

To Investigate the Effect of Internal Managerial Competencies on Marketing Effectiveness in Firms

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Abstract

The major purpose of the current study was to investigate the effect of internal managerial competencies on customer philosophy, integrated marketing efforts, marketing information, market orientation and operational efficiency. The statistical population included seventy marketing managers of a food industry in Jey township located in Isfahan that the whole population was studied due to the fact that the statistical population was limited. So no sampling was needed. Questionnaire was used to collect the required data that contained 38 questions about research variables. Construct validity was applied to investigate validity of the questionnaire and the obtained results revealed that the applied questionnaire had a suitable validity. The reliability was calculated by means of Cronbach's alpha coefficient which was equal to 0.897 for the whole questionnaire. It was an acceptable coefficient that confirmed reliability of the questionnaire. Descriptive indexes such as frequency tables and statistical diagrams were used to describe the statistical population in order to analyze research data and a general view of subjects was obtained. Then quantitative methods of statistical analysis including Kolmogoroff-Smirnoff test, correlation coefficient and structural equations modeling were used for data analysis and testing of hypotheses. To this end, SPSS 20 and LISREL software were applied. The obtained results indicate that all hypotheses were confirmed. Therefore, managerial competencies have a significant and positive effect on marketing effectiveness.

Key words: Competency, Internal Competency, Marketing Effectiveness, Customer Philosophy, Integrated Marketing Efforts, Marketing Information, Market Orientation, Operational Efficiency

Introduction

Most companies and organizations have paid attention in recent years to subjects such as organizational change, performance improvement, employee development, succession plan and so on by implementing competency model-making plans to match managers and employees' performance with their job needs. The term competency has mainly been focused to help the organization confront with the changing environment and the need to merge human resources strategy of the organization with corporate strategy.

Nowadays, role of competent managers in pursuing purposes of the organization is not unknown. Given that organizations are faced with the global economy and future dynamic conditions they will need managers who have more complicated skills. Hence, organizations try to establish a learning and knowledge-creation approach through which future managers become more potent, talented and competent than the current ones. Thus the studies about establishment of competency principles in managers are increasing.

Importance of the status and role of managers as major designers of the organization is known to all at present. On the other hand, it must be considered that the issue of competency has become one of the important and interesting subjects of organizational societies due to its importance in management success. Considering this, the present study investigates the effect of managerial competencies on marketing effectiveness.

Managerial competencies

Definitions of managerial competencies

"Competency" is a combination of motivation, expertise, knowledge and social role and ethical characteristics that is originated from the scope of human resources management. Various opinions and translational failure have been led to dispersion of literature regarding human resources management especially meritocracy. One of the main reasons of obscurity of the concept of competency nowadays is representing different definitions and lack of distinction between the two concepts of competency context and competencies related to people. Competency context illustrate that group of activities in which the person has competency while competencies related to people are sum of characteristics that enable the person to be competent in a specific field. Indeed competency context are often based on job, while competencies are mainly based on people (Dehghanan, 2007).

Components of competency

Each major class of competencies contains a group of competencies that are often related to each other conceptually. Competencies in each class are associated theoretically (by means of a theory or based on a specific theoretical framework) or experimentally. Managerial competencies in this survey were studied from Boyatzis viewpoint.

Internal competency

Competency includes characteristics which help performance. Internal competency can contain knowledge, skill and some other characteristics like levels of motivation and personality features. Another definition states that those who perform the task should be focused not the task that is done by these people. This school is known as the American approach (Rezayat et

al., 2012). Competency includes rational thinking, accurate self-appraisal, positive attention, self-motivation, using unilateral force, self-control, strength, compatibility and specialized knowledge (Gladson & Ahayzo, 2011).

Rational thinking is indeed the most superior level of thinking that is especially for human beings. Whatever the content of thought is more consistent with external realities and has a special order and coherence, the individual can analyze problems easier. About rational thinking and process of its formation John Dewey says: "rational thinking is consisted of active, continuous and accurate investigation of each belief or knowledge under the shadow of reasons which confirm it and the more results obtained from it" (Smith, 2009).

Self-appraisal refers to a process through which the individual evaluates his/her performance. The individual in this process is the source of evaluation and is interested in self-appraisal (Fani & Abbasi, 2004).

