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## **CONCEPT OF EXPERT EVALUATION OF HOLISTIC COMPETENCE OF SENIOR MANAGERS**

## **KONCEPCJA EKSPERCKIEJ OCENY HOLISTYCZNEJ KOMPETENTNOŚCI TOP MENEDŻERÓW**

**Abstract:** The aim of this scientific paper is to outline the key terms of holistic competence of senior managers operating in individual types of work environment. The paper also proposes and presents a concept of a nontraditional approach to valuating holistic competence of managers. The concept is based on a scientific analysis of the deficiencies of the current model of selection and appointment of senior managers, which is shaped mainly by the outcome of elections and by auditions. The new concept capitalizes on the findings of two 2011 and 2013 VEGA (Scienti-

fic Grant Agency) projects, specifically Project Reg. No. 1/0794/11 Holistic Management Competence, Need, Approaches and Methods of Valuation (Celostná manažérska kompetentnosť, potreba, prístupy a metódy jej ohodnocovania), and Project Reg. No. 1/0539/14 Requirements for Work and Manager Competence of Public Administration Staff (Požiadavky na pracovnú a manažérsku spôsobilosť /kompetentnosť/ pracovníkov verejnej správy).

**Keywords:** Holistic managerial competence, competence concepts, filling of managerial vacancies, valuation methods, valuation in praxis

**Streszczenie:** Celem artykułu jest określenie podstawowych pojęć holistycznej kompetencyjności top menedżerów działających w poszczególnych rodzajach środowiska pracowniczego. Równocześnie autor proponuje i prezentuje koncepcję nietradycyjnego podejścia do oceny tych holistycznych kompetencji. Punktem wyjścia proponowanej koncepcji jest analiza niedostatków aktualnego stanu systemu doboru i przydziału stanowisk dla top menedżerów. W dokonanej analizie autor wykorzystał rezultaty dwóch zadań badawczych realizowanych w roku 2011 i 2013 w ramach słowackiego programu rządowego VEGA.

**Słowa kluczowe:** holistyczna kompetencja menedżerów, koncepcje kompetencji, obsadzanie wakatów menedżerskich, metody oceniania, ocenianie w praktyce

## Introduction

The most daunting and challenging tasks out planet Earth faces these days are problems that have been rehashed many times, such as corruption, the stark divide between rich and poor, troublesome and rising temperatures in the natural environment, failure to address unemployment and the physical and mental wellbeing of people. Many of the information published indicate that a huge part of the population only has USD 5.5 a day to live on, and more than 700 mil people are even worse off, as they only have USD 1.9 per day. Although the complications and implications of this growing inequality have long been known, so far, there has not been any improvement and it seems we have not learned the lesson to change things. Problems with filling top management positions have been thoroughly solved neither within the geopolitical-power work environment, nor the legislative-legal, public-administration work environment or other work environment types. On the other hand, economic-financial environment has been thriving thanks to the busy financial markets. Those who benefit from it are investors holding stock, bonds or real estate. While their assets are growing, about 3.1 mil children die of hunger and malnutrition each year around the world, which means almost 17 thousand dead children every two days.

And change is not in sight. Those who exercise the most influence over the top global officials are interested the least in changing things or in finding humane solutions to all the problems complicating our lives here in Europe and all around

the world. Our individual lives echo our knowledge, actions and personalities. But most of all, they reflect how we use them with respect of other people, but also living organisms and inanimate objects. (information from daily press; 22.1.2019 / Daily News: Pravda).

The underlying ideas presented here form the basis for the respective performance of obligations, exercise of rights of senior managers on individual levels of units and their individual parts. Outlining the rights, authorities and responsibilities of senior managers is the foundation of our concept, which, in turn, forms the starting points of the presented concept, which is the basis for evaluating holistic competence of senior managers.

Incompetent appointments to managing positions ranging from senior managers in organizations on continents level, through groupings of countries, individual countries, regions, districts, counties to municipalities, towns and communities, is the root problem of the trouble our civilization is currently in.

