

Revisiting the Concept of Managerial Competence: Toward a Theoretical Integration of Skills and Values

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Abstract

The contemporary business landscape, marked by grand societal challenges and ethical crises, demands a reconceptualization of managerial competence that transcends the traditional skills-value dichotomy. This conceptual paper argues that prevailing competence models often treat skills and values as separate domains, leading to fragmented education and ethically neutral leadership development. Through a qualitative, integrative literature review, this paper critiques this separation and explores theoretical foundations for a more holistic integration. The analysis traces the historical divergence between performance-oriented skill frameworks and normative value-based approaches, identifying their respective limitations. Building on theories of practical wisdom (phronesis), responsible management, and virtue ethics, the paper proposes an integrative model where skills are value-laden and values are actionable. It concludes that managerial competence must be redefined as the contextual enactment of value-guided skills, with significant implications for curriculum design, pedagogy, and assessment in management education. The integration fosters leaders capable of generating not only economic value but also sustainable and ethical outcomes.

Keywords: managerial competence, skills, values, theoretical integration, management education

INTRODUCTION

The concept of managerial competence has long served as the cornerstone for leadership development, human resource management, and business school curricula. Traditionally, competence has been operationalized as a set of knowledge, skills, and abilities (KSAs) that predict effective performance in organizational roles (Boyatzis, 1982). This functionalist perspective, focused on observable behaviors and measurable outcomes, has dominated the field, providing a seemingly objective basis for selection, training, and evaluation. However, this dominant paradigm has increasingly been called into question, particularly as the global business environment confronts pervasive ethical failures, environmental degradation, and deepening social inequalities.

The limitations of a purely skills-based view of competence have become starkly apparent. High-profile corporate scandals, from Enron to the Volkswagen emissions fraud, have demonstrated that managers can possess superior technical and strategic skills yet fail catastrophically due to a deficiency in ethical judgment and moral courage (Gentile, 2010). Such crises underscore that competence devoid of a strong normative foundation is not only incomplete but potentially dangerous. Consequently, a parallel discourse on values—encompassing ethics, integrity, sustainability, and responsibility—has gained substantial momentum in management literature and

education, exemplified by movements like the United Nations Principles for Responsible Management Education (PRME).

Despite this growing awareness, a persistent conceptual and practical schism remains. In many management education programs and competency frameworks, "hard" skills (e.g., financial analysis, data analytics) and "soft" skills (e.g., communication, teamwork) are addressed in one set of courses, while values and ethics are often relegated to a separate, standalone module (Ghoshal, 2005). This structural separation implicitly reinforces the notion that skills are technically neutral tools and that values are abstract principles, rather than seeing them as intrinsically interconnected. This bifurcation fails to prepare future managers for the complex, real-world dilemmas where technical decisions are inseparable from their ethical consequences and social impacts.

The theoretical underpinnings of this divide are deep-rooted. The skills-based approach finds its roots in positivist psychology and behaviorism, seeking universal, context-free laws of effective managerial behavior. In contrast, the values-based approach is often grounded in normative philosophy, critical theory, and virtue ethics, emphasizing context, judgment, and moral character (Sison & Fontrodona, 2012). The former prioritizes what works for organizational efficiency, while the latter questions what is right for the broader human community. This epistemological and ontological gap has hindered the development of a coherent, integrated theory of managerial competence.

The imperative for integration is now more urgent than ever. The challenges of the 21st century—such as leading digital transformation responsibly, navigating geopolitical tensions, and innovating for inclusive growth—cannot be met by either technical proficiency or moral sentiment alone. They require what scholars are beginning to call "practical wisdom" or phronesis: the capacity to make contextually appropriate judgments that integrate technical excellence with ethical consideration and concern for the common good (Nonaka & Takeuchi, 2011). This suggests that true managerial competence lies at the nexus of skill and value, where one informs and shapes the other.

