

MANAGERIAL CORE COMPETENCY PERCEPTIONS OF BUSINESS EXECUTIVES – A STUDY

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ABSTRACT

The paper presents findings of an empirical study, to determine the competencies required to be successful business managers in India, undertaken by India corporate sectors. It is based on competency research methods pioneered by United States Geological Survey (USGS) has identified a need to implement a behaviorally-based 'Core-Competency Model for Managers' (CCMM). The 26 month study commenced by focusing on private companies (India), Private companies (Multinational) and Public and Government sectors managers. The findings have been validated by managers from various business sectors. The study makes significant contributions for Team Building, Creative and innovation, Judgment / Decision making, Supervision, Motivation, Flexibility, Conflict Management, Goal setting, Vision and Mission, Organizing and Control, Delegate Authority and Leadership skills development for successful managerial persons.

Keywords: Manager Core Competency, Managerial Competency, Core-Competency Model for Managers, Manager competency model.

INTRODUCTION:

Managerial core competency has emerged as one of the crucial and popular concepts in the field of organisational behaviour and human resource management in the recent past. In TVS group, it was stated that, positive work culture and management's understanding of human issues, enabled the organization to set an enviable track record of not having lost a single man-day in the last 60 years due to any reasons of industrial unrest. TVS group is unique in many aspects and its attitude towards the workforce reflected the group's philosophy that common masters for both the management and employees were the 'customer and organization itself'. It was further observed that the spirit of co-partnership and adherence to work values, reflected in the expertise and achievements of all departments, which was possible only by the committed employees.

Sam Mittal, Managing Director of "Digital Equipments (India) Ltd" and who steered India on IT sector, while explaining the 'turnaround' of the company said that the company believes in charging and exciting the employees about its mission. Its strategy involves in energizing the employees and the company believes that if people have sense of belonging and ownership, they will definitely bring in success".

N. Sankar, Executive Chairman of the 'SANMAR' Group endorses "The greatest strength of 'Sanmar' is its people. Transcending with ease is the paradox of being a family concern, which is yet a professionally managed group, 'Sanmar' attracted some of the best talents available in their executive positions, due to company's clean image".

M.S. Banga, Former Chairman and Managing Director, Hindustan Lever, noted that, "Dealing with uncertainty is very important as a component of the leadership style or repertoire. The individual has to have greater tolerance to the ambiguity of uncertainty and yet be able to steer the business with success".

Chairman of 'Malladi Pharma Group', while explaining the company's Human Relations (HR) philosophy, elaborates that its strategic planning encompasses courtesy, mutuality of concern, reciprocating affection, good communication and coordination.

Dr. Manmohan Singh 'Prime Minister of India' emphasized that, "Greater competition is the only driver to bring in efficiency and focus on performance and productivity. The investment decisions in the public sector will have to be more at the board level and the roles of full-time, part-time and nominee directors toward good corporate governance are to be much result oriented. In India even as most of the major businesses are family-owned concerns where succession is from within the family, presently hired professional managers or CEOs to bring efficiency to meet global competition."

P.M. Sinha, Former CEO, PepsiCo India, says that, "Value based leadership and a culture that promotes integrity is the most important element, which the CEO has the responsibility to inculcate. The CEO should build passion around the goals of the organization and bond the team through sustaining values".

R.V. Shahi, Secretary, Department of Power, Government of India, viewed that, "The institutionalized arrangement for selection should hold good only up to general managers. Beyond that, leadership positions should be open to everyone with individual compatibility".

Mr. Kofi Annan, Former 'United Nation Secretary General' indicated that, "It is my hope that competencies will provide us with shared language for talking, in concrete terms, about high performance and managerial excellence. I believe that a shared view of the standards that we are striving to achieve will assist us in our continuing efforts to prepare the organizations to meet the challenges of the 21st century."

