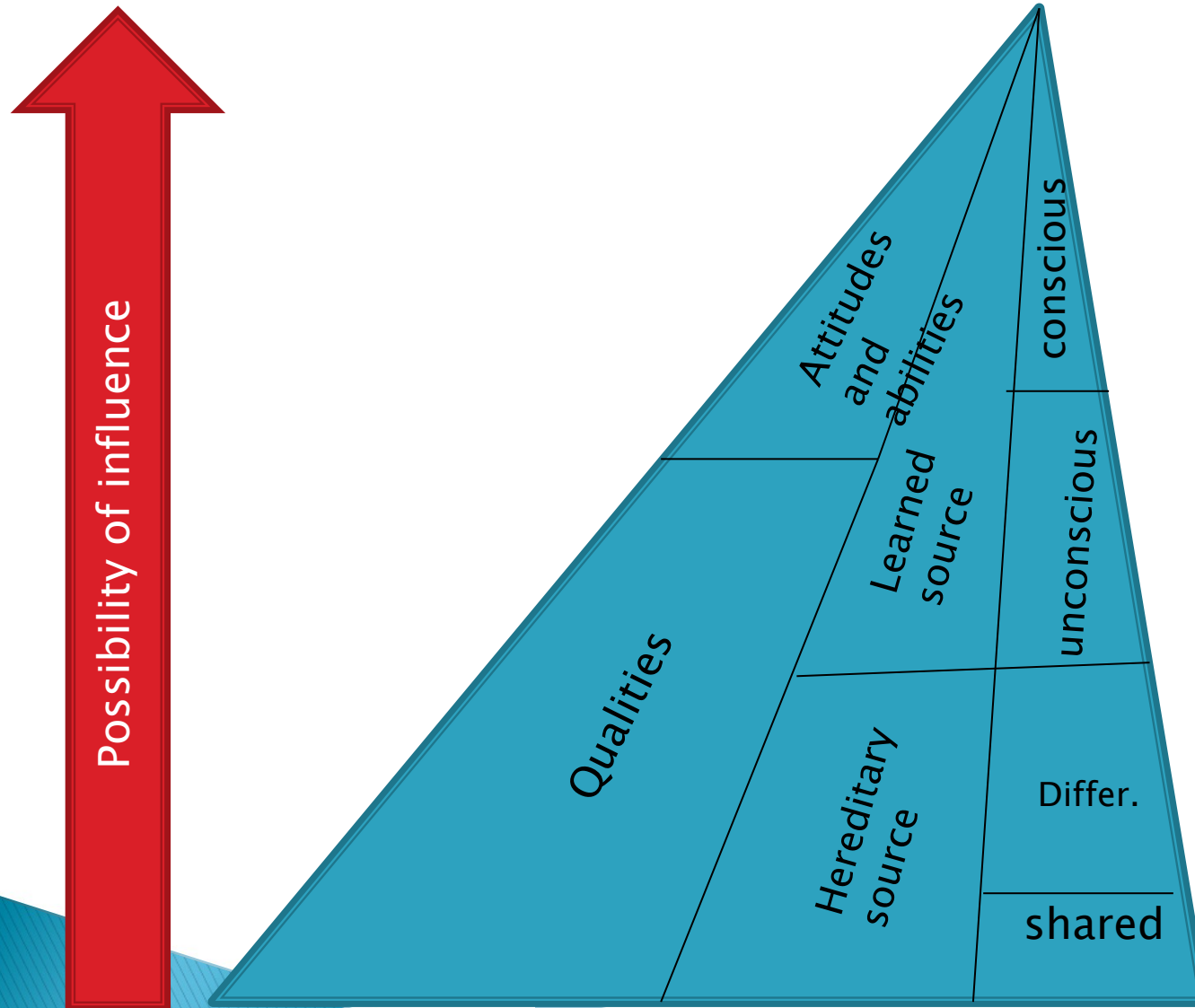
# Management of the sources

- ▶ As many levels as necessary
- ▶ Each manager should have at last 5 subordinates
- ▶ Manager is the keeper of the human resources
  - Coach
  - Trainer
  - Consultant

