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FACULTY OF BUSINESS STUDIES

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THE IMPACT OF MANAGERIAL CAPACITY ON INDUSTRY EFFICIENCY

AUTHOR'S ABSTRACT

Of a dissertation for the award of the educational and scientific degree "Doctor of Philosophy" in professional field 3.8. Economics

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The dissertation is developed on the topic: *"The Impact of Managerial Capacity on Efficiency in Industries."*

The dissertation is approximately 189 pages long, including 22 tables, 15 graphs and diagrams, 4 appendices, and 71 references. It is structured into an introduction, four chapters, a conclusion, a summary of contributions, a list of the author's publications, and a bibliography.

In the introduction, the relevance of the topic, the objectives and tasks, the object, subject, and hypotheses of the research are substantiated. The methodology is presented, including a systemic approach and empirical studies.

The main scientific goal of the dissertation is, after a theoretical clarification of the essence of the issue, to determine how important managerial capacity is, what opportunities should be sought in the personal development of future managers, and how this influences the efficiency of industries.

The central thesis is that managerial capacity has a decisive function in the development of every industry. The presence of innovative abilities, combined with experience, adaptability, and appropriate preparation, does not automatically guarantee success, but represents a necessary condition under equal circumstances compared to competitors.

The dissertation has been discussed and directed for defense at a meeting of the Academic and Scientific Council of the Center for Economic and Managerial Sciences at Burgas Free University.

The public defense will be held at an open session of the scientific jury at Burgas Free University. The defense materials are available on the Burgas Free University website: www.bfu.bg

I. General Characteristics of the Dissertation

1. Relevance of the Problem The efficiency of enterprises in the modern economy directly depends on the level of managerial capacity. Globalization, digitalization, and accelerated technological changes place managers in need of new approaches and skills. In today's world of dynamic economic and social changes, the efficiency of industries is essential for the sustainable development of national economies. Among the numerous factors influencing this efficiency, managerial capacity occupies a central place. Under conditions of accelerated technological and market changes, industry efficiency is critical for sustainable growth. The dissertation argues for the central role of managerial capacity as a system-forming factor for the performance of economic units. The focus is placed on Bulgarian companies in various sectors, with results aimed at supporting the diagnosis of problem areas and developing practical guidelines for improving efficiency. As a research framework, management is positioned simultaneously as a bearer of adaptability, innovativeness, and strategic orientation. Through the prism of the study, the opportunities of managers and their contribution to the development of firms are examined. The focus is on Bulgarian companies and examples from the global economy; the analysis and conclusions will serve as a basis for identifying problem areas in the domestic industry. For

Bulgaria, the relevance is also expressed in the need to overcome sectoral imbalances, improve regional competitiveness, and build sustainable managerial models.

2. Aim and Tasks of the Research The main aim is to study and evaluate the impact of managerial capacity on the efficiency of enterprises and industries and to propose practical approaches for its improvement. To achieve this aim, the following main tasks are formulated:

1. To define the priority qualities of the managerial personality.
2. To examine the relationship between a good manager and innovations in industries.
3. To analyze the problems in managerial decision-making during crisis situations.
4. To study the interdependence between innovative products, services, and managerial decisions.
5. To propose opportunities for training and preparation of managerial staff.

3. Object, Subject, and Hypotheses

- **Object of the research:** Managerial capacity as a key factor in enterprise activity.
- **Subject:** The influence of managerial capacity on the efficiency of enterprises and industries, with special emphasis on the Bulgarian economy. In the innovative development of the modern structure of every company, the educated, prepared, and experienced manager always drives the industrial gear forward in the processes of enhancing enterprise performance.
- **Main hypothesis:** Managerial capacity is a decisive factor for the efficiency and competitiveness of organizations.
- **Sub-hypotheses:** The competence of the manager is linked to the competitiveness of the firm. Regional and sectoral differences influence the manifestation of managerial capacity. Technologies and training are key tools for its development.

4. Purpose of the Research The main scientific purpose is to determine the significance and projections of managerial capacity on industry efficiency, as well as to outline pathways for developing this capacity at the levels of individual, organization, and sector. After theoretical clarification of the essence of the issue, the aim is to determine how important managerial capacity is, and how adaptability to modern technologies and sciences will contribute to long-term growth in the Bulgarian economy.

5. Research Tasks

Defining the priority qualities of the managerial personality and the extent to which they influence the success of the company. The causal relationship between a good manager and innovations in industries is examined, leading to the identification of the main issues in the decision-making process. The mutual dependence between innovative products and services and innovative managerial decisions is established, combined with the discovery of new opportunities for preparation, training, and the development of appropriate qualities.

6. Leading Thesis and Sub-theses

Thesis: Managerial capacity is a necessary (though not sufficient in itself) condition for better company performance under equal circumstances; the human factor in management remains irreplaceable in decision-making under uncertainty. Managerial capacity has a fundamental function both historically and in the contemporary economic reality. The presence of innovative abilities, combined with experience and adaptability, is a mandatory condition, while software alone cannot be equivalent to the human brain in conceptual and managerial decision-making for the development of the company and the sector.

