

**The management of administrative indicators and the impact of COVID-19 on business, the case of the locality of Hecelchakán****La gestión de los indicadores administrativos y el impacto del COVID-19 en los negocios, el caso de la localidad de Hecelchakán**

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**Abstract**

The chaos that micro-businesses are going through due to the surprise of the mandatory temporary closure in the City of Hecelchakán, Campeche is exacerbated by the uncertainty of its employees. For this reason, it is urgent to describe the general administrative indicators of the micro-businesses of Hecelchakán. The study presented in this article is descriptive, the design is non-experimental transactional, the method was the study of the field and the technique is the survey, with the questionnaire as an instrument. The results indicate that the level of customer service in the electrical appliance micro-businesses in the town of Hecelchakán is good, although incomplete. 100% of them handle a guarantee on their products, which means a high possibility of demand. Three out of four businesses obtain their sales on credit and in cash. The current health situation put and continues to put household appliance micro-businesses at risk as these at the beginning of the COVID-19 pandemic were forced to temporarily close.

**Resumen**

El caos por el que atraviesan los micronegocios de electrodomésticos ante la sorpresa del cierre temporal obligatorio en la Ciudad de Hecelchakán, Campeche se ve acrecentado por la incertidumbre de sus empleados. Por tal motivo es apremiante describir los indicadores administrativos generales de los micronegocios de electrodomésticos de Hecelchakán. El estudio presentado en este artículo es del tipo descriptivo, el diseño es no experimental transaccional, el método fue el estudio de campo y la técnica es la encuesta, con el cuestionario como instrumento. Los resultados indican que el nivel de atención al cliente en los micronegocios de electrodomésticos en la localidad de Hecelchakán es bueno, aunque incompleto. El 100% de ellos manejan garantía en sus productos, lo que significa una alta posibilidad de demanda. Tres de cuatro negocios obtienen sus ventas a crédito y al contado. La situación sanitaria actual puso y sigue poniendo en riesgo a los micronegocios de electrodomésticos pues estos a inicios de la pandemia por COVID-19 se vieron obligados a cerrar de manera temporal.

**COVID-19, Micro-businesses, Home-appliances****COVID-19, Micronegocios, Electrodomésticos**

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## Introduction

There are many problems that small businesses go through. The vast majority of them do not know how to offer a good management of their business without affecting their employees, their profits or their capital. Today the outlook is more complicated by what the world has experienced, a pandemic that forced many countries to close their borders and their establishments to avoid further harm to people. But that caused an unexpected adjustment for businesses that had to lay off staff, or in the best of cases adjust their salary to share losses.

It is the micro and small business sector that most strongly felt the impact of the pandemic that began in 2020. It is this group of companies that have decided to resist and survive this period of uncertainty that is being left by COVID-19. In Mexico, it is known that this sector is one of the most important for its economy, but at the same time it is one of the most susceptible.

In 2019 in our country 94.9% of the establishments are of micro size. 4.9% are small and medium (PYMES) and 0.2% are large. The PYMES establishments contribute 30.7% of both the employed personnel and the added value in our country. Among micro and small businesses, the participation of women as business owners increased from 35.8%, in the 2009 census, to 36.6% in the 2019 census (INEGI, 2020).

In this work, the establishments that were directly affected by having to temporarily close their businesses were examined as they were not essential for the health contingency that they went through. This work was limited to the case of the City of Hecelchakán, Campeche, focusing on all establishments related to the sale of white goods and electrical appliances.

## Background and problem statement

One of the challenges of today is the survival of the small business in the face of sudden changes in society. The situation of the last two years has not been encouraging at all for businesses in general, as well as for those in the city of Hecelchakán. What happened in the field of commerce and consumption has put the ability to manage and manage businesses to the test.

One of the areas that companies located in areas of small cities neglect is related to the management of indicators of their day-to-day operation. Especially when MPYMES represent for the Mexican economy an importance of great value for national production and for the ecosystem related to them. Since, as mentioned (Gonzalez P and Bermudez T, 2009) they are the focus of interest for banks, companies that offer technology and publishing companies that are interested in making specialized publications about them.

