LEADERSHIP COMPETENCIES AT LARGE INDUSTRIAL COMPANIES: MODEL OF COMPETENCIES

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Abstract: The aim of this study is to recognize relevant managerial competencies which has important role in the leadership of large industrial enterprises located in South Moravia. This study aims to identify current scientific approaches to competency research, composition and classification. Model of competencies introduced in this publication is proposed based on findings from quantitative research conducted within the large industrial companies located in South Moravia and competencies' definition introduce in central database of competencies: Model is relevant for middle and top level of management where the research was applied and the model can serve as a base for building own models with consideration of business field and environment or for further research.

Keywords: leadership competencies, management, model of competencies, HRM, industrial companies

1 Introduction

According to Wang and Haggerty (2011) companies are aware that employees are those, who creates value. Each job in company's hierarchy should have clearly defined competencies, which are necessary to perform the job. Clearly defined model of competencies is currently very common and useful solution which companies could use as a support by filling positions and selecting suitable candidates (e. g. suitable person for leadership position in international environment (Mazánek et al. 2017). It allows to precisely define the professional and personal requirements for work performance and represent a great tool for selecting, evaluating and determination of the development process of knowledge and skills. Moreover, eliminates specific gaps between employee's competencies (Hroník et al., 2008). As a part of competence politics, certain indicators could be evaluated. Next up with analysis of the evaluation can be various opportunities or threats revealed and it could lead to continuous improvement of the employees (Kubeš et al., 2004). Even it sounds very same, there is a difference between competency and competence. To compare the meanings, the definition of competency can be seen as knowledge, skills, mindsets, thought patterns, and the like used whether singularly or in various combinations, result in successful performance and on the other side the competence is a function of worthy performance, which is a function of the ratio of valuable accomplishments to costly behavior (Teodorescu, 2006). Broadly speaking, competence reflects a person's cognitive approach to a task, encompassing the multiple attributes of knowledge, skills and attitudes whereas competency highlights a person's ability to perform those tasks within the defined context of professional practice (Leung et al., 2016). There were set the three research questions:

1. What is the historical background to competence approaches?
2. How could be the competences composed and classified through competency model?
3. Which competencies are relevant for leaders in the managerial position in the large industrial companies in South Moravian region?

2 Development of Competence Approaches

Managerial competencies have been studied for more than 30 years, mainly within two main streams. The first describes competences as certain features, i.e. motivation, features, skills, defining a social role or self-presentation, or as the amount of knowledge required to perform the work (Boyatzis, 1982; Sandberg, 2000). Boyatzis (1982) uses competence to define individual characteristics that affect high performance. The research of 150 case studies from North America and it is based on article written by David C. McClelland in 1973. Analysis of the case studies has shown that this theory begun to be applied in an inductive way – based on scientific methods and in-depth analysis. Later, however the theory has gradually evolved into application in deducting way – using prerequisite competence dictionaries that solve some specific cases. Both approaches are different but, on the other hand, they have the same goal – to create a list of key competencies (6-20) that perfectly describes the job position and form the human resources department in the selection, training and career development of employees. Currently it is also a hybrid approach in use, which combines highlights of positive attributes of both approaches and applies it in practice (Bouteiller and Gilbert, 2016).Woodruffe (1993) describes competence as observable work performance, which, according to Cardy and Selvarajan (2006), may include traditional knowledge, skills and skills but also motivation. According to Bouteiller and Gilbert (2016) is recommended to select employees not only based on competency test, but also use an intelligence test. The second stream is a newer approach to competency research, which is called an interpretative approach. This approach considers competence as a condition defined by the situation in which the person is located or the work, which is expected to be performed by the person. In other words, the way in which work is conceptualized enables a worker to organize specific knowledge and skills into different performance competencies (Sandberg, 2000). This conceptualization is then what enables the worker to perceive as an average, experienced or expert in the area (Rogers et al., 2015). Since competence is a perceptual matter, it depends on the context that is observed, given the different requirements of knowledge, abilities and skills (Bassellier et al., 2003; Marcolin et al., 2000). Therefore, a person who is considered an expert within a certain context may not be considered an expert in the context of another. To be perceived as a competent person, it is necessary that the knowledge, skills and abilities, was able to express in a joint work. In the course of cooperation with others, others can see and perceive competence or lack of competence in the corresponding context. It is therefore likely that those who demonstrate competence will perform better work performance than those who do not show competence (Wang and Haggerty, 2011).