Sub-theses:

- Partial technological substitution of human labor increases productivity, but ultimate success is a function of managerial decision.
- The start-up ecosystem demonstrates synergy between a new generation of leaders and experienced mentors/investors, where the key lies in the qualities of the manager – his innovativeness, preparation, and ability to adapt classical managerial qualities to modern contexts, as well as the capacity to develop know-how and teamwork.

7. Methodology, Methods, and Information Support

The research is based on a systemic approach, combining analysis and synthesis, induction/deduction, comparison, and tracing of causal relationships. The empirical base includes surveys and interviews with respondents from Bulgarian enterprises. The methodology is built on a systemic and interdisciplinary approach.

Methods used:

- Analysis and synthesis of theoretical frameworks.
- Comparative analysis of managerial practices.
- Historical approach to tracing managerial concepts.
- Surveys and interviews with managers.
- Statistical methods for processing empirical data.

Information support combines primary data (survey/interview) and secondary sources (scientific publications, statistics).

8. Empirical Scope and Limitations

The empirical assessments focus on the Bulgarian economy, with emphasis on analyses of firms in the Southeastern and Southwestern regions (detailed in Chapter 4). This regional focus is a consciously chosen limitation, allowing for in-depth analysis and comparability, but requiring caution when generalizing to the national level.

9. Scientific Novelty and Expected Contribution (Framework Statement)

The dissertation integrates a conceptualization of managerial capacity (as a combination of leadership, strategic thinking, adaptability, innovativeness, and decision-making competence) with operational criteria for evaluation and field data from firms.

Expected contributions are at three levels:

- **Theoretical**: A synthesized framework for the role of managerial capacity in industry efficiency.
- **Methodological**: A practical toolkit for diagnosing managerial competencies and their relationship with efficiency.
- **Applied**: Guidelines for policies and corporate practices in the Bulgarian context (including for SE and SW regions).

10. Approbation

The dissertation includes a section *"Publications and Reports of the Author"*, which demonstrates dissemination of results and application in academic and practical formats (details in the respective part of the work). The methodological tools developed within the dissertation for assessing the innovation infrastructure of enterprises can be applied dynamically to track the impact of measures both from institutions and from SME owners/managers, in evaluating progress regarding aspects of managerial activities. The achieved results can be useful both in a purely applied sense – for building and developing appropriate innovative abilities and strategies for managers in SMEs – and for future research in the field of managerial activity in firms. The relevance of the topic also suggests that the research results are of interest for the development of corporate integrity and sectoral policies in management.

II. Structure and Content of the Dissertation

1. Structure of the Dissertation

The dissertation is structured in accordance with the stated aim, research tasks, object, and subject of the study, and reflects the author's chosen approach to the topic. The dissertation consists of 189 pages, including 22 tables, 15 graphs and diagrams, 4 appendices, and 71 references. It is organized into an introduction, four chapters, a conclusion, a summary of contributions, a list of the author's publications, and a bibliography.

2. Content of the Dissertation

The content of the dissertation is structured as follows:

The introduction consistently defines the reasons that provoked interest in the topic, the relevance of the theme, the object and subject of the research, the main aim, research tasks, and the methodology used.

Chapter One: Theoretical and Methodological Aspects of Managerial Capacity and Its Function and Influence in the Operation of Industries

Chapter Two: Analysis of the Interconnection Between the Company Leader in the Role of Founder and Main Driver

Chapter Three: Development of Managerial Capacity and Its Impact on Organizational Efficiency

Chapter Four: Assessment of the Impact of Managerial Capacity in the Bulgarian Economy

Chapter I: Theoretical and Methodological Aspects of Managerial Capacity and Its Function and Influence in the Operation of Industries

1. Introduction to the Problem

The first chapter of the dissertation represents the theoretical foundation of the research. The author outlines the essence of management as a specific socio-economic function and emphasizes those qualities and competencies that define managerial capacity as a leading factor for organizational and industry efficiency.

The discussion begins with fundamental questions: *What is a manager? What qualities must they possess? How do these qualities affect business performance?*

Whether it concerns a large company managing vast arrays of technology, people, and information, or simply a microbusiness, there is always an individual who bears responsibility. The role of the manager is often emphasized, though in modern times it is sometimes underestimated.

Chapter One explores the foundations of management and managerial capacity. It analyzes definitions, functions, and their relationship to the efficiency of economic industries.

One of the most important prerequisites for the development of any industry is the quality of the people working within it. Yet, the structure of every business echelon has its distribution of responsibilities. Who allocates these responsibilities? Who is accountable for the results? The manager.

The chapter examines:

- The essence of managerial functions (planning, organizing, coordination, control).
- The role of managerial qualities – competence, vision, leadership, communication skills.
- The economic role of the managerial personality.

