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Competency Management in Central Europe: A Comparison of Czech, Hungarian and Slovenian Competency Needs

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After a strong focus on transition processes in Central East European countries (CEE), this topic has been displaced by more dramatic merger and reorganization processes or the recent financial crisis. This obscures the fact that we know almost nothing about the management competencies in these countries, which is an important building or stumbling block for future development. Therefore, we will examine the individual competencies of almost 300 top and middle managers in the Czech Republic, Hungary and Slovenia, and we will compare the different sets of competencies and interpret them according to the given economic situation in these countries.

Keywords: Competency Management, Human Resources, Transition Economies, Czech Republic, Hungary, Slovenia

1 Introduction

Almost two decades of research on transitional processes in CEE has produced extensive studies on changes in these countries. In the beginning, the research was focused predominantly on the field of study of the introduction of the new economic system (Thiessen, 1994; Bird, 1995; Lieberman, 1997; Meske, 1998; Nellis, 1999). Later, these studies were supplemented by studies of changes in other segments of the society. Consequently, we currently have numerous extensive studies from the field of transitional processes in the CEE. (Aslund, 2002; Galenson, 2004; Podkaminer, 2004; Gabrisch and Hölscher, 2005; Berglöf and Roland, 2007; Roberts, 2009; Jeffries, 2009; Bafoil and Turner 2009).

It is true that the initial and highest interest in studies of transitional processes in the CEE has already passed. The restructuring processes in transition countries and reasons for or ways out of the financial crisis remain a current topic for experts in different fields of research. However, new and interesting findings regarding the processes of social transformations are still appearing. In their research, the authors continue to reemphasize that the complexity and the mutual causal link among transitional processes in individual social sub-structures are so complicated that they render a comprehensive approach impossible, and demands more focused research with the aid of partial analyses.

A special place within the research of restructuring economic systems in transition countries belongs to the study of management (Lungwitz, 1998; Roderick, 1999; Edwards and Lawrence, 2000; Geib and Pfaff, 2000; Lohr, 2003; Bluhm, 2007; Dickmann et al., 2008; Chadraba and Springer, 2008; Lang et al., 2009). Managers were particularly exposed to the processes of restructuring economic structures. Due to the privatization processes and the current consolidation of ownership structures, managers in the transition environment

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have frequently found themselves taking over key initiatives in directing the development of the organization. We often denote them as ‘change agents’ or accelerators of business transition processes (Lang et al., 2001).

In the area of studying managers and their roles concerning change processes in transition countries, the role and significance of their competencies has become, not merely a short-lived trend, but a necessary and integral part of the strategic planning for the sustained development of the organization. Individual competency management occupies a special place in the construction of the competitive capacities of the organization. Especially in transition economies like the Czech Republic, Hungary and Slovenia, human resources must be regarded as a key factor for the present and future success of the economy.

2 Theoretical background

2.1 The resource-based theory

There are different definitions of the resource-based theory, so - as an example -

Daft notes: “from a resource-based perspective, organizational effectiveness is defined as the ability of the organization, in either absolute or relative terms, to obtain scarce and valued resources and successfully integrate and manage them” (Daft, 2001: 67). Questions about how to ensure long-term strategic advantages with individual resources and capabilities are put to the forefront. The authors such as Penrose (1959), Porter (1980, 1983), Rumelt (1984), Wernerfeld (1984) use two basic assumptions about organizations resources and capabilities as quoted by Barney and Hesterly:

- “that resources and capabilities can vary significantly across firms (the assumptions of organizations heterogeneity;
- that these differences can be stable (the assumptions of resource immobility” (Barney and Hesterly, 1999:127).

To ensure long-term business success, managers have to analyze their own potentials and available resources, and identify those areas of activity on which their organizations can develop strategic advantages, which the competition has difficulty to imitate. Imitability is an important component of the resource-based view of the organization. If another organization can acquire or develop the same, or substitute, resource as an organization that already possesses them, then they cannot be a source of competitive advantage for any organization.

The following individual resource types are most frequently mentioned in professional literature (Barney, 1991; Barney and Hesterly, 1999: 127; Staehle, 1999:792-793):

- physical resources (for example: the machines, factories, and other tangibles used by a organization)
- human resources (for example: the experience, intelligence, training, judgement and wisdom of individuals associated with a organization)
- financial resources (equity capital, debt capital, retained earnings.)
- organizational resources (for example: teamwork, trust, friendship, and reputation of groups of individuals associated with an organization)

When assuring necessary resources, management has to strive to form external connections that will lower one-sided dependence and establish as high a mutual inter-dependence with suppliers as possible.

