

# Applied Aspects of the Leadership in the Bussiness Unit

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## BIOGRAPHICAL NOTES

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## ABSTRACT

At the present stage of development of the economy processes on a national and an international level, business organizations are facing lots of difficulties and challenges. The modern market has to be perceived not only as a place for selling products, but also as an opportunity for competition of potentials. As a result, the need of building a new model of development and management on a micro level i.e. on a level of economy unit has become an existing issue nowadays. This is a model, where the profit has to be a function not as much as of the produced volume and sold amount, but much more of the decreased value of the products and services, of the high quality and innovative decisions, and of the capabilities of the business leaders to manage, motivate and organize the human resources. In this regard, the purpose of the present article is to analyze the opportunities, that a leader can take to create a business environment that will work as one robust mechanism. For achieving this purpose, the following tasks have been given: 1) To enlighten the term leader in the modern market; 2) To define and analyze the job qualities of the leader.

## INTRODUCTION

On the contemporary stage of the economic processes' development on the national or international level the business organizations are set up straight on a lot of difficulties and challenges. The processes of development and introduction of the information and communication technologies lead away the problems of micro-circle of the ordinary firm to the global world of the transnational corporations. Even the contemporary market must be made out not only as a place to sale products, but as an opportunity of competition of the potential possibilities.

All these things set serious requirements in front of the management of the business organizations as a whole and the leader's ability and capability for building the functional unit. If during the time of industrial production the business attention was concentrated upon the question of quantity growth or how to increase the amount of production, in

the beginning of the XXI century contractor's success depends on the adaptive degree towards the consumer demands and their preferences.

In the result of this, the necessity of building of a new model for development and management on the micro-level, it means on the level of economic unit is up for discussion. In this model the profit must be treat as a function not so many as the amount of produced and sold production, but as lowering prime cost, high quality innovatory decisions as on the business leader's capabilities to manage, to motivate and organized labor resources. All this in the bigger degree set the question for the activation of the human factor in the organization, on one hand, as an innovator, on the other hand, as a basis of this which we call intellectual capital and organizing, managing thinking. Thoroughly it must be emphasized upon the organization of management with a view to realization of the effective managing structures in the working teams and groups, depending of business - circle's specificity.

In this meaning, the purpose of the present treatment is to analyze the opportunities which the leader as a type of manager must use to make possible the building of such an organizing environment that can work as a whole. In this treatment is paid attention to the basic aspects in the labor resources' management as a management strategy, firm policy, motivation and whole process of adoption on the definite managing philosophy, connected with the every separate organization's specificities.

## THE PROBLEM'S SETTING

We think that this subject which is considered in this treatment is an especially question of present interest in our country, in view of the fact that the latest twenty years are a very short period of time to be set a corporative culture, adequate to the contemporary challenges. The problems can be map out in the following aspects:

■ *The management of the labor resources in Bulgarian organizations is happening on the basis of the model on the type "organization of the commanding-control functions" [1].*

■ *The philosophy of the organizations' management.*

The main point of the organization is that it is a unit of people, who set up a general purpose and coordinating their efforts to make it real. In Bulgarian economy is still predominated the thinking about

the organization as a material phenomenon, that means it is a collection of machines, equipment, buildings and technologies. In fact, the whole techniques and technology are only the means that put into action the human factor. The organization is the way and the system of work of the labor resources in definite structure of production and services. It is speaking of motivating, active and enterprising labor resource. With regard to this we must say that **the purpose of the leader's type head is to motivate the organization's members, to make possible to hold out their physical, intellectual and creative opportunities.** Its achievement suppose ability to manage, but on the other hand must solve a lot of problems as:

■ *The established model of management of the labor resources in the business organizations is a result of the special features and the direction of development of the Bulgarian passage from planned to market economy.*

■ *Insufficiently cleared up vision for management of the labor resources in a long-term perspective.*

The leader's qualities valuation of an administrative head goes through analysis on his ability for strategic planning and management. The lack of look upon the strategic perspective of the organization turn the particular operative aspects of management in every functional sphere as – a quality, prime cost, human resources, materials and etc., into a nonsystematic presence of managing role.

