

Managerial skills and Globalization in Automotive Industry

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Abstract

Management has a special role in the field of globalization. Management has essential role in any organization with the responsibilities of goal setting, planning, resource allocation, organization, human resources, providing education, motivation and leadership, and finally monitoring and assessment of the survival and development of organization. Therefore, the present research has been conducted to rank the managerial skills needed for global managers of automotive industry with globalization approach. The population of the study consists of 1020 executives of Iran's automotive industry from 13 automotive companies. the statistical sample is determined 470 people using Cochran formula. After distributing questionnaires and collecting data, information analysis has done by SPSS software and descriptive statistics, Kolmogorov-Smirnov and Friedman tests. Friedman test results showed that among the components of managerial skills, effective motivation, self-awareness, stress management, constructive communication, effective problem solving, using technologies, team management skill, delegation of authority, leading positive change, adaptability, influence on others, effective conflict management and applying management requirements has the highest and lowest value in the management skills group.

Keywords: Managerial skills, Globalization, Automotive Industry

Introduction

The world has passed geographical borders in the third millennium and has faced the important phenomenon called globalization. Globalization affects many of behaviors and relationships. Developing industrial managers in the age of globalization is one of the necessities in our country. According to some researchers, world leaders must understand that globalization has different effects on people and countries (Swanson and Holton, 2009).

Industry has also categories in the world that represent different industrial sectors in each country (such as oil and gas, petrochemical, steel, textile, chemical, food, automotive, electrical and mechanical, etc.). Today, automotive industry is among the integral parts of commerce and industry in the world. The hundreds of billions in the global automotive transactions and annual production of more than 50 million vehicles and employment of tens of millions people in this industrial branch, represents the most significant activities and factors related to the automakers.

Today, some industries can be partly attributed indigenous and indeed, in some branches of industry, the immense movement of globalization is not completely evident; however, we can say without doubt that the automotive industry is no longer indigenous and it is even the symbol of globalization. Some experts of management science believe that managerial skills are one of the important points of jobs (TamKin et al., 2010). Changes in the global economy by globalization, the need for sustainable development, the need for information as a critical source and complexity of the business environment have created a substantial role for managers (Teriivellas and Reklitis, 2014). In the competitive environment of the 21st century, a significant advantage of globalization depends on the skills and abilities of leaders who can manage changes as well as executing complex business strategies.

World leaders need to be conscious or they perform assessment to identify their strengths and weaknesses (Dubrin, 2004). Addressing the issue of management skills is of great importance to many countries and researchers. For example, in a study in England in 2014, 4858 companies were examined in the field of small and medium businesses and the factors deterring the growth of the top companies in six categories were determined that one of them was weak managerial skills (Lee, 2014). On the other hand, changes arising from globalization have forced some countries to define national programs in the field of developing management skills. In some countries, like Romania, a national program of professional managers was planned in different parts of the country. They believe that the development and implementation of a national strategy based on the professionalization of management and also, the collaboration of experts in academia, industry and research and development and use the experience of developed European countries in this field in 2014 and 2020 is essential for planning and implementing the national program of management professionalization (Nikolesko, 2014). There also is a program in Russia called managers' vocational training, including special parts and techniques, which make managers ready to world change of the 21st century which is the result of economic globalization, and is known as the critical need for managers (Baklashova, 2014).

In addition to the mentioned reasons many studies have been conducted with the topic of developing management skills. Moreover, some other researchers have presented the relationship of management skills and other organizational variables (organizational effectiveness, management performance, organizational efficiency, creativity and entrepreneurship). However, the main difference between this study and other studies is using globalization approach to managerial skills of managers and addressing the way to be a global manger.

Literature review

Globalization

Writers and scholars have various definitions of globalization and each of them have defined it based on their interpretation of social phenomena and the environmental impacts. The definitions vary according to their perception of globalization, global threats, global security, world peace, global economy, and global culture.

According to the Baker (1998) Globalization, includes an acceleration of economic interactions between governments. In the process of globalization, the globalization is a dynamic flow and social processes in which the geographical constraints prevailing political, economic, social and cultural relationship are weaken or disappear. In globalization as a phenomenon, the globalization is an event implying the international wide and deep interactions; so that the production, division of labor and business are globalized and the world becomes a network and a trading center.

