

# The competitiveness of the Hungarian managers

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## **Abstract**

Apart from leadership styles, decision-making is influenced by the quality, education, experience, personality and skills of managers. This study reflects the level of skills/abilities of the managers included in our statistical samples. In other words, this paper would like to reveal whether the Hungarian managers have had the proper attitudes/skills to implement the change of the economic system or not.

## **Keywords**

Management skills/abilities, decision making style, economic transition

## 1 GENERAL INTRODUCTION TO THE RESEARCH PROJECT

When our research group joined the research program "In Global Competition - Microeconomics Factors of Competitiveness of the Hungarian Economy" conducted by the Business Economics Department of BUES (Budapest University of Economic Sciences) at the end of 1995, we expressed our professional opinion - i.e., the method of making business decisions in the microsphere is one of the strategic factors of any market economy - in an institutional format by forming the Decision Making sub-project.<sup>1</sup>

We need to define clearly how the persons playing part in the economy make business decisions in order to describe precisely the real business world, to evaluate its effectiveness, to compare it with the competitors. The Decision Making sub-project within the research programme defined the competitiveness of companies as

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<sup>1</sup> Members of the Decision Making sub-project are as follows: István Bartók, Norbert Becser, Ferenc Dénes, Szabolcs Gergely, Péter Nagy, Tibor Tamás, Zita Zoltay Paprika.

the simultaneous abilities to operate and to change. Consequently, a competitive company is stable and flexible at the same time and it tries to maximise its long-term profit by transforming the available resources, while it is expected to adapt itself to the norms of the society and to the rapid changes of the environment.

Due to the fact that the first step and the most direct manifestation of adaptation is the decision-making of the management, our research aimed to provide a picture of the current decision-making practice of the Hungarian microsphere, based on a thorough theoretical background and on a large empirical study. Moreover, we intended to improve the quality of decision-making by drawing consequences and offering suggestions.

Our research concentrated on the executives. From the executives' point of view we dealt with the lower levels of decision making as well. In other words, we studied the issues of strategic decision making. Accordingly, the success and competitiveness of companies have a component that can be defined as the quality of management decision-making; the comprehensive research of this component - similarly to the general analysis of competitiveness - has been done for the first time in Hungary. Since strategic decision-making is the essence of the management function, it is understandable that our research focused on this issue. In our opinion, this topic is especially important nowadays: due to the historical and economic changes, Hungarian companies have to make more strategic decisions than usually under rapidly changing, uncertain and complex circumstances.

The authors Adam Angyal and Sándor Kovács describe leadership in terms of four factors. These are as follows:

- It is an activity that needs special expertise.
- It is a collective term of problem-solving activities.
- It gives answers to outer expectations (role-play).
- It is a part of the political power system.

We focused on the second factor, according to the definition that first and foremost leadership is problem-solving and decision-making (Angyal -Kovács 1996).

One of our hypothesis was that there should be a correlation between the quality of strategic decision making and the competitiveness of companies. We also supposed that the Hungarian managers intended to make rational decisions, which may not be the most fruitful strategy in a turbulent economy. According to our previous experiences, the decision-making hierarchy of the Hungarian companies was rather centralised. In state-owned companies, this can be explained in terms of their historical roots; in partly or entirely foreign-owned companies the initial mistrust and the slow learning-curve cause this centralisation. Leadership style shows itself both in preparing decisions and making decisions. For this reason we identified different leadership styles and wanted to analyse them in terms of decision-making attitudes. We expected that as a consequence of the presence of

multinational companies, foreign investments and of education, the Anglo-Saxon and German management patterns had become dominant in Hungary.

We put the emphasis on in-depth interviews of top executives. We tried to contact the most important Hungarian companies by using the *Figyelő Top 200* list and tried to interview the CEOs/top executives. We prepared a structured draft for these interviews and did not vary it in order to receive comparable answers. We considered the large British "Bradford studies" research programme to be the most important precedent of our research (The Bradford studies are described in Hickson *et. al.*, 1986).

The Bradford Studies programme was launched at the beginning of the 1970s. Its aim was to provide an in-depth analysis of executive decision making that was more comprehensive than any other previous analysis. The studies finished in the mid-eighties and the programme's researchers created and analysed a really significant database that includes 150 decision-making cases from 30 English organisations.

