

# The Influence of Agile Management on the Competence of the Personnel of the Socio-Economic System in the Digital Economy

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## Abstract

The main purpose of the study is to analyze the features of the influence of Agile management on the competence of the personnel of the socio-economic system in the digital economy. The research methodology implies the use of modern methods of analysis. Improving the business processes of an organization is associated with improving activities, the formation of effective management systems and processes, especially the organization's policy in the field of quality, rational use of resources, increasing the responsibility of management, social responsibility of the organization, etc. The modern knowledge economy places high demands on the effectiveness of behavioral models of employees of the organization. The role of the human factor in the production system is becoming more and more obvious. Therefore, it is important to study the competence of the personnel of any socio-economic system. Based on the results of the study, the key features of the influence of Agile management on the competence of the personnel of the socio-economic system in the digital economy were identified.

## Keywords:

*Agile Management, Management, Digital Economy, Personnel, Competence of the Personnel.*

## 1. Introduction

The intellectual capital and potential of the organization provides ample opportunities for solving financial and economic problems, including increasing market value, labor productivity, competitiveness and stability, attracting investments, introducing innovations, and increasing economic growth rates. The increasing pace of socio-economic development of production firmly consolidates the role of the organization's intangible assets. The cost of intangible assets is determined by the totality of investments in human capital, the level of professionalism of personnel, the competence of personnel, the image and reputation of the organization, and the quality of management. Real

recognition of the role of the human factor in organizational processes is required. The quality of management is still based on the effectiveness of the implementation of strategic, systemic, process, administrative, regulatory, situational, marketing, etc. approaches to managing an organization. However, the growing importance of the behavioral approach in managing the quality of business processes and human resources of an organization is becoming more and more obvious. Recognition of the role of the behavioral approach will provide the deepest qualitative changes at the personal and collective level of labor organization, increase the level of adaptability and competitiveness of the organization in modern socio-economic conditions. The main problem of the organization's management is related to the underestimation or ignoring of behavioral aspects in modern business processes. Employees are a powerful intangible capital of the organization. Increasing the productivity and competence of this capital requires updating approaches to managing organizational behavior, creating effective models of professional activity and improving communication interactions in modern business processes.

Management of a modern organization is a complex process that requires a deep analysis of political, socio-economic, socio-cultural, socio-psychological and other factors that determine the unpredictability of changes both within the organization and in the external environment. The most significant factors influencing the internal environment of an organization, the nature of modern business processes include the continuous increase in the amount of knowledge about the specifics of human behavior in an organization, the involvement of a person in the sphere of professional activity, the

growing role of motivation in the process of organizing labor, the quality of communications in a rapidly developing modern information technologies, versatility and effectiveness of management decisions, recognition of the value of the synergistic effect from the implementation of leadership and team technologies in organizational practice to improve the competence of personnel in the digital economy.

The main purpose of the study is to analyze the features of the influence of Agile management on the competence of the personnel of the socio-economic system in the digital economy.

## 2. Methodology

To characterize the features of the influence of Agile management on the competence of the personnel of the socio-economic system in the conditions of the digital economy, the following methods were used: induction and deduction, comparison and systematization - to characterize the modern understanding of the essence of the features of the influence of Agile management on the competence of the personnel of the socio-economic system in the conditions of the digital economy synthesis and analysis - development trends of the features of the influence of Agile management on the competence of the personnel of the socio-economic system in the digital economy; morphological analysis - to clarify the significance of the features of the influence of Agile management on the competence of the personnel of the socio-economic system in the digital economy; abstract-logical - for theoretical generalizations and conclusions of the study.

The modeling method was used to form a model of the influence of Agile management on the competence of the personnel of the socio-economic system in the digital economy.

## 3. Research Results and Discussions

The progressiveness of the country's economy in modern conditions of development is associated with success in the development of the knowledge economy, which involves changes in all areas of public life. Considering that the subject of knowledge production is a person, these changes relate primarily to those areas that are associated with his life, work

and development. Scientists and practitioners consider the competence-based approach to be an innovative approach in the field of personnel management at the present stage. Its implementation is associated with a number of practical problems, namely: determining the list of competencies for employees of the organization, developing job profiles, building a competency model, integrating the latter with the personnel management system. Today, the competence of personnel has become a strategic factor in the development of the organization. Successful organizations create new knowledge, skills, abilities, transfer them within the company and quickly update the range of goods and services.

