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Knowledge of managerial competencies: cross-cultural analysis between American and European students

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**ABSTRACT**

This paper reports on the differences of managerial competencies among MBA students from American and European business schools. The results of this research suggest that there are certain differences of not only nationality but also gender. The study also points out the need for different managerial competency profiles to better assess MBA students looking for future career development. The results of this study indicate that there is a difference at the national level between assessed managerial competencies of American and European MBA students that can be attributed to cultural factors. This conclusion confirms the findings of Chong (2008) and Akinola, Martin, and Phillips (2018). Secondly, at the organisational level, cultural differences manifest themselves in some but not all assessed managerial competencies. These research findings provide empirical evidence which suggests that, in managing and advising international and global future managers, one ought to distinguish between external, interpersonal and personal managerial competencies which are applicable across cultures and which are prone to cultural differences.

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1. Introduction

In the future, the only sustainable competitive advantage will be the creation of organisational knowledge and its proper management (Drucker, 1993; Grant, 1996; Teece, Pisano & Shuen, 1997). The globalisation of businesses and organisations indicates a need for international and global managers. The cultural diversity among them differs from country to country. Hofstede and McCrae (1984, 1991, 2004), Schein (1992), Trompenaars (1994), House (1998), Triandis (2004), and more recently Lustin and Koester (2009), Lakshman (2013), Adil (2014), Podrug, Filipović and Stančić (2014), Akram, Ley, Haider, Hussain and Puig (2017), Bucur (2017) and Cingoski and Petrevska (2018) suggest a need to understand different cultural dimensions and their relation with managerial competencies in a global environment. Understanding the possible correlations among knowledge, competencies and cross-cultural management should be a determinant factor in order to improve managerial...
performance at work. However, there are still some questions to answer: are those managerial competencies the same in different cultures or not? How do we teach MBA students globally to develop those managerial competencies in different international business schools?

Previous studies show the positive and direct relation between knowledge management and both tangible and intangible organisational results (Guerrero, 2010; Lara, Palacios, & Devece, 2012; Digan, Kerrick, Cumberland, & Garret, 2017; Khyzer Bin Dost, Rehman, Gilaninia, Ismail, & Wasim Akram, 2018). The introduction of managerial competencies improves organisational results. Bartman (2005) found that managerial competencies are closely related to managerial performance at work. However, there is a gap in the literature about the connection between those managerial competencies with managerial performance and with the profile of MBA students. Recent studies (Adil, 2014; Bosch, Yih-Teen, & Cardona, 2013; Chong, 2008) about managerial competencies in a comparative and cross-cultural context suggest that managerial competencies are broadly similar in importance across cultural environments (Chong, 2013). On the other hand, managerial competencies are likely to be influenced by perception of status, the need for consultation and the degree of communication between managers and their subordinates. These studies also point to the need for organisations to distinguish the most stable technical skills from the culture-sensitive interpersonal skills when assessing and developing managers of different nationalities and cultures (Chong, 2008). Other studies indicate that there are three competency dimensions: external, interpersonal and personal. This tridimensional approach is stable across countries (Bosch et al., 2013). However, there is no previous study that reviews in detail questions about the cross-cultural differences among MBA students in different geographical contexts.

Following previous studies, this study analyses the knowledge of managerial competencies development among post-graduate students from different business schools in the United States and in the European Union. Differences and similarities in competencies and cultural dimensions will be identified and we will try to discuss the explanatory factors. Practical implications of this study could be applied to the career development and employability of future MBA students. We consider particularly important the analysis of MBA students’ managerial competencies because they will be the future managers, so cultural diversity and cross-cultural learning should be a relevant factor for success in their future professional careers and an important part of career development in a context where globalisation and international business is a strategic factor not only at a microeconomic level but also at a macroeconomic level.

