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EXPLICATION OF THE PALIMPSEST CONCEPT OF MANAGERIAL COMPETENCY: RESEARCH OF THE RELATIONSHIP BETWEEN INTERPERSONAL, BUSINESS, AND PROFESSIONAL MANAGERIAL COMPETENCIES

ABSTRACT

For the past several decades, managerial competencies have been a great idea in theory and practice of management. In the theoretical and practical sense, there have been many difficulties regarding conceptual definition of the term competences, due to many different interpretations. There is no doubt about managerial competencies being result of influence of three constructs which, in the managerial competencies, have been denoted as managerial knowledge, managerial skills and managerial abilities. To execute a complex and demanding managerial work, competences do not serve themselves. Justification of constant development of generic and specific competencies respectively reflects on results which enterprises achieve.

Key words: *managerial competencies, managerial knowledge, managerial skills, managerial abilities*

JEL Classification: *M12, M54*

1. Literature review

Changes in the overall managerial job are most plausibly confirmed by Peters's statement that "the world has turned upside down". (Peters, 1988) This is the cause for creation of extremely high pressure on radical changes in all aspects of managerial job in the overall managerial philosophy and business orientation.

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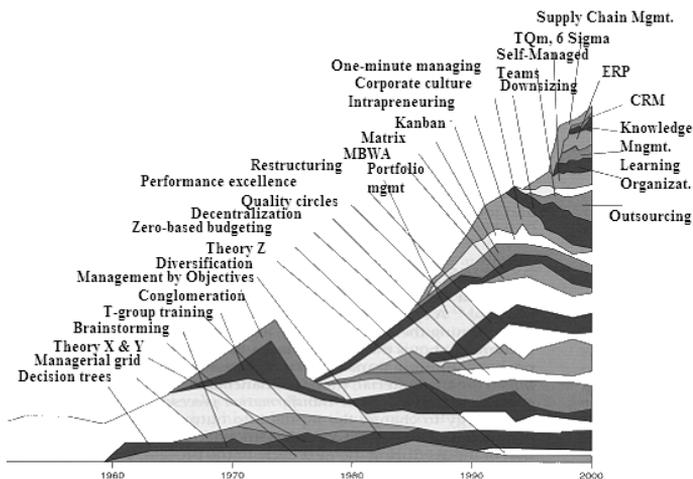
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As society is increasingly based on group efforts and as many organized groups become larger, the importance and complexity of managerial job grows analogously.

This is exactly what Follet emphasized in the *Creative Experience* book in which, as the greatest visionary at a time when management began to form as a science, she noticed three major changes in the managerial job of the future⁴ - managerial job will be based on the service function, managerial job will be based on the power of diversity, and managerial job will be based on self-organized teams. According to Drucker⁵ (1994), the father of modern management, “the managerial job transformed the social and economic fabric of the developed countries. He created a global economy and introduced new rules for countries that want to participate in this economy as equal.

The managerial job has transformed knowledge from social ornamentation and luxury into real capital and profit of every economy”⁶. However, the principles that construct the Traditional Managerial Job Paradigm Shift are challenged by numerous innovations that construct the Modern Managerial Job Paradigm Shift, as shown in the following figure (Figure 1).

Figure 1. Shifts of innovations in managerial job 1950-2000



- 4 Her ideas have been on hold for a long time before they were seriously understood and accepted.
- 5 Peter Drucker (1909-2005) is considered the father of modern management; his 39 books and countless scientific articles investigate the organization of people in all areas of business society, government, and non-profit world. In his works, he predicted many major events from the late 20th century, including privatization and decentralization, the rise of Japan as the global economic power, the definitive significance of marketing, and the emergence of an information society with its necessity for lifelong learning.
- 6 Hamel's opinion is interesting. Following Drucker's matrix, Hamel states that “it is the managerial work in the dawn of the 20th century that transformed the education policy and scientific revelation into global welfare”. [Hamel, G. (2009): *Budućnost menadžmenta*, translation, Zagreb: Mate]

As shown in the figure 1, there are two characteristic periods in the development of innovation that change, i.e. transform, the managerial job. One period lasted until the first half of 1970s and is characterized by *slight upward trend*, followed by a short decline. The second period, from the second half of the 1970s, is characterized by *sudden upward trend*. (Daft, 2006) Consequently, today we have a change in necessary *knowledge, skills, and abilities* that turn managers towards requirements from the environment rather than internal problems.⁷

Scientific papers that research *competencies of enterprises* significantly outnumber the papers that research *managerial competencies*. It is therefore understandable that today, at the time of the new economy, which presupposes a higher level of knowledge, skills and competencies, special attention is paid to the development of competencies.

Due to strong affirmation of this scientific field in recent years many authors have tried to give different classifications of managerial competencies, causing the emergence of different approaches to their definition and interpretation. This is also recognized in literature, where a large number of different classifications of competencies are listed on the basis of different research carried out.

