

Management Practice of Women in Entrepreneurship Activities of Micro Enterprise Running in Parbat District, Nepal

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Abstract

Micro-enterprises are small-scale businesses run by low-income people with government or non-government assistance. It helps people manage their daily requirements by improving their quality of life and adding value to the local economy in underdeveloped countries. They provide many small-scale jobs, raise income, increase purchasing power, and strengthen the country's economy. The major goal of this research was to find out how women micro-entrepreneurs may run their businesses as under-represented and seemingly stigmatized minority business owners. Micro businesses make managerial decisions based on individual tastes and priorities. The study discovered that the true meaning of micro-enterprise management goes beyond the standard business semantics. The study included 384 women from the Parbat district of Nepal who worked in micro-enterprises. According to the study, the participation of family members has a substantial impact on the success of a micro business. The results suggest that 99 percent of the women agreed the involvement of family members and supporters to run the enterprise. Similarly 74.50 percent women agreed that they received training to run their enterprise.

Keywords: Management practice, micro-enterprises, owner-managed firms

Introduction

Regardless of size or form, management is essentially the organ of any institution (Drucker, 1955: 2002) According to Drucker (2002), the two management elements are administrative capability and entrepreneurial spirit. Self-owned businesses must address these two factors in a balanced manner. The administrative component is concerned with a company's day-to-day operations. On the other hand, entrepreneurship is associated with taking the initiative to initiate company reforms. Entrepreneurship is a never-ending process of identifying market possibilities and unmet requirements (Koontz & Weihrich, 2003). The willingness to pursue opportunity is the heart of entrepreneurship (Stevenson & Jarillo, 1990). Because of the overwhelming importance of corporate culture, management competency is required for organizational success. The concept of managerial competence refers to management's ability to direct the company toward its goals. Drucker (1955: 2002) emphasized the critical importance of managerial competence in conjunction with professional ethics and performance efficiency.

Management and ownership are intricately linked with micro-businesses. The owner-managers everyday management practices may become procedures rather than the formal rules/policies of the company. In fact, management is almost non-existent in micro-enterprises, as most owner-managers are preoccupied with 'firefighting rather than directing the company' (Pansiri & Temtime, 2008). Researchers have recognized the indisputable importance of micro-enterprises across time and space (Schumacher, 1973; Drucker, 1984; Peters & Waterman, 1985; Pillai & Suchinta, 2006; Pansiri & Temtime, 2008) due to their significant contribution to income generation, employment generation, poverty alleviation, economic diversification, and economic independence and empowerment. Despite their low economic performance, micro-enterprises provide opportunities for replication and teach lessons in accountability and ownership

However, the current research is focused on the administrative side of management. According to Pansiri & Temtime (2008), it's not only about access to finance; it's about how small businesses manage their resources and deal with market difficulties and fluctuations. Because poor management is the most frequently stated cause of corporate failure, management competency is considered a key to organizational greatness (Pansiri & Temtime, 2008).

In Nepal, Micro Enterprise Development Programme (MEDEP, which began in 1998, has been instrumental in bringing social and economic transformation to the country through micro-enterprise development. Micro-Entrepreneurs have been successfully established in the communities, and modern yet simple and feasible technology has been transferred to them. As part of the MEDEP's overall goal, it has successfully improved productivity in rural communities through building entrepreneurs, hence raising rural incomes. The significance of MEDEP resides in its concentration on small rural entrepreneurs and the creation of hitherto untapped employment prospects. Micro-enterprises are famous for poor and marginalized households with no land or less than 0.5 ha of land ownership. They have a low capital intensity, a short operating cycle, and consistent returns. Even landless people who rely on labor wages and forest resources have been able to establish MEs. MEDEP is constantly

working to develop a multidimensional empowerment model that focuses on three dimensions: social, economic, and political empowerment. Inclusion is used to capture issues of social empowerment. It is critical in a culturally varied and highly stratified country like Nepal, where the rural poor confront numerous forms of exclusion.

Considering the support of MEDEP in the project areas, the study was conducted to identify the management skills of self-trained female micro business owners and managers. The research was conducted in five distinct municipalities in the Parbat district.

