

# **Managerial Competencies of Managers of Micro, Small and Medium Enterprises (MSMEs) In Dipolog City: A Survey**

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*Abstract* — This study is a survey of the managerial competencies of Micro, Small, and Medium Enterprises (MSMEs) managers in Dipolog City in the calendar year 2022. It is principally anchored on the Theory of Modern Management by Henri Fayol and uses the descriptive research method utilizing a questionnaire as the principal tool for gathering data. The respondents were taken from 50 MSME establishments, of which 50 managers and 100 employees were chosen. The collected data was statistically treated using frequency counting, percent, weighted mean, Wilcoxon Rank-Sum U-Test, and Kruskal-Wallis H-test.

It was found that most of the managers and employees of MSMEs in Dipolog City are young, educated female adults who are relatively new to the establishments. The managers also assessed themselves as highly practicing planning, organizing, commanding, coordinating, and controlling. This concurs with the employees' assessment of their managers as well.

Also, the study showed no significant difference in the level of managerial competencies as assessed by the managers when grouped according to profile. However, there is a significant difference in planning and coordination as assessed by the employees when grouped according to age. There is also a significant difference in organizing as assessed by the employees when grouped according to their sex. Finally, it was revealed that there is no significant difference in the level of managerial competencies as assessed by the managers and the level of managerial competencies as assessed by the employees.

Thus, it is recommended that MSME owners periodically evaluate the managers' and employees' performance to ensure smooth and continued longevity in operations. Concerned agencies, legislators, and policy makers are encouraged to conduct training and seminars to ensure competency among managers and employees. Lastly, future researchers are highly encouraged to conduct a separate study.

*Keywords* — **MSME, Managerial Competency, Managers, Employees, Planning, Organizing, Command, Coordinate, Control**

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## **I. Introduction**

The word management means getting people together to accomplish defined goals and objectives. It comprises planning, organizing, staffing, leading or directing, and controlling an organization. Resourcing encompasses the deployment and manipulation of human, financial, technological, and natural resources. Managers have always been considered an important factor in the development of organizations. Not only do they characterize managers, but they also play a vital role in predicting the future of the organization.

The manager is the ship's captain through which it is vital that everyone had faith in him that he will bring the ship safe ashore. In bringing about management tasks, managers need to take into consideration the following general functions, such as planning, organizing resources, leading or directing, and controlling or coordinating, through which it is on this function that managers are expected to show their competencies, purposely to gear their establishment into the right track. Managerial competency is a collection of behaviors acting as instruments in delivering desired results. They also added that competencies should not be defined as things that people possess, but rather as behaviors that people exhibit. They are active behaviors leading to the competent performance of significant activities (Mojar & Depositario, 2020). Further, organizations need to be managed with specific competencies due to the changing and complex world in which they develop their activities. Managerial competencies have been defined as a set of motivations, personal traits, abilities, knowledge, and values necessary to improve management performance and are a branch of a larger group of individual competencies. So, identifying these managerial competencies becomes a valuable source for achieving competitive advantages in these organizations (Van Oorschot, Hofman & Halman, 2019).

On the other hand, micro, small, and medium enterprises (MSMEs) are regarded as important for economic growth worldwide. They form 90% of businesses in both developed and developing countries. It is also very important to note that MSEs play a critical role in the development of countries as they are regarded as a strong contributor to poverty alleviation, job creation, economic growth, as well as equitable distribution of wealth (Ncube & Chimucheka, 2019). MSMEs are the driving force of the economy in well-developed countries. Their managers' competencies largely determine their competitiveness. As iterated, a manager is a person responsible for the implementation of the managerial process, especially for planning and decision making, organizing, leading people, and controlling human, financial, material, and information resources. He/she is the head of the team (people, organization, organizational unit), and his/her role is to help the team achieve its established goals in the context of the changing market (Woszczyna, 2014).

