

Development of management skills for MSMEs, as support for their permanence and regional growth

Desarrollo de habilidades directivas para las Mipymes como apoyo para su permanencia y crecimiento regional

HERNÁNDEZ-HERNÁNDEZ, María Elena^{†*}, SOTO-RIVAS, Soledad, IRIGOYEN-ARROYO, Luis Ernesto and AGUILAR-PÉREZ, Esmeralda

Tecnológico Nacional de México, Instituto Tecnológico Superior de San Martín Texmelucan.

ID 1st Author: *María Elena, Hernández-Hernández* / ORC ID: 0000-0001-7172-3802, Researcher ID Thomson: O-8193-2018, CVU CONAHCYT ID: 927536

ID 1st Co-author: *Soledad, Soto-Rivas* / ORC ID: 0000-0003-3730-7586, CVU CONAHCYT ID: 329347

ID 2nd Co-author: *Luis Ernesto, Irigoyen-Arroyo* / ORC ID: 0000-0002-2037-1621, Researcher ID Thomson: ABC-1173-2021, CVU CONAHCYT ID: 472901

ID 3rd Co-author: *Esmeralda, Aguilar-Pérez* / ORC ID: 0000-0001-6794-9630, Researcher ID Thomson: O-3376-2018, CVU CONAHCYT ID: 625314

DOI: 10.35429/JM.2023.13.7.19.23

Received September 20, 2023; Accepted December 20, 2023

Abstract

Micro, small and medium-sized businesses play an important role in the economic development of nations, both in industrialized countries and in those with a lower level of development, however there are various factors that limit them, such as the lack of management skills of its managers, which is why this work seeks to identify the skills profile of the director of the MSMEs, in the San Martín Texmelucan region, in order to be in the position of proposing a means that helps to remedy this lack, according to the particular characteristics of this type of business. The analysis and proposal of this work are based on the study and results of the research titled: Training and development of skills of the directors of Mypes in Latin America, a project in which they participated as members and surveyors of the Latin American Studies Network in Administration and Business, in 2022. Using the R program version 4.0.2 (2020), the values of the mean, standard deviation and Cronbach's alpha coefficient were determined. These values presented have a reliability of values greater than 0.8 in their Cronbach's alpha recommended by Nunnally and Bernstein 199.

Resumen

Las micro, pequeñas y medianas empresas desempeñan un papel importante en el desarrollo económico de las naciones, tanto en los países industrializados, como en los de menor grado de desarrollo, sin embargo hay diversos factores que las limitan, como es la falta de habilidades directivas de sus directivos, por lo cual el presente trabajo busca identificar el perfil de habilidades del director de la Mipymes, de la región de San Martín Texmelucan, para poder estar en la posición de proponer un medio que ayude a subsanar dicha carencia, de acuerdo a las características particulares de este tipo de negocios. El análisis y propuesta del presente trabajo están fundamentados, en el estudio y resultados de la investigación titulada: Capacitación y desarrollo de habilidades de los directores de las Mypes de Latinoamérica, proyecto en el que se participo como miembros y encuestadores de la Red de Estudios Latinoamericanos en Administración y Negocios, en 2022. Mediante el programa R versión 4.0.2 (2020) se determinaron los valores de la media, la desviación estándar y del coeficiente alfa de Cronbach. Estos valores que se presentan tienen una fiabilidad de valores superiores al 0.8 en su alfa de Cronbach recomendado por Nunnally y Bernstein 1994.

Development, Management Skills, MSMEs, Region

Desarrollo, Habilidades Directivas, Mipymes, Región

Citation: HERNÁNDEZ-HERNÁNDEZ, María Elena, SOTO-RIVAS, Soledad, IRIGOYEN-ARROYO, Luis Ernesto and AGUILAR-PÉREZ, Esmeralda. Development of management skills for MSMEs, as support for their permanence and regional growth. Journal-Microeconomics. 2023. 7-13: 19-23

* Correspondence to Author (e-mail:elena.hernandez@smartin.tecnm.mx)

† Researcher contributing first author.

Introduction

Micro, small and medium-sized enterprises (MSMEs) play an important role in the country's economy, they have an impact on its indicators such as the gross domestic product (GDP), they are the fundamental role in the subsistence of many families, the National Institute of Statistics and Geography (INEGI, 2021), in its Study on Business Demographics 2021 (EDN, 2021) indicated that in Mexico in 2019, there were 4.9 million establishments in the private and parastatal sector, and according to the 2019 Economic Censuses (EC) mentioned that 99.8 % of these belonged to MSMEs (INEGI, 2022).

Even with the intention of highlighting the importance of MSMEs and raising awareness of their contribution to the Sustainable Development Goals and the global economy, the General Assembly of the United Nations (UN) declared 27 June as Micro, Small and Medium Enterprises Day (United Nations, 2023).

Due to their importance, the Ministry of Economy and the Ministry of Finance and Public Credit have defined the stratification under which micro, small and medium-sized enterprises will be classified, which is found in article 3, section III, of the Law for the Development of the Competitiveness of Micro, Small and Medium-sized Enterprises, resulting in a classification according to the sector to which they belong and the number of employees. Table 1.

