

What Drives Competence Need? Analyzing the Impact of Drivers of Change on Job Competencies in Pakistan

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The extant literature for any reason ignores to consider internal and external developments and their influence on management development needs (Mühlbacher, 2007; Mühlbacher Nettekoven, & Putnova, 2009). The present study attempts to address this gap and explores in detail internal and external drivers for changes and their influence on managerial competencies. The sample of the study comprised of 460 practicing managers working in various industries in Pakistan. The self-report measures of management competencies (Mühlbacher, 2007) and drivers for change (Mühlbacher, 2007) to measure and identify managerial competencies and internal and external drivers of change. The results of the study revealed that managers are more influenced by external development such as technological advancement, change at work place, economic situation and socio economic changes. The technological changes are seen as opportunity and significantly correlated with methodological competencies. The socio economic condition and change at work place are seen as threat and significantly correlated with leadership competencies. In internal changes HR practices are positively linked with social competencies like communication skills. Findings showed that external changes are mostly seen as threat and internal changes are viewed as opportunity.

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In the modern era, practically every state is endeavoring hard for its financial and social advancement and one way to achieve these desired outcomes lies in Foreign Direct Investment especially in developing countries like Pakistan (Khan & Hye, 2014). Pakistan is a collectivist and pluralistic society that associates work with diversified ethnic and cultural values (Bashir & Nasir, 2013). Islam has a key role as religion in uniting the masses in Pakistan also influence or determine work place behavior (Sadozai, Zaman, Yousufzai, & Ramay, 2012). However, Pakistan's economy is faced with challenges of resolving a number of issues like political instability, absence of proper law and order and other economic and energy crises (Najaf & Ashraf, 2016). Apart from all this, the lack of Human Resource Development presents another challenge to Pakistan's economy (Ahmad & Allen, 2015). Amid change in business environment, organizations in Pakistan are reluctant in investing in human resource development due to some perceived risks and uncertainties associated with it. The researchers further advocated that the one of the solutions of this issue reside in considering the internal and external developments influencing human competence strategies (Bhattacharya & Wright, 2005; Mühlbacher, Nettekoven, & Putnova, 2009). However, there is dearth of scholarly work in the area of Human Resource Development in Pakistan. In particular, the previous studies lack the comprehensive understanding of internal and external developmental aspects of business organizations dealing with the identification of different skills and competencies needed by managers for the successful operation of organizational activities (Mühlbacher, Nettekoven, & Putnova, 2009). This is more evident in developing countries. Few studies have been conducted in the field of competence development in Pakistan (see Janjua & Mühlbacher, 2014, 2015; Janjua, Khan, Naeem, & Kayani, 2013). The empirically evidence validate the notion of novelty and developing stage in this area of research in Pakistan (Janjua & Mühlbacher, 2014, 2015; Janjua, Khan, Naeem, & Kayani, 2013)

Therefore the current study is designed to contribute towards knowledge about the impact of internal and external factors on the competence development required by managers in Pakistan and answer the following questions

Q1: What is impact of internal factors on competence development needs of Managers in Pakistan?

Q2: What is impact of external factors on competence development needs of Managers in Pakistan?

The rest of paper has been organized in four sections i.e. Literature review, Research Methodology, Research Results and Discussion with a Conclusion.