Special emphasis is placed on the types of power at the managerial level – normative, expert, charismatic, institutional – and their impact on organizational dynamics.

Part Two of the Chapter: Sectoral Structure of the Economy

The second part of the chapter focuses on the sectoral structure of the economy. The classification of sectors according to **NACE Rev. 2** and **KID-2008** is clarified, with a characterization of the Bulgarian economy:

- Agriculture, extraction, and manufacturing industry.
- Construction and infrastructure.
- Trade, transport, tourism.
- Finance, education, healthcare, services, etc.

Industries in economic activity unite firms. They also serve as an organizational tool for the structured work of institutions aimed at controlling and supporting entrepreneurship. The chapter concludes with the finding that managerial capacity should be viewed as a dynamic and multi-layered system, functioning differently depending on industries and their environment.

2. Essence of Management as a Function

The author begins with a conceptualization of the term *"management."* It is considered not only as a technical activity of coordination and control, but as a complex function of leadership, vision, and strategic planning. Historically, the manager has been perceived as the central figure of the organization. Today, however, the role is differentiated – sometimes it is the person who directly manages, and at other times, the one who creates vision and inspires. The maxim from practice is analyzed: *"A good manager creates staff, but a true manager knows how to retain them."* Examples are given of how, especially in crisis situations, the manager's work and abilities become evident. This part also examines the contribution of classical theorists such as **Peter Drucker**, who introduced the concept of the *"knowledge worker"* – an individual who influences results not only through orders, but through the ability to make decisions and create added value.

3. Economic Role of Managerial Qualities

Management is placed in the context of economic results. The author argues that the qualities of the manager are a key variable that can move the company and the entire industry forward – or leave it stagnant.

Among the decisive qualities highlighted are:

- **Focus and analytical thinking** – ability to distinguish the essential.
- **Foresight and strategic vision** – long-term planning.
- **Motivational abilities** – inspiring the team.
- **Delegation and teamwork** – ensuring synchronization.
- **Communication and persuasiveness** – building trust and effectiveness.
- **Flexibility and stress resilience** – adaptation in crisis situations.

A true manager must possess a set of skills that are always engaged in action to keep the company functioning. Whether trained formally or having acquired the necessary qualities over time, the manager must be prepared. The author provides a critical review of different theories of leadership and management – from the classical *"rational"* school to modern approaches based on intuition, emotional intelligence, and organizational culture.

4. Industries and Sectors in the Economy

After clarifying managerial functions, the dissertation moves to an analysis of economic industries as the environment in which managerial capacity is realized. The author traces the historical formation of industries and uses the classification **NACE Rev. 2 / KID-2008**, systematizing economic activities into sectors, divisions, groups, and classes. Special emphasis is placed on the Bulgarian economy, where the author notes differences between sectors in terms of dynamics, efficiency, and the need for strong managerial resources.

5. Analysis of Industries – Market Growth and Profits

The author draws a parallel between the market growth of different industries and comparable profits. Here, managerial capacity emerges as a determinant of companies' ability to take advantage of favorable conditions or cope with crises. This part is particularly valuable because the link between theory and practice is reinforced with examples: enterprises that, thanks to the vision and competence of their leaders, achieved high efficiency, and others that lagged behind precisely due to managerial weakness.

6. Types of Power at the Managerial Level

At the end of the chapter, the issue of power in management is examined. Power is defined as a combination of formal and informal mechanisms for influencing people and processes. The author identifies several types of power:

- **Formal (positional)** – derived from the position held.
- **Expert** – based on knowledge and competencies.
- **Charismatic** – stemming from personality and the ability to inspire.

- **Power through rewards and sanctions** – linked to motivational mechanisms.

These are illustrated with examples and additional situations from global practice, showing that when unpleasant work-related news reaches employees, the true role of the manager begins. The manager faces several possible scenarios, but the common factor is his central role. He is responsible for whether employees will confront him with the desire to leave or whether he will retain their trust.

The author's view is clearly evident here: the strength of the manager lies not only in formal authority but in the ability to unite, motivate, and inspire the team – even in critical situations.

7. Interim Conclusions from Chapter One

In conclusion to the first chapter, several key points can be highlighted:

1. Managerial capacity is established as a central factor for industry efficiency, since quality management drives innovation and competitiveness, not merely the operational achievement of goals.
2. Management as a function organizes the division of labor and coordinates interdependent processes within the enterprise; the role of the manager is to allocate responsibilities and ensure the achievement of the organization's overall objectives.
3. The classification of industries and sectors serves as an analytical framework for tracing the impact of managerial decisions; the overlap between managerial expertise and sectoral affiliation increases the likelihood of higher results.
4. The sectoral structure (according to NACE/KID classifications) remains a useful tool for institutional and corporate analysis; managerial vision and "commitment" to the sector support progress toward specific business goals.
5. Comparative analysis of profits across sectors shows distinct differences in performance dynamics, highlighting the need for adaptive managerial decisions and proactive risk management at the industry level.
6. Types of power at the managerial level have a direct impact on organizational behavior and achieved results; they form mechanisms of influence over resources, motivations, and processes.
7. The theoretical and methodological foundation of the chapter (systemic approach; analysis and synthesis; induction/deduction; causal relationships) provides a framework for subsequent empirical analysis and for validating the dependencies between managerial capacity and efficiency in the following chapters.