With fierce competition, organizations set increasingly ambitious goals and develop new development strategies in order to stay in the market. Such business strategies can only be implemented with qualified, motivated and loyal staff. After all, their unique competencies, professional and personal potential are key factors in increasing the efficiency of the organization in the context of dynamic changes in the external environment. In practice, the competency-based approach is an integral part of the organization's personnel management system and Agile management. Therefore, competency-based goals are formulated in such a way as to show that these processes can improve the organization's performance by achieving higher performance, changing employee behavior, increasing labor productivity and organizational performance. The threats presented in Figure 1 have a negative impact on the competence of the personnel of the socio-economic system in the digital economy.

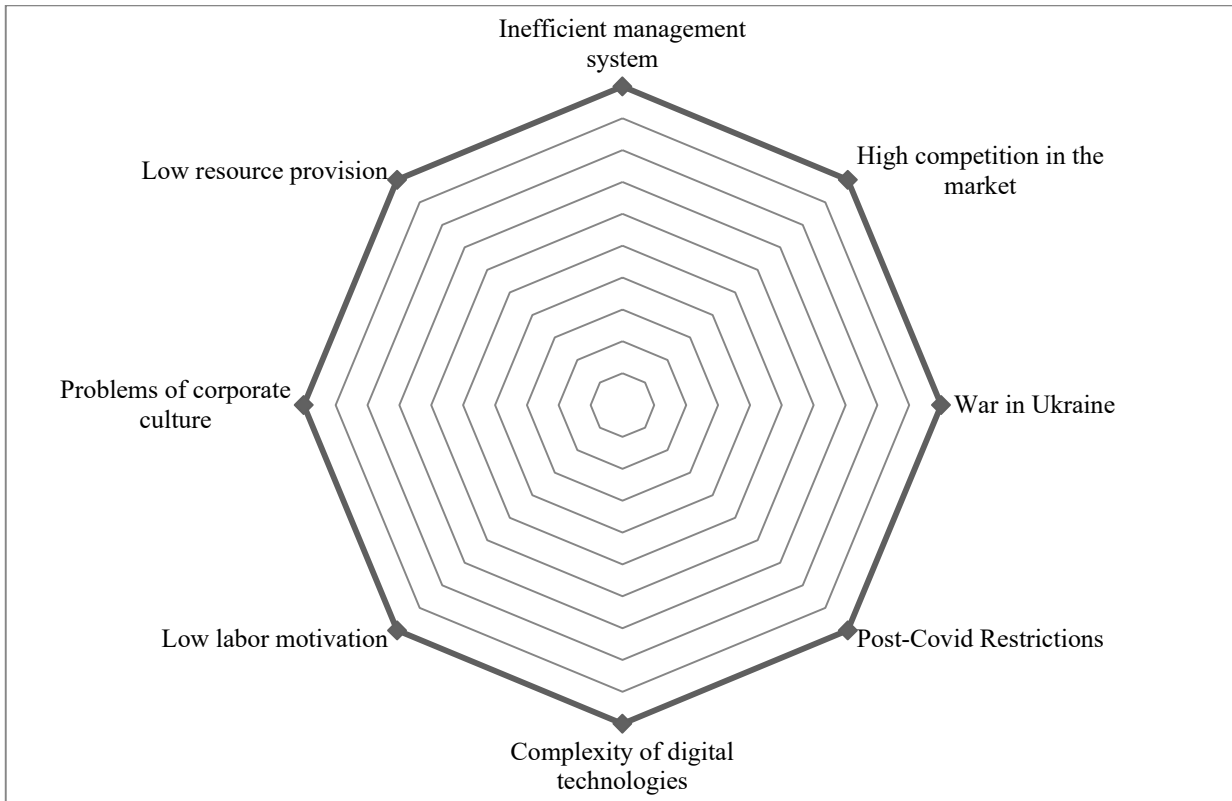


Fig.1. The negative impact on the competence of the personnel of the socio-economic system in the digital economy

