

A Holistic Approach towards Leadership and Management Small and Medium Enterprises (SMEs):
An Empirical Study

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A Holistic Approach towards Leadership and Management Small and Medium Enterprises (SMEs): An Empirical Study

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Abstract:

Small and medium-sized firms (SMEs) require effective leadership and management to succeed. A holistic approach to leadership and management entails considering all aspects of the business and its surroundings and establishing strategies to optimize them. Leaders of SMEs must understand the organization's aims and objectives and be able to successfully communicate them to their teams. They must also develop a positive workplace culture that encourages creativity, innovation, and collaboration. Moreover, effective management entails ensuring that the company runs efficiently and successfully. This encompasses budgeting, operations, and human resources. Monitoring cash flow, developing budgets, and making smart investments are all part of effective financial management. Optimizing processes and systems to maximize efficiency and minimize waste is what operational management entails. Hiring and maintaining top employees, offering training and development opportunities, and fostering a healthy company culture are all part of human resource management. Aside from these essential activities, successful SMEs must also adapt to changing market conditions and leverage technology to create a competitive advantage. SMEs can develop sustainable and healthy firms by embracing a holistic approach to leadership and management.

Keywords: Business, SMEs, Employees, Leadership, Management

Introduction:

Small and medium-sized enterprises (SMEs) are the backbone of most economies around the world. They provide a major portion of job possibilities, generate income, and contribute significantly to the GDP of many countries. Managing and directing a small or medium-sized business, on the other hand, poses distinct challenges that necessitate a comprehensive strategy. In SMEs, a holistic approach to leadership and management entails considering all aspects of the firm, including economic, social, and environmental factors.

In SMEs, leadership entails establishing a clear direction for the organization and ensuring that staff is aligned with the company's goals. SME leaders must have a thorough awareness of their company's operations and market, as well as the ability to inspire and encourage personnel to reach organizational objectives. Effective SMEs require leaders that are ready to take calculated risks, adapt to changing market conditions, and learn from failure. Management, on the other hand, entails organizing the organization's day-to-day operations. Managers in SMEs are in charge of allocating resources, monitoring performance, and ensuring that the organization runs smoothly. Effective

management in SMEs necessitates the capacity to prioritize activities, effectively manage time, and assign responsibility.

In SMEs, a holistic approach to leadership and management entails taking into account all aspects of the firm, including economic, social, and environmental factors. This approach acknowledges that businesses function in a complex system with numerous stakeholders, including consumers, employees, suppliers, regulators, and the environment. SME leaders and managers may guarantee that their decisions respect the interests of all stakeholders and contribute to the long-term survival of the firm by using a holistic approach.

A holistic approach's economic part is ensuring that the firm is profitable and contributes to economic progress. Setting clear financial targets, monitoring cash flow, and efficiently managing risks are all part of this. SME leaders and managers must also be aware of the competitive landscape and work to distinguish their company from competitors. Whereas, a holistic approach's social part entails examining the influence of the firm on employees, consumers, and society as a whole. This entails making certain that employees are treated properly and have opportunities for personal and professional development. SME leaders and managers must also evaluate client needs and strive to provide high-quality products or services that meet those needs. Furthermore, SMEs should contribute to societal well-being by helping local communities and minimizing harmful environmental impacts.

The environmental part of a holistic strategy is examining the business's impact on the environment and taking actions to mitigate negative effects. This entails putting in place environmentally sound practices, decreasing waste and emissions, and preserving resources. Environmental regulations must also be understood and followed by SME leaders and management.

Finally, a holistic approach to leadership and management in SMEs entails taking into account all aspects of the firm, including economic, social, and environmental factors. This approach acknowledges that businesses function in a complex system with numerous stakeholders, including consumers, employees, suppliers, regulators, and the environment. SME leaders and managers may guarantee that their decisions respect the interests of all stakeholders and contribute to the long-term survival of the firm by using a holistic approach. Effective leadership and management in SMEs necessitate a thorough knowledge of the company, its market, and its stakeholders, as well as the ability to react to changing market conditions and learn from failure.

Literature Review:

Small and medium-sized enterprises (SMEs) play an important role in global economic growth and development. To succeed in today's challenging business environment, SMEs demand good leadership and management. Scholars and academics have created several methods of leadership and management in SMEs over the years. The term "holistic" is derived from the Greek word *holos*, which means "complete." The holistic approach, according to **Boje and Rosile (2003)**, is "an integrative and inclusive perspective that considers the whole person, organization, and environment, as well as their interrelatedness." The holistic approach in leadership and management refers to the practice of taking into account the physical, emotional, mental, and spiritual components of persons and organizations in decision-making processes (**O'Neill, 2005**).

