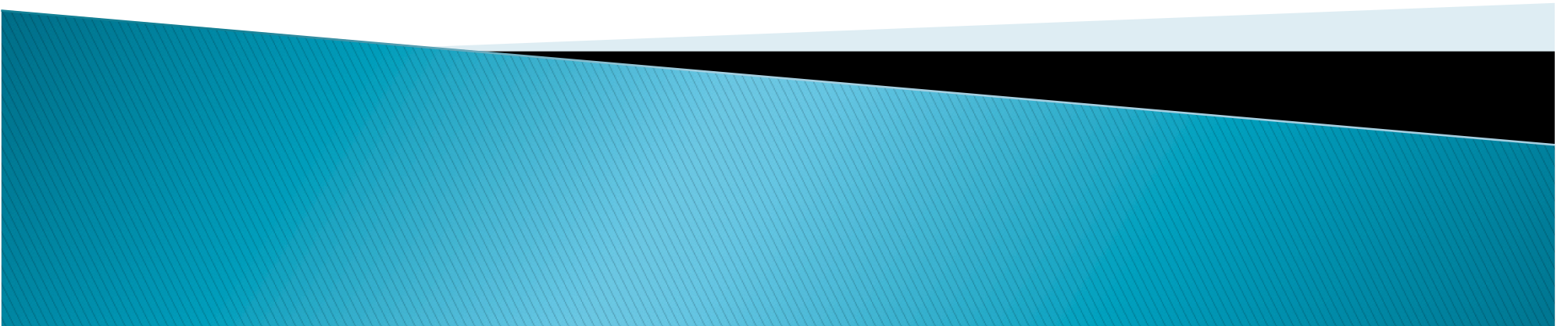# Management by Competencies
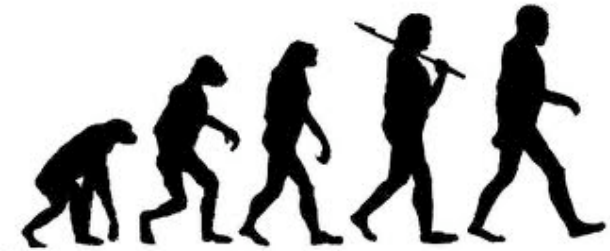
Introduction

Agenda
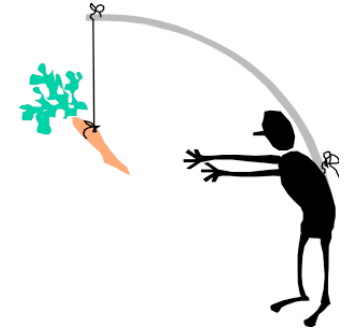
▸ **Course Introduction**
  ◦ origin
  ◦ motivation and goals
  ◦ resources
▸ **Management by Competencies Introduction**
▸ **Vitality and Competence**
▸ **Company Culture**

