

‘Managerial Competencies’ in Indian Business Context – An Empirical Analysis

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Abstract

Focus on 'competencies' in business as well in individual job holders, has gone significantly high in Indian organisations. Managerial competencies have been researched and mapped world-over by top organisations to benchmark and direct, training, staffing, performance management and other HR efforts. In Indian context, a lot of organisations are trying to map and build competency models to improve managerial effectiveness. The present study is an empirical study and analysis to gain a cross-sectional view on managerial competencies that Indian managers find most significant to successfully perform on managerial role requirements.

Primary data was collected from corporate managers using an online survey asking them to rate, based on their opinion 'the significance' and the 'frequency of use' of managerial competencies. The respondents were to rate 18 competencies (as identified in an extensive study by (Dierdorff & Rubin, 2006), stating their 'importance' and 'frequency of use', in real delivery of their managerial role, successfully. The analysis offers a set of contemporary findings that are relevant for the industry to further strengthen their focus on the same.

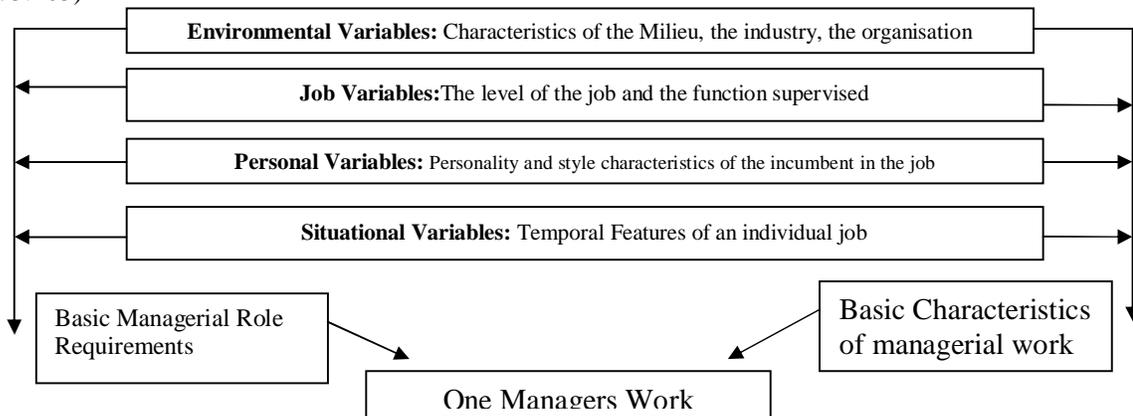
Introduction

Concept of 'competencies', as a field of research has undergone many evolutions and has inspired a wide range of approaches that have the distinction of the time and place they were done in.

Of the several distinct organizational work roles, much of scholarly attention has been on the managerial role. Research has sought to identify 'what managers do' and how they influence organizational functioning. And for effectively performing the managerial role which competencies are needed.

(e.g., Boyatzis, 1982; Spencer and Spencer, 1993 ; Kotter,1982; Mintzberg, 1973; Luthans & Lockwood (1984); Dierdorff & Rubin, 2007 ; Pradeep Khandwala, 2004; T V Rao, 2007).

The concept of competencies and managerial competencies is neither static nor universal as it is directly linked to the managerial role which is contextual. The following model produced by Mintzberg shows the variables impacting a management job in a given environment (Mintzberg, 1973:103)



Changing Business environment and changed managerial competencies

The need to manage business and management in this changing and complex environment requires behavioural skill beyond the technical skills. This has brought the term of competency in prime focus.

The spread of the concept of 'managerial competencies', and the way 'competency clustering' is being used in corporate for recruitment, promotion, training decisions, it has become a very important and central concept

The Business world is witnessing changes at a speed and spread, that has never been witnessed before. Globalization, technology, transportation, communication, political, economic, labour mobility, changing customer choices, customer demands, availability of information, international regulation and trade practices are all having an impact on work and are changing the organizational structures, work practices and way of life.

