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

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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 Introduction

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

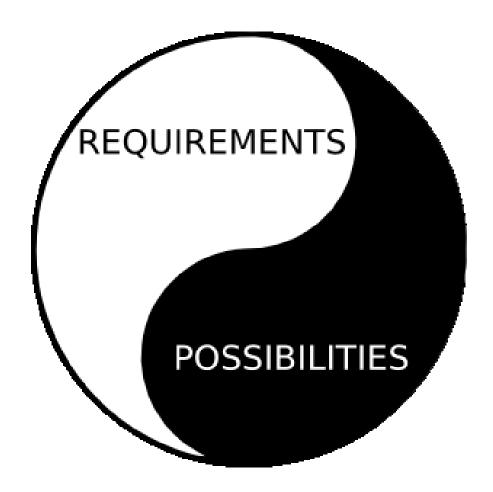
Controls and regulates duality of these worlds to achieve synergistic effect

- 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!

MbC Introduction

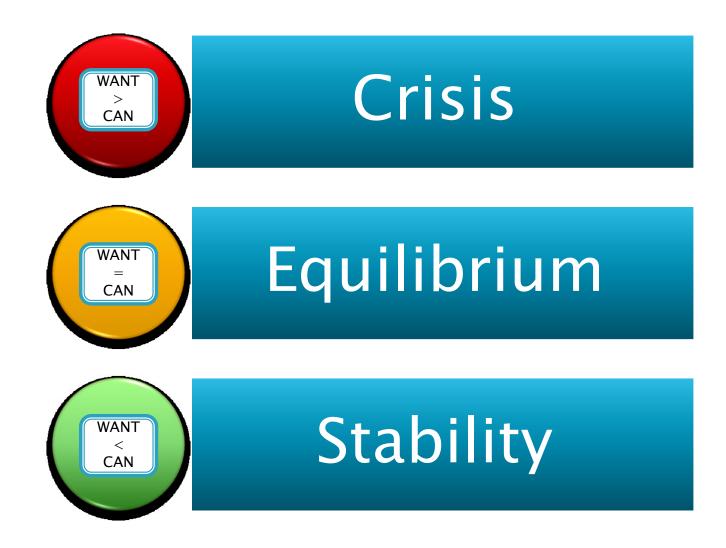
Two elements of Vitality



vitality = possibilities + requirements

(C) I. Plamínek

Semaphore of Vitality



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



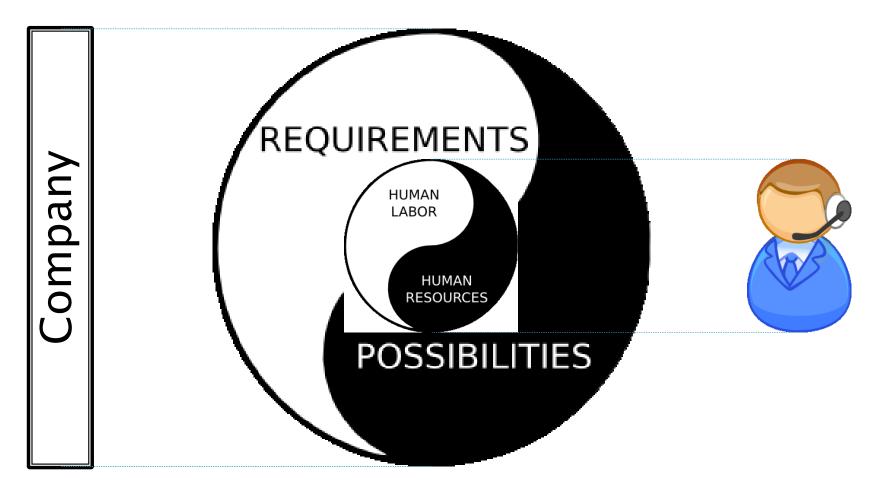
Two elements of Competence



competence= resources + labor

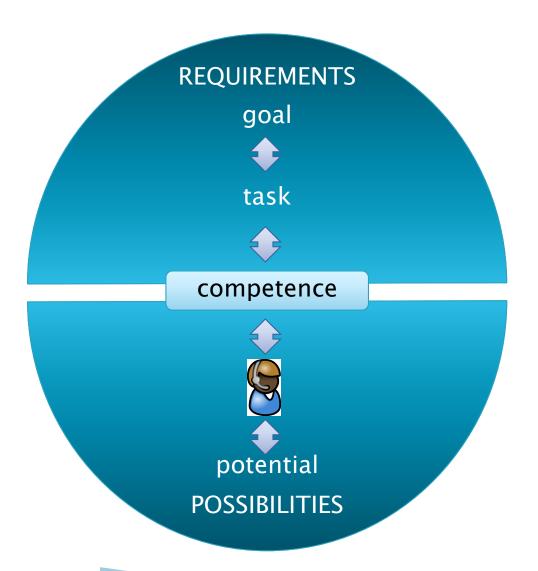
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Vitality and Competence