Chapter II: Analysis of the Interconnection Between the Company Leader in the Role of Founder and Main Driver

1. Theoretical Framework and Problem Statement

The second chapter of the dissertation is dedicated to the relationship between the personality of the leader and the development of the company in the context of industry efficiency and sustainability. The author argues that managerial capacity should be viewed not only as a set of skills and knowledge but also as a personalized resource concentrated in the leader's personality.

The focus is placed on examples such as the founder of the company being its first and strongest driving force. In the founder are concentrated the risks, strategic visions, and moral foundations of the organization. Over time, the role of the leader may transform, but the initial impulse remains decisive for the long-term trajectory of development.

This chapter emphasizes the leader as founder, entrepreneur, and driver of company growth. Historically, in many of today's brands, the person who created the enterprise was also the main driving force at the beginning of its rise. Often, the founder combines the role of entrepreneur and manager, and his personal capacity determines not only the direction but also the speed of company development.

The chapter examines:

- Comparison between categories of leaders – visionaries, administrators, strategic managers
- The role of the founder in shaping corporate culture and values.
- The relationship between the leader's personal qualities and the success/failure of the organization.

Examples from international and Bulgarian practice are presented, showing both the positive impact of strong leadership and the risks of lacking managerial capacity (corporate crises, bankruptcies, loss of competitiveness). The thesis is explored that the leader is not merely a formal manager but a central figure whose capacity is decisive for enterprise development. The problem is also highlighted as a two-way relationship: the leader creates the company, but at the same time the company shapes the leader, developing or limiting his qualities.

2. Classification of Leaders in Business

The author systematizes several categories of leaders observed in practice:

- **Founders-visionaries** – entrepreneurs who turn an idea into a real business, driven by passion and creativity.
- **Institutionalized leaders** – managers who take over an existing organization and develop it through structural improvements and strategic reforms.
- **Administrators** – individuals who maintain the functioning of the organization but do not introduce significant innovations.
- **Crisis leaders** – managers whose qualities are most evident in times of instability, when unpopular but decisive decisions must be made.

This typology is important because it emphasizes that leadership is not a homogeneous function but a dynamic process dependent on context and organizational development.

3. Positive Examples of Leadership and Vision

The chapter is illustrated with examples from global practice that confirm the decisive role of the leader.

Figures such as **Henry Ford** are presented as archetypes of industrial visionaries, combining technical knowledge and managerial capacity. Through the assembly line, he not only improved the automotive industry but also set new standards for mass production.

Elon Musk is cited as a modern analogue – a leader who combines entrepreneurial instinct, charisma, and strong public presence. The author notes that *Tesla* and *SpaceX* are not only technological companies but also symbols of leadership vision that have inspired investors, consumers, and competitors over the past decade.

Start-up companies are examined as examples of symbiosis between young innovators and experienced mentors, where the key to success again lies in leadership – the ability to mobilize resources, attract trust, and build a team. The combination of new-generation managers supported by experienced leaders demonstrates confidence in their potential and ideas for expanding new levels of business.

Positive examples show how the combination of vision, competence, and charisma can turn a company into an industry leader.

4. Negative Examples and Lessons for Managerial Practice

Alongside successes, the author presents negative examples that demonstrate how destructive the lack of ethics or competence can be in business.

One example in Chapter II is **Elizabeth Holmes and Theranos** – a classic case of "false leadership." Despite massive investments and public trust, the absence of a real product and moral foundations led to the collapse of the corporation and its managed assets.

Such cases prove that charisma and public image cannot replace competence and sustainable vision. Conclusions are drawn that pursuing quick profits at the expense of corporate image and product quality does not make a manager successful. Negative examples highlight the necessity for leadership to be based on real competencies and moral principles, not merely ambition and charisma.

5. Mutual Interconnection: Leader – Company – Industry

One of the strongest emphases of the chapter is the analysis of systemic interdependence:

- Companies led by strong leaders succeed in changing the competitive environment and advancing entire industries.
- Conversely, weak leaders or misguided managerial decisions can weaken not only the individual firm but also the position of the entire sector.

The author shows that leadership is a multiplier of efficiency. A good manager influences staff motivation, product and service innovation, and even the image of the entire industry.

Evidence from practice is discussed, demonstrating that **management is about dealing with complexity, while leadership is about dealing with change.**

6. The Importance of Visionary Leadership

The second chapter devotes special attention to the concept of visionary leadership. The author emphasizes that this notion, often used in media and business literature, has deep historical roots. Examples such as **Ford, Jobs, and Musk** are adapted into the image of visionaries who combine innovation with charisma.