The old concepts of 'jobs' and 'tasks' is changing to 'competencies' and 'teams' to successfully perform and achieve results. Former 'competencies' are giving place to the new set of 'competencies' which are required to perform successfully in today's organizations.

In the new world of globalization, it is the quality of knowledge and research and skills which will give competitive advantage to a country and not cheap unskilled labour or even natural resources.

I G Patel (Former Director, IIM, Ahmedabad and London School of Economics; Former Governor, RBI)

Challenging times for the global multi-business company demand a new managerial logic which encompasses elements of animating and assembling - techniques distilled from the practices of several leading edge companies to help businesses adapt to increasing disorder in their environment - in a major departure from the conventional wisdom of international management. *Mitchell P. Koza Director of the Centre for International Business Fuqua School of Business, Duke University, USA*

Lawler introduced the idea of a competency-based approach to replace traditional job-based human resource practices. (Lawler, 1994).

A review of workforce readiness studies by O'Neil, Allerd, and Baker (1997) found that both interpersonal skills (e.g. dealing with conflict, participating in group discussions) and communication skills (e.g. gathering and sharing information) are highly sought by current organizations.

However to align worker competencies rationally with job tasks, is one of the essential challenges of all work organizations (Marsden, 1999). These competencies consist of knowledge, skills and other behavioural dispositions necessary to reach desired standards of job performance, and they are developed through formal education and training or informal work experience.

A competency-based approach is claimed to be contingent on 'the new working life' where flexible work organization and loosely structured jobs are central characteristics (Lawler, 1994).

Indian organisations are rapidly organising their recruitment training performance systems, appraisals and career development initiatives on competency-concept.

Review of literature on Managerial Competencies

Contemporary research and literature indicate that competence-based approach at an organisational level will have four defining features (Spencer and Spencer,1993)

- A competency is an underlying characteristic of an individual that is causally related to criterion-referenced effective and/or superior performance in a job situation.
- Underlying characteristic means the competency is a fairly deep and enduring part of a person's personality and can predict behaviour in a wide variety of situations and job tasks.
- Causally related means that a competency causes or predicts behaviour and performance.
- Criterion-referenced means the competency actually predicts who does something well or poorly, as measured on a specific criterion or standard.

The review of literature yielded different 'managerial competencies' and 'Managerial competency Models' showing comparative significance of each competency and clusters.

Sno.	Name of the study	Publication	Sample	Method
1	Dierdorff & Rubin, 2006	Report By MERI USA 2006	8,633 incumbents of 52 different managerial occupations	Factor analysis
2	Global Leadership and Managerial Competencies of Indian Managers T V Rao	IIMA. INDIA Research and Publications	360 feedback survey of 762 senior and top level managers.	Using mean and standard deviation to rank competencies
3	Empirical Study of Managerial competencies in Indian organization	Management & Accounting Research 2001	60 top Executives in 29 companies	Means and rank order
4	Competencies For Senior Manager Roles	VIKALPA VOL 29 2004	73 senior and top-level managers	Using mean and standard deviation ranked competencies.

5	<i>Managerial Competence: Do Technical Capabilities Matter?</i>	VIKALPA • VOL30 • NO 2 • APRIL - JUNE 2005	(N = 271) in one of India's largest vehicle manufacturing companies	Listed Competencies Using mean and SD ranking
6	<i>Managerial Competency fact or fiction – Tony Cockerill, John Hunt, Harry Schroder</i>	<i>Business Strategy review Autumn 1995</i>	150 Senior managers in a variety of sectors	Questionnaire based survey on HPMC, BARS and Qualitative assessment
7	<i>UN Industrial Development Organization</i>	2002 UNIDO Report	Internal Mapping of Competencies of performers	HR Report
8	<i>The competent Manager John</i>	Boyatzis (1982) Wiley, New York	Book presenting the differentiating competencies	Managerial competencies model
9	<i>International Skills for Managers: Integrating International and Managerial Skill Learning</i>	John D. Bigelow Pacific Rim Journal (Australia) 32(1) 1-8 (1994)	Comparison of Managerial competency framework in us and International Literature	Frequency of competency occurring in competency models

Overview of Some Managerial Competencies Models (from above list)

In one of the most recent Indian studies by T V Rao June 2007 W.P. No. 2007-06-05 IIM A *Research and Publications IIM A* has listed most frequently mentioned strengths of Top level managers from Indian Industry (N = 531 Top level Managers assessed by around 5300 assessors. Strengths mentioned frequently for more than 10% of the 531 managers.

