

From Competence to Capability: Theoretical Insights into Managerial Competency Frameworks

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Abstract

Managerial competency frameworks have long been the cornerstone of human resource development, yet the dynamic nature of the modern business environment necessitates a theoretical evolution from static competence to dynamic capability. This conceptual article argues that traditional competency models, often focused on predefined skills and behaviors, are insufficient for navigating volatile, uncertain, complex, and ambiguous (VUCA) contexts. Grounded in a synthesis of resource-based view theory, dynamic capabilities theory, and adult learning principles, the paper proposes an integrative theoretical framework that reconceptualizes managerial effectiveness. It posits that capability emerges from the synergistic application and adaptation of competencies within specific, often unpredictable, organizational and strategic contexts. The discussion delineates the theoretical distinctions between competence (possessing knowledge and skills) and capability (mobilizing and transforming competencies for strategic action), highlighting the critical role of contextual intelligence, learning agility, and reflective practice. By offering these theoretical insights, the article contributes to managerial education literature by providing a more robust foundation for designing adaptive development programs that foster not just competent managers, but capable leaders who can generate sustained organizational value. The implications suggest a shift towards capability-focused assessment and learning ecosystems.

Keywords: managerial competence, dynamic capability, competency frameworks, theoretical framework, managerial education

INTRODUCTION

The pursuit of effective management has perpetually driven organizations to define and cultivate the requisite skills and attributes in their leaders. For decades, managerial competency frameworks have served as the primary blueprint for this endeavor, offering structured inventories of knowledge, skills, and behaviors deemed essential for performance (Horton, 2000). These frameworks, often derived from empirical observations of high performers, have provided valuable standardization for recruitment, training, and performance appraisal across various industries. Their prevalence underscores a fundamental belief that managerial excellence can be codified and systematically developed, providing a clear pathway for both individual career progression and organizational capacity building.

However, the accelerating pace of technological change, globalization, and socio-economic disruptions has fundamentally altered the business landscape, rendering it increasingly volatile, uncertain, complex, and ambiguous (VUCA). In such an

environment, the static and often backward-looking nature of traditional competency models is being critically questioned (Kumar, 2019). A competency, typically understood as a discrete and measurable cluster of related knowledge, skills, and attitudes, risks becoming obsolete if it cannot adapt to novel situations. The very stability that once made these frameworks useful now poses a limitation, as they may inadequately prepare managers for unforeseen challenges that demand innovative responses beyond predefined behavioral indicators.

This tension calls for a pivotal conceptual shift in managerial education and development—from a focus on ‘competence’ to a focus on ‘capability’. While the terms are frequently used interchangeably, a nuanced theoretical distinction is crucial. Competence generally refers to the possession of a set of attributes that enable performance to a specified standard in a known context. In contrast, capability extends further, denoting the aptitude to mobilize, integrate, and apply competencies effectively in novel, changing, and often ill-defined situations (Stephenson, 1998). It encompasses the ability to learn from experience, adapt to new demands, and generate new knowledge in action.

The theoretical underpinnings of this shift can be traced to the resource-based view (RBV) of the firm and its dynamic extension. The RBV posits that sustainable competitive advantage stems from valuable, rare, inimitable, and non-substitutable (VRIN) resources (Barney, 1991). Managerial competencies can be viewed as such resources. However, the dynamic capabilities theory argues that in rapidly changing markets, the key is not just possessing resources, but the organizational and managerial capacity to integrate, build, and reconfigure them to address environmental turbulence (Teece et al., 1997). This theoretical lens elevates the discussion from static resource possession to dynamic resource orchestration.

Concurrently, theories from adult education and experiential learning provide the micro-foundations for how individual managers develop such capability. Kolb’s (1984) experiential learning theory, with its cycle of concrete experience, reflective observation, abstract conceptualization, and active experimentation, offers a model for how managers transform discrete competencies into adaptive capability through reflective practice. This aligns with Schön’s (1983) concept of the ‘reflective practitioner’ who engages in ‘knowing-in-action’, a form of tacit knowledge application that is essential for dealing with unique and uncertain practice situations.

Therefore, the central thesis of this article is that contemporary managerial effectiveness is better conceptualized as a dynamic capability rather than a static inventory of competencies. This reconceptualization has profound implications for how managerial competency frameworks are designed, implemented, and utilized in educational and organizational settings. It moves the goal from producing managers who can reliably execute predefined roles to developing leaders who can sense opportunities, seize them through strategic action, and continuously transform themselves and their organizations.