Incompetent managers do not know how to set realistic goals (they have poor planning skills) to benefit people, how to realize (or how to organize the realization of) the goals and how to evaluate (supervise) any weaknesses in their management. The miscellany of ever-growing unresolved problems our planet faces are the real reason why humanity should be concerned about future. Even the conclusions of scientific research here in Slovakia make us realize that the next quarter of this century will be a new chapter for our country. Citizen satisfaction with the way government institutions are governed is rather ambivalent.

## **1. Structure of basic key terms of holistic management competence**

Development of new scientific knowledge in natural, technical and social sciences calls for creating and using new terms in addition to the traditional ones. The new terms we created reflect the selected findings of the general systems theory proposed and outlined by L. Bertalanffy. New, nontraditional terms we use in management as a scientific discipline, include: holistic (comprehensive) management, holistic management and work competence, holistic competence of senior managers (leaders), basic types of work environments within the global environment: political-power environment, legislative-legal environment, public-administrative environment, marketing-commercial environment, economic-financial environment, technological-technical environment, natural-ecological environment, geographical parts of the planet Earth system, holistic management competence and its parts and components, basic and development management functions, management and work competencies (duties, authorities, responsibility), basic competencies of managers and staff (knowledge skills, practical skills, personal maturity and their parts), methods for applying the results of valuating holistic competencies.

A healthy and value-based development of knowledge of the civilization inhabiting planet Earth leans on the level of knowledge that form the contents of the above systemic terms and their application by senior representatives of management. Based on the long-term research of said solutions of the state scientific research projects and the evaluation of the findings, it was possible to verify the substantiated application of the seven parts of the unit called global work environment (see Fig. 1).

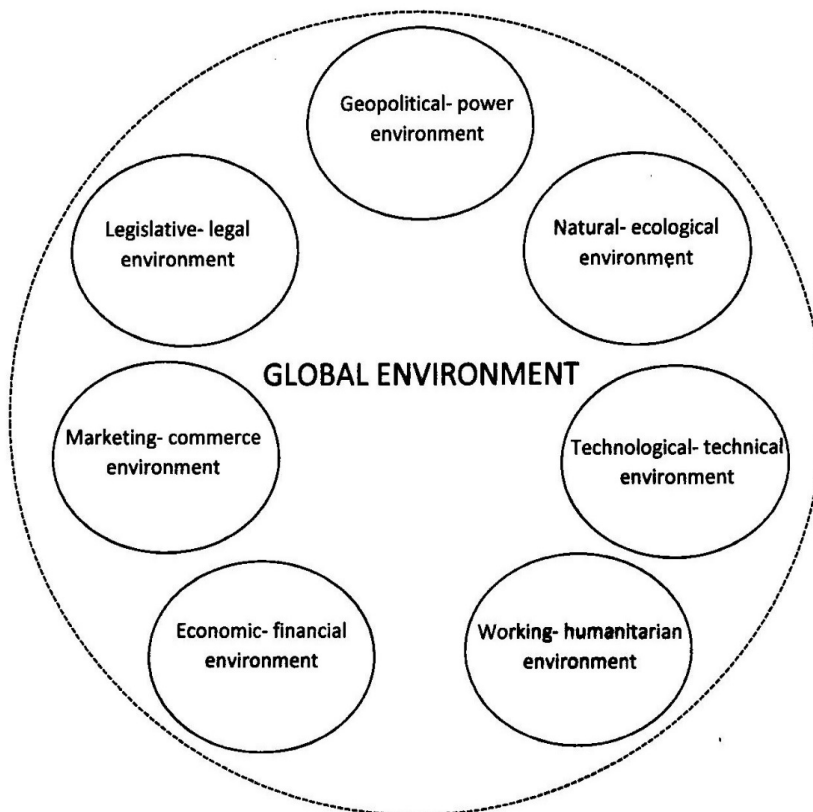


Figure1. Global work environment on the planet Earth as a whole and its parts  
 Rysunek 1. Globalne środowisko pracy na planecie Ziemia jako całość i jej części  
 Source: own study.

