

BUSINESS EDUCATION AND SOCIAL SKILLS TO LEADERSHIP COMPETENCIES

Marija Cukanović Karavidic⁶, Slavko Karavidic⁷, Sladjana Vujcic⁸

Abstract

Encouraged by the fact that the leadership has become sought and highly valued ability in this paper we want to show the importance of education in developing leadership competencies. The creative power of the leaders is in the knowledge-intellectual potential, which have become a key factor of productivity, competitiveness and economic success. Leadership is a process of selection, and then transform those choices into actions - creative thinking through the acquisition of knowledge, values and build social skills.

Personality traits and abilities may be to some extent inherited, but only with the education and continuous learning is possible to develop the necessary competencies of a true leader. The paper proves that the structure of leadership competence consists of numerous knowledge, skills, social skills and personality traits which are unavoidable.

KEYWORDS: leadership, leadership competencies, education, learning.

JEL: I25, J24

UDC: 005.336.5:005.57

005.94

⁶Corresponding author, Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, cukanovickaravidicmarija@gmail.com

⁷Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, e-mail: skaravidic@gmail.com

⁸Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, e-mail: sladjanakonto@gmail.com

Introduction

An uncertain present and an even more uncertain future have a need for exceptionally capable, motivational and flexible leaders. In seeking for a new type of leader capable to successfully face an organization/company with the challenges of the time and who with her/his vision can anticipate the future, numerous sciences have been mobilized: sociology, psychology, anthropology, economics, culturology, andragogy, and applied management. The phenomenon of leadership is in the focus of researchers in everyday practice as well as being significant factors of socio-economic development. The theoretical view of leadership is based mostly on the comparison or the correlation between two comparable phenomena – management and leadership. Two views dominate in that context, the viewing of leadership as a management function and the aspect of management and leadership as two separate phenomena, which can but need not be linked. In the focus of numerous research papers were tasks, roles, and the features of a manager and a leader. According to Covey (2000), leadership is displayed on several levels or areas, on an organizational, business, interpersonal and personal level. The primary tasks of a successful leader, according to Welch, are the following (2005): to enable the employees to understand a mission, to “live and breathe” in accordance with the mission of the organization; to promote the team by training it and developing the self-confidence of the team members, to create confidence in the organization with honesty and transparency, to “exude positive energy and optimism” and to be brave and carry out bold actions.

Goleman (2006) sees the hidden power of the leader in controlling emotions, one’s own and those of others. A leader must have the power to awaken passion, strong emotions, love, optimism and hope and thus to direct the energy of the employees towards a common aim. Krouse (2012) considers that employees have knowledge which produces remarkable ideas.

How does a leader influence the employees, or in other words, how does s/he manage them? A leader’s team style encompasses a series of coordinated activities, procedures and means. The foundation of this commitment is the traits of the leader’s personality, education (knowledge), that it, her/his professional competence, the singularities and tasks of the group/organization which s/he leads, the given circumstances and other. In literature, we can find different classifications of leadership styles, from the traditional to the democratic ones, as well as autocratic and liberal styles, people-orientated and task-orientated leadership, to situational leadership styles based on competences of emotional intelligence such as resonant (visionary, democratic, affiliative, trainer) and dissonant styles (dictating tempo and commandeering) (Alibabić, 2002; Goleman, 2006; Schultz, 2006).

What constitutes a leader’s competence?

The way in which the leaders in an organization determine and announce the direction of activities and the organization’s strategic priorities is the basis of a leader’s competence.

The work of the leader who organizes the organization’s future by way of defining and declaring the mission of the organization which ensues from the vision, the set (ethical) values and corporation behavior is a reflection of developed leader competences through education and learning and the application of knowledge and skills in practice.

A successful leader is focused on the vision, mission and results. S/he formulates the plan of activities and the work of the organization by putting together the strategy process. At the same time, s/he sets challenges and defines the path and the way of reaching the goal,

that is, securing the desired level of the organization's performance and the organizational activities which create additional value and furthermore, the leader acquaints the employees with this, providing an answer to the question, "How to work?"

Leaders must be aware of the scientific truth – that strategy without tactics is the most dangerous way to success, and tactics without strategy is only noise before the fall.

Management will make the strategy a continual process with changes and measuring the effect with activities and results. The results are numerous abilities, knowledge, skills, and the character traits of the leaders. The system of measuring the performance is in the function of the assessment and valorization of success which should secure a real picture of the strategy which ensues from the mission and the vision, as well as the environment - all reflecting a certain organizational context and aims of the organization. Some abilities are partly inherited, while the largest numbers are developed by studying and education.