Despite the growing discourse on this paradigm shift, there remains a need for a consolidated theoretical articulation that explicitly bridges the concepts of competence and capability within the specific domain of managerial frameworks. Much of the existing literature either focuses on critiquing traditional models or advocating for new ones without fully grounding the proposed evolution in a synthesis of established

management and learning theories. This creates a gap between theoretical potential and practical application in managerial education.

To address this gap, this article is guided by the following research questions: First, what are the fundamental theoretical distinctions between the concepts of 'competence' and 'capability' in the context of managerial effectiveness? Second, how can key theories from strategic management and adult learning be integrated to construct a robust theoretical framework that explains the development of managerial capability? Third, what are the principal theoretical implications of adopting a capability-oriented perspective for the design and evaluation of future managerial competency frameworks and development programs? By exploring these questions, this paper aims to provide a coherent theoretical foundation to inform both scholarly discourse and practical innovation in managerial education.

1. Literature Review

The literature on managerial competencies is vast and multidisciplinary, originating from the seminal work of McClelland (1973) who advocated for testing competencies rather than intelligence. This led to the proliferation of competency modeling, which Boyatzis (1982) famously operationalized by linking effective managerial performance to underlying clusters of competencies. These models, such as the Managerial Competency Framework developed by the Management Charter Initiative (MCI), typically categorize competencies into domains like interpersonal, cognitive, and results-oriented clusters (Horton, 2000). They function as normative templates, providing organizations with a standardized language and set of expectations for managerial roles, thereby facilitating targeted development and assessment.

A parallel and crucial stream of literature arises from strategic management, particularly the dynamic capabilities view. While RBV (Barney, 1991) provides a static rationale for competencies as strategic assets, the dynamic capabilities framework (Teece et al., 1997; Teece, 2007) explicitly addresses change. It defines dynamic capabilities as the firm's ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments. This theoretical perspective shifts the focus from the competencies themselves to the managerial and organizational processes that modify them. It implies that a manager's worth is tied not just to their current skill portfolio, but to their capacity for strategic sensing, seizing, and transforming—activities that are inherently adaptive and context-dependent.

The conceptual bridge between individual development and strategic adaptation is found in educational theory. The work of Stephenson (1998) and others in higher education has rigorously distinguished 'capability' from 'competence', framing capability as an empowerment of the learner to use their skills and knowledge in creative and adaptive ways in unfamiliar circumstances. This aligns closely with the concepts of lifelong learning and metacognition. Furthermore, Kolb's (1984) experiential learning theory provides a cyclical model for how experience is transformed into knowledge, which is central to developing adaptive capacity. Similarly, Schön's (1983) reflection-in-action describes the

artistry professionals employ in uncertain situations, a process central to managerial capability but often absent from competency checklists.

Thus, the convergence of these literatures highlights a critical theoretical gap. Traditional competency frameworks are predominantly grounded in industrial-organizational psychology and HRM practices, emphasizing measurement and standardization. In contrast, the capability discourse draws from strategic management's focus on change and from educational theory's focus on empowerment and adaptability. The literature review reveals that while each domain offers powerful insights, an integrative theoretical model that synthesizes these perspectives to specifically reconceptualize managerial competency frameworks is underdeveloped. This synthesis is necessary to advance both theory and practice in managerial education towards a more dynamic and future-oriented paradigm.

2. Previous Research

Previous research has incrementally built the case for moving beyond static competency lists. An early and influential study by Burgoyne (1989) proposed a competency framework that already hinted at higher-order capabilities, including 'mental agility' and 'balanced learning habits,' which transcend specific technical skills. This work suggested that the most critical managerial qualities are those related to learning and adaptation. Later, Brown (1994) empirically explored the gap between possessed competencies and their effective application in complex situations, concluding that contextual factors and personal adaptability were significant mediators of performance, thus introducing the idea that application is a distinct construct from possession.

In the 2000s, research began to more explicitly critique the limitations of traditional models. Bolden and Gosling (2006) conducted a critical review of leadership competency frameworks, arguing that they often promote conformity and 'managerialism' while stifling the diversity, creativity, and critical thinking required for contemporary leadership. They called for frameworks that acknowledge the contested and contextual nature of managerial work. Around the same time, Draganidis and Mentzas (2006) reviewed competency-based management in the information age, highlighting the challenge of keeping static competency models updated with rapidly evolving knowledge and technological demands, thereby implicitly advocating for more flexible, learning-oriented systems.