Researchers believe that unconditional positive regard is one of the conditions of changing of character structure. Unconditional positive regard does not depend on the behavior of the individual, i.e. the individual is viewed as a human being not a set of behaviors. Rogers used other expressions to state this issue too among which accepting the individual as a human being given to his/her positive and negative characteristics can be referred. Today managing knowledge-creating employees and learning organizations is not easy. It is not possible to manage knowledge-creating employees by traditional principles and rules. Therefore, it is necessary to learn the principles of managing the competent and educated people and use them. Obtaining the competitive advantage depends on training and managing of human resources of the organization. The knowledge-oriented organization can be established and developed through knowledge production. Trained employees are able to convert knowledge into products and services and produce profitability for the organization. Levels of knowledge, information, skills and capabilities of employees should be enhanced to manage human resources appropriately and create competency in them. Self-control is to create a state inside the individual that stimulates him/her to perform tasks without controlling his/her external factor (Alvani, 2004). Presenting a healthy character which has reached mental maturity, shows resistance against all problems and is self-controlled in his/her personal life besides workplace is the purpose followed in self-control. This will be institutionalized by providing suitable contexts in the organization (Kheiri, 2004). Experts of management science have presented various skills for managers that technical, perceptual, human, professional, educational and administrative skills, the skill to design and solve the problems, diagnosis skill and capabilities such as education, personality, decision-making and the ability to attract people's support and making effective relations with people and institutions can be referred (Naderian & Soltan Hosseini, 2012).

Theoretical framework

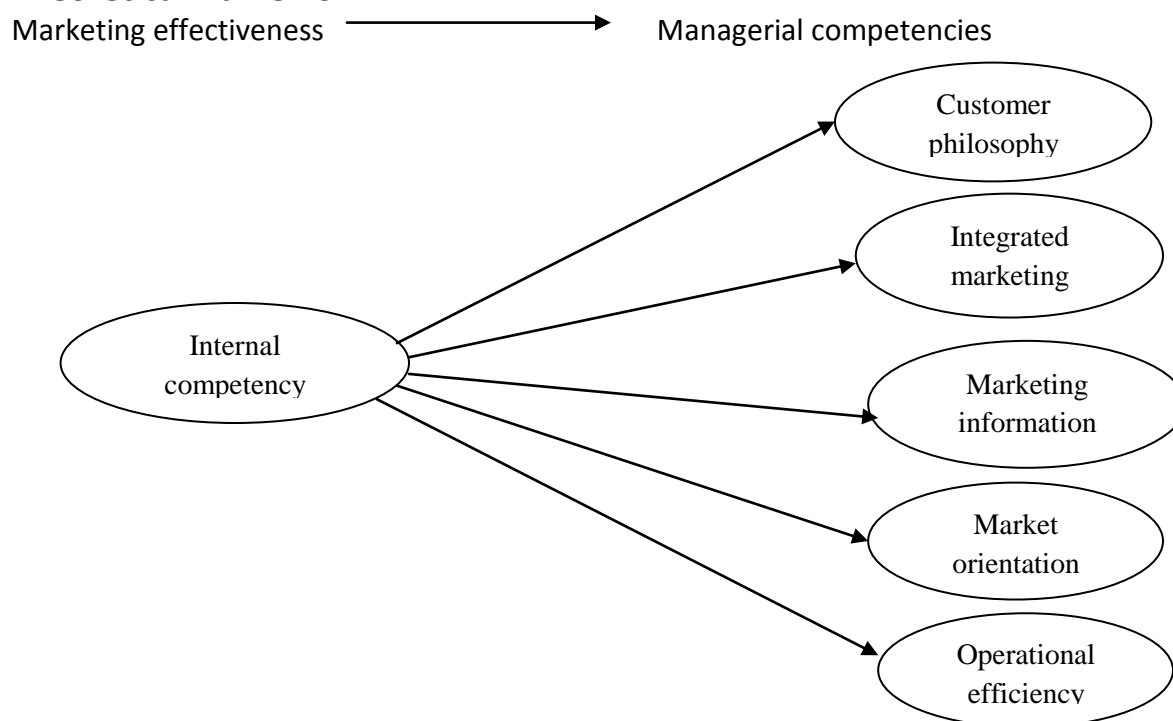


Figure 1-1 Theoretical framework of the survey (Gladson & Ahayzo, 2011)

Hypotheses

- Internal competencies of management have a significant effect on customer philosophy.
- Internal competencies of management have a significant effect on integrated marketing effort.
- Internal competencies of management have a significant effect on marketing information.
- Internal competencies of management have a significant effect on market orientation.
- Internal competencies of management have a significant effect on operational efficiency.