An organization should solve problems by making itself more adaptable and more flexible for changes in accordance with the needs of socio-economic development, defining the structure which will carry out the strategic plan and program. The strength is in the ability to unite authorities, power and influence and in this way to progress in the aim of quality work and development. The art is to uncover and study a climate of mutual trust and respect, to discuss and apply the appropriate solutions, while the personal role of the leader is to stimulate creativity and innovation.

Integrity, social responsibility and an ethical performance of the leader's personality have not been built or sustained on rational value systems due to the fact that value systems very quickly change in contemporary societies via globalization processes and through the burden of contemporary psychological, sociological, culturological and economic deviations and through the application of the newest technical and technological achievements (whereupon it is no longer enough to know just one foreign language or have basic knowledge of IT technology). There is an increasing ruling of knowledge, business communication skills, the psychological phenomena of personalities and adapting to changes. Thus, educated leaders have opted for the so-called "interpretative modalities of convictions, values, norms and presumptions of sustainable development." They have proved to be more adept in adapting to uncertainty (external and internal changes within the organization) and processes of integration. In an organizational culture, the building of positive emotions in the contending of employees is the most effective approach in building a necessary level of empathy and trust which then becomes the main strength with which the leader can establish an integral value system.

Management and leadership

In an increasingly more complex and changeable environment, integration and competence of managers and leaders is especially relevant. While management is involved with overcoming the complexity of changes, the leader is involved with overcoming changes (Kotter, 1990). Leadership creates a vision (an achievable vision of the future) and a strategy (logic on how to realize the vision), while management creates plans (stages and time for applying strategies) and activities (turning the plan into activities). Thus, leaders and managers differ according to their roles and tasks. Results show (among other things) that managers are rational, analytical, persistent, thoughtful, authoritative, appear stabilizing and have a position of power, while leaders are visionaries, creative, motivational, flexible, innovative, researchers, and they initiate changes and have personal power (Daft, 2006). Martin (2015) in his paper *How to build global leaders* claims that "High-performance

organizations are more likely to define leaders based on influence rather than authority. They define influence by the ability to persuade others to consider or adopt a point of view and the ability to obtain a positive action from others” (Martin, 2015, p. 32).

In the devising and viewing of competence for contemporary management (management and leadership), we started from “*a functional package of knowledge, skills, opinions, traits and abilities,*” as a synergy of everything which is jointly determined by learning – education. The “*functional package of competences*” includes the following:

- technical abilities (knowledge of the methods, processes, procedures and techniques for carrying out some specialized activities, knowledge about a (specific) organization and skills for using relevant tools and equipment);
- interpersonal abilities (knowledge of human behavior and interpersonal processes, ability to understand emotions, opinion and motivations of others, the ability to communicate, ability/skills of establishing cooperation);
- conceptual abilities (the ability to analyze, logical thinking, creativity, inductive and deductive concluding).

Lately, this model of competence has been joined by some additional competences, especially social intelligence, systematic thinking, meta-cognition or the ability of learning and emotional intelligence (more in: Goleman, 1995; Yukl, 2006). The mental capacity of a leader comprises more than just cognitive abilities (logical deduction, perceptive cognition, memorizing important bits of knowledge), but also the ability to emotionally experience a significant amount of life situations (Milovanović et al., 2015). Contemporary management integrates managerial and leader competence. Thus, the competence of managers is based on four (areas) of competence groups:

- cognitive (the ability to analyze information and experience, and based on this, to create a concept, and then a choice and decision-making);
- motivational (ability to motivate, cooperate, create and sustain a positive climate in an organization);
- leader (skills of decision-making, presentation, communication);
- competence of achievement (orientation towards results which are achieved by setting aims, a pro-active orientation which implies an implementing of ideas and strategy).

One of the most important competences of managers can be expressed by the saying “to discern, to know how, and to wish to constantly learn.” Education and training have a large role in human development by teaching people to improve themselves and actively participate in building a nation (Radović Marković et al., 2012). Learning how to learn, self awareness – awareness of our strengths and weaknesses, as well as abilities of introspective analysis of one’s own cognitive processes and seeking a way to improve these processes are all important (Yukl, 2006).

With globalization and thereby with scientific and the technological development and social changes which ensue, also increasing is the significance and value of competences which relate to ideas (cognitive, conceptual, ability of systematic thinking), abilities of emotional and social intelligence, skills of motivating and interpersonal relations, and the ability and skill of (self)learning, that is, continuing education.