Several scholarly streams are converging to support this integrative view. The literature on responsible leadership explicitly links leadership behaviors to stakeholder welfare and ethical outcomes (Maak & Pless, 2006). Work on virtues in organizations argues that character strengths like courage, justice, and humanity are themselves enabling competencies for long-term effectiveness (Bright, Winn, & Kanov, 2014). Furthermore, the discourse on sustainability competencies emphasizes systems thinking, normative, and strategic action competencies that blend analytical skill with ethical foresight (Wiek, Withycombe, & Redman, 2011). These developments point toward an emerging, more holistic paradigm.

However, a comprehensive theoretical framework that coherently integrates skills and values into a unified construct of managerial competence remains elusive. Most existing models either subsume values under broad categories like "ethical competency" within a larger skills list or treat values as external contextual factors influencing skill application. What is lacking is a reconceptualization that sees skills and values as mutually constitutive—where valuing is a form of skilled practice, and skilled action is an expression of value. This gap limits the ability of management education to develop leaders who are both effective and ethical.

To address this gap, this paper undertakes a conceptual review aimed at revisiting the very concept of managerial competence. It seeks to move beyond the additive model of "skills plus values" toward a theory of integrated competence. Therefore, this paper is guided by the following research questions: (1) How has the historical and conceptual divergence between skills-oriented and values-oriented approaches to managerial competence manifested in management theory and education? (2) What are the core theoretical limitations of treating skills and values as separate domains within competence frameworks? (3) Based on which philosophical and theoretical foundations can a robust integration of skills and values into a coherent model of managerial competence be constructed?

By exploring these questions, this paper aims to contribute a refined theoretical understanding that can inform more holistic and transformative approaches to developing managers who are equipped to lead with both capability and conscience in an increasingly complex world.

1. Literature Review

The literature on managerial competence is bifurcated along two primary streams: one focused on skills and performance, and the other on values and ethics. The skills-based stream, championed by Boyatzis (1982) and others, defines competence as an underlying characteristic of an individual causally related to effective or superior performance. This stream is largely functionalist and psychological, concerned with identifying, measuring, and developing discrete behavioral competencies such as achievement orientation, teamwork, and analytical thinking. It has been immensely influential in shaping competency models used for HR and leadership development, emphasizing predictability and measurability (Cardy & Selvarajan, 2006).

Conversely, the values-based stream emerges from business ethics, critical management studies, and philosophy. It critiques the instrumental rationality of the skills approach, arguing that management is a moral endeavor requiring virtue, integrity, and a sense of responsibility toward multiple stakeholders (Melé, 2012). This literature questions the ends to which managerial skills are deployed, advocating for competence frameworks that incorporate normative dimensions like ethical judgment, civic-mindedness, and care for sustainability. The work of Solomon (1992) on Aristotelian virtue ethics in business and Painter-Morland's (2008) on critical leadership ethics are central to this tradition.

A significant portion of contemporary literature attempts to bridge this divide by proposing integrative lists or hybrid models. For instance, the "responsible leadership" framework by Maak and Pless (2006) posits that leaders need relationship-building skills oriented toward stakeholders and driven by values of respect, trust, and fairness. Similarly, the "triple bottom line" and "creating shared value" concepts implicitly argue that strategic and operational skills must be directed toward social and environmental ends alongside economic ones (Porter & Kramer, 2011). However, these often remain at the level of juxtaposition, where values provide a purpose for or a constraint on the application of pre-existing skills, rather than fundamentally redefining the nature of the skills themselves.

A more profound theoretical integration is suggested by scholars drawing on the Aristotelian concept of phronesis, or practical wisdom. Phronesis is the intellectual virtue that enables one to deliberate well about what is good and advantageous for the human life, and to act accordingly (Aristotle, trans. 2009). In a managerial context, Nonaka and Takeuchi (2011) describe phronesis as the ability to make context-sensitive, ethical judgments that create not just economic but also social and human value. This perspective does not see values as separate from action but as embedded within the practical reasoning that guides skillful action. It suggests that at the highest level, managerial competence is a form of practical wisdom, seamlessly blending technical know-how (*techne*) with ethical discernment and pursuit of the common good.