Holistic Approach Theories:

The Integral Theory, founded by **Ken Wilber (1995)**, is one of the fundamental theories of the holistic approach, arguing that humans have numerous levels of existence, including physical, emotional, mental, and spiritual dimensions. According to the notion, these aspects are inextricably linked and cannot be separated. As a result, leadership and management must consider all of these dimensions in order to enhance the overall well-being of individuals and organizations.

The Systems Theory, which proposes that organizations are complex systems made of interconnected pieces that work together to achieve a common objective, is another theory that supports the holistic approach. As a result, successful leadership and management should take into account the interrelation and interconnection of these components and focus on developing a healthy and sustainable system (**Senge, 1990**).

Leadership and Management in SMEs:

SMEs are critical to a country's economic progress, and leadership and management are critical to their success. SMEs, according to **Kuratko et al. (2005)**, require visionary leaders to guide them to success. Leadership in SMEs entails the capacity to efficiently manage the organization's resources, communicate effectively with stakeholders, build networks, and foster an environment of innovation and creativity. However, competent leadership cannot assure the success of SMEs on its own. Effective management is also essential, which includes planning, organizing, directing, and regulating the organization's resources (**Gibson & Cassar, 2005**).

The Holistic Approach to Leadership and Management:

The holistic approach to leadership and management emphasizes the interdependence of various components of the organization, such as the social, economic, and environmental issues that influence its success (**Chell, 2008**). Holistic leadership and management are based on the notion that an organization's performance is inextricably tied to the well-being of its employees and the larger community in which it operates (**Gellerman, 2005**).

According to **Chell (2008)**, the holistic approach entails taking a more integrated approach to leadership and management, in which leaders and managers must consider a wide variety of issues such as employee well-being, customer satisfaction, and environmental sustainability. This strategy is based on the concept that these aspects are interrelated and must be controlled cohesively to ensure the organization's long-term performance.

Several researchers have studied holistic leadership and management in the context of SMEs. **Harris and Marti (2010)**, for example, investigated the relationship between holistic leadership and organizational success in SMEs. The authors discovered that organizations that practice comprehensive leadership and management outperform those that do not. They contended that this method boosts staff engagement, customer happiness, and innovation, all of which led to improved organizational performance.

Burke and Cooper (2004), on the other hand, investigated the function of holistic leadership and management in fostering employee well-being in SMEs. Given the low resources and high-pressure work environment typical of such organizations, the authors claimed that leaders and managers in SMEs have a key responsibility to play in ensuring the well-being of their people. They proposed

that promoting a healthy and productive workforce in SMEs requires a holistic approach that considers the social, economic, and environmental elements that affect employee well-being.

In SMEs, a holistic approach to leadership and management entails taking into account all aspects of the organization, including its internal and external environment, stakeholders, and resources **Covin & Slevin, (1989)**. The holistic approach, according to **Chandler and Jansen (1992)**, entails connecting the organization's goals and objectives with leadership and management techniques. The holistic approach is founded on the understanding that SMEs are complex systems that necessitate an integrated approach to leadership and management. Empowering people, promoting innovation, and developing a culture of continuous improvement are also part of the holistic approach **Gill et al., (2006)**.

Several studies have been conducted to investigate the relationship between a holistic approach to leadership and management and the success of SMEs. **Covin and Slevin (1989)**, for example, discovered that SMEs that used a comprehensive approach to leadership and management were more successful in terms of growth, profitability, and market share. **Chandler and Jansen (1992)** discovered that SMEs that linked their leadership and management techniques with their goals and objectives performed better.

Objective:

To measure the various dimensions of leadership and management small and medium enterprises (SMEs)

Methodology:

This study is descriptive in nature in which the data were obtained from the 185 respondents to Investigating a holistic approach towards leadership and management small and medium enterprises (SMEs). A checklist question was used to analyse and interpret the data. In a checklist question respondents choose "Yes" or "No" for all the questions.

Data Analysis and Interpretations:

Table 1 Holistic Approach towards Leadership and Management Small and Medium Enterprises (SMEs)

SL No.	Statements	Yes	% Yes	No	% No	Total
1	SMEs should develop a positive workplace culture that encourages creativity, innovation, and collaboration among employees	165	89.19	20	10.81	185
2	SMEs must communicate organization goals with their employees	160	86.49	25	13.51	185
3	SMEs ensure company runs efficiently and successfully	171	92.43	14	7.57	185
4	SEMs should ensure effective financial management system	174	94.05	11	5.95	185

A Holistic Approach towards Leadership and Management Small and Medium Enterprises (SMEs):
An Empirical Study

