A Comparative Analysis of Managerial Competencies Across Business Domains: An Indian Perspective

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Abstract : Purpose: To evaluate, categorize and develop an empirically validated model for business domain specific managerial competencies in the Indian business scenario.

Design /Methodology /Approach: The paper is based on empirical analysis of the managerial competencies. A pool of managerial competencies were listed from numerous international studies and the competencies were presented to a total 500 experts and practitioners from five business domains—Finance, Marketing, Human Resource, Operations and Information Technology. A structured interview with inclusion criteria of minimum 5 yrs was capped for responding representing abovementioned business functions.

Findings: The paper brings out the key competencies and the ranking of managerial competencies obligatory at entry level for young managers in the five major business domains in Indian context.

Practical implications: The paper shows direction to academicians regarding need of curriculum re-design and corporate trainers regarding training need analysis of the young managers such that they are able to sustain in a global work environment.

Keywords – Managerial Competencies, Management students, entry level managers, Attitude, Skills, Corporate Readiness.

Paper type – Research paper

I. INTRODUCTION

Relationship between Competencies and job performance has emerged up as major area of research interest in last decades. Management guru’s keen interest in understanding the correlation between the two has led to more introspective understanding of competencies and has further gone into understanding its meaning and perception by various business domains.

The purpose of this paper is to understand the degree and spread of competencies which include knowledge, skills and attitude across major business functions from the perspectives of professionals involved as recruiters. Competencies have been defined by Boyatzis, 1982 as an essential characteristic of a person in that it may be a motive, trait, skill, aspect of one’s self-image or social role, or body of knowledge which he or she uses (Boyatzis, 1982). Knowledge refers to a body of information relevant to job performance (Mirabile, 1997). Motives can be defined as what people desire and seek, skills refer to talent that one can demonstrate in a particular activity and traits are people behavior tendencies (Mirabile, 1997). A job competency is an underlying characteristic of a person which results in effective and/or superior performance in a job. (Boyatzis, 1982). Managerial competencies refer to skills, knowledge and behaviors to be demonstrated at a specific level of proficiency by managers (Evers, Rush & Berdrow, 1998). Threshold competencies are generic knowledge, motive, trait, self-image, social role, or skill which is essential to performing a job, but is not causally related to superior performance. (Boyatzis, 1982).

Though the fact, that internal and external changes across organizations keep updating the list of managerial competencies over a period of time complicate the process of delivering any fixed list of competencies to organization, but the impact of the same is more at middle and top level. Deriving the same at entry level is challenging but not complex. Professionals involved in recruiting the management trainees at entry level have been successful in creating a inventory for the same.

This paper attempts to validate the inventory and further tries to go a step beyond by categorizing the same into business domain clusters. Competencies in the
paper are measured in terms of relative significance and regularity. By quantifying how vital a competency is, recruiters can show how noteworthy these competencies can be within a particular profession. It is also important to see how often competencies are used in a particular job. Core competencies relate to coordination of diverse production skills and integrate multiple streams of technology (Prahalad & Hamel, 1990). Identifying core competencies for a given job positions can give an organization a competitive advantage over its competitors.

The paper attempts to create a list of core competencies relevant to entry level job positions. Once a list of core competencies relevant in a given business function is identified, a model suggesting the relationship between the job position and competencies and eventually its impact on job performance and productivity can be crafted. Competency model specific to business domain are more exact in drawing interrelation between job productivity and job competencies. A competency model is a descriptive tool that identifies the knowledge, skills, abilities and behavior desired to perform successfully in an organization. (Dalton, 1997; Lucia & Lepsinger, 1999; Chung-Herrera, Enz & Lankau, 2003.). Competency models can provide both a roadmap and a prototype for achieving success. (Chung-Herrera et al., 2003).

In view of the fact that industries changes quickly over time. Competency models should also examine managerial behavior that industry executives anticipate will be needed in the future (Chung-Herrera et al., 2003). Competencies are important because organizations are always attempting to develop effective leaders, managers and employees (Antonacopoulou et al, 1996).

II. COMPETENCIES APPLIED TO BUSINESSES

With an enlarged array of businesses offering abundant products and services, managerial competencies have become ever more important to tackle the challenges and opportunities of managing a business. Managerial competencies applied to the business sector have been examined by numerous researchers and companies (Iles, 1993; Alderson, 1993; Wills, 1993; Mole, Plant & Salaman, 1993; Marquardt & Engel, 1993; Leblanc, 1994; Kozin et al., 1994; Lado et al., 1994; Jirasinghe et al., 1995). Crafting a competency model which is like a one jacket fit for all entry level managerial position is not possible due to innumerable variables ranging from macro factors like external market conditions to micro factors individual differences in handling responsibilities. Numerous studies support the argument to cluster managerial competencies broadly based on services offered by a given role/position as the least minimum benchmark. One such generic study conducted by Thomas and Sireno (1980) examined the skills and abilities needed by business managers. The study examined 115 competencies that managers used in the work place. These activities were divided into three domains: communication, leadership and control domains.