2. Previous Research

The evolution of research into managerial competence reveals a clear trajectory from a narrow focus on skills to a broadening concern with values. Boyatzis's (1982) seminal research, "The Competent Manager," established an empirical, behaviorally-anchored model that deliberately focused on characteristics linked to performance, largely setting aside normative considerations. This set the stage for decades of research aimed at refining performance predictors. In response to corporate scandals, Treviño, Weaver, and Reynolds (2006) conducted influential research on behavioral ethics in organizations, shifting focus to how ethical (or unethical) behavior unfolds, highlighting the "ethics gap" in traditional competence models.

Subsequent research began to explicitly link leadership behaviors with value-based outcomes. Maak and Pless (2006), in their qualitative multi-stakeholder study, developed a model of responsible leadership that defined competencies—such as relationship building with non-traditional stakeholders—as inherently value-laden (oriented by trust, fairness). This represented a significant step beyond Treviño et al.'s corrective approach, proposing a positive, integrated construct. Around the same time, the global financial crisis spurred further critique. Mintzberg (2009) argued that the prevailing model of MBA education, rooted in analytic skills divorced from ethical and social context, had contributed to the crisis, calling for a reintegration of community and responsibility into management development.

More recent empirical studies have sought to measure and validate integrated constructs. Miska, Stahl, and Fuchs (2013) developed and tested a measure of "responsible leadership competence," combining cognitive, affective, and behavioral dimensions related to stakeholder engagement. Their research confirmed that such a multi-dimensional competence could be empirically distinguished and was positively related to perceived leadership effectiveness. In a different vein, Crossan, Mazutis, and Seijts (2013) explored the development of "leader character," defining it as a composite of virtues like integrity, courage, and justice, and arguing that these virtues are foundational to effective leadership action, thus bridging the character-skill divide.

Despite these advances, identifiable gaps persist in the research landscape. First, there is a theoretical integration gap. While studies like Miska et al. (2013)

empirically combine elements, the underlying theoretical synthesis explaining how and why skills and values co-constitute competence remains underdeveloped. Most research either focuses on one domain or treats them as interacting variables rather than as a unified whole. Second, there is a developmental gap. Extensive research exists on how to train specific skills (e.g., negotiation) or teach ethics, but little examines the pedagogical processes that foster their integration—how to help learners cultivate value-guided skill in practice. Finally, an epistemological gap endures. The positivist traditions of competency research and the normative-philosophical traditions of values research speak different methodological languages, making deep integration challenging. This paper addresses the first, theoretical integration gap, by building a conceptual model that can inform future empirical and pedagogical research.

3. Theoretical Framework

This paper is grounded in a theoretical framework that synthesizes virtue ethics, specifically the concept of phronesis (practical wisdom), with contemporary competence theory. The framework posits that a robust model of integrated managerial competence must transcend the additive "skills + values" approach and instead be built on the principle of constitutive integration. Here, skills and values are not separate components to be combined but are mutually constitutive elements of a single, higher-order capacity for wise action in complex managerial contexts.

The foundational pillar of this framework is Aristotelian phronesis (Aristotle, trans. 2009). Phronesis is distinct from mere technical skill (*techne*) and scientific knowledge (*episteme*). It is the intellectual and moral virtue that enables one to discern the right course of action in a particular situation, considering the relevant particulars and aiming at the human good. In management, this translates to the ability to make context-sensitive judgments that balance economic, social, and ethical considerations (Nonaka & Takeuchi, 2011). Phronesis provides the "integrative engine" that binds technical competence (skills) with moral purpose (values), suggesting that at its core, true managerial competence is a form of contextually-embedded practical wisdom.

This Aristotelian foundation is extended and operationalized through the lens of responsible management competence (Laasch & Conaway, 2015) and virtue-based leadership (Sison & Ferrero, 2015). Responsible management competence frames managerial activity around the normative goal of sustaining value for a broad range of stakeholders. Virtue-based leadership argues that character strengths (values-in-action) are not just desirable traits but are themselves enabling capacities for effective leadership. Together, these perspectives assert that values such as integrity, justice, and courage are not external constraints but internal, enabling qualities that shape how a manager perceives situations, analyzes data, communicates, negotiates, and makes decisions—the very substance of managerial skills.

