

EDAMBA Journal
1st Thesis Competition 2003

An Investigation into Competencies

Associated with Successful Managerial Performance in the European Workplace and in Different European Countries Today

Ole Iverson

Henley Management College, Brunel University, UK

Introduction

The European workplace has faced major changes the last couple of decades, the market has become more competitive and transgressed continents. Many organisations have been forced to rethink how they produce and deliver products and services. Further on, many companies are downsizing and have changed their organisational structure in order to increase their flexibility and responsiveness in globally competitive market environments. The traditional organisational hierarchy is also disappearing and new organisational structures are arising, for example network and matrix organisations (Iles & Hayers, 1997).

All these changes and new managerial challenges and roles naturally lead to the question: What kind of managerial competencies are required for success in the European workplace today?

In order to explore this question, the European Association for Personnel Management (EAPM) initiated this research project back in 1998.

Literature Review

Managerial positions have much in common and a number of competencies causally related to successful performance in most managerial positions are identified. A comparison of the research within this approach reveals that the competencies associated with managerial success can be divided into basic competencies which are competencies essential to performing the job and superior competencies which are competencies causally related to superior job performance. The superior competencies were found to gather in five competency clusters/areas:

- intellectual/information handling competencies;

- achievement/results oriented competencies;
- management/leadership competencies;
- inter personal competencies; and
- intra personal competencies.

However, there are contextual variables that influence the required competencies. The managerial level, the country where the company is located, the industrial sector and firm size are all variables that seem to influence the competencies associated with successful performance.

Boyatzis' (1982), Schroder's (1989) and Dulewicz' (1998) superior competencies are all anchored in research that is 10 to 20 years old. Research needs to be carried out to confirm whether other competencies are required in order to be successful in the European workplace today.

Methodology

The first line/mid level managers play an important role in the daily operations of a company, and because there are indications that changes in the managerial role have affected lower managerial levels more than higher levels, the research question was formulated:

Which competencies are associated with successful managerial performance for first-line/mid level managers in the European workplace and in different European countries today?

As can be seen, this research question is twofold, the first part focuses on competencies that are relevant for most first line/mid level managerial positions whereas the last part on competencies that are relevant in a specific nation/region

As a quantitative, international/cross-national research project, the research process was as far as possible designed to follow the seven step process model for cross-cultural research recommended by Cavusgil and Das (1997). A standard measurement instrument used in several research project over the last years, was used to measure the importance of the different competencies, the respondents were asked to rate the importance 45 competencies found in previous research to be related to successful managerial performance on a scale from 1 to 5.

Results

This chapter analyses and presents the findings from this research project by examining and inspecting the data. 328 respondents in eleven European countries (Norway, Sweden, Finland, Denmark, Germany, Switzerland, Austria, France, Slovenia, Czech republic and the United Kingdom) were grouped into seven regions. The respondents represent a broad range of companies, from small companies with less than 100 employees to large ones with more than 1000. More than 14 different industrial sectors are represented. Approximately two thirds of the respondents are HR personnel whereas one third consist of line managers.

Inspecting the competencies associated with successful performance for first line/mid level managers in the European workplace today (presented in appendix 1) confirms the increasing awareness of leadership competencies such as motivating others, leading, empowering and planning. Business oriented competencies, such as customer oriented and business sense, are also valued highly. Interestingly, competencies like integrity and sensitivity were rated high whereas hard competencies, such as decisive and ascendancy, were rated lower. These findings do suggest a shift in the competencies associated with successful performance today.

A factor analysis (presented in appendix 2) was conducted on the 20 competencies considered to be most important and resulted in a model with eight factors, namely:

- I) leadership;
- II) intellectual;
- III) business oriented;
- IV) interpersonal sensitivity;
- V) sound judgement;
- VI) negotiate and organise;
- VII) problem analysis; and
- VIII) stress tolerance.