Materials & Methods

A quantitative technique was applied in the study. A descriptive study looked at women's management practices in microenterprise entrepreneurship activities. In total, 384 women from the Prabat district participated in the study. The sample size was calculated by using the 95 percent confidence level, 5% margin of error and 50% prevalence rate. The sample was chosen using a systematic random sampling technique. A standardized survey questionnaire was used to obtain the data from field. Statistical analysis was used to show the data. The data are presented in table and bar.

Result & Discussion

The study looked at women's management practices in entrepreneurship activities while running a micro-enterprise. One of the critical aims of micro-enterprise is economic empowerment through strong management practices in their firm, which enable women entrepreneurs to address their difficulties and grow their enterprises. This research was created to help them achieve that goal. The study's underpinnings are laid forth in the figures below, which look at the status of women entrepreneurs and the institutional frameworks in which they operate:

Supporting hands to run business

The study had included only women entrepreneurs so they were asked about the person who supported them to start and run their businesses.

Table 1: Supporting hands to run business

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|---------------------------------|-----------|---------|---------------|--------------------|
| Valid | I am alone | 121 | 31.5 | 31.5 | 31.5 |
| | My husband | 87 | 22.7 | 22.7 | 54.2 |
| | My parents/father/mother-in-law | 130 | 33.9 | 33.9 | 88.0 |
| | Other family members | 42 | 10.9 | 10.9 | 99.0 |
| | Neighbor/relatives | 4 | 1.0 | 1.0 | 100.0 |
| | Total | 384 | 100.0 | 100.0 | |

It may be determined that 130 (33.9%) of the 384 respondents claimed they received help from their parents/mother/father-in-law. The next most popular choices were self-run business 121 (31.50 percent), husband support (22.70 percent), other family members (10.90 percent)

relatives/neighborhood (1.0 percent).The participation of family members has a substantial impact on the success of a micro business. However, the results suggest that 99 percent of the micro-enterprises studied to receive the involvement of family members and supporters to run the enterprise. In the absence of adequate assistance from family members, the owner-managers are required to attend to every nitty-gritty of the firm, and their managerial competency will be undeniably beneficial. This conclusion is consistent with Pansiri&Temtime's (2008) fire-fighting theory. Without the essential family support, entrepreneurs are forced to hire additional paid employees. The researchers do not overlook the importance of employment options to potential workers. Only businesses with at least one paid employee were considered in this study. According to the employment potential, only 1% of the target forms have paid employees.

Entrepreneurship training from any organization

The study discovered that micro-enterprises contributed significantly to women's capacity development and economic empowerment. According to the respondents, micro-Enterprise Development Programme (MEDEP) designed a particular initiative to empower women through micro-enterprise operations. They had provided training and orientation to the women and poor to encourage them to start their businesses. Similarly, the research looked into improving women's economic power to meet the requirements of their families.

Knowledge can be gained through experience or training. An organization or even an individual will be unable to advance if they lack information or understanding. Every firm should have well-trained and experienced staff in every department. As a result, a productive, goal-oriented, and well-structured system emerges. .The mobilization of skilled workers has been demonstrated to be beneficial to an organization. Through training, employees can gain a variety of new skills and information and improve their business performance.