In a journal, "Building the Future", the Secretary-General has further indicated that the organization's greatest strength and the key to success is the quality of staff and managers. He has stressed that, to capitalize on this strength, there is a need to create a better organizational culture and environment that enables staff to contribute to their maximum potential. He explained that, when seeking to create a new culture and build human resources capabilities for the future, it is important to define organizational core competencies in the combination of skills, attributes and behaviours which are essential for all staff as well as the managerial competencies required by all those who manage others. Once organizational competencies have been defined, they can be used as a base on which to build and strengthen other human resources systems such as recruitment, placement, development and performance appraisal.

The above observations reveal that managerial executives are playing vital role in every organization's accomplishment of goals and success in the present scenario. Due to present changes in the global economy, through liberalization, privatization and globalization business leaders and managerial personnel are increasingly under pressure to produce results, set the goals and objectives etc., Therefore, a study of the perceptions of corporate managerial personnel on sensitive issues on managerial core competency is increasingly imperative to understand their core values in these phenomena.

REVIEW OF MANAGERIAL CORE COMPETENCY:

The evolution of managerial models over the course of the twentieth century reveals that the managers' reality has increased in complexity. During the first quarter of the century, Taylor (1911) and Fayol (1949) appropriately described the nature of the work during the industrial revolution and portrayed the manager as one who plans, organises, command, coordinates and controls. The next 25 years brought greater recognition to the social context of work and the introduction of human- relations models (Mayo, 1933, Barnard, 1938). These approaches stressed that managerial responsibility went beyond productivity and efficiency to include the need for attention to human relationships.

George O. Klemp, Jr. 1979. A study, "Competence of a person is judged by his or her performance. It does not matter whether the individual is a lawyer, skilled worker or philosopher but, a competent worker is one who can meet or surpass performance standards either implicit or explicit". The 'American Management Association' undertook a research project to answer a question of what individual characteristics lead to effective managerial performance. The research was based on a sample of 2,000 managers in a variety of jobs and organisations. It identified eighteen skill competencies generic to middle level management. These competencies were found to differentiate the superior from poor and/or average performers and to be causally related to effective management.

Quinn, R.E., Faerman, S.R., Thompson, M.P. and McGrath, M.R. (1990), specified eight interconnected roles, that effective managers perform as, director, producer, monitor, coordinator, facilitator, mentor, innovator and broker.

Cockerill, Tony (1995),⁹⁸ presented eleven dimensions of managerial competency for high performance managerial competencies which are, information search, concept formation, conceptual flexibility, interpersonal search, managing interaction, development orientation, impact, self-confidence, presentation, proactive and achievement orientation.

Quinn et al. (1996), subsequently, proposed eight managerial roles as mentor, facilitator, monitor, coordinator, director, producer, broker and innovator. Each role is composed of specific competencies, for example, the role of mentor involves communicating effectively and developing subordinates. These eight roles reflect two organisational dimensions, flexibility Vs control and internal Vs external. Depending upon the organisational goals, the CEO places greater emphasis on certain managerial roles.

Martin (1997), named competencies as believed are universal, regardless of context (four competencies under each of three headings labelled sharpening the focus building commitment and driving for success) and identified three kinds of competencies that vary as a function of a given cultural context (business relationships, the role of action and the style of authority).

For, Bratton, (1998) managerial core competency is any knowledge, skill, trait motive, attitude, value or other personal characteristics which are essential to perform a job. To obtain an effective performance, a work organisation needs people, who have a suitable competency. It is a paradigm shift from old to new wherein now managements are focused on more humanistic aspect. In the present regime of globalised business environment managers should give more attention and motivation to their employees. Accordingly, managers are required to have good interpersonal skills.

Gregersen, Morrison and Black, (1998), He conducted interviews and gathered survey data for international managers and identified five characteristics of successful global business leaders; (1) context specific knowledge and skill, (2) inquisitiveness, (3) personal character (connection and integrity), (4) duality (the capacity of managing uncertainty and the ability to balance tension) and (5) savvy (business savvy, political savvy and organisational savvy).

Abraham, Steven E., Lanny A Karns, Kenneth Shaw and MA Mena., (2001), presented ten aspects of managerial core competency which are listed as good oral / written communication skills, problem solving, results oriented, interpersonal skills, leadership skills, customer focus, flexible / adaptable, team worker, dependable and quality focus.