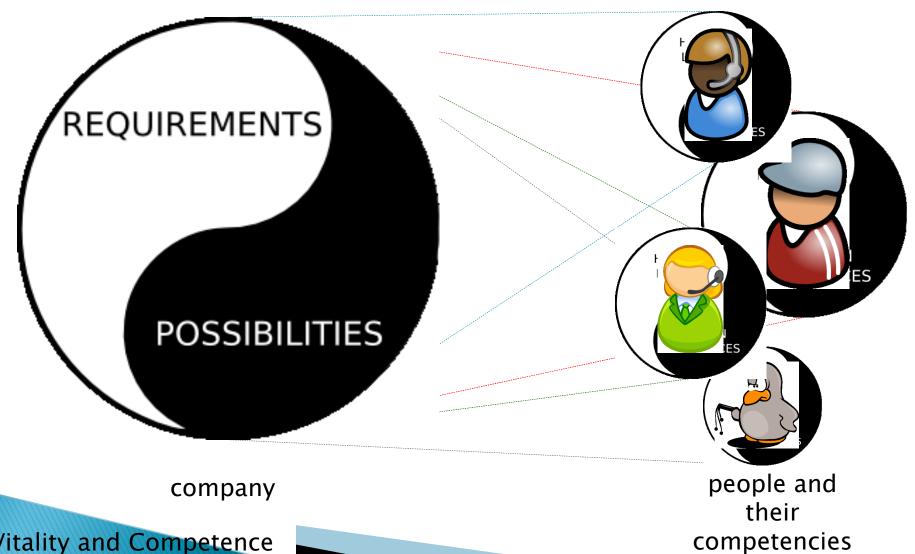


level of vitality ~ set of competencies

The role of Competence



Company and Competencies



Success and Relationships



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

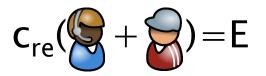
Relationship

$$C_{re}(S + S) = E$$

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

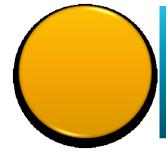
Company culture

Types of Relationships





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

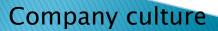
Absence of factors binding people together

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

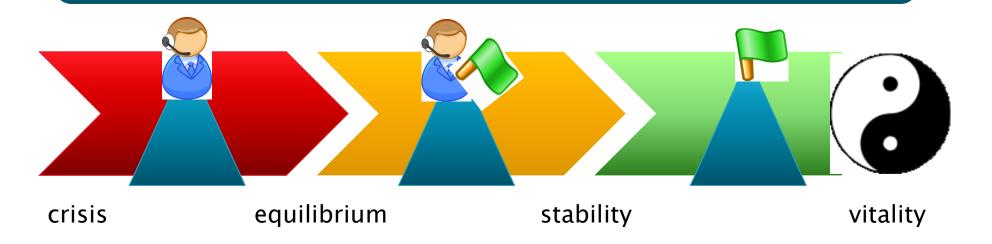
- it is created and formed by long-term evolutionary process
- however, it can be disrupted or even destroyed very quickly by insensitive actions and therefore

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:



Company culture

Theory of Vitality

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

meaningful

useful to someone, even if to itself

effective

it cannot exhaust itself to death

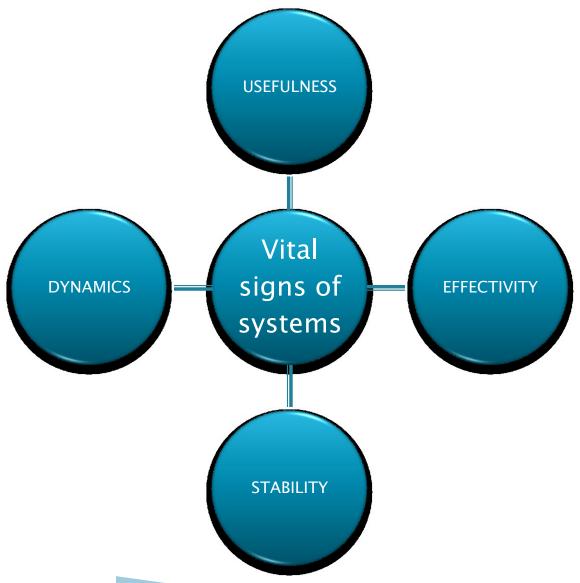
resistant

to threatening forces and environment changes

proactive

flexible enough to generate changes

Vital signs



Theory of Vitality

Conclusion

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