3 Models of Competencies

Leadership Competence model is often used to identify key competencies and competencies for employees, in which a link between competence and performance needs to be established. It is important to determine the appropriate number of key competences. The development of the overall personality can be achieved by focusing on 3 to 5 competencies and consequently on improving them to an excellent level. Every individual uses different abilities and their level, so it is better to focus on those that are natural to the individual. Identified competencies can be further developed for the benefit of all stakeholders. In order to monitor the process, an evaluation system should be created, which needs to focus on the overall performance and objectives set to monitor the progress of senior executives (Clemmer, 2014). Competency model can be used to detect capabilities that will meet the needs of managers. It can also be used to eliminate the differences between required and available capabilities, making them more efficient for their managers and leading to the development of effective management (Wu and Lee, 2007). Competence can help meet competitive challenges by improving skill levels and efficiency of the workforce of HR professionals. According to Bozkurt (2011), the Competence Model applies to the group of competencies required in a particular job: 7 to 9 competencies depending on the nature and complexity of the work. Other influential elements are the values of the organization and its culture. Hogen and Kaiser (2005) consider that each existing competence model identifies four broad domains of managerial competencies – see table 1.

Table 1: Domain Model of Competencies

Domain	Definition of competencies
Intrapersonal	Internalized standards of performance; able to control emotions and behaviour (courage and willingness to take a stand; career ambition and perseverance; integrity, ethics, and values; core self-esteem and emotional stability; patience; tolerance of ambiguity)
Interpersonal	Social skill role-taking and role-playing ability; talent for building and maintaining relationships (political savoir faire, peer and boss relations, self-presentation and impression management, listening and negotiating, oral and written communications, customer focus, approachability)
Business	Abilities and technical knowledge needed to plan, budget, coordinate, and monitor organizational activity (business acumen, quality decision making, intellectual horsepower, functional/technical skills, organizing ability, priority setting, developing effective business strategy)
Leadership	Influence and team-building skills (providing direction, support, and standards for accomplishment; communicating a compelling vision; caring about, developing, and challenging direct reports; hiring and staffing strategically; motivating others; building effective teams; managing diversity)

Source: Hogan and Warrenfeltz (2003)

4 Results

4.1 Description of research field

Results of quantitative research published by Mazánek a kol. (2018), which was conducted among 96 largest companies' CEOs in the South Moravian region, showed perception of single competencies in a daily work. 24 questionnaires were received back from the managers of the major companies of the Southern Moravia region and identified the most important competencies in eyes of CEOs. Research have gathered complete information about our respondents as well. Gender distribution of respondents, where the majority was represented by men, up to 92% and 8% of women in different management levels could identify the competencies which are seen as key in both middle and top management level. From perspective subordinates' number was more than half of respondents having more than 10 subordinates (58.3%), having between 5 to 10 subordinates more than a fifth of respondents (20.8%) and the second fifth of respondents having less than 5 subordinates (20.8%). From the experience point of view, it can be stated that the majority had work experience ranging from 1 to 7 years (67%), while approximately one third (32%) of the respondents had more than 7-years' experience.

4.1 Model of competencies

In addition to research results the desired competencies of middle and top management level were analyzed in depth for further processing. Next process step has been to reflect of researched competencies into set-up defined in central database of competencies (Národní soustava povolání, 2017). This reflection was done with deep qualitative comparison of definitions in Central Database of Competencies and definition of competencies within research.

