

# Agile Management as a Technology of Professional Development of the Human Resources in a Credit Organization

Irina Lyskova

Department of Economics and Management  
The Komi Republic Academy of State Service and  
Administration  
Syktyvkar, Russia  
E-mail: IrinaLyskova@mail.ru

Olga Rudakova

Department of Financial Market and Banks  
Financial University under the Government of the Russian  
Federation  
Moscow, Russia  
E-mail: OSRudakova@fa.ru

**Abstract**—The paper focuses on the main aspects of agile management, it substantiates the importance of improving approaches to managing human resources in a credit organization, the need to improve the system of organizational behaviour and form an effective system of human resources quality in a credit organization in the conditions of modern digital economy.

**Keywords**—credit organization; digital economy; agile management; quality management; human resources management; organizational behavior; human resources quality

## I. INTRODUCTION

The late 20<sup>th</sup> and the first decades of the 21<sup>st</sup> centuries have been characterized with the appearance of new corporate management concepts aimed at increasing productivity and labour efficiency, ensuring the quality of production processes, and creating effective models of organizational behaviour [1] [2] [3] [4] [5].

Under current socio-economic conditions, especially regarding the tasks of continuous professional development of the personnel, Agile management is becoming a reasonable alternative to a rigid hierarchical management system. Having originated in the 1990s, Agile management was initially related to information technologies. Later, it appeared to be successfully applied to social systems, corporate management processes, and effective human resources management, in particular [6].

## II. THE TASKS OF THE PERSONNEL PROFESSIONAL DEVELOPMENT IN A MODERN ORGANIZATION

Experience shows that the ability of a manager to manage their organization effectively does not guarantee the effectiveness of its human resources management. Being a separate management subsystem, strategic personnel (human resources) management contains a set of fundamental managerial functions that ensure achieving strategic goals of the organization. Thus, the quality of the organization's human resources is its powerful strategic asset, the necessary

factor for the company's adaptability, competitiveness, the ability to respond to external challenges, high uncertainty and risks. It should be mentioned that the behavioural approach to managing human resources of an organization is determinative in Agile management [7] [8] [9].

To create an effective system of human resources development and human resources quality improvement it is necessary to define the common properties of an organization as a complex social system.

The integrated approach to the tasks of human resources professional development correlates with the organization's strategy and includes the following stages:

- Developing (elaborating) a mission, formulating a strategy, defining key goals and values (priorities, principles, approaches, regulations, required and desirable behavioural patterns).
- Studying the established systems of organizational behaviour and corporate culture, identifying their compliance with the organization's strategy; analysing positive and negative values, dominating the process of individual, group and collective labour activity.
- Developing organizational measures aimed at consolidating the required and desirable behavioural patterns.
- Targeting organizational processes in order to eliminate negative individual/group behavioural manifestations in the organization.
- Evaluating the effectiveness of corporate culture and organizational behaviour, introducing the necessary organizational changes.

The methodology of human resources management includes analysing the essence and role of human resources as a subject to management, characterizing the quality of employees' behavioural models in professional activity in accordance with the goals and objectives of the organization,

identifying effective methods and principles of behaviour management in the organization and introducing them into organizational processes [10].

The system of managing the personnel professional development is determined by the whole complex of goals, tasks, functions and individual, group, collective interaction in the organization, that is, the structure of organizational behaviour. The content of organizational behaviour is characterized with specific features of professional individual and group activities, as well as the quality of communication in the organization.

### III. THE ESSENCE OF AGILE MANAGEMENT

The characteristics of organizational behaviour also determine the technologies for managing professional development of the personnel. The reinforcement of motivation for continuous professional development takes place at the stages of employee recruiting, selecting and hiring. Professional development management is closely related to the issues of personnel assessment, the tasks of creating the effective system of employee adaptation, motivation, training and development, communication management and career prospects, as well as to ensuring favourable working conditions, labour protection, exercising labour rights and social guarantees.

The modern Agile management model is primarily based on the individual needs of employees, their most significant motives that can ensure a high level of individual and cooperative work for the purposes of organizational development [11] [12] [13] [14].

What is more, Agile management can ensure the effectiveness of the quality management process, including the creation and development of a human resources quality system. A totality of qualitative personnel characteristics of an organization (quality of human resources) can be conventionally classified into the following groups:

- individual abilities (intellectual, creative, communication skills, etc.), including the level of education, scope of knowledge, a combination of professional skills, work experience, cooperation and interaction skills in the field of professional activity, etc.
- the structure of motivation for employee labour activity, including a wide range of human needs satisfied in professional activity, and other personal interests not directly related to professional activity, etc.
- employee psychophysiological properties necessary to perform their work (health condition; managing physical, mental, intellectual stress; temperament; memory and concentration; specifics of thinking processes, flexibility, speed, originality of thinking, etc.).