The problems proceed as well from the fact that a long period of time the organizing and managing strategies are being adopted as incidental things only to the big business structures. More over they are being brought only to make decision about "product - market" as an organization, but not in a simple managing aspect. In this case, the role of human factor is limited to the particular circle of the supreme guidance of the organization.

That's why we think it is necessary to determine the conceptual frame to an adequate leader's strategy that include the ways and methods of work, the motivation and the management of the labor resources.

## APPLIED ASPECTS OF LEADERSHIP

In the contemporary firm practice the head take his position in the result of appointment or a competition which means that he doesn't need of the employees' approval. The head is a fact for them. This

put the question for the leader's attitudes in the group or business unit. In order with the basic preconditions for the leader's expression, laid down in the previous part of the exposition, a lot of particular rules exist, with which the head in an organization must take into consideration to make better presentation of himself. These rules are valid not only for the head of the administrative structure, but on principle, independently of the activity's type [3]. It is speaking of staff's qualities, authorizing, way of staff's participation, as well as education and rotation in the organizing structure.

As a matter of principle, the good administrators make efforts to enroll brains and talent, realizing that as much their subordinates do their work better as much the organization is going to achieve. In the final reckoning as much reach the organization as much successful they are going to be.

Lots of administrators don't use this approach. In this way they show their own disadvantages. According to an analysis, the first-class head is closed round himself with equal or better subordinates. A head who hasn't got special leader's functions selects people, who are going to exercise their functions without particular affinity to his actions. The capable office-workers or the first-class subordinates can be a problem on the other hand. Such kind of people, for example, would show an inclination for outstanding and could throw a shade on the others. In spite of this, independently of emotional pressure that would cost such type of subordinate, he is valuable with the trace he leaves for the organization, with the standard that he makes for this position and the influence he has over the other people to make better presentment of themselves [4]. The good head must find a way to satisfy such kind of qualitative and ambitious people to work for his organization, instead of looking for better realization in another similar structures.

One of the opportunities for solving the problem with the office-workers' integration and especially with their abilities is hiding in the rule for authorizing. Delegating of rights, of course, we couldn't define as a heal-all for successful presentment. It also hides exact risks. That's why, at the beginning it is necessary to specify the rights that will be delegate. The head must not delegate any rights. He must delegate first-rate rights, in view of the fact, that insignificant things are not followed by a sense of satisfaction, nor provoke involvement. Sending of

subordinate to do something very simple is a kind of delegation, but on an elementary level. The administrator must remember that when the task is important, the subordinate, who hasn't so much experience and knowledge as his head will devote much more time, efforts and eagerness to do the task than his head.

It also will be a problem to delegate rights to not so many people. The administrator who relies on only one or two of his subordinates to cope with the important tasks can become their hostage. The competition between them can lower their presenting. If the head delegate rights only to one of them, the office-worker can replace the head as he act in head's name but in his own way. But if the first-rate rights are being delegated to a lot of people in the organization a risk is apparent from the dubbing of entire work, as it is building up a new structure in the organization that isolate the head. The risk is that they can turn into a barrier which distort the information and the lines of communication in the organization [5].

Besides this, the administrator must remember that some kind of work can't be done by other people. It includes the extreme responsibility for:

- ***Working out the organization's strategy.***

- ***Building up a good working circle in the organization.***

- ***Entire presentment of the organization.***

One of the explanations of the importance of delegating first-rate rights is rooted in the human's nature itself - to be a leader. The responsibility of doing the first-rate tasks is undoubtedly connected with much bigger risk of failure. But the successfully coping with the important tasks means the greatest pleasure of work. The head who succeeds to organize the work in the way that the delegating of the first - rate rights and responsibilities to unite his subordinates in a whole, means to better all the parameters of the work, including his own presentment. Here we must pay attention that this apparently simple rule supposes the presence of great number of head's qualities. He must know very well his subordinates' abilities, the specific of work and the state of surrounding. On the other hand, he must know clearly the strategy and the purposes of the organization and must take the risk of failure.