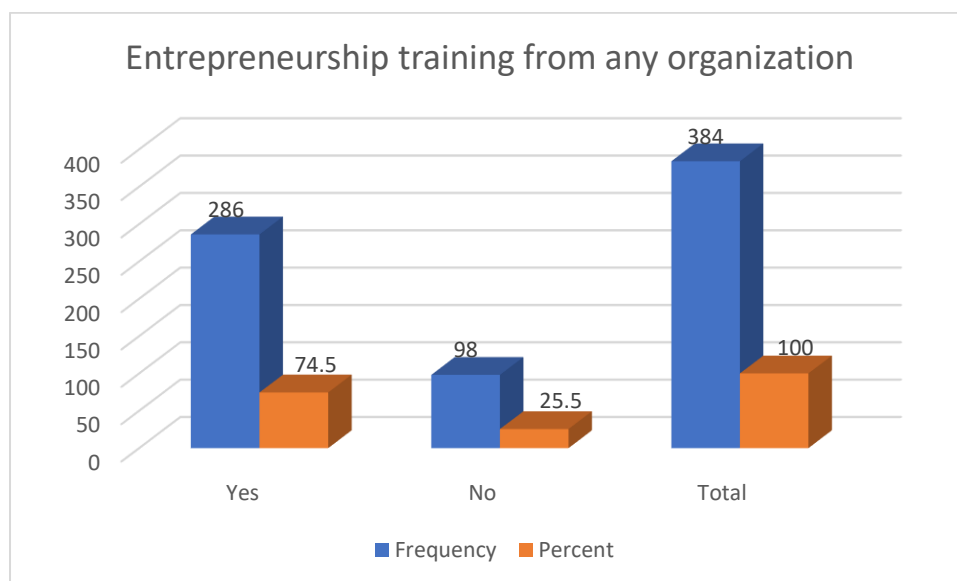


Figure 1: Entrepreneurship training from any organization

Entrepreneurship

Micro businesses frequently employ development training. According to McKenzie, David, Puerto and Susana 2017), business training in microenterprises leads to long-term profit and survival. Microenterprise requires acquiring relevant skills or information, which can be acquired through training. Women in Nepal lag behind men in terms of development activities. Hence women dominate microenterprises. The participants in the study were asked about their training involvement. Figure 1 shows that the majority of respondents (74.50 percent) had received training from within or outside the organization. According to the graph above, 25.50 percent of respondents said they had gotten no formal training from the organization or the outside. Without any formal training, one out of every four women was running a business. Some women grantees in the research region have engaged in informal sharing, conversation, and job experience, encouraging them to start their own businesses. Because of their family heritage, personal experience, and particular interests, they successfully ran the firm.

Almost every participant in the study were trained with Entrepreneurship development training, TOPE and TOSE training, (Training of potential entrepreneurs and training of starting entrepreneurs) as these two courses are required in order to access MEDEP services. During the interviews and focus group discussions, the vast majority of entrepreneurs stated that they had received training before and emphasized its value in starting their own businesses. These courses supplied participants with business skills and information and helped them gain confidence in voicing their opinions and concerns. Their social status and engagement in the decision-making process for community well-being have only been strengthened and recognized due to their involvement in MEDEP-sponsored firms. Their confidence grew as a result of increased access to information and exposure to varied challenges. Women and other socially marginalized people in the neighborhood have also joined community-based organizations (CBOs). This has also led to their taking on essential and leadership roles in many community-based groups.

Through MEDEP interventions, women entrepreneurs' leadership abilities have spread throughout the community. In society and politics, women are being given more credit for their qualities and contributions. They are invited to engage in various communal and governmental decision-making processes. They've also been able to broaden their network and become involved in various advocacy groups in order to influence policy and demand their rights.

Starting an investment in business

Neither money nor resources can stop someone from pursuing their dream of being an entrepreneur. However, the current research is focused on the administrative side of management. According to Pansiri & Temtime (2008), it's not only about accessing finance; it's about how micro and small businesses manage their resources and deal with market difficulties and fluctuations. Because poor management is the most frequently stated cause of business failure, management competency is considered a key to organizational greatness (Pansiri & Temtime, 2008).

Due to the lack of alternative economically productive engagements and easy access to seed money, the study area has a high concentration of women-run units, the bulk of which are single women small or home-based units.