2. Literature review

2.1. Managerial competencies

One of the first authors to talk about the concept of ‘competencies’ was McClelland (1973) in several studies related to professional success. Secondly, Boyatzis (1982, 1993) defines managerial competencies as characteristics that are causally related to effective and/or superior job performance. An individual’s performance is assessed in terms of specific actions or behaviour indicators. Thirdly, Woodrufe (1993) defines
them as an observable behaviour that leads to success in a particular task or function. Furthermore, when that particular task or function is a managerial function, he called it ‘managerial competence’. Cardona and Chinchilla (1999) and Morand (2001) specify that the competencies are observable and habitual behaviours, introducing the idea of habit or repetition of certain behaviours. Finally, more recently, Wright and Goodstein (2007) developed a new model of managerial competencies emphasising constructs such as courage, justice and temperance, recovering the idea of character for the theory of management. More recently, other authors like Bertoncelj (2010) have studied the conative component of competencies of managers, developing a new manager’s competencies framework. Lara and Salas-Vallina (2017) provide an update of the managerial competencies framework with the introduction of the mediating role of organisational learning in the relation between managerial competencies, innovation and engagement.

‘Managerial competencies’ refer to habitual observable behaviours. Each aspect of this definition must be clarified. First, a behaviour is neither a personality trait nor temperament character or knowledge. This first term directs our study of managerial competencies towards action. Secondly, observable means that it is possible to measure not only their development level at a certain moment, but also their progress and learning process. Thirdly, habitual means related to the acquisition of new behavioural habits, which implies the possibility of learning.

Managerial competency models are generally well accepted by executives and HR professionals, as they identify a range of valuable manager behaviours, offer a tool for individual self-development and outline a framework for companies to select and train their managers. However, it is uncertain whether it is feasible to delineate a stable set of competencies applicable to different managerial situations and contexts (Hollenbeck, McCall, and Silzer, 2006; Prado-Gascó, Pardo, & Pérez-Campos, 2017; Torres & Augusto, 2017). Hence, scholars focusing on managerial competencies should establish a specific set of stable qualities that indicate a manager’s effectiveness, while taking into account possible cross-cultural variation (Bosch et al., 2013). More recently, Rubin and Dierdorff (2017) analyse critically and sceptically the relevance of the MBA, the alignment of required curricula and the required managerial competencies. These authors highlight that behavioural competencies indicated by managers to be the most critical are the very competencies least represented in required MBA curricula.

2.2. Cross-cultural difference

Hofstede (1991) observes that behaviour resulting from cultural differences, or collective programming, manifests itself through personality differences. Hofstede and McCrae (2004) establish a correlation between the inherent Big Five personality traits and the learned Cultural Dimensions.

Cultural orientations can either facilitate or inhibit specific management competencies (Triandis, 1982). For example, masculine culture’s decisiveness and achievement motivation are likely to be facilitated where taking control quickly and setting objectives are desired masculine attributes. An orientation towards the future facilitates
leadership and planning, although these may be inhibited by a lack of trust in others where power distance is high (Boutet, Milson, & Mercer, 2000). More recently, Padrug (2014) presents a comparative analysis of national cultures from countries like Croatia, Brazil, Germany, Serbia and Spain, using the Hofstede’s assumptions about cultural change and diversity. So we consider it interesting to analyse similar cross-cultural managerial competencies frameworks but in this particular case with two different regions: US and Europe. Clark (2016) explores patterns of importance rating of managerial competencies in 22 countries in different regions around the globe. Their results suggest that clustering countries together for the purpose of providing prescriptive guidance for the development of individuals planning expatriate assignments does not clarify such guidance.

Chong (2013) made a review of the literature which indicates that there are commonly held human values that transcend culture. Managerial competencies reflect behaviours that are associated with these innate human values, which are embedded within cultural dimensions. More recently, Miao, Humphrey, and Qian (2018) developed a cross-cultural meta-analysis of how leaders’ or managers’ emotional intelligence influences subordinate task performance and organisational citizenship behaviour. Even though they do not have a direct relation with our research, we would like to highlight that managerial competencies like emotional intelligence are universally valued across cultures. For instance, the WEF (World Economic Forum) 2018 emphasises the importance of these types of competencies for the workers of tomorrow. Miao, Humphrey, and Qian (2018) link those types of competencies with the dependency of culture, and conclude that multinational corporations should match leaders’ or managers’ competencies with cultural dimensions when making cross-cultural assignments. That is an important reason to consider the different instruments used to determine which managerial competencies should be developed in MBA students in different cultural environments.