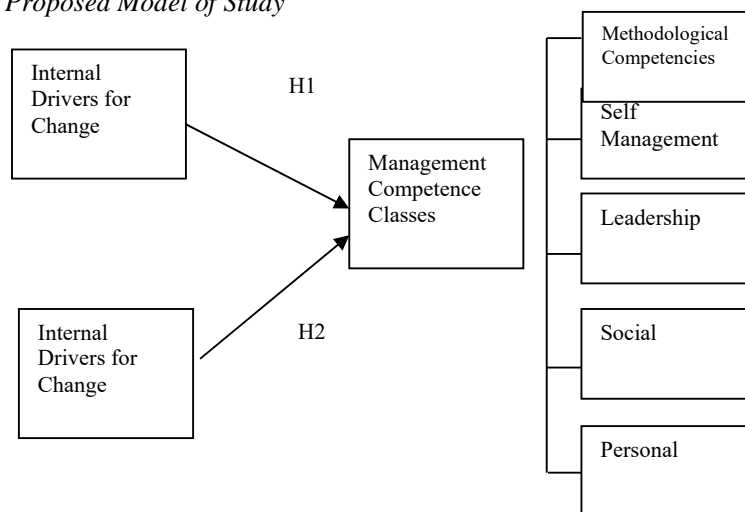
Literature Review

The role of HR as a strategic partner draws considerable attention of researchers (Lo, Macky, & Pio, 2015). The HR literature identifies significance of competence development of employees for improving organizational performance and capability (Yoon, Song, Donahue, & Woodley, 2010). HR professionals responsible for training of employees need to know competencies of managers and non-managers for implementation of effective management development programs. Competence management has received a substantial attention from the research scholars worldwide (Soderquist, Papalexandris, Ioannou, & Prastacos, 2010; Woodruffe, 2003; Yoon, Song, Donahue, & Woodley, 2010). The varied concept of '*Competence*' always faces challenge in terms of its conceptual definition, measurement, and application (Yoon, Song, Donahue, & Woodley, 2010). The concept of '*Competence*' has been studied and analyzed from both individual perspective (Boyatzis, 1982; McClelland, 1973) and organizational viewpoint (Prahald & Hamel, 1990). Prahald and Hamel (1990) defined the concept of competence from the organizational perspective as, 'organization's ability to integrate different streams of technologies and exploit their distinctive strength to achieve competitive advantage in the market" (p.90). In the same context the term 'core competence' is researched and analyzed from the organizational perspective. McClelland (1973) is credited with the initiatives of studying the concept of competence from an individual perspective. McClelland (1973) emphasized to define competencies based on psychological theory to identify motives, behaviors and personality traits that determine performance in a specific profession and suggested to consider such characteristics while making staffing decisions. The term competence is most often defined as the 'underlying characteristics' such as traits, behaviors, motives, self-concept, knowledge, skills and abilities that differentiate between average and superior performer (Boyatzis, 1982; Spencer & Spencer, 1993). Woodruffe (2000) view this concept as a set 'behavioral repertoire' that determine performance of individuals in job. These competency models draw on identification of set of competencies that are 'generic' in nature and applicable in wide range of disciplines. In contrast, 'situational perspective' (Sandberg, 2000)

classify ‘unique’ set of competencies applicable in different job roles and functions dependent on context and situation. Moreover, this concept has also been researched in the context of public sector management emphasizing the need of development of distinctive competencies keeping in view private and public sector structure of organizations (Hood & Lodge, 2004; Horton, 2000).

Competency framework is designed to enhance understanding and applicability of competencies (Hood & Lodge, 2004, Horton, 2000). For instance, the concept of ‘competence’ has been arranged and grouped on some predefined theoretical foundation criteria, assessing competencies based on Kolb learning model and categorization as skill, knowledge and personal characteristics (Boyatzis, Rhee, & Goleman, 2000; Marelli, Tandora, & Hoge, 2005). In recent studies categorization of competencies based on *skills, knowledge, behaviors* and *personal traits* has been used (Bartlett & Ghoshal, 1997, 2003; Le Deist & Winterton, 2005; Ley & Albert, 2003; Marelli, Tondora, & Hoge, 2005; Mühlbacher, 2007; Mühlbacher Nettekoven, & Putnova, 2009). Following the same line, Mühlbacher (2007) has identified five competence classes as, *Methodological competencies, Self dispositive competencies, Social competencies, Leadership competencies* and *Personal competencies* and all of these competencies cover a wide range of skills and knowledge from individual to group level working in different functional areas. In the current study we have tried to expand the knowledge base by adapting a similar pattern of classification and categorization regarding competencies based on knowledge, skills, and personal attributes.