The analysis highlights that in Bulgarian conditions the need for visionaries is even stronger, since the economy requires leaders capable of overcoming structural weaknesses and mobilizing resources for growth. Visionary leadership is defined as the ability to foresee the future, create innovations, and engage people and institutions in the realization of long-term goals.

7. Crisis Situations and Leadership

Special attention is devoted to the behavior of leaders in crisis situations. The author examines examples in which the manager becomes a key figure for the survival of the company. Crises often bring to the forefront the hidden qualities of the leader – resilience, creativity, and the ability to make quick decisions. In these moments, mutual trust between leader and team is tested—whether employees will follow the manager or lose faith in him.

8. Interim Conclusions from Chapter Two

1. The managerial capacity of founders and company leaders is decisive for their initial rise, with the personality of the manager often becoming a key factor for business success.
2. Comparison between different categories of leaders in business shows distinct differences in management styles and their consequences for corporate development.
3. Global practice proves that good managerial qualities lead to sustainable company growth, while deficits in leadership can result in loss of positions and market failures.
4. The influence of the leader’s personality on organizational culture and strategic development is stronger in the early stages of the firm, when the owner combines the roles of entrepreneur and manager.
5. Examples from international practice confirm that managerial mistakes and lack of vision can compromise even companies with high-quality products and resources.
6. The study outlines that the combination of competence, leadership, and strategic vision forms the managerial capacity that ensures long-term competitiveness.
7. The formulated conclusions prepare the foundation for analyzing the role of training and organizational structure in the development of managerial capacity, which is the subject of the next chapter.

Chapter III: Development of Managerial Capacity and Its Impact on Organizational Efficiency

1. Introduction

The third chapter of the dissertation is devoted to the dynamics of managerial capacity and the factors that determine its improvement. The main idea is that managerial capacity is not a static quality but a process that develops through training, technological innovations, and organizational transformations.

The following are examined:

- The influence of technological changes and digitalization on managerial processes.
- The role of training and preparation in developing competencies.
- The importance of organizational models for managing human capital.

Key managerial competencies are emphasized:

- Strategic thinking.
- Ability to manage change.
- Emotional intelligence.
- Innovativeness and creativity.
- Resilience and adaptability.

A good manager creates staff, but a true manager knows how to retain them. Especially in crisis situations, the true value of managerial capacity becomes evident. The chapter demonstrates that managerial capacity is not only a personal quality but also an organizational resource that directly influences efficiency and sustainability. The author emphasizes the link between investment in managerial resources and long-term organizational efficiency, highlighting that it is precisely the qualities of managers that transform technologies and strategies into real competitive advantages.

2. Technological Changes and the Importance of Training

The modern economic environment is characterized by rapid digitalization, automation, and globalization of markets. These processes require a new type of managerial skills – from digital literacy to the ability to adapt to unstable environments.

Automation frees resources but also creates new demands for leadership: how to manage teams in which machines and software play a key role. Digitalization changes the way decisions are made – managers must be able to work with large volumes of data and transform information into knowledge.

Training becomes a continuous process. The author notes that the manager must be both *"first among equals"* and a *"lifelong learner"* who constantly improves his knowledge. A true manager must possess a set of skills that are always engaged in action to keep the company functioning.

Whether formally trained or having acquired the necessary qualities over time, the manager must be prepared.

3. Organizational Models for Management and Training of Human Capital

The author examines different organizational models that support the development of managerial capacity:

- **Classical hierarchical model** – provides stability but is too slow for the modern environment.
- **Matrix model** – combines functional and project responsibility, enabling flexibility and the development of leadership skills in different contexts.
- **Network and flat structures** – typical of start-ups and technology companies, where leadership is shared and high communication skills and collective decision-making are required.

Special attention is devoted to the training of human capital, presented as an investment in future managers. According to the dissertation, organizations that develop internal leadership programs achieve higher efficiency and lower turnover rates.

4. Formation of Managerial Competencies

This section systematizes the key competencies that determine managerial effectiveness:

- **Strategic thinking** – ability to formulate a vision and pathways for its realization.
- **Innovative ability** – openness to new ideas and skill in implementing them.
- **Communication and emotional intelligence** – influence on team motivation and trust.
- **Decisiveness and risk management skills** – making difficult decisions under uncertain conditions.
- **Adaptability** – flexibility in changing market, technological, and social conditions.

5. Scientific Facts and Research Highlights

The author bases the analysis on existing scientific evidence:

- Research in management shows that **80% of company failures are due not to lack of technology or finance, but to weak management and insufficient leadership skills.**
- The **World Bank** and **OECD** emphasize the role of managerial training as a condition for economic growth.
- In Bulgaria, according to **NSI** and **Eurostat**, sectors with higher efficiency (such as information technology and finance) are precisely those where better-prepared managerial staff and implemented human resource development systems are observed.

