

# Importance of Managerial Leadership in the Organizations: A Reflexion on a Mexican Photovoltaic Industry thorough a Empirical Framework Proposal

Héctor D. Molina-Ruiz<sup>1</sup>, María Guadalupe Cruz García<sup>2</sup>, Javier Carreón-Guillén<sup>3</sup>, Stephani M. Rojano-Chávez<sup>4</sup>

<sup>1</sup>*Autonomous University of Hidalgo, Sciences Institute, Mineral de la Reforma, Hidalgo, Mexico.*

<sup>2</sup>*Autonomous University of Tlaxcala, Tlaxcala, Estado de Tlaxcala, México.*

<sup>3</sup>*National Autonomous University of Mexico, National School of Social Work, C.U., Ciudad de México, México.*

<sup>4</sup>*Environmental Department, Tula – Tepeji's Technological University, Hidalgo, México.*

## Abstract

During first XXI century decade, leadership has been emerged as a tool to manage and optimize managerial and productive processes. Leadership function inside of the organizations can be a positive breakthrough, from basic hierarchical levels to those of higher directive and higher level decision making. Some reflections on the leadership are present in this document, specifically the need of a leader's managerial team in an Mexican industry of photovoltaic sector, and it is also evaluated the leadership of managerial team, based in the interaction had inside the enterprise under study between December 2015 and January 2017.

**Keywords:** *Leader's managerial team, Leadership, Photovoltaic sector.*

## Introduction

Managerial team, in any industry have the main roll to leader the decision making process. One of the main aspects to ensure that leader team or managerial team have a good decision making process, is that leader team covers some characteristics as higher culture level, at least a bachelor degree, global business point of view, experience on similar working positions, among others.

It has been pointed out that a manager not necessary has the leader's characteristics, and also, it has been proposed that a leader, not every time have a hierarchical authority inside the organization, however it can have certain level of moral authority.

Gu Xiuquan once said: "the real manager is to manage people's emotions" [1]. In that scope, the real manager also manage people's attitudes, actions, behaviors, activities and resources, as manager is the main link between resources management and organizational objectives covering.

Leadership, as an inherent human kind ability, have been presented along human history, since the early origin of our specie, the hunter and collector tribes hold a leader who make the important decisions over the groups (tribes) behavior. Pointed that leadership's concept appear in 1300 a. D. [2].

However, a most solid concept appear just a few decades ago, when authors like Abraham Maslow, Rensis Likert, Douglas Mc Gregor, Frederick Irving Herzberg, Peter Drucker or Daniel Goleman, started their studies on human and organizational behavior and consciousness.

Leadership is consider for some authors as an art, due to leader's ability to manipulate people's decisions and manner of thinking, and it must to be present in the organizations, mainly in the figures of managerial team. As mentioned before, managerial team has the very important labor to keep the organization on going thorough organizational objectives reaching.

In Arnold et al. [3] suggest that leadership empower teamwork in the organization. Leadership can impact individual factors (e.g., employee behaviors), organizational factors (e.g., implementation climate) [4]. Based on that statements, it can be seen how important is to have a elite manager team with a high level of leadership, in order to create wealth for enterprise.

Different authors have proposed scales or frameworks to evaluate leadership or its characteristics [5-3-6-11].

Enterprise under study assumes energetic challenge in Latin America, developing, assembling and providing solutions on renewable energies. During 2015, the enterprise held the second position on sales by Mexican market. By 2016 mentioned enterprise lost that position, however, increases its market share in international market, opening a new office in Boston, Massachusetts, in the United States of America. During the first semester of 2017, the enterprise had sales in Canada, USA, Colombia, Honduras and Costa Rica.

That context makes necessary to have a managerial team which exposes a higher level of leadership, in order to keep the organization on going to a growing and developing dynamic.

## Method

In the case of the enterprise under study, it was integrated a framework or scale based in a one year interaction with higher decision making levels, subordinates and operators. That framework is about the characteristics which a manager (leader) would have in order to perform an acceptable leadership in the organization. Those characteristic are grouped in two main areas: direct scale or positive characteristics and indirect scale or negative characteristics.

In the following tables they are presented the items used in the evaluation instrument, in a Likert scale with three possible answers (Never/Rarely, Often, Most of the times/Always). In the case of the CEO's answers, it was added an extra scale (called "other") in which they are pointed out answers where the item does not apply, due to its hierarchy.

In the cases of direct and indirect scales, evaluation of leadership is as follows.

Last table suggest that a good leader (manager) should be in the extremes of the proposed framework, which means that, in the case of direct scale, majority of the answer should be in the scale "Most of the time/Always", and in the case of indirect scale, most of the answers should be in the scale "Never/Rarely".

## Results

As a result of the interaction and observation of the activities, actions, attitudes, behaviors, habits, made decisions, schedules, and so on, enterprise's CEO and each manager was evaluated based on the framework proposed.