The formation of the science of personnel management began with the industrial revolution. During its development, management theory has constantly evolved, which was associated, first of all, with a change in the role of a person in an organization. From simply maintaining work discipline and ensuring safe working conditions to strategic personnel management and increasing the efficiency of using the organization's intellectual capital. Increasing and using the intellectual capabilities of the enterprise's personnel allows you to quickly respond to market requirements, effectively implement your development strategy, and ensure the reproduction of capital. Ensuring such actions is possible only if the work of each employee of the organization is considered as a unique activity that needs to be encouraged, constantly improved, taking into account changes in the changing external environment.

The peculiarity of the Agile method is that work on a certain project has a completely different order, and hence the result. First of all, the way of thinking

is changed to a more flexible one. First of all, management must be ready for such changes, since with the introduction of Agile their role is weakened, and the task is to help leading employees, and not to lead among them. For those companies that are not afraid of change and do not hesitate to apply a new modern method, Agile will certainly bring a number of advantages. This has a significant impact on the competence of the staff.

In general, the Agile management system can be represented as the following diagram (Fig. 2).

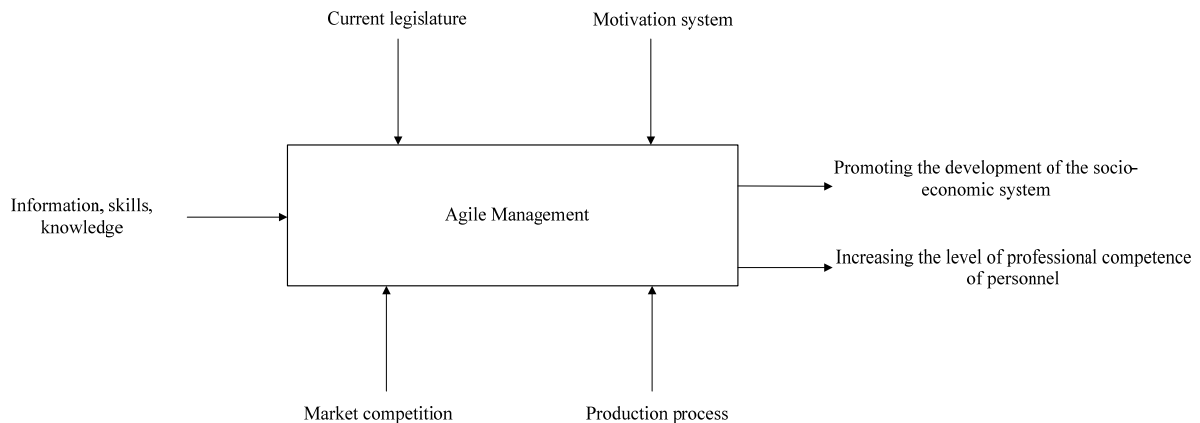


Fig.2. Agile management system diagram

We will form the main model of the influence of Agile management on the competence of the personnel of the socio-economic system in the digital economy (Fig.3).

