

# SCOPING MANAGERIAL CAPABILITY ACADEMIC STRUCTURE IN SMALL MEDIUM ENTERPRISE CONTEXT: EVIDENCE FROM SCOPUS

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## Abstract

The purpose of this study is to scope the publication of evidence related to managerial capability in SME studies by identifying the criteria for managerial capability attribute and summarizing the managerial capability measurements. The Scopus database between 2006 and 2022 was used in 2023 to perform a comprehensive literature search and has retrieved 37 original studies. An inductive content analysis was used for the review analysis. This study discovered that the criteria for managerial capability revolve around the managerial team's competence, resourcefulness, and demographic diversity. The findings of the scoping review provide an overview of the body of knowledge in this specific field of study and identify gaps in the literature. It also highlights the need for open research that offers relevant practical implications for the generalizability of upcoming development processes.

**Keywords:** Scoping review, Managerial capability, Managerial ability, Business and management, SME, Small Medium Enterprise Context

## 1. Introduction

The managerial capability refers to top management's ability, knowledge, and skills that influence how they work and how others work, how their involvement is required, and their ability to perform their role (Ghosh et al., 2001; Helfat & Martin, 2015; Tamkin et al., 2002). The managerial capability of a company plays a significant role in determining the firm's success, and for a company to be successful in business, it must have an effective or quality team. Despite the significance of the literature on managerial ability, to the best of our knowledge, there hasn't been a systematic literature review published on managerial ability in the context of small to medium enterprises (SMEs).

## 2. Aim

The aim of this review was to identify the criteria for SME top management capability. The objective was to achieve a view of the relevant literature, identify the gaps and provide a clear scope for this research area. The review answers the following research questions: 1) what are

the criteria for SME managerial capability? and 2) what measurements of SME managerial capability has been reported?

### **3. Method**

#### **3.1 Scoping review**

A scoping literature review is useful for a rapid review that summarises and disseminates the research findings of prior studies and identifies a research area. To strengthen the rigidity of the review, a scoping review was conducted based on the previous literature and the Joanna Briggs Institute's guidelines. A protocol for the review was written based on the guidelines, and the purpose of the review, as well as the inclusion and exclusion criteria, were defined. Eligible studies were sought, and titles, abstracts, and full texts were filtered. The method's goal was to create a sufficient knowledgebase detailing the criteria, components, contents, outcomes, and the criteria for managerial capability context. The study's systematic goal was not to generalise the research findings (Arksey and O'Malley 2005; Peterson et al. 2016).

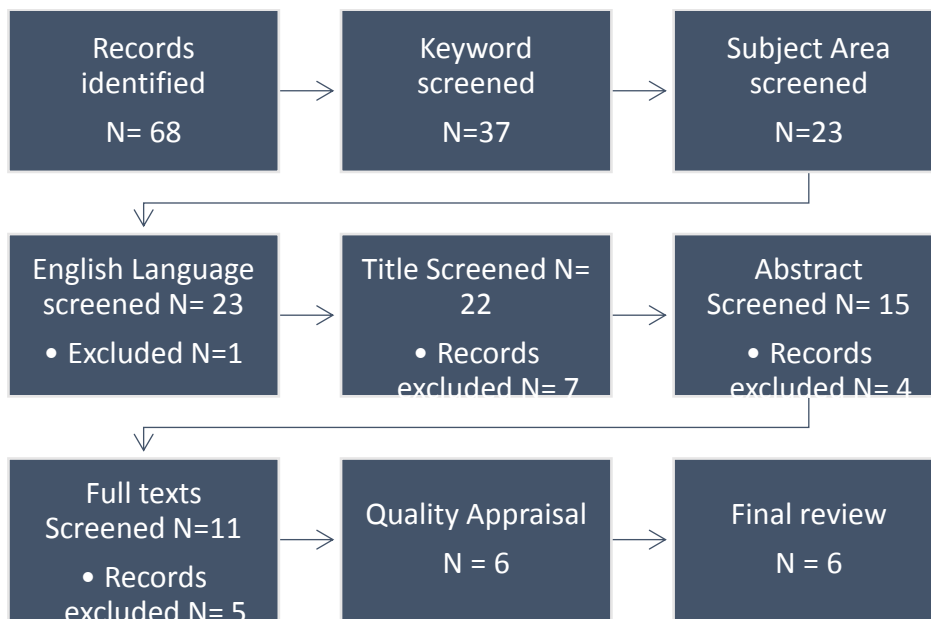
#### **3.2 Criteria for inclusion and exclusion**