Therefore, one will expect broad similarities in the selection of managerial competencies required for the job performance of incumbents working in different cultural environments. These similarities ought to appear in empirically determined competency clusters or categories.

To confirm or not these previous statements, Hypothesis 1 is presented as follows:

- **Hypothesis 1:** When a common instrument is used to determine the competency requirements of United States and European graduate business students, there will be no significant difference in the managerial competency clusters.

Prior to this research, studies that relate biographical variables such as gender (Kirchmeyer, 1998) are largely inconclusive and there has been no compelling reason to believe that biographical variables significantly affect the career progression of managers who have been assessed by their superiors as performing well. Other studies do not consider biographical differences (Chong, 2008).

More recently, Akinola, Martin, and Phillips (2018) study how delegation affects gender differences in affective associations and behavioural responses. Their conclusions show that women delegate less than men, and when they do delegate, they have lower-quality interactions with subordinates. They also point out that reframing delegation as communal attenuates women’s negative association with delegation. These
findings reveal that perception of agency can undermine women’s engagement in those behaviours that in the long term results in managerial competencies.

Chong (2013) did not support the hypothesis that other than the manager’s assessed competency no biographical variables affect the career progression of managers. This last question is one of the limitations that many scholars present: to what extent do other sociological factors, such as the glass ceiling effect influence perceived managerial competency, assessed job performance and actual career development?

This question is tested in Hypothesis 2.

- **Hypothesis 2**: When a common instrument is used to determine the competency assessment of United States and European graduate business students, there will be no significant differences in biographical variables such as gender.

### 3. Methodology

#### 3.1. Hypothesis testing and measures

In this research, determining managerial competencies that are common across different cultural environment tests H1 and H2 is most important. We used the scale developed by Cardona and Garcia (2005), later validated by Bosch, Yih-teen, and Cardona (2013). The scale is divided into three dimensions of managerial competencies: external (or strategic), interpersonal, and personal competencies. The first and second dimensions have six sub-dimensions, but the latter (personal) has 18 sub-dimensions. The questionnaire includes a total of 30 items, reduced first from 150 items with a pilot study conducted in Spain (García, Cardona, & Chinchilla, 2001) to 75 items, and secondly from the 75 to 30 items from a previous study (Lara et al., 2012; Lara & Salas-Vallinas, 2017). A 5-point scale was used, where ‘1’ corresponds to ‘Never’ and 5 correspond to ‘Always’. The items were specifically written for a managerial position. Similarities indicate managerial practices that are relevant across two cultures and two work environments. Competency differences were examined for possible attribution to culture, work environment or other biographical variables.

#### 3.2. Sample and data collection

The sample of 80 American MBA students was selected from attendees at Florida State University – Business School, and The Catholic University of America – School of Business & Economics, Organisational Behaviour and Management Courses. The data was collected from 2010 to 2014. These students provided personal information and indicated the importance of 30 managerial competencies for their job. Perceptual gaps that emerged from the data provided insight for the training and development of the course attendees. Thirty-six individuals of the sample were male, 44 were female.

Another sample of 96 European MBA students was selected from attendees at managerial courses at ESDES Business School Lyon, ISC Paris, ISM Frankfurt, Università Cattolica Sacro Cuore – Milán, and INEDE Business School - Universidad Católica Valencia. As in the American study, the students were also asked to rate the
importance of the 30 competencies for their future jobs and for the evaluation of managers’ performance on these competences. Forty-four individuals were males, 52 females. Students were asked to provide basic biographical information. The data was also collected from 2010 to 2014.