1. Job knowledge or Domain Knowledge (40%)
2. Communication (28%)
3. Team work (23%)
4. Hard working (21%)
5. Interpersonal skills (19%)
6. Calm and Composed (19%)
7. Delegates (16%)
8. Organized (13%)
9. Motivational skills (10%)
10. Positive attitude and positive thinking (10%)
11. Open minded (10%)
12. Analytical (10%)
13. Honesty and Integrity (10%)
14. Innovative (about 10%)

A study on top leadership competencies by Kandwala 2004 which studied role effectiveness and senior manager's competencies has identified 45 key competencies under 6 clusters

Managerial Competencies Average Score Rank

A Contextual Sensitivity Competencies	Average Rank	17.4
B Initiative Management Competencies	Average Rank	26.7
C Innovations-related Competencies	Average Rank	32.4
D Resilient Problem Solving Competencies	Average Rank	23.7
E Task Execution Competencies	Average Rank	9.7
F Interpersonal and Leadership-related Competencies	Average Rank	28.8

Dierdorff, Rubin, & Morgeson 2009, results using the Dierdorff, Rubin 2006 study focussed on the interplay between work context and managerial role requirements.

Behavioural competencies	M	SD	Knowledge competencies	M	SD
Managing Administration & Control	3.3	.30	Knowledge of Technology, Product Design, & Production	3.83	.28
Managing the Task Environment	3.37	.45	Knowledge of general business functions	3.16	.36
Managing Strategy & Innovation	3.38	.35	Knowledge of Media Communications & Delivery	3.42	.29
Managing Human Capital	3.64	.29	Knowledge of Human Behaviour & Society	2.43	.49
Managing Decision-making Processes	3.73	.26			
Managing Tools & Technology	2.48	0.55			
Skill Competencies			Work-style Competencies		
Interpersonal Skills	2.05	.62	Conscientiousness	4.48	.21

Strategic & Systems Skills	3.29	.35	Generative Thinking	3.93	.29
Skills in operations	2.19	.44	Learning,, Motivation, & Leadership	4.16	.25
Foundational Skills	2.22	.31	Interpersonal Orientation	4.11	.32

The above research review of national and international work has identified some of the compelling reason which are listed below as Statement of problem

Problem statements and need for study

The overall background research has yielded the following observations to provide impetus to carry out the research.

1. Managerial competencies are not static and are driven by changing internal/external org. variables and on the role of managers in different context. So there is a constant need to identify and map managerial competencies.
2. Managerial competencies can be mapped using variety of approaches hence; more study should be conducted using various methods to have data to compare results.
3. Indian studies are very infrequent in this area and the industry need is dynamic. So, constituting such studies is a necessity.
4. Most studies have used performance appraisal data to map competencies of managers and this method may have an element of bias due to culture and business environment of the sample companies.

Hypothesis

Null Hypothesis(H₀): Indian Managerial competency needs are not significantly different from the Global managerial competencies and managerial role requirements.

Alternate Hypothesis: Indian managerial competency needs are significantly different from global managerial competencies and managerial role requirements.

Research Design, Data Type, Sampling and Data Collection Method

Step 1 – Literature review based Identification of the latest and most suitable “managerial competencies model”. To be used as global Managerial competency needs for the purpose of this study.