Course context and origin

- Originally being developed for the SSME study program
  - this run is the second one
- Based on
  - existing *Management by Competences* theory and methodology by Jiří Plamínek
  - 6 years experience of using *Management by Competencies* in practice
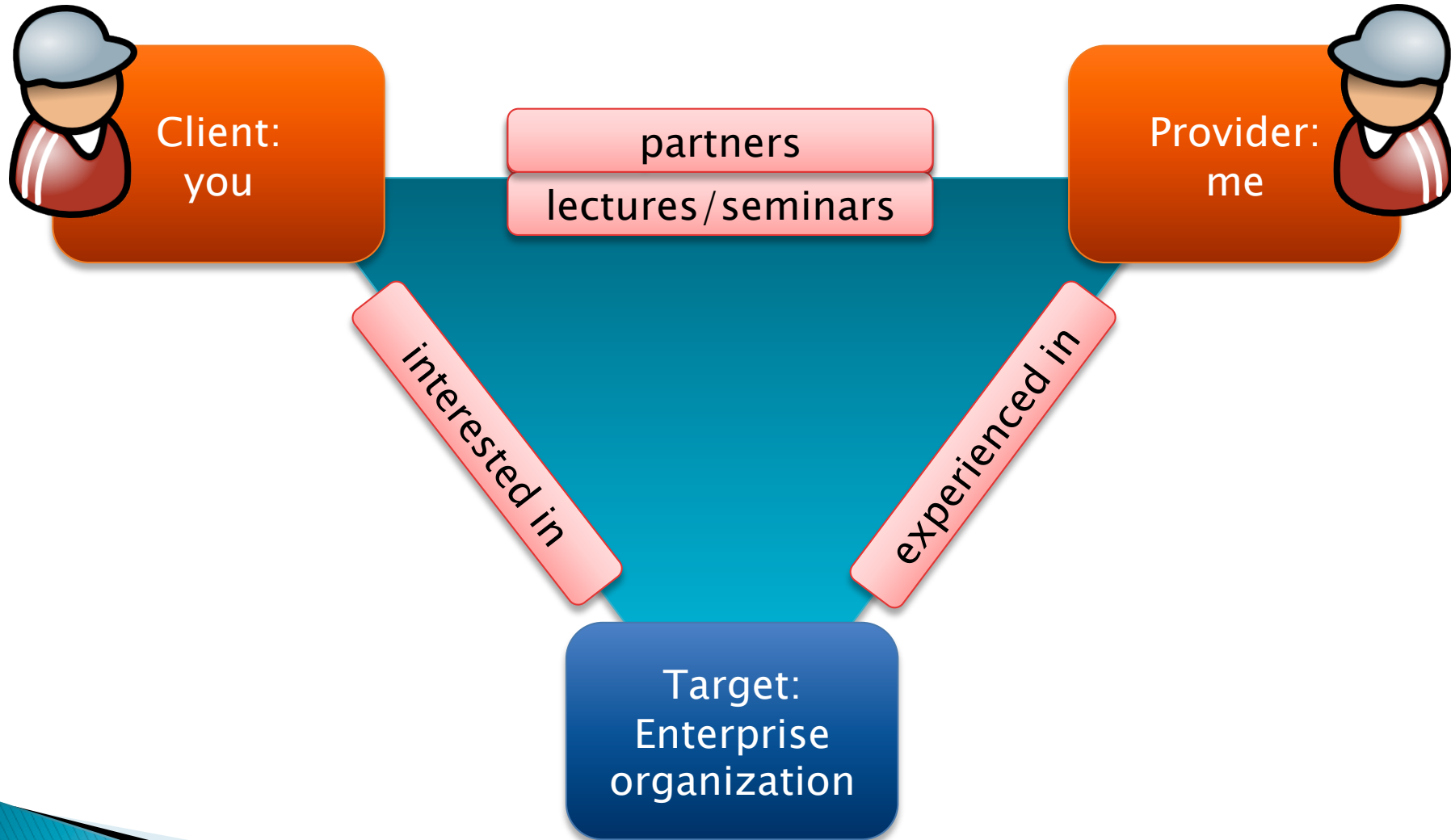
Course motivation

Management is always important	Management is a M part of SSME

Course as a Service

Client:
you

partners

lectures/seminars

Provider:
me

interested in

experienced in

Target:
Enterprise
organization

Course goals and value proposition

To introduce	You will understand
• essence of management of sustainably successful companies • main aspects, which cause problems in company management • methods and tools for identification and elimination of such problems	• enterprise organization • management processes • the value and structure of business model • the value of human uniqueness

Value co-creation

Lectures	Seminars
• Theory • Examples	• Training • Discussions

2 hours per week	All together

1 hour per two weeks	Two alternating groups

"Home" works in teams

Course organization

- Differences from last run
- Course schema
  - two hours lecture per week
  - one hour seminar per two weeks -> split into two major groups via IS.MUNI.CZ
- Lectures
  - focused on theory
  - examples
- Seminars
  - focused on practical issues and training

Course resources

Management by Competencies

J. Plamínek, R. Fišer – Czech only

Leading of people, teams, and companies
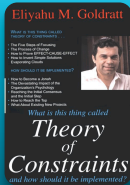
J. Plamínek – Czech only
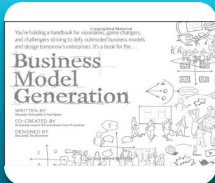
Problem solving and decision making
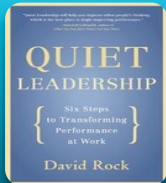
J. Plamínek – Czech only