Methodology

The statistical population included seventy marketing managers of a food industry in Jey township located in Isfahan. No sampling was needed due to the limited numbers. The required information was collected through historical study and questionnaire. Content validity was used to measure validity of the questionnaire. Reliability of the questionnaire was calculated using Cronbach's alpha. To this end, a pilot study was conducted through distributing 30 questionnaires among the managers.

Descriptive indexes related to thirty pilot samples

Table 1-

Variance	Standard deviation	Mean	Sample number
0.035	0.188	3.46	30

Cronbach's alpha coefficient of pilot sample for the whole questionnaire was calculated equal to 0.897.

Descriptive indexes such as frequency tables and statistical diagrams were used to describe the statistical population for data analysis and a general view of subjects was obtained. Then quantitative methods of statistical analysis including Kolmogoroff-Smirnoff test, correlation coefficient and structural equations modeling were used to analyze the data and test the hypotheses. To this end, SPSS 20 and LISREL software were utilized.

Table 2- Direct relations of path analysis of structural equation

The effective construct	The affected construct	Path coefficient	t	Test result
Internal competencies	Customer philosophy	0.91	8.15	Rejecting the null hypothesis
Internal competencies	Integrated efforts	0.78	5.12	Rejecting the null hypothesis
Internal competencies	Marketing information	0.67	2.74	Rejecting the null hypothesis
Internal competencies	Market orientation	0.43	3.23	Rejecting the null hypothesis
Internal competencies	Operational efficiency	0.33	2.56	Rejecting the null hypothesis

Secondary hypotheses

1- Internal competencies of management have a significant effect on customer philosophy. The effect of internal competencies of management on customer philosophy was calculated equal to 0.91 that t-value for the calculated parameter reveals that amount of t-absolute value was more than 1.96, thus null hypothesis is rejected and alternative hypothesis is accepted. It means that there is a significant relation between the two variables of internal competencies of management and customer philosophy.

2- Internal competencies of management have a significant effect on integrated marketing effort.

The effect of internal competencies of management on integrated marketing efforts was calculated equal to 0.78 that t-value for the calculated parameter reveals that amount of t-absolute value was more than 1.96, thus null hypothesis is rejected and alternative hypothesis is accepted. It means that there is a significant relation between the two variables of internal competencies of management and integrated marketing efforts.

3- Internal competencies of management have a significant effect on marketing information. The effect of internal competencies of management on marketing information was calculated equal to 0.67 that t-value for the calculated parameter reveals that amount of t-absolute value was more than 1.96, thus null hypothesis is rejected and alternative hypothesis is accepted. It

means that there is a significant relation between the two variables of internal competencies of management and marketing information.

4- Internal competencies of management have a significant effect on market orientation.

The effect of internal competencies of management on market orientation was calculated equal to 0.43 that t-value for the calculated parameter reveals that amount of t-absolute value was more than 1.96, thus null hypothesis is rejected and alternative hypothesis is accepted. It means that there is a significant relation between the two variables of internal competencies of management and market orientation.

5- Internal competencies of management have a significant effect on operational efficiency.

The effect of internal competencies of management on operational efficiency was calculated equal to 0.33 that t-value for the calculated parameter reveals that amount of t-absolute value was more than 1.96, thus null hypothesis is rejected and alternative hypothesis is accepted. It means that there is a significant relation between the two variables of internal competencies of management and operational efficiency.

Goodness of fit tests

The model's total goodness of fit with observed data can be estimated through various methods after the model is determined. There are several indexes to measure the model's goodness. It is usually adequate to use three to five indexes to confirm the model.

Table 3- Goodness of fit indexes of structural equations model

Model	Chi-square	P	RFI	RMR	GFI	AGFI	RMSEA
The default model	2067.7	0.087	0.73	0.069	0.62	0.57	0.062

RFI index: Value of this index changes between zero and one so that values close to one are interpreted as better goodness of data with the model. In this survey RFI= 0.73 that shows the model has a suitable goodness.

P-value performs the test that goodness of the model is suitable. Given that p-value= 0.087 it shows suitable goodness of model. RMR index is changeable for measurement of average residues just in association with variances and co-variances. Whatever this standard is smaller (closer to zero) it shows better goodness of the model. In this survey RFI= 0.069 that shows the model has a suitable goodness.