The research conducted by Boyatzis, Melvin, Blaise (2004) is considered the most important competence research, whose detailed and lengthy study encompassed 2000 managers who worked in 12 enterprises and performed 41 different managerial jobs. In academic circles (Norman, Goldberg, Barrick, Mount, Digman) they are skeptical about research methods used by Boyatzis, while the professional circles find that the framework is too complex to be applied in practice. Maybe Boyatzis slowly becomes a past, but his work is invaluable precisely because of the way in which he demonstrates the scale and complexity of the managerial job. Thanks to the classification of competencies he gave, experts and companies offered numerous individual classifications of competencies. Many of these classifications contain a

7 Professor at *Harvard Graduate School* Helen Haste identified five characteristics that should be valued today, and those are: (1) *The ability to manage imprecision: balancing the tension that occurs due to the well-established opinion that all problems are solved linearly and uniquely;* (2) *Activity and responsibility: We have to be able to assume responsibility and approach the environment actively with the confidence that we will succeed in it;* (3) *Finding and sustaining the community: Nurturing community, relationships between people, and awareness that everyone is a member of a wider community instead of having their own, small, private world;* (4) *Managing emotions: It is necessary to overcome the attitude that emotions and reason are on the opposite ends. It should be learned that managing emotions and reason, without jumping from one to another, is an important part of education;* (5) *Managing technological innovations: when we get a new tool, we first use it for what we are already doing, and then we try to identify all new and new applications.* These are quite general competencies that every enterprise or institution can develop. [Group of authors (Kulović, Dž. red.) (2012): *Kompetencije menadžera i uspjehnost preduzeća*, Sarajevo: Kemigrafika]

cluster of competencies including competencies like in Boyatzis's classification, and within each of the cluster competencies they usually offer a list of behavioural indicators. (Torrington, Hall, Tazlor, 2004)

In their works, other authors define competencies as follows: (Urlich, 1997)

- Knowledge, skills, opportunities, and other abilities required to perform the future desired behavior/characteristics. (Mitrani)
- Knowledge and skills that are subject to an effective result achieved by the manager by performing a managerial job. (McLagan)
- Knowledge, skills, opportunities and characteristics required for a successful outcome of business obligations. (Mirabile)
- A hidden characteristic of an individual causally related to an effective causal criterion and/or superior effect/result of a particular job or situation. (Spencer)
- A set of visible characteristics that superior executives point out much more than average perpetrators, grouped by the central idea, which then becomes a competence. (Klein)

What is possible to distinguish from the previously presented definitions is that knowledge, skills, and abilities are an inseparable part of the conceptual determination of managerial competencies. There are different explanations of what the notion of competence actually is. The concept of competence is approached by many authors in a similar way; however, there are also those who explain the meaning of competencies in a very different way. Thus, for some authors, competencies are attributes that individuals possess.

The term *competence*, pl. *competences*, implies the ability to perform a specific task. The concept, therefore, is based on work or work results.

On the contrary, the term *competency*, pl. *competencies*, implies, above all, behavior rather than the accomplishment of tasks, and it is generally believed that such a concept comes from the work that Boyatzis gave.

In support of this definition of competence, it should be noted that the world-renowned linguist Noam Chomsky (1970) uses the term “**competence**” in his language concept - **the competences of language knowledge, skills, and abilities versus performance as an individual achievement in the use of language.**⁸

⁸ In order to develop access to education based on competences, in 1997 the *Organization of Economic Cooperation and Development* (OECD) established a program called Programme for International Student Assessment, or abbreviated PISA program. In this program, the term competence is used instead of the term knowledge: **be literate** (to point to the acquisition of knowledge) and **be competent** (to indicate the application of knowledge).

This approach to the explanation of competences starts from the assumption that someone is born with the qualities of a *competent person*, unlike those who do not possess these qualities. Other authors⁹ explain competences as a *set of skills or learned behaviors*. In this case, competences are defined as essential and specific skills, but learned in the long run. There are also authors¹⁰ who explain competencies as standard behavior and they do not represent the characteristic of individuals alone. Many authors identify the notion of *competency* with the notion of *competence*, which is wrong.

The concept of managerial competencies¹¹ moves the focus of managers and researchers from considering dominantly external factors to considering dominantly internal factors in creating business excellence. For this reason, Redman and Wilkinson (2006) state reasonably that “*the concept of managerial competencies is the main topic of management in recent years*”. The concept of managerial competencies is found in literature on strategic management, that is, the approach to the key competencies of the enterprise. Connor (1988) therefore believes that the concept of competency is “one of the *big ideas* in management”.

Managerial competencies are not new in psychology and management, although they have been gaining in theoretical and practical relevance in recent years. In their works from 1973 and 2002, McClelland and Sanchez point out that the basis for better predicting of individual performance in enterprises is *testing competencies, not intelligence*. This opens the way to the development of Argyris’ **theory of interpersonal competence** (Argyris 1962) that must be viewed through the optics of the *first and second part of the opus of his work*. In the *first part of his work* he devotes attention to the development of an individual, while in the *second part of his work* he dedicates attention to the development of the enterprise.

Competencies are a tool that should support a new role of management:

- a) through strategy, by reinforcing the link between the results of the work and the individual performance with the excellence of the company,
- b) as a tool that helps describe the job and requirements from the manager in a wider business environment,
- c) By representing a method of aligning individual and team results with the enterprise’s vision and mission.