Figure 1
Proposed Model of Study



These five domains cover wide range of skills, abilities, and knowledge essential for effective job performance. Methodological competencies are related to set of functional knowledge and expertise in specific domain like Accounting & Finance, HR, TQM and Marketing etc. These are set of technical and vocational skills essential to perform technical work of related discipline. Self Management Competencies are generic management competencies essential for effective management and employee relation irrespective of industry and discipline like stress management and emotional management etc. (Hogan & Warrenfeltz, 2003; May, 1999; Viitala, 2005). In social competence domain set of competencies related to ability of people to work effectively in teams and communicating with others (Hogan & Warrenfeltz, 2003; Mühlbacher, 2007). Leadership competencies are most extensive research area in management literature and covers competencies related to one's ability to effectively motivate and lead employees. The personal competencies class represents personality traits and values of an individual. These are core personalities traits relatively stable part of one's personality such as honesty, integrity, and core believes and values (Hogan & Warrenfeltz, 2003).

To be successful in their job, the managers have to adjust their skill-sets in line with future demands in order to tackle upcoming job demands. Job demands varies significantly due to change in internal organizational structures, policies and practices in addition to external factors influencing how business and jobs are carried out successfully in global world (Spark & Gentry, 2008; Mühlbacher, 2007; Mühlbacher Nettekoven, & Putnova, 2009; Sidani & Ariss, 2014). The local cultural context invariably influence development and application of competencies identified in relatively different context (Reis, Borini, & Fleury, 2013, Sidani & Ariss, 2014, Schutte, Barkhuizen, & Sluis, 2016). The external forces are considered relatively out of control also influence HR development programs (Sidani & Ariss, 2014). The in-depth analysis of societal, cultural and religious orientations of people has provided strategic policy guidelines that may be utilized in controlling and manipulating business markets (Baldacchino & Dana, 2006; Dana, 1995a, 1995b; Kersiene & Savaneviciene, 2009). These internal and external changes may compel and bring attention of HR managers to re-visit their existing training programs to better adapt their management development programs in changing paradigms. This holistic approach of correlating competency development model with drivers of change answers to the strategic personnel needs of managers (Mühlbacher, 2007; Mühlbacher Nettekoven, & Putnova, 2009).

The organizations working in developing countries are facing problems different from business entities with relatively stable economy and political system. Different nations have different cultures and social values dominating local management practices and business values (Hofstede & Hofstede, 2005; Kersiene & Savaneviciene, 2009; Chong, 2008; Aycan et al., 2000) impact employee skill development strategies and applications (Sidani & Ariss, 2014). In this context, the challenges faced by organizations or their subsidiaries functioning in developing countries are significantly different from business units operating in developed states (Reis, Borini, & Fluery, 2013). The fact is that, developed countries have comparatively stable legal, financial and institutional structure as compared to developing countries. In context of rapid pace of change that is confronting by contemporary organizations; identification, development and application of competence model become more volatile (Bhattacharya and Wright, 2005). In the context of cultural variation pretext researchers question applicability of competency model across different cultures (Hofstede, 1980; Schutte, Barkhuizen, & Sluis, 2016). This notion support adoption of strategic approach towards development of competence model considering influence of internal and external forces (Mühlbacher, 2007; Mühlbacher Nettekoven, & Putnova, 2009).

The idea of application of competency model for development and utilization of managerial productivity is well established in HR literature (Lo, Macky, & Pio, 2015) but this concept and its implications are in embryonic phase in Pakistan (Janjua & Mühlbacher, 2014, 2015; Janjua, Khan, Naeem, & Kayani, 2013). The reason may be the lack of enough evidence of utilization of competence-based management practices in the Pakistani organizations. Even in the educational institutes and their syllabus, the competence-based courses and programs have not been introduced. Similarly, the practitioners of HR within the organizations have paid for little attention to this important concept in human resource development strategy.

The purpose of this research is to identify competence development needs of managers in Pakistan. In addition to this the study explores the impact of internal and external drivers of change on competence classes to determine the factors that have significant influence on changing composition of competence classes.

Based on literature review following hypotheses are formulated for testing in the present study.

1. External developments are positively related with

managerial competence classes.