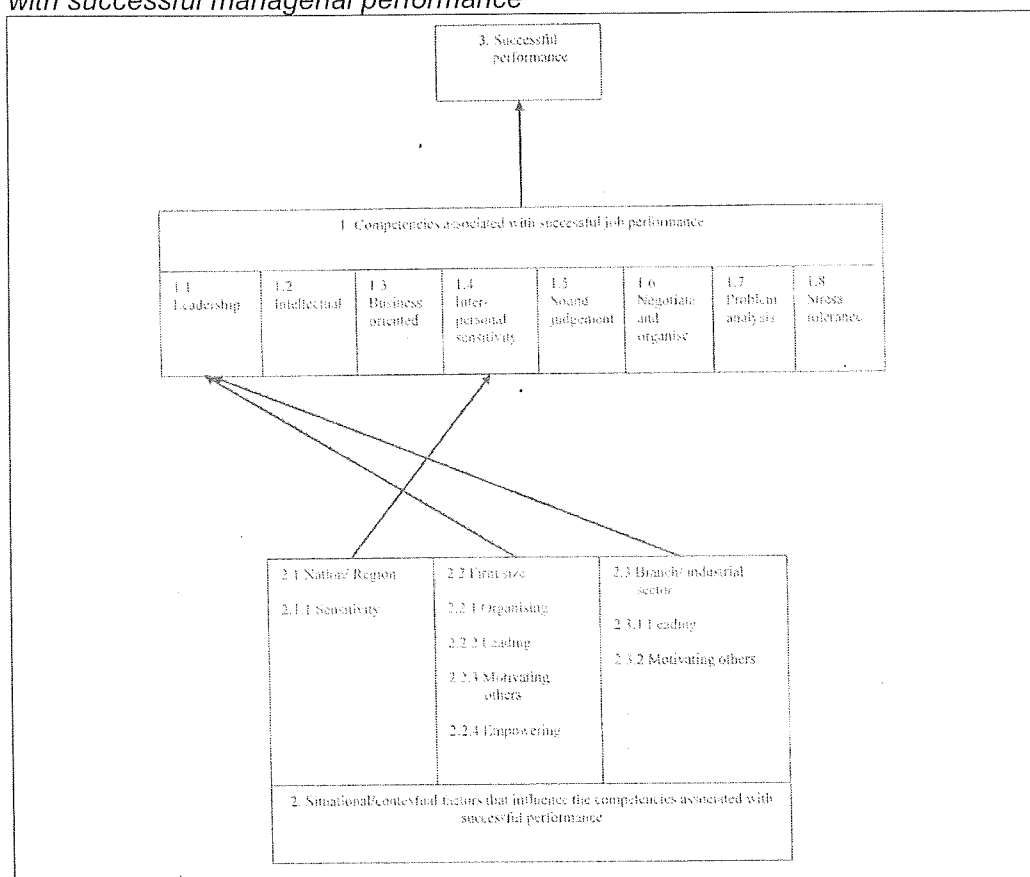
It should be noted that the literature review identified five competency areas/clusters, whereas the factor analysis in the thesis comprises eight factors that appears to be relevant for most first line/mid level managerial positions across European borders.

However, a closer inspection of significant differences between the seven European countries/regions participating in this research did not provide sufficient support for nationality, firm size or industrial sector seems as variables that have a

major influence on the competencies considered important for managerial success. The competency that differs most in ratings between the European countries/regions is sensitivity. Sensitivity was rated lower in France and Slovenia/Czech republic than in most other European countries.

The major findings of this study are summarised in following Figure:

Figure 1: A potential model of variables influencing the competencies associated with successful managerial performance



An arrow in the figure above indicates the most convincing relationships found under each variable. It does not indicate a cause-effect relationship.

To conclude, the job of a manager at this level seems to have many challenges in common, and the activities and the responsibilities have probably a larger impact on the competencies associated with successful performance than the national/regional location of the company, the firm size or the industrial sector. However, sensitivity seems to be a competence that is valued differently in

European countries/regions. The size of the company to some degree influences the importance of leadership competencies such as organising, leading, motivating others and empowering in that these competencies are valued higher in larger companies than in small companies. Finally, leadership competencies such as leading and motivating others seem to be less important within the business services/consultancy sector than within most other sectors.

Discussion and Conclusions

The findings confirm that the leadership competencies are amongst the most important managerial competencies today. The increased awareness of the importance of these competencies is further emphasised by the fact that these competencies are considered vital for successful managerial performance across national borders, and could therefore be characterised as a set of core competencies required by all managers. These findings concur with the increasing awareness of managers that the employees actually are the most important resource in the company. A motivated and competent workforce is a requirement for competing successfully in today's competitive market environment. In this scenario, the role of the manager becomes more critical.

More surprisingly is the high ranking of the business oriented competencies such as customer oriented and business sense which is not found to be as important in previous research. However, the results from this research indicate that this is a competency required for most first line/mid level managerial positions in the European workplace today, and this probably reflects the new and demanding competitive business environment where actively seeking to understand customers needs and requirements is vital for survival. Integrity and sensitivity are also competencies that have rarely been associated with superior managerial performance. In recent years some authors have emphasised the ethical aspect of management, claiming that this is lacking in most competence models. The findings from this research point to an increased awareness of topics like sensitivity and integrity in the European workplace today.