5	Optimizing processes to minimize waste and maximize the efficiency	168	90.81	17	9.19	185
6	Offer training and development opportunities to the employees	177	95.68	8	4.32	185
7	Provide healthy company culture to the employees	152	82.16	33	17.84	185

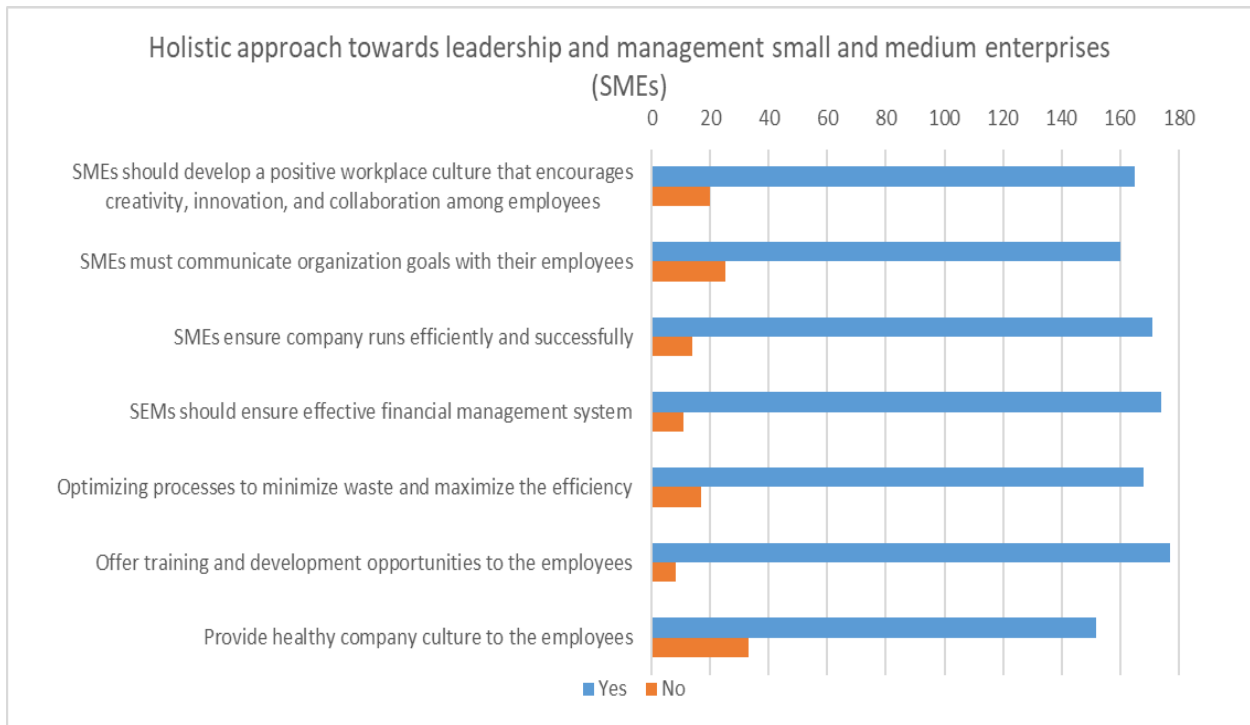


Figure 1 Dimensions of Leadership and Management Small and Medium Enterprises (SMEs)

Table 1 and Figure 1 show the holistic approach towards leadership and management small and medium enterprises (SMEs). It was found that around 95.6% respondents accept Offer training and development opportunities to the employees, SEMs should ensure effective financial management system (94.5%), SMEs ensure company runs efficiently and successfully (92.4%), Optimizing processes to minimize waste and maximize the efficiency (90.8%), SMEs should develop a positive workplace culture that encourages creativity, innovation, and collaboration among employees (89.1%), SMEs must communicate organization goals with their employees (86.4%) and Provide healthy company culture to the employees (84.8%).

Conclusion:

Finally, for the development of small and medium-sized firms (SMEs), a holistic approach to leadership and management is required. This method entails comprehending the interdependence of many parts of the business and the impact they have on one another. It necessitates a leader who can balance the needs of various stakeholders, like employees, customers, suppliers, and the larger community. Recognizing the importance of emotional intelligence, communication, and teamwork is part of a holistic approach to leadership and management. Leaders must be able to encourage and

motivate their employees while also listening to and acting on comments and suggestions from their team members. Effective communication is also essential for ensuring that everyone is on the same page and working towards the same goals. Furthermore, a holistic strategy entails analyzing the business's social and environmental impact over the long term. This includes keeping sustainability, diversity, and ethical practices in mind. Overall, SMEs that take a holistic approach to leadership and management will fare better in the long run. These companies can develop a culture of trust and collaboration that supports innovation and growth by prioritizing the needs of all stakeholders.

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