The role of education and learning in “creating” a leader

The structure and types of leadership competences provide an answer to the eternal question – are leaders born or “made”? A leader is certainly always made, by using the inherent “leadership capital” as starting point. The role of education in this process of “creation” is extremely important. Inherited or partially inherited abilities will not become leadership competences without the necessary knowledge and skills. The educational process in developing leadership competences points to the need to research all segments of this process (programs, models, types, methods, effects, etc.) in order to predict the quality of the end result.

Employee education and training is an ongoing process and one of the most frequent types of seminars are those that aim to develop leadership skills, especially in view of communication, decision making, change management, etc. (Alibabić, 2008a). Raising awareness, training and qualification of employees are the key factors in market competition (Radović Marković et al., 2012).

Pioneering research conducted by McClelland and his team in Harvard in the 1960s and 1970s of the last century showed for the first time that the skills required to turn people into successful entrepreneurs can, in fact, be developed. McClelland and his team developed *competency-based training programs* whose aim was to foster the desire to succeed. Due to this training, many companies became successful owing to the fact that at the helm there were those who had undergone training, focusing on achievement (Goleman et al., 2006).

The importance of successful leadership, the role of learning and education in developing leadership competences represent challenges whose answers can be found through researching types of education, programs and relevant factors in the process of developing leadership competences. In order to arrive at a comprehensive offer of competence-oriented training programs we looked at the following:

- the results of the analysis of the current offer of leadership competences development programs on a (visible) “education market”;
- the results of the evaluation of importance, i.e. rating the relevance of different training approaches toward developing leadership competences;
- the results of research on participation levels (actual and desired) in forms/types of education and learning aimed at developing leadership competences.

The leadership competences development programs available within the framework of formal education in Serbia:

- Leadership competences development programs *for undergraduates*. An analysis of results for individual management oriented subjects show that the available programs are aimed at acquiring knowledge (necessary for a leader), whereas their end result does not display elements of typical leadership competences;
- Within the framework of *Master’s, Specialized and Doctoral studies* there are programs (subjects/courses) that aim to develop leadership competences.

Leadership competences development programs within the framework of informal education:

- Programs that are part of strategic development plans of companies/organizations are implemented either in-house or away from work and take different forms, mainly through seminars, lectures and workshops;

- Leadership competences development programs as part of the activities conducted by a number of government and non-governmental organizations and foundations (local and international);
- Programs offered (provided by) specialized training agencies;
- Leadership competences development programs as part of continuous professional development offered by institutions of higher education.

When it comes to *developing leadership competences*, research results clearly indicate that self-directed learning projects are an important way forward. In addition, the phenomenon of self-directed learning is increasingly becoming associated with professional development (Pedler et al., 1990), and research conducted by Kolb, Boyatzis and Winter (at the MIT Sloan School of Management in Cambridge, MA) shows that self-directed learning can make a significant improvement in people skills (Goleman et al., 2006).

The results of the importance assessment, i.e. the contribution (percentage) of individual educational paths in achieving their competence are shown in Table 1.

Table 1: Level of contribution in developing leadership competences

Educational path	Share in overall competence
Developing leadership competences during undergraduate studies	8 %
Developing leadership competences during graduate studies	12 %
Developing leadership competences through informal education	41 %
Developing leadership competences through experience	25 %
Developing leadership competences through self-directed learning	14 %
Overall competence	100 %

The percentages in Table 1 show that participants in the study believe that their leadership competences were mainly developed or acquired (41%) through informal education followed by experience (25%). They believe that they have learned the least during their undergraduate studies (8%) which only confirms the results of an analysis of a number of undergraduate courses at various faculties, including those centered on economy and management. Such results come as no surprise taking into account the fact that the very concept of the majority of undergraduate courses on offer is aimed at improving knowledge rather than skills. Due to the fact that a number of post-graduate courses (specialized and Master's) aim for an outcome that often involves leadership skills, it was expected that post-graduate courses would play a more important role in developing leadership competences. However, the result obtained was only 12% which ranked postgraduate studies as penultimate on our list of educational paths for developing leadership competences. On the other hand, it is encouraging that self-directed learning (self-education) has been recognized and indeed uses as a path towards developing leadership competences, especially in view of the fact that this particular path is especially suited to adults who are aware of their educational needs. The interpretation of results obtained, and in absence of precise research methods, can only be hypothetical. The educational offer that is accessible to working people (seminars and workshops which can be held at times suitable for people who hold jobs), could be the reason behind a higher level of participation in this type of program and the importance they have in developing leadership competences of those participating in our study.