In fact, the dimension's imitation doesn't bring it to the desired result. The office-workers of experience in particular field could understand if the as-

signed task to them is a first-rate. The representing of insignificant tasks as important achievements can only hold up the head to ridicule in the eyes of his subordinates. Delegating rights and responsibilities doesn't mean taking on less work of the head and devolving it upon his subordinates. Delegating of rights can't be done by chance. It can be bind with the whole process of work - from delegating right through the responsibility for the result and the satisfaction of recognition or the sanction of failure in duty. In this way, the head can truly build up an organization through which he can reach a higher quality of the product of the activity of this organization in the name of its consumers.

The subordinates' participation in the process of duty, responsibilities and rights in its part is different from the delegating on this, that it can take much more people and aspects then usually can be included in the act of "delegation". In substance, it means to be allowed to as much more people as possible to take decisions and to share in the optimum amount taking of other decisions in the future. The participation can take a lot of shapes. To office-workers can be allowed to determine many of their conditions of work, for example, their working time. They can be required to contribute with their ideas for the whole policy of the organization even to take part in their heads' election.

There are a lot of advantages of the active participation in taking decisions. On one hand, the office - workers become more informed because of their participation in taking decisions, and on the other hand, all this leads to better implement resolutions. This process stimulates the development of the office-workers. With the view to the given explanations of the problem, we can draw the following conclusion: **one of the most important conditions for the growing and development of the subordinate is concentrate in his possibilities to explain his ideas.**

The active participation in taking the decisions there are disadvantage as well. One of them is that it is slow up, sometimes very much, the undertaking of acts and doesn't always lead to better decision. It can take a lot of time of the participants and can bring them to big quarrels. As it was said in authorizing, the responsibility lies heavy on head's shoulders and he must take negatives if he was taken the wrong decision.

Sometimes the active participation in taking deci-

sions is hobbled from the unwillingness or inability of the office-workers to make use of them. Many people can react with fear or distrust when such a role is suggested to them. Others would engage themselves before they realized the responsibility that followed the decision.

The participation of every member of the team in taking decisions or in organizing in separate sections in the firm is only one of the tools of the head with which he can make better subordinates' knowledge and abilities. Standard ways are being submit in literature about this, by means of education, teaching and rotation. The office-workers' rotation helps for extending of their capabilities, acquiring of wider and profound understanding of the organization and the relationship between its separate parts. When their basic duties are comparatively limited, they can do them much better if they know how they are put into the whole scheme [6].

The rotation, however, could have a reverse effect for the organization and office-workers. In case of that, the subordinates acquired the sensation that they are being arranged by some other will, they could acquire the sensation of useless. In this case, even the necessity of rotation to be realized they can't succeed in doing their duties in depth, preferring the monotony while they could be transfer to another position.

This has reference not only to the simply bureaucratic relations. The change of the positions, for example, to the diplomats, suppose their gradually rising in rank and gaining experience. On the other side, however, if the rhythm is being broken, the logic of this process can be substitute. Instead of concentrating upon his important tasks, a representative of this part can only concentrate on the expectation of his next appointment.

## THE LEADER'S FUNCTIONS IN THE BUSINESS ORGANIZATION

An important moment in analyzing the leadership in the business organizations is the determination of his functional characteristics. Commonly, in functional attitude the leader could represent himself as an intelligent, resolute, strong, charismatic, courageous, enthusiastic and so on. His grades are connected with the building of the clear idea about the desired future results, the ways of their achievement and the most important- knowledge and ability to organize and motivate his people in such way, so

they can follow his chosen way.