More recent studies have started to integrate concepts from dynamic capabilities. Krämer (2017) explored the link between individual managerial competencies and organizational dynamic capabilities, proposing that certain meta-competencies in managers—such as opportunity recognition and change initiation—are the micro-foundations of organizational agility. This research directly connects the individual and organizational levels of analysis. Similarly, Helfat and Peteraf (2015) advanced the concept of 'managerial cognitive capabilities,' focusing on the higher-order mental models and learning processes that enable managers to perform the sensing, seizing, and transforming activities central to the dynamic capabilities framework.

Most recently, the discourse has incorporated elements of complexity theory. Uhl-Bien and Arena (2018) introduced the concept of 'leadership for organizational adaptability,' arguing that in complex contexts, leadership is less about exercising formal authority based on known competencies and more about enabling emergence, fostering experimentation, and managing interdependencies. Their work suggests that capability involves creating conditions for adaptive action across a system, far exceeding the remit of individual behavioral competencies.

In summary, previous research has progressively identified the shortcomings of traditional competency frameworks, recognized the importance of adaptability and context, and begun to draw links to strategic-level concepts like dynamic capabilities and complexity leadership. However, a discernible gap remains. While prior studies have critiqued existing models or introduced adjacent concepts, there is a lack of a comprehensive theoretical integration that systematically deconstructs the competence-capability dichotomy and synthesizes insights from strategic management (RBV, dynamic capabilities) and adult learning theory (experiential learning, reflection) into a coherent framework explicitly designed to inform the next generation of managerial competency frameworks. This article seeks to fill that gap by constructing such an integrative theoretical model.

3. Theoretical Framework

The proposed theoretical framework posits that managerial capability is an emergent, dynamic construct that arises from the interaction of foundational competencies, contextual intelligence, and iterative learning processes. It is anchored not in a fixed list, but in a dynamic system where these elements continuously interact. The framework is built by integrating three core theoretical pillars: the Resource-Based View as the foundation for asset stock, Dynamic Capabilities Theory as the engine for change, and Experiential Learning Theory as the mechanism for individual development.

The first pillar, the Resource-Based View (Barney, 1991), establishes managerial competencies as the fundamental 'asset stock' or input. These are the discrete, identifiable, and often measurable knowledge sets, skills, and behavioral routines (e.g., financial acumen, conflict resolution, strategic planning) that form the necessary baseline for performance. In this framework, competencies are necessary but not sufficient. They constitute the valuable resources that an individual manager brings to a situation. However, following the logic of RBV, for these resources to be a source of sustained advantage, they must be configured in a way that is difficult to imitate. This leads directly to the second pillar.

The second pillar, Dynamic Capabilities Theory (Teece et al., 1997; Teece, 2007), provides the transformative logic. It conceptualizes the higher-order capacity to integrate, reconfigure, and deploy the foundational competencies in response to or in anticipation of environmental change. Within an individual manager, this translates to meta-capabilities: the ability to sense shifts in the market or organization, to seize opportunities by mobilizing and recombining existing competencies in new ways, and to transform their own skill set and team's approach through deliberate learning and change management. This pillar shifts

the focus from 'what a manager has' to 'what a manager can do with what they have' in the face of novelty.

The third pillar, Experiential Learning Theory (Kolb, 1984) and related concepts of reflective practice (Schön, 1983), operationalizes the development and enactment of dynamic capabilities at the individual level. Capability is not bestowed but developed through the cyclical process of engaging in challenging experiences, reflecting on actions and outcomes, forming new conceptual understandings, and actively experimenting with new approaches. This learning cycle is the micro-process through which static competencies are transformed into adaptable capability. Contextual intelligence—the ability to read and respond to the nuances of a specific situation—is honed through this very process of reflection-in-action and on-action.

Therefore, the integrated theoretical framework presents managerial capability as the outcome of this synergistic system. Foundational competencies (RBV) provide the essential raw material. The dynamic capabilities processes (sensing, seizing, transforming) define the strategic value-adding activities. Experiential learning cycles fuel the entire system, enabling the manager to reflectively adapt both their competencies and their application strategies. This framework suggests that effective managerial competency frameworks should not merely catalog the 'asset stock' but must also be designed to assess and develop the learning processes and meta-capabilities that enable dynamic reconfiguration of that stock in complex, real-world contexts.