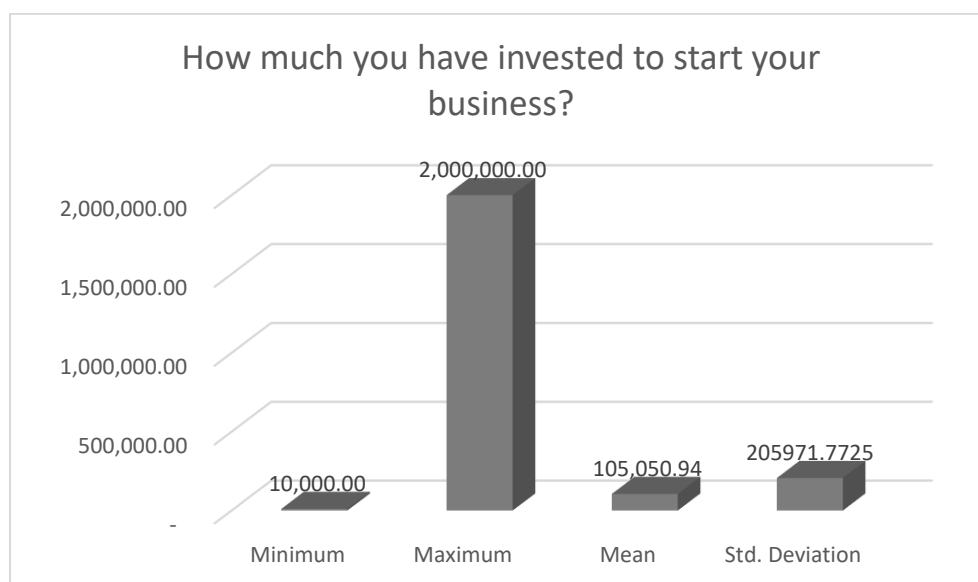


Figure 2: Starting investment of business

The respondents' greatest and smallest investments were Rs. 2000000.00 and Rs. 10000.00, respectively, with a mean of Rs. 105050.93 and a standard deviation of Rs. 205971.77

Agriculture continues to be the primary source of income for the majority of micro-entrepreneurs. They have been able to make their enterprise the key supporting sector for their livelihood by participating in MEDEP's programs. The majority of entrepreneurs had their own enterprise, and only a few were identified as functioning as a group enterprise. Because of the possibility afforded by MEDEP, the majority of women are found starting MEs as new starts. The majority of women come from underprivileged, poor, and socially excluded communities.

Technical training, machinery, the construction of common facility center (CFCs), credit facilities, packaging, labeling, and marketing help offered by MEDEP and other organizations have pushed people to become Micro entrepreneurs. Through CFCs, excluded women have been able to participate in group activities with other members of society. These resources have aided women in running their Micro enterprises smoothly.

Management of money to start a business

This research aims to look into the connections between management accounting methods and finance sources in a micro business. The survey had 471 responses in total. It was shown that 43.9 percent of the businesses were initially funded through family resources, while 38.2 percent relied on the owner's personal funds. In terms of regular resources, 4.5 percent said they use bank resources, 7.6% said they get help from neighbors, and 3.2 percent said they get

help from MFIs. While just a small percentage took out a group or cooperative loan (2.50 percent).

Table 2: Management of money to start a business

| | | Responses | | Percent of Cases |
|--------------|----------------------------------|------------|---------------|------------------|
| | | N | Percent | |
| | I used my own money | 180 | 38.2% | 65.7% |
| | Supported by family | 207 | 43.9% | 75.5% |
| | Borrowed from relatives/neighbor | 36 | 7.6% | 13.1% |
| | Loan taken from Banks | 21 | 4.5% | 7.7% |
| | Loan from MFIs | 15 | 3.2% | 5.5% |
| | Loan form Group/ cooperative | 12 | 2.5% | 4.4% |
| Total | | 471 | 100.0% | 171.9% |

When personal funds were used as a source of capital, a different pattern emerged, indicating that the qualities of a resource generated internally by the entrepreneurs were similar. The high prevalence of businesses in the hands of the owner/manager, where most respondents claim to disregard the corporate entity idea, supports this hypothesis. A different pattern emerged when the resources came from loan capital. Positive correlations exist between management practices and debt capital, showing that receiving loans from these sources is linked to higher tool use.

The study highlights the importance of microfinance in assisting the emergence and survival of women entrepreneurs. Microfinance has clearly played a vital role in addressing gaps in recent decades by reaching out to women at the community level who were excluded from formal financing, including in rural areas, often in combination with informal sources of funding such as communal banks self-help groups, and savings associations. As a result, all of the studies' excellent practice examples of microfinance and micro-enterprise programs for women entrepreneurs emphasize the necessity of paths out of microfinance and micro-enterprise. Access to additional educational opportunities, business-skills training, social safety net programs to relieve the financial strain on families, expanded networking and mentoring opportunities, and financing packages tailored to the specific needs of women entrepreneurs starting from a low base are examples of such pathways.

Involvement of Human Resources in business

Because micro companies do not require a lot of lands but rather a lot of family labor, which the poor have in abundance, the landless poor can readily and profitably participate in them, gaining work and additional revenue. The majority of the 382 families studied are landless, while others are marginal farmers with limited land. As a result, MEDEP, in keeping with its objective, has evolved into a pro-poor program that has offered entrepreneurs a chance to earn a more equitable wage. MEDEP's economic empowerment components are concerned with connecting people and institutions to markets.