Stratification by number of workers			
Sector/ Size	Industry	Trade	Service
Micro	0 -10	0 -10	0 -10
Small	11 - 50	11 - 30	11 - 50
Median	51 - 250	31 - 100	51 - 100

Table 1 Stratification under which MSMEs will be categorised

Source: Law for the Development of Competitiveness of Micro, Small and Medium Enterprises, 2023

This includes agricultural, livestock, forestry, fishing, aquaculture, mining, crafts and cultural goods producers, as well as tourism and cultural service providers.

Problematic

The development and health of a MSME, regardless of its product or line of business, is affected by its own characteristics or weaknesses that cause a series of problems that impede its growth, and consequently its competitiveness in the business environment, among the various negative factors we can highlight the following:

- Difficulty in obtaining external financing.
- Higher input costs, due to the lower volume of purchases.
- They do not have sufficient reach in terms of publicity, recognition and confidence to access more clients or to ally themselves with production chains.
- Lack of knowledge of administrative or accounting issues.
- Restrictions on access to state-of-the-art technology or innovation.
- Limitations in working capital that allow them to face crises for long periods (Fonseca, 2022).

All of these factors are even more important if we highlight the fact that most of these companies are family businesses, where decision-making for the different areas of the company is concentrated in the hands of the owner; the complexity of their tasks and functions is critical, successfully operating the business requires the expertise and multiple skills of the director or owner, which in many cases, due to the profile of the owner or director of the MSE, are unknown or non-existent or have not been developed in an optimal manner.

As mentioned, the various factors that affect the development of MSEs are not limited to a country or region, and companies of this type in the region of San Martin Texmelucan, in the state of Puebla, are no exception.

For this reason, the present project presents solutions to improve the managerial skills of the director of these businesses, constituting strategies and generating support according to the characteristics and size of these companies that include means, techniques and tools, which will favour their development to be more competitive and achieve the desired results and yields.

It is worth mentioning that the work on this project has been carried out with a team made up of research professors and students from the Public Accountancy degree programme at the Instituto Tecnológico Superior de San Martín Texmelucan (ITSSMT),

General Objective

To propose ways of improving the managerial skills of those in charge of MSMEs in the San Martín Texmelucan region.

Methodology

The development of this research was based on a non-experimental, transversal, descriptive methodology. This provided the necessary tools and instruments for the collection and analysis of the information obtained throughout the research. The research was proposed to be non-experimental, since the researchers only observe the context in which micro and small enterprises are developed with respect to the managerial skills of the enterprises and based on this it was analysed in order to obtain the information.

The research was conducted as a cross-sectional study, as it focused on the analysis of information collected from a specific population at a specific time without the need for further research. At the same time, the descriptive method was used, as it allowed the information obtained to be collected, analysed and interpreted.

The present research is within a quantitative research approach because it makes use of data collection and statistical means.

The development of this research was based on the study and results of the research entitled: Training and development of skills of managers of MSMEs in Latin America, a project in which the researchers of the academic staff of the Public Accountant career of the ITSSMT participated as members and surveyors of the Latin American Studies Network in Administration and Business (ReLAyN) in the year 2022. The objective of the study was to determine the level of the managerial skills profile of the director of micro and small enterprises in the municipality of San Martín Texmelucan.

According to Franco, Gonzalez, Hernández & Llamas (2022): The fieldwork to apply the survey was over a period of 5 months in 2022, from 3 March to 22 July 2022.

In the case of San Martín Texmelucan, Puebla, the sample was composed of 397 MSMEs, dedicated to commercial, transformation and service activities.

Data collection was carried out through an online form and face-to-face contact with the entrepreneur.

Results

Thanks to the results of the ReLAyN study, it was possible to identify the profile of the managers in relation to managerial skills, among which the following can be highlighted:

- The average age of the participating principals is 40 years old.
- 255 (64.23%) are male and 142 (35.77%) are female; 75.57% have children.
- Their marital status indicates that 39.09% are single and 60.91% are married or in union.
- Regarding the level of education of the directors, 3.85% have no education, 6.15% have completed primary school, 8.46% secondary school, 14.36% have a technical career, 44.62% have a baccalaureate, 21.03% have a bachelor's degree and 1.54% have a postgraduate degree.

Of the main activities in which the enterprises are engaged, the most representative was wholesale and retail trade with 63% of the total sample and the least represented was manufacturing industries with 3.4%.

The formally established enterprises represented 53.98% and in the informal market 46.02%.

The total number of workers in the sample enterprises was 2,963, of which 1,461 (49.31%) were women and 1,502 (50.69%) were men; in addition, 729 (24.6%) were family members of the directors.

In relation to training, it was found that only 1,641 (45.79%) of the workers received training in the last year, 791 (48.2%) women and 850 (51.8%) men.

Table 2 presents the descriptive analysis of the values obtained for each of the items of the variables, in addition to the general averages, the minimum and maximum values obtained are presented, allowing us to see the strongest and weakest areas specific to each managerial skill.