RESEARCH METHOD

This study employs a qualitative research design, specifically a conceptual research methodology, to achieve its aim of developing theoretical insights. Conceptual research is concerned with the synthesis and analysis of existing ideas and theories to generate new frameworks, models, or perspectives (Jaakkola, 2020). It is the most appropriate method for this paper as the objective is not to gather new empirical data but to engage in a theoretical exploration and integration of existing constructs from multiple disciplines to address the identified research questions.

The primary source of data for this conceptual analysis is textual data derived from existing scholarly literature. The data consists of published peer-reviewed journal articles, authoritative books, and seminal theoretical works that form the canon in the fields of managerial competencies, strategic management (particularly RBV and dynamic capabilities), and adult learning/educational theory. These texts were selected based on their foundational nature, high citation count, and direct relevance to the core concepts under investigation, ensuring the use of validated and reputable references.

The technique for data collection was a systematic and purposive literature review. This involved identifying key databases (e.g., Google Scholar, Web of Science, EBSCO), using targeted keyword searches (e.g., "managerial competence," "dynamic capability," "competency framework," "experiential learning"), and employing snowballing techniques by tracing citations from seminal articles to gather a comprehensive corpus of relevant theoretical texts. The inclusion criterion was the contribution of a central idea or finding relevant to defining, critiquing, or advancing the concepts of competence or capability in a managerial or educational context.

The technique for data analysis was thematic synthesis within the tradition of conceptual analysis (Jabareen, 2009). This involved a multi-stage process. First, a process of open coding was applied to the collected texts to identify key concepts, definitions, arguments, and theoretical relationships. Second, these codes were analyzed and grouped into evolving themes (e.g., “critiques of static models,” “definitions of capability,” “the role of reflection”). Third, through a process of constant comparison and abstraction, the themes were refined and the relationships between them were mapped to identify points of convergence, divergence, and theoretical gaps. This analytical process enabled the construction of the novel integrated theoretical framework presented in this article.

The process of drawing conclusions was inherently interpretative and constructive. Conclusions were derived by logically synthesizing the thematic findings from the literature analysis. The validity of the conclusions rests on the logical coherence of the argument, the systematic and transparent treatment of the source literature, and the explanatory power of the resulting theoretical framework in providing new insights into the evolution of managerial competency frameworks. The conclusion articulates how the synthesis answers the posed research questions and outlines the theoretical implications for managerial education.

RESULTS AND DISCUSSION

The conceptual analysis undertaken in this study yields a coherent theoretical narrative that addresses the core research questions. The results are not empirical findings but synthesized theoretical propositions that reconceptualize the pathway from managerial competence to capability. The discussion that follows interprets these propositions, dialogues with the literature reviewed, and elucidates the implications of the developed framework.

The analysis confirms a significant and meaningful theoretical distinction between competence and capability, a distinction that has been implied but often blurred in practitioner-focused literature. Furthermore, the synthesis successfully integrates theories from strategic management and adult learning into a novel, multi-layered framework that explains how capability develops. This integrated perspective, in turn, generates clear and disruptive implications for the future design of managerial competency frameworks and development programs.

The following sections present the detailed discussion of these results, structured according to the three research questions. Each section will delve into the thematic findings from the literature, articulate the synthesized theoretical position, and engage in a critical dialogue with previous research to highlight the contributions and refinements offered by the proposed framework.

1. Theoretical Distinctions: Competence as Stock and Capability as Flow

The first research question sought to clarify the fundamental theoretical distinctions between ‘competence’ and ‘capability’ in managerial effectiveness.

The analysis reveals that these constructs occupy different positions in a hierarchy of performance, with competence representing a necessary foundational layer and capability representing a higher-order, generative capacity. Competence can be theorized as the ‘stock’ of attributes—the accumulated knowledge, skills, and behaviors that an individual possesses and can reliably demonstrate in familiar, predictable contexts (Horton, 2000). It is inherently retrospective and criterion-referenced, often defined by benchmarks derived from past successful performance.

