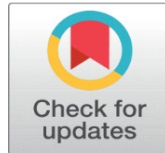


MANAGEMENT COMPETENCIES OF MANAGERS OF MICRO ENTERPRISES

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ABSTRACT

Competency is a term used for specific skills to manage a certain assignment/work with proper knowledge and experience. Management competencies in similar way mean the ability to accomplish or manage certain assignment. Management competencies for management of a micro enterprise can be elaborated into production management competencies, financial management competencies and marketing management competencies. To run a business, a manager's competency acts as a catalyst in their survival. Hence, a business is very much dependent on competencies of the manager. The present study aims to measure the management competencies required to run a micro business enterprise with reference to production, finance and marketing of a business. For the study, the researcher has purposively selected 100 micro enterprises. The findings shows that the most of the parameters of competencies of the managers of the micro enterprises are rated very high. The parameters book-keeping/accounting and tax planning are rated high and moderate competencies to run a business.

Keywords: Management, Competency, Micro Enterprise, Managers

1. INTRODUCTION

Competency is the capacity to handle certain things. Competency in business is related to the capacity of a person in managing the activities of a firm. The competencies in business are knowledge about market, logistics, finance, marketing, etc. Entrepreneurial competence has an influence in an organisation's capability and scope of competitiveness; and firm's performance is directly affected by it. The use of organisation's capabilities affects the firm's performance positively. The capabilities of an organisation partially mediate the relationship between firm's performance and entrepreneurial competence (Laguna, Wiechete, & Talik, 2012). The success of small and medium business depends largely on the owner or manager who manages the day-to-day business activities. The success of SMEs depends on the competency of the manager and the competency can be increased by education, training before start-up, training after start-up and working experiences. Education and training have an impact on the competency of the manager if provided. (Umar, Cob, Omar, & Hamzah, 2019).

The management of an enterprise starts with the management of finance for all other activities such as production, marketing and other cost, etc. Hence, management of finance is related to the need of money to run the business and

support its growth & expansion. The capital needed to run an enterprise is an aspect of management of finance, which the managers have to look after in their day to day activities. The manager needs to keep details of additional capital requirements, profit, retain earnings, loans and working capital. In a recent survey of business managers, the functional area they cited as being the one in which they had the weakest skill was the area of financial management- accounting, bookkeeping, the raising of capital, and the daily management of cash flow. Interestingly, these Business managers indicated that the spending on the finance- related activities are the highest. Unfortunately, the findings show an accurate portrayal of most entrepreneurs-they are comfortable with the day-to-day operation of their businesses and with the marketing and sales of their products or services, but they are very uncomfortable with the financial management of their companies (Rogers & Makonnen, 2009).

The management of production of products includes management of raw materials, other cost and labour. The uninterrupted supply of raw materials is the job of the manager. The raw materials may be available in the area where the unit is established or may have to be imported from neighbouring districts or states. The manager needs to store the materials needed by foreseeing the future situation of market and demand of goods, and also by considering profitability of the enterprise. Labour is also an important component of management of production in an enterprise, as most Micro enterprises are labour intensive and not capital intensive in nature. The proprietors need to recruit skillful labourers and retain the experienced workers in order to maintain the output or production volume in flow. The overall factors of production are to be looked after by the manager.

The management of marketing is one of the main components in management of Micro enterprise. The product, place, price and promotion are to be used in such a way that the competition in the market is less affected to the unit. Marketing of products can be considered as one of the hardest jobs to be done. The selling of product, positioning of the product and promotion is the job of a manager. The target market for the product is to be decided by the manager.

Micro enterprises in India, are those enterprises recognised based on their investment in capital or the annual turnover, which is up to Rupees 1 crore and Rupees 5 crores respectively.

