

## REVIEW ARTICLE

# Importance of Management Competencies in Organizations

### ABSTRACT

The current dynamics of organizations has evidenced the need for professionals who are trained to work in complex environments, cooperate in multidisciplinary teams, accept assignments beyond their competencies and operational duties, and project strategies that help them reach their objectives. The aim of this article is to review the way in which management has moved from deeply focusing on tasks, organization, work teams, environment and technology to emphasizing competitiveness. Similarly, it has moved from focusing on operations-level work relationships, the formal and informal organization, management functions and styles, open systems, and environmental and technological analysis to organizational learning and intellectual capital. This evidences the need to continue managing and developing management competencies for complex and volatile business environments.

**Keywords:** management competencies; soft skills; organizations; companies; management.

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## INTRODUCTION

According to Chiavenato (2019), “all activities related to the production and marketing of goods, or the provision of services, are proposed, organized, arranged, directed, conducted, and controlled by organizations” (p. 1). Organizations, specifically companies, are made up of individuals who work together to reach the goals established.

Aristotle’s Ethics has become the documentary foundation for scholars and researchers of managerial function and training because of the significant development on moral virtues (prudence, justice, strength, and temperance) and intellectual virtues (art, science, prudence, wisdom, and intellect) (Serrano, 2017). These are oriented to the moral behavior of individuals across the social structure and, many centuries later, constitute the key element of management function. Polo and Llano (1997, as cited in Sotomayor, 2021) precise the following:

Management function plays a key role in organization, as it tries to encourage others to change their behavior and do what they are supposed to. To this end, managers--apart from their technical competencies--will have developed qualities that will provide them with the strength and character required. This impact will only be possible when the manager knows the individual and knows how they act given a particular circumstance. (pp. 34-36)

Following this path, the discussion regarding competencies has focused on the failures, weaknesses and areas to improve during the training stage (Fodor *et al.*, 2021; Fuentes *et al.*, 2021), leaving the projection of competencies that should be compulsory for all professionals to management scholars, expert businesspeople and senior management executives, evidencing that even at the executive level there are many gaps to bridge.

For example, the construction industry (one of the most important sectors in the world economy) has become increasingly demanding in terms of the professional profiles focused on managing changing environments (Moradi *et al.*, 2020); technology knowledge and applications,

intercultural skills (Mandičák *et al.*, 2020); leadership, teamwork, effective communication (Fehan and Aigbogun, 2021); complex and creative problem-solving skills (Sujová *et al.* 2021); and the suitability of individuals for project management (Damayanti *et al.*, 2021).

In the healthcare industry (one of the fields with the strongest impact and influence during the COVID-19 pandemic), the profile required is that of professionals who can control their emotions, and show resilience and adaptability (Drury *et al.*, 2023), act ethically and with moral integrity (Nordin *et al.*, 2023), have an effective personality (self-esteem, labor self-realization, resolute self-efficacy and social self-realization), productivity, and goal achievement (Thanh and Anh, 2023).

Now, in the business context, companies have become more demanding in their search for professionals who can take decisions, work in teams, organize, solve tasks in an ethical and responsible way (Multan, 2020), who are reliable, responsible, who can work in teams, who self-motivate and have a positive attitude (Hirudayaraj *et al.*, 2021), who possess creative thinking and know about time management, resistant to stress, and with good communication skills (Sujová *et al.*, 2021); and who self-lead, can empower teams and reach goals (Ahmad *et al.*, 2022).

## PURPOSE

The main aim of this research is to review literature related to management competencies, their dimensions and specific competencies, as well as highlighting their importance in business organizations, with the aim of achieving a positive impact on the various levels of business management.

## ARGUMENTATIVE REVIEW

This review article addresses the importance of developing management competencies in organizations from the viewpoint of three authors, the dimensions and competencies for professionals entering the labor market are analyzed, as well as the competencies required for successful management as detailed below:

The first review is the above-mentioned study by Ochoa *et al.* (2017) related to the human

factor, especially emphasizing professional competencies, the training profile and the economic, social and technological aspects of the Latin American labor context. It was applied among Chilean, Colombian, Ecuadorian, and Peruvian professionals and helped them identify the main role of graduate schools: to provide new tools to those professionals who will eventually become new senior managers. The competency model by Ochoa *et al.* (2017) comprises the following:

- a. **Competency in the personal development dimension** Focused on the psychological and individual side. It includes self-esteem, self-efficacy, personal autonomy, personal initiative, entrepreneurship, empathy, emotional self-awareness, tolerance to frustration, optimism/enthusiasm.
- b. **Competency in the cognitive dimension** Focused on knowledge. It includes analytical thinking, creativity, planning, ability to take decisions.
- c. **Competency in the social dimension.** Focused on social relationships. It includes teamwork, assertiveness, relational/social skills, communicative skills, respect.
- d. **Competency in the sustainability dimension.** Focused on the relationship with the environment and its impact. It includes social responsibility, professional ethics, ecological vision, and equity.
- e. **Competency in the technology dimension.** Focused on the use of new technologies. It comprises digital skills, social media skills, remote collaborative work.
- f. **Competency in the global dimension.** Focused on international and global relations. It comprises intercultural skills, cultural intelligence. (pp. 41-44)

The second author examined in this review, Chiavenato (2019), argues that “facing complex and/or volatile environments requires long-lasting skills because they do not become

disposable or obsolete even as time passes” (p. 3). These are:

- a. **Knowledge.** It refers to knowledge itself or, as the author states, to be constantly and continually updated. It includes know-how, learning to learn, learning continuously, expanding knowledge, transmitting knowledge, sharing knowledge.
- b. **Ability.** It refers to knowing what to do or, as the author states, to knowing how to transform theory into practice. It includes applying knowledge, having a global and systematic view, problem resolution, know-how, working with others, suggesting solutions.
- c. **Judgment.** It refers to knowing how to analyze and evaluate situations; according to the author, knowledge and ability are not enough. It includes evaluating the situation, obtaining data, having a critical spirit, judging facts, deliberating in a balanced way, defining priorities.
- d. **Attitude.** It refers to the way in which managers know how to make things happen. it includes entrepreneurial attitude, innovation, being a change agent, assuming risks, focusing on results, self-actualization. (p. 4)

The third review addresses the research conducted by Sedgley (2020) on the transition from university to the labor market, which involves an emotional process that graduates should be prepared for. The research claims that, nowadays, scholars, researchers and/or managers require different training in order to gradually develop competencies and/or skills that will allow them to successfully manage a company. For Sedgley (2020), the key element when training new managers lies in five skills:

- a. **Independent Learning Skills.** Recognized as the key skills for success in business management and linked to anxiety management in continuous learning. They include self-efficacy, project management, communication, and time management.

- b. Time Management Skills.** They are linked to time management and focused on managing the unconscious mechanisms that lead to avoiding work. They include organization and planning, value-based prioritization, and research.
- c. Academic Reading Skills.** They are related to managing documents and information, and are focused on learning management and knowledge management. They include selective research, targeted and smart reading, and time management.
- d. Academic Writing Skills.** They are related to managing documents and information, and are focused on critical thinking and objectivity. They include paragraph building, referencing, critical analysis, and self-reflection.
- e. Teamwork Skills.** They refer to the relationship to other individuals from different origins, cultures, personal aptitudes and academic knowledge. They are focused on empathy, synergy, and peer support. They include empathic communication, organized planning, conflict management, and public speaking. (pp. 5-10)

Based on the above explanation, management competencies are considered key for individuals to reach professional excellence. In many situations, they are considered a basic requirement to lead or manage teams toward reaching their goals; even more so when we consider that—in our difficult times—it is becoming increasingly common for young professionals to undertake more demanding duties and tasks from the very beginning. As Robbins and Coulter (2018) argue, “management competencies make it possible to perform managerial functions such as planning, organizing, directing, and controlling” (p. 9).

Therefore, it is crucial for the members of an organization to possess and continue developing management competencies in order to find the suitable tools for reaching their goals. Indeed, it is known that organizations do not have the same plans, objectives

or fields. Therefore, according to their nature, managers and directors will play a key role in designing the action plans and communicate them to every member of the relevant organization unit in accordance with the functions delegated to them.

Evidently, other organizations do not take care of operations tasks, let alone the humanistic aspects of business. Therefore, it is evident that communication and teamwork will break, objectives will not be met and—naturally—the terrible work environment results in resignations and ‘brain drain’.

## CONCLUSIONS

To prepare this review article, three authors were analyzed. The models and competencies developed by them evidence approaches which are important for the study of management competencies in organizations. Another aim of this review is to clarify the doubt with regard to their importance and how they influence managers’ and directors’ performance. These are clearly putting Aristotle’s moral and intellectual virtues into practice every time they coordinate and supervise goal achievement while keeping leadership and a positive impact.

In addition, it can also be highlighted that all employees who perform duties for an organization have an important role to play because they are part of various work teams. For this reason, as personnel in charge of complying with the plan goals and objectives, they should assume a different attitude because—apart from achieving motives (assigned tasks)—their degree of motivation will prevent performance from falling, and will encourage the development of bonds without any surrounding conflicts.

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#### Competing interests

The author declares that there is no conflict of interest.

#### Authors' Contribution

Oscar Fernando Pahuachón Huayta (lead author): Conceptualization, research, supervision, writing (original draft, review and editing).