4. Data analysis and results

We use PLS technique to analyse the validity and reliability of the data. From the 30 different competencies, the results highlighted that only seven competencies are significant at least in one of the variables that we were looking for: Country or Gender, or the combination of both. These are the seven competencies: Business Vision, Customer Orientation, Negotiation, Delegation, Proactivity (Creativity), Proactivity (Optimism), Personal Management (Time Management). From them we find two Strategic or External Competencies (Business Vision and Customer Orientation), two Interpersonal Competencies (Delegation and Negotiation), and three Personal Competencies (Proactivity – Optimism and Creativity – and Personal Management – Time Management).

These results confirm again the conclusion of Bosch (2013) about the existence of a tridimensional structure of managerial competencies.

4.1. Strategic or external competencies

Firstly, in relation with the Strategic competency ‘Business Vision’ the variable ‘Gender’ (with p-value: 0.0135) is significant. It means that on average men (mH) are 0.42 above women (mM) in this particular competencey, but without significant differences in relation to the country of origin. That is reflected in Figure 1.

Nevertheless, as we can observe, the difference is significant in the European case but not in the American context. In fact, the interaction of both variables, Gender and Country (Sexo*Pais), is not significant (p-value: 0.0689) and negative (–0.45). Thus, there is an inverse relation in America; there is a higher value in women versus men (mHUSA: 3.64; mMUSA: 3.67) but it is not significant. That is reflected in Figure 2.

Secondly, in the strategic competency ‘Customer Orientation’ we can affirm the significance of the ‘Country’ variable (p-value: 0.047), which means that the average in America is 0.34 above the European average, but there is no significant difference in ‘Gender’ variable. That is reflected in Figure 3.
Although the interrelation between both variables (Country & Gender) is negative \((-0.27)\), this means that there is an inverse relation between the average of men and women in the European context (4.14; 3.97) versus American (4.20; 4.31). In other words, there is 0.17 difference in favour of men in Europe, instead of the difference of 0.11 in favour of women in the American situation. Nevertheless, these differences are not significant. That is reflected in Figure 4.

Although the interrelation between both variables (Country & Gender) is negative \((-0.27)\), this means that there is an inverse relation between the average of men and women in the European context (4.14; 3.97) versus American (4.20; 4.31). In other words, there is 0.17 difference in favour of men in Europe, instead of the difference of 0.11 in favour of women in the American situation. Nevertheless, these differences are not significant. That is reflected in Figure 4.
4.2. Interpersonal competencies

First, among the Interpersonal Competency ‘Negotiation’ we can affirm that it is significant in the ‘Country’ variable (p-value: 0.0326), which means that the average in America is 0.36 bigger than in the European context, but with no significant differences in relation with the ‘Gender’ variable. That is reflected in Figure 5.
On the other hand, the interrelation of variables is again negative (−0.23), which indicates to us there is an inverse relation between the average of men and women in Europe (3.81; 3.67) with a small difference of 0.17 for men, while in the American context it is the opposite (3.93; 4.03) with a difference of 0.1 in favour of women. Nevertheless, these differences are not significant. That is reflected in Figure 6.

Secondly, in the Interpersonal Competency ‘Delegation’ we find that there is a significant variable ‘Country (Pais)’ (p-value: 0.0259), which means that the average of the European is 0.43 superior to American, but with no significant differences in the other variable. That is reflected in Figure 7.

On other hand, there are no significant differences related to the average among men and women between both countries. The differences are not significant. That is reflected in Figure 8.

4.3. Personal competencies

Firstly, in relation with the Personal competency ‘Proactivity: Creativity’ the variable ‘Gender’ (with p-value: 0.0144), the variable ‘Country’ (with p-value: 0.0289) and the interrelation of both (with p value: 0.0225) are significant. That is reflected in Figure 9.