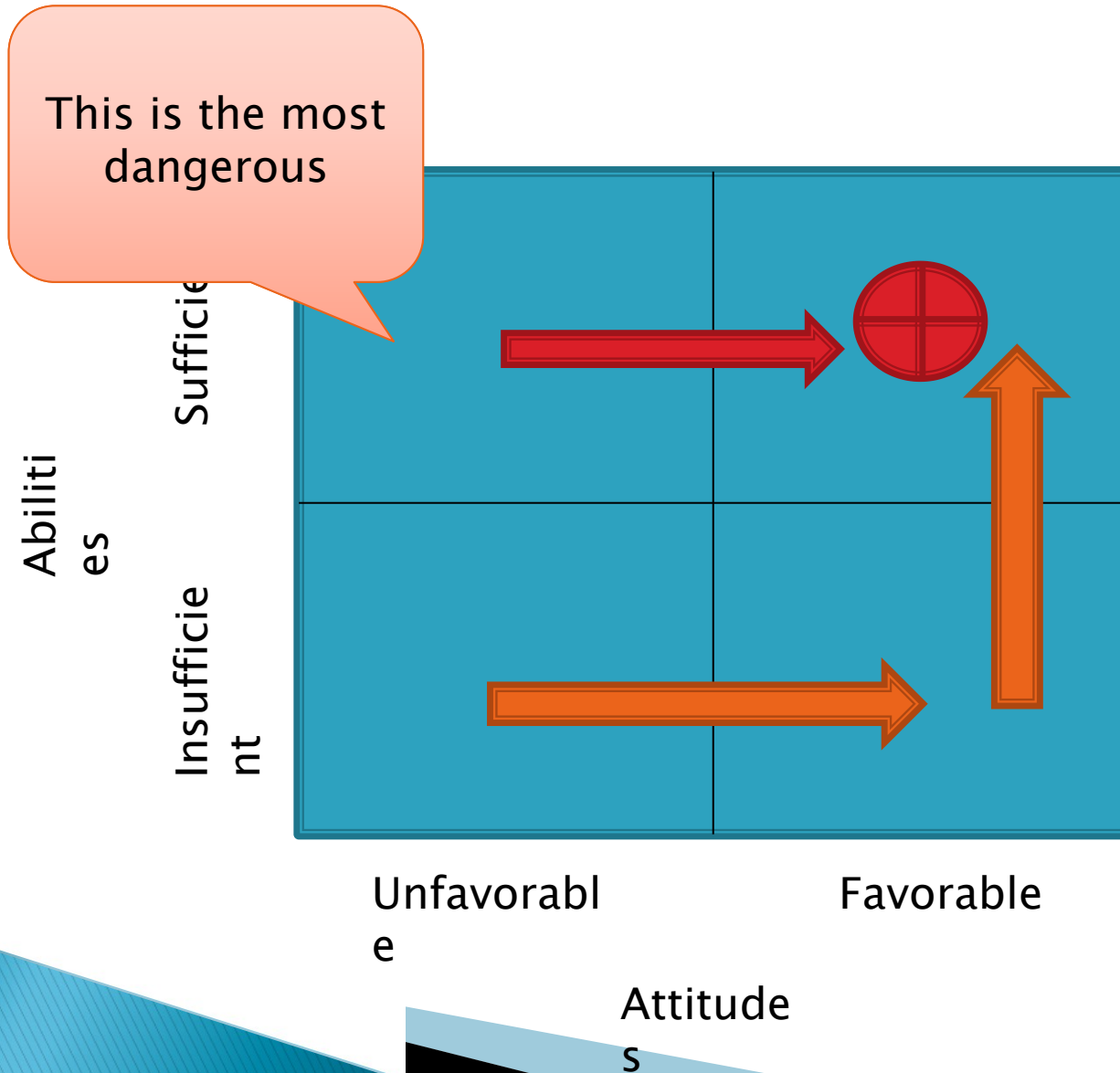
# Human sources in MbC

- ▶ Three types of HR
  - Quality
    - What we are
    - Can not be changed, only accepted
  - Attitude
    - What we believe in and what we want
  - Abilities
    - What we know and what we have learned


# Suggestibility of human resources



# Strategy of HR development



# Management of HR in MbC

- ▶ The target is not to exhaust the sources
  - ▶ The management of HR must be
    - Efficient
    - Effective
  - ▶ The potential and the performance need to be in a harmony
  - ▶ The goose can produce the golden eggs till it lives
- 



# Pyramid of culture

We need to apply  
the theory of  
limitations

Integration

Synergetization

Habilitation

Motivation

Orientation

Definition

S R