Research within the framework of the resource-based theory has been and is still carried out in various directions (Conner, 1991). A well-known direction is focused on the links between the resource-based theory with the theory on strategic actions of organizations for gaining strategic advantages. As Gulati et. al. note “this view emphasizes how organizations are able to combine rare and unique collections of resources within a single organization to create synergies and achieve a competitive advantage over competing organizations (Gulati et. al., 2002: 296). A second argument of the resource-based view focuses on an organization’s capabilities, that is its dynamic ability to combine inputs (Teece et al., 1997). This article tries to follow both arguments with a focus on the competencies of managers and its change over time.

If the concept of the resource-based theory is transferred into the field of human resources, then human resources can represent an independent potential that can be transformed, by means of human resources management (HRM) instruments, into a special factor of the competitive advantage of a company (Dyer and Reeves, 1995; Colbert, 2004; Clardy, 2008). The resource-based view is used widely in HRM literature to explain the strategic importance of human resources (Abhayawansa and Abeysekera, 2008). As a result, the authors Wright and McMahan (1992) state: “that human resources can be a source of sustainable competitive advantage by satisfying four criteria:

- employees must add positive value to the organisation,
- skills and competencies possessed by employees should be unique or rare among current and potential competitors,
- the human resource represented by the organizations employees must be imperfectly imitable and
- an organization’s human resources cannot be substituted by another source from competing organizations” (Wright and McMahan, 1992: 310).

A general assumption underpinning strategic HRM literature is that employees *per se* are not a source of sustainable competitive advantage. Effective HRM practices need to be in place to transform the human resources in an organization to human capital that generates long-lasting value to the organization (Coff, 1997; Abhayawansa and Abeysekera, 2008; Chadwick and Dadu, 2009). Human resources are gaining increasing importance in modern society. Individuals’ knowledge and abilities are becoming more and more important for developing the specific competitive advantages of an individual organization

2.2 Competency management

Competency management represents a holistic field of research, ranging from strategic to organizational to individual competencies (for a more detailed overview, see Elliot and Dweck, 2005; Tidd, 2006; Mühlbacher, 2007). The following focuses on the definition of individual competency and the development of these competencies, both of which are needed to answer our research question. Due to the limited space of this article, a number of interesting aspects will have to be omitted here and left to future research. Recent work on individual competency management (see for example Probst et al., 2000; Sarges, 2001; Erpenbeck and von Rosenstiel 2003, 2007; Kauffeld et al., 2009) primarily emphasizes the fact that competencies are strongly oriented towards the future. This enables a person to tackle upcoming challenges, whose nature cannot be predicted or determined, in a self-organized manner. Thus, discussions regarding competencies are of importance whenever strategic personnel planning and development take center stage in times of great uncertainty.

This requires a change in perspective within human resource management. Both the current requirements and the competencies necessary in the future must become the focal point of the analysis and must be seen as a strategic competitive advantage for the company (McCall, 1998; Nahapiet and Sumantra, 1998). From this point of view, the question of in which specific competencies a company should invest in order to realize value added in the future (in the sense of return on investment) at first remains unanswered. Only the answer to this question, however, makes it possible to use further education as a strategic instrument of management development. Particularly regarding anticipated competencies, one should keep in mind that this data (in accordance with a Delphi study) are explorative prognoses. Apart, therefore, from the comparison of the current distribution of competencies, this study, therefore, can only serve the function of generating hypotheses.

Definition of competency

The definition of competency changes with each theory used, namely it has a fixed meaning only within the specific construct of a particular competency theory. In a narrow sense, competencies are the dispositions of self-organized actions. As they are internal, unobservable dispositions, competencies are always subjective characteristics, attributed on the basis of problem-and-solution orientation, by informing a person of an objective – without a specific solution – and then measuring the degree to which the objective was achieved. Competency is defined here as accomplishing or even exceeding a set objective (Erpenbeck and von Rosenstiel, 2003; Tobin and Pettingell, 2008). The most important objectives of professional competency development are the establishment and promotion of professional action competency. Here, the integration of cognitive, emotional-motivational, volitional and social aspects of human behavior in work situations is the main focus of interest (Heyse, 1997).

Competency models and drivers of change

Boyatzis is seen as the founder of competency management. In 1982, he created the first career model for managers that make a connection between the individual development of the hierarchical position and the competencies employed. According to this, there are three very distinct development stages: (1) the 'performance mode', mostly to be found with aspiring new managers and operative management, (2) the 'learning mode' of middle management and (3) the 'development mode' of the top management. (Boyatzis, 1993: 3+).