Capability, in contrast, is theorized as the ‘flow’—the dynamic application, adaptation, and recombination of that stock in novel, complex, or ambiguous situations (Stephenson, 1998). It is prospective and context-dependent. While competence answers the question “Can you do this known task?” capability answers “Can you adapt to handle this unknown challenge?” This distinction is crucial because it shifts the locus of value from the possession of verified skills to the capacity for effective action in the face of uncertainty, a condition endemic to modern management.

This theoretical separation aligns with and extends the critique offered by Bolden and Gosling (2006), who warned against the conformist limitations of competency frameworks. They argued that such frameworks can become normative straightjackets. Our framework provides a theoretical explanation for this limitation: an over-reliance on competence-as-stock inherently prioritizes conformity to established models of success. Capability, however, requires a degree of divergence, creativity, and contextual judgment that may not align neatly with pre-defined behavioral indicators. It is the faculty that allows a manager to know when to apply a standard competency and, more importantly, how to modify it or invent a new approach when the standard proves inadequate.

The concept of ‘knowing-in-action’ from Schön (1983) is pivotal in operationalizing this distinction. Competence often relates to ‘knowledge-on-action’—the explicit, codified knowledge about procedures. Capability, however, is deeply linked to the tacit, improvisational, and reflective ‘knowing-in-action’ that occurs in the unique present moment of practice. A manager may be competent in running a standard meeting (knowledge-on-action), but demonstrating capability involves sensing unspoken tensions in the room (contextual intelligence) and adaptively altering the meeting’s flow in real-time to achieve a better outcome (knowing-in-action).

Furthermore, the dynamic capabilities theory (Teece, 2007) provides a strategic-level corroboration of this distinction. Organizational competencies are the routines and assets. Organizational dynamic capabilities are the processes that change those routines. Analogously, at the individual level, a manager’s competencies are their professional routines. Their personal capability is the meta-skill of altering, combining, or abandoning those routines to meet new strategic imperatives. This view is supported by Krämer’s (2017) exploration of managerial meta-competencies as micro-foundations, which our framework refines by explicitly naming this meta-level as ‘capability’ and distinguishing it from the foundational competency stock.

The analysis also highlights the role of learning agility, a construct emphasized in recent leadership literature (De Meuse, 2019), as a core component of capability. Learning agility is the willingness and ability to learn from experience and then apply that learning to perform successfully in new situations. It is the engine that drives the transition from competence to capability. A highly competent manager with low learning agility may excel in a stable environment but falter when change demands new skills. A capable manager, endowed with high learning agility, uses new experiences to continuously update and expand their effective repertoire.

Therefore, the primary theoretical distinction is one of ontology and purpose. Competence is about being equipped according to a known standard. Capability is about becoming effective through adaptive action in an unfolding reality. This distinction is not merely semantic; it carries profound implications for assessment. Competence can be assessed through testing against benchmarks (e.g., assessment centers, skill tests). Capability is more challenging to assess, requiring evaluation of performance in complex simulations, analysis of reflective journals, or evidence of successful navigation of real-world, ambiguous projects.

In conclusion, the first part of our discussion firmly establishes that competence and capability, while related, are theoretically distinct constructs occupying different conceptual planes. Competence provides the essential resource base, the vocabulary of management. Capability represents the higher-order grammar that allows for the creation of novel, context-appropriate sentences—the strategic narratives of effective managerial action. This clarity sets the stage for integrating the theories that explain how this grammar is developed and applied.

2. An Integrative Theoretical Framework: Synthesizing Strategic and Learning Perspectives

The second research question focused on integrating key theories to construct a robust theoretical framework for managerial capability development. The proposed framework, introduced earlier, is the central theoretical contribution of this paper. It posits that capability emerges from the synergistic interaction of three theoretical pillars: Resource-Based View (RBV) as the foundation, Dynamic Capabilities as the transformation engine, and Experiential Learning as the developmental mechanism. This integration moves beyond the critiques and partial connections found in previous research to offer a holistic model.

The RBV pillar (Barney, 1991) addresses the ‘what’ of managerial development—the stock of competencies that must be acquired. Previous competency frameworks have operated almost exclusively within this theoretical domain, albeit often implicitly. By making this pillar explicit, our framework acknowledges the undeniable importance of building a strong foundation of technical, human, and conceptual skills. It validates the work of foundational scholars like Boyatzis (1982) but situates their contributions as the necessary first layer, not the complete picture. This addresses the practical need for teachable, assessable skills while theoretically containing them within a broader system.