Implications for Practice

The fact that new competencies are found to be associated with successful managerial performance in the European workplace today whereas some of the competencies shown in previous research to be important seem to become less important, should therefore encourage companies to be ask themselves whether their recruitment procedures or their management development programmes

reflect these changes. If not, they are in danger of recruiting and developing competencies based on yesterday's requirements.

Suggestions for Further Research

As the scope of this study is relatively broad there are several areas that warrant further investigation in order to generalise the findings and to provide additional support for the findings. Areas for potential future research are replicating the study in other countries, conducting a more limited research within one country with criterion-related measure of performance and replicating the study focusing on upper level managers.

REFERENCES

For cited references please contact the author

Appendix 1: Ranking of competencies associated with superior managerial performance in the European workplace today (N= 328)

	Competency	Mean	Std. Dev.
1	Motivating Others	4.19	0.87
2	Customer Oriented	4.09	0.93
3	Leading	4.01	0.90
4	Judgement	3.87	0.79
5	Empowering	3.87	0.92
6	Change Oriented	3.86	0.93
7	Integrity	3.82	0.96
8	Business Sense	3.81	1.06
9	Sensitivity	3.74	0.92
10	Planning	3.73	0.96
11	Flexibility	3.70	0.81
12	Organising	3.70	0.92
13	Concern for Excellence	3.70	0.92
14	Perspective	3.68	0.91
15	Stress Tolerance	3.68	0.83
16	Negotiating	3.65	0.88
17	Problem Analysis	3.62	0.87
18	Developing Others	3.62	0.91
19	Organisational Awareness	3.61	0.88
20	Appraising	3.59	0.84
21	Listening	3.57	0.84
22	Impact	3.55	0.88
23	Adaptability	3.50	0.88
24	External Awareness	3.44	0.92
25	Initiative	3.44	0.84
26	Oral Presentation	3.43	0.80
27	Learning Oriented	3.40	0.85
28	Persuasiveness	3.39	0.91
29	Tenacity	3.39	0.83
30	Creativity	3.36	0.94
31	Energy	3.35	0.87
32	Information Collection	3.32	0.80
33	Critical Faculty	3.30	0.84
34	Self Management	3.24	0.90
35	Oral Expression	3.18	0.78
36	Decisiveness	3.13	0.95
37	Ascendancy	3.12	0.88
38	Technical Expertise	3.10	0.93
39	Resilience	3.09	0.80
40	Written communication	3.08	0.81
41	Risk Taking	3.02	0.92
42	Numerical Interpretation	2.95	0.86

43	Independence	2.95	0.96
44	Reading	2.71	0.71
45	Detail Consciousness	2.65	0.87

Appendix 2: Factor loadings for the twenty competencies solution

Competency	Component							
	1	2	3	4	5	6	7	8
Leading	0.657	0.044	-0.107	0.018	-0.116	0.051	0.195	-0.134
Developing others	0.647	0.045	0.117	0.044	-0.012	-0.180	-0.133	0.243
Motivating others	0.616	0.078	0.122	0.173	0.134	0.106	0.026	0.044
Empowering	0.591	0.068	-0.012	-0.011	0.030	0.223	-0.298	-0.043
Perspective	0.203	0.675	-0.064	-0.187	0.086	-0.190	-0.020	-0.132
Organisational awareness	0.077	0.597	-0.095	0.134	-0.051	0.186	0.018	0.174
Planning	-0.034	0.575	0.218	0.122	0.058	0.184	0.220	0.021
Customer oriented	-0.200	-0.108	0.759	0.130	-0.027	0.060	0.078	0.034
Business sense	0.102	0.163	0.707	-0.293	-0.028	-0.099	-0.020	0.018
Concern for excellence	0.335	-0.370	0.386	0.108	0.023	0.121	0.380	-0.112
Flexibility	0.104	-0.086	-0.109	0.777	-0.123	0.045	0.016	0.121
Listening	0.113	0.217	0.014	0.483	0.256	-0.157	-0.128	-0.221
Sensitivity	0.033	0.148	0.139	0.439	0.249	-0.102	-0.391	0.293
Integrity	0.063	-0.062	0.075	0.017	0.747	-0.110	-0.145	0.034
Judgement	-0.071	0.134	-0.183	-0.019	0.660	0.109	0.338	0.019
Negotiating	0.003	0.021	0.065	-0.129	-0.133	0.694	-0.040	-0.028
Organising	0.129	0.080	-0.064	0.070	0.083	0.680	-0.010	0.012
Problem analysis	-0.070	0.167	-0.065	-0.064	0.036	-0.089	0.708	0.175
Stress tolerance	0.080	0.085	0.053	0.073	0.024	-0.024	0.158	0.810
Change oriented	0.265	0.275	0.238	0.355	-0.086	-0.088	0.251	-0.380