

Managerial Importance of Establishing Microfinance Institutions in Kosovo

ENVER DACI
PhD Candidate
Faculty of Economics, Management
European University of Tirana, Tirana
Albania

Abstract:

Managerial placement process involves the application of scientific methods to solve problems in the governance of organizations (such as various forms of organization). Placement is the process of choosing which includes a certain number of steps that help to achieve the solution of the problem in a rational way. Setting as the process of selecting the entire range of activities from government (planning, recruitment, management and controlling). Defining the problem includes not only the area of presentation of the problem but also a precise determination of the planning process (what applies and what does not apply). In other words, should be defined in concrete terms what is sustainable and what is unsustainable in the forecast, or otherwise in costs and outcomes. Management's ability to adapt to new changes and relatively dynamic and at the same time these changes to turn in favor of itself represents the conscious activity that exceeds experiences from the past, it will enter the area of creativity and innovations.

Creative Process Management gives the enterprise attribute of authenticity that has many similarities with scientific methods of deployment, but that the scientific methods of deployment required convergent thinking (complete definition of a problem), the creative process requires divergent thinking, or looking for solutions outside field of knowledge to date. After the development of variants manager should foresee the effects of all possible options, just to create a full

picture of the characteristics desired and undesired, using different methods, even the theory of games in the margin. Depending on the survey approach, namely the scope, decisions can be divided into different groups ranging from vital for taking up the ones that have character as daily routine.

Key words: Setting managerial, special plans, strategic planning, operational planning, sustainable plans.

Introduction

Managerial placement process involves the application of scientific methods to solve problems in the governance of organizations (such as various forms of organization).

Decision making is usually described as a choice between several alternatives, but this approach is too simplistic. Why? For decision making is a process and not a simple act of choosing among several alternatives¹.

Placement is the process of choosing which includes a certain number of steps that help to achieve the solution of the problem in a rational way. Setting as the process of selecting the entire range of activities from government (planning, recruitment, management and controlling).

Planning consists of a number of different situations in which the placement process is performed. Decisions made (approved) in the planning phase submit input data to plan and commitment of the workforce. Similarly becomes placement in other phases of general managerial activity.

The model of scientific solution to the problem involves three stages: (6 important steps in the literature can be sorted in more or less stages)².

¹ Stephen P. Robbins & David DeCenzo: Bazat e Menaxhimit, UET press, v, 2012 fq, 166, Tiranë

² Daniel A. Wren, Dan Voich, Jr.: Management, v.1984 fq.88

The model of scientific solution to the problem mainly involves scientific research methods, which corresponds to the application of statistical and mathematical data. Scientific solution of the problem is most suitable for solving managerial problems, using objective and subjective data and analytic-synthetic approaches quantitative and qualitative.

Review of the deployment process through three phases presents synthetic approach to solving problems by taking into account all the terms and conditions of the practical realization. The first phase, definition of the problem in fact in deciding managerial known as diagnostic activity.

The second phase, the development and analysis of the possible variants, has to do with recognition of activities that permeate the possible actions.

The third phase, solution and application of workable option have to do with access to certain perspective opens organization and it makes it possible to control its realization.

Defining the problem

At this stage of the process of establishing the diagnosis managerial become the state definition of existing business in relation to the desired state, so that the known problem. Disharmony between the desired state and the existing indicates a potential problem, meaning the undertaking carries certain effects, while the real presuppositions appear that the effects could be larger. Certain difference between these two situations actually presents certain problems in the enterprise³. Defining the problem as stage-setting process in itself analysis of relevant factors as well as those specific measures and other norms by which determine the degree of change effected between business and similar state.

³ Ramosaj. Berim, Management, Bazat e menaxhimit, Botimi i pesët, Prishtinë, 2007 fq 54

Defining the problem includes not only the area of presentation of the problem but also a precise determination of the planning process (what applies and what does not apply). In other words, should be defined in concrete terms what is sustainable and what is unsustainable in the forecast, or otherwise in costs and outcomes.