9 Such as Bratton, Brunner, Parry

10 Such as Pitt, Krohe, Connock

11 That is the basic meaning of competency in the USA when it comes to *National Vocational Qualifications* – NVQs, which can be presented as business standards as well.

Based on the above, managers strive for jobs that suit their level of knowledge, skills, and abilities, but also their desires, ambitions and goals. Accordingly, it has long been accepted that each manager within the enterprise is defined precisely by their *knowledge*, *skills*, and *abilities* - in a word the *managerial competencies* they possess. (Ulrich, 2009)

2. Methodology

This research investigates **the managerial competencies** whose conceptual framework consists of *managerial knowledge*, *managerial skills*, and *managerial abilities*. The view that every manager is defined by their knowledge, skills, and abilities – in a word the managerial competencies they possess – was adopted in the late 20th century and significantly affirmed in early 21st century. Hence, according to all previous psychological findings successful performance of managerial job is a specific result and function of knowledge, skills, and abilities. Although every manager possesses different competencies, since there are no two managers who possess identical knowledge, skills, and abilities and have identical characteristics, they can be universally understood as behavioral topics that are desirable within a company. Therefore, the primary task of this research is to explication of the palimpsest concept of managerial competency in the context of interaction of situational and contextual factors, immanent to the business context of Bosnia and Herzegovina. This context, and its activity, created a referent framework of the main goal of the research in the market conditions of Bosnia and Herzegovina. There is no doubt about managerial competencies being result of influence of three constructs which, in the managerial competencies, have been denoted as managerial knowledge, managerial skills and managerial abilities. The intention was to examine validity of the current theoretical postulates of influence of managerial competencies in the context of restricted and undeveloped capital market. This context, and its activity, created a referent framework of the main goal of the research in the market conditions of Bosnia and Herzegovina.

To determine and measure managerial competencies, software based on a multiplied 360 ° -*feedback* scoring resource was used, which compares the opinions of colleagues with whom the top manager cooperates directly or indirectly, their supe-

riors¹², and opinions of employees subordinate to the manager¹³, with opinions they have of themselves when it comes to their managerial competencies.¹⁴ In order to avoid shortcomings that arise from individual evaluators' choices, that is, the multiplied advantages of information in which individual appraisers have insight, recently many enterprises have a tendency to simultaneously collect ratings of competencies of managers from multiple sources, i.e. from multiple evaluators and apply feedback from the 360 ° - *feedback* (360-degree rating tool). (Bohl, 1996)

In order to reduce the administrative costs associated with 360-degree feedback in assessing managerial competencies, it is necessary to use a software application that is based either on the Internet or on computers.¹⁵

One of such applications is available online thanks to a project called *Development*

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- 12 Research shows that direct superior evaluators are in 95% of programs of managerial competencies assessment. Even when other evaluators are used, managers also evaluate the competencies of managers, so the final grade is obtained on the basis of input from several assessors. [Oppler, S. H., Campbell, J. P., Borman, W. C. (1992): Three Approaches to the Investigation of the Subgroup Bias in Performance Measurement: Review, Results and Conclusion, *Journal of Applied Psychology* 77 (2), p. 201-217]
- 13 In one study, the subordinates evaluated 252 managers during a five-year program of managerial competence assessment. Managers whose competencies were initially assessed as poor or mediocre have significantly improved their grades based on feedback upward during that five-year period. In addition, managers who met with their immediate subordinates to talk about feedback have progressed more than managers who did not act like this. In general, research shows that direct subordinates are a better source of information for these competencies than for others. Thus some competences are better assessed by the direct superior. [Mount, M. K. (1984): Psychometric Properties of Subordinate Ratings of Managerial Performance, *Personnel Psychology* 37, p. 687-702]
- 14 In one study, managers were asked to evaluate their own competencies; 40% of managers who performed jobs of different types placed themselves among the top 10% and almost all the remaining managers felt that their place was at least in the better half. In another survey, the grades that a single manager gave himself were in fact contrary to the later results of managerial competencies assessment. Based on the average grade given by senior managers, direct colleagues, indirect colleagues, and direct subordinates, their results in the competence center could be successfully predicted. [Atkins, P., Wood, R. (2002): Self-Versus Other Ratings as Predictors of the Assessment Center Rating: Validation Evidence for 360 Degree Feedback Programs, *Personnel Psychology* 55, No. 4, p. 871-904]
- 15 For instance, the Visual 360 software application produced by MindSolve Technologies from Gainesville, Florida allows reviewers to access the scoring screen and then give grades according to a range of different competencies of a particular manager with grades such as it is in the top five percent. There are also several ways to evaluate the competencies of managers based on 360-degree feedback on the Internet. [Dessler, G. (2008): *Osnovi menadžmenta ljudskih resursa*, translation, Belgrade: Data Status]

of *Managerial Competences*¹⁶ (DMC). This software application has been tested in several enterprises in the European Union, and has proved to be extremely reliable for assessing the competencies of managers.

Managerial competencies assessment has been conducted in two phases. The focus of the first phase was on top managers who assessed their competencies through self-assessment (the sample consisted of 100 top managers). In the second phase, the focus was on immediate directors, direct subordinates, direct and indirect colleagues who assessed the competencies of managers at all levels of management (the sample consisted of 400 other assessors).