2. LITERATURE REVIEW

Entrepreneurial competence affects the organizational capabilities and also has a positive impact on the performance of a firm (Sanchez, 2012). The success of a business is significantly correlated with two types of competencies, i.e., general competencies and specific competencies of a manager. The general competencies are related with the skills, behavior, values and characteristics a person at the position of a manager should have. The situations in which a manager might have to use the general competencies are social skills and it will help in solving problems. The specific competencies are related to the technicality in management of a business, like basic skills and knowledge about the basic principles of management of a SME. The specific area is related to logistics, finance and advertising (Laguna, Wiecheteck, & Talik, Competencies of Manager and Their Business Success, 2012). The determinant influencing the development of entrepreneurial competency is education. The higher the level of education, the higher competency the entrepreneur will possess. The training received prior to the start-up and after the start increases the level of competency in an entrepreneur. The four factors which will assist in knowing whether the increase of such kind of exposure will increase the level of competency in a manager or not are education, training before and after and working experience. The three factors i.e education, training before and after has positive impact on the level of competency of an entrepreneur if such kind of additional exposure is provided to the manager. The factor of work experience had no impact on the competency of the entrepreneur, which means that the increase in experience will not result in increase of competency (Umar, Cob, Omar, & Hamzah, 2019). (Vyas, 2020) Every industry should have list of competencies for proper management of activities, such activities are Planning, Organizing, Directing, Staffing, Controlling, and Decision Making. The most significant competencies required are Technical competencies which are followed by personal competencies, client centric competencies, time efficient competencies, interpersonal competencies, team spirit competencies, commercial knowledge awareness competencies and ability to present. Mapping of Competency is useful for identifying performance level and standards, communication, better employer-employee relation and for reducing career related issues. Competency mapping is one of the essential and new approaches towards globalization. Competency mapping helps in identifying the areas in which improvement or development of knowledge, attitude and skills are required. Communication skills, technical knowledge and decision making are essential for mapping of managers' Managerial Competencies for manufacturing and servicing industries. (Anitha, 2010) With the increase in competition in business, the workforces' competencies are also changing constantly. The key to sustaining in the

competitive market are to understand, evaluate and update with the current competency levels, as competencies influence the organizations functioning and all other aspects. It is essential that defined skill competencies are included in certain job as only responsibilities and results of job tasks are not enough to ensure success. Technical, teamwork, consumer oriented, behavioral, Intellectual, leadership and command skills, inter personal, communication, problem solving and decision making, commitment, responsiveness and result orientation, social skills and ethics are some of the required competencies for an executive. The researcher tried to assess the difference between the desired and existing competencies of executives. The researcher found that there was a significant difference in the desired and existing level of competencies. The competencies of teamwork, communication, problem solving and decision making and commitment are the competencies which are affecting the executives' performances. (Rasheed, 2019) Business organizations depends on education and training institutions for the requirement of short term training needs for developing of competencies in employees rather than developing a structured set of competencies of technical, core, functional and management competencies of the employees and behavioral. (Desta, 2019) Ethiopian SMEs are underdeveloped due to limited competition. The investigation of innovation as a performance enhancer to survive in a competitive and dynamic environment was made by the researcher. The findings showed that business enterprises in order to attract and increase the number of customers will have to be innovative. The innovativeness of the SMEs depends highly on the competencies of the managers. The domains in which the managers have to be capable are setting of goal and planning, searching of markets and product information, taking of calculated risks, opportunity identification and exploitation, persistence, commitment, independence, networking and self efficacy.

Thus, keeping in view, the importance of competencies in business enterprises, the study to measure the level of competencies required is needed to provide yardsticks for level of competencies required for managers.

2.1. OBJECTIVE OF THE STUDY

The objective of the study is to measure the management competency level of Managers of Micro enterprises of BTR.

3. RESEARCH METHODOLOGY

3.1. RESEARCH DESIGN

The study is descriptive and analytical in nature. The study will be based on primary data. The researcher has collected primary data with schedule structured questionnaire from the Managers 100 Micro enterprise.

1) Measurement of Competency levels of Managers

For measuring the competencies of micro company's managers the following parameters have been selected.

a) General competencies and b) Specific competencies

Specific competencies have been further classified into i) financial competencies and ii) marketing competencies.