The launching of the Hungarian comprehensive research program "In Global Competition" in 1995 was a great opportunity to us to adapt the methods of the British researchers to the Hungarian circumstances and to start a similar research program. We had 6 months between May 1996 and October 1996 to complete the field research. During this period we interviewed 50 executives of 42 Hungarian and 8 Spanish companies (the Spanish companies formed the control-group).<sup>2</sup>

In order to gather the information precisely, always two of us made the in-depth interviews. The interviews lasted between 1.5 and 2 hours and were based on the draft tested by our work group.

Repeating the 15 year-long Bedford studies in 6 months resulted in significant differences in the methodology. The greatest disadvantage of our method was that it did not ensure the thorough control/checking of the data we gathered. The researchers of the Bedford studies controlled several times the creditability of the data provided by the executives of the 30 companies. Our efforts to check the data was limited by the lack of time, so our primary aim was to test the largest sample we could possibly reach in 6 months. Only one third of the executives we got in touch with were willing to welcome us and there were many of them who found it difficult to give an interview that lasted 1.5 to 2 hours. As a result, we could not even have thought of organising control-meetings or enhancing the intensity of data-collection. Our data can not be regarded to be objective.

Our interviews answer the following questions: what was the opinion of the executives about the issues raised by us; how did they perceive the decision-making process in their company; how did they evaluate the management in summer-fall 1996? We can have only impressions of how these answers reflect reality. Although our draft included several control questions that were capable of revealing

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<sup>2</sup> José Sempere and Rafael Moner (Universidad de Valencia) took part in interviewing the Spanish executives

the inconsistency of the different answers of a given executive, these control questions could not solve the aforementioned problem.

On the other hand, the standardised methodology of our field research was our advantage. The Bradford Studies changed their method of information gathering more than once during the 15 years of the programme, whereas the Decision Making sub-project of the research program "In Global Competition" used the same methodology throughout without any modifications. Another strength of our research was that, except on one occasion, top executives gave us interviews. This is very important when we analyse strategic decisions. Thus it is worth mentioning here the composition of our sample as one of the main strengths of our research.

Typically, large companies answered our questions. 61% of them employ more than 1000 employees. The remaining 40% represent the companies with 50-100, 100-300, 300-500 and 500-1000 employees in even proportions.

36% of the companies did not have a state-owned predecessor. The remaining 64% were either directed by a "company board" or by the government. 53% of the companies are currently free from state ownership. Only 5% of them are totally owned by the state.

Foreign companies have more than 50% ownership in roughly 30% of the companies (15% of the companies are totally owned by foreign companies). Foreign banks and foreign private persons have only an insignificant proportion of ownership.

Hungarian private persons have more than 50% ownership in roughly 20% of the companies (12% of the companies are totally owned by Hungarian private persons). 10% of the companies are totally owned by their management. The companies can be regarded as "half-opened", since only 10% of them export more than half of their output but 29% of them import more than half of their output (the proportion of import exceeds 90% in 6% of the companies).

More than 60% of the companies could increase their inland sales during the last 3 years. On the other hand, 11% of them suffered more than a 10% decrease in sales.

During the same period, 34% of the companies said that they had significantly increased profits after tax and 20% of them had increased the return on sales as well. On the other hand, 27% of the companies said that their profits after taxes had decreased and 28% of them said that the return on sales had decreased.

We know that the chosen 42 Hungarian companies may not be a representative sample of Hungarian Companies. But we did try to provide a colourful, comprehensive and informative sample and we feel we have been successful in doing so. Our intention was to have a sample that reflects the strengths, the weaknesses and the transitional nature of the Hungarian economy, from both the industries and the ownership structures point of view. Different representatives of various industries (e.g. a totally foreign-owned car-making company, a totally state-owned commercial bank, a recently privatised electricity utility) are included in the

sample. The idea was that, apart from revealing the nature of strategic decision making in the various industries, we should be able to draw general conclusions about the methods of decision making within the Hungarian economy in transition.