### IV. THE INTRODUCTION OF AGILE MANAGEMENT TO THE BUSINESS PROCESSES OF A CREDIT ORGANIZATION

Under the “Digital Economy of the Russian Federation” programme, there has been a rapid change and introduction of new technologies, digitalization of all types of professional activities. Digital transformation is a fundamental change in the bank-customer interaction and a completely new system of meeting clients’ financial needs. In the current conditions, banks are required to modify their development strategy; otherwise, in nearest future they may be squeezed out by non-banking financial solutions.

Continuous changes in the external environment require immediate responses. Acknowledging the inevitability of these changes is one of the main conditions for a credit organization to develop. Therefore, even such a conservative business area as banking has to abandon most of traditional approaches, adapt to the changes and modify its practices. Besides, it is impossible to maintain competitive positions without monitoring market trends, consumer demands and the latest technological advances. Successful banks are of no exception and should introduce regular improvements as well, since in this highly competitive market all the best business practices and technologies tend to be soon adopted by rival companies.

The introduction of information technology in banking is aimed at achieving the main business goal - maximizing profit, thereby cutting costs and improving customer service quality. However, this goal can be achieved only with the proper, intelligent introduction of IT, building a system of business processes and their effective management [15].

The role of the bank personnel is also undergoing some changes: nowadays, new jobs and occupations appear which have not existed before. Consequently, an IT specialist is becoming a key figure in maintaining effective operation of a credit organization.

First, it is a specialist, whose responsibility is to provide the functioning of a credit organization and conducting customer service banking operations through correct and knowledgeable use of modern information technologies. It is widely known that modern banks focus on interacting with their customers in virtual space. Presently, a highly competitive bank is not the one having a vast branch network, but the one providing the most user-friendly services, since the spatiotemporal characteristics of service are no longer as significant as they used to be.

Second, it is a specialist, who is in charge of competent, cost-effective organization of the business processes inside the credit organization. They should have clear understanding and vision of the internal business processes of the bank, be able to identify the primary and secondary business processes, be able to integrate appropriate software and hardware tools into the activities of the credit organization.

As we can observe, a banking IT specialist is the one with a set of cross-disciplinary competencies: banking, information technology, and management. They have to

possess basic knowledge in all these areas in order to be able to organize bank business processes competently.

In recent years, the banking industry has undergone major changes related to the introduction of innovative technologies to the financial industry: RegTech and SupTech, artificial intelligence and robotics, cybersecurity, biometrics and remote identification, ecosystems and marketplaces. In this regard, the description and development of the methods for assessing new competencies, called “digital competencies”, require the most assiduous attention. According to the experts of The Boston Consulting Group (BCG), technology will continue evolving, and will be relatively easy to obtain. On the other hand, as early as 2020, the world is likely to experience severe lack of specialists who know how to apply these technologies correctly. Nevertheless, strong IT competencies are not enough, soft skills are becoming strategically important: one’s individual potential, development, growth, commitment to demonstrating their effectiveness in the existing corporate culture.

The analysis of global trends in competency development indicates an increasing demand for the competencies in the “Knowledge” category in the modern world. It includes the following:

- existential competencies related to concentration and attention control;
- empathy and emotional intelligence;
- cooperation (in different aspects of work and training);
- information technology and media skills, including programming and information hygiene;
- critical, problem-oriented, systemic thinking;
- creative skills;
- the ability to work in cross-disciplinary environments;
- flexibility and adaptability;
- the ability to learn, life-long learning;
- accountability (including work ethics).

The emergence of new technologies results in revolutionary changes in the banking market, and cannot but influence the staff considerably. Meanwhile, when improving their operational procedures, banks should take the best that technology can offer, but should fully and clearly understand that on a number of occasions human resources are not just more efficient, they are simply essential.

It is expected that over the next decade, due to the widespread introduction of new information technologies to the banking sector, a rapid job cut will take place. Banks have to get ready for such an outcome, in order to allocate resources correctly and develop an employee retention and transfer plan [16] [17].

However, automation in the banking sector will not affect those jobs and occupations that require good interpersonal

skills. For instance, analysts and researchers who provide expert opinions, since this process is difficult to mechanize; call centre operators who have to solve non-standard tasks, understand the interlocutor and establish a rapport with them; personal managers for VIP customers, etc.