The world was transformed by the COVID-19 pandemic, representing a growing and unprecedented global crisis, which contains devastating health, economic and social consequences in all countries. This pandemic puts the world economy in a recession of historic dimensions.

In the town of Hecelchakán these conditions are not the exception. Many of the micro-businesses were threatened since sales were notoriously affected, there was a great decrease in the demand for certain types of items. By orders of the health authorities, non-essential businesses had to temporarily stop their activities, and this was the case of the micro-businesses studied in this study. The micro-businesses closed for approximately six months in 2020. In the last quarter of that year, they resumed their work. In order to continue with their operation, sanitary measures were implemented such as the mandatory use of mouth covers to gain access to the establishment. The number of people within the businesses was also reduced. Some businesses had to replace staff who were in the range of vulnerable to contracting the virus. For example, employees with some kind of chronic illness were replaced. For all of this, this research aims to answer the following question: How are management efforts being carried out in the non-essential businesses of the City of Hecelchakan in the face of an unforeseen temporary closure?

## Objective

The objective of this work is to describe the general administrative indicators of non-essential establishments in the town of Hecelchakán.

### **Micro-enterprises in Mexico**

Microenterprises are businesses that have less than 10 workers and generate annual sales of up to 4 million pesos. They represent 95 percent of all companies and 40 percent of employment in the country. In addition, they produce 15 percent of the Gross Domestic Product (Secretary of the Economy, 2021).

### **Micro-enterprises and their functions**

A microenterprise is the entity where wealth is created. It allows human, material, financial and technical resources to be organized to transform inputs of finished goods or services, in accordance with the objectives that in most cases are profit of social utility and service (Valencia, 2007).

### **The administration**

Management is getting things done through other people or getting results through people using all kinds of resources in a rational way. Administration is a comprehensive process to plan, organize and integrate an activity or work relationship, so it is based on the use of resources to achieve a specific purpose (Hurtado, 2008, p. 40).

Administration is a process by which scarce resources are used to achieve proposed objectives and achieve profit maximization through the administrative process of planning, directing, organizing, and controlling (Ibidem). Hortigüela, M. and Sánchez, O., (2020) mention that good business management does not occur if the company does not take care of monitoring the sales of its products or services that occur with customers. Although at first glance, it may seem like a waste of money to use resources in an operation that has already been carried out. This translates into an investment, which becomes an additional value for the client (p. 12).

### **Materials and methods**

With this research project we have sought to describe the general administrative indicators of non-essential establishments in the town of Hecelchakán in the face of an unforeseen event such as the temporary closure of businesses and slow return derived from COVID-19.

Non-essential businesses were surveyed here after exceeding the mandatory 6-month temporary shutdown and entering the City's business activities.

### **Study type and design**

This study is descriptive, with a quantitative and mixed approach. The design is non-experimental transactional, since the participants belong to a specific group or level (all of them with micro-businesses). Data are investigated in a single time to describe variables and analyze their incidence or interrelation at a given moment (Hernández, Fernández & Baptista, 2014). The method is the study of the field, and the technique is the survey, with the questionnaire as an instrument.

### **Instrument**

The questionnaire that was applied to non-essential businesses in the town of Hecelchakán is made up of seventeen questions, which are divided into 4 dimensions.

The first part describes the dimension of customer service indicators and is made up of 6 questions of which five are open. The open questions deal with how many clients you serve per day, how much time they dedicate to you during your service, complaints, returns and which are the best-selling products. There is a closed question with yes or no options about the Customer Satisfaction and Suggestion Box.

The second part describes the indicators of the service process that consists of eight questions, of which four are open questions about the guarantees offered by your items, sales personnel, adequate service areas with chairs and tables. Another four questions are yes or no questions about after-sales services, layaway system, online sales, and home delivery.