Therefore, the proposed theoretical framework conceptualizes managerial competence as a value-laden practice. In this view, a skill like "strategic analysis"

is not neutral; it is always performed from a particular value orientation (e.g., short-term shareholder maximization vs. long-term stakeholder welfare). Conversely, a value like "sustainability" remains abstract unless enacted through skilled practices such as systems modeling, lifecycle assessment, and sustainable supply chain management. The framework thus dissolves the hard/soft dichotomy, proposing that every managerial act is simultaneously a skilled performance and a value expression. The task of management education, then, is to develop this integrated capacity for phronetic practice.

RESEARCH METHOD

This study adopts a qualitative research design, specifically an integrative conceptual review methodology. This approach is appropriate for developing new theoretical perspectives and models by analyzing, critiquing, and synthesizing scholarly literature across disciplines (Torraco, 2016). The goal is not to aggregate all empirical findings but to achieve a novel conceptual integration that addresses the identified research questions regarding the skills-values divide.

The source of data for this research is textual data from published, peer-reviewed academic literature. This includes journal articles, academic books, and seminal theoretical works from the fields of management, leadership, business ethics, philosophy, and education. The data collection technique involved a systematic yet iterative search and document analysis. Initial searches were conducted in academic databases (e.g., Business Source Complete, JSTOR, Google Scholar) using keywords such as "managerial competence," "skills," "values," "integration," "phronesis," "responsible management," and "virtue ethics." The search was focused on high-impact, theoretically influential works, with a preference for literature from the last three decades, though foundational philosophical texts were also included. Snowball sampling from reference lists of key articles ensured coverage of seminal works.

Data analysis was conducted using a thematic synthesis approach (Braun & Clarke, 2006) guided by the research questions. The process involved: (1) Familiarization with the corpus of literature; (2) Generating initial descriptive codes related to definitions of skills, definitions of values, critiques of separation, and calls for integration; (3) Developing analytical themes by examining relationships between codes, particularly looking for underlying assumptions, tensions, and potential synthesizing concepts; and (4) Refining and defining the overarching themes that form the structure of the argument—namely, the historical divergence, the limitations of separation, and the foundations for integration. Conclusion drawing involved constructing a coherent narrative and theoretical model from these themes, explicitly linking the synthesis back to the research questions to propose a new, integrated conceptualization of managerial competence.

RESULTS AND DISCUSSION

The integrative analysis of the literature yields a coherent narrative that moves from diagnosing a historical and conceptual problem to proposing a theoretical solution. The findings are structured to sequentially address the three research questions, revealing that the separation of skills and values is not merely a practical oversight but is rooted

in deep epistemological and pedagogical traditions. The discussion that follows synthesizes these findings to argue that the path forward requires a fundamental reconceptualization of competence itself.

The analysis confirms that the skills-values dichotomy has led to fragmented frameworks and educational experiences that inadequately prepare managers for real-world complexity. However, the review also identifies potent theoretical resources—primarily from virtue ethics and related paradigms—that provide a robust foundation for integration. The proposed model of managerial competence as value-laden practice, or phronetic action, emerges as a promising direction for theory and education. The subsequent sub-sections elaborate on this journey from critique to construction.

1. The Historical and Conceptual Divergence

The cleavage between skills-oriented and values-oriented approaches to managerial competence is not accidental but stems from divergent historical roots and philosophical commitments. The skills-based tradition finds its origin in the early 20th-century efficiency movements, such as Taylor's scientific management, which sought to decompose work into discrete, observable, and trainable actions. This industrial psychology perspective was later refined through the competency movement led by McClelland (1973) and Boyatzis (1982), who applied psychometric rigor to identify the personal characteristics that differentiated high performers. This entire lineage is characterized by a positivist epistemology, seeking objective, universal, and measurable laws of managerial effectiveness, largely bracketing out questions of morality, purpose, and context as outside the realm of "science."