Development and analysis of variants

Variants are possible changes, which are reviewed in order to solve the problem defined in the first phase of the deployment process.

Since changes to that thought dealing with the future, then must create hypotheses about the future and the state of uncertainty and potential risk.

Analysis and development of possible variants is creative activity that actually represents the essence of managerial placement process.

Management's ability to adapt to new changes and relatively dynamic and at the same time these changes to turn in favor of itself represents the conscious activity that exceeds experiences from the past, it will enter the area of creativity and innovations.

Creative Process Management gives the enterprise attribute of authenticity that has many similarities with scientific methods of deployment, but that the scientific methods of deployment required convergent thinking (complete definition of a problem), the creative process requires divergent thinking, or looking for solutions outside field of knowledge to date.

Formulation of a new creative idea is not simply a rehash or compound of a known idea, but totally new process which consists of several sub stages:

- ✓ Recognition of the problem (problem identification)
- ✓ Data collection (from various sources)

- ✓ Incubation (for data should think deeply)
- ✓ Eliminate (new thinking about the problem "eureka")
- ✓ Verification (will function solution)

To realize a creative thinking manager must create conditions and circumstances in which it can operate.

If you want such atmosphere, the manager must begin with this: "Perhaps there is a better solution, try". Such atmosphere in the organization allows the possibility for different variants of possible solutions to problems.

After the development of variants manager should foresee the effects of all possible options, just to create a full picture of the characteristics desired and undesired, using different methods, even the theory of games in the margin.

Selection and implementation of decision

The option most desired and creating conditions for realization represents the last phase of the deployment process.

The option implies the assessment of costs in relation to the effects of variety realize. One such solution permeates objective data analysis, quantitative and qualitative. Therefore when choosing the version presented us certain degree of uncertainty and risk, respectively assessment different from holders of the decision.

Besides the option selection process, implementation presents significant steps to control or supervision of the selected option. This can only be achieved by precise plan in detail all the activities and behaviors, the time and cost of implementation of the decision.

Overseeing the implementation of the decision-maturity character and short term.

Supervision term includes certain periods of reorientation, or shifts in demand for certain operations following.

Long-term supervision of thought has to do with the effects of the decision process on completion of the difference between the desired state and the concrete that is evident in the phase of defining the problem.

The process involves placing the entire organization. In this process are engaged individuals or groups (teams), managers from different organizational levels. Making the decision about the purpose of the organization includes organizational parts which later will be the executor of those same decisions.

Types of decisions

Decisions may be of different kinds and types. Depending on the survey approach, namely the scope, decisions can be divided into different groups ranging from vital for taking up the ones that have character as daily routine. Overall decisions can be grouped as:

- **Strategic decisions**
- **Tactical decisions (operating)**
- **Administrative Decisions**

Strategic decisions are long-term decisions through which defined the mission of the organization - the company of a particular environment (environmental organization report manufacturer or service).

With strategic decisions defined the fundamental purpose of the organization (the target). Approval of these decisions made after a deep analysis of all the variables so that the decision to have a relatively high certainty in terms of realizing the strategic goal of the organization.

Tactical decisions (operational) are short-term decisions, based on the analysis of a relatively small number of variables. These decisions are routinely and they define activities in specific stages of the implementation of strategic decisions, or

some operational decisions taken time make possible the execution of the strategic intent of the organization.

Administrative decisions are decisions follow over the execution of strategic and operational decisions. Administrative decisions in deciding are strategic or operational services. Such decisions may be those made with respect to defining the organizational structure of the organization, the line of authority and information.

Models of placement

The model presents the possibility of an abstract conception of objective reality in the sense that becomes the choice of some symbols through which the thing from reality. The essence of the model lies in trust to him, namely the possibility of an approximate reflection of reality.