The research results of the level of **participation of managers in different types of developing leadership competences** (actual and desired participation), have led to important questions in the area of developing leadership competences but could also pave the way towards finding the necessary solutions. Table 2 shows the levels of participation in different types of developing leadership skills and their desirability.

Table 2: Actual and desired participation (frequency and percentages – 200 participants).

Types	Actual participation		Desired participation	
	f	%	F	%
Master studies	12	2	30	5
Specialist studies	30	5	330	55
Doctoral studies	3	0.5	12	2
Seminars	552	92	486	81
Lectures	210	35	96	16
Study visits	24	4	456	76
Self-directed learning	168	28	180	30
Action learning	12	2	90	15

The table shows the disproportion between actual and desired participation. Only a small number of participants were involved in formal educational programs, as action learning is desirable and study visits are highly desirable and spending time and learning within the framework of a successful company/organization is perceived as a great professional challenge. More than 50% of our participants would opt for specialized programs if the opportunity presented itself. Seeing as specialized study programs are competence-based, intensive and practice-oriented, managers should be given a better opportunity for taking advantage of these types of programs.

Conclusion

According to empirical research, the structure of leadership competence is made up of a number of different competences, i.e. abilities and personality types, skills and knowledge. Some of the abilities are partially inherited but the greatest number of competences is acquired and developed through learning and education.

The educational paths for developing leadership competences are mainly found in different types of informal education. The questions raised in this paper continue to present a challenge for researchers. Leadership competences are a “fluctuating variable” similar to the demands of a typical work environment, business models and strategies are continually changing. This is the reason why education and learning in developing leadership competences is a life-long process and one that needs to be managed in order to be made as efficient as possible. What should be looked at are the following: the characteristics of a leadership competence model – the limitations and advantages of the empirical model; selection criteria (and characteristics) of the model used for researching educational needs for leaders (and competence levels) – classical models, expert evaluations, self-evaluation, “360 degree” evaluations, etc.; the characteristics and contribution of a particular type of leader training and education; the features of competence-based educational programs; standardization, accreditation and licensing processes within the framework of formal and informal leader training; the effects of education and learning on changes in leadership practices.

References

- [1] Alibabić, Š. (2008b). *Razvijanje liderskih kompetencija*, Andragoške studije, br. 2, Beograd, Institut za pedagogiju i andragogiju Filozofskog fakulteta, str. 250-265.
- [2] Boyatzis, R. (1982). *The Competent Manager; A Model for Effective Performance*, New York, A Wiley – Interscience publication.
- [3] Covey, S. (2000). *Principi uspešnog liderstva*, Beograd, Grmeč.
- [4] Daft, R. L. (2006). *The New Era of Management*, International edition, Thomson South – Western.
- [5] Goulman, D., Bojacić, R., Maki, E. (2006). *Emocionalna inteligencija u liderstvu*, Novi Sad, Adizes.
- [6] Goleman, D. (1995). *Emotional intelligence; Why it can matter more than IQ*, New York, Bantan Books.
- [7] Kotter, J.P. (1996). *Leading change*, Boston, Harvard Business School Press.
- [8] Kotter, J.P. (1990). What Leaders Really Do? *Harvard Business Review*, May/June, Vol. 68, No. 2.
- [9] Krouse, H. (2012). “Organizational culture and entrepreneurship, *International Review* 3-4, No. 3-4.
- [10] Martin K., (2015), How to build global leaders, Chief Learning Officer.
- [11] Milovanović, S., Baltezarević, B., Milovanović, N.(2015). Personal branding through leadership, *International Review*, No. 3-4.
- [12] Radović Marković, M., Grozdanić, R. Kvrđić, G., Marković, D., Vujičić, S. (2012). “*New educational strategies versus the traditional methods.*” *International Review*, No. 1-2.
- [13] Pedler, M., et al. (1990). *Self-Development in an Organization*, New York, McGraw-Hill Book.
- [14] Schultz, D. P., Schultz, S.E., (2006). *Psychology and Work Today*, London, Pearson Prentice Hall.
- [15] Schroder, H.M., (1989). *Managerial Competence and Style*, London, Routledge.
- [16] Sikavica, P., Bahtijarević-Šiber, F., Pološki – Vokić, N. (2008). *Temelji menadžmenta*, Zagreb, Školska knjiga.
- [17] Velč, DŽ. (2005). *Veština pobeđivanja*, Novi Sad, Adizes.
- [18] Yukl, G. (2006). *Rukovođenje u organizacijama*, Zagreb, Naklada Slap.

Article history:

- Received 10 March 2016
- Accepted 25 April 2016