Inclusion criteria were defined to include studies if they were original studies and: 1) focused on managerial capability, managerial ability, top management team ability, or CEO ability 2) the studies were implemented in the small medium enterprise (SME) context, 3) the outcomes of ubiquitous learning were clearly defined, and 4) the subject area of Business, Management and Accounting only. Studies were excluded if they were 1) reviews, editorial papers, discussions, recommendations, or not a full paper, or 2) if they did not focus on managerial capability or managerial ability, or 3) if they did not focus on business owner, top management, executives, or managers 4) if the study focus were not SME environment, 5) if the study focus were not Business, Management and Accounting or 7) if the context of the study was public listed companies.

#### **3.3 Search strategy and retrieval of studies**

A systematic search was performed on the Scopus database in January 2023. The searches were limited to studies published in English between 2006 and 2022. In total, 68 publications were retrieved in the Scopus database searches using managerial. Multiple search terms and combinations, such as managers, managerial capabilities, dynamic managerial capabilities, managerial capability, entrepreneurial orientation, entrepreneurial competencies, and small to medium enterprises (SMEs), yielded 37 documents. There were 23 business, management, and accounting areas; 23 English-language articles; 22 titles; 15 abstracts; and 11 full texts that were screened using predefined inclusion and exclusion criteria. All titles, including the terms "managerial capability" or "managerial ability context," were included. In the abstract selection, the same criteria were used with SMEs. In the full text selection, all listed criteria were used, whereby full texts without an orientation to managerial capability, managerial ability environments, small medium-sized enterprise contexts, or that did not focus on business owners, top management, executives, or managers were excluded. After a full text review, a quality appraisal of six studies was conducted based on the Joanna Briggs Institute (JBI)

guidelines (2015). Each criterion was assigned a score of either 1 or 0 to quantify the quality. The item was given one point if it was mentioned in the study and zero points if it was not mentioned or unclear. The study was deemed to be of good quality if it scored at least three out of a possible seven points. All six studies were considered good and included in the final review. Figure 1 depicts a comprehensive view of the selection procedure for the studies.



**Figure 1: Process for selecting the included studies**

### 3.5 Data analysis

An inductive content analysis (Khirfan, Peck, & Mohtat, 2020) was used to analyze the criteria, components, and contents of the managerial capability in small medium-sized enterprise contexts and to summarize the relevant knowledge in this area. The data was extracted by using an extraction form. The following information was extracted: author(s), year of publication, study location, study sample size, participants, aims of the study, study design, data collection, analysis methods, theory, managerial capability attribute and important results. The thematic framework was assigned after multiple readings and interpretations of the original data. Formalized categories for key themes were defined through common understanding. The formalized categories were organized into final categories and grouped under higher categories. The reporting of the results followed the Arksey and O'Malley (2005) framework for conducting a scoping study.

## 4. Results and discussions

### 4.1 The criteria for managerial capabilities

The six primary articles that made up the review's final cut appeared in English-language between 2018 and 2022. Based on Table 1, all the studies were conducted in Portugal (n=1), Ghana (n=2), German (n=1), China (n=1) and Austria (n=1) (see Table 1). The research methods used were quantitative and qualitative designs. The data was collected from Small Medium Enterprise key informants such as CEOs, top level managers, or business founders or owners. All research he data collection method were questionnaires. Six research employed cross-sectional study design while one research applied longitudinal design The criteria for the managerial capabilities were measured differently by each study. The six primary articles that made up the review's final cut appeared in English-language between 2019 and 2022. All the studies were conducted in Portugal (n=1), Ghana (n=2), German (n=1), China (n=1) and Austria (n=1). The research methods used were quantitative and qualitative designs. The data was collected from Small Medium Enterprise key informants such as CEOs, top level managers, or business founders or owners. All research data collection method were questionnaires. Six research employed cross-sectional study design while one research applied longitudinal design. Table 2 shows the various managerial capabilities attribute used by each study. According to the six reviewed primary articles, each attribute was measured differently across studies based on their respective underlying theories. The selected articles relied on the resource-based view (RBV), social cognitive theory (SCT), upper echelon theory (UET), dynamic capabilities view (DCV), and social learning theory (SLT), either individually or in combination. Based on the reviewed studies, this study found that the criteria for managerial capability revolve around being competent (RBV, DCV, UET, SCT), resourceful (RBV, DCV,SCT), and diverse in terms of the demographic characteristics that the managerial team possess (UET, SCL, SCT, DCV). As a result of this review, the criteria for defining management capability were clarified and the relevant measurement was summarized. Table 3 summarises the management capability criteria and how each of them was measured.