Although our research focused on the in-depth interviews, the central questionnaire of the research program "In Global Competition" also played an important role in terms of controlling our results of management skills and decision-making attitudes. The statistical population of the central questionnaire was formed by those companies that

- have more than 50 employees
- are independent legal entities
- use double-entry book-keeping
- already existed before 1992

10% of these companies were chosen to be in the basic sample of the central questionnaire in order to be representative of Hungarian companies in terms of

- industries
- regions
- number of employees
- ownership structure, based on the owners of subscribed capital

Taking the aforementioned 4 factors into consideration, 593 companies were chosen to be in the basic sample. Companies listed in the *1995 Figyelő TOP 200* were added; in the end we asked 665 companies to co-operate. 325 of them accepted our request, which can be regarded as a high percentage of positive responses.

## 2 PERSONAL CHARACTERISTICS OF DECISION MAKING

The level of decision making and thus the competitiveness of the company is influenced by the abilities, skills, methods and techniques of the decision makers. We analysed these factors in detail and compared the results of the Hungarian sample with the results of the analysis of the Spanish companies.

### 2.1 Management skills

To survey the strengths and weaknesses of the management of Hungarian companies, we used the patterns of previous international projects. As a result, we made a list of 11 factors that we thought included all the relevant skills and abilities

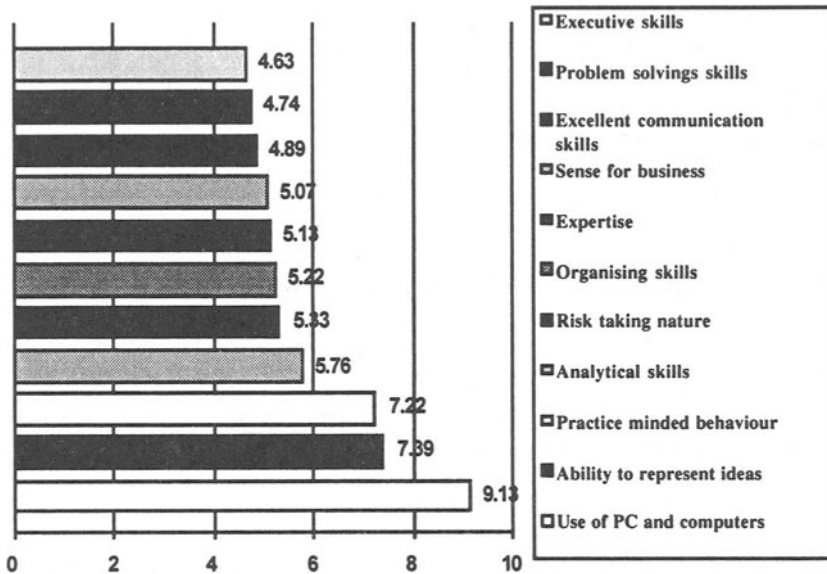
of decision making. The list includes the skills that represent the traditional as well as the dynamic, entrepreneurial leadership style. We used it

- (a) to identify the challenges the managers have to face
- (b) to evaluate the preparedness of the managers.

We applied different methods during the in-depth interviews and the questionnaire respectively, but this did not make the comparison of the results difficult. Furthermore, it provided an additional opportunity to control the stability of the results.

We tried to break the usual “I ask - you answer” pattern during the in-depth interviews by asking the managers about management (that is, self-evaluation) in a different way. Before the interviews, we wrote down the 11 skills onto separate cards. We started the interviews by asking the managers to rank these cards in terms of importance. This ranking reflected what the interviewed person generally expected or demanded from the Hungarian managers. Once we had obtained the ideal ranking, we asked the interviewee about the strengths and weaknesses of his or her own management. The third ranking proved to be the hardest task in many cases: namely, to rank the cards according to the interviewee’s own strengths and weaknesses.

Figure 1 shows the ranking of the ideal management skills in order of importance (the less the attached number, the more important the given skill is). It includes both the Hungarian and Spanish executives’ opinions.



