

Leadership and financial goal setting of top smes - dissertation example

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Leadership and Financial Goal Setting of Top SMEs

The link between leadership and financial goal setting of top SMEs

The Key Concept The key concept of this dissertation is to find the link between leadership and financial goal setting of top SMEs in the UK. There are some SMEs that at the start never thought of generating profit but just want to give high emphasis on how to make their human resource happy and satisfied. This specifically calls for better management especially in the area of leadership and its related activities.

Areas of Research This research is an exploration of the combined areas in business which primarily includes human resource management and finance and management. This study will try to focus on financial activity of the chosen SMEs and their tasks regarding leadership, personal growth of their employees and the business approach of their managers in general.

Explanation It is good to study on this subject because there will be additional knowledge on how SMEs try to adapt some changes in the leadership process as their way to integrate financial stability with their daily business operation.

Research aim: The overall purpose of this dissertation is to find out the link between leadership and financial goal setting of top SMEs in the UK. This has to be found out from ten of the best 100 SMEs in the UK. Thus, at the end of this study, the proponent will achieve concrete information about the role of leadership activities and its form in the financial goal setting of top SMEs in the UK. The business world is always looking forward to increase revenue and minimise expenses in order to ensure either profit or good business performance (Liu and Wang, 2008; Abi and Shimizutani, 2007; Ingene and Parry, 1995). The very activity of achieving this is focused on maximising financial concerns in order to

achieve the bottom line. Trying to come up with something new in the business is focused on many aspects but financial activities and business performance seem to be at the top priority (Hallin et al., 2011; Liao and Rice, 2010). Therefore, it is important to bear in mind that there has to be other considerations when it comes to other significant activities on how to maximise business performance. Considering that business is dependent on human resource as one of its best assets, it is important to consider that people have to be redirected to perform the vision. It is essential to do this because when people know what they should do; the entire corporate objective of the company will be accomplished starting from the top down to the lower level of management. However, this cannot just be performed without the appropriate leadership process within the company. Thus, it is important to integrate the leadership process in order to obtain the best performance of the company which primarily includes the bottom line - maximum financial performance.

Research objectives: In this study, the proponent will primarily find out highlights in leadership activities employed by top SMEs in the UK prior to achieving their financial performance. In line with this, the proponent will eventually try to compare and contrast the current leadership practices employed by the chosen firms and the common practices applied in the business world. Thus, the proponent will gather relevant and related literature for this matter.

Research questions: In particular, this dissertation will answer the following questions at the end of the study: 1. What are the highlights of leadership activities performed by top 10 SMEs in the UK? 2. What are common leadership activities applied in business? 3. How do the lower rank employees of top 10 SMEs in the UK

perceived about their company's financial performance? 4. How do the finance manager or director of top 10 SMEs in the UK perceived about their company's financial performance? 5. What is the association between leadership performed by top 10 SMEs in the UK and their financial performance? Research methods: Quantitative and qualitative research methods This study will try to employ both qualitative and quantitative research methods. Under quantitative method, the proponent will consider the investigation regarding the association between leadership satisfaction of the employees of top 10 SMEs in the UK with their company and their financial performance. On the other hand, the qualitative method will focus on finding information through relevant literature that will help in the process of comparing and contrasting leadership approach of top 10 SMEs in the UK and the common leadership business principles applies in the business world. Literature Review The above information will be gathered through initial investigation of the top 100 best SMEs in the UK at the following site: http://business.timesonline.co.uk/tol/business/career_and_jobs/best_100_companies/best_100_tables/#startofbestsmes. This site will also serve as the primary source of information about the basic strategies of modern SMEs in order to achieve their best financial performance. Survey and interview This study will also involve acquiring information from the finance manager or director of the chosen firms in order to find out the level of their leadership and its impact on their financial performance. Overview of company or sector: The top ten best SMEs in the UK are currently in line with innovative strategies in order to gain high level of financial performance. Unlike any other business firms,

http://business.timesonline.co.uk/tol/business/career_and_jobs/best_100_companies/best_100_tables/#startofbestsmes. This site will also serve as the primary source of

information about the basic strategies of modern SMEs in order to achieve their best financial performance. Survey and interview This study will also involve acquiring information from the finance manager or director of the chosen firms in order to find out the level of their leadership and its impact on their financial performance. Overview of company or sector: The top ten best SMEs in the UK are currently in line with innovative strategies in order to gain high level of financial performance. Unlike any other business firms,

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these companies are at first have given significant value to their human resource prior to the achievement of their financial goals. In fact, these companies do not set specific financial goal but particularly in providing how they would create a business environment that their staffs would like to work with. In short, these companies operate first without taking so much focus on achieving high level of financial performance, but on stability of their operation. It is implied then that these organisations are able to come up with best financial performance by considering important and innovative strategic moves with their operation.

Discussion and analysis: In the discussion and analysis part, the proponent will compare and contrast the information that will be gathered from the chosen top 10 best SMEs in the UK. This is to generate similarities or differences of information so as to come up with general inference on the trend of innovative strategies applied by these SMEs in order to achieve stability of their operation. The stability of their operation will then be used as indicator of the achievement of good financial performance.

Anticipated problems: The proponent may encounter significant problem on how to access further information about the chosen company considering that the information about them may be limited only to what they show in their websites. Thus, it is important that more detailed investigation has to be implemented. For instance, it is important to prepare a business letter for the chosen companies informing them about the real intention of this study. In the event that one or more of the 10 best chosen SMEs may not respond positively, the remaining companies in the next closest ranks will be chosen. Furthermore, the availability of the time of the finance managers and directors of the chosen top 10 SMEs will be another

constraint. Thus, it is important that they have to be informed beforehand about their interview for scheduling purposes. References Abe, N., and Shimizutani, S. (2007) ' Employment policy and corporate governance-An empirical comparison of the stakeholder and the profit-maximization model.' *Journal of Comparative Economics*, Vol. 35 (2): 346-368. Hallin, C., Holm, U., and Sharma, D. (2011) ' Embeddedness of innovation receivers in the multinational corporation: Effects on business performance.' *International Business Review*, Vol. 20 (3): 362-373. Ingene, C. A., and Parry, M. E. (1995) ' Coordination and manufacturer profit maximization: The multiple retailer channel.' *Journal of Retailing*, Vol. 71 (2): 129-151. Liao, T. S., and Rice, J. (2010) ' Innovation investments, market engagement and financial performance: A study among Australian manufacturing SMEs.' *Research Policy*, Vol. 39 (1): 117-125. Liu, S. S., and Wang, C. J. (2008) ' Resource-constrained construction project scheduling model for profit maximization considering cash flow.' *Automation in Construction*, Vol. 17 (8): 966-974.