Once managers identify problems that need elected, they should define the criteria that will be used during decision-making and which are important for solving the problem⁴.

Manager must bring judgment upon the creation of models and to assess the ability of the model to reflect reality. Model done due to simplification of the problems that are quite complicated from objective reality.

There are four types of models in terms of the abstraction of reality:

Physical models that represent proportionate version of reality. Example F.16 model airplane.

Schematic models are more abstract and use schemes and diagrams to describe any relationship from reality. Graphic presentation of the delegation of authority and responsibility in any organization.

Mathematical models show high abstract models that use signs and symbols to show specific relationships from

⁴ Stephen P. Robbins & David DeCenzo: Bazat e Menaxhimit, UET press, v, 2012 fq, 168, Tiranë

reality. Example mathematical presentation of the business of the organization.

Probabilistic models bring confusion and uncertainty in the problem, which means a scheme not only the high degree of abstraction of reality, but also opportunities happenings probable possible from reality example probable modeling of outputs to inputs in an organization.

Strategic planning

In recognition of the goals of the organization begins the formulation of action plans that will define the way of realizing the goals. The manager of a business organization should formulate a concrete strategy which enables the realization of the goals - the last goal (target). This road would go the realization of the objectives of a military leader, who would not have been able to go to the front without formulating a strategy.

The strategy's overall approach to realize the goals, as it is built on strong wings of the organization. The strategy enables a manager to create advantage over competitors, namely enables the concentration of resources needed in order to use them effectively.

Practice teaches us that there can be no single strategy of a competing party, but all parties should formulate their strategic plans.

Defining the goals of the establishment and other activities pose conscious creative process in the field of management. Managers create such organizational types which enable the realization of goals.

Advantages differential - Manager in order to provide better position the organization in a particular environment, choosing point, particular field in which organizations can best exist, namely progress.

Choosing the point (position) set includes what we call the struggle for differential advantage.

Differential advantage can be created by a multitude of factors that have to do with the quality of effects, (product, service, information, price advantage in business, etc.). Products may be identical or similar, but the seller can change so that they can distinguish between themselves. Such a change may be real or fictitious (created in imaginations the buyer).

Attractive example would be if we compare different brands of the same product. Certain buyers can create confidence (real or fictitious) for a particular brand product.

Fight for differential advantage makes dynamic competition. Example of war for differential preferences today seen in many areas of financial services.

Demand for differential advantage is essentially creative process, which requires long-term vision and conceptual skills. Demand for differential advantage in most cases occurs after a competitive circumstances means as reactive process rather than pro-active⁵.

Goals and strategies organizations differential advantages show is an important concept planning.

Operational planning

Operational planning aims to create specific plans (short-term) and the budget that help us prepare for the events (occurrences) of the known potential future predictions.

Operative planning includes:

- **Collection of information**
- **Evaluation of possible variant**
- **Selecting the most successful direction for action**

Determined directions for action are so precise detail in the totality of plans and budgets for certain operational periods (month, quarter, semester, year, five-year plan, etc.).

⁵ Thomas O'Hanlon, August Busch Brews Up a New Spirit in St. Louis Fortuna, 15 januar, v.1979

Operational planning is guided by sustainable plan. These plans include policies, procedures, and rules necessary for the creation of different operating plans and budgets.

Sustainable Plan combined with long-term goals, strategic plans and sales forecast and become basic input for individual plans and budget of an organization. These plans are combined as to form the flow of resources necessary to accomplish the purpose of the organization.

Sustainable plan

Sustainable Plan - make managerial thoughts turning routine tasks. Sustainable plans it is a plan that is continuous and provided guidelines for action that the organization carried out repeatedly⁶.

These programs are created with the purpose of orientation managerial decisions in ways that contribute to the planning of the whole system.

If any manager works under plans consistent then similar organizations certainly sets in all management levels for similar situations and problems.