Variable	Alpha	Half	Standard Deviation
Troubleshooting	0.867	4.267	0.668
Conflict management	0.857	4.228	0.674
Communication	0.859	4.289	0.665
Coaching and feedback	0.882	4.249	0.631
Motivation	0.866	4.317	0.679
Delegate	0.867	4.304	0.67
Teamwork	0.875	4.321	0.653
Leadership	0.87	4.245	0.673
Training	0.904	4.196	0.718

Table 2 Descriptive statistics for the sample of San Martín Texmelucan, Puebla

Source: Franco, Gonzalez, Hernández & Llamas (2022)

Similarly, answers were given to questions that were triggers for proposing means of support for managers, among which the following stand out.

1. What are the skills that predominate or need to be developed in the directors of the MSMEs? It was found that managers need training, teamwork and leadership.
2. What are their training needs in management skills? It was found that they need training in coaching, group management and effective leadership.
3. With regard to whether the manager perceives his/her training needs according to his/her own management skills, the answer is yes, but he/she considers that it is not necessary to attend such courses.
4. What is the manager's perspective and opinion on training? Managers mention that it is an unnecessary expense as there is no time to invest in such training and they would no longer receive income or carry out daily activities.

Proposal

Once the profile of the manager in the San Martín Texmelucan region was identified, in relation to the managerial skills that he/she possesses and consequently the discovery of those that he/she lacks, it was possible to propose ways to improve or acquire them, which in this case the proposal was a training programme, which included the material for its development.

The first part of the proposal was to define the participants who would develop it, so it was agreed that they would be research professors and students of the Professional Residency Programme of the Public Accountant career of the ITSSMT and members of the Institute's Incubator.

The second part was the development of training resources to cover the needs related to the development and acquisition of management skills, this was developed by the research teachers and students of the Public Accountant career of ITSSMT who carried out their Professional Residency with these teachers.

The generation of training means for the development and acquisition of managerial skills consisted of the creation of a training programme, which included the design of two courses, thereby covering the first and second questions regarding the managerial skills that need to be developed in the managers of MSMEs. One of the courses covered the topic of Coaching and Leadership and the second covered the topic of Motivation and Teamwork, each of which included a diagnostic test to identify the state of the MSME managers and staff at the start of the course in relation to the management skills to be developed. Similarly, content and materials were generated to develop the two courses, which consisted of theoretical content, videos and dynamics, and finally a satisfaction survey.

In order to address question three, related to the fact that managers do not have the initiative to go to institutions in order to improve their management skills, the programme proposal includes going to train managers and staff of MSMEs in their own facilities, free of charge, which would cover the last question, for MSMEs these courses will not generate any expenses.

The third part consisted of training teachers who participate in the Institutional Incubator, so that they could replicate the courses to the entrepreneurs who come to the incubator, to students of social services or to other residents, so that they can replicate these courses to other managers of MSMEs in the region, and thus continue with this programme once the participating students conclude their residency period.

Conclusions

Successful business operation requires expertise and multiple skills of the MSME owner or director, which in many cases due to their profile are unknown or non-existent or have not been optimally developed, so the result of this project is a support tailored to the characteristics and size of these companies, which include means, techniques and tools, which will promote their development to be more competitive and achieve the desired results and performance.

And not only these companies will benefit, at the same time the students will have the opportunity to put into practice the knowledge acquired in the classroom in a real scenario, thus forming an integrated learning. Similarly, by giving continuity to this management skills development programme, it will be possible to scale up to form part of a Professional Residency project, with which students will be able to present themselves to MSMEs with a defined project, since sometimes when applying to these companies for a space to cover this academic requirement, they are denied because they do not have a project to develop, but with this programme it will only be necessary to put it into practice.

References

Cámara de Diputados del Honorable Congreso de la Unión (2022, 20 de octubre). Ley para el Desarrollo de la Competitividad de la Micro, Pequeña y Mediana Empresa. Diario Oficial de la Federación.
<https://www.diputados.gob.mx/LeyesBiblio/pdf/LDCMPME.pdf>

Fonseca, A (2022) Las prioridades de las pymes ante un entorno incierto.
<https://egade.tec.mx/es/egade-ideas/opinion/las-prioridades-de-las-pymes-ante-un-entorno-incierto>

Franco, R.E., González, G., Hernández, O.A. & Llamas, A.A (2022). Capacitación y desarrollo de habilidades de los directores de las Mypes de Latinoamérica. (1Ed.) iQuatro Editores.
<https://doi.org/10.46990/iQuatro.2022.11.8.0>

<https://relayn.redesla.la/biblioteca/22.002/RELAYN-TOMO2.pdf>

INEGI, (2022). Comunicado de prensa núm. 335/22.

https://www.inegi.org.mx/contenidos/saladeprensa/aproposito/2022/EAP_Demog_MIPYME22.pdf

INEGI, (2021). Estudio sobre la demografía de los negocios 2021.
https://www.inegi.org.mx/contenidos/programas/dn/2021/doc/EDN2021_Pres2.pdf

Naciones Unidas, (2023). Fomentar las MIPYME mediante el apoyo a las mujeres y la juventud emprendedora y las cadenas de suministro resilientes.
<https://www.un.org/es/observances/micro-small-medium-businesses-day>