

## **SOME CONSIDERATIONS ABOUT SMEs' MANAGERS SKILLS AND PEOPLE LEADING**

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**Abstract:** the paper presents some considerations about the leaders' management skills and professional abilities needed into a SME. The paper also presents considerations regarding personnel motivation, interpersonal relationships, organizational climate and leadership style.

### **1. INTRODUCTION**

The management is done at all levels of an organization, not only by those with the word "manager" included the name of their function. Heads of department and office, foremen etc. have leadership positions, distinguished by duties, authority and responsibilities assigned.

### **2. MANAGERIAL ABILITIES AND PROFESSIONAL SKILLS**

Quality of management and therefore the results depend on the organization managers.

The concept of manager designates the persons which occupies leading positions.

The occupants of leading positions permanently carry management activities (forecasting, organizing, training, control, decision) on the processes led. To achieve these functions, managers have to assume several roles:

- a) interpersonal roles - played by the manager as a liaison between the organization and its outside environment, between departments, between members of the organization, etc.;
- b) informational roles - manifested by seeking and receiving information (internal and external), the transmitting of useful information to subordinates, representing the organization to outside etc.;
- c) decision-making roles, consisting of the adoption of strategies/development plans and initiate changes, resource allocation, problem solving, conflict etc..

These roles are usually the described by presentation of duties, responsibilities and authority in official documents (job description). The leader work efficiency depends on these regulations, organizational factors and especially by his/her managerial skills.

*Managerial skills = abilities required for performing leadership activities.*

The figure 1 shows, schematically, the managerial abilities, grouped in 3 main categories: professional skills, psychosocial abilities and moral qualities.

Professional qualities refer first of all to knowledge of the manager, on lead activities field and also on leading. Knowledge's structure varies with the hierarchical level – the share of management knowledge increases with the hierarchical level. So, for low levels (e.g. foreman) having a good professional training into the lead field represents a net advantage. For a manager at a higher level, this advantage becomes less important – managers coordinate different activities without being specialists in all fields that they coordinate. For these people, specific skills and abilities in management are essentials. Despite these, SMEs has some particular characteristics. Usually, the top level management is done by the owner himself or by a person specialized in the main SME's activity field. In these cases, the professional skills are extremely important. So, depending

the company's size and hierarchical level, the quota of professional skills and managerial abilities always is a very specific mix, depending on the SME itself.

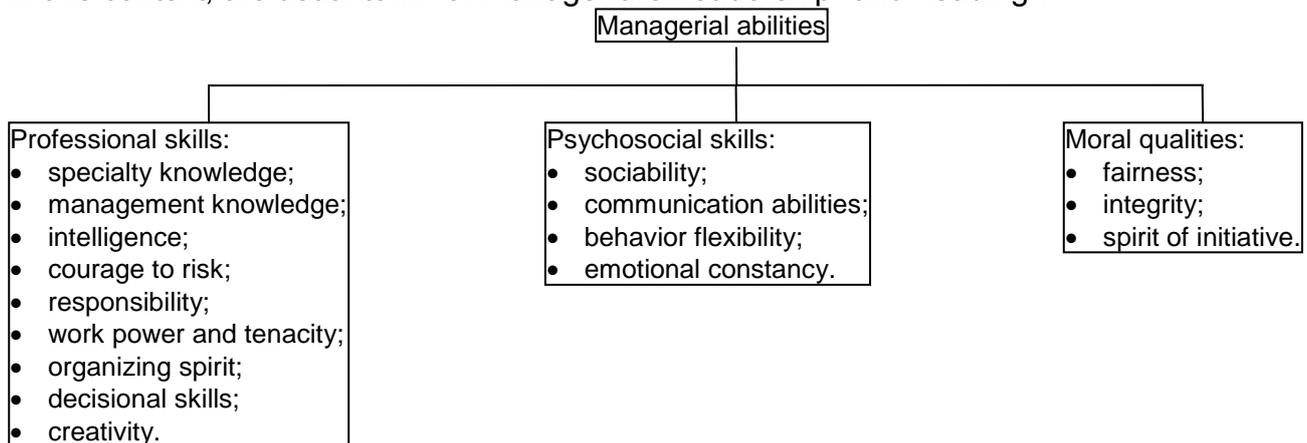
Managerial skills can be acquired through formal education and/or practice, both ways being important for improvement of managerial abilities.

*"Is not important how much you know; is really important how you can apply in practice what you know."*

Very important for quality of the managing act is the leader's ability of to find new solutions: the manager always creates new situations, new perspectives for the enterprise and solutions for encountered issues. He has to be creative; nowadays, one of the most appreciated issues is the stimulation and improvement of creativity, entrepreneurial spirit.

The term "entrepreneur" was introduced by J.B. Say and is used to describe the orientation to new, the opening to change. Related to managers – entrepreneurs and to organizations – entrepreneurial organizations, this term define a distinctive characteristic, a behavior defined by accent on innovation and opportunities valorization.

