

Managerial and Functional Capacities in the Economic Development of Service MSES

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Abstract

The objective of this research is to analyze the influence that managerial and functional capacities have on the economic development of service MYPES in the Huánuco region. The methodology assumed the quantitative approach, of an applied type, descriptive-explanatory level of transactional cut, the population was made up of 10,452 MYPE from the services category, the sample was made up of 350 formal entrepreneurs, it had a non-experimental design; The literature review, survey and statistics were used as techniques, each with their respective instruments, validated by experts in the area. The results show that the highest percentage of entrepreneurs agree with the profits generated by their businesses, microentrepreneurs have high confidence in the processes created for their business, 36% of microentrepreneurs are unaware of the benefits of social networks today. , 34% of microentrepreneurs believe that their service approach has positioned them in the market. It is concluded that the managerial and functional capacities shown by the owners or managers of these micro-enterprises were acquired through experience, experience and years of permanence in the market as companies.

Keywords: *business skills, microenterprises, financial skills, sales.*

INTRODUCTION

Small and micro enterprises (SMEs) in Peru have important economic and social implications for the national development process. Indeed, according to the (INEI, 2010) they constitute about 95% of all existing companies in the country, create employment around 75% of the Economically Active Population (EAP) and generate wealth in more than 45% of the Gross Domestic Product (GDP). In this sense, SMEs are the best alternative to deal with national unemployment. (Okpara & Wynn, 2007) state that: "small businesses are regarded as the driving force of economic growth, employment generation and poverty reduction in developing countries. However, MSEs face a number of obstacles that limit their long-term survival and development. Previous studies indicate that the mortality rate of small businesses is higher in developing countries than in developed countries (Avollo 2011).

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Peru does not escape this reality, which is why empirical studies are needed that allow us to understand business success and permanence in this competitive market and in a volatile, uncertain, complex and ambiguous context. According to the INEI (2019): Of the total business units in 2018, 2 million 270 thousand 423 were classified as microenterprises (94.9%), followed by 100 thousand 443 small companies (4.2%), 14 thousand 281 large and medium enterprises (0.6%) and 7 thousand 886 that represented the public administration (0.3%), so we insist on the name MYPE.

The theory of Business Growth, explains that, in the Resources and Capabilities, business success is based and therefore in this research, we use the clarification of Business Capabilities (managerial and functional), as the basis of the development of the business economy (productivity) through its dimensions of efficiency, effectiveness and effectiveness (Serida, et al., 2005; Cumpa and Inga, 2015).

Managerial capabilities are those that seek that managers are able to enter new markets faster than their competitors, that they are able to manage their resources and guide them towards obtaining a competitive advantage, managerial capacity is the ability of the company to quickly enter growth markets in a more effective way than its competitors (Chandler, 1990; D'Amboise and Muldowney, 1988), are the processes that facilitate the integration, use and reconfiguration of activities; empowers the coordination, integration and deployment of resources throughout the company (Teece, Pisano, and Shuen, 1997), it is the task of senior managers to create flexibility through effective monitoring of operations and adjustments in strategy; it also allows the firm to evaluate, aggregate and leverage its resources to achieve competitive advantage (Graves and Thomas, 2006; Samaniego and Reyes, 2016).

Functional capabilities refer to the activities that make the company productive, it includes the functional areas that a company normally possesses (Hernández et al., 2014). Functional capacity is a set of technical systems, technological processes, skills for the execution of specific tasks, production, sales and distribution activities and operational routines involved in the specific context of the firm, therefore, they lack substitutes and are difficult to imitate (López and Sabater, 2002). This implies that functional capabilities are a potential contributor to generating competitive advantage within the firm (Barney, 1991; Pomareda, 2001).

Functional capacities, cited in Hernández et al. (2008), are equally made up of three broad categories. These are: (a) technology, which promotes the efficient use of technology, specialized information systems, as well as certifications and patents; b) sales, which represents the satisfaction of customer needs, it is about maintaining a good relationship with customers, recognition and quality of the product or service, offering guarantees, as well as the satisfaction index; and c) operational: are the daily operations, operations that are carried out daily in the company, these are related to an operational knowledge, not reflective, but they are still important to contribute significantly to the competitiveness of the company.

The study aimed to analyze the influence of managerial and functional capacities on the economic development of service MSEs in the Huánuco region. The research is important since it aims to study the formal entrepreneur, with his entrepreneurial skills that he has acquired before or after forming his company, from an integral point of view, taking into account his personal development since with this he will be able to have greater income and thus be able to remain in the competitive market.

MATERIALS AND METHODS

The study was carried out in the region of Huánuco, as it is the town that concentrates the highest percentage of SMEs in services. The study dealt with entrepreneurs with their own and formal businesses that belong to the Chamber of Commerce of Huánuco. A

methodology of quantitative approach was assumed (Vara, 2010), of applied type (Ñaupas, et al., 2018), where the level of research was the descriptive-explanatory of transitional cut because the data was obtained in a single moment (Sánchez and Reyes, 2017), the population was made up of 10452 MSEs of the services category, while the probabilistic sample (Scheffer and others; 2007) was made up of 350 formal entrepreneurs, had a non-experimental design, because the independent variable was not manipulated (Supo, 2014).

