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Managers' Competencies and Managers' Education in the Digital Era

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Motivation

Higher education in Latvia	Employers' Confederation of Latvia <i>(source: 12th European Quality Assurance Forum, 2017 Employers' survey)</i>
<p>33 higher education institutions in Latvia (including 23 universities have educational programs in Management)</p> <p>Majority of the first-year students (42.7 %) entered programmes of social sciences ~ 9.6 thousand</p>	<p>Employability managerial competencies are very important (total median – 4.45)</p>
<p>Tertiary education: 9% unemployment rates of 25-34 year-olds graduation from the universities. <i>(Source: OECD, 2017)</i></p>	<p>The performance of higher education in development of employability managerial competencies received comparatively lower evaluation (median – 2.92)</p>

Motivation

Employers' needs for Qualified Managers

- “Labour market often cannot supply the necessary new employees according to the fast changing needs of employers.”

*(Source: Sloka, B., I.Buligina, I. Kantane, G. Tora (2015), **Employers' Needs and Expectations for Qualified Employees** (Case Study on the Opinions in One of the Region of Latvia). In: Economics and Business 27(1), pp.69-75).*

- “HEIs should pay closed attention to the development of emotional intelligence during teaching and learning process; and the **learning outcomes should be tailored towards these competencies**”

(source: Līce, Anita, Education and Employment field manager, Employers' Confederation in Latvia, 12th European Quality Assurance Forum)

- The gap between present managerial education that mainly based on the traditional schemes of organizations and the needs of the new digital ecosystems, mainly horizontal, clients' needs-driven, internationally and interculturally integrated, is growing and should be rapidly changed *(Merlino, Kuzmina-Merlino, 2019)*

Research goal

The goal of this study is:

to propose new content and to develop a set of different subjects in order to provide more effective educational approaches in supporting the management needs in the era of digital transformation.

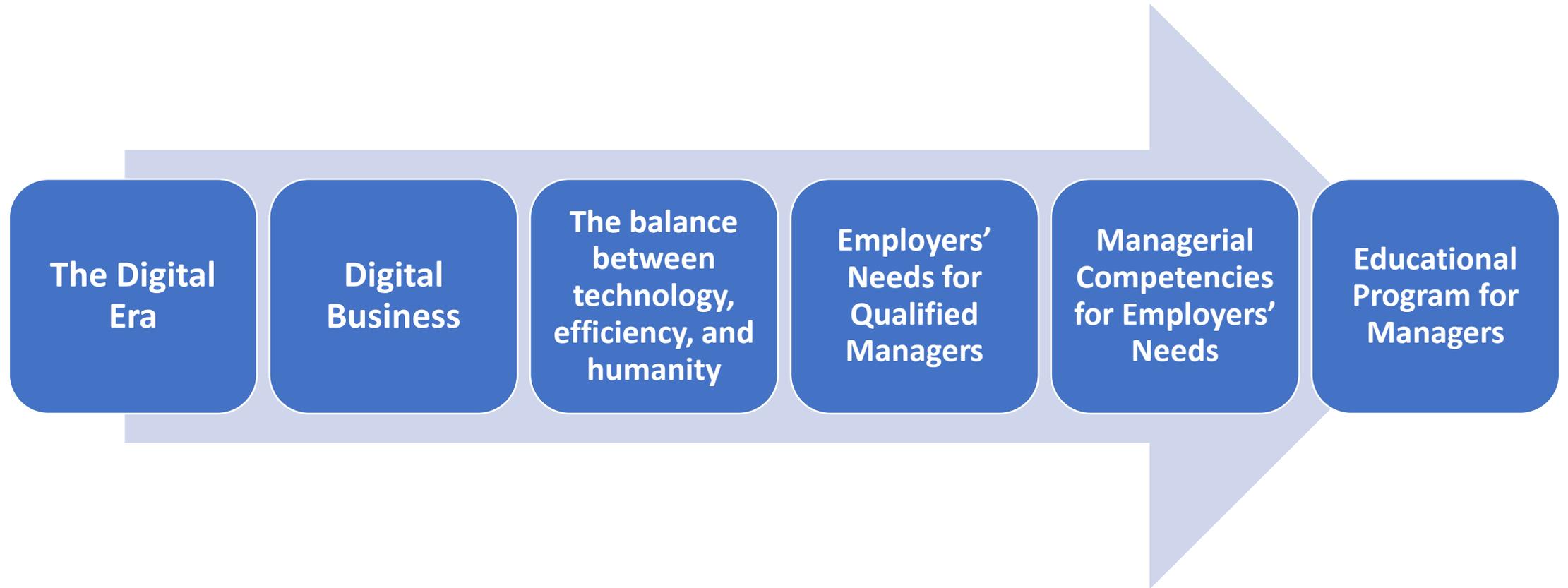
Main research question:

What the managers' skills and competencies are important today?