2. Internal developments are positively related with managerial competence classes.

Method

Sample

The research population of the study was practicing managers working in different industries in Public and Private sector. In selection of sample, organizations were approached personally to increase the response rate. In total approximately 1100 questionnaires were sent to the respondents and 460 valid responses received for further analysis. The respondents were from different industries including Banking and Finance = 126 (27.4%); IT and Telecom = 98 (21.3%); Energy sector = 71 (15.4%); R & D = 38 (8.30%); Consumer goods = 33 (7.20%); Food and Agriculture = 16 (3.5%); Commerce and trade = 7 (1.5%); Consulting 6 (1.3%); Textile = 6 (1.3%) and others 57 (12.4%). In terms of response rate according to industry wise statistics, majority of data was collected from practicing managers in banking, IT, R & D and energy sector. The larger response rate is received from middle management level comprising age from 25 to 40 years and having graduate degree. In terms of hierarchy respondents were categorized into three management tiers as roles and responsibilities of jobs vary across these management levels. The sample statistics shows that response rate from top level management = 73 (15%); Mid-Level management = 197 (42%) and Front Line management = 190 (41%). As far as gender is concerned, Male = 353 (77%) and Female = 107 (23%) included in final sample.

Measures

Self-Report Measure of Managerial Competencies. The scale of managerial competencies was adopted from the work of Mühlbacher (2007) and Mühlbacher, Nettekoven and Putnova (2009). The respondents were given option to fill in tasks, competencies and skills they require to perform their work effectively. Further they were asked to assign percentage to each given competency keeping in view its role and importance in their jobs. The data was collected on two points in time for current and future managerial competencies. This allows researcher to quantify the qualitative data on managerial competencies for statistical analysis.

Self-Report Measure of Internal and External Drivers for Change. The scale of internal and external drivers of changes was also adopted from the work of Mühlbacher (2007) and Mühlbacher Nettekoven and Putnova (2009). The respondents were asked to state in brief internal and external drivers of change that they think will affect their work in future. Additionally the scale allows the respondent to rank these changes as opportunity and threat. The frequency of mention was used to categorize the changes on ordinal scale to determine their preference.

Procedure and Programs. Empirical data was collected through self-administered survey questionnaires. Data was collected from practicing managers in Pakistan. The study was cross sectional and use convenience sampling to collect the data from research sample. The respondents were briefed about research and asked to fill in questionnaire at their own convenience to ensure maximum response rate. The respondents were followed up for collection of the data. The confidentiality of the respondents and the organizations were maintained and their cooperation was appreciated. SPSS was used for t-test statistics to determine significance in mean difference between competence classes over period of time. TETRAD III exploratory search analytical program is used to come up with exploratory model with only drivers of change having significant influence on competence classes at significant level of ≤ 10 percent. At this point, the input was spearman correlation matrix between drivers for change and difference or change in competence classes 'del' (future-present). The model derived from TETRAD was then submitted to AMOS 17 for verification or testing of the statistically significant hypothesized relationship in confirmatory model.

Results

The ranking of competence classes illustrated in table 1, clearly show the dominance of methodological class following behind social and personal competence class. The *t*-test with paired samples shows that notable difference is seen in value of social competence class that declines sharply almost by 10 points (with *t*-value of 6.456 and $p = 0.00$) in future ranking. This indicates the falling trend of social competence class in future. The paired sample *t*-test statistics with *t*-value of 2.10 and $p = 0.036$ endorse to the increasing trend of leadership competencies in future. This class includes abilities to supervise, motivate, and discipline the subordinates, managing performance, and providing necessary support for personnel

development. It is evident from sample of the study that majority of the young managers think they will need strong leadership skills in future when they are promoted to higher position.

Table 1

A Comparison of Competence Classes using Paired Sample t-Test

Competence Class	<i>M</i>	<i>t</i>	Sig (2-tailed)
Methodological Present	29.039	-	
Methodological Future	29.643	0.399	0.690
Self & Business Present	14.917		
Self & Business Future	13.721	1.095	0.274
Social Present	24.439		
Social Future	14.756	6.456	0.000
Leadership Present	8.189		
Leadership Future	10.441	2.101	0.036
Personal Present	14.315	-	
Personal Future	15.128	0.719	0.472

The personal competence class with mean percentage value = 15.128 in future switch position from fourth to second most important class in future. The focus on developing personal and leadership characteristics in future clearly coincides with the job responsibilities and requirements of upper management. In general, when analyzing the difference between the assessment of competencies currently required and anticipated for future weak significant difference in composition of competence classes are found. This indicates that trend of competence classes in Pakistan is still in developing phase.