In stark contrast, the concern with values in management has older and more diffuse origins, drawing from moral philosophy, theology, and later, from critical social theory. The early human relations movement hinted at the importance of dignity and social values at work, but a focused discourse on managerial values gained prominence in the latter half of the 20th century as a counter-narrative to perceived managerial amorality. Scholars like Chester Barnard (1938) earlier discussed the executive's moral responsibility, but it was the rise of business ethics as an academic field in the 1970s and 1980s, prompted by social unrest and corporate misdeeds, that institutionalized the study of values. This tradition is fundamentally normative, concerned with what managers ought to do, often challenging the instrumental rationality of the skills approach (Ghoshal, 2005).

This divergence manifests concretely in the architecture of modern management education. The standard MBA curriculum is a palimpsest of this history. Core courses in finance, marketing, operations, and strategy are the direct descendants of the skills-based, functionalist tradition, taught as technical disciplines with optimization as their prime logic. Courses in business ethics, corporate social responsibility, or sustainability are later additions, often positioned as "silos of morality" that stand apart from, and sometimes in tension with, the technical core (Podolny, 2009). This structural segregation sends a powerful implicit message to students: that the "real" work of management is technical and value-neutral, while ethics is a special constraint or an optional add-on for those so inclined.

The conceptual language used in each domain further entrenches the divide. Skills are discussed in the lexicon of behavior, performance, measurement, and development. Competency frameworks list items like "strategic thinking" or "influencing others" with associated behavioral indicators. Values, on the other hand, are discussed in the language of principles, virtues, norms, and beliefs. They are often presented as abstract guides (e.g., "act with integrity") rather than as concrete, enactable practices. This linguistic separation makes it difficult to see how, for instance, the skill of "data-driven decision making" is always already shaped by underlying values about what counts as valid data, which stakeholder interests are quantified, and what risks are deemed acceptable.

The pedagogical methods associated with each domain also differ significantly, reinforcing the dichotomy. Skill development often employs case studies (focused on analysis and decision), simulations, role-plays, and project work aimed at behavioral rehearsal and feedback. Values education, conversely, often relies on philosophical dilemmas, normative reasoning frameworks, debates, and reflective essays aimed at moral cognition and awareness building. While both are valuable, their separation means students rarely practice integrating a complex financial model with a deep stakeholder impact analysis within a single, coherent decision-making process. They learn to "switch hats" rather than to wear one integrated hat.

The influence of accreditation bodies and rankings has also perpetuated this divergence. Accreditation standards often require evidence of both "learning goals" related to functional knowledge/skills and goals related to ethics or social responsibility. In response, schools frequently create separate sets of objectives and assessments, checking boxes for each domain without rigorously exploring their intersection. This bureaucratic necessity can institutionalize the very separation that a holistic education seeks to overcome, prioritizing measurable outcomes over integrative learning experiences.

Critically, this historical divergence has had tangible consequences for managerial practice. It has contributed to what Painter-Morland (2008) calls "moral muteness," where managers feel ill-equipped to articulate value-based reasoning in the technically-dominated language of the boardroom. It fosters a culture where tough ethical choices are framed as trade-offs against business objectives (values versus skills), rather than as challenges requiring the invention of solutions that honor both (values through skills). The global financial crisis of 2008 serves as a potent case study, where exquisite financial engineering skills (derivatives modeling, risk securitization) were deployed in a value vacuum concerning their societal consequences, with catastrophic results.

Therefore, answering the first research question, the historical and conceptual divergence is deeply embedded in the epistemological foundations, institutional structures, curricular designs, and pedagogical practices of management theory and education. It is a systemic feature, not a minor flaw. This diagnosis is essential because it reveals that superficial fixes—like adding another ethics module—are insufficient. What is required is a fundamental re-examination of the ontology of managerial competence itself, which leads directly into the limitations explored in the next section. The separation is not merely inconvenient; it is conceptually flawed and practically detrimental, creating managers who are either technically proficient but morally rudderless, or ethically sensitive but practically ineffectual.