The researcher after review of literature came across various parameters used to study the competency level of managers/executives/employees. The researcher has selected three broad categories of General competencies, financial competencies and marketing competencies for measuring the competencies of the managers of micro enterprises of BTR. The General competencies comprise of 10 statements, financial competencies 6 statements and marketing competencies 6 statements. The researcher will record the scores using 5-point likert scale for level of competencies of the managers of micro enterprises from the managers themselves.

2) Tools used for the study

The researcher has collected the responses on a scale of 1 to 5; where 5 represent very high, 4- high, 3- moderate, 2- low, 1- not at all. To analyse the responses the researcher has determined the ranges for interpretation, the interval of ranges has been calculated by subtracting the maximum point of the scale by the minimum point of the scale and then dividing it with the maximum point, which makes the range 0.8. Hence, 1.00 to 1.80 can be marked as not at all, 1.81 to 2.60- low, 2.61 to 3.40- moderate, 3.41 to 4.20- high, 4.21 to 5.00- very high.

4. DATA ANALYSIS

Table 1 Reliability Statistics

Cronbach's Alpha	0.917
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The test of the reliability (Cronbach's Alpha) is 0.917. The test shows that the data are consistent

Table 2 Table showing scores of competencies of managers for general competencies

A. General Competencies	Score	Requirement
1. Updated and Informative	4.8	Very high
2. Creativity and innovativeness	4.6	Very high
3. Proper decisions	4.5	Very high
4. Optimal utilize of resources	5.0	Very high
5. Risk taking capacity	4.8	Very high
6. Communication skills	4.4	Very high
7. Motivation to employees	4.7	Very high
8. Labour retention	4.3	Very high
9. Adaption to changes	4.3	Very high
10. Openness for suggestions	4.6	Very high

Interpretation: From Table 1 it can be observed that the respondents have rated all the parameters for measuring the competencies of managers of micro enterprises to be high.

Table 3 Table showing scores of competencies of managers for Specific competencies

B. Specific Competencies		
I. Finance Competencies	Score	Requirement
1. Budget formulation	4.7	Very high
2. Raising of Fixed capital	4.9	Very high
3. Working capital management	4.8	Very high
4. Optimal fund utilisation	4.7	Very high
5. Accounting/book keeping	3.9	High
6. Tax planning	3	Moderate
II. Marketing competencies	Score	Requirement
1. Knowledge of customer needs	5	Very high
2. Ability to deliver the products	5	Very high
3. Customer retention	5	Very high
4. Promotion of product/service	4.7	Very high
5. Competitive pricing	4.5	Very high
6. Products placement	4.6	Very high

Interpretation: From Table 3 it can be observed that the respondents have rated the parameters for measuring the specific competencies of managers of micro enterprises from moderate to very high. For, financial competencies the respondents rated the parameters to be very high except for accounting/book-keeping to be high and tax planning to be moderate. For, marketing competencies the respondents have rated all the parameters to be very high.

5. CONCLUSION

Micro enterprises are business enterprises which are running with less capital and more labour-oriented activities. Competencies of the managers of these enterprises can make or break the business of the enterprise. Competencies are the ability to perform the day-to-day business activities to earn profit and sustain in the business. In the present study competency has been divided into General competencies (Production/Operation), financial and marketing competencies. The findings show that the managers are seen to be competent enough in the parameters of updated and informative, creativity and innovativeness, proper decisions, optimal utilize of resources, risk taking capacity, communication skills, motivation to employees, labour retention, openness for suggestions, adaption to changes, budget

formulation, raising of fixed capital, working capital management, optimal fund utilisation, customer needs, ability to deliver the products, customer retention, promotion of product/service, competitive pricing and products placement to be very high for the managers of micro enterprises. While the scores for accounting/book keeping is high and moderate for tax planning.

CONFLICT OF INTERESTS

None.

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