**Figure 1** Ranking of the ideal management skills

**Table 1** Challenges the managers have to face in Hungary and in Spain

<i>Management skills</i>	<i>Hungarian companies</i>	$\Delta$	<i>Spanish companies</i>
1. excellent communication skills	4.87	-0.13	5.00
2. expertise	5.39	1.52	3.87
3. executive skills	4.79	0.92	3.87
4. problem solving skills	4.47	-1.53	6.00
5. ability to represent ideas	7.44	0.32	7.12
6. organising skills	5.31	0.58	4.75
7. sense for business	5.16	0.54	4.62
8. use of PC and computers	9.15	0.15	9.00
9. analytical skills	5.76	0.01	5.75
10. practice minded behaviour	7.31	0.58	6.75
11. risk taking nature	4.50	-4.75	9.25

It may not be surprising that the expectations are different in the Hungarian and in the Spanish sample. Of course, a lower average score indicates that the given skill is more important than those with higher averages. The rankings also indicate that certain skills are more needed in one country than in the another.

The third column of Table 1 shows these differences. Negative differences occur when the Hungarian managers consider a given skill to be more important than the Spanish managers. It is quite obvious that the evaluation of risk-taking nature is absolutely different in Hungary and in Spain. The Hungarians ranked it second, the Spanish ranked it in the last place. This indicates that even at the end of the current period of transition of the economy, the Hungarian managers think that their (economic) environment is uncertain, unpredictable, and full of potential negative surprises. Uncertainty and forced decision-making is reflected in the second biggest negative difference, namely, that the Hungarian managers think that problem-solving skills are inevitable. As far as the positive differences are concerned, the Spanish managers regard traditional leadership skills (e.g. expertise, organising

skills, executive skills) to be more important than do the Hungarians. In other words, the ideal Spanish manager is more traditional than the Hungarian one.

Table 2 shows the preferences of the Hungarian and Spanish managers (in descending importance). According to the Hungarians, the main task of the executive is to solve problems, which is perceived as a continuous - and exhausting - activity. Hungarian managers have to select issues quite often, have to decide which problem must be dealt with first. This requires the ability to realise the essential problems. Executive and communication skills could support the executives to resist lower levels of management in the case of pushing decision-making "upwards".

**Table 2 Ranking of the ideal management skills in the Hungarian and Spanish sample**

Hungarian companies	Spanish companies
problem solving skills	executive skills
risk taking nature	expertise
executive skills	sense for business
excellent communication skills	organising skills
sense for business	excellent communication skills
organising skills	analytical skills
expertise	problem solving skills
analytical skills	practice minded behaviour
practice minded behaviour	ability to represent ideas
ability to represent ideas	use of PC and computers
use of PC and computers	risk taking nature

It is worth while to compare these evaluations with the results of the Egon Zehnder International "Corporate Governance" conference questionnaire. The researchers of the aforementioned program asked the following questions:

- (a) Ideally what viewpoints should play a decisive role in the selection of executives?
- (b) What viewpoints play a decisive role in practice?



The results showed that the expectations and the reality did differ from each other significantly. Functional, industrial knowledge and personal leadership skills are regarded more important in practice than they should be. On the other hand, international experience and certain personal skills (e.g. long-term strategic thinking) are not so important in practice as they should be (Egon Zehnder International, 1995).

The preferences of the Spanish managers reflected a different attitude. According to the Spanish managers, the companies should be organised on a basis of expertise and executive skills, and they can be made successful with the help of business sense. It is clear that the Spanish managers think in terms of a more self confident model.

Table 3 illustrates the answers regarding the strengths, weaknesses (and neutral factors) of the managers' own companies. In this table the numbers indicate how many votes a given skill received from the managers.

Table 3. The strengths and weaknesses of company management in the Hungarian and Spanish models.

<i>Management skills</i>	<i>Hungary</i>			<i>Spain</i>		
	<i>S</i>	<i>N</i>	<i>W</i>	<i>S</i>	<i>N</i>	<i>W</i>
1. excellent communication skills	18	14	10	5	1	1
2. expertise	27	12	3	6	1	1
3. executive skills	12	16	14	5	2	1
4. problem solving skills	23	13	6	5	1	2
5. ability to represent ideas	11	18	13	3	1	4
6. organising skills	13	18	11	6	1	1
7. sense for business	22	13	7	7	0	1
8. use of PC and computers	7	18	17	2	1	5
9. analytical skills	18	14	10	4	1	3
10. practice minded behaviour	26	14	2	4	1	3
11. risk taking nature	16	8	18	3	1	4

It is worth mentioning that, on aggregate, more than one third of the Hungarian managers considered the skills to be neutral, which can be interpreted in different ways:

- The company management possess these skills at an average level, so they are neither strengths nor weaknesses (good-intended interpretation).
- The management is “uneven” (quote from the CEO of a commercial company), that is, there are significant differences between the skills of the executives, which creates problems at top level.
- The managers simply do not know each others’ skills in such detail as was presented on the list of 11 components (pessimistic interpretation).