This study provided organizations with examples of competencies in the communication domain including following instructions from superiors, communicating on the telephone, communicating information with superiors, and reading company reports (Thomas et al., 1980). The study also provided companies with examples of what they called controlling competencies which included handling complaints from subordinates, following the proper channels of authority, and tactfully identifying mistakes in employees (Thomas et al., 1980). Finally, leadership competencies were addressed through examples such as determining alternatives to accomplish a task, creating an environment where departments believe their contributions are important, and setting an example with regards to attitude and behavior. Businesses in banking, distribution, manufacturing, and hospitals were included in this study. Competencies were rated based on the level of how frequently they were needed when conducting business. Of the top 20 competencies reported, nine came from the communication domain, six came from the control domain and five came from the leadership domain (Thomas et al., 1980). The results of this study helped explain the importance of communication skills to business leaders. The study attempted to examine frequently used competencies in a business environment and define three domains, the communication domain, leadership domain and control domain.

It is important to choose a leader whose behavior characteristics match what the organization is looking for in a chief executive (Levinson, 1980). This study linked competencies to hiring the appropriate executives for leadership roles in business environments. This study indicates that chief executives have a different set of skills than top, middle and lower levels of management. As one progresses through his or her career, they acquire new skills that are needed to accomplish the job. Competency based education becomes a much awaited need to redefine curriculum and offer industry more employable talent.

The present study is an attempt to understand the recruiter’s perception on competencies and therefore the results achieved can show directions to academicians and trainers to design modules and prepare the young professionals according the domain of operation.
III. METHODOLOGY

A pool of 41 managerial competencies were listed after referring numerous international studies and the competencies were presented to a total 500 experts and practitioners from five Business domains- Finance, Marketing, Human Resource, Operations and Information Technology. A structured interview with inclusion criteria of minimum 5 yrs work experience in the respective sector was capped for responding representing above mentioned business functions. Response was gathered on a 10 point scale ranging from not important at all to very important. To minimize subjectivity in the understanding and interpretation of the competency, an explanation of each competency was given to the respondent. They were briefed about the competency, an explanation of each competency was

The model fit information shows that the full model is better than the empty model the Ch- square value= 395.7 and p<.000. It proves that the model is worth consideration.

<table>
<thead>
<tr>
<th>Competencies</th>
<th>DS</th>
<th>IT</th>
<th>HR</th>
<th>MKT</th>
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<tbody>
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<td>Application and use of technology</td>
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<td>Reliability</td>
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<td>Attention to details</td>
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<td>Life Experience</td>
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<td>Lifelong learning</td>
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<td>Operating globally</td>
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<td>Operating in Organizational environment</td>
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<td>Organizational Skills</td>
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<td>Professionalism/Work Ethics</td>
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<td>Problem Solving</td>
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<td>Accountability</td>
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<td>Entrepreneurship</td>
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<td>Information</td>
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Management
Meeting Management 1 1
Oral Communication 1 1
Autonomy 1
Business Acumen 1
Creativity 1
Coaching 1
Emotional Intelligence 1
Ethics and Responsibility 1
Intellectual Ability 1
Project Management 1
Team-working 1
Stress Tolerance 1

The top ten competencies were Application and use of technology, Reliability, Attention to details, Life Experience, Lifelong learning, Operating globally, Operating in Organizational environment, Organizational Skills, Professionalism/work Ethics and Problem Solving. These competencies were found to be of consequence by managers of at least 3 different business domains. We can safely conclude to call them generic competencies as they transcend the business domain.

Unique domain specific skills were as follows: Decision sciences: Autonomy and intellectual ability were found important for decision making primarily because activities pertaining to decision making involve high degree of analysis making and critical thinking on account of which intellectual ability is seen as essential. As the very objective of the field is working towards decision making therefore autonomy to access and process data is yet another important competency. At the core lies decision making.

For IT domain Creativity and Stress Tolerance was unique domain specific competency. The IT industry in India is largely competitive with tight project deadlines. The respondents worked in small and medium IT companies where pressure to perform is very severe and therefore the above mentioned competencies are found relevant for IT domain.

Coaching and Emotional Intelligence are two core competencies unique for HR. The key profile of a HR professional entails handling employees and managing the work environment such that they find it conducive and engage in the organizational activity productively.

An HR professional is engaged in grievance handling and facilitating employee adjustment for which the above mentioned competencies are integral for effective functioning.

Marketing specific competencies did not stand out very clearly. This area requires further probe possibly because marketing as a domain is often confused with several business functions like selling, branding or business development and therefore specific results could not be achieved.

IV. LIMITATIONS AND RECOMMENDATIONS:

Competencies and competency models have restrictions including that the behavior identified in current studies might not be suitable in the future and the introduction of new management trends and technology may require altered competency. (Winterton et al., 1999; Antonacopoulou et al., 1996). There can also be difficulty in matching which competencies are important for industry segments as jobs differ and can alter from one company to the next (Dulewicz, 1989; Cockerill, 1989; Woodruffe, 1991). Competencies can also lead to a fake logic of reality and may lead managers to judge that they recognize all the nuances of a job (Garrick et al., 1992). Employees appearing competent on all the essentials in a competency model does not essentially connote that they have the ability to efficiently execute on the job (Hayes, Rose-Quirie & Allinson, 2000). An additional constraint is that no solo competency model can capture the holistic role of managers or leaders of companies (Antonacopoulou et al., 1996; Holmes & Joyce, 1993). An added limitation is how competencies are written. If they are not written with quantifiable verbs, then the study cannot categorize and measure whether the competence has been achieved (Bloom, Engelhart, Furst, Hill & Krathwohl, 1956). Using Bloom’s et al., (1956)

V. REFERENCES