These facts support the main thesis that the development of managerial capacity is a key factor for industry competitiveness.

6. Leadership and Sustainable Development

The relationship between managerial capacity and sustainable development is also examined. It is emphasized that leaders are those who integrate ecological and social aspects into corporate strategies. Companies with sustainable leadership demonstrate longer life cycles, better reputations, and greater resilience to crises. The author notes that in the context of global changes (green transition, digitalization, social responsibility), the manager must be not only an administrator but also a moral leader.

7. Examples and Illustrations

The chapter presents examples of successful companies where managerial training and leadership development lead to high efficiency.

- **Internationally** – technology giants invest significant resources in leadership development programs.
- **In the Bulgarian context** – firms in the IT sector and financial services that develop internal managerial academies and motivation systems demonstrate higher productivity than the national average.

8. Interim Conclusions from Chapter Three

1. The development of managerial capacity is closely linked to the processes of training and improvement of managers in conditions of dynamic technological change.
2. Training practices and environments for managerial development contribute to building competencies directly related to organizational efficiency.
3. Organizational structure and the way human capital is managed determine opportunities for leadership development and firm resilience.
4. The internal corporate environment, combined with strategic personnel management, creates prerequisites for managerial adaptability and innovativeness.
5. The formation of leadership qualities and managerial competencies results both from targeted training and from practical managerial activity in real business settings.
6. The analysis confirms that good preparation and purposeful development of managerial skills have long-term effects on firm efficiency and competitiveness.
7. These conclusions lay the foundation for the next chapter, which presents an **empirical assessment of the impact of managerial capacity on enterprise efficiency in the Bulgarian economy.**

Chapter IV: Assessment of the Impact of Managerial Capacity in the Bulgarian Economy

1. Introduction

The fourth chapter of the dissertation represents the empirical and applied part of the research. After the extensive theoretical and methodological analysis and the outlining of leadership categories and competencies, the author turns attention to the Bulgarian context, specifically to the influence of managerial capacity on the efficiency of enterprises in various industries.

The focus is placed on the Southeastern and Southwestern regions, as the chosen scope provides access to dynamic industries – manufacturing, trade, services, healthcare, and engineering. Within the study, surveys and interviews were conducted with company managers, and for authenticity and contemporary economic perspectives, three established Burgas business organizations were selected: **"Geoton Concrete Products" Ltd., DCC "El Masri," and "Thermal Engineering" Ltd.**

A detailed analysis was made of the relationship between the qualities of business leaders and efficiency in the industries of companies in Southeastern and Southwestern Bulgaria. To gain a broader perspective, the author also introduces research on *"Regional Indexing of Innovation Activity in Economic Industries (IRISI)"* – scenarios related to the four priority thematic areas for smart specialization identified in the Innovation Strategy for Smart Specialization (ISIS) and their place in the circular economy. This project was supported by the **Research Fund** under the 2018 competition *Scientific Research on Societal Challenges*. Its aim was to develop a model for indexing firms' innovation activity at both national (macro level) and regional (micro level in two planning regions), depending on their industry classification (NACE), and to identify mismatches (gap analysis) with the already established priority thematic areas at the end of the ISIS implementation period.

To obtain the necessary information from respondents, data from a scientific survey prepared by the agency **EXPLICA**, covering 110 representatives of companies from the Southeastern and Southwestern regions of Bulgaria, were applied.

The main research question in Chapter Four is: **What are the dimensions of managerial capacity in Bulgarian firms, and how does it influence their organizational and economic efficiency?**

The analysis of the relationship between managerial qualities and company efficiency shows a clear dependency: organizations with higher managerial capacity achieve greater productivity, more stable financial results, and better resilience to external shocks.

Through surveys and interviews with managers, the following were identified:

- Key competencies leading to better results.
- Problems related to lack of strategic vision.
- Regional differences in managerial models.

The results prove that enterprises with higher managerial capacity stand out with greater efficiency, better financial performance, and stronger resilience in crisis situations. On this basis, recommendations were formulated:

- Introduction of systems for training and development.

- Encouragement of innovations in managerial practices.
- Integration of human capital and technological resources.
- Cooperation between business and universities.

2. Managerial Decision and Its Value

In the analysis, the managerial decision is defined as the clearest projection of managerial capacity. The author considers decisions as:

- Strategic acts through which the leader influences company and industry development.
- A factor in building competitiveness.
- An instrument for balancing resources, markets, and human capital.

The managerial decision and its value of perception and development, viewed through the prism of regional economic influence, highlight the fact that every industry and business echelon has leaders, as well as companies striving to reach top positions. A good manager is capable of being both a creator and, subsequently, an excellent manager of a large team.

It is clearly emphasized that the managerial decision is not merely a choice between alternatives, but an expression of the leader's personal and professional potential.