The questionnaires contain a total of 11 groups of questions related to self-assessment and evaluation by other evaluators: direct superiors, direct subordinates, direct and indirect colleagues. Each group contains 5 questions. These questionnaires are contained in the software application within the *Development of Managerial Competences* project. The project uses the experience of large Belgian companies, such as Volvo Cars and Bekaert, who have been through a similar process themselves, and who are also ready to establish business contacts with partners in Bosnia and Herzegovina. The data on respondents' attitudes are based on the Likert scale (from 1 - Completely disagree to 5 - Fully agree) showing the degree of agreement reached with 11 questions in which managers' views on managerial competencies as a prerequisite for building an impact on business excellence of enterprises are presented. To execute a complex and demanding managerial work, competences do not serve themselves. For testing this model, a questionnaire was developed, which was fulfilled by 100 top-managers (their self-assessments) and 400 other evaluators (executive and lower-ranked, direct and indirect colleagues) with the aim to assess relationship between interpersonal, business, and professional managerial competencies. Research results of this paper should instigate further research activities in the field of this, undoubtedly new, concept of business operating in Bosnia and Her-

16 As the project combines the scientific approach to educating management personnel and the business linking of partner enterprises in two countries, partners in the project are: from the Belgian side: (1) KAHO Sint-Lieven University (Ghent), (2) Voka Chamber of Commerce East-Flanders (Ghent), (3) Company Bekaert (Ghent), (4) Volvo Cars (Ghent); from the Bosnian-Herzegovinian side: (1) University of Zenica, (2) Foreign Trade Chamber, (3) interested companies. The results of the project are: (1) Partner and enterprise participants defined the 12 most important competencies that top-managers must possess in order to efficiently carry out their work. Competencies were selected in accordance with the situation and needs in BiH. (2) A Competence Map has been developed for each competency, containing the definition of competency and indicators of the desired behavior. (3) A *360-degree* feedback software has been developed. (4) The results of the project were published in Flanders and the FBiH. (5) A network of companies in FBiH and Flanders which are interested in business cooperation in these markets has been established. The project lasted from 01.02.2009 until 31.01.2011.

zegovina's enterprises, which will surely confer a multiple significance for managers in the attempt of finding ways to, via development of knowledge, skills and abilities, contribute to improvement competitive advantage of enterprises.

Numerous enterprises already use competencies as the basis for identification of basic knowledge, skills, and abilities that their managers must possess in order to successfully perform the assigned tasks and roles. (Woodruffe, 1992)

Based on the above, elements of managerial competencies are:

1. managerial knowledge,
2. managerial skills, and
3. managerial abilities.

2.1. Managerial knowledge as an element of managerial competencies

Considering that in the accepted classification, the managerial knowledge is an important element of managerial competencies, it is possible to identify the first sub-variable: **managerial knowledge**. It describes what the manager knows, i.e. it is the understanding gained through education and experience. It represents skills in a particular field of research, professional or technical discipline, or is focused within a certain field of expertise. It can be said that knowledge is an organized set of information, usually of a factual nature, which is directly applied to the success of a particular function. (Sikavica, Hernaus, 2011)

Based on operationalization of the identified sub-variable *managerial knowledge*, it is possible to establish indicators for their measurement for the purpose of quantification and the possibility of bringing them into a relationship of mutual measurability. According to Kreitner (2005), the following types of knowledge exist:

- a) contextual managerial knowledge: most needed on higher levels of management,
- b) functional managerial knowledge: most needed across all levels of management,
- c) systemic managerial knowledge: most needed on lower levels of management.

2.2. Managerial skills as an element of managerial competencies

Considering that in the accepted classification managerial skills are an important element of managerial competencies, it is possible to identify another sub-variable: **managerial skills**. They represent knowledge of how to do something in a consistent and effective way. They relate to the ability to perform learned, psychomotor movements and may involve manual, verbal or mental manipulation of data, people or things, while doing the job. Management skills are most often related to the profession and certain occupations, and they can be acquired through training and experience. (Sikavica, Hernaus, 2011)

On the basis of the operationalization of the identified sub-variable *managerial skills*, it is possible to establish indicators for their measurement for the purpose of quantification and the possibility of bringing them into a relationship of mutual measurability. According to Buble (2010), there exist:

- a) basic managerial skills, and
- b) specific managerial skills.

By integrating basic and special skills into management functions, a variety of individual skills vital to the success of a manager can be derived. According to Wehrich and Koontz (1995), basic skills include:

- a) conceptual skills: most needed on higher levels of management,
- b) technical skills: most needed on lower levels of management, and
- c) human skills: most needed across all levels of management.

According to Buble (2010) there are: planning skills, organization skills, leadership skills, and control skills. The operational definition is shown in the following table (Table 1).