The first stage is mainly characterised by a stringent orientation towards success. Once this need has been fulfilled, the next development step focuses on looking for diversified experiences, before the third stage emphasises a generative orientation, namely supporting the next generation (see Erikson, 1959); thus, the quest for meaning is replaced by the desire to pass on one's own life experience. Following Conger (1989), Boyatzis assumes that these expectations result in the reinforcement of certain roles. These comprise process-oriented professionals in operative management, middle managers who function as allocators of organisational resources and strategy-oriented leaders in top management.

'Effective performance of a job is the attainment of specific results (in the other words outcomes) required by the job through specific actions while maintaining or being consistent with policies, procedures, and conditions of the organizational environment.' (Boyatzis, 1982: 12) The organizational environment consists of internal factors like corporate strategy or culture, structures and processes and external factors like the legal, political and societal frameword. (Boyatzis, 1982)

Based on their survey, in which more than 400 interviews were conducted with managers from 20 companies located in the USA, Europe and Asia, which were further supported by documentary analysis, Bartlett and Goshal detect a fundamental role change in management and critically challenge the classic role distribution in management. In hierarchical organisations, the managers at the top set the direction by establishing strategies and controlling resources. The middle-level managers act as administrative controllers who pass on information and handle fund allocation. The line managers find themselves in the role of an operative executor, swamped with instructions and checks from above (Bartlett and Goshal, 1998: 80).

These administrative tasks increasingly result in a lack of flexibility and innovation in companies. This role allocation also represents a highly standardised and at times even efficient, but at the same time deeply depersonalised management systems, which interpret human resources not as a strategic competitive advantage, but just as 'cogwheels in the machine'. For this reason, top managers should increasingly make use of leadership competencies and thus imbue their employees with a sense of personal responsibility and individual appreciation, instead just setting collective performance targets and monitoring their realisation. This can be achieved, in particular, by positively transmitting norms and values of corporate culture as well as by a motivating vision. This view is based on the assumption that ultimately managers are not loyal to a particular company but to particular values that they believe in and find satisfying. Middle managers, in contrast, should move on from being controllers to acting as coaches for the line managers, who can be seen as the real entrepreneurs in the company and whose job is to promote the innovative development of new business fields (Bartlett and Goshal 1998, 81+).

With their model, Bartlett and Goshal show that individual competencies are not just subject to change, but that this change also has an effect on the distribution of tasks and competencies between the hierarchical levels. The drivers of their model focus mainly on the need to change hierarchical structures within companies into more heterarchical networks and the externally induced change of values (Bartlett and Goshal, 1998: 84+). Unfortunately, the lack of clearly defined and non-overlapping categories of competencies makes the model operational, and thus using it in practice or testing it empirically impossible. It is exactly this, namely a relational analysis that paper sets out to achieve.

Apart from a core area that is common to most competency models and that covers analytical and strategic thinking, performance orientation, the ability to communicate and work in teams, as well as leadership competency – and hence the term 'ability to communicate' often has no more explanatory power than a classic job ad for a vacant management position – all additional competency types remain so vague in most cases that there is further room for interpretation that in the end makes it impossible to make an objective prediction as to individual capacity to perform. This has been criticised by Woodruffe (2003: 85): 'Unfortunately, there are also plenty of examples of competency frameworks that would serve as a poor basis of an assessment or development centre.'

Woodruffe, therefore, concludes that ultimately competency models can only be differentiated in terms of time horizon and hierarchy. 'The competencies in a list must be reviewed to decide which are likely to remain important, which are likely to increase in importance and which are likely to become less important over time. This makes sense if the job analysis has concentrated on both present and future requirements. For most purposes, it is better to concentrate on the future. After all, the organization is assessing and developing managers of the future, not of the present. Categorizing competencies in terms of seniority will show which are core throughout a person's career, which drop out with seniority, and which become salient only with seniority. This seems perfectly legitimate, and is based on comparing competency lists at different (hierarchical) levels' (Woodruffe, 1993: 34). The differentiations by hierarchical level and present versus future orientation called for at this point are also found in the empirical survey described in this paper, which makes a comparative analysis possible.

This removes the main point of criticism regarding task-oriented competency models that, by using them, a role culture already established can be made permanent. In the MCI standard, for instance, a functional distribution of tasks between top, middle and operative management is established that does not take into account future developments. Furthermore, different functional areas in a company need different approaches (Lester, 1994). Admittedly, it is conceded that it is not only individual competencies, but mainly specific bundles of competencies required for assuming a particular function that have a significant effect on efficiency and effectiveness (Brittain and Ryder, 1999). These bundles, however, should be as heterogeneous as possible within the company in order to avoid short-sightedness and inflexibility (Buckingham, 1999).