The above literature survey explains that, as the ability to get things done through people is the vital task of the manager, managerial competencies are the skills, attributes and behaviours which are considered essential for staff with managerial or supervisory responsibilities. Managers need such skills, in order to build a new organizational culture and meet future challenges. They help organisations to clarify expectations, define future development needs and do more focused recruitment and development planning. Competencies provide a sound basis for consistent and objective performance standards, by creating shared language about what is needed and expected in an organisation.

Rolland Le Brasseur, Huguette Blanco and John Dodge. (2002), reveals that in managerial competencies, 14 significant findings were found. When comparing the fast growth to the survival stage, there was a significant

increase in the importance of the following competencies like communicating effectively, developing subordinates, managing organisational performance, planning and goal setting, delegating effectively, fostering a productive work environment, building/maintaining a power base and creating change in contrast etc., There was a significant decrease in the importance of the following competencies innovating in products/services, managing projects, selling and promotion, planning and monitoring cash flows, perseverance, technical competence and intuition.

Jean Brittain Leslie, Maxine Dalton, Chris Ernst and Jennifer Deal. (2002), explains that, 'managerial capabilities includes three major categories of skill; learning behaviours, resilience and business knowledge. Learning behaviour include the motivation and skill to work and learn across cultural differences, the willingness to take the perspective of others and the capacity to learn from workplace experiences'. These variables have held a tacitly strong position in the management-development literature and some of the global – management literature. Resilience refers to the ability to manage time and stress, factors that might, be more salient in the management task. The third skill group 'business knowledge' represents knowledge of the business strategies and practices.

Therefore, managerial roles stand for behaviour which managers employ to carry out the basic function of their work they are, managing relationship, managing information and managing action. Current thought suggests that in a way all of the roles are important for attaining managerial competencies.

MEASUREMENT OF MANAGERIAL CORE COMPETENCY:

Managerial core competency is best seen as something a manager produces from a situation by managing it appropriately and producing the results or meeting the targets in every sphere of the activities of organisation. Managers job is linked with four major dimensions they are, general integrative, planning and control, leading, managing conflict and change. The productivity of any organisation can be increased by the effective management of all the four dimensions and specially by managing the conceptual and human dimensions of management. All managers need to work with and through subordinates to optimise organisational performance. Business managers have many resources at their disposal and the quality of work is dependent on how well these resources have been used. The performance of a manager can be measured by the extent to which goals that are important to the group and organisations are met through the productive efforts of subordinates (Herbert, 1976). In other words, effective management is the culmination of synergy of effectiveness of individual managers in the organisation (Sen and Saxena, 1999).

In a study, United States Geological Survey (USGS) has identified a need to implement a behaviorally-based 'Core-Competency Model for Managers' (CCMM). This initiative is driven by the need to:

1. Facilitate succession planning.
2. Identify skills, knowledge and competencies of successful USGS managers.
3. Establish ways to measure competencies and close gaps.
4. Comply with presidential mandates.
5. Meet Office of Management and Budget (OMB) audit standards.
6. Prepare staff to meet Senior Executive Service (SES).
7. Align with Department of the Interior's (DOI's) move to competency management.

Internally, USGS employees at all levels articulated a desire for blending the agency's core science mandates and technical competence with effective/efficient management. The issue was brought to the 'Human Resources Leadership Team' (HRLT) by managers within the USGS. The HRLT took this charge and began investigation and resolution. The 'Office of Employee Development' (OED), in collaboration with its HR partners, began production of the Core Competency Model for Managers on August 26, 2003. Transition Fitness, LLC, an independent Organizational Development and Human Resource Management consultancy was retained to assist in the process. Subsequently the agency developed a model which is used for the measurement purposes in this study.