Fig. 1 shows the classification of individual types of work environments; it was first used in the 1<sup>st</sup> edition of Holistic Management (Celostný manažment) in 1999. Based on the recommendations of investigators of the scientific projects and experts, in the 7<sup>th</sup> edition dated 2018, we only modified the organizational sequence of importance of individual types of work environments. The level of application of each of the seven outlined geographical parts needs to be evaluated within the individual geographical parts, starting with a grouping of countries (such as EU members) down to municipalities and communities (Fig. 2).

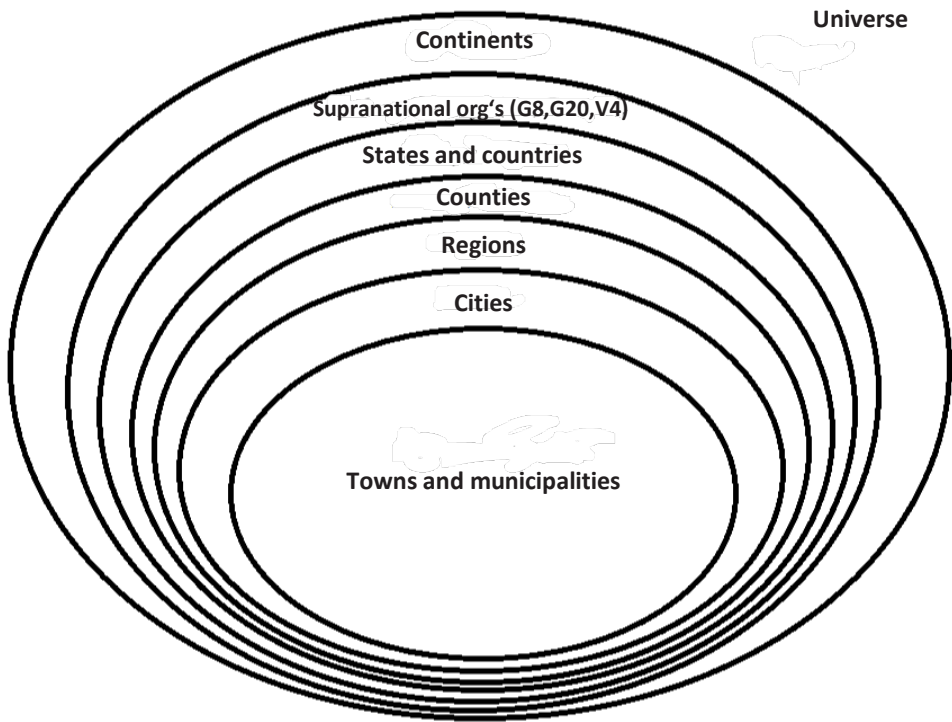


Figure 2. Planet Earth and its individual parts, ranked from largest to smallest  
 Rysunek 2. Planeta Ziemia i jej poszczególne części, od największych do najmniejszych  
 Source: own study.

The detail of recording the level of applying the knowledge differs per individual geographical part.

The work results of senior (top) management subjects (chief officials) depend on their knowledge of the individual areas of management functions, their expert knowledge, practical skills to apply the knowledge in practice and also their personal maturity enabling them to use the knowledge and application skills for the benefit of all fellow employees who have participated in the results.

In addition to the basic management functions (planning, organization, control), with more complex objects and their systems, it is necessary to also use practical management functions (such as decision-making, regulation and coordination). (Fig. 3).