Course and MbC resources

Synergistic management
J. Plamínek – Czech only

Theory of Constraints
Elyiahu M. Goldratt

Business Model Generation
A. Osterwalder & Y. Pigneur

The Quiet Leadership
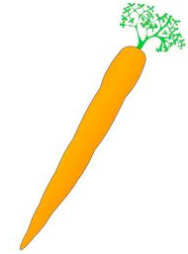D. Rock

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
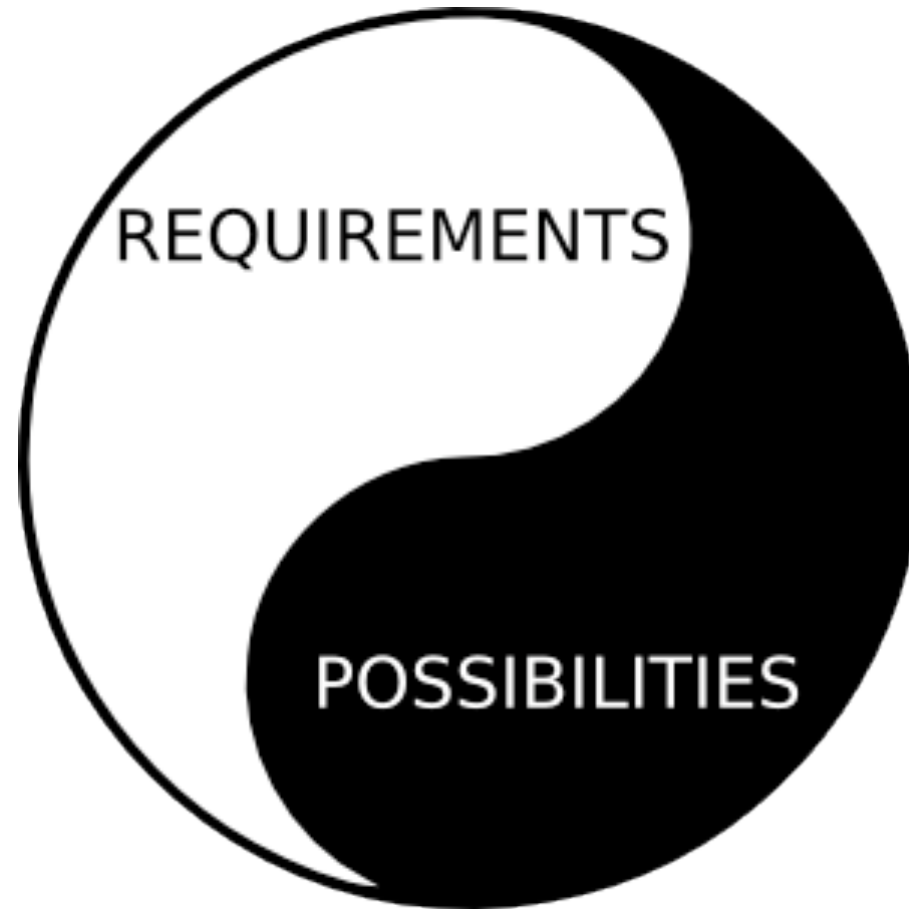
vitality = possibilities + requirements

(C) J. Plamínek

Semaphore of Vitality

WANT
>
CAN

Crisis

WANT
=
CAN

Equilibrium

WANT
<
CAN

Stability

Vitality and Competence

What is competence?