MEASUREMENT OF MANAGERIAL CORE COMPETENCY VARIABLES:

General Integrative Competency	Planning and Control
<ul style="list-style-type: none">- Integrity / Honesty- Interpersonal Skill- Accountability- Communication- Positive attitude and role model	<ul style="list-style-type: none">- Goal setting- Vision and Mission- Organizing and Control- Delegate Authority- Ability to work under pressure

Leading competency <ul style="list-style-type: none">- Leadership- Team Building- Creative and innovation- Empowering others- Judgment / Decision making- Supervision- Motivation	Managing Conflict and Changes <ul style="list-style-type: none">- Flexibility- Resilience- Conflict Management- Problem Solving- Political Savvy
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RESEARCH METHODOLOGY:

OBJECTIVES OF THE STUDY:

1. To find out the impact of demographic variables of executives on managerial core competency.
2. To examine and analyze the influence on managerial core competency perceptions of corporate executives, with reference to their work settings.
3. To explore the possibility of generalisation of results and suggest such measures to develop a positive state of behavioural and attitudinal outcomes of managerial personnel with respect to their work organizations on main themes of the study.

SCOPE OF THE STUDY:

The study focuses only on the executives' general perceptions of managerial core competency orientation and not on specific organizations. Non executives or employees working in non managerial positions are not included. Hence, the unit of study is 'Business executive' working in corporate organizations in India and the universe of discourse is the 'population of Indian executives'.

EXECUTIVES:

The sample populations taken for this empirical study are business executives, working in management categories generally called "Management staff" in company circles. They belong to junior, middle and senior management officials, as defined or identified in respective business organizations.

CORPORATE ORGANIZATIONS:

Business organizations, which are statutory or registered under Indian companies Act and are categorized as Private sector (Indian company), Private sector (Multinationals), Public sector, Government business organizations are considered for the study.

DATA COLLECTION PROCEDURE:

A total of 500 questionnaires were issued through personal contacts, after obtaining official permission from organisations and through the assistance obtained from many executives working in various organizations. Completed questionnaires received were 408, which represent 82% of response rate but only 316 questionnaires were used, remaining 92 questionnaires were discarded because of incomplete answers or partially filled defective responses, as they are not useful for statistical purposes.

LIMITATIONS OF THE STUDY:

Besides the usual limitations that may occur in any behavioral study, the present study has the following delimitations.

1. This study is confined to only a cross section of executives, working in various selected business organizations in India.
2. The main objective of the study is to examine the general perceptions of the executives on managerial core competency. Hence, this study does not focus on individual organizations.
3. There are many variables that influence managerial core competency, but the study is confined to selected variables only.
4. Social and religious settings of executives have not been considered for this study.

RESULTS AND DISCUSSION:**RESULTS OF ONE WAY ANOVA (F TEST) MANAGERIAL CORE COMPETENCY Vs
DEMOGRAPHIC AND JOB RELATED VARIABLES**

S.No.	Variables	Anova	P Value	Significance
1.	Age	3.483	.016*	Significant
2.	Sex	-2.810	.005**	Significant
3.	Marital status	-.569	.570	Not Significant
4.	No. of Dependence	1.459	.234	Not Significant
5.	Managerial level	.056	.945	Not Significant
6.	Functional Area	2.662	.016*	Significant
7.	Type of Organisations	.903	.406	Not Significant
8.	Monthly Income	2.453	.046*	Significant
9.	Qualifications	.551	.577	Not Significant
10.	Total Years of Experience in Work Life	2.504	.083	Not Significant
11.	Experience in Present Organisations	.539	.584	Not Significant
12.	Experience in Present Post	1.200	.302	Not Significant
13.	Number of Promotions in Total Work Life	1.378	.254	Not Significant
14.	Number of Organisations Changed in Total Work Life	.675	.510	Not Significant
15.	Training Programmes	-.499	.618	Not Significant
16.	Part of a Business Strategies Team	-.229	.819	Not Significant
17.	Operate a Head of any Consultative Team	-.031	.975	Not Significant

The above results show that there are significant differences among executives in their perceptions towards managerial core competence, when analyzed on the basis of age, sex, functional area and monthly income.

However, no differences in the managerial core competency of executives were found when analyzed on the basis of marital status, number of dependants, managerial level, type of organizations, qualifications, total years of experience in work life, promotions, organization changed, experience in present post, training programme, part of business strategy team and head of any consultative team.