Digital technology plays a key role in changing the principles of labour organization and provides new opportunities for the personnel. These days, employees spend less time at their office desks - due to modern technology, many of them work remotely: on the move or from home. By combining man and machine capabilities, banks will be able to boost productivity significantly, including that of front-office employees. The most challenging task is to find a balance between automation and face-to-face communication and evaluate how technology can help employees improve efficiency.

It is evident that technological progress will fundamentally change the structure of the personnel in the banking sector, which will definitely lead to eliminating or changing existing positions, as well as to creating the new ones. Banks that are only able to respond to ongoing changes will face serious difficulties, however, those working proactively will be able to introduce the most advanced technologies, attract the best employees, and achieve the highest results. In order to do so, they are to conduct a comprehensive analysis of the work being performed in the organization and assess the possible impact of innovation on the personnel in advance. Then it should be acknowledged that the skills they will require in future are distinctly different from those in demand today. In this regard, the abilities of the personnel should develop at the same pace as technologies do. In order to facilitate innovation in the banking sector, banks will attract those employees who can think creatively, easily adapt to new conditions and have entrepreneurial talent.

One of the major tasks is building professional teams of workers possessing various skills, attitudes and experience, rather than attracting top-quality specialists. A team is generally a small group of people with diverse knowledge, skills and creative potential. Teamwork should correspond to the interests and skills of a person, be complex, diverse, provide the opportunity to take personal responsibility, learn and improve their qualifications, and be fairly paid. Teams are formed at all the levels of a credit organization, however, a team of top managers has the most significant role, dealing with the most important and complex issues.

One of the pioneers and the most illustrative examples of Agile technologies implementation in a credit organization is the Dutch banking group ING [18]. The case of ING Agile transformation is remarkable not only for the financial industry, and not only for the Netherlands or Europe. The ING banking group was the first of the largest traditional corporations not just to perform local actions with new management approaches, but to carry out a comprehensive Agile transformation targeting thousands of employees in all business areas. One of the innovations was a new human resources management model. In the previous one, the status of a manager and their salary depended on the scale of the

projects they were accountable for and on the number of employees under their supervision. In the Agile model of performance management there is no concept of projects — it is built around knowledge processing. During the transformation, the company aimed at reaching the best compromise between knowledge and experience of various kinds.

As for Russia, the first banks to implement Agile are Sberbank and Alfa Bank. The transition to Agile technology and philosophy is primarily associated with the rapid development of mobile banking. In addition to banks, the leading Internet giants are also trying to win the attention of digital devices users. They introduce products to the market faster and minimize bureaucracy and other barriers.

Since 2017, the Central Bank of Russia has been applying Agile practices. In July 2018, a paper was published in which the head of the Bank of Russia project office reported on the difficulties they faced while implementing Agile and the results achieved through these practices.

One of the negative features of implementing the flexible approach is the reluctance of some employees to use it. In case of such attitudes, it is crucial to motivate employees by organizing training and providing illustrative examples of implementing the flexible approach successfully [19] [20].

## V. CONCLUSION

To conclude, the strategy for organizational development is to a great extent determined by the effectiveness of human resources technologies in general, and the system of organizational behaviour and motivation for professional development, in particular. The identification of the qualitative characteristics of the personnel and reinforcement of practical, well-targeted models of organizational behaviour ensure the effectiveness of human resources management in the organization and its high level of adaptability to external challenges.

In spite of the fact that some experts and participants of the banking market are rather sceptical and equate banks with regulations and bureaucracy, the introduction of Agile approaches to the banking sector allows to expand management capabilities and achieve high results by means of business processes structuring, creating and delivering topical banking products and services. Some positive result of introducing Agile to the banking sector are already tangible, for instance, accelerating digitalization, one of the strategic tasks of the modern banking business.