The average of men is 0.51 higher than women; on the other hand, the average in America is 0.46 higher than in Europe, and thirdly, there is an inverse and negative correlation between both variables of −0.71. In other words, the difference between men and women in Europe (0.51 in favour of men) is the opposite in America (where there is 0.19 in favour of women). This is one of the most important conclusions of our study for the moment. That is reflected in Figure 10.

Secondly, with respect to the Personal Competency ‘Proactivity: Optimism’, we can affirm that the variable ‘Country’ (p-value: 0.0075) is especially significant, which indicates to us that the average in America is 0.54 higher than in the European context. In the same direction, there is a difference but not a significant one, between men and women in Europe (0.35), as well as between women and men in America (0.19). That is reflected in Figure 11.

On other hand, the interrelation among the variables (Gender and Country) is negative (−0.54). That result reinforces the idea that there are more differences among Countries than among Gender issues. This is another very interesting conclusion of our study. That is reflected in Figure 12.

Finally, in relation to the Personal Competency ‘People Management: Time Management’ we can affirm, first, that the variable ‘Gender’ (p-value: 0.0070) is
significant, which means that the average for women is 0.58 higher than men. Secondly, the interrelation between variables (Gender and Country), with a p-value: 0.0112, is also significant. With a 0.79 coefficient this means that there are higher differences among Gender than Country variables. That is reflected in Figure 13.
In particular we can highlight the difference between men and women in Europe of 0.56. One of the main conclusions will be that in the managerial competence of time, women perform much better than men in Europe. By contrast, this is not the situation in America, where there is a smaller difference in favour of men (0.22). Nevertheless, the difference between countries is not significant; we can affirm from the data that Americans have a higher value in this competency than Europeans on average. That is reflected in Figure 14.

On other hand, this correlation between variables (Gender and Country) gives us information about the relevance of gender in this particular competency. In contrast with other competencies, this clearly makes a difference.

5. Discussion

We can affirm from the analysis of the results the existence of a tridimensional structure of analysis about managerial competencies. External, internal and personal managerial competencies are significant for both American and European contexts. These results are in line with Hofstede and McCrae (2004), Chong (2008, 2013) and Bosch (2013), among other scholars.

However, we need further discussion about the competencies that should be included among the tridimensional structure. For instance, only two of the six external competencies were significant in our study: business vision and customer orientation. On the other hand, again only two of the six competencies included in the interpersonal managerial competencies were significant as well: negotiation and delegation. Finally, only three among the 18 personal managerial competencies were significant for our study: proactivity (creativity and optimism) and personal management (time management).

In relation with Hypothesis 1, when a common instrument is used to determine competency requirements of American and European graduate business students there will be no significant difference in the managerial competency clusters. Hypothesis 1 is partially accepted. Nevertheless, clear differences of particular managerial competencies are observed in our study.

The external managerial competence ‘Customer Orientation’, the interpersonal managerial competencies ‘Negotiation’ and ‘Delegation’, and the personal managerial competencies ‘Proactivity: Creativity and Optimism’ are all significant in the variable ‘Country’. These conclusions add relevant information when we assessed and developed the managerial careers of MBA students, in particular for international or global profiles.

In relation with Hypothesis 2, when a common instrument is used to determine competency assessment of American and European graduate business students there will be no significant differences in biographical variables such as gender. Hypothesis 2 is not accepted. This means that there are biographical variables such as gender that make a significant difference between both countries. This conclusion confirms the previous studies of Hofstede about cultural diversity among different countries, and the masculine and feminism dimension, which was later forgotten in scholarly discussion. This conclusion also confirms previous studies like those of Akinola et al.,
(2018), but differs from them in the sense that ‘Delegation’ is not a critical factor of difference between men and women, other managerial competencies being more relevant.

In particular, the external managerial competency ‘Business Vision’, and personal managerial competencies ‘Proactivity: Creativity’ and ‘Personal Management: Time’ are significant in the variable ‘Gender’. These results add relevant information when we assessed and developed the managerial career of MBA students, in particular for the masculine and feminine cultural dimension of different countries and the competencies in which that dimension is considered more relevant.