2. Limitations of the Skills-Values Separation

Treating skills and values as separate domains within managerial competence frameworks leads to several profound theoretical and practical limitations that undermine the development of effective, ethical leaders. The primary limitation is the problem of instrumentalization. In separated models, values risk being reduced to instrumental tools for achieving performance goals, or conversely, skills are seen as mere instruments for enacting pre-determined values. For instance, "integrity" might be taught as a useful trait for building trust to enhance team productivity, not as a good in itself. This instrumental view, critiqued by Kantian and virtue ethics scholars, corrupts the moral nature of values and fails to capture their intrinsic, constitutive role in defining what good management is (Melé, 2012). It perpetuates the myth that values are only valuable insofar as they "pay off."

A second, related limitation is the neglect of the moral dimension of skill. When skills are framed as technically neutral, it obscures the fact that all skilled action has a moral valence. The skill of "negotiation" is not neutral; it can be used to collaboratively create value or to exploit an asymmetrical power relationship. The skill of "cost-cutting" can enhance efficiency or unjustly externalize costs onto workers and communities. As MacIntyre (1981) argues in his virtue ethics framework, practices have internal goods (excellence defined by the practice itself) and external goods (like money and status). A separated competence framework focuses solely on the external goods of performance, divorcing skill from the internal goods and standards of excellence that give it moral meaning and direction.

This leads to the third limitation: the inability to address complex, "wicked" problems. The grand challenges of our time—climate change, inequality, digital privacy—are characterized by high complexity, uncertainty, and conflicting values. They cannot be solved by technical skills alone, nor by appealing to abstract values alone. They require what Rittel and Webber (1973) called "clumsy solutions" that emerge from iterative, dialogical processes integrating diverse forms of knowledge and value perspectives. A manager trained in a separated paradigm lacks the cognitive and practical frameworks to engage in this integrative problem-solving. They may either retreat to technical optimization within a narrow frame or engage in value advocacy without viable implementation pathways.

Fourth, separated frameworks create a pedagogical and developmental disconnect. As Barnett (2009) notes, higher education should foster "will as well as skill," helping students develop a sense of ethical agency and commitment. When skills and values are taught separately, students may achieve cognitive mastery of both but fail to develop the disposition to integrate them under pressure—what some call "ethical skill" or "moral muscle memory." The development of this integrative disposition requires pedagogies that deliberately entangle the technical and the ethical, such as live case studies with real moral ambiguity, design thinking for social innovation, or reflective practice journals that connect course concepts to personal value conflicts in team projects.

Fifth, the separation suffers from a contextual deficiency. Managerial action is never context-free. What constitutes a competent decision depends heavily on the specific cultural, institutional, and situational context. A values-as-separate-principles approach often promotes universalist rules (e.g., "always be honest"), while a skills-as-universal-tools approach promotes best practices. Both can be maladaptive in specific contexts. Phronesis, or practical wisdom, is precisely the capacity to adapt general knowledge and principles to particular circumstances. By isolating skills and values, we strip away the essential context in which their integration must occur, leaving managers with a toolkit and a rulebook but poor judgment about which tool or rule fits the unique situation at hand.

Finally, from a critical theory perspective, the separation serves to depoliticize management and obscure power relations. Framing management as a technical, skill-based activity masks the ways in which managerial decisions allocate resources, shape lives, and reinforce or challenge social structures (Alvesson & Willmott, 1992). By relegating values to a separate "ethics" sphere, the inherently political and value-laden nature of all managerial work is hidden. This allows structures of inequality or environmental harm to be presented as the inevitable outcome of technical and economic logic, rather than as choices that reflect certain values over others. An integrated view of competence makes these value commitments explicit and subject to scrutiny within the very practice of managing.