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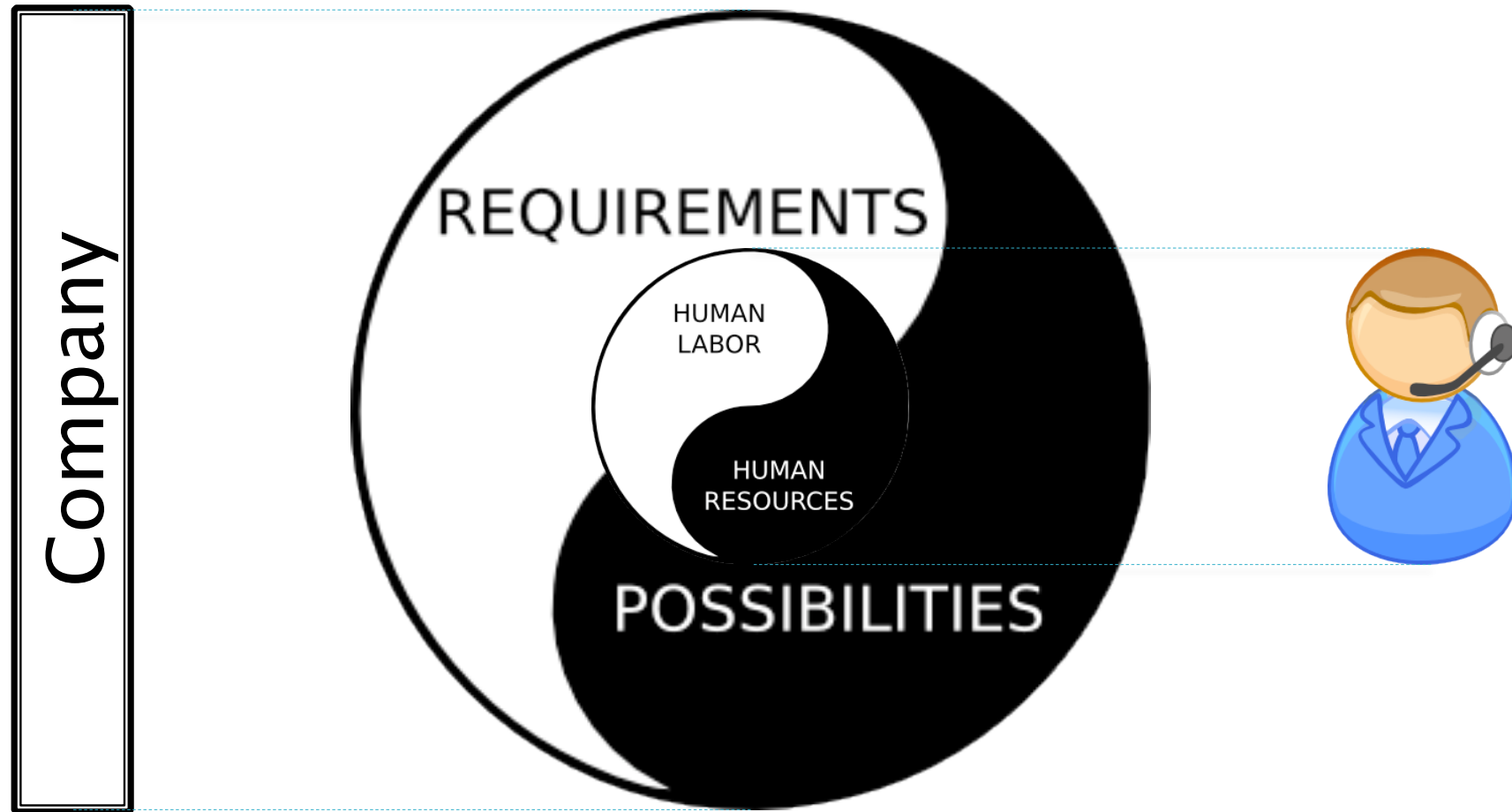▶ Competence ought to be always contemplated in the context of certain task to be performed