Table 1. Operational definition of managerial skills

SKILLS	DEFINITION
PLANNING SKILLS	
Environment scanning	Skills that determine enterprise's position in the given environment, taking into consideration opportunities and threats on one side and strengths and weaknesses on the other side.
Setting direction	Skills that define the strategic direction of the enterprise on the basis of the defined position of the enterprise in the given environment, taking into consideration opportunities and threats on one side and strengths and weaknesses on the other side.
Predicting	Skills of using types and methods of prediction, as well as forecasts, in order to anticipate the future, i.e. dealing with what is supposed to happen in the future.
Strategic process	Skills of creating key stages of strategic management process.
Making plans	Skills of making plans in accordance with the necessary requirements that are presented before the creation in the form of concrete requests.
Creative problem-solving	Skills of compiling a financial statement of planned activities for a specific period.
Decision-making	The skill of reliance on individual manager's characteristics when solving the problem.
Implementing decisions	The skill of taking action in the direction of resolving a problem that highlights the responsibility for the quality of the chosen solution, or the decision taken.
LEADING SKILLS	
Formation of teams	The skill of forming teams with high integration into the team and, at the same time, a way to maximize its contribution to maximizing team performance.
Change management	The skill of changing the enterprise as quickly as its employees are willing and capable of these changes.
Motivation and development of subordinates	The skill of pushing subordinates towards achieving company goals by selecting an approach to the development of subordinates through teaching, counseling and mentoring.
Interpersonal communication	The skill of fully and accurately conveying ideas and feelings, i.e. when the recipient interprets the message just as the sender wants and with less use of resources in a shorter time.
Conflict management	The skill of applying one of the approaches to conflict management or a combination of compulsion, collaboration, making compromises, avoiding or adjusting.
Authorization and delegation	The skill of selecting an adequate person for delegation of jobs and tasks (powers or authorities) from one person to another, or from a manager to their direct subordinates.
Trust building	The skill of developing a relationship of mutual trust.
Negotiating	The skill of solving conflicts of interest between two or more reasonable negotiating parties (when each party can block the achievement of another party's goal).
Time management	The skill of eliminating time-thieves and performing tasks on time.
ORGANIZATION SKILLS	
Diagnosing the organization	The skill of systematic way of testing, that is, the collection of data and facts, and the analysis of the functioning of the organizational structure of the company.
Redesigning a job	The skill of permanently analyzing designed jobs and eliminating useless elements of business by re-disposing or recombining certain jobs or their elements etc., which requires total or partial recombining of work.
Organization design	The skill of creating conceptual and implementation solutions to the appropriate organizational problems.
Diagnosing and modifying organizational culture	The skill of analyzing existing organizational culture and modifying it to solve complex organizational problems and improve interpersonal and intrapersonal relationships.
CONTROL SKILLS	
Financial control	The skill of controlling financial resources – those that converge in the enterprise (income, investments), those that the enterprise possesses (working capital, retained earnings), and those that leave the enterprise (payments).
Marketing control	The skill of realizing marketing activities by controlling annual plans, profitability, efficiency, and strategy.
Operation control	The skill of controlling all activities that occur in the process of action on the subject of work for the purpose of its transformation into a certain finality (product, service) through input control, intermediate control, and final control.
Human resources control	The skills of ensuring that the entire cycle of engagement, development and use of human resources is effectively undertaken in accordance with the strategic plans of the enterprise through performance evaluation and analysis of key indicators of human resources.

Source: adjusted according to Buble, 2011:13

The following table (Table 2) shows the conclusions reached by a group of instructors (Burack, Mathys, 1980) while assessing the effects of different managerial skills. This is why new and more sophisticated approaches to developing managerial skills are being developed and increasingly used for this purpose – standard programs, tailor-made programs, and other similar programs.

Table 2. Assessment of managerial skills

	AT WORK	COUNSELING	ROTATION	READING	WORKSHOPS	INSTRUCTI- ONS	LECTURES	PROGRAMS	EDUCATION
PLANNING SKILLS									
Environment scanning	•	•	•	•		•	•		•
Setting direction	•								
Predicting		•	•	•		•	•		•
Strategic process	•	•		•		•	•		
Making plans	•								
Creative problem-solving									
Decision-making	•	•		•		•	•		
Implementing decisions									
LEADING SKILLS									
Formation of highly efficient teams	•	•	•	•	•	•	•	•	•
Change management									
Motivation and development of subordinates	•	•	•	•	•	•	•	•	•
Interpersonal communication	•					•			
Conflict management				•		•			
Authorization and delegation	•								
Trust building	•								
Negotiating	•								
Time management		•							
ORGANIZATION SKILLS									
Diagnosing the organization	•								
Redesigning a job	•			•	•		•	•	•
Organization design	•								
Diagnosing and modifying organizational culture	•	•		•	•		•	•	•
CONTROL SKILLS									
Financial control	•		•		•	•	•	•	
Marketing control	•		•						
Operation control			•		•	•	•	•	
Human resources control	•					•			

Source: Burack, Mathys, 1980:91

In terms of special managerial skills, according to Buble (2010) two facts should be emphasized:

1. The listed, as well as other managerial skills, are acquired by appropriate regular education at an undergraduate and postgraduate studies, as well as through experience in work and different forms of knowledge innovation. This innovation is carried out under various programs.
2. Standard programs of development of managerial skills are developed as general, while the programs of instruction and development of managerial skills are tailor-made for a specific case. Thus, teaching in quantitative methods as a means of decision-making is standard regardless of which enterprise is in question.