Internal and External Drivers of Change

Figure 2 shows that internal drivers for change are mostly perceived as opportunity. The total 714 internal drivers of change were mentioned out of which 560 were seen optimistically and only 154 were perceived as threat. Attribution theory provides explanation to this perception according to which employees are relatively more comfortable with these internal changes initiated by organizations.

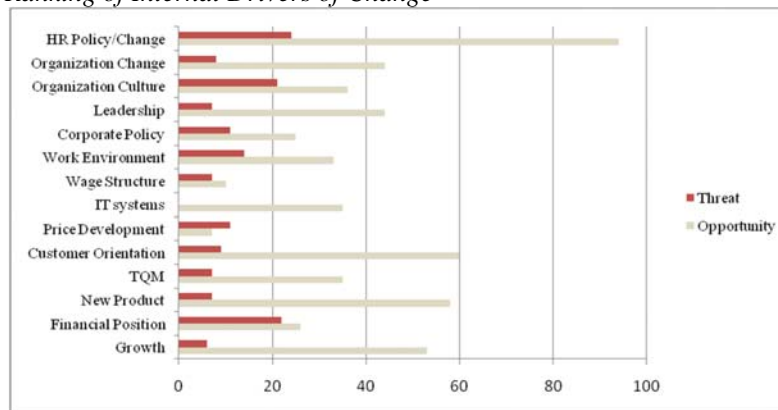
The data reveals that biggest opportunity in internal business environment is change in HR policies and practices. In recent years Pakistani organizations have been inclined towards adoption of western concepts of managing (Khilji, 2004, 2001). An important interpretation behind perceiving HR change as a threat deals with its

impact on placing senior employees at risk or in state of uncertainty. This argument is supported by Lussier & Achau, (2007) who claimed that employees resist to change in organizations because of some personal and task related fears.

The organizational change is both seen as threat and opportunity. The trend of privatization and restructuring of organizations particularly in government owned organizations explain this perception. Private sector organizations are also going through formidable changes amid competition and growth opportunity at global level. Therefore, employees are quite uncertain what these changes would affect their jobs and organizations. Moving towards the organizational culture, the statistics show that is seen both as threat and opportunity. The positive perceptions of managers about organizational culture positively influence competence development needs of managers and they show inclination towards adapting to new culture.

Leadership is perceived as both threat and opportunity but the frequency of viewing it as an opportunity is much higher than threat. This is due to the fact that managers welcome creative, participatory and innovative leadership styles since it contributes towards their learning and empowerment (Harris, 2007).

Figure 2
Ranking of Internal Drivers of Change

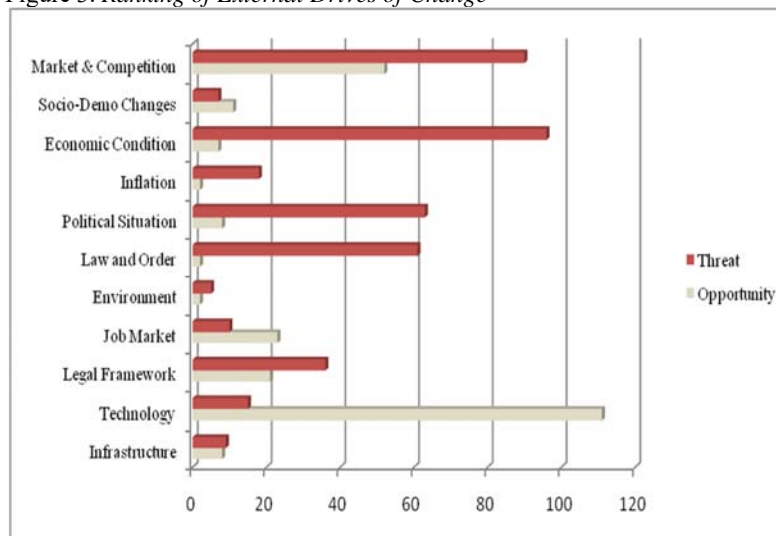


Note. This figure shows perception of managers regarding anticipated internal drivers of change. The perception as opportunity and threat is mentioned with respect to frequency of count. Sample Size. n= 460, Frequency of Mention = 714

In external environment total 657 factors were mentioned out of which 410 were ranked as threat and 247 were perceived as opportunity. Figure 3 illustrates external changes and perception of managers regarding these developments. It is again endorsed to notion that people mostly view external driven changes as threat due to fact that outcome of these changes is quite uncertain and force organizations to adapt to these changes if they want to survive competition and sustain competitive advantage. The research evidences support the propositions that organizational survival depends on its adaptability to market changes (Lussier & Achua, 2007).

