

STUDY ON RELATIONSHIP BETWEEN STRUCTURE OF SMALL BUSINESSES AND MANAGERIAL SKILLS OF PROPRIETORS IN AHILYANAGAR

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ABSTRACT

An organization is basically a formal structure of individuals established to achieve pre-determined goals and objectives. These individuals are organized into different groups for fulfillment of common purpose. The business unit or enterprise or firm uses the available diverse resources. Business Organisation is an open system as it influences and is also influence by its environment continuously. It is an adaptive open system. It receives inputs from the society in the form of raw materials, labour, capital and information. These resources are combined and transformed by management of the business organisation into desirable outputs of goods and services required by consumers. Research aimed to study the relationship between structure of small businesses and managerial skills of proprietors in Ahilyanagar taluka. Descriptive research design was used. Primary data was collected from the proprietors of small businesses through conducting field survey by administrating the structured questionnaire. Proprietors who owned and controlled the small businesses and were actively involved in routine management and day-to-day administration of small businesses were considered. Convenience sampling method was used to draw the required sample.

Keywords: Structure, Small Businesses, Managerial Skills, Proprietors, Ahilyanagar

1) INTRODUCTION

An organization is basically a formal structure of individuals established to achieve pre-determined goals and objectives. These individuals are organized into different groups for fulfillment of common purpose. The business unit or enterprise or firm uses the available diverse resources. Organization involves process that link-up the work tasks and competencies of individuals functioning in that unit or enterprise or firm to achieve desired objectives. Organizing is defined as a management process, which corroborates with the earlier definition of organization as a process of identifying, classifying, grouping and assigning various activities with adequately defined authority relationships to achieve intended goals. Organizational structure, on the other hand, is the outcome of the organizing process. It is a framework of decision making authority, that is, a system of relationships that govern the activities of the people working in the organization to achieve the intended goals.

Sherlekar defined *Business Organisation* as an open system as it influences and is also influence by its environment continuously. It is an adaptive open system. It receives inputs from the society in the form of raw materials, labour, capital and information. These resources are combined and transformed by management of the business organisation into desirable outputs of goods and services required by consumers. Changing conditions in the environment can influence the operations and plans of the firm.

2) SCOPE OF STUDY

For the purpose of present research, the structure of small businesses was considered as independent factors. Following six aspects were covered regarding structure of small businesses:

- Decision making process

- Leadership and governance style
- Levels of hierarchy
- Location of business
- Nature of business
- Ownership pattern of business

For the purpose of present research, the managerial skills of proprietors were considered as dependent factors. Following ten managerial skills of proprietors were considered:

- Allocation of required resources
- Analytical skills of proprietor
- Arrangement and assembling of resources
- Assignment of work among the employees
- Delegation of work and responsibilities
- Experience of proprietor
- Involvement of employees in decision making
- Managing customers and suppliers
- Procurement of suitable assets
- Purchase and management of inventories

3) RESEARCH DESIGN

a) Objective to study

- To study the relationship between structure of small businesses and managerial skills of proprietors in Ahilyanagar taluka

b) Methodology

- Descriptive research design was used.
- Structure of small businesses was considered as independent factor.
- Managerial skills of proprietors were considered as dependent factor.
- Quantitative approach was adopted.

c) Data Collection:

- Research was based on primary data collected from the proprietors of small businesses through conducting field survey.
- Data was gathering by administrating the structured questionnaire.

d) Null Hypothesis

H_0 : There is no relationship between structure of small businesses and managerial skills of proprietors

H₁: There is significant relationship between structure of small businesses and managerial skills of proprietors

e) Sampling Plan

- Population included proprietors who owned and controlled the small businesses situated in Ahilyanagar taluka.
- Sampling Frame included proprietors who were actively involved in routine management and day-to-day administration of small businesses.
- Sample Size: 100 proprietors
- Sampling Method: Convenience sampling method

4) STATISTICAL ANALYSIS AND RESULTS

Research tried to establish the relationship between structure of small businesses and managerial skills of proprietors in Ahilyanagar taluka. Chi-Square Test of independence was applied and values were calculated for testing the hypothesis using SPSS Software at 95% level of confidence.

Following table showed the case summary and chi-square test for relationship between structure of small businesses and managerial skills of proprietors in Ahilyanagar taluka

Cases / Factors	Case Summary					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Structure of small businesses x Managerial skills of proprietors	100	100%	0	0%	100	100%
Independent factor	Structure of small businesses					
Dependent factor	Managerial skills of proprietors					

Chi-Square Tests	Value	Df	Significance Level (2-sided)
Pearson Chi-Square	148.359 ^a	4	0.001
Likelihood Ratio	65.833	4	0.000
Linear-by-Linear Association	52.79	1	0.000
Standard Deviation	0.3638		
Mean Square	49.651		
N of Valid Cases	100		

Applying the chi-square test, it was inferred there existed strong relationship between both the selected factors. Therefore, null hypothesis (H₀) got rejected and alternate hypothesis (H₁) got accepted.

5) CONCLUSION

Result showed there was significant relationship between structure of small businesses and managerial skills of proprietors in Ahilyanagar taluka.

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