| Competence | Task | Goal |

Vitality and Competence

Two elements of Competence

competence= resources + labor

(C) J. Plamínek

Vitality and Competence

Company

REQUIREMENTS

HUMAN LABOR

HUMAN RESOURCES

POSSIBILITIES

level of vitality ~ set of competencies

The role of Competence

REQUIREMENTS

goal

task

competence

potential

POSSIBILITIES
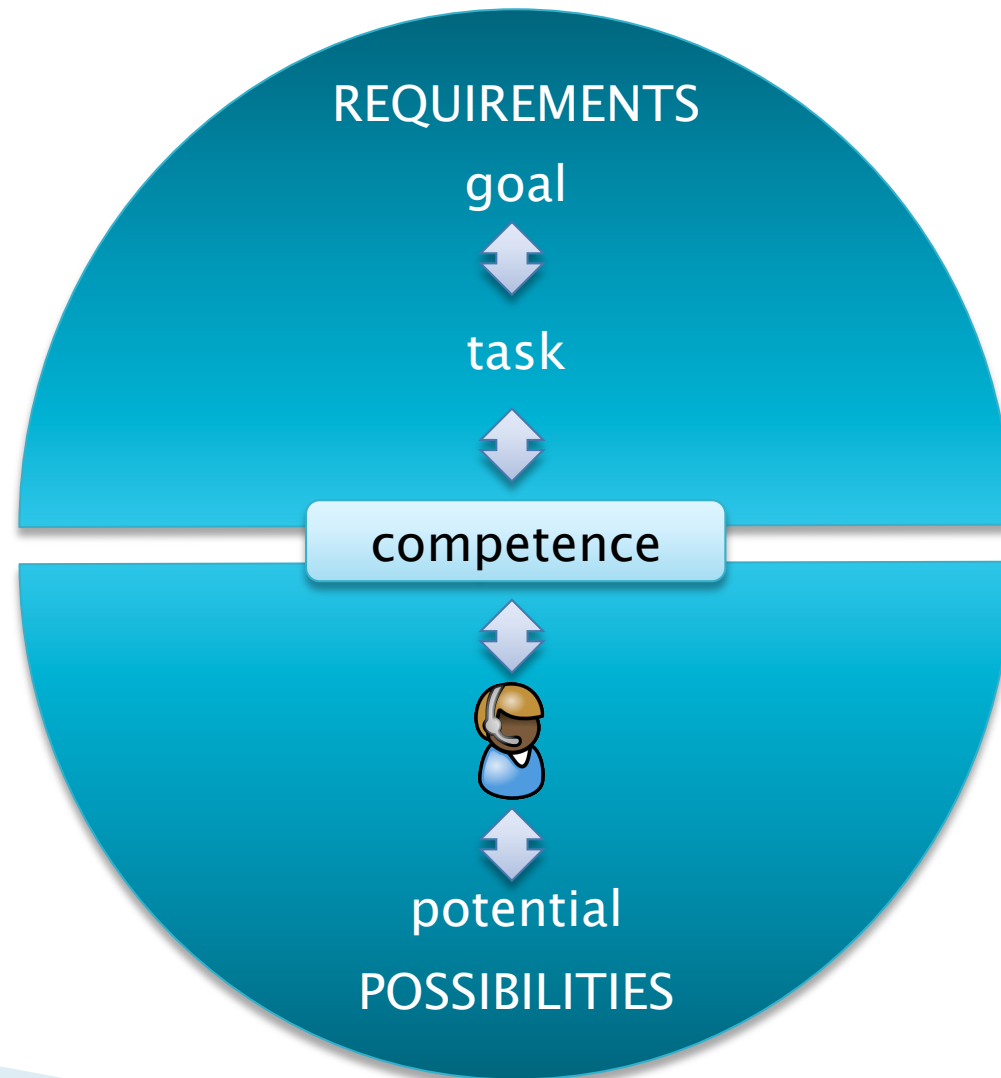
Company and Competencies

REQUIREMENTS

POSSIBILITIES
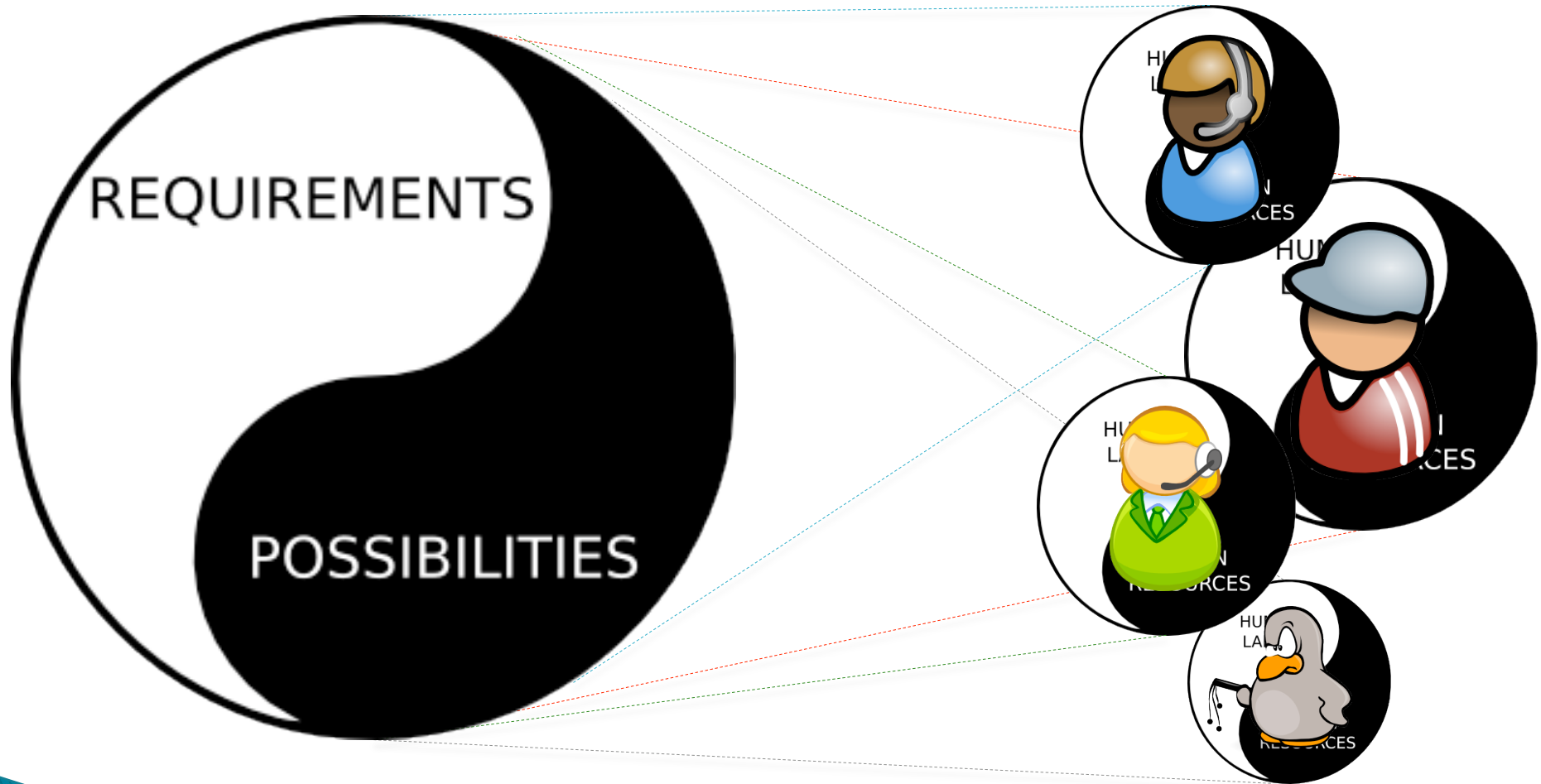
company

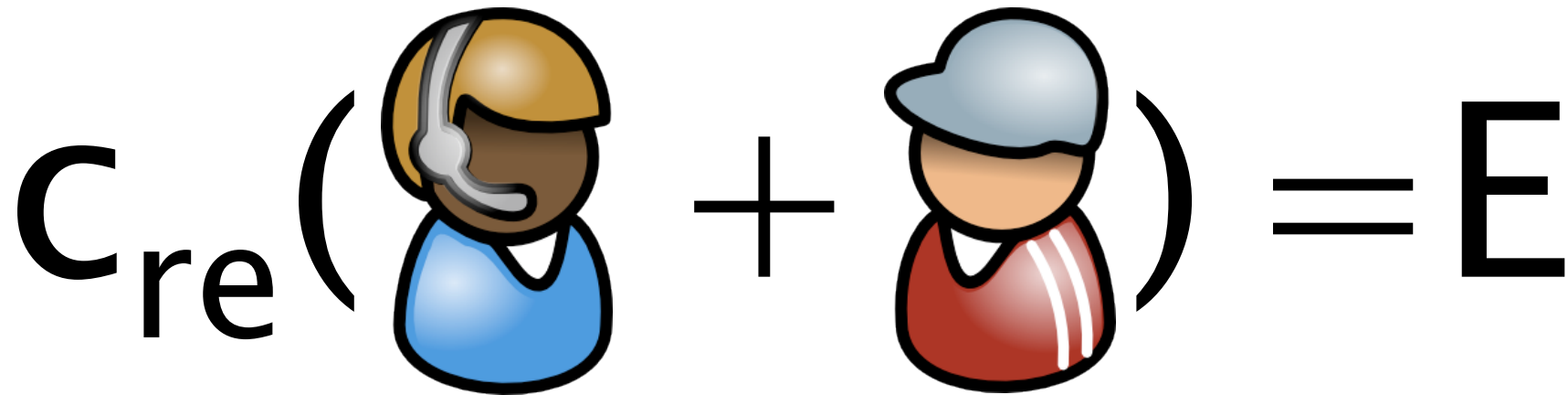people and their competencies

Vitality and Competence

22

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!