Ever since 60s of the XX century in the most of the big American universities are being initiated programs of teaching in leader's abilities, as for the students in management, as for the working managers. A big part of leader's skills are approachable for learning from every formal head, if he wish to do this and to be cleared to him how this more different and more delicate "mechanics" of managing tools could help him in creating of one enrich and more effective style of management [7].

In the context of the previously mentioned, according to us, it is necessary to analyze a very often observe phenomenon in practice - the leaders succeed more effectively than the managers to consolidate the people in the organization and to mobilize their group energy for reaching the determined purposes. We could search the reasons in two directions: inner personal and outer group. On the other side, the leader's qualities and skills to be shown a group of people is necessary whose joint activity needs necessity of inner organizer.

Concerning leader's priority functions a summery can be done in the following directions with aim of more entirely ranging over the problems.

**First**, leader's function and duty is to be active, communicative and pointedly interested in realizing the group's purposes and interests. He mustn't be indifferent to the common problems and openly to show off his efforts for their solving. **Second**, he must ever be the active side in communication and he has to put forward ideas. But also he must be able to follow closely the people and never to ignore his colleagues' ideas and suggestions about the solving of every particular problem. **Third**, the leader must take care of every member of his team or section to take adequate participation as in discussing the problems, as in the actions of their solving. He isn't ever the most competent in the team but due to his talent for organization he succeed in giving assistance to forming the most competent decisions in the team. Due to his organizing abilities, the leader succeed to secure opportunity for every member to take part actively in the common activities, so that nobody to be isolated and neglect in his desire to show off his abilities. That is the exact attitude with which the leader can win the sympathies and respect of the other members of the team.

A difference is hidden very often in these qualities between the leader's and manager's adjustment,

namely-the leader can see in his colleague his own personality while the manager is more disposed to see in his subordinate his position. The leader refers to the other office-workers as to his partners but for the manager first of all they are his subordinates. The first values on the qualities and skills, but the second emphasizes on their duties. Not only because he is the favorite in the group, but because he is in it, the leader controls the dynamics of interpersonal and official relations more successfully than the manager. As a rule the leader is sensitive to the hesitations in emotional moods of the team. On one hand, he understands when the climate in the group leans to agreement and he uses this positive moment to direct the group's energy to realize one or another purpose. On the other hand, the leader can foresee growing possible conflicts which give him the opportunity to influence positively for their neutralization. In definite cases with his presence the leader is in the state to harmonize the relations in the team and to increase the unity in it. He practices on his own free will the delegating to him power to lead and help approaching the team purposes without intrusion of his personal interests [8]. His success is due to his skill to influence on the three levels of his colleagues' personalities, namely:

■ **On intellectual level- he is able to convince.**

■ **On emotional level- he is able to positive and to encourage.**

■ **On behavior level-he succeeds in motivating.**

In the most cases the formal head does not have desire to convince, in the view of the fact, that his power give him the right to admonish. The leader's power is in such things as to inspire and to fire with enthusiasm, and the manager confirms his positions as he orders and controls.

The quality with which the leader especially strongly influence on his colleagues and that brings him high acknowledgement is the confidence in suggested decision of particular problem. He doesn't let the thought of failure and the optimism clearly appears in his behavior. Exactly here the source of his energy is hidden with which he very often instinctively infects the other members of the team, activating them for action. His positive attitude and faith in team's power are the means with which he wins big trust and succeed to suggest to the other people to follow him and to subordinate to him. Because of this the leader is an authority in the group and he uses his influence on the thinking, moods

and behavior of its members. His word carries weight and his actions more or less are returning in model imitation.

One of the paradoxes in the modern organizations, public or business, is that the coping with changes is returned in irreversible priority of organization. The heads and the staff are stand up daily face to face with growing needs for changes in the way of thinking and working, in organization of relations with costumers, in the systems of management and realization of the working tasks. Competent leadership is this, that guarantees reaching the desired results, due to responsible engagement of the people

in the organization, in its effective management of its organizing development.

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