In the Philippines, MSMEs comprise the largest part of the business economic undertakings and are among the most important development agents in rural communities. MSMEs offer opportunities to poor people to earn income, training, work experience, and employment (Capina, 2021). The vital contribution of a vigorous and healthy micro, small, and medium-sized enterprise (MSMEs) sector to the national economy and social progress of countries worldwide has been widely recognized. In a developing economy like the Philippines, MSMEs play a critical role. The 2021 List of Establishments (LE) of the Philippine Statistics Authority (PSA) recorded 1,080,810 business enterprises operating in the country. Of these, 1,076,279 (99.58%) are MSMEs and 4,531 (0.42%) are large enterprises. Micro enterprises constitute 90.54% (978,612) of total establishments, followed by small enterprises at 8.63% (93,230) and medium enterprises at 0.41% (4,437) (Department of Trade and Industry, 2021).

Micro, small, and medium enterprises (MSMEs) are defined as any business activity/enterprise engaged in industry, agribusiness, or services, whether a single proprietorship, cooperative, partnership, or corporation, whose number of employees is categorized as follows: for micro enterprises, 1 – 9 employees; for small enterprises, 10 – 99 employees; and for medium enterprises, 100 – 199 employees (Cada, 2020).

Noteworthy that proper management is vital in the complex environment of the highly competitive hospitality industry. The quality of managers and effective management styles can determine the organization's culture, the productivity of its staff, and ultimately, the success or failure of the organization or establishment. Yet, one thing is sure: every manager is expected to be efficient enough to deliver their establishment or organization safely ashore. A manager should be able to direct, supervise, encourage, inspire, coordinate, and in doing so facilitate action and guide change. Further, managers are expected to develop their leadership qualities and competencies. Hence, the researcher assessed the managerial competency of the different micro, small, and medium enterprises (MSMEs) in Dipolog City, this calendar year 2022.

## **II. Methodology**

### **Research Environment**

The study was conducted in Dipolog City, [Zamboanga del Norte](#), [Philippines](#).

### **Research Respondents**

The respondents of this study were limited to fifty (50) MSME's established situated in the seven (7) principal barangays in Dipolog City

**Table 1. Respondents Distribution**

<b>Category</b>	<b>Number of Respondents</b>
Manager	50
Employees	100
Total	150

### **Research Instruments**

This study had two (2) sets of questionnaires. The first set of questionnaires was used for the manager of the subjected MSMEs while the second set of questionnaires was used for the employees of MSMEs. Also, both questionnaires consist of two (2) parts.

The first part of both questionnaires called for the respective profile of the respondents in terms of age, sex, educational attainment, and length of service (Parilla, 2013; Cada, 2021). On the other hand, the second part of both questionnaires focused on the level of managerial competencies

as assessed by both respondents in terms of planning, organizing, command, coordination, and control (Malinao & Ebi, 2022; Suarez, 2016; Tapera, 2014). Noteworthy that as the instrument was adapted from previous studies as cited, it is a reliable instrument based on Cronbach's Alpha Analysis.

### **Ethical Considerations**

The researcher ensured that the respondents freely and voluntarily participated in this study. Full consent was obtained prior to the distribution of the questionnaire.

### **Data Gathering Procedure**

After the Board of Examiners approved the instrument used in the data collection, the researcher gave the study's participants their equipment after receiving permission to collect data. Additionally, the researcher ensured that safety procedures were followed throughout data collection. After completing the survey, the researcher tallied the results and sent them to a statistician for statistical analysis.

### **Statistical Treatment of the Data**

The following statistical formulas were used in this study.

**Frequency Counting and Percent.** The tools were used to determine the respondents' profiles in terms of age, sex, educational attainment, and length of service. The percent was calculated by multiplying the frequency of each category by the total number of respondents.

**Weighted Mean.** It was used to quantify the respondents' ratings of the level of managerial competency among managers of MSMEs and to quantify their respective employees' observations.

The weighted mean was then interpreted using the given intervals.