3. Interconnection Between Managerial Capacity and Enterprise Development

The results of the surveys show a high degree of agreement that managerial qualities—strategic thinking, leadership, motivational skills, and risk management ability – have a direct impact on enterprise efficiency.

The success of the final product and its realization is entirely the result of a managerial decision taken by a trained and experienced manager. This confirms the main thesis of the dissertation: **strong managerial capacity does not automatically guarantee success, but it is an absolutely necessary condition for sustainability and growth.**

4. Case Studies and Surveys – Three Burgas Firms

4.1. "Geoton Concrete Products" Ltd.

The company is among the leading producers of concrete and construction products in the region, with its own base in the city and decades of tradition. It is an example of an enterprise where investments in equipment and modernization are closely linked to managerial decisions.

A strong point is the management's ability to direct capital resources toward upgrading production lines. Managerial capacity is manifested in the ability to forecast demand and adapt to the dynamics of the construction sector.

The survey provides a wide range of conclusions reached by the author after meetings with the management of this Burgas manufacturing company.

The analysis suggests that across economic echelons, it is reasonable to accept the possibility that a manager from a pharmaceutical company could succeed in a firm classified under Code K – insurance activities. The common factor is company growth, achievable under equal conditions, and dependent on one specific element: the manager.

4.2. DCC "El Masri"

This healthcare facility is the first private diagnostic and consultation center (DCC) in Burgas, with over 30 years of history and an established place in the regional healthcare system. Today it operates in a modern multi-story building, has a contract with the National Health Insurance Fund (NHIF), and offers a wide range of medical practices.

The strongest contribution of managerial capacity here is in investments in medical equipment and the introduction of innovations: the center was the first in Burgas to implement **hemodiafiltration (HDF/online HDF).**

Survey results show that management is oriented toward public benefit and service quality. Managerial decisions are directed toward integrating prevention, diagnosis, and therapy "under one roof."

The survey questions and answers from the management of DCC "El Masri" align with the requirements of modern healthcare management – orientation toward innovation, quality improvement, and competence development.

4.3. "Thermal Engineering" Ltd.

The company specializes in engineering, construction of heating, ventilation, and air-conditioning systems, gasification, and renewable energy projects. It is distinguished by the implementation of international standards (ISO 9001, ISO 14001, OHSAS) and a strong focus on energy efficiency and sustainable solutions. Managerial capacity is linked to adaptation to the *green transition* and the ability to integrate new technologies. Surveys highlight as a strong point the management's ability to attract young specialists and build teams with high expertise.

5. Summary of Survey Results

The comparison of the three case studies reveals the following trends:

- In all companies, managerial capacity is a decisive factor for competitiveness and sustainability.
- **Strengths:** expertise of managers, their innovation skills, and ability to motivate teams.
- **Weaknesses:** lack of systematic strategies for digitalization, international expansion, and structured programs for managerial development.

These results confirm that the human factor remains irreplaceable in management – even in sectors with high technological intensity.

6. Scientific Facts and Statistical Observations

The author compares the results with available statistics:

- According to **NSI**, enterprises with implemented managerial training programs have on average **18% higher productivity**.
- **Eurostat** reports that Bulgaria is among the EU countries with the lowest share of managers undergoing regular qualification (<30%).
- The **World Bank** emphasizes that the lack of qualified managerial staff is among the main barriers to SME growth in Bulgaria.

Thus, the conclusion is reinforced that managerial capacity is a **strategic resource** for the Bulgarian economy.

7. Interim Conclusions from Chapter Four

1. Managerial decisions have measurable value and directly influence regional economic development and enterprise efficiency.
2. The empirical study confirms the existence of a clear interconnection between managerial capacity and the sustainable development of economic units and industries.
3. Surveys and interviews with managers show that the qualities of the leader – competence, strategic vision, and leadership – are decisive for firm efficiency.
4. The analysis of companies in Southeastern and Southwestern Bulgaria reveals distinct differences in results, stemming from the level of managerial capacity and the ability to apply innovations.
5. Specific problem areas were identified, related to deficits in managerial skills, which hinder efficiency in certain industries.
6. The results prove that the development of managerial capacity should be a **priority policy** for companies, as it directly affects competitiveness and long-term growth.
7. The conclusions from the empirical study serve as a basis for formulating practical recommendations and for highlighting the scientific and applied contributions of the dissertation.

Conclusion

The dissertation examines the topic of managerial capacity and its impact on industry efficiency, advancing the thesis that managerial capacity plays a key role both in Bulgaria's national economy and in the global economic context. The research and analyses presented confirm that managerial capacity is not merely one of many factors influencing industry efficiency, but the **primary driver** determining the success or failure of entire sectors.

First, the results show that managerial capacity is fundamental to the development of competitive and sustainable industries. In Bulgaria, as in many other countries – especially in the post-transition

period – the quality of management proves decisive for overcoming structural weaknesses and promoting economic growth. Examples include the information technology and outsourcing sectors, which established themselves as leaders in the country thanks to strategic and effective management.