The Hungarian managers considered practice-minded behaviour and expertise to be the most positive factors of the company management (see the first column of Table 4). The fourth place of good sense of business is promising, since the transition to a market economy is to be completed in Hungary.

The lack of a risk-taking nature and of the ability to represent ideas are serious weaknesses in an economic environment that is full of challenges. The low level of PC skills is a serious weakness as well. While our list did not include this, many managers of multinational as well as state-owned companies regarded the lack of knowledge of foreign languages as a serious problem, too. The importance of honesty and reliability were mentioned many times, too; although these are not skills, they influence decision-making and are very valuable when the economy is infected with crime.

The Spanish interviewees gave more definite answers since the proportion of their neutral answers did not reach 20%.

Sense for business ensures a competitive edge in the Spanish economy, especially when it is supported by expertise and organising skills. The low level or lack of risk-taking nature and of the ability to represent ideas can be explained by the fact that we asked the executives of companies that were stable with good market positions and which had been on the market for a long time.

Table 4 includes the rankings of the skills of the company management and the self-evaluation of the Hungarian managers. We weighted the values with the numbers of votes and calculated an average value so as to produce the rankings.

The most obvious finding is the low position of PC skills in both lists. The ranking of risk-taking nature and expertise are significantly different in the two lists. The Hungarian managers said that they themselves were more adventurous risk-takers than were the company management. Pragmatic skills also dominate the self-evaluation list but the importance of expertise is less here than that shown in the first column of Table 4.

**Table 4. The real ranking of the management skills in the Hungarian sample.**

<i>Evaluation of the company management</i>	<i>Self-evaluation of the interviewees</i>
practice minded behaviour	organising skills
expertise	problem solving skills
problem solving skills	risk taking nature
sense for business	analytical skills
analytical skills	practice minded behaviour
excellent communication skills	sense for business
organising skills	excellent communication skills
executive skills	expertise
risk taking nature	ability to represent ideas
ability to represent ideas	executive skills
use of PC and computers	use of PC and computers

As far as the self-evaluation list of the Spanish managers is concerned, first place was given to organising skills (similarly to the Hungarian ranking). Another similarity is that the Spanish managers also regard the level of their own expertise to be lower than that of the company management.

On the other hand, they regarded their own PC skills to be better than the PC skills of the general company management.

At this point we should emphasise that our findings regarding the skills of the Hungarian company management reinforced the results we gained by asking 325 executives in the research program "In Global Competition". In that survey the managers had to evaluate on a five point scale the same skills we used in the in-depth interviews as well.

**Table 5** Rankings of the management skills by the managers in the central survey (325 managers) and by the managers of in-depth interviews (42 managers).

<i>Evaluation of the company management</i>	<i>Evaluation of the company management</i>
practice minded behaviour (4,15)	practice minded behaviour
expertise (3,99)	expertise
problem solving skills (3,78)	problem solving skills
sense for business (3,71)	sense for business
excellent communication skills (3,61)	analytical skills
organising skills (3,61)	excellent communication skills
ability to represent ideas (3,60)	organising skills
executive skills (3,54)	executive skills
risk taking nature (3,47)	risk taking nature
analytical skills (3,46)	ability to represent ideas
use of PC and computers (2,93)	use of PC and computers

The two sets of rankings are very similar to each other, which is very important in terms of the reliability of the results. The following skills are the leading ones in both lists: practice-minded behaviour, expertise, problem-solving skills, sense for business. The skills suggest that the management has adapted itself to the changing environment: it is pragmatic, skilful, but lacks the risk-taking nature and the ability to represent ideas which are needed for an offensive leadership style.