2.3. Managerial abilities as an element of managerial competencies

Given that in the accepted classification managerial abilities are an important element of managerial competencies, it is possible to identify the third sub-variable: **managerial abilities**. They are the characteristics of an individual differences that affect how well someone will do in a particular activity, task or job. They envisage the quality and maximum level of success that a particular manager can achieve. More precisely, abilities bring into order and organize thoughts and other abilities in order to produce behaviors that lead to successful completion of desired tasks. (Sikavica, Hernaus, 2011)

Based on operationalization of the identified sub-variables *managerial abilities*, it is possible to establish indicators for their measurement for the purpose of their quantification and the possibility of bringing them into the relationship of mutual measurability. According to Katz⁽¹⁹⁷¹⁾ there are: technical-professional abilities, leading-interpersonal skills, communication skills, diagnostic-analytical skills, strategic-conceptual abilities and administrative abilities. The operational definition is shown in the following table (Table 3).

Table 3. Operational definition of managerial abilities

ABILITIES	DEFINITION
TECHNICAL-PROFESSIONAL	
Application of knowledge	The ability to apply technical and professional know-how with a minimum of routing or assistance.
Quality control	The ability to set standards, monitor and give feedback so that people and processes are economically guided by goals.
Problem-solving	The ability to clarify problems of professional nature, possible alternatives, and potential approaches to the solution.
Creativity	Individual ability to identify alternative techniques, approaches or ideas that are economical, new and applicable with the possibility of controlling risks.
LEADING-INTERPERSONAL	
Sensitivity for humans	Careful, insightful responses to the needs of others and the ability to perceive one's own influence on others.
Motivation	The ability to determine the needs and goals of employees, to encourage them and facilitate the achievement of goals.
Teaching	Counseling, providing positive incentives, guidelines and useful instructions, encouraging and facilitating the verification of associates' ideas.
Setting goals	The ability to set measurable targets that are economically and individually satisfactory achievement.
Team work	The ability to compile and organize a group of people in order to successfully achieve specific goals.
Evaluation of people	The ability to objectively and clearly assess the skills and performance of individuals.
Development of subordinates	The ability to connect and collaborate with people, help them clarify and identify their potentials and goals and achieve development programs.
COMMUNICATION	
Oral interpretation	The ability to successfully express oneself individually or in group situations.
Written interpretation	The ability to successfully organize and express ideas in writing and spelling.
Listening	The ability to accurately determine the content of communications and extract important ideas or facts.
Presentation	The ability to successfully present one's own ideas or information so that they are understandable and incentive for the recipients.
DIAGNOSTIC-ANALYTICAL	
Identification of the problem	The ability to quickly detect the symptoms of the problem, identify the cause and diagnose the condition.
Analysis of the problem	The ability to crystallize the issue in question, develop relevant information, and suggest alternative action flows.
Solving the problem	The ability to look at and develop various alternatives to problem solutions, analyze implications, and make new, timely decisions, regardless of their weight and overall negative consequences.
Detecting changes	The ability to detect weak signals indicating changes in the internal or external environment.
STRATEGIC-CONCEPTUAL	
Creating a vision	The ability to imagine and perceive the underlying mission and the future development of the company in the context of looking at the future.
Looking at the whole and a holistic approach	The ability to see a large, complete picture, interrelations and global consequences of individual problems, as well as the internal implications of changes in the environment, or the ability to abstract, conceptualize and integrate different ideas into a coherent whole.
Creating priorities	The ability to set the hierarchy of goals, determine the priorities, and judge individual problems in that context.
Long-term perspective	The ability to look at things in the long-term perspective and cost-effectively for the future.
Change management	The ability to discover weak signs of change, tolerate uncertainty and see changes as chances, and find the enterprise's corresponding answers.
ADMINISTRATIVE	
Planning and organizing	The ability to forecast needs and the appropriate directions of activities for themselves and others in order to achieve the set goals.
Execution and control	Ensuring that everyday activities are focused on relevant goals, routing and tracking workloads to achieve goals.
Decision-making	The ability to clarify the main problems and alternatives, benefits and costs and make the right decisions.

Source: adjusted according to Bahtijarević-Šiber, 1999:734.

The following table (Table 4) shows the conclusions reached by a group of instructors (Burack, Mathys, 1980) while assessing the effects of different managerial abilities. This is the reason for developing newer and more sophisticated approaches to

the development of managerial abilities and the reason why workshops, cases and role playing, managerial games and the like are used more and more for this purpose, as the case is with managerial skills.