Scale	Range	Description	Interpretation
4	3.26 – 4.00	HP	Highly Practiced
3	2.51 – 3.25	P	Practiced
2	1.76 – 2.50	FP	Fairly Practiced
1	1.00 – 1.75	PP	Poorly Practiced

**Standard Deviation.** It was used to determine the homogeneity and heterogeneity of the ratings, where  $SD < 3$  is homogenous, and  $SD > 3$  is heterogeneous (Refugio, Galleto, & Torres, 2019).

### III. Results and Discussion

**Table 2 Profile of the Manager Respondents in terms of Age**

Age	Frequency	Percent
18 - 22 years old	4	8.00
23 – 27 years old	6	12.00
28 – 32 years old	14	28.00
33 – 37 years old	10	20.00
38 – 42 years old	3	6.00
43 – 48 years old	4	8.00
49 – 52 years old	-	-
53 – 57 years old	4	8.00
58 years old and above	5	10.00
<b>Total</b>	<b>50</b>	<b>100.00</b>

Table 2 shows the age profile of the manager respondents. The findings stressed that most of the respondents were within the age range of 28 – 32, which implies that most of the managers of MSMEs in Dipolog City were young adults.

**Table 3 Profile of the Manager Respondents in terms of Sex**

Sex	Frequency	Percent
Male	20	40.00
Female	30	60.00
<b>Total</b>	<b>50</b>	<b>100.00</b>

Table 3 portrays the profile of the manager respondents in terms of sex. The data revealed that the majority of the respondents were females, comprising 30 out of 50 respondents or 60.00%, as compared to male respondents, comprising 20 out of 50 respondents or 40.00%, which implies that the majority of the MSME’s managers were females.

**Table 4 Profile of the Manager Respondents in terms of Educational Attainment**

Educational Attainment	Frequency	Percent
Elementary Level/Graduate	-	-
High School Level/Graduate	4	8.00
Vocational	3	6.00
College Level	20	40.00
Baccalaureate Degree	19	38.00
Masters Degree	3	6.00
Doctoral Degree	1	2.00
<b>Total</b>	<b>50</b>	<b>100.00</b>

Table 4 manifested the profile of the manager respondents in terms of educational attainment. The findings stressed that most of the respondents were college-level, which implies that the majority of the MSME managers were educated.

**Table 5 Profile of the Manager Respondents in terms of Length of Service**

Length of Service	Frequency	Percent
Less than 5 years	24	48.00
5 – 9 years	14	28.00
10 – 14 years	5	10.00
15 – 19 years	2	4.00
20 – 24 years	1	2.00
More than 25 years	4	8.00
<b>Total</b>	<b>50</b>	<b>100.00</b>

Table 5 exhibits the manager respondents' profile in terms of service length. The findings stressed that most of the respondents were rendering services to the MSMEs for less than 5 years, implying that most of the managers of MSMEs were relatively new to the establishments.

**Table 6 Profile of the Employee Respondents in terms of Age**

Age	Frequency	Percent
18 - 22 years old	14	14.00
23 – 27 years old	26	26.00
28 – 32 years old	30	30.00
33 – 37 years old	19	19.00
38 – 42 years old	2	2.00
43 – 48 years old	-	-
48 – 52 years old	5	5.00
53 – 57 years old	-	-
58 years old and above	4	4.00
<b>Total</b>	<b>100</b>	<b>100.00</b>

Table 6 indicates the profile of the employee respondents in terms of age. The findings stressed that most of the respondents were within the age range of 28 – 32 years old, which implies that the majority of the MSMEs employees were young adults.

**Table 7 Profile of the Employee Respondents in terms of Sex**

Sex	Frequency	Percent
Male	21	21.00
Female	79	79.00
<b>Total</b>	<b>100</b>	<b>100.00</b>

Table 7 portrayed the profile of the respondents' employees in terms of sex. The table revealed that the majority of the respondents were females, comprising 79 out of 100 respondents or 79.00%, as compared to male employees, comprising 21 out of 100 respondents or 21.00%, which implies that the majority of the MSMEs employees were females.