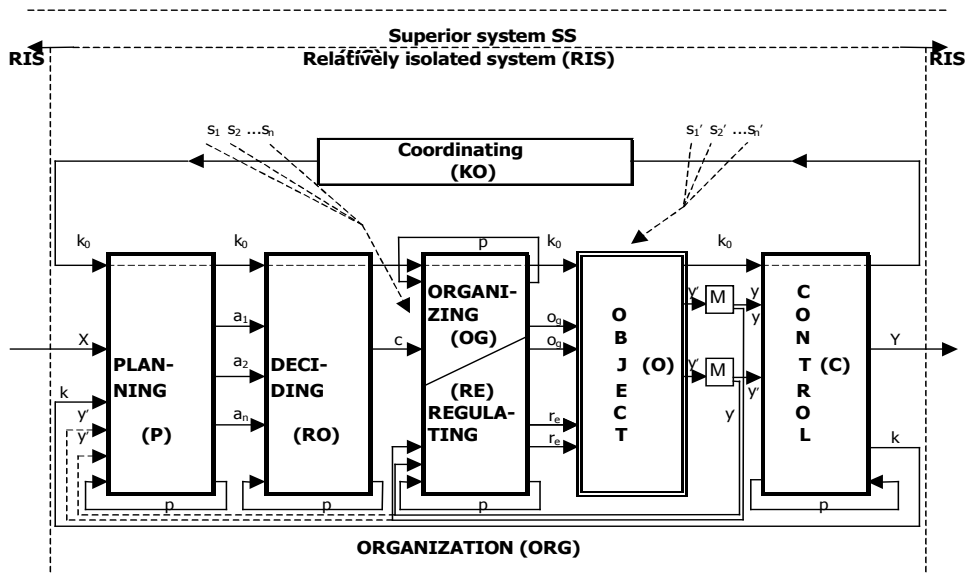


Figure 3. Scheme of assertion of control functions within the organization

Rysunek 3. Schemat zapewniania funkcji kontrolnych w organizacji

Source: own study.

The problems of today's world, as we have described them in other parts of this paper, require that senior employees tackle them in the greatest scope possible. In light of that, but also with a view to fill senior management positions, it is therefore critical to evaluate their knowledge, application skills and personal maturity. Individual components of these three parts form together the holistic management competence and are shown in Fig. 4.