The third part of the questionnaire describes the second dimension of financial indicators, which consists of seven open questions that describe the type of sales that are obtained the most in the business, the number of customers who buy on credit in a week, if payments for items sold are made by credit card or cash, products intended to be sold within a week, and the amount of sales within a week.

The fourth part of the questionnaire describes the impacts that businesses had due to the pandemic and is composed of six questions, of which one is an open question that describes the impact that the business had due to the pandemic, and four questions are with options for yes or no that describe the risk of the business, the liquidity problems, reduction or dismissal of personnel and the decrease in sales. There is also a multiple-choice question which describes the bases for decision making in the current crisis.

### Participants

Campeche is one of the 32 federative entities of the Mexican Republic, which it is located in the southeast of the country, bordering to the north and northeast with Yucatán, to the east with Quintana Roo, to the south with Guatemala, to the west with the Gulf of Mexico and to the southwest with Tabasco. The State of Campeche represents 2.9% of the total area of the country (INEGI, 2021).

Hecelchakán is one of the twelve municipalities that make up the State of Campeche. In 2020 it had a total of 31,917 inhabitants (Ibídem). It is a small city, so its businesses are sensitive to unexpected and unforeseen changes. In this phase of the study, non-essential establishments were selected, those related to household appliances and furniture in the town of Hecelchakán. A total of four were considered, which are the business of this type existing in the town.

### Results

After the closing process of non-essential businesses and a slow reincorporation to commercial activities, some of the results obtained are presented. This happened shortly after its opening to the market again, that is, in the last quarter of the year 2020.

#### Customer service indicator

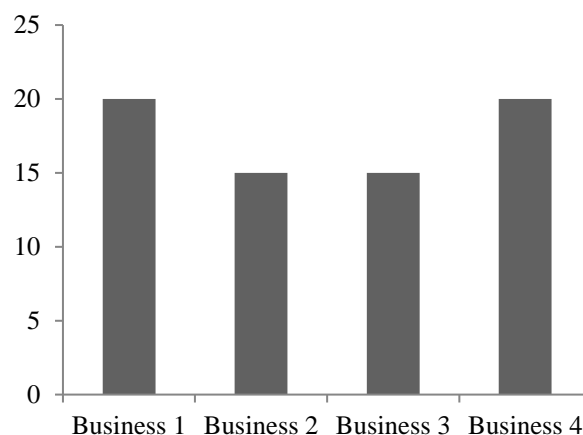
For businesses of the line of white goods and electrical appliances located in the town of Hecelchakán, we see that establishment number four is the one that serves the largest number of customers with a total of 30 people per day. It is followed by establishment one with 18 people per day, and then establishment two and three with an average of four people per day (see Table 1).

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| Business   | Customers |
|------------|-----------|
| Business 1 | 18        |
| Business 2 | 4         |
| Business 3 | 4         |
| Business 4 | 30        |

**Table 1** Total of Customers served per day  
*Source: Prepared with field information, 2020*

The time each business spends on each customer is as follows: Business 1 and 4 give customers an average of 20 minutes when they visit the store, that is, each customer who makes a visit to the business is given an attention 20 minutes to ask if you want something from the store, answer a question or provide you with any information regarding a product in the store. Graphic 1 shows business with the highest availability for the client.



**Graphic 1** Time dedicated to customer service  
*Source: Prepared with field information, 2020*

We can see that business 1 and 4 spend most of the time to serve their customers, these same businesses are the most visited (Table 1). A first result obtained with this work is that "the more time offered to serve customers, the greater the number of visits to the business" (Table 2).

| Business   | Customers | Time |
|------------|-----------|------|
| Business 1 | 18        | 20   |
| Business 2 | 4         | 15   |
| Business 3 | 4         | 15   |
| Business 4 | 30        | 20   |

**Table 2** List of clients and time of attention by establishment  
*Source: Prepared with field information, 2020*

The correlation coefficient between customer service time and the number of them visiting the establishments is calculated, resulting in 0.92. That is, as it can be seen in Table 2, both variables (customer and time) increase simultaneously and in the same direction, this means that when one variable increases the other also increases. The trend line goes to the right, which indicates a positive correlation, which means that the correlation between both data is good, because the more time is dedicated to customers, the greater the number of visits.