In summary, the limitations of treating skills and values separately are not merely practical hurdles but point to a fundamental mis-specification of the phenomenon of managerial competence. This separation creates managers who are instrumentally rational but normatively blind, equipped with tools but lacking judgment, aware of principles but unable to enact them in complex systems, and unconsciously complicit in sustaining the status quo. Therefore, overcoming these limitations is not an optional refinement but a necessary condition for developing managers fit for the complexities of the 21st century. This necessity logically leads to the quest for theoretical foundations for integration, which forms the substance of the final research question and the subsequent discussion.

3. Foundations for an Integrated Model of Managerial Competence

Constructing a robust, integrated model of managerial competence requires foundations that transcend the positivist-normative divide. The most fertile ground for this integration is found in virtue ethics, particularly the Aristotelian concept of phronesis (practical wisdom). Aristotle (trans. 2009) distinguished phronesis from mere technical skill (*techne*) by its end: *techne* aims at production (*poiesis*), while phronesis aims at action (*praxis*) oriented toward the human good. In management, this means the competent manager is not just a proficient "doer" but a wise "actor" whose decisions and actions are intrinsically aimed at what is good and right within a specific context. Phronesis is the integrative faculty that brings together knowledge of general principles (including values) with perception of the particulars of a situation to guide right action.

Building on phronesis, the concept of practices as defined by MacIntyre (1981) provides a crucial sociological container for integration. MacIntyre defines a practice as a cooperative human activity through which goods internal to that activity are realized in the course of trying to achieve standards of excellence appropriate to that activity. Management, understood as a practice (not just a profession or a job), has internal goods such as flourishing teams, innovative solutions, sustainable value creation, and just processes. Skills are the capacities that enable the pursuit of these internal goods, and values are the standards of excellence that define them. In this view, a skill divorced from the internal goods of the managerial practice is corrupt, and a value disconnected from skilled action is empty. Competence is thus the enactment of the practice well.

This philosophical foundation is complemented and operationalized by the responsible management framework (Laasch & Conaway, 2015). Responsible management explicitly frames managerial work as the integration of economic, social, and environmental responsibilities. It moves beyond CSR as an add-on to propose that responsibility is a core competence woven into all managerial functions. This framework provides a concrete, normative orientation for the "good" that phronesis seeks—namely, the sustenance of value for a broad range of stakeholders. It translates abstract values like justice and care into managerial domains like supply chain management, marketing, and finance, demanding specific, value-laden skills such as stakeholder dialogue, social impact assessment, and integrated reporting.

Further theoretical support comes from the theory of action proposed by scholars like Chris Argyris and Donald Schön, particularly the concept of theories-in-use. They distinguish between espoused theories (what we say we believe) and theories-in-use (the values and assumptions implicit in our actual behavior). A separated competence model often addresses espoused values and observable skills but fails to bridge the gap to theories-in-use. An integrated model must target this deeper level, helping managers develop theories-in-use where their habitual, skilled responses are automatically aligned with ethical values. This aligns with the virtue ethics idea of a "settled disposition" to act rightly—a habit of integration forged through reflection on experience (Schön, 1983).

From cognitive science, the dual-process theory of cognition offers a descriptive basis for integration. It posits two systems: fast, intuitive, heuristic-based thinking (System 1) and slow, deliberate, analytical thinking (System 2). In a separated model, values might be associated with slow, deliberate moral reasoning, while skills might be associated with either system. An integrated model, however, aims to cultivate what Haidt (2001) might call an "educated intuition"—a System 1 that has been shaped by moral education and reflective practice to automatically incorporate value considerations into skilled perception and response. The competent manager develops intuitive, value-laden judgment through experience and reflection, enabling wise action even under time pressure.

These foundations collectively suggest that an integrated model must be teleological (oriented toward a conception of the good, e.g., stakeholder flourishing), dispositional (concerned with cultivating stable character traits and habits of mind), and contextual (sensitive to the particulars of situations). The model cannot be a static list but must be a dynamic, developmental framework. It would depict competence as a continuum, where novices may see skills and values

as separate, but through guided experience and reflection, they develop toward an integrated state of phronetic practice.