A more extensive competencies model has been designed within the AMA (American Management Association). The model content (Tobin and Pettingell 2008: 49+):

- Knowing and managing yourself (emotional intelligence, self-confidence, self-development, building trust and personal accountability, resilience and stress tolerance, action orientation, time management, flexibility and agility, critical and analytical thinking, creative thinking);
- Knowing and managing others (oral communication, written communication, valuing diversity, building teams, networking, partnering, building relationships, influencing, managing conflict, managing people performance, clarifying roles and accountabilities, delegating, empowering others, motivating others, coaching, developing top talent);
- Knowing and managing the business (problem solving, decision making, managing and leading change, driving innovation, customer focus, resource management, operational and tactical planning, results orientation, quality orientation, mastering complexity, business and financial acumen, strategic planning, strategic thinking, global perspective, organizational design, organizational savvy, human resource planning, monitoring the external environment).

All these categorizations have been reworked. In newer classifications, for instance, functional and methodological competencies are combined, because of their proximity and the desired generation of a general competency model, which separates self-dispositive actions from personal dispositions and introduces a new class: leadership competency. As a result, the following five classes of competencies can be distinguished (Kasper et al., 2005):

- Self-dispositive competencies, which represent the self-organized use of one's own resources (such as time, know-how)
- Methodological competencies, comprising all analytical and solution-oriented behaviors
- Social-communicative competencies, covering the area of social interaction (excluding leadership)
- Leadership competencies, including the full range of leadership, motivation and personnel development
- Personal competencies, mainly manifesting themselves in extraordinary personality traits

Based on this classification, the empirical data are coded and then, in a second step, analyzed with regard to the influence of the external and the internal environment, in order to answer the research question: Which management competencies do Czech, Hungarian and Slovenian managers have and how are these competencies influenced by external and internal drivers of change?

3 Research

3.1 Methodology and Sample

To observe the development of competencies in Eastern Europe, we conducted a survey and collected data concerning the currently needed and expected needs for the competencies of top and middle managers in the Czech Republic, Hungary and Slovenia. We used open questions and the answers were coded with a theoretically based category scheme (see Mühlbacher, 2007) and analyzed by using BibTechMon, a bibliometric network analysis tool developed by the Seibersdorf Research Center in Austria. This software checks qualitative data for similarities on the basis of the Jaccard index, a statistic used for comparing the similarity and diversity of sample sets, defined as the size of the intersection divided by the size of the union of two sample sets, and creates a network of the attributes of two groups that are used by both or individually (Tan, Steinbach and Kumar, 2005)

The Jaccard index is used to compare the similarity and diversity of sample sets and is defined as the size of the intersection divided by the size of the union of sample sets. Apart from mere countings this allows to analyse and present the data as two-dimensional relations by so-called co-word maps, the visual representation of co-occurrences of keywords. This kind of representation should help to get a better overview than by the use of matrices, which become easily confusing, depending on the number of keywords. (Kopcsa and Schiebel, 1998)

Questionnaires were collected at the beginning of the financial crisis, from the second half of 2008 until the first half of 2009, from:

- 107 participants in four Executive MBA classes of the University of Technology, Brno, Czech Republic
- 86 questionnaires collected by college students during a seminar in northern Hungary (around Eger)
- 105 participants of numerous executive management courses of the University of Maribor in Slovenia

The sample comprises 36 top managers and 71 middle managers from the Czech Republic, 22 top managers and 64 middle managers from Hungary and 34 top managers and 71 middle managers from Slovenia. Both hierarchical groups are thus in the representative range. Regarding the breakdown by sector, the following emerges:

Table 1: Breakdown by sector

Sector	Percentage		
	CZ	HU	SLO
Banking and Insurance	25.7	8.1	2.8
Capital goods	15.8	15.1	6.3
Consumer goods	12.9	19.8	26.1
Services	11.9	2.3	14.4
Trade	9.9	26.8	15.3
Public sector	9.9	9.3	16.2
IT & Telecommunications	6.9	2.3	2.7
Consulting	4.0	7.0	4.5
Others (for instance: utilities, health and cultural organizations)	3.0	9.3	11.7
Total:	**100.0**	**100.0**	**100.0**

This breakdown satisfactorily reflects regional differences. While, in addition to being a well-developed banking area, the greater Brno region is mainly characterized by a technology focus on the engineering and electronics industries; the structurally rather weak Eastern Hungary is mainly dominated by the retail, construction and automobile industries. Slovenia, in contrast, has a high share of companies in the consumer goods, trade and services sectors. Only the public sector is – mainly due to a special focus on management education in the health sector – slightly overrepresented.

