

Chapter 3

SME Managers' Required Entrepreneurship and Business Competences

George Velegrakis
IDEC S.A., Greece

João Varajão
Centro ALGORITMI / UTAD, Portugal

Leonel Morgado
GECAD / UTAD, Portugal

Caroline Dominguez
UTAD, Portugal

Clara Rodrigues
IPBeja (Instituto Politécnico de Beja), Portugal

Dalila Coelho
IPBeja (Instituto Politécnico de Beja), Portugal

Aura Haidimoschi
*Camera de Comert si Industrie a Municipiului
Bucuresti (CCIB), Romania*

Chiara Sancin
Dida Network, Italy

Gerhard Doppler
*bit media e-Learning solution GmbH & Co KG,
Austria*

Hillevi Koivusalo
Hyria koulutus Oy, Finland

Erja Lakanen
Hyria koulutus Oy, Finland

ABSTRACT

In a dynamic and competitive world, understanding the knowledge, skills and competences that managers of small and medium enterprises (SMEs) require is an important endeavour, to ensure that both academic and business training institutions offer well formed programs/courses and curricula. Several studies, conducted by academic researchers and business associations around the world, focused on identifying managers' skills and competences, but there isn't an overall perspective on today's requirements of European SME managers. This is a critical aspect because managers' competences strongly influence enterprises' competitiveness and, therefore, the economic competitiveness of countries themselves. To

DOI: 10.4018/978-1-60960-463-9.ch003

help overcome this problem, the authors conducted a study in six European countries through a literature review and several interviews with business associations' executives. The result is a list of 34 competences, which the authors organized in four categories: personal; team management; business; and technical. These competences are presented and discussed in this chapter and show that an SME manager should be well prepared in a rich set of complementary areas to perform her/his job. The findings enable a better understanding of the profile of SME managers from the point of view of required competences, and may help in the design of new training programs to fulfil the identified needs.

INTRODUCTION

SMEs' economic context is inherently unstable: great economic expansion cycles are followed by significant retraction ones. Therefore, companies must pay permanent attention to changes and be ready to act in a very dynamic way.

As a top leader within a company, a manager is the architect and central engine of the company's ability for competitive development. She/He must combine a diversified set of competences to lead the company towards the right direction.

This article presents a Framework of SMEs' competences, resulting from a study conducted in Austria, Finland, Greece, Italy, Portugal, and Romania with the objective of identifying which competences SME managers must develop.

Having an important role to play in this context, universities and professional training institutions may find in this Framework a useful instrument to prepare their training offer.

The first section of this chapter presents the results of recent studies on this matter. The section methodology highlights the research process used in our study. In the main section, a framework of competences for SME managers is presented. Finally, the chapter ends up presenting some opportunities for future development of this study.

BACKGROUND

Across the 27 member states of the European Union (EU), there are about 19.6 million small

and medium-sized enterprises (SME) in the non-financial business economy, with up to 250 employees, representing 99.8% of all businesses and 67.1% of the non-financial business economy workforce – about 85 million jobs (Schmiemann, 2008).

Between 2002 and 2007, the number of SMEs has increased by over 2 million, the number of large enterprise by only 2,000. Most that new firms are created in the service sector and are micro enterprises (Audretsch, van der Horst, Kwaak, & Thurik, 2009).

To support the growth and development of existing SMEs and promote the creation of new SMEs, the European Commission (EC) adopted in June 2008 the 'Small Business Act' for Europe, reflecting the EC political will to recognize the central role of SMEs in the EU economy, by providing a comprehensive SME policy framework for the EU and its Member States (EC, 2008).

Yet, in spite of the important role played by such firms in the European economy, there is a lack of specific training for people heading and/or managing SMEs, and the training that is available "tends to serve either start-ups or medium sized firms" (NJMEuropean, 2000). Furthermore, training for heads of SMEs should be different from training for employees: heads of SMEs "exhibit activist and pragmatist learning styles, prefer learning by doing and favour problem-centred approaches that offer flexibility" (id., p. 3).

To clarify how we employ the notion of "competence" in the context of this article, we present some of the current dictionary definitions. From

6 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:
www.igi-global.com/chapter/sme-managers-required-entrepreneurship-business/50764

Related Content

HTML Segmentation for Different Types of Web Pages

Evelin Carvalho Freire de Amorim (2015). *The Evolution of the Internet in the Business Sector: Web 1.0 to Web 3.0* (pp. 98-119).

www.irma-international.org/chapter/html-segmentation-for-different-types-of-web-pages/122157

A Netnographic Analysis of Facebook Content Strategy of World's Top 10 Management Institutes

Anandan Pillai and Kalpana Chauhan (2015). *International Journal of E-Business Research* (pp. 1-17).

www.irma-international.org/article/a-netnographic-analysis-of-facebook-content-strategy-of-worlds-top-10-management-institutes/132695

An Exploratory Look at Attributes of Internet Use and Adoption by Franchisees

Kelley O'Reilly and Zsolt Ugray (2012). *Transformations in E-Business Technologies and Commerce: Emerging Impacts* (pp. 93-112).

www.irma-international.org/chapter/exploratory-look-attributes-internet-use/61360

Business Associates in the National Health Information Network: Implications for Medical Information Privacy

Edward J. Szewczak and Coral R. Snodgrass (2009). *International Journal of E-Business Research* (pp. 48-62).

www.irma-international.org/article/business-associates-national-health-information/3924

Nibbling, Sniping, and the Role of Uncertainty in Second-Price, Hard-Close Internet Auctions: Empirical Evidence from eBay

Daniel Friesner, Carl S. Bozeman and Matthew Q. McPherson (2009). *Electronic Business: Concepts, Methodologies, Tools, and Applications* (pp. 1526-1539).

www.irma-international.org/chapter/nibbling-sniping-role-uncertainty-second/9364