A total of 18 competencies presented in the model, are mix of behavioural, knowledge, skill and work style competencies which are key to performance of managerial role successfully. As presented in Table above these competencies were derived from work of Dierdorff, Erich C., & Rubin, Robert S. (2006, December). Toward a Comprehensive Empirical Model of Managerial Competencies: Implications for Management Education. McLean, VA: Report for Management Education Research Institute (MERI Institute).

Step 2 – Deriving Indian managerial competencies set (Emerging on a Managerial Consensus) the above study is in perspective of managerial needs in USA-based managerial occupations. It is essential to derive an ‘Indianised’ managerial competencies ranked table, which reflects the Indian managerial perspective.

Hence, a study of Indian managerial competencies has been done by the researcher using a questionnaire-based survey. The questionnaire is based on the comprehensive model produced by Dierdorff & Rubin(2006) in their work. Although the 18 competencies are essential to managerial work in general, they are not equivalent in their importance to fulfilling the responsibilities associated with management effectively.

The survey is trying to get Indian managers perspective of what they experience and observe as the need of the “managerial competencies” to successfully execute their role.

Sampling

Two sampling methods (purposive and snowballing) were employed for the primary data collection. Realising the managerial population is large and generating their responses is very difficult. Purposive sampling is a non-probability sampling technique whereby a sample is selected based on the researcher’s judgement of some appropriate characteristic required of the sample members (Zikmund, 1991:342). As a limitation it may be difficult to generalise results from this style of sampling. However, in this study attempts were made to identify a sample that adequately represents the population.

Snowballing is used when the lack of numbers within the sampling frame makes it impossible for the researcher to achieve a probability sample. Referrals are used to locate members of the population

Survey Tool - Online survey at www.competencies-research.org

The survey has been created online and hosted on a server. A link of the domain is being posted using email invitation letter.

Scales :

As all the competencies enlisted are already stated as the most important managerial competencies, the segregation of which ones are the most important is going to be difficult. To reduce bias and induce more accuracy two aspects 'Importance' as per their opinion and their 'frequency use' of these competencies were asked to be rated by the respondents. Each of these statements is to be rated on a Likert scale of Importance 1 - 7. *Vagias, Wade M. (2006). Likert-type scale response anchors* At the same time to understand the **frequency of use** of these competencies in the 'managerial work and role performance' is being measured using a Likert 1-5 frequency scale *Vagias, Wade M. (2006). Likert-type scale response anchors*

Analysis

The survey website link with a request letter for participation was sent to approx 108 managers known on direct basis to the researcher and further requested to forward the link to their colleagues and other references. On an estimate basis the email request reached 246 corporate managerial personnel and the filled responses received were 75 (30.48%) The response received in a total period of 30 days consisted of 75 responses of which 61 responses had complete data and were selected for further analysis.

The demographic data indicates the following: Corporate managers consisted of 6.45% females and 93.33% males, among the respondents. Their mean age was 32 years and education wise the sample had: BCom 37%, BE/BTech 24% followed by BSC 23% At Masters Degree Level 77.4 % of the respondents are MBAs followed by MTech 5% and the rest were MSc, MCom etc. Average work experience is 10 years with Standard deviation 6, Average Managerial Experience is 6 Years and Standard deviation 6,84% of respondents supervise MBA qualified employees. Average team size the managers supervise is between 10-15.

70% of the respondents say they are on the employee selection panel. 90% ie. 56 respondents are performance appraisers in their organisations.

Mean scores and standard deviations were computed on all 18 managerial Competencies from the survey in order to examine which competencies were the most important and which competencies were most frequently used. Additionally, an aggregate mean scores was computed and rank was identified. For each of the 4 clusters aggregate mean scores also computed to see which cluster have a higher significance to managerial work