**Table 8 Profile of the Employee Respondents in terms of Educational Attainment**

<b>Educational Attainment</b>	<b>Frequency</b>	<b>Percent</b>
Elementary Level/Graduate	2	2.00
High School Level/Graduate	16	16.00
Vocational	8	8.00
College Level	52	52.00
Baccalaureate Degree	22	22.00
Masters Degree	-	-
Doctoral Degree	-	-
<b>Total</b>	<b>100</b>	<b>100.00</b>

Table 8 revealed the profile of the employee respondents in terms of educational attainment. The findings stressed that most of the respondents were college-level, which implies that the majority of the MSMEs employees were educated.

The findings were supported by Capina (2020), underscoring the fact that the majority of the MSME workers were educated. Also, having educated employees helps in making the operations of the establishment more efficient and effective.

**Table 9 Profile of the Employee Respondents in terms of Length of Service**

<b>Length of Service</b>	<b>Frequency</b>	<b>Percent</b>
Less than 5 years	70	70.00
5 – 9 years	23	23.00
10 – 14 years	2	2.00
15 – 19 years	2	2.00
20 – 24 years	1	1.00
More than 25 years	2	2.00
<b>Total</b>	<b>100</b>	<b>100.00</b>

Table 9 manifested the employee respondents' profile in terms of service length. The findings stressed that most of the respondents were working in the MSMEs for less than 5 years, which implies that the majority of the MSME's workers were relatively new.

#### IV. Conclusion

MSMEs are crucial in creating employment and entrepreneurship opportunities. It is deemed as the engine of economic growth, job creation, and poverty eradication; thus, it is essential that MSME managers possess the right managerial competency essential in keeping the MSMEs afloat, production, and achieve longevity in operation. Currently, it was observed that both MSME managers and employees were female, educated young adults who were relatively new in the MSMEs. Further, managers and employees knew the importance of managerial competency about the operations of the MSMEs. However, it was observed that there is no significant difference in the managerial competencies of MSME's managers as assessed by the manager respondents when grouped according to their profile. Further, there is no significant difference in the level of



managerial competencies of MSME managers in terms of planning as assessed by the employee respondents when grouped according to their profile in terms of sex, educational attainment, and length of service.

Yet, there is a significant difference in the level of managerial competencies of MSME managers in terms of organizing, as assessed by the employee respondents, when grouped according to their profile in terms of sex. Also, there is no significant difference in the level of managerial competencies of MSME managers in terms of organizing and command as assessed by the employee respondents when grouped according to their profile in terms of age, educational attainment, and length of service. Notably, there is a significant difference in the level of managerial competencies of MSME managers in terms of coordination as assessed by the employee respondents when grouped according to their profile in terms of age. However, there is no significant difference in the level of managerial competencies of MSME managers in terms of coordination as assessed by the employee respondents when grouped according to their profile in terms of sex, educational attainment, and length of service.

Furthermore, there is no significant difference in the level of managerial competencies of MSME managers in terms of control as assessed by the employee respondents when grouped according to their profile in terms of age, sex, educational attainment, and length of service. Lastly, there is no significant difference between the level of managerial competencies assessed by the manager respondents and the level of managerial competencies assessed by the employee respondents.

## **V. Recommendations**

Based on the summary of findings and the conclusions derived, the following recommendations were offered:

1. MSME's owners may conduct periodic evaluations on the manager and employees' performance to ensure smooth and continued longevity in operations.
2. The Department of Trade and Industry (DTI) may partner with different agencies in its capacity-building or competency services to MSMEs to be more effective in filling the gaps of the managerial competencies of MSMEs.
3. The City Government, through the City Mayor's Office, may conceptualize programs in line with helping strengthen the MSMEs, particularly in the conduct of trainings and seminars to ensure competency among managers and employees of the same. Also, the Sangguniang Panglungsod may enact measures institutionalizing the city's support to the MSMEs.
4. Future researchers were encouraged to conduct a separate study to determine the veracity of the results herein.



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