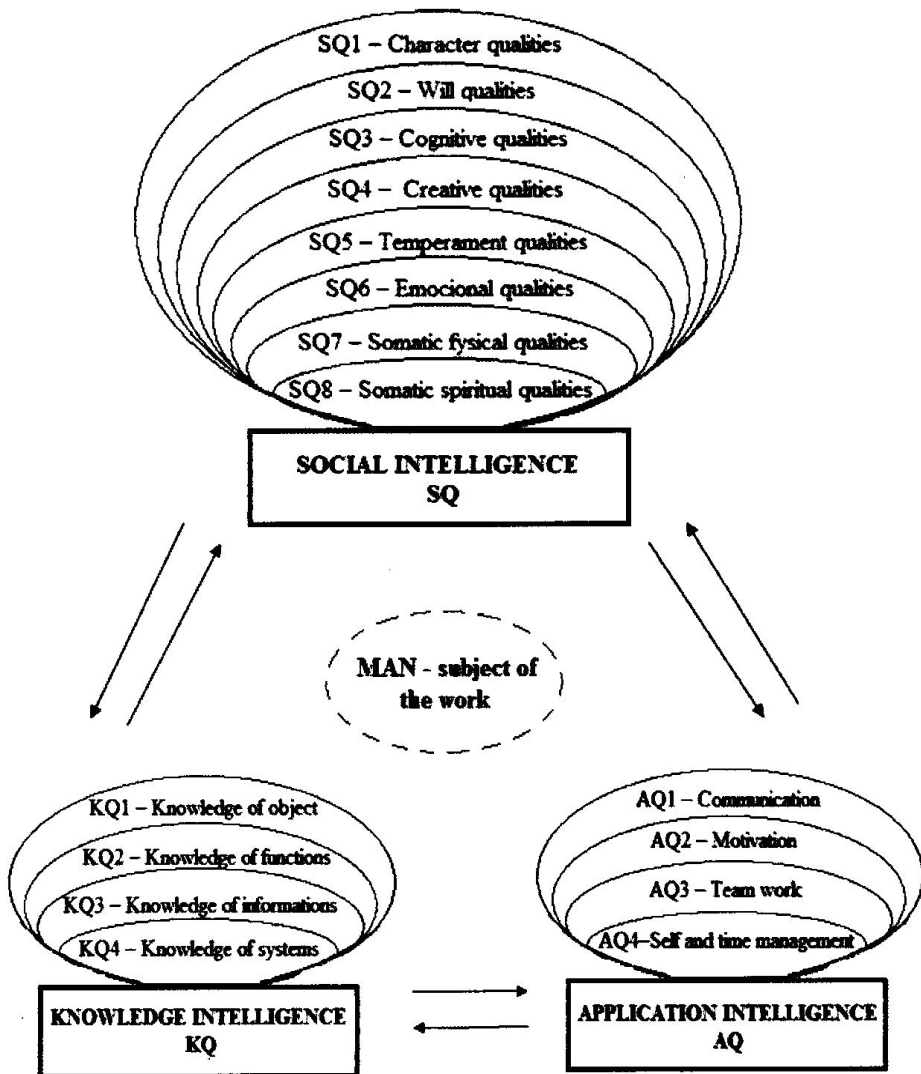


Figure 4. System of individual parts and components of valuating the level of holistic competences of senior managers

Rysunek 4. System poszczególnych części i elementów wyceny poziomu holistycznych kompetencji menedżerów wyższego szczebla

Source: own study.

The level of holistic management competencies for each of the seven groups of knowledge, as well as with respect of the necessity to evaluate the competencies within the geographical parts (from groupings of countries to municipalities and communities, see Fig. 2), as well as the individual leadership positions nowadays, can and needs to be evaluated. For the purpose of this valuation, it is possible to use

the currently available approaches and methods. However, it is of utmost importance to develop new ones, including new valuation technologies.

Basic duties of managers in senior positions should include plans reflecting reality for all of organization's employees. Another duty of theirs is to provide for the implementation of plans and for the assessment of said implementation and performance. While facing challenging conditions, they need to make decisions regarding the choice of actual tasks, provide for regulation of the performance of the tasks when unforeseen issues arise and coordinate the selection and realization of plans, regulatory conditions and provide for the performance of all tasks at individual levels of the organization's hierarchical structure.

Senior staff thus have three general managerial functions – planning, organization and control, and three additional functions that come into play when management conditions get complicated, such as decision-making, regulating and control. The degree of performance of the general and additional functions can and should be evaluated. To that end, it is possible and also necessary, as mentioned before, to use the approaches and methods known today. To ensure successful systemic realization of the general and additional functions of management, considerable funds are being invested into electromobility, digitalization and development of progressive information systems.

## **2. Current status of management positions appointments**

Filling senior management positions, but also lowest management positions, at continent level, through groupings of countries, districts, towns, municipalities and communities, is at a very low level, currently. This applies in particular to the geopolitical-power work environment, but also to the legislative-legal and public-administrative work environments. It is in these environments that appointments to senior management positions are made based on the outcome of elections or auditions. As a result, these top positions are given to incompetent people. Their lack of experience often shows as a very poor ability to provide for or perform their basic competencies – fulfilling their duties, exercising authority, and bearing responsibility for the plans, their implementation and valuation.

The development of applying methods of valuating one's personal traits, expert skills (knowledge), which the elected officials have in the area they work, but also their ability to apply their expert skills (knowledge) in their day-to-day work, should be a matter of course today. Valuation methods and technologies to measure the level of human behavior with respect to creating value and work results, but first and foremost, how these results are treated by senior managers of an organization where the value is created, have been growing more popular recently.

Said knowledge necessary to evaluate the level of applying professional ability, practical skill of using the professional ability in day-to-day work life, and, in particular, the valuation of who benefits most from the work results, has been increasingly used, but will certainly be critical for future development of human society. Using the state-of-the-art methods and valuation should become a decisive future criterion for selecting and filling senior managerial positions.

Many of us who have been pondering and using, among other, scientific research findings to try to show who controls the geopolitical-power work environment these days, have arrived at interesting conclusions. We allege that those are not the top officials elected by citizens, who hold top managerial positions and by way of their appointments govern countries. Despite top politicians claiming both in the media and in person that they have been elected to their positions by citizens, in a liberal society or social democracy, it becomes more and more a case of misleading us voters and citizens.

