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Exploring the Role of Managerial Skills and Activities in Enhancing Business Performance

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Abstract

The success and sustainability of modern organizations depend heavily on the effectiveness of their managers, whose skills and activities directly influence business performance. This study examines the role of managerial skills—technical, human, and conceptual—and managerial activities—interpersonal, informational, and decisional—in enhancing organizational outcomes. Drawing on classical theories by Fayol and Taylor as well as modern frameworks developed by Katz and Mintzberg, the research highlights that effective management is multidimensional, requiring both competence and action. Managers today operate in volatile, uncertain, complex, and ambiguous (VUCA) environments where decision-making, communication, leadership, and strategic thinking are as critical as technical expertise. Empirical evidence up to 2014 indicates that managerial competencies strongly correlate with productivity, employee satisfaction, customer loyalty, and long-term competitiveness. However, the literature also reveals gaps in understanding the relative importance of different skills and activities across industries and contexts. This study therefore aims to provide a comprehensive analysis of how managerial effectiveness contributes to business performance, while also identifying critical areas for leadership development and organizational training. The findings are expected to offer valuable insights for both scholars and practitioners seeking to strengthen managerial capacity and ensure sustainable organizational growth.

Keywords: Managerial Skills, Managerial Activities, Business Performance, Organizational Effectiveness

Introduction

In today's dynamic and competitive business environment, the role of managers has become increasingly significant in shaping organizational success. Managers act as the bridge between organizational goals and the people, processes, and resources needed to achieve them. Their effectiveness is largely determined by the skills they possess and the activities they perform, which together define their contribution to organizational growth. Managerial skills encompass a wide range of competencies, including technical expertise, human relations ability, conceptual



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thinking, decision-making, and leadership qualities. Katz's (1974) classic framework categorized these skills into technical, human, and conceptual, while Mintzberg (1973) highlighted managerial activities through his ten managerial roles grouped under interpersonal, informational, and decisional categories. Both perspectives emphasize that managers are not only decision-makers but also leaders, communicators, and coordinators who influence every aspect of business performance. Organizations with managers who possess the right mix of skills are better positioned to innovate, adapt to environmental changes, and maintain a motivated workforce, which ultimately enhances productivity and competitiveness. The importance of managerial competence has only grown in the modern era, where globalization, technological advancements, and shifting market conditions require managers to be agile, versatile, and strategically oriented in their activities.

At the same time, business performance is no longer measured solely in financial terms but also in terms of innovation, employee engagement, customer satisfaction, and long-term sustainability. This broader perspective places added pressure on managers to balance operational efficiency with strategic foresight and ethical leadership. Effective managerial skills and activities thus form the foundation for creating high-performing organizations capable of meeting these evolving expectations. For instance, decision-making skills allow managers to respond effectively to complex business challenges, while interpersonal skills enable them to foster collaboration and resolve conflicts in increasingly diverse workplaces. Similarly, activities such as planning, organizing, and monitoring ensure that resources are optimally allocated and goals are systematically achieved. However, despite the recognized importance of these factors, many organizations continue to face challenges in identifying which skills and activities contribute most directly to superior performance. This gap underscores the need for further research to explore and analyze how specific managerial competencies and activities influence organizational outcomes across industries and contexts. By addressing this issue, the present study aims to contribute to both academic understanding and managerial practice, offering insights that can help organizations enhance performance through more effective management development and training initiatives.

Background of the Study

The study of managerial skills and activities has long been central to the field of management, as effective management is widely recognized as a decisive factor in organizational success. From the classical theories of Taylor and Fayol, which emphasized planning, organizing, commanding, and controlling, to modern perspectives such as Mintzberg's managerial roles and Katz's classification of skills, researchers have consistently highlighted that managers are at the heart of organizational performance. With the rapid globalization of markets, increasing technological disruptions, and growing workforce diversity, the role of managers has become even more



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complex and multifaceted. Today's managers are expected not only to oversee operations but also to act as leaders, innovators, strategists, and change agents. Their skills—ranging from technical expertise to conceptual thinking and interpersonal communication—determine how effectively they can balance the needs of the organization with the demands of employees, customers, and stakeholders. Similarly, their activities—such as decision-making, conflict resolution, monitoring, and networking—serve as practical manifestations of these skills in action. Understanding the relationship between managerial competencies and business performance is therefore crucial, as it provides a foundation for developing better training, leadership development, and talent management programs that enhance organizational competitiveness in an ever-changing business landscape.