Second, in the context of globalization and digitalization, managerial capacity becomes even more significant for industry efficiency. Bulgarian companies face the challenge of integrating into global value chains, which requires the development of managerial skills and competencies that meet international standards.

Third, analyses demonstrate that sustainable economic development is closely linked to managerial capacity. Companies that succeed in building strong managerial capacity are better able to implement sustainable practices that not only improve efficiency but also contribute to the long-term stability of their industries. This is particularly relevant in Bulgaria, where significant challenges in sustainable development remain, and where there is a growing need for leadership that promotes ecological and social responsibility in business.

Finally, managerial capacity plays a crucial role in innovation activity, which is a critical factor for industry competitiveness. This is especially important for Bulgaria, which seeks to transition from a low-cost labor economy to a knowledge- and innovation-based economy. In this transitional period, human resource management, strategic thinking, and managerial adaptability become decisive factors for success.

Final conclusions from the present study clearly demonstrate that managerial capacity is not merely a necessity, but a strategic imperative for any country that seeks to be competitive and sustainable in the long term. This applies with particular force to Bulgaria, where the managerial capacity of different sectors will be decisive for their successful integration into the global economy and for their sustainable development.

In light of these conclusions, the dissertation offers several key recommendations for the future development of managerial capacity in Bulgaria and beyond. First, investment in the training and development of managers is essential, focusing on building competencies that meet global standards. Second, the adoption of innovative management practices should be encouraged, supporting sustainable development and organizational competitiveness. Finally, collaboration between academia, business, and government should be promoted to create an enabling environment for the development of managerial capacity that responds to contemporary challenges.

In conclusion, this work emphasizes the importance of managerial capacity as a fundamental factor for the effectiveness of industries and the economy as a whole. In the context of global competition and continuous change, managerial capacity proves to be not only critical but also decisive for the success of national economies and their ability to adapt and prosper in the global economic world.

Summary of Contributions in the Dissertation

Scientific Contributions

1. A conceptual framework for managerial capacity has been developed as a key factor for sectoral efficiency, integrating leadership qualities, strategic thinking, and innovativeness into a unified theoretical system.
2. The theoretical and methodological foundations of managerial qualities and their role in economic development have been systematized through a comparative analysis of classical and contemporary management approaches.
3. The direct relationship between managerial capacity and sectoral competitiveness has been empirically proven through studies of Bulgarian companies in the Southeastern and Southwestern regions.
4. A model for assessing managerial capacity has been proposed, based on causal relationships between leadership, innovation, and organizational sustainability.
5. The scientific discussion on the role of managers has been enriched by introducing the concept of "managerial capacity as a strategic resource" in the national economy.

Applied Contributions

1. A methodology for survey- and interview-based research on managerial capacity has been developed and applied in 110 Bulgarian companies, which can also be used in future empirical studies.
2. A detailed survey- and interview-based study has been conducted in three enterprises from different sectors, enabling an in-depth analysis of managerial practices and the specific factors influencing their effectiveness.
3. Practical recommendations for the selection and training of managerial staff have been formulated, aimed at building adaptability and innovativeness as key qualities for success.
4. Problematic areas in Bulgarian industries related to managerial deficits have been identified, and solutions have been proposed for overcoming them through targeted management policies.
5. A comparative analysis between successful and unsuccessful managerial practices has been carried out, which can serve as a guideline for business organizations in developing long-term strategies.
6. Specific recommendations have been presented to companies and institutions for improving efficiency through the development of managerial capacity, which have direct practical applicability.

Publications and Papers by the Author on the Dissertation Topic

1. Yosifov, T., *"Horizons for Business and Information Technologies through the Prism of the Contemporary Digital World."* – In: *Digital Transformations, Media and Social Inclusion*, Proceedings of the International Scientific Conference, Burgas Free University (BSU), ISBN: 978-619-7126-92-1; Burgas, 2020, pp. 279–285

2. Yosifov, T., *"Product Rebranding and the Implementation of Innovations in Companies – Challenges for Economic Development."* – In: *XXI Conference on Student Scientific Creativity*, Yearbook Vol. XLI, BSU, ISSN: 1311-221X; Burgas, 2020, pp. 127–132

3. Yosifov, T., *"Challenges of the New Decade through the Prism of Horizons for the Market, Marketing, and Production."* – In: *Contemporary Management Practices XI. Smart Specialization in the Decade of Connectivity and Automation*, Proceedings of the International Scientific Conference, BSU, ISSN: 1313-8758; Burgas, 2021, pp. 260–267

4. Yosifov, T., *"Challenges and Created Opportunities for Bulgaria's Production and Export Sector in 2021–2023."* – In: *Economic Challenges for Bulgaria (2021–2023) – Sustainability and Risks*, Proceedings of the National Conference, Vol. XLIII, VUZF University, ISBN: 978-619-7622-05-8; Sofia, 2021, pp. 399–406

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