The real senior managers and representatives of the geopolitical-power work environment in individual countries and their groupings, but also on lower territorial levels, across regions, districts, municipalities and communities, are mostly those who own or control the economic-financial environment and material possessions.

This fact would not be seen as a disadvantage if those who own the riches would employ it humanely and compassionately. As we have mentioned before, those who are very rich are in the minority whereas the number of those who are poor keeps on growing.

### **3. Starting points, principles and methods of appointing managers with holistic competencies to senior positions**

It is necessary to solve the problems that most countries, as well as their groupings, face today on planet Earth as a whole; the problems can be addressed by using new, nontraditional methods of selecting and appointing senior managers on the individual organization levels, and by creating a system of valuating holistic competencies of senior managers, especially for the individual types of work environments.

It has become apparent that efforts to make opportunities equal by establishing a proper election policy are barely the solution. Solution could be found primarily in the valuation of holistic competency and in the publishing of the results achieved. And only then is it possible to consider elections, once voters have all the information about the resulting valuation of the holistic competency of the candidate who has been proposed and is interested in being elected.

In the resumé of said and solved VEGA projects, we have distinguished three parts; each part contains four components, which interact and so create a level of holistic competency of senior managers and also their deputies. They are the following parts and components:

1. Professional ability, which consists of the following components: knowledge of the management subject, knowledge of the management system, knowledge of the management functions, knowledge of the information necessary for realizing the management functions.

2. Personal maturity encompassing four components: character (humanity), will (diligence), temperament (character), emotions (feelings).

3. Practical (application) skills, which consists of four components, the level of which may be also subject to valuation: level of communication, level of motivation, level of team work, level of self and time management.

The first concepts and theories of valuating the ability to be appointed to and perform the tasks contained in certain work positions have started to be used more than 30 years ago (see Effron – Ort, 2011, p. 134). A rather cautious approach to using them is due to several reasons. The specifics of organizations, work positions are ignored and their valuation has been proposed without considering the principles distinguishing types of industries and core activities with a great number of valuated parts and components (30, 40, or 50 components). Swedish professor Karl-Erik Sveiby was first to propose valuating intangible assets; he recommended valuating internal knowledge assets: arrangement of the organization structure, orgware, software, patents. Including external knowledge assets: goodwill, image, logo, brand, public relations, competency (ability) to perform the job description.

We have come up with the first proposals and principles of valuating holistic management competence when solving said VEGA project in 2016. The principle of valuating holistic competency of senior managers on two geographical levels has been proposed by us for the first time in this scientific paper. We have been particularly inspired by Tomáš Baťa. Our joint Czechoslovak history could certainly serve as an inspiration for the present – the world-renowned and wealthy shoemaker used its assets not only to benefit its employees but the whole town. The company was originally owned by Tomáš Baťa, and little by little, all those who lent a hand and helped with developing the company and expressed their interest in holding a stake in it had become its shareholders.

Currently, the two countries with the highest population in the world, China and India, whose citizens account for 37% of the global population, have started to use monitoring and assessing their citizens. The aim of this valuation system is to establish behavior of citizens and use the opportunities of state monitoring and intervention (1/ Hospodářské noviny, 16.1. 2019, p. 13.)

The Chinese establishment plans to monitor the behavior of 1.4 billion people. Of course, this monitoring is not without purpose. The plan is to remunerate people and behavior the state considers desirable, and in turn to punish those who, according to the government, behave badly. The evaluation method “combines theory of face, voice and fingerprint recognition and monitoring public and private behavior,

using the internet and social networks. In return, people can earn points that can help them climb the career ladder, but the system is also used to punish any anti-social behavior or enable people to travel abroad. The government reckons that in 2019, monitoring should be wrapped up so that “in 2020 each person in the country could be monitored”.