Regarding the mention of functions held by the interviewees, multiple answers were possible (see Table 2). Here it can be seen that Slovenian managers fulfill their tasks in, on average, 1.5 functional areas, while the respective values are about 1.7 in Hungary and 1.9 in the Czech Republic. This would indicate that the functional specialization has so far developed the furthest in Slovenia. However, this result has to be interpreted critically, particularly regarding its relational analysis.

Table 2: Functional areas of the interviewees

Functional area	Frequency		
	CZ (n=194)	HU (n=146)	SLO (n=171)
Marketing	47	23	17
Finance & Investment	28	19	22
Project Management	27	10	25
Organization	24	23	26
Production	22	17	16
Human Resources	12	14	17
IT	12	8	13
Logistics	9	24	13
Research and evelopment	7	2	6
Others	6	6	16

3.2 Empirical Results and Discussion

For the following analysis, we used country-specific, hierarchical allocations as descriptors as well as the 10 management competencies mentioned most frequently. These were:

Table 3: Ranking of Competencies

Competency	Frequency
Communication	113
Leadership	96
Marketing	66
Organizational Design	59
Strategic Management	52
Finance & Controlling	50
Foreign Languages	46
Process Management	40
Analytical Thinking	39
Decision Making	34

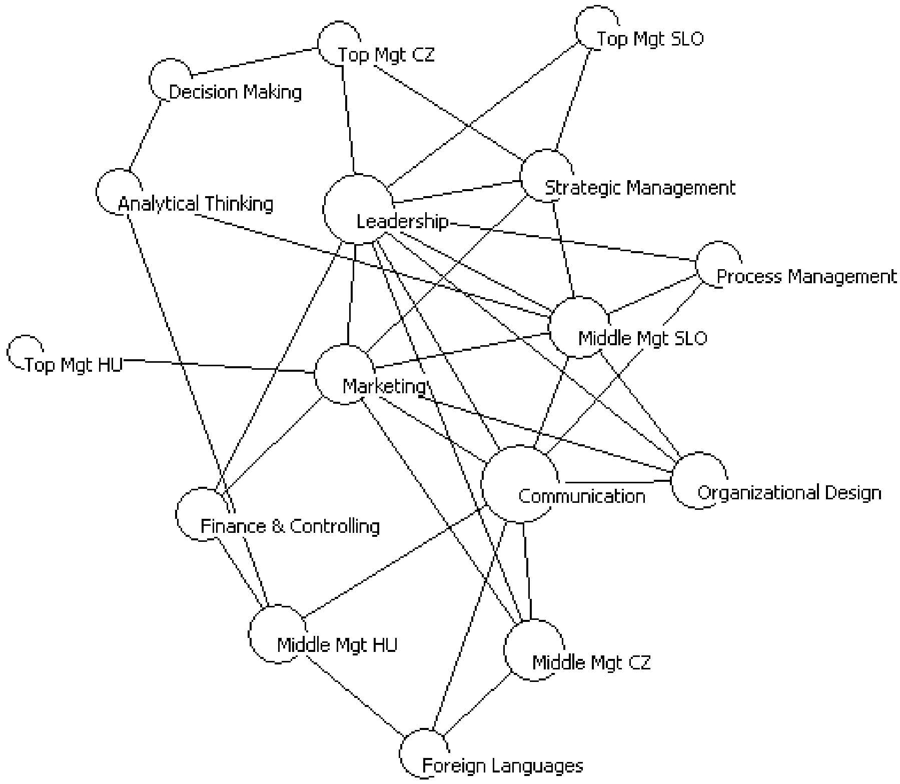

Figure 1: Co-word Map of Competencies

The co-word map thus derived shows a network density of 0.875 and a total number of 105 connections. This means that all management levels are linked to all competencies and also all competencies with each other. We then focused on the 35 strongest connections. These show Jaccard indices from 0.12 to 0.22. No stronger connections exist.

The figure above shows the central role of the competencies of communication, leadership and marketing. These clearly resemble the main current requirements from management in Eastern Europe. The remaining seven competencies, however, are also highly integrated.

From a country-specific, hierarchical perspective, middle management in Slovenia must be seen as strongly integrative. With seven connections to the competencies of communication, leadership, marketing, organizational design, strategic management, process management and analytical thinking, it has a role that goes far beyond that of classic middle management. This might also be due to the relatively low integration of Slovenian top management, which is caused by recent privatization processes and the dynamic changes of the ownership structure.

Middle management in the Czech Republic and Hungary, with four competencies each, already shows much less integration. While Czech middle managers focus on the three most important management competencies in Eastern Europe – communication, leadership, and marketing – and support these only with foreign language competency, Hungarian middle managers are, apart from communication, content with finance and controlling, foreign languages, and analytical thinking.