Table 1

Competencies	Scores - Importance			Scores- Frequency of Use			Aggregate Mean	Aggregate Rank
	Mean	Std. Dev.	Rank	Mean	Std. Dev	Rank		
Interpersonal Skills	5.74	1.3	1	4.37	0.73	2	10.11	1
Managing Strategy & Innovation	5.46	1.5	2	3.93	0.69	6	9.39	3
Learning,, Motivation, & Leadership	5.37	1.51	3	3.83	0.87	8	9.2	7
Managing Decision-making Processes	5.36	1.46	4	3.78	0.88	9	9.14	8
Managing Human Capital	5.32	1.45	5	3.9	0.9	7	9.22	6
Conscientiousness	5.31	1.53	6	3.95	0.91	4	9.26	4
Managing the Task Environment	5.3	1.37	7	3.95	0.93	3	9.25	5
Strategic & Systems Skills	5.18	1.4	8	3.67	0.83	12	8.85	10
Generative Thinking	5.05	1.32	9	3.95	0.93	5	9	9

Knowledge of general business functions	4.97	1.55	10	3.69	0.99	11	8.66	12
Interpersonal Orientation	4.78	1.53	11	3.64	0.92	14	8.42	13
Knowledge of Technology, Product Design, & Production	4.69	1.68	12	3.75	0.95	10	10	2
Skills in operations	4.59	1.59	13	3.57	1.03	15	8.16	14
Knowledge of Media Communications & Delivery	4.46	1.43	14	3.64	0.84	13	8.1	15
Managing Administration & Control	4.42	1.45	15	4.42	1.45	1	8.84	11
Knowledge of Human Behaviour & Society	4.39	1.34	16	3.24	0.85	18	7.63	16
Foundational Skills	4.22	1.37	17	3.29	0.86	17	7.51	17
Managing Tools & Technology	3.88	1.55	18	3.51	0.83	16	7.39	18

Results for the importance rating are displayed in Table 1. Mean scores were plotted to check the “Normal Distribution” Competencies with a mean score 5.3 to 5.75 were classified as *essential competencies*, competencies with a mean score of 4.5 to 5.20 were classified as *considerably important competencies* and competencies with a mean score of 3.88 to 4.5 were classified as *moderately important competencies*. Based on the distribution

None of the 18 managerial competencies identified in this study had a mean score below 3.88. This study identified 7 essential competencies, 6 considerably important competencies and 5 moderately important competencies. None of the competencies mean scores indicated as low as unimportant or low importance.

Out of the 4 clusters as in table 1 work style competencies followed by behavioural competencies were the top clusters as per cluster mean value. But in the overall rank chart Behavioural competencies were the most prominently present competencies with an exception of low-rated ‘Managing Tools & Technology competency’. -Interpersonal skills are seen as the most important competency needed

Results for the Frequency of Use -rating are displayed in Table 1. Mean scores were plotted to check the “Normal Distribution”. Competencies with a mean score of 3.93 to 4.42 were classified as essential competencies, competencies with a mean score of 3.5 to 3.8 were classified as considerably important competencies and competencies with a mean score of 3.24 to 3.5 were classified as moderately important competencies. None of the 18 managerial competencies identified in this study had a mean score below 3.24. This study identified 7 essential competencies, 9 considerably important competencies and 2 moderately important competencies. None of the competencies mean scores indicated as low as unimportant or low importance.

An aggregated of mean values was taken to combine the effect on competencies stated as ‘Important’ and ‘most frequently used’ in managerial work. The combined scores of means were ranked as in Table 1.

Mean scores were plotted to check the “Normal Distribution”. We find the most significant (essential competencies) managerial competencies as appearing are considered from 9 - 10.11, considerably important between 8-9 and the moderately important 7-8.

The top most competencies are still from the behavioural and work-style clusters with an exception of Knowledge of Technology, Product Design, & Production being from the knowledge cluster.

Knowledge of Human Behaviour & Society, Foundational Skills and Managing Tools & Technology are the least ranked competencies.

Table 2. Aggregate Mean

Behavioural competencies	Imp Mean	Freq Mean	Agg. Mean	Knowledge competencies	Imp Mean	Freq Mean	Agg. Mean
Cluster Total	4.96	3.92	8.87	Cluster Total	4.63	3.58	8.60
Skill Competencies				Work-style Competencies			

Cluster Total	4.93	3.73	8.66	Cluster Total	5.13	3.84	8.97
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Out of the 4 clusters as in Table 2. **Work-style Competencies** followed by **Behavioural competencies** were the top clusters as per cluster mean value. But in the overall rank chart Behavioural competencies were the most prominently present competencies with an exception of Managing Administration & Control as the top ranked competency.