The Indian technique (Aadhaar) could be as complex as the Chinese model, but allegedly should be less intrusive. It starts out as a voluntary initiative. An Indian journalist, Reetika Khera, wrote that „the Aadhaar system constitutes one of the most brazen breaches of the right to privacy and the right to live initiated by the government of a democratic country.“ (x/ Hospodárske noviny - daily news , 16. 1. 2019, pg.13). In both countries, the development of this system is much debated with respect to human rights. Unfortunately, there is no strong evidence on how it can help the environment on the planet Earth and its further development. Currently, tests and methods for evaluating work competency are used mainly to:

- select candidates for a position, career advancement, promotion, remuneration and letting go of employees, evaluate performance. Popular assessment methods include:

- self-assess, assessment by peers/colleagues, assessment by superiors, expert assessment. The tests include:

- MBTI personality tests – Myers-Briggs,
- Thomas international assessment software,
- team role test - Belbin questionnaire,
- Gordon personal profile evaluating nine personality traits,
- Testing the volume of grey matter distributed over the parietal lobe connections. University of Zurich,
- Slovak test establishing the degree of political and religious extremism. Hospodárske noviny, 22.2.2012,
- Russian Atlas Biomed Group is able to determine genetic predispositions for various diseases based on DNA samples, Hospodárske noviny, 22.1.2019.

Selecting senior managers in private organizations means the owner or any senior manager designated by the owner selects a lower-level manager, more-or less heeding the recommendations of the owner or makes his own decision as he deems adequate. Public administration differs very much in this respect. Where a senior or top manager has been appointed to a position by way of an election, his subordinates, such as permanent secretaries, if affiliated with other parties, are not appointed by the minister that is higher up. This method is rather conflicting from management point of view.

#### 4. Opportunities for applying selected key terms and knowledge with respect of using them

One of the major findings, we believe, calls for continuous testing in practical life is the need of accurate, logical and substantiated determination on which geographical levels it is logical and reasonable to appoint senior managers and their deputies following an assessment of their holistic competencies. Also, once the results of applying the holistic competencies system are verified, it is necessary to test the logic behind the application of the four representatives of senior managers in two geographical parts.

The rationale behind the number follows the principle that one deputy will represent the senior manager and the remaining deputies will be appointed once the three areas of holistic competence are evaluated. Application of said principle means that one deputy would be appointed for each of the areas of professional ability (based on evaluation of expert knowledge), application skills (based on practical skills), personal maturity (based on social thinking and behavior).

Another starting point of equal importance, with respect to applying the system of holistic competence of senior managers, is the verification of the selection of two geographical levels, in two organization areas of the management system. In practice, said management system should be applied to fulfil the three basic management functions: planning (including decision-making), organizing (including regulation), and control (including coordination). Application of the management functions needs to take place based on the amount and character of the information used.

Current practice very often confuses or gives equal meaning to two terms and their meanings. The terms in question are **authority and competence**, or plurals thereof. The term 'competence' is linked to the exercise of obligations, powers and responsibilities legally defined and established for a certain management object. The term 'authority' expresses the level of using knowledge, practical skills and social (human) maturity in performing obligations, exercising authority and bearing responsibility.

### Conclusion

Among the seven basic types (parts) of global work environment (as a whole), which maintain, support or slow down the development of human civilization, but also the existence of living and inanimate parts of planet Earth, falls the majority of work environments the existence of which reflects the level of development of social sciences. They consist of the following types of work environments on planet Earth: geopolitical-power environment, legislative-legal environment, public-administrative environment, marketing-commerce environment, economic-financial environment, technological-technical environment, and natural-ecological environment.

Development of the five types of the environment depends heavily on the level of social sciences development. Only two of the work environments employ the findings of technical and natural sciences.

In this scientific paper, we have pointed on several occasions to the problems human civilization and nature suffer because of poorly developed and applied findings of social sciences. This is the reason why it is necessary to develop and put social sciences to use.

To create, develop, and apply the system of holistic management competencies of senior managers at the level of the entire unit requires, in particular, to resolve and justify which parts of the unit could serve as starting points considering their organization level.

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