## REFERENCES

- [1] Marr, B. (2014). Key performance indicators. The 75 measures every manager needs to know. PEARSON. Moscow: BINOM. *Laboratoriya znaniy*. 340 p.
- [2] Assen M. van, Berg G. van den, Pietersma P. (2013). Key Management Models. The 60+ Models Every Manager Needs to Know. Moscow, BINOM, *Laboratoriya znaniy*. 319 p.
- [3] Evans, V. (2015). Key strategy tools. The 80+ tools for every manager to build a winning strategy. PEARSON. Moscow: BINOM. *Laboratoriya znaniy*. 456 p.
- [4] Schein, E.H. (2002). Organizational culture and leadership. Saint Petersburg: Piter. Second edition. 336 p.
- [5] Luthans, F. (1999). Organizational behavior. Seventh edition. Moscow: INFRA-M. – XXVIII, 692 p.
- [6] Appelo, J. (2018). Management 3.0. Learning Agile Developers, Developing Agile Leaders. Moscow: Al'pina Publisher. . 534 p.
- [7] Lyskova, I. (2018). The Main Problems of Forming the Effective Behavioral Models of Employees in the Aspect of Human Resources Quality Management (Using the Example of «Rosatom» State Corporation). *Global Nuclear Safety*. No. 4 (29). Pp. 109-117.
- [8] Lyskova, I.E. (2018). The role of the corporative culture in the adaptation of the society to the new challenges of the global economy // *Global economy in the XXI century: dialectics of confrontation and solidarity*. London, LSP. Pp. 420-431.
- [9] Lyskova, I. (2019). Conceptual basis of the formation of organizational behavior quality in the condition of knowledge economy. *Advances in Social Science, Education and Humanities Research. The 3rd International Conference on Culture, Education and Economic Development of Modern Society (ICCESE 2019)* Atlantis Press, Vol. 310. Pp. 1873-1878 // [https:// www.atlantispress.com/proceedings/-iccese-19](https://www.atlantispress.com/proceedings/-iccese-19)
- [10] Lyskova I. (2018). Quality of Working Life in the Aspect of Human Resources Management // *Advances in Economics, Business, Management Research / The 4 th International Conference on Economics, Management, Law and Education (EMLE 2018)* Atlantis Press, Vol. 71. Pp. 226-230. // [https:// www.atlantispress.com/proceedings/-emle-18](https://www.atlantispress.com/proceedings/-emle-18).
- [11] Lyskova, I. (2017). Main Paradigms of Creative Management in the Aspect of Modern Cognitive Economy // *International Conference on Culture, Education and Financial Development of Modern Society (ICCESE 2017)* Vol. 103. Atlantis Press. Pp. 644-649 // [https:// www.atlantispress.com/php/pub.php?publication=icctse-2017](https://www.atlantispress.com/php/pub.php?publication=icctse-2017)
- [12] Lyskova I. (2018). Mental Reengineering as an Intellectual Technology of a Human Resources Quality Management in a Modern Organization // *Advances in Social Science, Education and Humanities Research. Vol. 205 / The 2nd International Conference on Culture, Education and Economic Development of Modern Society (ICCESE 2018)* Atlantis Press. Pp. 903-906 // [https:// www.atlantispress.com/php/pub.php?publication=iccese-2018](https://www.atlantispress.com/php/pub.php?publication=iccese-2018)
- [13] Lyskova, I. (2018). The Art of Creative Thinking as a Basis of Modern Labor Philosophy // *3rd International Conference on Judicial, Administrative and Humanitarian Problems of State Structures and Economical Subjects (JAHP 2018)* // Atlantis Press, Vol. 252. Pp. 266-270. // [www.atlantispress.com/proceedings/jahp-18](http://www.atlantispress.com/proceedings/jahp-18)
- [14] Lyskova I., Rudakova O. (2019). The main directions in the development of emotional intelligence of the personnel in a credit organization. *Advances in Social Science, Education and Humanities Research. Atlantis Press, Vol. 310. Pp. 480-483. The 3 rd International Conference on Culture, Education and Economic Development of Modern Society (ICCESE 2019)* // [https:// www.atlantispress.com/proceedings/-iccese-19](https://www.atlantispress.com/proceedings/-iccese-19).
- [15] Rudakova, O.S. (2016) About harmonization of professional standards and educational programs of the magistracy in the field of banking in modern conditions. *Modern science: actual problems of theory and practice. Series: Knowledge. No. 5-6. Pp. 45-48.*
- [16] Global Outlook for the banking sector for 2016. Frame transformation. Bank employee of the future // <http://www.ey.com/ru/ru/industries/financial-services/financial-services-overview>
- [17] Rudakova O., Blinov A. (2015) Re-engineering of Human Resources as the Foundation for the New Economy. *Proceedings of the 2015 International Conference on Economics, Management, Law and Education (EMLE 2015)* Atlantis Press, Vol. 46. Pp.211-214. // <http://www.atlantispress.com/php/pub.php?publication=emle-15>.
- [18] <http://hr-digital.ru/2017/12/28/agile-transformatsiya-v-bankovskoj-gruppe-ing/>

- [19] Rudakova O.S. Transformation of bank business models in digital economy. *Banking law*. No. 4. Pp. 50-54.
- [20] Rudakova O.S. Saltanova S.P. (2019). Banking digitalization: the goal, main directions, problems. *Banking*. No. 8. Pp. 45-52.