The dynamic capabilities pillar (Teece et al., 1997) is the critical bridge that previous managerial competency literature has only recently begun to cross, as

seen in the work of Krämer (2017). Our framework explicitly imports the sensing-seizing-transforming logic from the organizational to the individual managerial level. It theorizes that a capable manager is one who engages in continuous environmental sensing (scanning for trends, listening to weak signals), opportunity seizing (mobilizing resources and making strategic commitments), and personal/organizational transforming (changing routines and mental models). This pillar answers why capability is needed: to navigate volatility and create change, not just to administer stability.

The experiential learning pillar (Kolb, 1984; Schön, 1983) provides the 'how'—the micro-processes through which the static stock (RBV) is dynamically reconfigured (Dynamic Capabilities). This is where the framework makes a significant integrative leap. While Uhl-Bien and Arena (2018) discuss enabling adaptation in complex systems, their focus is more on leadership functions than on the individual learning process. Our framework details that process. The cycle of concrete experience, reflective observation, abstract conceptualization, and active experimentation is the cognitive and behavioral engine that fuels the sensing-seizing-transforming activities.

For instance, 'sensing' is enhanced by reflective observation from diverse experiences. 'Seizing' involves active experimentation with new resource combinations. 'Transforming' requires abstract conceptualization to form new guiding principles. Schön's reflection-in-action is the real-time manifestation of this cycle during moments of uncertainty, which is when capability is most visibly deployed. This integration powerfully links the macro, strategic need for adaptability with the micro, psychological processes of learning and reflection, a connection that has been largely theoretical until now.

This synthesized framework also incorporates and expands upon the concept of 'managerial cognitive capabilities' proposed by Helfat and Peteraf (2015). Their focus on mental models aligns with the 'abstract conceptualization' stage of Kolb's cycle and the cognitive aspect of 'transforming'. Our framework places these cognitive acts within the broader, active cycle of experiential learning and explicitly ties them to the strategic actions of sensing and seizing, creating a more dynamic and action-oriented model of managerial cognition.

Therefore, the integrated framework does not merely juxtapose theories; it sequences and intertwines them into a causal narrative. Foundational competencies (RBV) are the input. The experiential learning cycle is the perpetual motion machine that operates on this input. The output of this machine, directed towards strategic ends, is the exercise of dynamic capabilities, which constitutes observable managerial capability. This model provides a much-needed theoretical backbone for initiatives seeking to develop 'agile' or 'adaptive' leaders, grounding what can be vague buzzwords in established theories of strategy and learning.

3. Implications for Managerial Competency Frameworks and Development Programs

The third research question explores the theoretical implications of a capability-oriented perspective for the design and evaluation of managerial competency

frameworks and development programs. The shift from a competence to a capability paradigm, underpinned by the integrated framework, implies a transformation in the philosophy, structure, and methodology of managerial development.

First, the very architecture of competency frameworks must evolve from a static 'menu' of behaviors to a dynamic 'development map.' Traditional frameworks are often closed systems—lists to be mastered. A capability-informed framework would be an open system, still containing foundational competency domains (the RBV stock) but presented as platforms for development rather than endpoints. More critically, it would explicitly include and define the meta-dimensions of capability: learning agility, reflective practice, contextual intelligence, and the capacity for strategic sensing and adaptive execution. This aligns with the call from De Meuse (2019) for models that prioritize learning agility, and provides a theoretical structure for doing so.

Second, the primary goal of development programs must shift from knowledge/skill transmission to the cultivation of learning systems within the individual. Pedagogy grounded in experiential learning theory becomes non-negotiable. This means moving beyond classroom-based instruction on competencies towards designed experiences, action learning projects, strategic simulations, and coaching-rich assignments that force managers into the learning cycle (Kolb, 1984). The role of the educator or corporate trainer transforms from a content expert to a facilitator of reflection, a designer of challenging experiences, and a coach who helps managers extract capability-enhancing insights from their work.

Third, assessment and evaluation face the most significant disruption. Assessing competence involves measuring against a known standard. Assessing capability involves judging the quality of performance and learning in the face of the unknown. This necessitates a move from exclusive reliance on testing and 360-degree feedback on behaviors (which measure the stock) to more nuanced methods. These could include reflective portfolios where managers document and analyze their experiences, 'before-action reviews' and 'after-action reviews' of strategic projects to assess sensing and seizing logic, and assessments in complex simulations that have no single right answer but evaluate the process of adaptive problem-solving.