Although MEDEP has no plans to concentrate on political empowerment, its efforts to connect impoverished people with local institutions, district-level line agencies, and non-governmental

organizations (NGOs) have aided them in asserting their social and economic rights. MEDEP has offered the organizational framework through which a major section of mankind can take responsibility for producing meaningful jobs, reducing poverty, and achieving social integration. They serve as a blueprint for a people-centered, long-term society organization based on fairness, justice, and solidarity. As a result, it has enabled people-centered, long-term development.

The three MEDEP dimensions: people's need for enterprises, resources available, and market potential have resulted in a progressive transformation in the total wellbeing of the people addressed. The micro entrepreneurs and their families have benefited socially and economically as a result of its transforming impact. The interaction of the three dimensions has sparked societal evolution, as seen in the diagram below:

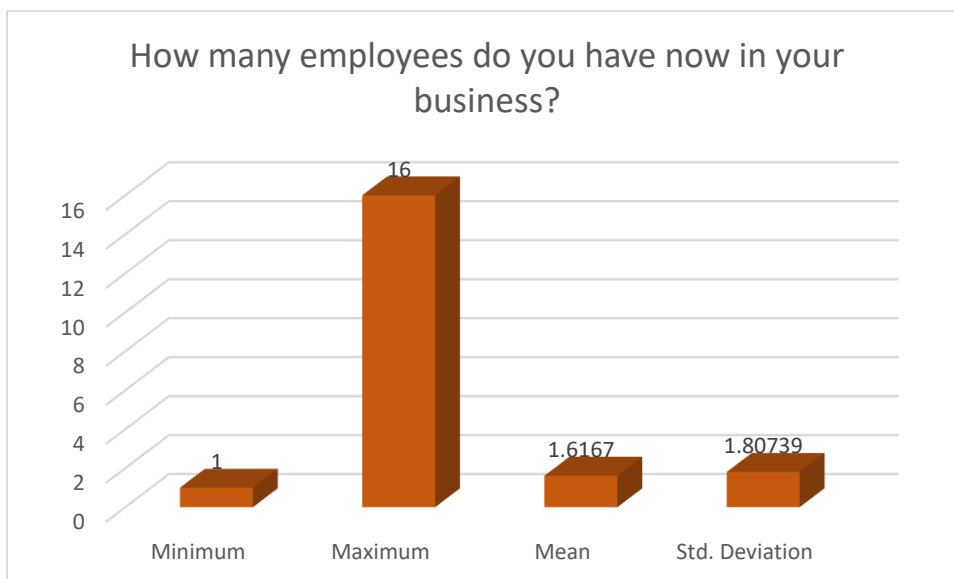


Table 3: Involvement of Human Resource in business

MEDEP has also contributed significantly to the creation of jobs for women. 100% of the 382 Micro Entrepreneurs are women who are able to engage in economically productive activities. In terms of women's empowerment, they are empowered since they generate enough money from their own micro enterprise to cover the majority of home expenses without relying on their husbands or other male seniors.

One of the most essential aspects of this program is that it provides chances for meaningful work at the grassroots level while also maximizing the use of female labor. The program is notably beneficial to rural communities' weaker members and has a redistributive effect on rural income in their favor.

In this section, the researcher looked at the number of employees in a single business. Table 3 above shows the maximum and a minimum number of employees involved in their company. According to the table, their business had a minimum of 1 employee and a maximum of 16 employees, with a mean of 1.61 and a standard deviation of 1.80.