Company culture

Relationship

$$c_{re}(\text{👤} + \text{👤}) = E$$

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

Types of Relationships $c_{re}(👷 + 👷) = E$

Conflict $(c_{re} < 1)$

Neutral $(c_{re} = 1)$

Synergy $(c_{re} > 1)$

Company culture

Company culture

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

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

Examples of factors

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

Company culture
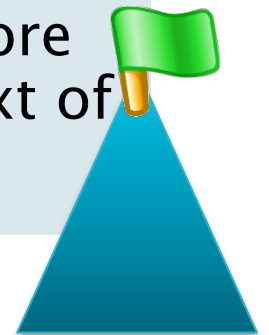
Synergistic company culture

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

Company culture

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

Company culture management objectives

Avoid the culture to become chaotic!

Continually transform the culture:

crisis   equilibrium   stability   vitality
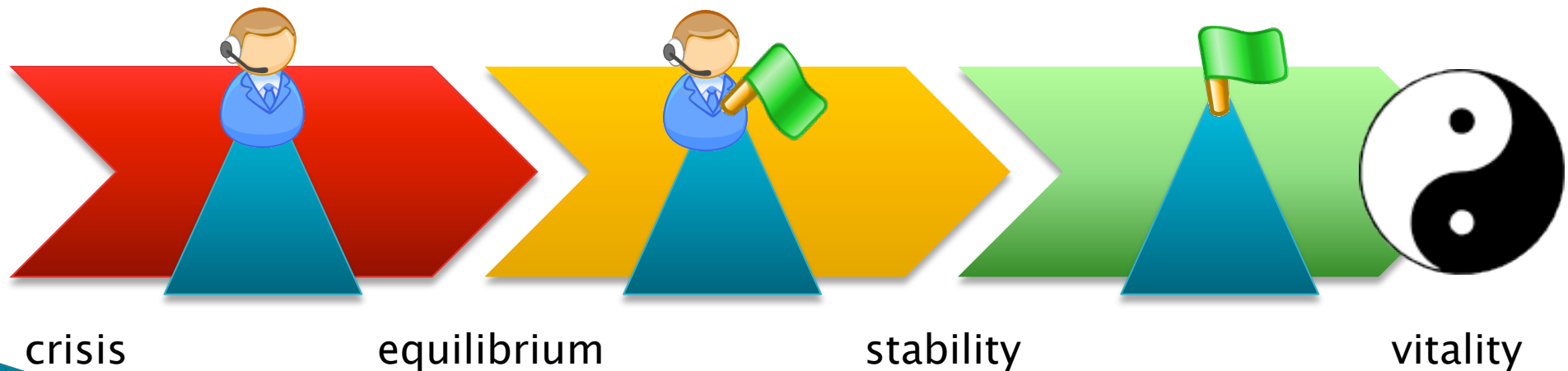
Company culture

Summary

- Course organization
- Management
- Management by Competencies
- Vitality
  - Duality of the worlds of requirements and possibilities
- Competence
  - Duality of human labor and human resources
- Company culture

Coming soon

- ▸ **Theory of vitality**
  - ◦ vital signs
  - ◦ pyramid of vitality
- ▸ **Usefulness, Effectivity**
- ▸ **Business Models**