What is particularly surprising is the low integration of top management in all three countries. The strengths of Czech and Slovenian top management, for instance, are the classic ones of leadership and strategic management. The additional connection of Czech top management to decision making can be seen as an indication of rather authoritarian leadership. Hungarian top management, with its practically singular orientation towards marketing, is the strongest promoter of this disintegration.

A further interesting point is that – apart from decision making – core business competencies such as organizational design, process management or finance and controlling are connected to management only once. This suggests a lack of internal orientation of the companies in the three countries surveyed.

After analysing the current competencies, we will now take a look at the drivers of change that will, or at least should, influence the expected changes of competency in the future. Table 4 gives an overview of the ten most important drivers and also states their general assessment as opportunity or threat.

This ranking shows a very optimistic tendency of the managers. Seven out of ten drivers of change are seen as opportunities, while only market concentration, change in human resources – both also assessed positively in this sample – and the overall economic situation are seen critically.

Table 4: Drivers of Change

Driver	Frequency
Market Concentration – Threat	101
Change in Human Resources – Threat	97
Change in Human Resources – Opportunity	96
Economic Situation – Threat	94
Corporate Strategy – Opportunity	84
Market Concentration – Opportunity	79
Changed Organizational Structures – Opportunity	77
Process Optimization – Opportunity	75
New Management Techniques – Opportunity	74
Innovation – Opportunity	68

This co-word map shows a network density of 0.794 and a total number of 108 lines. To make sure that all management levels are linked to at least one driver, we focus on the 59 strongest connections. Below this number, Czech and Hungarian top managers would lose their connections to the co-word map. The Jaccard indices range from 0.13 to 0.35 and again no stronger connections exist at all.

Slovenian middle managers seem to plan with an assumption of a bright future and focus on six opportunities, that is change in human resources, market concentration, changed organizational structures, process optimization, new management techniques and innovation. The only obstacle is seen in the change in human resources, mainly as a lack of skilled professionals.

Hungarian middle managers see market concentration processes, the change in human resources and the economic situation as threats, which might be balanced by the positive perception of human resources and the belief in corporate strategy.

Czech middle managers regard market concentration, the change of organizational structures and innovation as very positive. This leads us to the assumption that the current development is also seen as a 'natural' selection process that will be survived by the strongest. Of course, some Czech middle managers also see the market concentration process more pessimistically.

Slovenian top managers take the current economic situation very seriously and focus on human resources and the

