

# AGILE BASED COMPETENCY MANAGEMENT

ABC Management

Output 1 / Activity 4

**Article: Competency management as a part of management system**

Article author

PROFES Poland

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## 1. Competency profile

On the turbulent conditions of free market reality, competence management is a key part of company management. Very important if we think about organisations' success.

Companies often define both strategic objectives and competencies, which employees should have. Unfortunately, in many cases, they don't fit each other. If we want the organization to achieve a success, strategic objectives and competencies of employees should interact by connecting them at the level of building competence profiles adequate to the kind of job. How usually the profiles are created? It's a challenge to prepare a competence profile which includes general company competencies as well as specific competencies dedicated to specific positions. This process often involves HR, external consultants or persons chosen from the management. Obviously, each of the parties has its own motivation, experience and thoughts related to this task. It is easy to have a lot of different points of view ...

A strategic link between competencies and human resources management system, combined with the management of the company, creates the base level of the management competencies in our organization. It allows to implement the objectives of the organization. Through the use of models of assessment of employees' competences, the organization is able to make a kind of continuous photographing a comprehensive portfolio of talents, skills and knowledge workers. This information is useful to carry out evaluation and organizational development staff development programs. It lets you involve talent management practice related to development tools as well. It improves human resources practices and allows to retain people in the organization and create the development strategies,

## 2. Routine

Another important undertaking is to introduce and maintain a recruitment procedure and a coherent system for employee assessment. They should be based on a profile and development activities which help to fill gaps in the competencies. As a consequence this whole process converts into a routine activity: competence level assessment, planning development activities, their execution and the assessment of the outcomes. Over time, because of its scale and scope, the competencies and activities enter into the HR domain which is not always perceived by other departments as their equal. They tend to underestimate the benefits of HR's influence.

## 3. Competency profiles - the best solution?

We ask ourselves, why is this happening? Modern business is defined by constant change. It is necessary to embrace change because the business environment, clients' expectations, company's strategy and annual objectives always change. On top of that, the next generations of employees will have new expectations, values and work style. All of these are dynamic factors which influence the business. On the other hand, we have solutions which have been functioning in the same form for years.

It resembles two worlds.

Questions must arise from the clash between the changeable reality and the reality of HR moderated employee development areas. This development area consists of: long term competence profiles, annual competence evaluations based on general definitions/ behaviours as well as planned development activities. Those questions include...

- Can we better manage the competencies?
- How can we follow the processes taking place both inside and outside of the company?
- Does the business receive appropriate support from adequately prepared staff who can achieve aims and accomplish tasks?
- Can we be more agile in the area of employee development?

In order to answer "yes" to these questions, we need to look at the method of working with competencies at the entire organization level. Today, the organizations describe the necessary competencies and group them in competence profiles. They are used for recruitment, selection and competence development. Although positively influential, their complexity actually make them relatively static. How often are competencies assessed or adjusted to market needs?



#### 4. Company DNA

Having such a competence “spine” greatly restricts the movement and capacity for adjustment. As a result of its application, we receive competencies consistent with the profile but not necessarily with the business needs. The competencies should not play the part of the integrator. This should be fulfilled only by the company values. They influence the nature of the company - its DNA - and therefore, we need to make a totally new assumption.

Competence management must become agile. The process of competence development must run side by side with the business processes, or even ahead of them.

#### 5. Agile sources

The sources of agile need to be searched for in the IT area. Let’s see what the Manifestation of Agile Programming looks like: We discover new methods of programming through practice and supporting others in that area. As a result of our work, we start to appreciate:

**People and interactions** rather than processes or tools.

**Working software** instead of documentation.

**Cooperation with the client** rather than formal arrangements.

**Reacting to changes** rather than following the plan.

It means that the elements stated on the right are valuable but those which have greater value to us are stated on the left (bolded).

If transferred to the area of competence management, it could sound like this:

We discover new methods of competence management. As a result of our work, we start to appreciate:

**People and interactions** rather than processes and tools.

**Generating business values** instead of ample documentation.

**Cooperation with the internal client** instead of formal arrangements.

**Reacting to changes** rather than following the plan.

It means that the elements stated on the right are valuable and those with greater value to us are stated on the left (bolded).

#### 6. How does it work in practice?

Practically speaking, what results from that? Organizations usually set annual goals for particular departments as well as the tasks leading to their execution. Once the goals and tasks are known it’s a good idea to analyze the essential competencies which will enable



us to plan tasks at the expected level of quality. Let's highlight 3 or 4 competencies which are key to accomplishing goals and tasks - yes, that's right, only 3 - 4 competencies, not the whole profile! Because developing even a small number of competencies can be challenging for both individuals and the organization itself.

Let's allow this set of key competencies to be different, to be matched depending on the goals and tasks which are set for particular organization parts. Let's consider it being a natural feature of our new approach.

The assessment of these diverse competencies will give us a picture of the situation and will answer the question of how ready we are to achieve our goals. On the basis of this analysis, let's plan the activities, plan and accomplish our training and development activities, organizational changes, internal and external recruitment, etc.

Certainly, the process of shaping competencies requires annual updating or connected with changes in competencies. It's an important change in comparison with the classic approach. However, only when we are able to deliver the competencies adequate for the business at the right time can we safely say that competence management is a legitimate part of the company management system. What is even more important, the business side of the company will recognize it as fact.

## **7. What are the benefits?**

To sum up, let's see what benefits come from understanding competence management in an agile way:

- Firstly, adjusting competence management to changing business needs and requirements.
- Secondly, the choice of 3-4 competencies on the basis of aims and tasks will enable more effective development and will involve supervisors to a higher extent.
- Thirdly, the business, which is understood as departments outwith HR will finally understand and appreciate the positive influence of the development activities led by HR.

In short: agile competence management is an idea for improving efficiency relating to the development of key competencies.