This implication directly addresses the gap identified in the work of Draganidis and Mentzas (2006) regarding the obsolescence of static models. A capability framework is inherently self-renewing because it builds the capacity for self-directed learning and adaptation into the manager. Instead of constantly updating a competency dictionary, organizations would invest in strengthening the experiential learning cycles of their leaders, who would then continuously update their own competencies in real-time based on contextual demands. The framework itself becomes more stable because it focuses on the process (capability development) rather than the transient content (specific competencies).

Furthermore, the framework implies a redefinition of Return on Investment (ROI) in managerial education. The ROI of competence development is often measured in improved performance on current role metrics. The ROI of capability

development should also be measured in strategic outcomes: the successful navigation of a disruption, the launch of a new initiative, the enhanced adaptability of a team, or the manager's increased capacity to develop others. This shifts the conversation from training as a cost center to capability development as a strategic investment in organizational resilience and innovation, a logical extension of the dynamic capabilities view at the firm level.

In essence, adopting this theoretical perspective means that managerial competency frameworks cease to be mere HR tools for standardization and control. They become leadership development architectures for fostering variation, experimentation, and strategic agility. They are less about ensuring everyone meets the same benchmark and more about empowering each manager to build their unique combination of competencies and the higher-order capacity to wield them effectively in the service of evolving organizational goals.

CONCLUSION

This conceptual article has undertaken a theoretical journey to explore the critical evolution from competence to capability in the context of managerial development. Through a synthesis of literature from managerial studies, strategic management, and adult learning, it has argued that the volatile nature of the contemporary business environment renders traditional, static competency frameworks insufficient for cultivating the leaders needed for the future. The central proposition is that managerial effectiveness must be reconceptualized as a dynamic capability—an emergent capacity to adapt, integrate, and apply knowledge in novel contexts—rather than merely the possession of a predefined set of competencies.

The analysis successfully addressed the first research question by delineating a clear theoretical distinction. Competence is conceptualized as the foundational 'stock' of skills and knowledge, demonstrable in known contexts. Capability is the higher-order 'flow'—the adaptive, generative, and often reflective capacity to deploy and transform that stock to meet unique and unpredictable challenges. This distinction provides the necessary conceptual clarity to advance both scholarship and practice beyond the conflation of these terms.

In response to the second research question, the article constructed an integrative theoretical framework. This framework synthesizes three core theoretical pillars: the Resource-Based View (providing the asset stock of competencies), the Dynamic Capabilities theory (providing the strategic logic of sensing, seizing, and transforming), and Experiential Learning theory (providing the individual developmental mechanism through reflective cycles). This integration offers a robust, multi-layered explanation for how managerial capability is developed and enacted, bridging macro-strategic needs with micro-learning processes.

Furthermore, the third research question was answered by deriving clear theoretical implications for managerial education. The shift to a capability paradigm implies a fundamental redesign of competency frameworks to include meta-dimensions like learning agility and contextual intelligence. It mandates a pedagogical shift towards experiential and reflective learning methods. Finally, it demands a revolution in assessment, moving from testing against static benchmarks to evaluating the quality of adaptive performance and learning in complex situations. These implications provide a

coherent theoretical blueprint for institutions and organizations seeking to modernize their approach to leadership development.

As a conceptual paper, this study's primary limitation is its lack of empirical validation. The proposed framework, while grounded in established theories, is a theoretical proposition. Its practical utility and the precise relationships between its components require empirical testing through qualitative case studies of organizations implementing capability-oriented frameworks, or quantitative research measuring the impact of capability-focused development programs on individual and organizational outcomes. Furthermore, the framework is presented at a high level of abstraction; its application may vary significantly across different industries, organizational cultures, and national contexts.

Future research should focus on operationalizing and testing this integrated framework. Empirical studies could investigate how specific experiential learning interventions (e.g., action learning projects, reflective coaching) contribute to the development of dynamic capabilities in managers. Researchers could also design and validate new assessment tools capable of measuring the meta-capabilities proposed, such as contextual intelligence or strategic sensing acuity. For practitioners, the recommendation is to begin piloting capability-oriented development initiatives, using the framework as a guide to design programs that consciously blend foundational skill-building with challenging, reflection-rich experiences that require adaptive application. The ultimate goal is to foster a generation of managers who are not just competent in the known, but capable in the face of the unknown.

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