GFI and AGFI indexes: Whatever GFI and AGFI indexes are closer to 1, goodness of fit of the model with observed data is more. In this survey GFI= 0.62 and AGFI=0.57 that show the model has a suitable goodness, i.e. the model is confirmed.

RMSEA index for models which have a suitable goodness is less than 0.05. The higher values up to 0.08 show a reasonable error for proximity in the statistical population. The models in which goodness index is equal to 0.1 or more have a weak goodness. Thus this model has a moderate goodness given that RMSEA is equal to 0.067. Considering the presented indexes it can be stated that the model has a relatively good fit.

Ranking of variables

Mean rank of the variables under study are compared using Friedman test in this section. Testing of the assumption is as below:

H0: Mean rank of variables is equal.

H1: At least one pair of ranks has a significant difference with each other.

According to results of Table 4, importance of factors or variables under study is not the same in respondents' viewpoint, because its significance level is less than 0.05. Thus, mean rank of various dimensions of the survey is not equal.

Table 4- Results of Friedman test

Number	61
Chi-square coefficient	90.036
Degree of freedom	7
Significance level	0.000

Mean rank of these factors is shown in Table 4. Mean rank of internal competency and executive competency is more than other factors and mean rank of marketing information is less than others.

Table 5- Mean rank of factors

Mean rank	
Customer philosophy	4.60
Integration	3.77
Marketing information	2.70
Market orientation	2.79
Operational efficiency	3.78
Internal competency	5.22

Variance analysis test

Variance analysis test is used to study whether variables are the same or different in various aspects in the statistical population under study and based on demographic characteristics of respondents. Therefore, the following statistical assumption is evaluated:

H0: Means of variables are equal.

H1: At least one pair of variables has a significant difference with each other.

Conclusion

Results of the present survey reveal that managerial competencies have a significant effect on organizational effectiveness. Also they show that internal management competencies have had a positive and significant effect on customer philosophy, integrated marketing efforts, marketing information, market orientation and operational efficiency.

Hypothesis one studied the effect of internal managerial competencies on customer philosophy. Internal managerial competencies contain characteristics which help the manager's performance. In this definition competency can include knowledge, skill and some other characteristics like levels of motivation and personality features. On the other side, competency includes rational thinking, accurate self-appraisal, positive attention, developing others, self-motivation, using unilateral force, self-control, strength, compatibility and specialized knowledge. Thus it can be said that the manager's use of competencies such as rational thinking, accurate self-appraisal, positive attention, developing others, self-motivation, using

unilateral force, self-control, strength, compatibility and specialized knowledge can improve customer philosophy in him/her. To put it differently, improving the rational thinking can improve customer philosophy in the manager.

The results obtained from hypothesis two show that internal management competencies have a positive and significant effect on integrated marketing efforts. It is, thus, recommended to improve integrated marketing efforts by enhancement of managers' internal competencies through improving its elements. As a result managers' integrated marketing efforts can be improved by enhancement of knowledge, skill and some other characteristics such as levels of motivation and personality features. On the other hand, competency that includes rational thinking, accurate self-appraisal, positive attention, developing others, self-motivation, using unilateral force, self-control, strength, compatibility and specialized knowledge provides the grounds to improve integrated marketing efforts.

The results obtained from studying the third hypothesis demonstrate that internal management competencies have a positive and significant effect on marketing information. Hence, it is recommended to improve managers' marketing information by improving internal management competencies (knowledge, skill and some other characteristics like levels of motivation and personality features). On the other side, competency contains rational thinking, accurate self-appraisal, positive attention, developing others, self-motivation, using unilateral force, self-control, strength, compatibility and specialized knowledge can enhance managers' marketing information.

The results obtained from hypothesis four regarding the effect of internal management competencies on market orientation indicate that internal management competencies can have a positive and significant effect on market orientation. Therefore, it is possible to enhance managers' market orientation through improving internal management competencies. Also through improvement of knowledge, skill and some other competencies like levels of motivation and personality features it can be expected to improve their market orientation.

Finally, the results of studying hypothesis five illustrate that internal management competencies have a positive and significant effect on efficiency. Thus managers' efficiency can be enhanced by improving their internal management competencies. Similarly by improving knowledge, skill and some other competencies like levels of motivation and personality features it can be expected to enhance their efficiency. For instance, their efficiency can be improved by enhancement of resistance, consistency and specialized knowledge.

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