**Table 1: Description of studies**

Authors. (Year) (Study location)	Participants (Study sample size)	Study aim	Study design	Data collection			Data analysis
				Questionnaire	Interview	Textual Data	
Jorge António Barbosa Ferreira, Arnaldo Coelho, Laodicéia Amorim Weersma (2018) (Portugal)	Portuguese SMEs (387)	Relationships among strategic orientation (SO), innovation capability (IC), managerial capabilities (MC) and exploration and exploitation capabilities on competitive advantage (CA)	Cross-sectional	x			Modelling structural analysis

		and firm's performance					
Ahmed Agyapong, Suzzie Owiredua Aidoo, Samuel Yaw Akomea (2022) (Ghana)	Senior executives (chief executive officers (CEOs) and senior account officers of Sub-Saharan African SMEs (206)	To uncover the conditions under which managerial capability enhances performance while considering the role of social capital	Cross-sectional	x			confirmatory factor analysis
Andrea Grevena, Sebastian Kruseb, Anne Vosb, Steffen Stresec and Malte Brettela (2022) (German)	middle managers (managing director, general manager or CEO as the key informant) of SMEs in the manufacturing industry (185)	Investigate Middle Managers' dynamic managerial capabilities influence on the achievement of product ambidexterity	longitudinal	x			covariance-based structural equation modeling
Kashif Ullah Khan, Fouzia Atlas, Usman Ghani, Sadia Akhtar, Farhan Khan (2020) (China)	SMEs in Hefei, Anhui (429)	To examine the impact of dominant logic (information filter and learning/routines) and dynamic managerial capabilities on innovation performance	Cross-sectional	x			Structural equation modeling
Joshua Ofori-Amanfo, Samuel Wunmalya Akonsi, Gloria Kakrabah-Quarshie Agyapong (2022) (Ghana)	SMEs top management personnel, owners and operations managers (306)	to examine the extent to which organisational capabilities do impact the performance of small- and medium-sized enterprises (SMEs) in Ghana	Cross-sectional	x			Partial least square structural equation modelling
Carolin Palmera, Thomas Niemand, Christoph Stöckmann, Sascha Kraus, Norbert Kailer (2019) (Austria)	CEOs, top level managers, or founders (723)	providing the theoretical basis for an integrated model of entrepreneurial orientation (EO) in the prediction of entrepreneurial success	Cross-sectional	x			Qualitative Comparative Analysis (QCA)

**Table 2: Managerial capability attribute and measurement**

Authors	Theory	Attribute	Measurement	Results
Jorge António Barbosa Ferreira, Arnaldo Coelho, Laodicéia Amorim Weersma	Resource-based view (RBV)	A. Explorative and B. Exploitative  Atuahene-Gima (2005)	A. <b>competence exploration</b> current knowledge base and skills, directed at new opportunities, technical and managerial skills, market expertise, and/or external relationships B. <b>competence exploitation</b> existing knowledge, managerial skills, technologies, and capabilities in the organization	Exploration (significant)
Ahmed Agyapong, Suzzie Owiredua Aidoo, Samuel Yaw Akomea	Resource-based view (RBV)	Managerial competencies, knowledge and skills	4 items: 1. Skills in developing a clear operating procedure. 2. Ability and expertise to design jobs to suit staff capabilities and interest. 3. Ability to forecast and plan for the success of the business. 4. Ability to implement policies and strategies that achieve results	Managerial capability significantly influences performance
Andrea Grevena, Sebastian Kruseb, Anne Vosb, Steffen Stresec and Malte Brettela	Social cognitive theory	Three distinct individual-level resources: (1)managerial human capital (a manager's skills and knowledge), (2) managerial social capital (the ability to access resources and information), and (3) managerial cognition (the basis for decision-making)	(1) Manager's skills and knowledge (education, training, or experience/ work tenure)  (2) the ability to access resources and information (the network of relationships possessed - their business and political ties)  (3) the basis for decision-making (alertness-scanning and search, association, evaluation)	General human capital (specialized education), structural social capital (managerial ties), and relational social capital (trust)
Kashif Ullah Khan, Fouzia Atlas, Usman Ghani, Sadia Akhtar, Farhan Khan	Resource based view (RBV), Upper Echelons Theory, dynamic capabilities view (DCV)	Managerial human capital (HC); social capital (SC) and managerial cognition (MC)	HC (knowledge, experience, professional field, cognitive ability and proactivity).  SC (status, family, complicity, personal relations and social relations).  MC (managers' mental models/beliefs)	Managerial human capital, social capital and managerial cognition play a significant mediating role on innovation performance