Table 4. Table 4. Assessment of managerial abilities

	AT WORK	COUNSELING	ROTATION	READING	WORKSHOPS	INSTRUCTIONS	LECTURES	PROGRAMS	EDUCATION
TECHNICAL-PROFESSIONAL									
Application of knowledge	•	•	•						•
Quality control	•	•	•	•	•	•	•	•	•
Problem-solving	•	•	•		•				•
Creativity	•	•	•						•
LEADING-INTERPERSONAL									
Sensitivity for humans	•	•			•			•	
Motivation	•	•			•	•		•	•
Teaching	•		•		•	•		•	
Setting goals		•	•	•	•	•	•		
Team work	•	•	•	•	•	•		•	•
Evaluation of people	•	•			•			•	•
Development of subordinates	•	•			•			•	
COMMUNICATION									
Oral interpretation		•			•			•	
Written interpretation	•				•	•	•	•	•
Listening		•		•	•			•	
Presentation		•			•			•	
DIAGNOSTIC-ANALYTICAL									
Identification of the problem			•		•		•	•	
Analysis of the problem	•	•			•			•	
Solving the problem		•			•		•		
Detecting changes			•					•	
STRATEGIC-CONCEPTUAL									
Creating a vision			•			•			•
Looking at the whole/holistic approach	•	•	•		•		•	•	
Creating priorities				•					
Long-term perspective			•		•	•			•
Change management									•
ADMINISTRATIVE									
Planning and organizing	•	•		•	•			•	•
Execution and control		•		•	•	•	•	•	•
Decision-making		•						•	

Source: Burack, Mathys, 1980:91

In terms of managerial capabilities, as stated by Bahtijarević-Šiber (1999) two facts should be emphasized:

1. Only one part of the above abilities is the result of the process of education and training (including very diverse forms of acquiring knowledge and skills, not just formal forms of education). These are primarily technical-professional abilities, while some of the other skills can be sharpened and further developed through practice.

2. Much of the abilities listed above are based on specific individual characteristics (abilities and characteristics of personality) that have already been formed at the time when one becomes a manager and are a result of their internal interaction, as well as interaction with the objective circumstances of the situation and the development of managers. Depending on their nature, they can be further developed, improved, combined and similar, but cannot be acquired through education.

3. Results and discussion

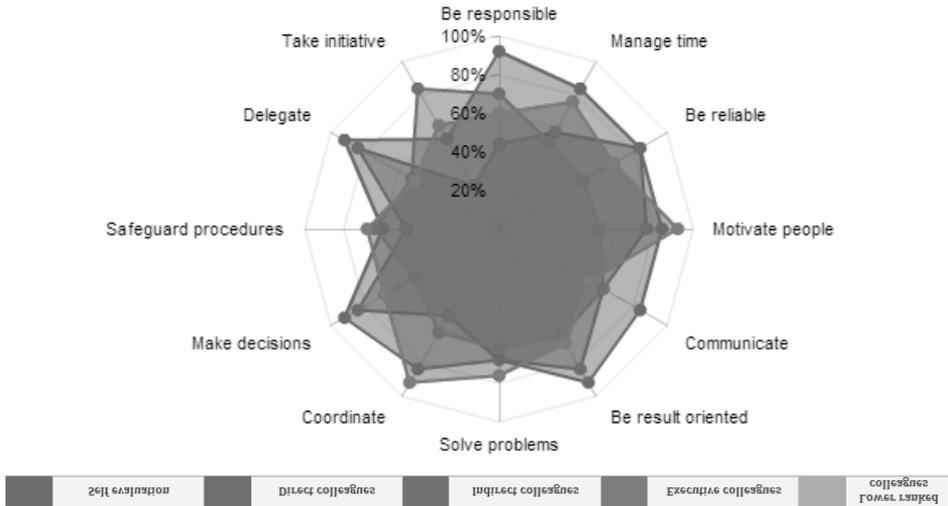
For the purposes of proving relationships within the variable *managerial competencies*, the following are aggregated results created by grouping competencies into three groups. The first group is professional competencies and it includes the following subgroups of competencies: (a) be responsible, (b) time management, (c) be supportive and (d) motivating staff. The second group is business competencies and it includes the following subgroups of competencies: (a) communication, (b) be oriented towards results, (c) problem solving, and (d) coordination. The third group is interpersonal competencies, comprised of the following subgroup competencies: (a) decision-making, (b) compliance with procedures, (c) delegation and (d) taking initiative.

Aggregation of competencies, which is mainly related to theoretical requirements, stems from the fact that there are no empirical data on the criterion validity of competencies. According to some authors, arguments, support, and confidence in managerial competencies have become a matter of faith and belief in the reliability of various methodologies, and instruments with which managerial competencies are measured are often not psychometrically verified.

Of course, there may also be a disagreement regarding the definition of competencies and the insufficient methodological rigor of the competency approach. Consequently, many (and bad!) groups with too many competencies (as much as 390!) and bad indicators (inconsistently written, wrongly defined, difficult to measure, extremely discriminating, etc.) appeared in practice. (Kulović, Ed., 2012) In addition, competencies are often inconsistent and contradictory. In order to address these difficulties, a methodology developed within the framework of the *Development of Managerial Competences* (DMC) project was used. (Kulović, Ed., 2012)

With the use of a software application, it is possible to display the summary results of the competencies assessment on the sample of 100 top-managers and 400 other evaluators (superiors and subordinates, direct and indirect colleagues), which are displayed through the competencies map in the following figure (Figure 2).