Theoretical Background

The authors	Findings
Mauer & Cook, 2011 (USA)	Rapidly expanding attempts to use a company websites to e-recruit job applicants have in many cases resulted in poorly qualified individuals.
Bailly, 2008 (France)	There are different views on the role of employer's beliefs in the evaluation of education output.
Paisery & Paisery, 2010,	New forms of vocational education have a significant coverage on educational issues, like work-based learning, developing skills via work placements in different fields.
Ellstrom, E. & Ellstrom P.-E., 2014 (Sweden)	Importance of management support for effective realization of work-based training program.
Wallhaus, 2018	Employers are placing an increasing demand for basic educational skills , such a mathematics and communication, and basic workplace skills, such team-working, interpersonal relations, and leadership.
Maliranta, Nurmi, Virtanen, 2010 (Finland)	Teachers with university degree increase the employment probability of the students

Logical sequence of the study: Practice – Education



How to provide more effective educational approaches in supporting the management needs in the era of digital transformation?

Main areas of the research

- Analysis of social and economic characteristics of the digital transformations;
- Description of the main changes in a company's business model and its implementation;
- Discussion the new needs of knowledge and competences of management;
- Proposal of some conceptual aspects of designing a study program to be offered in business management schools regarding to the process of digital transformations.

The Digital Era

- “Less of thing and more of a way of doing business” (*McKinsey & Company*)
- “Going digital is a combined collaborative strategic effort across an entire organization with a focus on technology transformation, new ways to engage with customers, entirely new ways of doing business, redefining your organization (*Haisman, 2018*).
- “Individuals will be deeply changed by the integrated networking, completely different from past communication devices. (*“The medium is the Message” by McLuhan and Fiore (1967)*)
- “Everything is changing – you, your family, your neighbourhood, your education, your job, your government, your relation to the others. And they are changing dramatically” (*McLuhan, 2001*).

The Digital Era

“World is becoming VUCA (volatile, uncertain, complex, ambiguous)”

“Something is going on, but not because a strong leaders”

“A VUCA world asks for strong leaders that stand firm”

*(Jeroen Kraaijenbrink, University of Amsterdam
9th ICLTIBM Conference)*

Six Key Steps to Build a Successful Digital Business

25% of companies will have seen their competitiveness undermined by shortcomings in their digital business model

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Digital business is changing the way organizations use and think about technology, moving technology from a supporting player to a learning player in innovation, revenue and market growth (Gartner, Inc., 2014).



New Needs of Knowledge and Competences

What competences should a manager have today?

- The ***leader*** who can drive a company's digital transformation,
- The ***manager*** who knows how to identify and implement the opportunities for growing business created by the digital business environment,
- The ***team member*** who has the required team spirit and global vision to develop and implement the company's digital business strategy.

(Source: Advance Master's in Digital Business Strategy, Grenoble Ecole de Management)

Pillars in Leadership in Digital Transformation

The Intelligence Quotient (IQ) means skills “to analyze and to apply past lessons to new situations”; they also need “to develop a deep understanding to be able to make complex decisions; in other words, they need the sharpest mind”.

The Emotional Quotient (EQ) includes **communication skills**: “a successful leader, therefore, must be able to build collaborative relationships, foster diverse talents and influence different people”.

The Digital Quotient (DQ) - this pillar might be the most apparent leadership trait regarding digital transformation.

Source: Harvard Business School (Whitehurst, 2015).



Redesigning managerial education: main competencies

- Work: work will be more and more implemented in the multidisciplinary teams, finalized to specific transformational result;
- Time: throughput time in any process will be further shorter;
- Style: management style and leadership will be those of Project Management codified approach;
- Knowledge: mathematics and statistics knowledge should be increased at any work level to better understanding of the structure and application possibilities of new AI tools and models;
- Skills: cultural and soft skills will be also required to integrate workers' experience in the digital transformation of a firm.

Redesigning managerial education: main fields of teaching

- **Strategic area**, mission/vision, scenarios building, M&A, product/market positioning, financial policies; the weight in the entire course is about 30%.
- **Financial Management** area, structuring financial assets of the firm, financial markets, risk management, investment policy and methods, cash flow analysis and control; the weight in the entire course is about 20%.
- **Marketing area**, communication policies and tools, marketing mix, service marketing, customer experience, customer focus, mkt researches, mkt department organization; the weight in the entire course is about 20%.
- **Planning and Control** area, budgeting and cost control, managerial reporting, accounting; the weight in the entire course is about 10%.
- **Change management** area, HR management policies, educational and training programs, processes reengineering and overcoming people resistance to change; the weight in the entire course is about 10%.
- **Supply Chain Management** area, logistic networks, purchasing policies, supplier's integration and cooperation, inventory policies, transportation options; the weight in the entire course is about 10%.

THANK YOU FOR ATTENTION!

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