Globalization represents the strategic effort to treat the world, or a significant part of it, as a single market in which to do business (Tallman and Fladmore-Lindquist, 2002). From a business or economic perspective, globalization involves complex economic networks of competition, resource supplies, and product markets transcending national boundaries and circling the globe. (Barhem and Yunis, 2008)

Global manager

A global manager is someone who knows how to conduct and manage business across borders. The global dimensions of business and management, though pervasive, pose many complications for a national or local organization to overcome. Even high performers with proven technical skills at home may find that their styles and attitudes just do not work well overseas.

According to Ivancivich (2001) and Hebard (1996), to be an international manager one needs to have: strong technical skills, well-adjusted family situation, support of spouse, strong desire to go overseas, overseas experience, specific knowledge of overseas culture, academic standing, good language skills, knowledge of home culture, behavioral flexibility, open mind, good relational ability, and good stress management skills. An ability to adapt well to different business environments is a basic attribute needed by a global manager. S/he should also be able to respect different believes, solve problems quickly in new circumstances, communicate well with other people from different cultures, speaks more than one language, understands different government and political systems, conveys respect and enthusiasm when dealing with others, and possess high technical expertise for a job (Schermerhorn, and Osborn, 2003).

Multicultural workforces are also a part of the global business. Thus, a global manager should know the best way to deal with a multicultural workforce since the styles of leadership, motivation, decision making, planning, organizing, leading, and controlling vary from country to country.

The challenges of managing across cultures, however, are not limited to international operations. In this connection, a new term has been coined – domestic multiculturalism, which describes cultural diversity within a given national population. A global manager needs to have the skills to deal with expatriate work assignments.

Global managers' skills

Various ideas and theories have been presented about global managers' traits. Some of them have considered mainly general traits and some others have considered specific or more applied traits. On the other hand, experiences of people introducing these traits have been effective in their theories. For example, those who have been great managers of the world and have been able to manage the top companies of the world for many years have different ideas and theories from academic scholars in this field. According to consensus of scholars, managerial traits for global managers are listed in the table 1. (Khojastehpour and et al., 2016)

Table 1. Managerial traits for global managers

careful and enthusiastic employment	changes as an opportunity	strategic performance
creating profitable workplace	creative thinking for complicated issues	working with senior managers
defining success for employees	good language skills	strong technical skills
liking people and making good relations	stress management skills	effective talks
growing employees for better performance	easy coping with ambiguities	effective working in teams
making ethical values	understanding political and governmental systems	capacity for learning
participation in projects	social intelligence	academic credentials
lack of making similar decisions on different issues	proper regulation of family status	energy
allowing people to know satisfy who	computer skills	social reputation

team making capability	leading others	being active
perspective	positive attitude to management requirements	judgment ability
time management	behavioral flexibility	certainty
conflict detection	compatibility with changes	knowledge
risk-taking	presenting consultation skills	Eloquence
variety	using IT in decision making	accuracy
strong tendency for working abroad	authorized action instead of criticism	behavior
special knowledge about culture of other countries	using innovations	self-confidence
compatibility with time differences	management wisdom	hope
experience of working abroad	inspiration of a common attitude	responsibility
space utilization skills (place)	entrepreneurial thought and behavior	popularity
open attitude to working places of abroad	making effective oral communication	sociability
use of appropriate commercial models	being open-minded	change

Finally, these traits were classified in 13 managerial skills as follows. (Table 2)

Table 2. Managerial skills for global manager

Self-awareness
Stress management
Effective problem solving
Constructive communication
Effective motivation
Effective conflict management
Delegation of authority
Influence on others
Team management skill
Leading positive change
Adaptability
Using technologies
Applying management requirements