Table 2: Model of competencies – middle and top management level in large industrial companies in south Moravia

Competence (Category / Domain)	Requested abilities of managers to
Leadership (Soft / Leadership)	Formulate ideas in both written and oral form. Listen to others and motivate them. Adequate self-enforcement. Give and receive feedback. Organize work of subordinates and to solve conflicts. Ability to formulate an attractive vision and to transfer key knowledge.
Autonomy (Soft / Intrapersonal)	Make decision and converting achievement of goals into steps. Plan, long-term concentrating and distribute own energy. Quick, flexible decide and find help if necessary. Carry risk for own decisions.
Load management (Soft / Intrapersonal)	Deliver very good performance even in extremely difficult conditions and keep realistic approach to stressful situations. Overcome obstacles, analyze the situation, look for alternatives and choose the most appropriate solution. To control ow feelings even in very tense situations, to work with emotions of others and support them.
Environment knowledge (Professional / Business)	Gain and enhance professional knowledge of the filed. Creation, maintenance and work with professional documentation. Methodological goal setting and monitoring Economic/strategic assessment and decision making. Control and evaluation of quality and results of work of subordinate workers.
Effective Communication (Soft / Interpersonal)	Form and transfer own ideas in clear way. Present at a large forum and convince others. Get real opinions from others and use constructive conflicts. Work with feedback in all directions. Communicate with other cultures.
Teamwork (Soft / Leadership)	Take the role of natural leader in the group, Have natural authority. To cooperate in international, multicultural teams.
Planning and organizing (Soft / Business)	Create visions, design strategies, and effectively plan the potential for self and others. Set/monitor goals and priorities motivates the environment to achieve them considering risks. Plan the necessary resources, their effective use and time
EN language competence (General / Interpersonal)	Understand a wide range of texts or and recognize the hidden meaning. Express him/herself fluently and spontaneously, without too long search for expressions. Use language flexibly and effectively for social, study and work purposes. Summarize information from various sources, reconstruct arguments and explanations and present them coherently.

Source: Own according to central database of competencies (Národní soustava povolání, 2017)

Every competence mentioned in table nr. 2 is also following categorization of competencies according to central database of competencies. This unification helped to identify top 8 competencies perceived as most required for managers within South Moravia in both layers of management – middle and top management (see table above). Model of competencies is covering 8 main required competencies as desired according Botkurt (2011), which are seen as most important in defined field of profession. Moreover, as described by Hoagan and Kaiser (2005) presented model identifies four domains of managerial competences – intrapersonal, interpersonal, business and leadership.

According to Abraham et al. (2001) are the most important competences for effective leadership skills communication, problem solving, team building and decision making. This approach is as well very similar to this research results across the both management level. Kirkpatrick and Locke (1991) consider the most important intelligence, initiative and business knowledge to be the most important. Irelan and Hitt (1999) mention flexibility, teamwork and strategic thinking. Propp, Glickman and Uehara (2003), mention that as well technical skills, experiences, ability to manage relationships, recognition of an informal organizational structure may be part of the leadership competencies. And according to Brownell (2008). effective listening, training, credibility, endurance, integrity, flexibility or positive attitude are all the important leadership competencies. In comparison to our research results many intersections are visible, nevertheless it appears, that there are small differences in the perceived relevance of competencies. On the other side these differences are mainly affecting priority of single competencies. This led to the limitations of the research, which consist of quite small sample (24 respondents). This could be hardly understood as enough in the quantitative research conditions. Therefore, the final decision is to focus next quantitative research on results from this study and, in parallel, to test proposed competence model with quantitative research results as well.

5 Discussion and conclusion

Large companies are currently focus on teamwork more than individuals. Competence models play a key role for companies that emphasize their employees' abilities (Mazánek and Vraniak, 2017). It is desirable for the effective implementation of work activities, that everyone has the right skills, which corresponds to the working environment and the workplace. Competencies constitute the intellectual property of companies and are an important factor in strategic decision making and selection of suitable candidates for managerial position. They reflect the basic skills of the experiences and behavioral patterns that are crucial to the performance of the managerial function. The article defines the basic terms and puts them in context.

The conclusion of the research was accompanied by an examination of the perceived importance of managerial skills. The findings have been made available to HR specialists in the surveyed companies and served as a basis for creation of competency model. According to Kubeš et al. (2004) and Hroník et al. (2008) possible fields where a competence model can be used to improve processes in an organization are offered especially by selection, development and remuneration of leaders. In next future research results validation through larger sample of respondents is foreseen. Larger sample will allow to apply quantitative methodology and explain the measure of statistical significance of evaluated competencies.

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