Another success's critical factor is manager's capability to develop efficient human relationships: communication, team work, personnel motivation etc. are management's psychosocial aspects on which the economical organization's performances are based on. In this context, the usual term for manager are "leadership" and "leading".



**Figure 1. Main managerial abilities**

### 3. ABOUT PEOPLE LEADING

The modern leading concepts consider man as center of management's concerns. Human aspects of organization's activities are the field of human resources management, a specific field of theory and practice in management.

*"In the center of any business is the man; without people cannot do business, the results and perspectives of any organization depend on them."*

Specific problems of HR management can be found at all management levels, materializing the human aspects of leading process; but, inside of organizations, specialized departments created and top level managers are responsibly for superior valorization of human resource.

The main responsibilities of HR department are:

- supplying and and records of the staff, including recruitment, selection, hiring and promoting staff;
- qualification and professional development;
- performance evaluation and reward of employees;
- analysis of and measurement of work, job design;
- ensure working conditions;

- protection and safety;
- social services, etc..

**Influencing of human behavior and motivation** are very powerful and, in the same time, extremely delicate instruments for management.

The performances of the organization depend on how the people works, how efficient the labor is consumed.

The modern management theories consider that the main instrument to enhance the valorization of human resources is motivation: can be considered that people's attitudes towards work and organization and also their involvement in effort are mainly motivational/emotional, that people participate to organization activities mainly for satisfy some owns needs.

*“Motivation = the factor that determines psychosocial involvement of human resources in achievement of performance at work.”*

The motivation is an important component of manager-subordinate relationship. Any leader must know as more as possible about the motivation: no matter if is a football team, a hospital or a business, the manager must know what people's expectations are and help them to work better - not only to their advantage, but also for company's the benefit.

There are several theoretical approaches concerning the motivation, better known being the theory developed by Abraham Maslow who ranks the social needs in five levels.

Theories concerning the motivation reveal that people's attitudes towards work and organization, their behavior, depends on the individual needs and expectations. These theories contribute to understanding human behavior, highlighting specific problems of human resource management whose solutions leads to employee satisfaction and therefore in achieve organizational goals, most important being the following: salaries, selection, training and development, promotion, labor relations, etc..

**Interpersonal relationships** - people have needs for affiliation, social relations.

Individuals that compose a workshop aren't just a number of people, they form a group within which “individuals develop relationships that become habits, relationships between them, relations between them and their leaders, labor relations”. This system of relations defines organizational climate.”

Organizational climate is the whole social characteristics of interaction among various working groups inside the organization.

Organizational climate is one of the factors that influence individual and group behavior and performances. The climate can be positive, when the relationship stimulates initiative, collaboration, or negative - characterized by lack of cooperation, tensions and conflicts. Viewed in terms of interpersonal relations, modern organization is characterized by a climate of cooperation based on trust, respect and group spirit. By contrast, a negative climate is characterized by internal conflicts and tensions, handling, filtering information, poor communication.

Creating a positive organizational climate is one of the important management issues. Its solution is far to be simple and depends on several variables: the nature of tasks, nature group, organizational culture, leader skills, leadership style, etc..

**Leadership style** usually means how a leader performs his duties.

Since the 50s were developed theories on leadership style. The objective was to identify significant issues that distinguish leadership styles and action opportunities in order to optimize style: leadership styles depend on the orientation of the manager. Generally, two different approaches, which depend on group results, can be distinguished: orientation to employees and orientation to task. Researchers observed that managers with high productivity groups were centered on employed approach: they exercised less

direct control, gave special attention to relations within the group and encouraging employee participation in problem solving. By contrast, leaders of groups with low productivity were more authoritarian, seemed to be interested more about the organization's requirements than people's needs.

What means a good leadership style?

Obviously, participative style is preferred, determining superior results and a positive climate based on trust and collaboration. This style may not be generalized, not suitable for every occasion. Managers are able to choose their leadership style. But choice is not without constraints, being influenced by various factors: type of activity, nature of the group (size and composition), the position of the leader and his abilities, organizational rules, etc..

Routine tasks, strict rules, the low level of education of employees are few features of situations where the democratic style is not appropriate. It also requires dictatorial methods in crisis situations, which require strong hand management manner, determination, inflexibility, exigency to subordinates.

So, leadership's efficiency involves style's flexibility, depending on the manager's ability to adapt his working style to features of specific situations.

#### **4. CONCLUSIONS**

Most SMEs has a particular characteristic: the top level management is done by the owner himself or by a person specialized in the main SME's activity field. In this kind of situations, even managers at a higher level coordinate different activities without being specialists in all fields that they coordinate, for low management levels or into a SME, having a good professional training into the leaded field represents a net advantage.

Influencing of human behavior and motivation is a very powerful instrument that can be used by managers for employee satisfaction and therefore achieving organizational goals.

Interpersonal relationships, organizational climate and a proper leadership style also represent major issues which a manager can use for achieve the organizational goals.

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