Figure 2. Presentation of results of the assessment of managerial competencies by using competencies map



Source: Developing Managerial Competences – DMC application

In order to calculate the correlation of managerial competencies assessments, it is necessary to evaluate groups and subgroups of managerial competencies of top managers and other evaluators. The ratings of other evaluators were used to assess the reliability of self-assessment as a method of assessing the competencies of managers. According to the aforementioned classification, average grades and accompanying variation measures for competence groups are calculated for both self-evaluation and for other assessors by pooling the ratings of direct and indirect colleagues, as well as superiors and subordinates to one group, which is called other evaluators, based on the calculation of the average grade for this group of evaluators. In this way, a comparison was obtained between self-evaluation and other evaluators, as shown in the following table (Table 5).

Table 5. Basic descriptive measures (competencies)

Competencies		Mean	Std. Deviation
Interpersonal	Self-assessment	77,41	6,680
	Average	77,12	4,099
Business	Self-assessment	77,11	9,044
	Average	77,55	5,407
Professional	Self-assessment	77,70	7,393
	Average	76,69	4,827

Source: Authors

Average grades for the sample do not show statistically significant difference when observing self-assessment on one side and the average of four grades (direct and

indirect colleagues, subordinates and superiors) on the other side. This conclusion is reached by using the dependent samples *t-test*, in all of these cases (interpersonal, business, and professional managerial competencies). The correlation between the above estimates (self-assessment and average of other assessors) is presented and statistically significant ($p < 0.01$), as can be seen from the following table (Table 6). It is most prominent in the case of interpersonal managerial competencies.

Table 6. Correlation

Competencies	Correlation	Sig.
Interpersonal	.642	.000
Business	.488	.000
Professional	.421	.000

Source: Authors

Based on the above, it can be concluded that the relationship between individual managerial competencies is highly reliable, and represented with high correlation coefficient that regularly varies between 0.9 and 1.

4. Conclusion

Research of managerial competencies and business excellence of enterprises takes a key place and role in today's best practice. Many authors in recent studies (Kaplan, Norton, Keegan, Lynch, Cross, Fitzgerald, Brown, Neely) have tried to develop models which will contribute to the improvement of business excellence, but in the process they often left out the key potential - managers. Such a reactive attitude contributed to an unclear interpretation of the term *manager* for whose multi-layered explanation it is necessary to reach into the repertoire of semiotics (or semiology). Therefore, the theory and practice of management compromisingly, in each enterprise, necessarily puts managers in the key focus of the consideration in the context of three types of qualifications: required, objectively necessary, and realistic. Depending on their (inter) relationship, it is possible to talk about higher-quality or lower-quality performance of managerial job. The managerial job is still a great story, an archetypal concept based on deductive rationality in which researchers are still pursuing the principle of performativity. The level of quality of performing a managerial job depends on the level of quality of the achieved managerial competency. To find harmony in these interrelations between the quality of managerial job and the quality of managerial competency it is necessary to observe not only the harmony between the competency of managers and job requirements, but also between objectively necessary requirements of managerial job and real managerial competency. The emerging concept of managerial competencies helps in establis-

hing harmony by attempting to eliminate latent relativistic discourse by which the managerial job is being explained in simple terms (lat. *idem per idem*), according to which managers perform managerial job. The primary task of this research is the analysis of the impact of *managerial competencies on business excellence of enterprises* in the context of joint action and situational contingency factors immanent in the BiH business context. The survey was conducted within the framework of pragmatic research philosophy based on the combined approach (inductive and deductive) in conceptualizing and testing theoretical models of the impact of managerial competencies on business excellence of the enterprises. In order to fulfill the purpose of research and research objectives, the model of managerial competencies has been conceptualized as a construct of managerial knowledge, managerial skills, and managerial abilities. Subsequently, within the variable *managerial competencies* the results are aggregated by grouping competencies into three groups. The first group is professional competencies, the second group is business competencies, and the third group is interpersonal competencies that include the following subgroups of competencies: (a) decision making, (b) adherence to procedures, (c) delegation and (d) taking initiative. The conducted research proved that the relationship between individual managerial competencies is very reliable and high with correlation coefficient that regularly varies between 0.9 and 1. In this regard, the results of the study clearly move in the direction of reducing the skepticism resulting from inconsistencies and contradictions behind managerial competencies as an elusive and insufficiently clarified term whose clarification requires a marked effort.

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EKSPLIKACIJA PALIMPSESTNOG KONCEPTA MENADŽERSKIH KOMPETENCIJA: ISTRAŽIVANJE ODNOSA IZMEĐU INTERPERSONALNIH, POSLOVNIH I PROFESIONALNIH KOMPETENCIJA

SAŽETAK

Kompetencije menadžera predstavljaju veliku ideju teorije i prakse menadžmenta u posljednjih nekoliko decenija. U teorijskom i praktičnom smislu postoje poteškoće u konceptualnom određenju pojma kompetencije koji se različito tumači. Nema sumnje da su menadžerske kompetencije rezultat djelovanja tri elementa, koje menadžerska praksa označava menadžerskim znanjima, menadžerskim vještinama i menadžerskim sposobnostima. U obavljanju kompleksnog i zahtjevnog menadžerskog posla kompetencije nisu same sebi svrha. Opravdanost stalnog razvoja generičkih i specifičnih kompetencija respektivno se odražava na rezultate koje preduzeća postižu.

Ključne riječi: *menadžerske kompetencije, menadžerska znanja, menadžerske vještine, menadžerske sposobnosti*

JEL : *M12, M54*