In terms of frequency of count, market based competition and economic condition is the biggest threat as per perception of managers. These two forces are indeed interlinked with each other in a way that internal economic crises create difficult financial situation for domestic business organizations to compete with international competition. The other main factor that influences management competencies is related to infrastructure development. This again is seen as the cause of poor economic condition. In general, three important external factors such as economy, law & order situation and political instability are seen as biggest and most imminent danger for business organizations and environment.

Figure 3. *Ranking of External Drives of Change*



Note. The figure shows perception of managers regarding anticipated external drivers of change. The perception as opportunity and threat is mentioned with

respect to frequency of count. Sample size n =460, Frequency of Mention = 657

The Causal Model of Drivers of Change and Competence Classes

The hypothesized relationship between independent variables (drivers of change) and dependent variables (change in competence classes) developed is given in table 2.

Table 2
Relationship between Variables in Causal Model

Change Drivers / Competence Classes	Methodol Classes	Leadership	PersonalSelf & Business	Social
Technology_T	(-)			
Change at Work_O		(+)		
Socio Demographic_T				(-)
Infrastructure_T	(+)	(-)		
Economic_T			(+)	
HR Change_T				(-)
Organizational Culture O				(+)

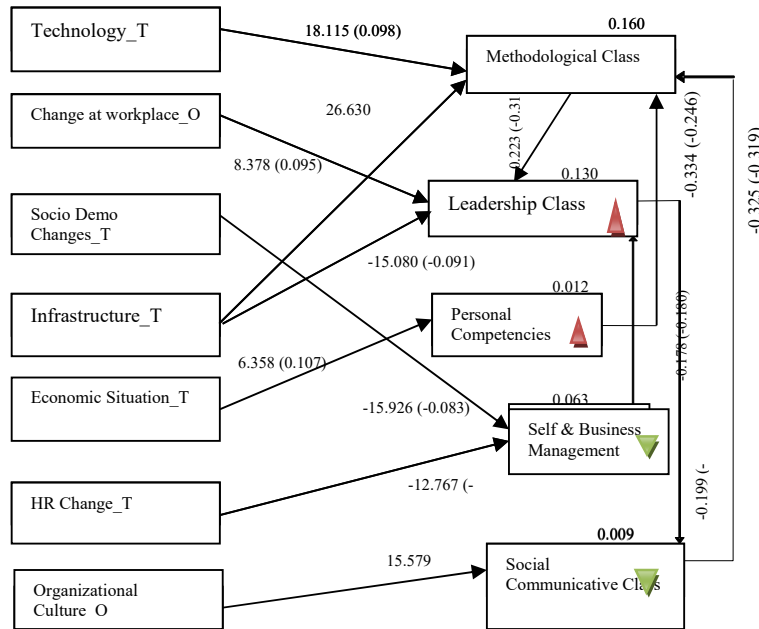
Note. Change drivers in first column are entered as independent variables and managerial competencies in first row are treated as dependent variables.

The chi square test χ^2 with value of 1,194 (Cmin = 60.913 with 51 degree of freedom) provides evidence to fitness of the model to the empirical data which is far below the acceptable limit of less than 3 (Joreskog & Sorbom, 1993). The Goodness of Fit Index (GFI) for present model states that 97.8 % of variance in the original data can be explained by the model. If adjusted with degree of freedom, the Adjusted Goodness of Fit Index (AGFI) endorses that still 96.7 % of variance is explained by the model. These values are under acceptable limit of above 90 percent. The RMSEA is 0.021, which is well below the acceptable limit of less than 0.05. The value of CFI is 0.944 and TLI is 0.928 which are also above the acceptable limit of 0.90 (Byrne, 2001).

Fig. 4 shows that the drivers of change that were mentioned most frequently and got high importance in ranking did not influence the competence classes. While external or internal developments like infrastructure and organizational culture that are ranked very low found to have significant influence on development of management competencies need. The all drivers for change mentioned by the

respondents do not significantly influence competence classes. Hence two hypotheses stated are partially supported.