The best-selling products by business are the following: 75% of the establishments mentioned that the most sold product are washing machines, followed by televisions and motorcycles.

To the question if they have had complaints or returns of products in the week, the establishments answered the following: Only one commented that during the week of the interview they had had 2 complaints or returns, three mentioned that none.

When asked if the businesses have a suggestion box or customer satisfaction, only 1 mentioned that it does have a suggestion box, the other three mentioned that it did not. This implies not listening to the client and they generate a distancing from what is considered important.

What has been done by the businesses studied in this research in terms of customer service, it is insufficient. As it can be seen, it is contrary to what was found by Gonzalez P and Bermúdez T., (2009) who mention and conclude that the managers of microenterprises (56.8%) give great relevance to everything that allows them to know the level of customer satisfaction, which can be seen through the response obtained when rating customer service.

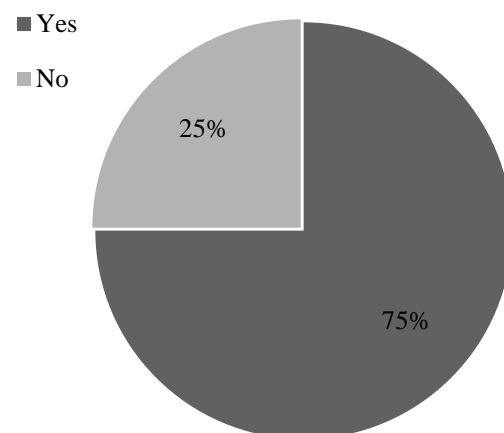
### Service process indicator

These establishments are of size called micro-businesses due to the total number of employees they have. All businesses studied have less than 5 employees (Table 3).

| Businesses | Employees |
|------------|-----------|
| Business 1 | 3         |
| Business 2 | 2         |
| Business 3 | 2         |
| Business 4 | 2         |

**Table 3** Number of employees per business  
*Source: Prepared with field information, 2020*

When asked if all products have a guarantee, 100% of the businesses answered yes. About the warranty time, these range from 6 to 12 months for all products that have it. On the other hand, they were asked if they have an after-sales service, of which three answered yes and one answered no. That is, once they achieve a sale, the domain shipping service and customer service for the purchased product remains open. To the question about whether they handle online sales. 75% said yes, while the other 25% said no. That is, 3 of the 4 businesses interviewed mentioned that they do have an online sales system (Graphic 2).



**Graph 2** Online sales management  
*Source: Prepared with field information, 2020*

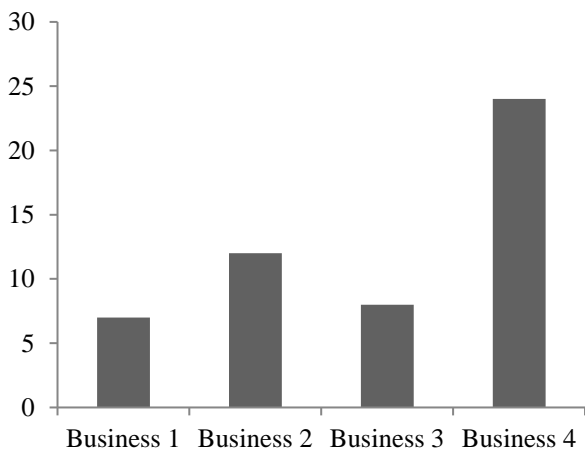
### Financial indicator

100% of businesses operate a credit system for customers. This allows visitors to choose between two business payment systems that give either cash payments or by obtaining a credit (Table 4). That is, three of the four establishments responded that credit and cash sales go hand in hand, that is, in equal parts, while one responded that sales are made to a greater extent via credit.

| Businesses | Sales type      |
|------------|-----------------|
| Business 1 | Credit and cash |
| Business 2 | Credit and cash |
| Business 3 | Credit card     |
| Business 4 | Credit and cash |

**Table 4** Businesses with a credit system  
 Source: Prepared with field information, 2020

Regarding the question about the type of purchase made by customers in the week surveyed, the response was as follows: Establishment 4 had 24 movements for credit, followed by establishment 2 with 12 movements, establishment 3 with 8 and establishment 1 with 7, (see Graphic 3).