To test the hypothesis the aggregated means of competencies and the mean values obtained by Dierdorff, Rubin, And Morgeson 2009 (Table No: 3)US study of managerial role requirements were tested. An independent sample t test was conducted.

Table 3.

Managerial competencies	Aggregate Mean values(Indian Results)	US study Mean Values
Managing Administration & Control	8.84	3.3
Managing the Task Environment	9.25	3.37
Managing Strategy & Innovation	9.39	3.38
Managing Human Capital	9.22	3.64
Managing Decision-making Processes	9.14	3.73
Managing Tools & Technology	7.39	2.48
Knowledge of Technology, Product Design, & Production	10	3.83
Knowledge of general business functions	8.66	3.16
Knowledge of Media Communications & Delivery	8.1	3.42
Knowledge of Human Behaviour & Society	7.63	2.43
Interpersonal Skills	10.11	2.05
Strategic & Systems Skills	8.85	3.29
Skills in operations	8.16	2.19
Foundational Skills	7.51	2.22
Conscientiousness	9.26	4.48
Generative Thinking	9	3.93
Learning, Motivation, & Leadership	9.2	4.16
Interpersonal Orientation	8.42	4.11

Results.

Two-Tailed Test- **Descriptive Statistics**

	Mean	Standard Deviation	n
Group A	8.785	0.7857	18
Group B	3.2872	0.7356	18

Two-Tailed Test **Alpha Level: .01**

Independent Samples t-Test		
t-Statistic	21.671	Result
Degrees of Freedom	34	Reject the null hypothesis.
Critical Value	2.7284	Conclusion
99% Confidence	[4.5691, 6.4264]	Group A is significantly different from Group B, $t(34) = 21.671$, $p <$

Interval		.01. We are 99% confident that the mean difference lies between 4.5691 and 6.4264.
One-Tailed Test Alpha Level .01		
Independent Samples t-Test		
t-Statistic	21.671	Result
Degrees of Freedom	34	Reject the null hypothesis.
Critical Value	2.4411	Conclusion
99% Confidence Interval	[4.6669, 6.3286]	Group A is significantly different from Group B, $t(34) = 21.671$, $p < .01$. We are 99% confident that the mean difference lies between 4.6669 and 6.3286.

Discussion and conclusion:

The analysis revealed the 'most significant' managerial competencies which Indian managers identified as essential for a successful performance of managerial role on a cross-sectional industry and domain basis.

It is significant to notice that Interpersonal Skills, Knowledge of Technology, Product Design & Production, Managing Strategy & Innovation, Conscientiousness, Managing the Task Environment are the top five managerial competencies.

On a closer examination it reveals that, Indian managers are faced with a new challenge the old paradigm of technical and domain specialization which has been the major focus of our recruitment and career progression, is shifting to demand on multi-domain exposure, accountability, understanding of macro and micro elements of business, handling teams, social perceptiveness and more Intrapreneurial approach.

The factors like 'Managing Administration & Control' which has been rated as top in the frequency of use ratings and lower in importance clearly shows a dilemma still with the managerial role requirements.

Compared to earlier Indian studies the competencies like Interpersonal Skills, Conscientiousness, Managing the Task Environment, have also shown an essential level of requirement validating the other studies and this studies results.

The hypothesis testing revealed that the assumption 'that managerial competencies are context and culturally affected' has been proved correct with a significant difference that has got indicated in the scores of the present study to the 2009 study of managerial role requirements using the US business and organisational context.

Further, the result of the study can be used for, training need analysis, management education, selection and other HR processes.

For research the study offers a path to do domain centric studies like, hotel manager's competencies, pharma manager's competencies etc.

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