A factor analysis, based on the answers of the sample of 325 managers, produced very interesting results: The factors are clear and characteristic. The first factor was determined by the variables that represented the classical management skills. The management literature includes many lists of the main managerial functions. We quote now the function list of Gulick and Urwick who belong to the Taylorian "scientific management" school (Kieser, 1996):

List of managerial functions:

- planning
- organising
- human resource management
- leading
- co-ordinating
- reporting
- making the budget

Table 6. Rotated factor-matrix of the analysis.

	<i>1st factor</i>	<i>2nd factor</i>	<i>3rd factor</i>
Excellent communication skills	.78221	.24244	.12568
Expertise	.77275	.18489	.22429
Executive skills	.73281	.19635	.38378
Problem solving skills	.61450	.53391	.08078
Organising skills	.54468	.42091	.23879
Risk taking nature	.10739	.75073	.27546
Practice minded behaviour	.25971	.68298	-.00516
Ability to represent ideas	.46715	.63019	.06879
Sense for business	.22134	.60477	.35215
Use of PC and computers	.18202	.06141	.87592
Analytical skills	.29435	.33653	.66987

It is easy to realise that, according to this list, the successful manager has excellent communication skills, expertise, organising and problem-solving skills. In summary, the first factor includes the needs of the scientific management. We should emphasise, though, that nowadays the traditional management school has lost its original significance.

The modern trends consider supporting other employees and ensuring the proper environment (executive role) to be the main task of the management, rather than the “leadership” role.

The second factor is dominated by the skills that can be connected to the (market) environment. Risk-taking nature and the sense for business obviously influence the business performance on the market and these skills ensure a competitive edge in the period of the birth of a market economy. Pragmatism and the ability to represent ideas can be very fruitful for companies pursuing either a reactive or proactive strategy. In other words, the second factor includes the skills of a dynamic, clever manager.

The third factor illustrates the analytical skills of the managers from two different aspects. The first aspect is a conditional one: do the managers possess the required PC skills? The other aspect measures the level of analytical skills. Although it is trivial to connect these two aspects, their influence on each other is rather interesting in practice: those managers who have PC skills use analyses for supporting and preparing decisions more often.

## **2.2 Leadership styles from the decision-making point of view.**

From now on we will focus on the Hungarian in depth interviews when analysing the preparedness of the decision makers. The dimensions of the analysis were as follows: the ideal ranking of the studied management skills and the different decision making attitudes. We identified four attitudes: optimising, political, satisfactory (bounded rationality), intuitive. The factor analysis of the two dimensions above revealed which management skills are connected to which decision making attitudes. Without naming the six factors gained by the analysis, we briefly introduce the ideal executive patterns in the given factors.

The decision makers following the optimising and satisfactory approach have very good PC skills. The decision makers mixing the political and intuitive approach have very good executive skills. The open-minded, pragmatic decision maker has a good sense for business as well. The innovator type of decision makers can be described as having expertise, good problem-solving skills and the ability to represent ideas. The decision makers with outstanding organising skills have a more risk-taking nature, too. And there are decision makers whose main strength is good analytical skill. In order to find out which approaches were typical of the managers in the sample, we made a cluster analysis in which we separated 3 groups. To describe them we used the method of averages, the results of which we publish now by groups.

The signs in the tables mean the following:

- + the frequency of the skill is above the average
- the frequency of the skill is below the average
- 0 average

Our survey consisted of three elements:

- First we asked the managers what they thought were the necessary management skills under the current economic circumstances in general.
- Then we asked them what was their opinion about the required skills of their own company management .
- Finally we asked them what were their own skills.

To identify the groups we used names of the fauna - we hope these harmless associations make our results more understandable.

The managers in the first group can be identified as having an average preparedness combined with valuable routine and intuitive leadership. Unfortunately, they are not prepared to face new kinds of challenges, since they are below the average in terms of sense for business and risk-taking nature. Moreover, problems may arise because of the weak ability to represent ideas as well. At the same time, these managers lost their spirit, they turned inwards neglecting the modern market-driven requirements (just look at their evaluation of the traditional management skills, especially expertise in the first column).