Figure 4. Causal Model of Drivers of Change and Competence Classes



Chi-Square=60.913, df=51, p-value=0.161, RMSEA=0.021

The methodological competencies show the marginal increase. This is mainly due to two factors i.e. the negative perception of technological change and deteriorating infrastructure facility. The strong negative perception regarding the technological change in external environment results in an increase of 18.115 percentage points ($\beta = 0.098$). This is quite understandable in the context of technological developments and influence of innovations on developing countries. The surprising connection is found between infrastructure as threat in external environment and methodological competencies. In statistical terms negative perception regarding infrastructure results in 26.630 ($\beta = 0.112$) percentage change in methodological competencies. In fact, negative perception of infrastructure particularly energy crises is directly linked to economic development. So in state of economic downturn managers have fear to lose their job and face tough competition in terms of career progression. In order to survive and sustain their competitiveness in tight labor market they consider distinctive competency and expertise in specific trade or vocational skills as mean to progress in

management career. These two negative external developments i.e. technology and infrastructure along with inverse relationship of personal and social competencies together accounts for approx. 16 percent ($R^2 = 16.1$) of variation in methodological class.

Leadership competencies show highest absolute increase. A negative perception regarding infrastructure results into a decrease in the value of leadership competencies by -15.080 percentage points ($\beta = -0.091$). While positive and optimistic view points about change at work place results in an increase in the value of leadership tasks by 8.378 points ($\beta = 0.095$). Interestingly, positive changes at work place emphasize the need of developing leadership competencies in future. This indicates the desired capabilities in leading and motivating employees for future workforce. The inverse relationship between self-management competencies and leadership class that causes -0.178 percentage point ($\beta = -0.180$) also offers explanation to overall increase in leadership competencies. These four factors together explain 13 percent ($R^2 = 13$) of variation in leadership class.

The self-management competencies show a decrease by -15.926 percentage points ($\beta = -0.0831$) with the negative perception of socio-demographic changes. On the other hand perception of HR changes as threat also resulted into decrease in self-management class of -12.767 percentage point ($\beta = -0.166$). In response to external developments derived by socio-demographic changes, Pakistani managers seem to focus more on professional skills instead of learning generic management competencies to retain their position in competitive job market. In this connection, perception of changing HR policies and introduction of modern HR practices as threat again shifts the focus towards specialization and expertise in particular area instead of relying on generic managerial skills. The inverse relationship of self-management competencies and leadership class also indicates the marginal decrease in value of self-management competencies. The influence of one internal factor and one external development as threat along with inverse relationship of personal competencies together explain 6.3 percent ($R^2 = 6.3$) of variation in self-management class.

In absolute term the highest decline is observed in social communicative class. It falls to significant level in terms of future competencies need. This can be explained with the inverse relationship of social communicative with methodological competencies and leadership competencies. On the other hand, the positive evaluation of organization culture results into increase of 15.579 percentage points ($\beta = 0.132$). In recent years, entry of young managers resulted into change of old and traditional typical organizational culture that was characterized by power distance,

centralization and bureaucratic style of leadership. Interestingly, personal competence class that consists of stable personality characteristics goes up second fastest and reacts sensitively to negative perception of economic situation in the country. A negative perception of economic condition results into increase of 6.385 percentage points ($\beta = 0.107$). This is quite logical to develop aggressive and highly valuable personality traits like self-confidence, honesty, and achievement orientation in times of crises. Thus managerial efficiency and effectiveness receive as precedent for managerial performance.

Discussion

The competence development needs causal analysis with respect to both external and internal developments helps the HR practitioners and policy developers in formulating business and HR development strategy. The findings of the current research provide with detailed analysis regarding the unforeseen future hurdles and obstacles that leaders or managers have to manage with more appropriate and suitable managerial skills. Hence, competence requirements vary with the passage of time in reference to developments in the business environment and the managers have to update their capabilities, knowledge and skills so to timely cope with these hurdles and challenges (Muhlbacher, Nettekoven, & Putnova, 2009).