Research methodology

The current research is a descriptive and analytical one. Population and respondents of this research were all the top managers Iran's automotive manufactures. In order to determine the items to be included as managers' skill, a preliminary survey questionnaire was prepared after careful study of the background and basis of the topic as well as by including suggestions and recommendations of the professionals in the field. After editing the preliminary questionnaire, finally a survey questionnaire containing 67 items about the managerial skills based on Likert 5 scales method (from very much to the least) was prepared. In doing so, vantage points of 15 professors and professionals in the field of automotive industrial management were used and the questionnaire was approved with Cronbach Alpha Coefficient of $\alpha = 0.97$. The survey questionnaires were distributed among 470 of the managers at top levels in automotive manufactures among which 99% of them were answered and returned to the researchers. To examine the validity of the questionnaire confirmatory factor analysis using Lisrel software was used, the result of which has proved the validity of the questionnaire and to rank managerial skills of global manager Friedman test were used.

Results

Demographic characteristics of respondents and statistical population

Table 3. Demographic characteristics of respondents

Category	Frequency	percent	
Gender	Male	422	90
	Female	44	10
Age	20 to 30 years	22	5
	31 to 40 years	215	46
	41 to 50 years	110	23
	51 to 60 years	66	14
	61 to 70 years	39	8
	71 to 80 years	17	4
Level of education	Lower than BA	72	15
	Bachelor	193	41
	MA	167	36
	PhD	37	8
Work experience	Less than 10 years	8	2
	10 to 20 years	369	78
	21 to 30 years	82	18
	More than 30 years	11	2
Experience In Current position	Less than 5 years	205	44
	5 to 10 years	157	34
	11 to 20 years	104	22

Ranking variables using the Friedman test

To determine the importance and ranking of factors affecting management skills, Friedman test was used which results are presented in Table 4.

Table 4. Analysis of Friedman test

Count	469		
Chi-Square	576.636		
Degrees of freedom	12		
Significant	0.000		
Indicators	Average Rating	Rank	
Effective Motivation	9.21	1	
Self-awareness	8.86	2	
Stress Management	8.22	3	
Constructive Communication	7.70	4	
Effective problem solving	7.66	5	
Using technologies	6.77	6	
Team management skills	6.57	7	
Delegation of authority	6.48	8	
Leading positive change	6.46	9	
Adaptability	6.44	10	
Influence on others	6.41	11	
Effective conflict management	5.93	12	
Applying management requirements	5.31	13	

The results of Friedman test showed that among the components of management skills, components of effective motivation, self-awareness, stress management, constructive communication, effective problem solving, using technologies, team management skill, delegation of authority, leading positive change, adaptability, influence on others, effective conflict management and applying management requirements have the highest and the lowest importance in the group.

Conclusion

According to Friedman test, among the components of world-class management skills, effective motivation skills with a mean rating of 9.21 has ranked first in terms of importance among management skills. This indicates that skill in improving and creating motivation in others is a key area that managers are distinguished in the global space by which. In fact, creating an environment in which people are highly motivated is a good measure for global managers. Also the high degree of self-consciousness among management skills indicate that from managers' point of view, self-awareness is essential for growth and learning in a management role, because it creates a basis by which we can recognize our differences with others.

Also by the importance of Stress Management skill it is necessary that some programs are being made to develop personal skills (e.g. time management and self-confidence) for flexibility in dealing with stress and removing stress factors for managers with regard to the crucial fact that incidents do not causes nervous, but we create it ourselves.

The results show that constructive communication skill has the rank 4 and the mean of 7.7 in terms of importance among management skills. As it is presented in the features of this skill, communication encompasses a wide range of given features such as knowing foreign language, knowledge about different cultures and social features like the effective verbal communication and

understanding political and governmental systems. These features show that communication plays an important role in the success or failure of managers in today's complex world. On the other hand, according to the results of Friedman test, among the skills of world class management, using management requirements has the lowest importance (rank 13) with a mean of 5.31 among the importance of management skills. This ranking shows that world class managers' view is different than management skills that every manager needs to be fitted. In other words, skills that are needed for each director does not matter in world class managers' points of view and are considered as the default of a manager's activities at that level. Researcher has negotiated by some of managers in this regards and the common response implied that this ranking does not mean Insignificance of managerial requirements but also means that if a manager does not meet them, he is not considered as a manager at all so that can be placed in world class or not.

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