Many of these managers have been professionals for decades, they have survived transitions already. Others belong to the younger generation and have become leaders recently. The companies they represent were significant state-owned companies in the past that have been privatised. Foreign ownership, significant inland bank and local government ownership are dominant in them. Their inland sales are significant, their activities aimed mainly at inland markets. They have even business profits. It is worth mentioning that these managers can be described by the theory of bounded rationality (Simon, 1992). They also face more internal problems than average, but still have the energy to look for problems productively, which is a proof of their toughness.

**Table 7** First group (20 persons): The mules

<i>Management skills</i>	<i>Ideal</i>	<i>Management</i>	<i>Self evaluation</i>
1. excellent communication skills	-	0	-
2. expertise	-	+	0
3. executive skills	-	0(+)	0
4. problem solving skills	-	0	+
5. ability to represent ideas	-	-(0)	-
6. organising skills	0	-	-
7. sense for business	-	-	0
8. use of PC and computers	-	0	-(0)
9. analytical skills	++	+	-
10. practice minded behaviour	+	++	0
11. risk taking nature	0	-	+

The second group includes the most dynamic, most open-minded managers. They considered almost all skills to be important (except the traditional ones, e.g. executive skills, organising skills), thus setting up a high standard. Their strengths are as follows: thorough theoretical background, communication skills, sense for business and risk-taking nature. These managers are self-confident: they think that they are better than the other members of their own company management in terms of representing ideas, sense for business, PC skills, analytical skills and problem-solving skills. They are not afraid of challenges and are aware of the fact that the greatest competitive edge can be reached by a willingness to take risks.

Unfortunately this is the smallest group. Managers of export-oriented, privatised/multinational companies belong to this group. They are proactive. The profits of their companies are a little bit higher than the average. Different types of companies - a metal-processing company, an industrial component producing company, a commercial bank - are included in the group. The managers represent the forty-year old generation; they are maximalist, rational and logical thinkers



**Table 8. 2nd group (7 persons) : The tigers**

<i>Management skills</i>	<i>Ideal</i>	<i>Management</i>	<i>Self evaluation</i>
1. excellent communication skills	++	++	++
2. expertise	0	0	-
3. executive skills	-	+	-
4. problem solving skills	++	++	0
5. ability to represent ideas	++	-(0)	++
6. organising skills	-	-	-
7. sense for business	++	+	++
8. use of PC and computers	++	0	++
9. analytical skills	--	-	++
10. practice minded behaviour	-	-	++
11. risk taking nature	+++	++	++

The third group represents the traditional management approach. These managers lack certain skills (e.g. expertise, executive skills, PC skills) but have already improved their ability to represent ideas, their organising skills and sense for business. It is worrying that they underestimate the importance of practice-minded behaviour and a risk taking nature. These managers considered executive skills to be the most important management skill that combined with expertise and excellent communication skills identifies the ideal traditional leadership style. The companies represented in this group are not the biggest ones. They are export-oriented, with significant ownership proposition of the state, which is “burdened” by the “colourful” privatisation that resulted in different other owners (foreign private person, foreign financial institution, inland private person, management buy-out). The business results of the companies are good but they are threatened by outer factors. The problem solving method of the managers of these companies is rather intuitive.

Table 9 Third group (15 persons): The elephants.

<i>Management skills</i>	<i>Ideal</i>	<i>Management</i>	<i>Self evaluation</i>
1. excellent communication skills	+	-	-
2. expertise	++	-	+
3. executive skills	+++	-(0)	+
4. problem solving skills	+	0	-
5. ability to represent ideas	+	+	-
6. organising skills	+	+	+
7. sense for business	+	++	+
8. use of PC and computers	0	-	-
9. analytical skills	0	+	+
10. practice minded behaviour	-	-	-
11. risk taking nature	-	+	-

Of the three groups, the tigers are the most promising in terms of competitiveness. They are prepared and skilful enough to face the challenges of the current economic environment. The mules can also produce balanced results using their toughness, routine, and not-worse-than-the average skills. The elephants have a longer way to go but the orientation of their improvement is promising. Supplementing the analysis of the Hungarian sample we can mention that the eight Spanish companies were divided into the aforementioned three groups as follows: four were mules, two were tigers, two were elephants. This indicates that not only the Hungarian company management are changing: the management of the Spanish control-group were changing as well.

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