Between the CEO's activities they can be listed: make the most important decision over the enterprise, open new markets, direct talking with very important clients (bigger capitals), executive managing of EPC (Engineering Procurement Construction's projects), direct attention of important client's complains, negotiation with second floor banks or international bank when capital needed, authorization of special production or deliveries, authorization of short, medium and long term agreements with clients and suppliers, among others.

In the case of the CEO, results of the leadership evaluation are presented in the following tables.

In the case of the CEO, obtained percentages were: Never/Rarely 6.66%, Often 6.66% and Most of the times/Always 86.6%, based on table 4 and results in table 5, it can be seen that CEO have a solid leadershiping.

In the case of the CEO, obtained percentages were: "Never/Rarely" 100%, "Often" 0% and "Most of the times/Always" 0%, based on table 4 and results in table 6, it can be seen that CEO have a solid leadershiping.

Sales manager activities are integrated, among others, by: clients negotiation prices, sales forecast, clients visiting, client's attention, negotiation of agreements with clients, trouble solving with clients.

In the case of the sales manager, results of the leadership evaluation are presented in the following tables.

In the case of the sales manager, obtained percentages were: Never/Rarely 42.1%, Often 47.3% and Most of the times/Always 10.5%, based on table 4 and results in table 7, it can be seen that sales manager needs to improve its leadership.

In the case of the sales manager, obtained percentages were: "Never/Rarely" 0%, "Often" 42.8% and "Most of the times/Always" 57.1%, based on table 4 and results in table 8, it can be seen that sales manager need to improve its leadership.

Administrative manager hold activities like, human resources management, accountancy administration, national providers payment, merchandise lending, rental contracting and payment, services contracting and payment, among other. In the particular case of the enterprise under study, administrative manager had a legal empowerment so some legal cases were also followed by him.

In the case of the administrative manager, results of the leadership evaluation are presented in the following tables.

In the case of the administrative manager, obtained percentages were: Never/Rarely 31.5%, Often 47.3% and Most of the times/Always 21.0%, based on table 4 and results in table 9, it can be seen that administrative manager need to improve its leadership level.

In the case of the administrative manager, obtained percentages were: "Never/Rarely" 21.4%, "Often" 28.5% and "Most of the times/Always" 50.0%, based on table 4 and results in table 10, it can be seen that administrative manager need to improve its leadership level.

Finance manager activities cover: importation of raw material, importation of SKU's, importation of machinery, importation of tool, importation of production process clothes, payment to abroad suppliers, managing relationships with treasury minister, among others.

In the case of the finances manager, results of the leadership evaluation are presented in the following tables.

In the case of the finances manager, obtained percentages were: Never/Rarely 21.0%, Often 52.6% and Most of the times/Always 26.3%, based on table 4 and results in table 11, it can be seen that finances manager need to improve its leadership level.

In the case of the finances manager, obtained percentages were: "Never/Rarely" 85.7%, "Often" 14.2% and "Most of the times/Always" 0%, based on table 4 and results in table 12, it can be seen that finances manager have a solid leadership.

Main activities of production manager were: management of materials, information and human resources; production process control and planning; human resources management; raw material, stockable keeping units and final product management; final product's logistics management and delivery management; clients' service; claims' management; claims' report integration; inventory management; ergonomic, safety and health analysis; local logistic supplier payment management; spends evidence and report management, among other.

In the case of the production manager, results of the leadership evaluation are presented in the following tables.

In the case of the production manager, obtained percentages were: Never/Rarely 0%, Often 31.5% and Most of the times/Always 68.4%, based on table 4 and results in table 13, it can be seen that production manager have a solid leadership.

In the case of the production manager, obtained percentages were: "Never/Rarely" 85.7%, "Often" 14.2% and "Most of the times/Always" 0%, based on table 4 and results in table 14, it can be seen that production manager have a solid leadership.

Technology manager have some specific activities related with maintenance of machinery and production process, but most important activities turns around the activities made by CEO, due to technology manager is the right hand of CEO.

In the case of the technology manager, results of the leadership evaluation are presented in the following tables. In the case of the technology manager, obtained percentages were: Never/Rarely 0%, Often 21.0% and Most of the times/Always 78.94%, based on table 4 and results in table 15, it can be seen that technology manager have a solid leadership.

In the case of the technology manager, obtained percentages were: “Never/Rarely” 92.8%, “Often” 7.14% and “Most of the times/Always” 0%, based on table 4 and results in table 16, it can be seen that technology manager have a solid leadership.

In the following table it is summarized the framework evaluation results.

Last table shows that managerial team (including CEO), have more than 58.33% of

leadership, while the organization holds a 41.66%, which need improving in leadership scope.

## Conclusion

Despite the global managerial team holds more than 50% of leadership, it is clear that it would be needed that all of the members on the managerial team have a solid leadership, in order to develop and improve decision making process.

It is necessary to improve leadership in specific areas of the organization, mainly in sales and administrative managements. It is also necessary to improve leadership in finances management. To improve leadership in the organization, first step could be to ensure that each member of the managerial team hold a bachelor degree (or at least the flaunted experience). It is also necessary, to promote a policy of training to the member of the organization, not just for managerial team, but also to operators and decision makers of medium level.

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