This explains that irrespective of personal characteristics, sample executives in general have either high or moderate levels of managerial core competency signifying that managerial personnel in corporate organizations are perceptually strong towards professional obligations and managerial core competency, which are pertinent to their study career growth.

CORRELATION ANALYSIS

Variables	General Intelligence	Planing And Control Competency	Leading Competency	Managing Conflict And Change
General Intelligence	1	.570**	.631**	.404**
Planing And Control Competency	.570**	1	.692**	.588**
Leading Competency	.631**	.692**	1	.604**
Managing Conflict And Change	.404**	.588**	.604**	1

Perceptions of executives on managerial core competency is positively correlated with all sub dimensions namely, general intelligence, planning and control competency, leading competency and managing conflict and changes.

FACTOR ANALYSIS:**TABLE SHOWING THE COMMUNALITIES**

Sub Variables	Initial	Extraction
General Intelligence	1.000	.610
Planing And Control Competency	1.000	.749
Leading Competency	1.000	.792
Managing Conflict And Changes	1.000	.603

Extraction Method: Principal Component Analysis.

From the above table, it can be observed that the managerial core competency sub dimension on managing conflict and changes have lesser impact on the perceptions of the executives.

On summing the communalities, the results show a value of 2.753 out of standardised variance of 4.000. Thus the variance now is reduced to 2.753 which equals to 68.836% i.e. $2.753/4.000 \times 100$. That means, about 69% of the variance is common and 31% is unique. The following table gives a picture of the common variance factors, both before and after varimax rotation.

TOTAL VARIANCE EXPLAINED BY EXTRACTED FACTORS

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.753	68.836	68.836	2.753	68.836	68.836
2	.598	14.943	83.779			
3	.358	8.962	92.741			
4	.290	7.259	100.000			

Extraction Method: Principal Component Analysis.

TABLE SHOWING THE ROTATED COMPONENT MATRIX

Variables	Component
	Factor 1
General Intelligence	.781
Planning And Control Competency	.865
Leading Competency	.890
Managing Conflict And Change	.776

The above tables reveals that, the variables show that the most important factor contains the sub variables like, general intelligence, planning and control competency, leading competency and managing conflict and change which explain 69 percent of variance and has been given an appropriate name as 'Corporate Managerial Core Commitment'.

SUMMARY AND CONCLUSION:

The main purpose of this research was to examine the dynamic relationship among business executives' and managerial core competency phenomena. While there have been previous empirical evidences on business executives' managerial core competency perceptions separately, this study examined the linkages among all five sub variables.

The concept of managerial core competency has attracted considerable interest as an attempt to understand the intensity and stability of employee dedication to work organisations and their expectation on professional development. Generally, managerial core competency levels consist of affective responses like,

I. Organisational Identification and Culture Orientation

Adoption as one's own, the goals and values of the organisation.

II. Professional Involvement and Task Management

Psychological immersion or absorption in the activities of one's work role with efficiency.

There has been increasing interest among scholars in the concept of managerial core competency and in empirical assessments of its causes in variety of organisational settings. Various behavioural studies on variables like personal characteristics, job features, organisational culture, work experiences, , personal values and professional commitment etc., were conducted on predicting the levels of managerial core competency in variety of research settings.

FINDINGS:

Sample executives show significant differences in their perceptions on the basis of age, sex, marital status, functional areas and monthly income which explain that organisational outcome measures in relation to their job positions are primarily responsible for managerial core competency level of business executives.

Business executives between 41 to 50 years of age, female, married and working in certain functional areas like sales, marketing, general administration and production and those in high income group above 40,000 seem to have high levels of managerial core competency.

FURTHER RESEARCH:

Research studies exclusively on women executives and professionals in corporate organisations to probe managerial competency, as a growing number of women are found in many specialised functional disciplines like finance, engineering, computer software development, legal, secretarial and banking etc. Apart from this, studies relating to personal and organisational conflict of modern business executives are to be studied to understand their level and their pursuit towards managerial core competency.

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