Importance of Managerial Skills and Activities in Modern Organizations

In the context of modern organizations, managerial skills and activities are indispensable for achieving sustainable performance and maintaining a competitive edge. Unlike earlier times when organizations operated in relatively stable environments, today's businesses function in volatile, uncertain, complex, and ambiguous (VUCA) conditions that require managers to adapt quickly and make informed decisions. Technical skills remain important for handling specialized tasks, but human skills such as communication, motivation, and team building are increasingly valued as organizations place greater emphasis on collaboration and innovation. Conceptual skills, meanwhile, allow managers to see the “big picture,” align daily operations with strategic objectives, and anticipate future challenges. Managerial activities are equally vital: interpersonal activities like leading and motivating teams foster trust and commitment, informational activities like monitoring and disseminating knowledge enhance transparency and learning, while decisional activities such as resource allocation and negotiation directly impact efficiency and growth. The importance of these competencies extends beyond profit maximization, as modern organizations are judged on their ability to create value for multiple stakeholders, including employees, customers, and society at large. Thus, managerial skills and activities form the backbone of effective leadership and organizational resilience, making them essential components for driving productivity, innovation, and long-term success.

Statement of the Problem

Although managerial skills and activities are widely acknowledged as key drivers of organizational success, many organizations still struggle to identify which specific competencies and functions contribute most effectively to enhanced business performance. In many cases, training and development programs emphasize technical skills while underestimating the importance of interpersonal and conceptual skills, leading to gaps in leadership effectiveness.



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Similarly, while Mintzberg's framework has classified managerial activities into interpersonal, informational, and decisional roles, empirical evidence regarding their direct impact on organizational performance remains fragmented and context-dependent. This creates a problem for both academics and practitioners, as the absence of a clear understanding limits the ability to design effective managerial development strategies. Moreover, with the increasing complexity of modern business environments shaped by globalization, digital transformation, and workforce diversity, traditional management approaches may no longer be sufficient. Managers are expected to balance competing demands, resolve conflicts, and make strategic decisions under pressure, yet many organizations lack the tools to evaluate and strengthen these competencies systematically. Therefore, the research problem lies in exploring the extent to which managerial skills and activities influence business performance, identifying the most critical competencies across organizational contexts, and providing actionable insights to bridge the gap between theoretical understanding and practical application.

Objectives of the Study

The present study is designed with the following objectives:

1. **To examine the relationship between managerial skills and business performance.**

This involves assessing how technical, human, and conceptual skills contribute to organizational effectiveness and competitiveness.

2. **To analyze the role of managerial activities in organizational success.**

By drawing on Mintzberg's classification of interpersonal, informational, and decisional roles, the study seeks to evaluate how these activities directly and indirectly affect performance outcomes.

3. **To identify the most critical managerial skills required in modern organizations.**

The study aims to highlight which competencies—such as leadership, communication, decision-making, or strategic thinking—are most influential in driving growth and sustainability.

4. **To compare the relative importance of skills versus activities in enhancing business performance.**

This objective will explore whether skills (capabilities) or activities (actions) have a stronger impact on organizational results.

5. **To provide recommendations for managerial development and training.**

Based on findings, the study intends to suggest strategies for organizations to strengthen managerial capacity through effective training, leadership development, and performance management systems.



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6. To contribute to the academic and practical understanding of managerial effectiveness.

The study seeks to enrich existing literature while offering actionable insights for practitioners in diverse organizational contexts.

Literature Review

Theoretical Foundations of Managerial Skills (Classical and Modern Views)

The study of managerial skills has evolved from classical management theories to more contemporary frameworks. Classical theorists such as Henri Fayol emphasized the **functions of management**—planning, organizing, commanding, coordinating, and controlling—as essential managerial activities (Fayol, 1949). Frederick Taylor’s scientific management also stressed technical competence and efficiency in managerial practice (Taylor, 1911). These early views laid the groundwork for understanding management as a skill-based activity aimed at maximizing productivity. However, modern perspectives shifted the focus from mere technical control to a broader set of competencies that include interpersonal and conceptual dimensions. Drucker (1999) emphasized that managers must not only ensure operational efficiency but also provide leadership, foster innovation, and align activities with organizational goals. This evolution demonstrates that managerial skills extend beyond technical expertise, encompassing human relations, strategic vision, and adaptability.

Mintzberg’s Managerial Roles: Interpersonal, Informational, and Decisional Activities

Mintzberg’s (1973) seminal work challenged the classical notion of management by observing managers in practice. He identified **ten managerial roles**, grouped into **interpersonal, informational, and decisional categories**. Interpersonal roles include figurehead, leader, and liaison functions that stress the importance of communication and relationship building. Informational roles involve monitoring, disseminating, and spokesperson activities, emphasizing the manager’s role as a communicator and knowledge broker. Decisional roles include entrepreneur, disturbance handler, resource allocator, and negotiator, highlighting the manager’s responsibility in problem-solving and strategy formulation. Mintzberg’s framework demonstrated that managerial work is complex, fragmented, and requires multiple skill sets simultaneously. This perspective remains highly relevant in contemporary organizations, where managers must balance routine operations with strategic initiatives in dynamic environments.