For instance, in the competence ‘Business Vision’ there is a higher consideration of men over women in Europe, but not in America. The competence ‘Proactivity: Creativity’ receives a higher consideration in men than in women; on the other hand, there is a higher consideration of this competency in America than in Europe, but differences of gender inside Europe (more masculine) are inverse in America (more feminine). This is an interesting point for discussion because in the academic literature this result is against the majority of scholars who argue that American culture is more masculine than feminine when compared with European culture, which is assumed to be more feminine.

Finally, the competence ‘Personal Management: Time’ is significant for variable gender, which means that women have higher consideration than men in this competence; in America it has higher consideration than in Europe, and finally there is a significant difference between women and men in Europe versus America, where the relation is inverse and men have better results. In summary, women manage time much better than men in Europe, but not in America, because our data are not significant there.

6. Research limitations and future research

There are several limitations that need to be noted and future research should be carried out to complete this study.

The first limitation is the difference between European countries. In future research, we would like to deeply research possible differences among the different European countries involved in the survey: Italy, Spain, France, Germany, and perhaps we could include some other countries. Future research should examine both conceptually and empirically possible differences in the managerial competencies within the European group. Of course, the same could be said from the American perspective; we only take into consideration two states from United States, so we cannot say that it is representative of all American people of the United States.

A second clear limitation is the statistical method of analysis. We use the PLS method. We do not have enough time and resources to use more complex statistical and modern techniques of analysis such as Fuzzy methodology, STATA, or EQS to give a more precise and rigorous feedback, so we will need to conduct further research using these types of methodologies in future research articles. In order to do that, we will need to improve the model analysis and design.
A third limitation is that we did not control the country of origin of the MBA students from which participants were recruited. Future research could control for this variable and analyse if there are significant differences between managerial competencies of national and international origin within the same regions.

A final limitation to be recognised is that we focused only on one situational factor and one biographical variable. Other situational and biographical factors, such as industry, or education, age, experience, may also influence how competencies are conceived and structured. Future research should incorporate more situational and demographic factors to capture the interactive nature between competencies and the situations.

Notwithstanding the limitations mentioned, the findings of this research add to the body of knowledge on managerial competencies and cross-cultural management three important questions that merit further research. First, what is the relative importance of managerial competencies for future career development of MBA postgraduate students? Secondly, to what extent are there distinctive managerial competencies that differ from cross-cultural environments to develop international managers? Thirdly, to what extent do other biographical or situational factors influence perceived managerial competencies and career development?

7. Conclusion and implications

The results of this study indicate that there is a difference at a national level between assessed managerial competencies of American MBA students and those of European MBA students that can be attributed to cultural differences. This conclusion confirms the findings of Chong (2008). Secondly, at an organisational level, cultural differences manifest themselves in some but not all assessed managerial competencies. These conclusions basically support the divergence theories approach about cross-cultural management, versus those that defend a more convergence approach among cultures (Hofstede, 1984).

These research findings provide empirical evidence which suggests that, in managing and advising international and global future managers, one ought to distinguish between external, interpersonal and personal managerial competencies which tend to be applicable across cultures and those which are prone to cultural differences.

Another conclusion is that the Country variables have more influence than Gender variables. As we have seen above, five of the seven significant managerial competencies are relevant at the Country variable (Customer Orientation, Delegation, Negotiation, Creativity and Optimism) versus three of them that are significant at the Gender variable (Business Vision, Creativity and Time Management). Finally, only two of them are significant when Country and Gender variables (Creativity and Time Management) are combined.

Finally, several implications for management and leadership practice should be provided through these conclusions. First, managers should take into consideration the cultural differences when they give expatriates assignments in different cultural environments. Secondly, business schools should take into account with more attention and consideration the alignment between the competencies that they think they
are teaching and the competencies that the managers and leaders really demanded. Thirdly, biographical variables such as gender as well as cross-cultural differences influence the development of particular managerial competencies.

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