There are three basic types of sustainable plans:

- ❖ **Policies**
- ❖ **Procedures**
- ❖ **Rules**

Policies - present orientation - running for managerial decision. They define the limits that manager must respect in the work of his own. The policy does not define the decisions of manager for certain situations, but leaves him enough maneuvering area for placement.

In the current practice, we noticed some types of policies such as:

-  **Marketing policy**

⁶ Stephen P. Robbins & David DeCenzo: Bazat e Menaxhimit, UET press, v, 2012 fq, 133, Tiranë

- ✚ **Financial Policies**
- ✚ **Policy frameworks**
- ✚ **Manufacturing policy, etc.**

A policy direction represents the hierarchy of decisions of managers.

Procedures - present directions for action and specify what, how, in what way should work. This shows that the procedure is more specific than politics, because the shows precisely what the manager should work in certain situations.

The aim of the procedure is the programming activity or change in routine work just to solve a problem or issue.

In practice distinguish different types of procedures, but they will be divided into:

- Standard Procedure**
- Specific procedures**

Rules - as stable plans are usually specific in describing or defining certain approaches.

Rules dare say what and what must not be done. Rules Manager simplifies work also determines the directions of behavior in the context of the individual's behavior, example in place to communicate Rule "quitting", the manager organizes the affixing that shows prohibition of smoking.

Special plans

For lasting change plans, specific plans are limited in terms of timeliness.

Had plans stable even these serve as guides (guide) the decisions of managers, as well as to harmonize the activities of the organization.

Areas which are included in separate plans usually are:

- **Sale**
- **Production**
- **Resources**

○ **Finance**

Mission

The mission is a narrow form of expression of intent and is different for every business organization.

The mission of the organization is defined as street which managers choose to make it happen. The mission of the organization's express purpose, or because of the existence of the company, explain who we are and what we do.

The mission is a brief statement of the reasons for the existence of the organization, functions it performs and uses methods of achieving.

The mission of each organization determines why the organization exists and what it should do it. Defining the mission of the organization has a great importance, because clearly states why the organization exists and gives managers and employees a common sense of direction towards the realization of the goals of the Organization and making the right decisions.

The mission of the organization determines why the organization exists, what functions it will perform, for whom and how they will perform. The mission of the organization includes key questions:

- What (meaning the definition of needs that organizations will meet);
- What (including market or market segment that will achieve the goals, what technology will use it).
- The fourth aspect relates to why the organization exists and what will be its role in society.

The mission is a written statement containing a description of: the main products and services offered by business organizations; market segment that will be dominated; value to be provided to customers etc.

From all this that emphasized so far we can say that the mission is a written statement of the organization's goals, which defines the basic activities, products and services, market and what it provides to customers.

The mission is very important for the organization, because it provides a communication with all the contenders, providing information on products and services.

Vision - definition of goals

The purpose of an organization presents the justification of its existence. Different organizations have also different purposes, example business organizations create products or services to market, school subjects do research education research respectively.

The goals of the organization are situation where it wants to achieve in the future and towards which are oriented activities planned. The realization of the goals of the organization enables the realization of the mission of the organization.

Setting goals is the first stage of the planning process, resulting from management actions. Goals are desired state of the organization, toward which are oriented behaviors of individuals towards their fulfillment.

Goals represent the final outcome to be achieved by the plan in certain time frames. Wording of goals includes activities of managers to do something, including important activities expressed the desire to do something or the desire to work a thing possessed. The possessed something means to achieve any goal, example if you have a car, this means that can transport the thing, you can be more mobile.

In setting the goals of the organization affect many external factors such as economic factors, political, social, technological, industry environment in which the organization operates.

As internal factors that affect the set goals are: the size of the organization, resources, culture of the organization and motivation of senior management.

In the process of setting goals should be respected key factors to realize the goals that they may be wise to clearly outlined goals (targets) of organization respecting SMART-in which means that goals should be: specific, measurable, achievable, realistic, time frames.