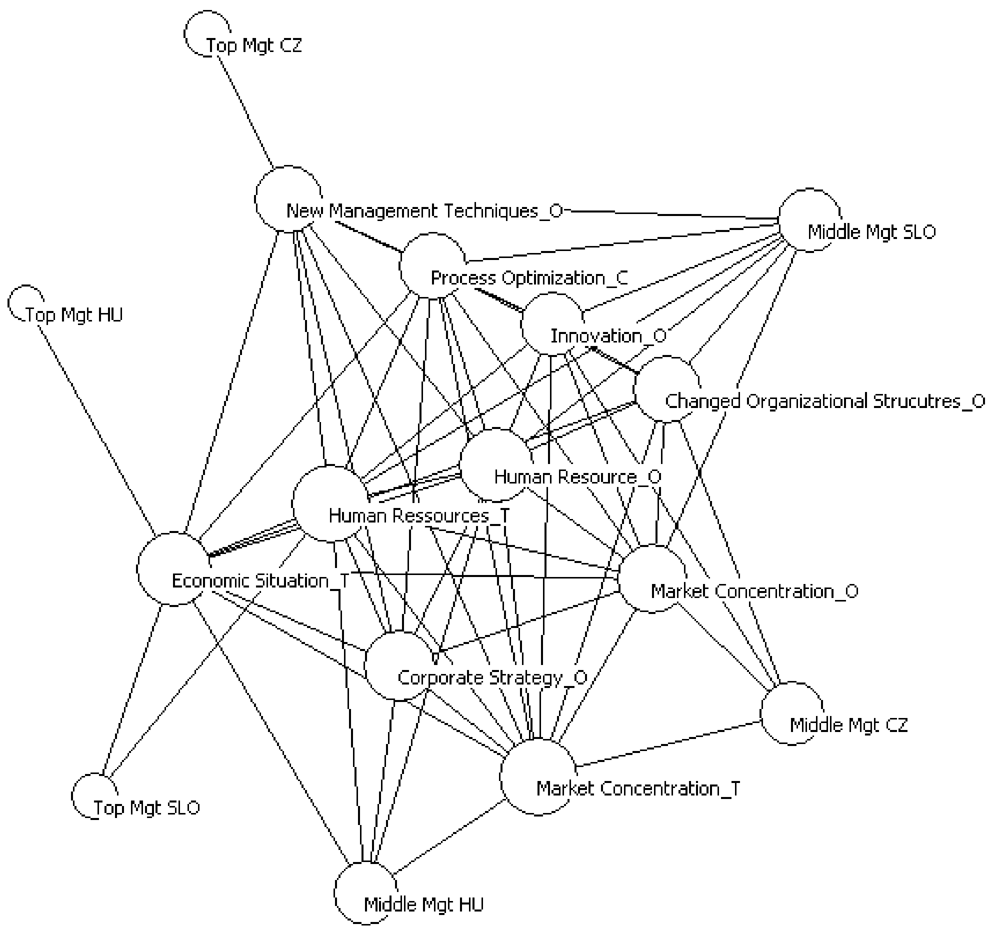

Figure 2: Co-word Map of Drivers of Change

economic situation as a threat. The last perspective is also shared with the Hungarian top managers. Only the Czech top managers seem to perceive the future more optimistically and focus on new management techniques as an opportunity.

In a last step, we again used country-specific, hierarchical allocations as descriptors and the 10 previously mentioned management competencies as most important for the future.

Table 5: Ranking of Competencies Needed in the Future

Competency	Frequency
Leadership	76
Communication	69
Foreign Languages	50
Marketing	50
Strategic Management	50
Finance & Controlling	48
Willingness to Learn	39
Ability to Innovate	38
Organizational Design	38
Process Management	31

The management competencies of willingness to learn and the ability to innovate are completely new. These two replace the competencies of analytical thinking and decision making. Despite the change of positions between foreign languages and organizational design, the ranking stays still the same.

The newly derived co-word map shows a network density of 0.772 and a total number of (again) 105 lines. Therefore, the density decreases – mainly because of the increased uncertainty of the assumptions concerning the future – but all management levels are still linked to all competencies; again, all competencies are connected with each other. Because of the higher uncertainty level, we now focus on the 40 strongest connections. These now show marginally lower Jaccard indices from 0.10 to 0.21; again, no stronger connections exist at all.

Figure 3 shows that Slovenian middle managers keep their maximum of seven connections; however, marketing and analytical thinking are replaced by the two new competencies: willingness to learn and ability to innovate. Middle managers in the Czech Republic and Hungary each have one connection less than before. In the future, the competency portfolio of Czech middle managers nearly stays the same, despite the reduction of communication skills, whereas Hungarian middle managers get rid of analytical thinking.

Slovenian top managers focus on the willingness to learn and on marketing, which replace the classical top management competencies of leadership and strategic management. This might lead to a critical situation in which learning and