Working hours dedicated to business

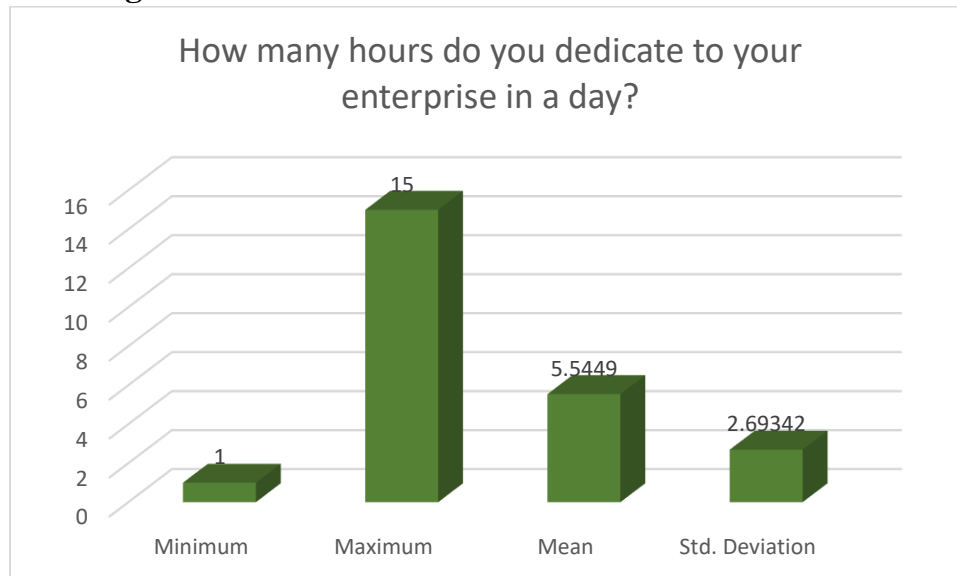


Table 4: Working hours dedicated to business

In this section, the researcher looked at a sense of how much time the respondents spent working in their business each day. Respondents spent a minimum of 1 hour and a maximum of 15 hours a day on their business, with a mean of 5.54 and a standard deviation of 2.69.

Micro Entrepreneurs earned a large amount of money as a result of their time invested in the enterprise. The survey results and the impressions gained from focus groups on entrepreneurs spending were similar. Not only were their poverty levels decreased as a consequence of the appropriate choice of enterprise and increased income, but their spending capacity for household consumption such as food grains, pulses, milk, egg, oil, and other items also improved. Similarly, education spending was also relatively high. Entrepreneurs expenditures have been proven to be extremely encouraging.

These women, who previously spent most of their time on housework, are now becoming economically productive and earning money due to their time investment in enterprise. Most of these entrepreneurs have invested little or no money into their businesses, but with MEDEP's help, they are now financially independent. Poor and marginalized Dalits and indigenous nationalities have received employment opportunities and have successfully increased their level of income due to the program's coverage. The entrepreneurs have obtained a substantial level of production and income due to the various supports received in package form, including the technical know-how required to operate the enterprises in their own communities. In many cases, the family members are found to be more willing to participate and establish micro-enterprises which have helped achieve social transformation.

Apart from home consumption, social spending, health and sanitation, and education have all been high. FGDs also revealed that spending on education, sanitation, and communication had increased. All of these results point to a growing sense of empowerment among women and those who took part in the MEDEP.

Conclusion & Recommendation

A successful business is something that every entrepreneur hopes for. It is not the type of business that matters, but rather how it is conducted, which is all about governance. Management is the primary aspect that gives the business a certain direction and is the company's lifeblood. The first step in putting business strategies into action is to organize and manage. The attribute of resource allocation indicates operational efficiency. Any business must deal with change and uncertainty. The organization establishes goals, determines resource sources, and schedules production through planning and management. As a result, having a strategy is a sign of organizational success. Planning is a vital prerequisite for any organization, no matter how large or small. Proper organization is required for planning.

According to the study, despite their lower education and lack of exposure to formal training on management principles and practices, the target group's impressions of management are satisfactory. Whatever skill is acquired; it is done so in a heuristic manner. These micro-businesses run by women combine management with entrepreneurship.

Informal management approaches tend to increase intimacy, psychological bonds, and creativity and improve communication. Such organizations give the individuals engaged the essential autonomy.

A woman's economic empowerment has a multiplier effect: it increases her decision-making power to expand her business, her capacity to communicate and persuade at lower, peer, and higher levels, her ability to play a leadership role in the community, and her ability to educate and feed her children and family properly.

Local governments should embrace the MEDEP initiative and be inspired to assist microenterprise growth in reducing poverty, increasing social inclusion, and creating jobs.

Access to information and exposure to diverse topics has enhanced understanding and knowledge about health care and the importance of education among micro-entrepreneurs of all social groups, motivating them to spend their increased revenue on education and family health.

Another crucial component in successful business support is the adaptation of financial and credit products to the specific needs of women entrepreneurs, from micro to large. Microfinance institutions have played a significant role in promoting women's entrepreneurship at the informal micro-enterprise level. While this is still critical, larger loans and alternative sources of finance are still required to assist build the missing middle' and enable women to progress beyond the micro-economy.

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