The findings of the research study show that frequency of mention or importance ranking is not a vital factor in assessing competence development. Also, the most cited topics pertaining to domestic and international politics did not even shed light on management development agenda. Regarding this, the HR change optimistic view do not have any impact, though it was ranked very high and also most frequently cited in the literature. In a nutshell, it can be assumed that socio-economy PEST analysis seems to have an effect if they are perceived to be the threat, whereas the other internal factors like organization culture and change at work place have favorable effect upon top management's competence development needs, if they are perceived as an opportunity. This assertion supports arguments in previous studies (Kersiene & Savaneviciene, 2009).

The external changes that originate from social and technological factors exert pressure on top management in enhancing skills and abilities of employees so to survive in the current competitive market. Also, the economic pressure exerted on business organizations forces the managers and leaders to change their behavior and also to build

motivational characteristics such as aggressiveness, achievement orientation, self-confidence and sharp focus etc. In this scenario, the personal competencies slowly and gradually increase with the change in leadership behavior. Also, a huge downfall in social communicative competencies has been observed that might be linked to the efforts of keeping precious knowledge at the time of economic crises. Moreover, when the positive or favorable impact of external developments are perceived as threat on methodological competencies and inverse association between decreasing social and enhancing methodological competencies considered, then it can be inferred that with negative developments or during tough times, the managers have to build or enhance their skills required in performing specialized job tasks. They prefer work specialization and technical or functional expertise for managerial prosperity. In other words, they emphasize more on obtaining proficiency in task related activities thereby reducing communication and hesitant in knowledge sharing process so to keep valuable management knowledge (Muhlbacher, Nettekoven, & Putnova, 2009). Furthermore, the same phenomenon has been observed in the prior researchers that were done in Central and Eastern Europe (Muhlbacher, Nettekoven, & Putnova, 2009). Hence, it may be concluded that it is general behavior to reduce communication and emphasizes more on functional responsibilities or target professional competences during heavy odds so to remain competitive in the current tough and knowledgeable markets.

Limitations and Suggestions

Despite methodological rigor and multilevel analysis, one probable objection can be raised regarding explanatory power (R^2 values) of the model as explained variance in each competence classes is relatively low. The other limitation may pertain to sample of the study that comprised of managers working in different industries at various functional positions limit the applicability of competence model. The other limitation entails use of self-report measures. In future, research need to be done on larger population for greater generalizability. In addition to this future research may be directed towards specific industry for exploration of change drivers and competence development needs of managers considering unique and industry specific developments.

Implications

In general, the managers are more sensitive to external developments if they perceive them as threat while internal factors shape or influence management practices and competencies if identified as opportunity. It can be inferred that managers in Pakistan react sensitively to economic factors. In this regard, the current state of economic condition and governments policies with respect to financial matters, trade, budget, and foreign investment will mostly influence management development efforts in future. On the other hand, external changes resulting from technological changes exert more pressure on managers to deliver more individualistic efforts. They believe that hard work, ambition, functional, and technical expertise will ensure their value in organization and they will be retained and promoted. In this perspective, leadership, methodological, and personal competencies will increase while self-management and social communicative skills will not be focused upon. This casual study gives clue to training professionals to devise management development strategy in light of developments in business environment. In addition to this, the internal and external changes do influence of management development needs of managers. An effective and proactive training strategy to develop managers can only be devised with careful implication of these changes is studies in connection with variations in competence requirements. The methodology and findings of the paper may be used by practitioners and policy makers to develop effective management development policy and strategy. However, it is advisable to assess relevance of these developments and competence classes in relation to domestic parameters such as current economic and regulatory policy, national culture, and management practices (Kersiene & Savaneviciene, 2009).

Conclusion

The aim of this paper was to identify changing trends in competence classes and explore drivers of change that anticipate influencing changing skill sets of managers in Pakistan. The trend in competence classes represent similar picture in both time period with few exceptions. In general, perception as threat regarding these developments influence competence development needs of managers in particular; external threats mainly impact competence development needs of managers. The empirical findings give insight to competence development needs of managers in Pakistan, especially skills-set requirement for managers that are required to tackle upcoming managerial tasks and challenges. In practice, management development programs develop through careful analysis of business

challenges with future orientation can be more effective and valid HR development strategy.

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