Core Managerial Competencies: Technical, Human, and Conceptual Skills (Katz Framework)

Robert Katz (1974) classified managerial skills into **technical, human, and conceptual competencies**, which remain a cornerstone of management education and research. Technical skills refer to specialized knowledge and proficiency in processes, methods, or tools, essential at



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lower levels of management. Human skills involve the ability to work effectively with people, communicate, motivate, and resolve conflicts, which are crucial at all levels of management. Conceptual skills, meanwhile, enable managers to see the organization holistically, integrate different functions, and align strategies with long-term objectives—skills particularly vital for top-level managers. Subsequent studies reinforced Katz’s model by emphasizing the dynamic interplay between these skills. For example, Whetten and Cameron (2011) argued that while technical skills may secure operational efficiency, it is human and conceptual skills that sustain organizational growth and adaptability.

Relationship between Managerial Skills and Organizational Performance

The link between managerial skills and organizational performance has been widely recognized. Effective managers leverage their competencies to enhance decision-making, resource allocation, and employee engagement, thereby improving overall productivity. Boyatzis (1982) asserted that managerial competencies directly influence organizational effectiveness by shaping leadership and strategic orientation. More recent studies by Lussier and Achua (2010) highlighted that leadership skills, especially human relations and communication abilities, strongly correlate with team performance and employee satisfaction. Furthermore, Ulrich, Smallwood, and Sweetman (2008) emphasized that managerial effectiveness contributes not only to financial outcomes but also to intangible aspects such as employee morale, customer loyalty, and innovation capacity. This holistic impact underscores the importance of cultivating a balanced skill set among managers.

Previous Empirical Studies on Managerial Effectiveness

Several empirical studies have examined managerial effectiveness across industries. Rowe (2001) found that strategic leadership, combining conceptual and human skills, was a significant predictor of organizational success in dynamic markets. Similarly, Yukl (2010) demonstrated that managers who excel in interpersonal activities foster stronger team cohesion and higher performance outcomes. In a study of banking institutions, Al-Hawari, Ward, and Newby (2009) reported that managers’ service quality skills positively influenced customer satisfaction and retention. In manufacturing contexts, technical competencies were found critical, but human and conceptual skills were equally necessary for innovation and adaptability (Koontz & Weihrich, 2010). Collectively, these studies affirm that managerial effectiveness is multidimensional and context-dependent, requiring a blend of skills and activities suited to organizational needs.

Research Gap

While the literature provides robust frameworks and empirical insights into managerial skills and effectiveness, several gaps remain. Much of the earlier research emphasized technical efficiency



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and leadership in isolation, often neglecting how managerial activities interact with skills to shape performance outcomes. Additionally, although Mintzberg's and Katz's frameworks are widely accepted, empirical validation across diverse sectors and cultural contexts remains limited (Drucker, 1999; Whetten & Cameron, 2011). Moreover, with globalization, digital transformation, and increasingly complex organizational environments, traditional definitions of managerial effectiveness may not fully capture the competencies required in the 21st century. Studies up to 2014 highlight the importance of interpersonal and conceptual skills, but there is insufficient comparative research examining which skills and activities most directly enhance performance across industries. Addressing this gap is critical for both theory and practice, as it will provide clearer insights into how organizations can develop managerial capacity to sustain long-term success.

Conclusion

The exploration of managerial skills and activities clearly demonstrates their pivotal role in shaping organizational effectiveness and long-term business performance. Classical theorists such as Fayol and Taylor laid the groundwork by emphasizing efficiency and administrative functions, while modern scholars including Mintzberg and Katz expanded the discussion to include interpersonal, informational, decisional, technical, human, and conceptual dimensions of management. Together, these frameworks reveal that successful managers must not only execute tasks but also communicate effectively, motivate employees, resolve conflicts, allocate resources strategically, and envision the broader direction of the organization. Empirical studies up to 2014 have consistently shown that managerial competencies directly influence organizational outcomes such as productivity, employee satisfaction, innovation, customer loyalty, and competitive positioning. Yet the impact of skills and activities is not uniform across contexts, as industry, organizational culture, and technological changes all mediate effectiveness. This underscores the need for managers to cultivate a balanced mix of technical expertise, human relations ability, and conceptual vision to remain relevant in volatile business environments. Furthermore, the study highlights a gap in research regarding the comparative significance of different managerial roles and competencies, suggesting the importance of more nuanced, sector-specific investigations. For practitioners, the findings emphasize that investing in management development, leadership training, and competency-based evaluation is not optional but essential for sustaining growth. Ultimately, managerial skills and activities serve as the backbone of organizational success, ensuring that businesses are not only efficient in operations but also resilient, innovative, and strategically aligned in a rapidly changing global economy.



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