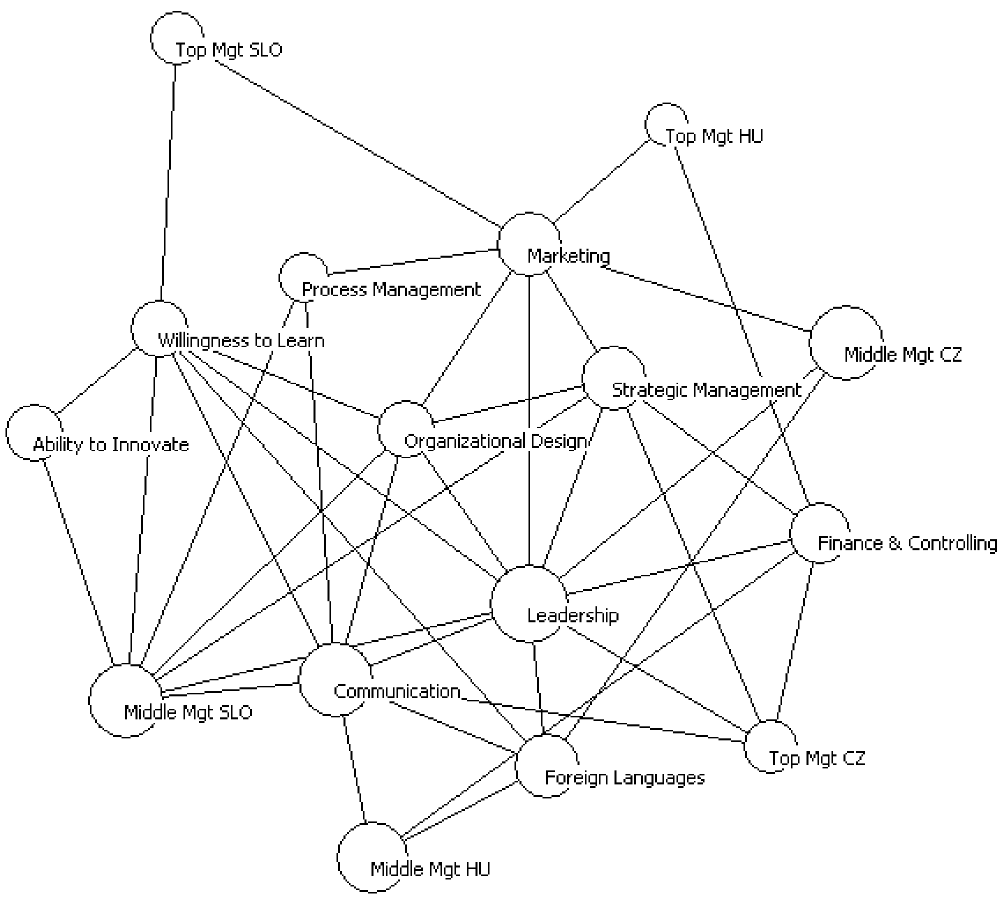

Figure 3: Co-word Map of Competencies Needed in the Future

innovation are appreciated but not guided by strategic goals and leadership. This lack of competencies will be dangerous for future development.

Leadership and strategic management keep their importance for Czech top managers. Furthermore, they reduce decision-making skills in general and replace them with communication and finance & controlling. This set of competencies seems to be optimal for handling the economic crisis. Therefore, this analysis has to highlight this change, which also goes hand-in-hand with the reduction of authoritarian leadership, which can often be observed in critical situations, but does not automatically lead to the best results.

Finally, the Hungarian top management decided to enlarge their marketing focus – most probably due to the financial crisis – with finance & controlling. From an external point of view, this only seems to be a reaction to the external drivers and not a needed pro-active handling of the current situation.

4 Conclusion

For a long time in business studies, management competencies have been seen as an uneven bundle that is heavily influenced by the hierarchical levels and functional elements within a company (Mumford, Campion and Morgeson, 2007). In this context, it is often forgotten that leadership is a social process of interaction that has mainly two objectives: (1) the emergent coordination of the corporate actors' actions (= generating a social order) and (2) promoting change in and of organizations (Uhl-Bien, 2006). Therefore, future research should be more concerned with the question of what competencies are expected of managers and what relations they have with one another.

Compared to the question on functional task areas (see Table 2), this relational method of analysis provides a completely different picture. Slovenian managers, who are considered to be the most focused, show (both top and middle management) the highest level of integration with a total of nine competency connections. Czech managers are considered to be the least focused, and with seven competency connections rank in the middle, while Hungarian management with just five connections comes last. From this difference, a necessary differentiation between explicitly declared cognition and implicitly relational actions has to be derived.

Slovenian middle managers show integrative management skills and their focus on a majority of internal, positive connotated drivers will lead to a future and employee oriented management style in the next years. Middle managers of the Czech Republic are more concentrated on managerial core functions and a mix of market concentration, internal change management, and innovation that can be regarded as a kind of 'surviving of the fittest' management model. Despite of these two contradictory ways, Hungarian middle managers have mainly to focus on the current crisis with a strong orientation torwards finance and controlling and the threats of market concentration processes, the current economic situation, and a lack of human resources – so the have to be seen as a kind of trouble shooters.

The top managers of all three contries are definitely less integrated. Czech and Slovenian managers show typical role models of strategic leaders, whereas Hungarian top managers only focussing on marketing. According to the drivers we can find an interesting switch: Slovenian top managers regard the future much more pessimistic and Czech top managers are much more optimistic than their colleagues from the middle management. Therefore, Slovenian top managers try to change their portfolio of skills and foster willingness to learn and marketing – so they endanger their position by a possible lack of strategic leadership, while Czech top managers stick to their competences and just reduce the authoritarian leadership style – but keep their strong position using financial control mechanisms. Hungarian top managers react too late to the financial crisis and show a certain unwillingness to change their behavior.

In the end, if one looks at the importance attributed to a competency (measured in number of mentions or evaluated), there seems to be a high alignment of management core competencies globally. However, if – as in our case – relational analyses are used, it can immediately be seen that role models diverge significantly from each other even in neighboring countries.

To briefly summarize, Czech management – with a special focus on the top management – seems to follow the most convincing competency changes to deal with the current drivers of change. Slovenian managers mainly focus on the willingness to learn and ability to innovate – both competencies that are ideally suitable for handling an uncertain and critical future – but here a lack of strategic direction also has to be stated. Whether Hungarian management can cope remains questionable and has to be described as a reactive approach without any clear guidelines for the future.

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