Therefore, the proposed integrated model conceptualizes managerial competence as value-laden phronetic practice. It consists of three interconnected, recursive dimensions: (1) Value-Guided Perception: The skilled ability to "see" a managerial situation not just in technical terms (e.g., a cost overrun) but in value-laden terms (e.g., a trade-off between short-term profit and worker safety or product quality). This involves recognizing stakeholders, ethical tensions, and long-term consequences. (2) Phronetic Deliberation: The skilled ability to reason toward a decision, integrating technical data, stakeholder interests, ethical principles, and contextual constraints. This is not a linear analytical process but a dialogical, iterative one. (3) Ethical Enactment: The skilled ability to implement the chosen course of action in a way that is effective (achieving goals) and also respectful, communicative, and just in its process, thereby sustaining the social fabric necessary for future action.

In this model, a "skill" like communication is always value-laden (enacting transparency or manipulation); a "value" like accountability is always skill-dependent (requiring the ability to design measurement systems and conduct difficult conversations). The integration is constitutive, not additive. This model answers the third research question by providing a coherent theoretical foundation drawn from virtue ethics, practice theory, responsible management, and theories of reflective practice. It offers a new lens for curriculum design (creating learning experiences that challenge all three dimensions), pedagogy (emphasizing reflection-in-action), and assessment (evaluating the quality of integrative reasoning and ethical enactment, not just technical outputs or moral knowledge).

CONCLUSION

This conceptual paper has undertaken a critical examination of the persistent divide between skills and values in the conceptualization of managerial competence. Through an integrative review of literature spanning management theory, ethics, and philosophy, it has diagnosed the historical roots and profound limitations of this separation, arguing that it yields an incomplete and potentially harmful model of the manager. The analysis culminates in proposing a theoretically-grounded alternative that redefines competence as an integrated, value-laden practice.

In response to the first research question, the paper concluded that the divergence is deeply embedded, stemming from the positivist, performance-oriented roots of competency studies and the separate, normative development of business ethics. This schism is institutionalized in management education through curricular silos, distinct pedagogical methods, and a linguistic separation that frames skills as neutral tools and values as abstract constraints. Addressing the second question, the analysis identified core limitations including the instrumentalization of values, the neglect of the moral dimension of skills, an inability to tackle wicked problems, and a pedagogical disconnect that fails to develop integrative dispositions in future managers.

Most significantly, in answering the third research question, the paper constructed a pathway toward integration. It proposed that the Aristotelian concept of phronesis (practical wisdom), supported by MacIntyre's theory of practices and the

framework of responsible management, provides a robust philosophical foundation. From this, a model of managerial competence as value-laden phronetic practice was advanced, consisting of three recursive dimensions: value-guided perception, phronetic deliberation, and ethical enactment. This model dissolves the hard/soft dichotomy, presenting skills and values as mutually constitutive elements of a single, higher-order capacity for wise action in complex contexts.

Limitations of this conceptual work must be acknowledged. As a theoretical paper, its propositions await empirical validation. The model's dimensions require operationalization into measurable constructs for research and assessment. Furthermore, the paper primarily engages with Western philosophical traditions (Aristotelian virtue ethics); a more comprehensive integration would benefit from incorporating perspectives from other ethical and wisdom traditions globally. Finally, the practical challenges of implementing such an integrated model in diverse institutional and cultural contexts are significant and not explored in depth here.

Recommendations for future work are threefold. First, empirical research is needed to test the proposed model. This could involve qualitative studies observing how managers perceived as both effective and ethical demonstrate integrated competence, or quantitative studies developing and validating scales for value-guided perception and phronetic deliberation. Second, pedagogical research should explore and evaluate specific teaching methods—such as ethically-intensive case deliberations, reflective leadership portfolios, or cross-sector collaboration projects—that aim to develop this integrated competence. Third, for management educators and accreditors, the recommendation is to undertake a fundamental review of competency frameworks and curriculum design. This involves moving from lists of separate skills and values to defining program-level learning outcomes that explicitly demand their integration, and redesigning curricula to provide repeated, scaffolded opportunities for students to practice and reflect on phronetic action in complex, realistic scenarios.

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