Conclusions

Placement is the process of choosing which includes a certain number of steps that help to achieve the solution of the problem in a rational way. Setting as the process of selecting the entire range of activities from government (planning, recruitment, management and controlling).

Management's ability to adapt to new changes and relatively dynamic and at the same time these changes to turn in favor of itself represents the conscious activity that exceeds experiences from the past, It will enter the area of creativity and innovations.

Depending on the survey approach, namely the scope, decisions can be divided into different groups ranging from vital for taking up the ones that have character as daily routine.

After the development of variants manager should foresee the effects of all possible options, just to create a full picture of the characteristics desired and undesired, using different methods, even the theory of games in the margin.

The process of putting the entire organization involved in this process is engaged individuals or groups (teams), managers from different organizational levels. Making the decision about the purpose of the organization includes organizational parts which later will be the executor of those same decisions.

In recognition of the goals of the organization begins the formulation of action plans that will define the way of realizing the goals. The manager of a business organization should formulate a concrete strategy which enables the realization of the goals - the last goal (target). This road would go the realization of the objectives of a military leader, who would not have been able to go to the front without formulating a strategy.

The strategy's overall approach to realize the goals, as it is built on strong wings of the organization. The strategy enables a manager to create advantage over competitors, namely enables the concentration of resources needed in order to use them effectively.

Sustainable Planet combined with long-term goals, strategic plans and sales forecast and become basic input for individual plans and budget of an organization. These plans are combined as to form the flow of resources necessary to accomplish the purpose of the organization.

REFERENCES

- Buçinca, Qemal., "Menaxhimi i prodhimtarisë", Prishtinë, 2008.
- Buçinca, Qemal, "Menaxhimi i sistemeve organizative", Prishtinë, 2006
- Buçinca, Qemal., Lixherata, "Menaxhmenti stratexhik", Prishtinë, 2012
- Drucker, Peter, "Managing for the future", Truman Talley Books, Dutton, New York, 1992
- Drucker, Peter, "Inovation and Entrepreneurship – practice and principles", Harper-Row, New York, 1985
- Fidler, F.F, "A theory of leadership effectiveness" McGraw-Hill, New York, 1967
- Gjonbalaj, Mujë, Lixherata, "Evaluimi i projekteve", Prishtinë, 2011

- Gjonbalaj, Mujë, Lixherata, “Menaxhimi i resurseve njerëzore”, Prishtinë, 2011
- J. Donnelly & J. Paul Pete, Marketing Management, McGraw Hill, NY. 2002
- Luboteni, Gazmend, “Menaxhmenti bankar”, Prishtinë, 2008
- Mustafa, Isa, “Menaxhmenti Financiar”, Riinvest, Prishtinë, 2005
- Osmanaj, Sabrije, Ligjerata, “Sistemi Informatik i Menaxhmentit”, Prishtinë, 2012
- Prevala, Shaban, “Financimi i afarizmit dhe zhvillimi i ndërmarrjeve”, Shkup, 1999
- Ramosaj, Berim., Zeqir, Izet, “Management - Udhëheqja dhe menaxhimi financiar i ndërmarrjes ekonomike”, Botimi i dytë, Prishtinë, 2003
- Ramosaj, Berim, “Management - Bazat e menaxhimit”, Botimi i pestë, Prishtinë, 2007.
- Ramosaj, Berim, “Management - Menaxhmenti kreativ & Lidërshipi”, Prishtinë, 2006
- Reshidi, Nail, “Kërkimet e tregut”, Riinvest, Prishtinë, 1997
- Reshidi, Nail, “Promocioni – Reklama dhe Shitja Personale”, Riinvest, Prishtinë, 1996
- Robbins, Stephen P & DeCenzo, David: Bazat e Menaxhimit, UET press, Tiranë, 2012
- Wren, A. Daniel. Voich, Dan, jr, “Management, Process, Structure and Behavior”, Germeč AD – Privredni Pregled, Beograd, 1994