**Graphic 3** Credit purchases per establishment per week  
 Source: Prepared with field information, 2020

To the question, are the payments of the products sold made with credit cards or with direct payment in the store? 75% answered that it was made with direct payment to the store, while 25% answered that it was made with credit card. That is, of the 4 establishments surveyed, one that is 25% of the micro-businesses, answered that they do accept that customers make their payments with cards, while 75% answered that they do not accept this type of payment.

To the question, how many products does the company intend to sell in a week? To find out if the company has a sales goal in the establishment, the situation is as follows: Three establishments mentioned that they do not have a specific number, that is, they do not have an established goal, on the other hand, one mentioned that it does have with one goal, he mentioned that he intends to sell 50 items a week.

To the question, what is the average amount of sales for a week? One business mentioned an average of 30,000 pesos a week, two had an average of 10,000 pesos a week. One business did not provide any information.

**Impact of the COVID-19 pandemic on micro-businesses**

To the question: what has been the impact of the pandemic on the business? The answers were the following:

Two of the businesses closed temporarily for approximately six months when the number of infections increased in the town, one closed because sales fell drastically, and another business closed on orders from the health authorities. In addition, those in charge of the business were seniors and their health was at risk.

100% of the establishments were at risk in financial terms for the business and health for the people. This resulted in stress for employees who saw their jobs at risk during all this time that businesses were not working as before the pandemic.

The businesses to which the questionnaire was applied responded that the health situation due to the COVID-19 pandemic put their business at risk. For all businesses, the current health situation presented liquidity problems as a result of the closure.

To the question: given the current health situation, does the business present or present problems such as reduction or dismissal of personnel? The four businesses responded that the number of employees was not reduced in their establishments. But, when the pandemic began, economic problems began to arise as a consequence sale decreased.

Montañez Balaguera, Y., & Romero Duran, Y. (2021), in a study conducted to analyze the economic and financial impact of Covid-19 in four and five-star hotels in the city of Cúcuta in Colombia, found that 67 % of managers stated that they did have to reduce part of their workers, since the quarantine forced them to close their establishments, where they produced significant losses, and without generating any type of income, therefore, they had no way of responding to expenses monthly.

On the other hand, 33% stated that they did not reduce staff and were able to support their workers in the midst of this economic crisis. Regarding decision-making in the face of crises such as the current one, all the electrical appliances micro-businesses responded that they were based on government information.

### Conclusions

The level of customer service in the electrical appliance micro-businesses in the town of Hecelchakán is good because 50% of the micro-businesses serve their customers for a period of 20 minutes and this makes it good because it should not be very fast. It is incomplete because other variables in care are neglected. The same percentage of businesses have the most clients per day. This has a direct relationship, because the more time is dedicated to customers, the greater the number of visits. This indicator is also considered good because of all the electrical appliance businesses, only one files claims or returns in a week. The service process indicator: 100% of micro-businesses have a guarantee on their products, which means a high possibility of demand. This indicator is used to measure the level of customer service, which means that 75% of the businesses in the town do have an adequate area with chairs and tables to serve their customers. Only 25% of businesses handle online sales and 100% have a section system. Regarding the financial issue, three of the four businesses obtain their sales on credit and in cash, and only one carries out the sales mainly by credit. Only 25% accept that the payment of the products sold is made by credit or debit card; 75% of the micro-businesses in the locality do not have established goals that indicate how many items they intend to sell in a week. The current health situation put and continues to put household appliance micro-businesses at risk, since at the beginning of the pandemic they were forced to close temporarily, and it was not until a few months ago that they resumed their activities, however, the economy of the the locality was affected, which caused sales in these businesses to decrease.

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