Joshua Ofori-Amanfo, Samuel Wunmalya Akonsi, Gloria Kakrabah-Quarshie Agyapong	Resource based view (RBV)	Unique competences and abilities	Formal education, learning and training, characterised by personal attributes, technical know-how, personality profile, intellectual and tacit competences	Managerial capability positively and significantly impacts SMEs' financial viability
Carolin Palmera, Thomas Niemand, Christoph Stöckmann, Sascha Kraus, Norbert Kailer	Social learning theory	Self-efficacy	3 items (can rely on self-ability, ability to master challenges, ability to handle exhausting and complex tasks)	Firms can be successful: either by being proactive or having a self-efficient CEO

**Table 3: Management capability measures and criteria**

Criteria	Measurements	Articles
Competence	knowledge and skills, specialized education, experience, firm tenure	Greven, A., Kruse, S., Vos, A., Strese, S. and Brettel, M. (2022); Agyapong, A., Aidoo, S.O. and Akomea, S.Y. (2022); Jorge António Barbosa Ferreira & Arnaldo Coelho & Laodicéia Amorim Weersma (2019);
Resourceful	managerial ties, status, family, complicity, personal relations, and social relations	Greven, A., Kruse, S., Vos, A., Strese, S. and Brettel, M. (2022); Khan, K.U., Atlas, F., Ghani, U., Akhtar, S. and Khan, F. (2021),
Diversity	Personal attributes, personality profile	Palmer, C., Niemand, T., Stöckmann, C., Kraus, S., & Kailer, N. (2019); Ofori-Amanfo, J., Akonsi, S.W. and Agyapong, G.K.-Q. (2022)

## 5. Conclusions and limitations

The objective of the chosen review method was to rapidly map the key criteria used in this study and how each of them was measured (Arksey and O'Malley 2005). In recent years, there has been an increase in the number of studies on managerial capability and concern, but most of these studies have concentrated on larger firms or publicly traded companies. However, the same is less apparent in the context of small and medium-sized businesses, even though the challenges they face to remain competitive in the business world are nearly identical. Based on the reviewed studies, there were variations in managerial capability attribute and their measurement. The criteria were broad and centred on research objectives, such as analysing the impact of managerial capabilities on competitive advantage, product development, financial viability, and innovation performance.

The generalization and practical implications of context that can be used in different contexts are not described or systematically reported. The measurements centred on a self-administered survey consisting of a questionnaire that is intended to be completed by the respondent and is susceptible to bias. The results indicated a continuous need for research with practical implications for use in any study objective related to managerial capability. Despite the systematic mapping of the existing literature by the scoping review, multiple limitations were



identified. The most pertinent limitations were observed in terms of terminology pertaining to managerial capability, which continuously affected research questions and search terms. Under the terms organisational capability, entrepreneurial orientation, and self-efficacy, undefined terminology in the context of managerial capability may obscure relevant publications. The formulation of research questions and the search process were conducted systematically to a high degree of scientific quality. The results were constrained by the inclusion criteria for the articles studied, such as the requirement that they refer to managerial capability and small medium-sized enterprises (SME). The inclusion criteria were chosen to highlight the pertinent information in this area of research. The exclusion criteria used helped to narrow the scope. Without the context of SMEs, the outcomes would be different.

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