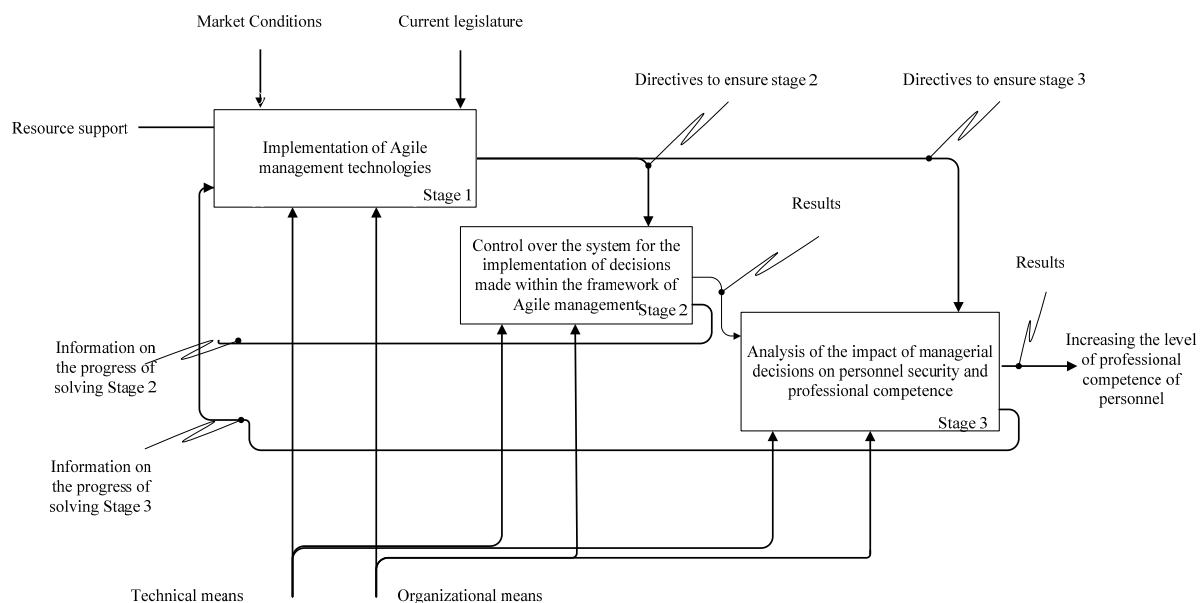


Fig.3. The main model of the influence of Agile management on the competence of the personnel of the socio-economic system in the digital economy

Agile is a way of working that will reduce waste or negative results and improve the flow of work on a project. And this affects professional competence. If an enterprise needs to stimulate innovation, it is not enough to simply introduce Agile into the company.

A number of changes need to be made at every organizational level. Therefore, the transition of enterprises to modern management methods and increased innovation will greatly improve the level of development and lead enterprises to a new path. It was determined that Agile is very promising in the US and European countries. In other countries, there

are only attempts to introduce such a methodology, but there are very few of them because of the fear of incurring losses. Statistics of recent years have shown positive results of the introduction and use of Agile in enterprises of completely different industries, and therefore we can conclude that this management methodology is suitable for all enterprises. Based on the material above, the advantages of the Agile methodology are formed, which will help stimulate innovation in organizations. When implementing Agile, the project team will be as close as possible to the customer and will be able to make the best decisions on the further development of the product, while independently solving problems in the way it sees fit.

#### 4. Conclusions

Visualization of processes in a particular enterprise, despite the mandatory link to real processes, can be based on some principles that are characteristic not only of the IDEF0 methodology, but also of existing process management principles. Such visualization is especially relevant for enterprises that are rebuilding their own management system in order to switch to innovative management methods. Agile management is one of such innovative methods.

The instability of the market makes it necessary to abandon production for the purpose of further sale to an indefinite circle of consumers, in favor of the production of goods needed by a unique customer. On the one hand, this dramatically increases the cost of production, on the other hand, it excludes the competition of the finished product with any other. At the same time, competition remains between manufacturers as enterprises ready to develop a unique product. The business processes that take place in a knowledge-based enterprise managed according to traditional principles are not much different from the business processes inherent in any enterprise. But if industrial enterprises producing some inventory items are interested in maintaining an established position, then enterprises participating in the field of knowledge, excessive centralization and bureaucratization against the backdrop of the work of specific (highly professional) personnel will be a deterrent to development. That is why the methods of managing enterprises operating in the field of knowledge must change in accordance with the

unique challenges that the enterprise faces - that is, use the concept of Agile.

The advantage of Agile management is precisely that the ability of an enterprise to adapt to any task increases many times, however, at the same time, production and business processes must undergo significant changes, and this, in turn, increases the very competence of personnel of any socio-economic systems.

Changes in the principles of management, characteristic of the knowledge economy, associated with the need to solve unique problems, are being introduced into the management of service enterprises, and will definitely be introduced into the management of industrial enterprises, although traditional management principles will be relevant for them for a long time and will be used in parallel with new ones.

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