Literature review, survey (López and Fachelli; 2016) and statistics (Gil, 2003; Pérez, 2008), each of them with their respective instruments, validated by experts in the area. The reliability of the data collection instrument (survey questionnaire) was determined by estimating Cronbach's alpha coefficient (Gamarra, 2015), obtaining an index of 0.865, which is located in the category of Good; This indicates that the application of the survey questionnaire is statistically reliable.

RESULTS

The results of the study show about the managerial capabilities, that 48% or 168 people of the total respondents, told us that they totally agree, that their profits ensure permanence in the market, because they register annual sales in growth, on the other hand, 12% feel undecided because their conditions are of low competitiveness and do not have any record of accounts. So we can conclude that the highest percentage of entrepreneurs agree with the profits generated by their businesses.

On whether the training, experience and skill of your workers allow you to generate more customers to your business. It was evident that 30% of the respondents told us that they totally agree; followed by 26% who agree; On the other hand, 20% feel undecided. We can conclude that most microentrepreneurs value the training of their workers, as well as the experience in the field which has allowed them to develop skills in sales and therefore greater profits. From the statement raised: "The tasks I have designed in my business help to successfully plan strategies", we can indicate that 72% of respondents said they strongly agree and agree; On the other hand, 18% feel undecided; Only 10% disagree and strongly disagree. Concluding that microentrepreneurs have a high confidence in the processes created for their business.

The Microentrepreneurs of the Huánuco region show their managerial skills, with a high valuation and confidence: in the processes created for their business, in the training of their workers, as well as in the experience in the field, in the coordinated and trustworthy work of the teams, which have been generating greater customers and therefore greater sales and income, but at the same time they have a scarce knowledge of Marketing and therefore, it does not allow them to understand the needs of their customers and have the preference; But they agree with the profits generated by their businesses and prefer to reinvest their profits in their business.

On the functional capabilities, before the affirmation: that thanks to the electronic agencies (social networks) my business has a greater influx of clients, only 38.38% of the respondents told us that they totally agree and agree; while 61.62% indicated being undecided, disagreeing and strongly disagreeing. So we can say that the highest percentage of microentrepreneurs are unaware of the benefits of social networks today. Given the affirmation, on whether the customer service approach that your business offers has positioned it as a benchmark in the service industry of Huánuco; 60% of respondents told us that they strongly agree and agree; Only 40% responded that they are undecided, disagree and strongly disagree. So the largest percentage of microentrepreneurs believe in its approach to services has possessed it in the market.

Before the affirmation about, if the management area of your business, creates strategies that allow you to penetrate the market better than your competition; Of the total

respondents, 76 per cent of microentrepreneurs indicated that they agreed and strongly agreed; while 24% of respondents indicated being undecided, disagreeing and strongly disagreeing. So we can conclude that a high percentage of microentrepreneurs value the intangible resources of their company. The microentrepreneurs of the Huánuco region show to have moderately functional capacities, since a high percentage agrees with the live chat of their website; But they do not know the benefits of social networks today. For their sales, they believe that their approach to services has possessed them in the market, although they do not know about marketing strategies. In the operational, they value the processes and manuals for the administration of their business, their tangible or physical resources of their business, to the intangible resources of their company, they also have an administrative staff committed to the business and therefore they are satisfied with the actions of them.

The economic development of the microentrepreneurs of the Huánuco region, is given by a relative productivity, which they demonstrate in efficiency, a high percentage of microentrepreneurs appreciate the efficient use of their resources of their workers, make the most of their infrastructure where their company operates, allowing them to be different from their competition and in this way, They lower their costs and obtain greater profits. In efficiency, they assert that their customers have a high level of satisfaction, because they have the confidence that their services are satisfying the needs of the client, despite having distrust of the marking, they confirm to be possessed in the field. In Effectiveness, a high percentage of microentrepreneurs, value the planning on their services, achieving their proposed objectives, which are constantly controlling their planned objectives since thanks to this they will improve their sales and attribute that their success is due to the achievement of their proposed objectives.

In the thesis of Jaramillo (2012), he uses managerial and functional capacities, addressing the dimension of innovation to achieve business competitiveness, thus being able to demonstrate that entrepreneurs in Colombia also show entrepreneurial capabilities their conclusions are more related to external factors and but not to internal factors, while in the research carried out it was shown that the greater weight to be able to achieve greater profits these must be related to the internal factors of the company, being able to indicate that they are different. In the thesis Hernández et al. (2002), he concludes that the business capabilities that stand out are the functional ones and thus manage to be competitive in the international market. With our research we can indicate that their conclusions have some similarity when it comes to entrepreneurial capabilities.

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