THESIS

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BSC. BUSINESS ADMINISTRATION AND MANAGEMENT

GÖDÖLLŐ 2024

Hungarian University of Agriculture and Life Science

Szent István Campus

Business Administration and Management Course

MANAGEMENT OF MICRO-SMALL AND MEDIUM-SIZED ENTERPRISES IN SOUTHERN AFRICA

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Business Administration and Management Science

GÖDÖLLŐ

2024

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1 INTRODUCTION

The micro, small, and medium enterprise (MSME) is a self-contained organization with defined working and financial boundaries established by states or groups of states with distinct logic, cultures, interests, and a business spirit. According to Liberto (2020), MSMEs are businesses that keep their income, assets, and number of employees below a specified legal level in each country or group of countries. Each country has its definition of what an MSME is. This type of organization is frequently regarded as the beating heart of developing and developed economies. According to the Organization for Economic Cooperation and Development (OECD), many individuals in emerging economies work in MSMEs, which account for around 45% of total employment and 33% of GDP in these countries.

Micro small and medium-sized enterprises contribute to poverty reduction through job creation and economic growth; they are significant drivers of employment, good jobs, and entrepreneurship for women, youth, and vulnerable groups. According to the most recent global estimates, 11% of the world's population, or 783 million people, lived in extreme poverty in 2013. Most of the poor in emerging countries are unemployed or do not earn enough to escape poverty. According to Ramukumba (2014), SMEs in Africa account for more than half of total employment and GDP growth. As a result, it is critical to research and comprehend this sector of the economy. Micro small and medium enterprises can set and enforce strict practices that do not discriminate against the poor, and can also recruit, train, and employ community members, including those living in poverty, and integrate them into the value chain. All have unique qualities and make unique contributions to the economy. Entrepreneurs frequently face many challenges, particularly micro-entrepreneurs exposed to a money shortage for their enterprises.

Micro-small and medium enterprises can contribute to the goal by implementing initiatives in their business practices, promoting, and encouraging small-scale farming by sourcing as much as possible from local businesses and small-scale producers for office needs, and demonstrating transparency in the agricultural supply chain, particularly when procurement.

Management is critical to the performance and long-term viability of Micro, Small, and Medium Enterprises (MSMEs). These companies constitute the backbone of many economies worldwide, and efficient management is critical to their growth and development. Management organizes and arranges a company's resources and actions to achieve goals effectively and efficiently. In management, efficiency refers to performing tasks correctly and at the lowest possible cost. Management effectiveness is accomplishing activities within certain time frames to produce real benefits. To become an effective manager, you must perfect various skills, including planning, communication, organization, and leadership. You will also need to grasp the organization's goals and the workers, sales, and other activities required to reach those goals.

1.1 Objective of Study

Upon selecting my research topic, I was steadfast in my decision to conduct a case study in Southern Africa. Hailing from a region fraught with numerous challenges, I intended to delve deeper into understanding how the functionality of micro, small, and medium-sized enterprises contributes to the development of the region.

It is also aimed at finding the various developmental training if any that is offered to these workers and how the absence of these developmental activities. The specific objective is:

1. To determine the functionality of the Management of micro-small and medium-sized enterprises in Southern Africa system in the agriculture sector and other sectors.

1.2 Research Questions

1. Is there a functioning Management of micro-small and medium-sized enterprises system in agriculture and other fields?
2. How can SMEs help Southern African countries to succeed? And how can be realized?

1.3 Hypothesis

HN1: The Management of micro-small and medium-sized enterprise systems has functionality in the agriculture field because the agriculture sector moves the economy of the countries. Agriculture never stops.

HA1: The Management of micro-small and medium-sized enterprises helps Southern African countries to succeed because the continent faces so many challenges in the economic field.

HN2: I assume that the environment has a significant impact on the development of enterprises.

2 LITERATURE REVIEW

2.1 Introduction

The primary goal of this chapter is to assess relevant studies on the management of micro, small, and medium-sized enterprises, as well as the underlying theories. The theoretical underpinning of the study is examined in the first section of the paper. The second section of the study discusses the study's conceptual framework.

3 THEORIES OF MANAGEMENT OF MICRO-SMALL AND MEDIUM-SIZED ENTERPRISES

3.1 Resource-Based View

The Resource-Based View (RBV) Theory emerged as a pivotal strategy for gaining competitive advantage during the 1980s and 1990s, with significant contributions from scholars such as Wernerfelt (1984), Prahaland and Hamel (1990), and Barney (1991), among others. Wernerfelt's seminal essay "A Resource-Based View of the Firm" (1984) was recognized as a cornerstone publication in the Strategic Management Journal before 1990 (Wernerfelt, 1995). In this essay, Wernerfelt explored the efficacy of successive entry approaches for resource diversification within organizations, reshaping scholarly focus by emphasizing resources as fundamental determinants of products and corporate performance.

Traditionally, strategic management literature tended to balance firm strengths and weaknesses with external opportunities and threats (Peteraf, 1993; Ansoff, 1970; Ansoff & McDonnell, 1990; Learned et al., 1965). These foundational theories laid the groundwork for investigating how resource-based advantages could drive diversification strategies.

Key works like Wernerfelt (1984) and Barney (2001) have become pillars in the RBV discourse. While Wernerfelt accentuates resources and diversification, Barney provides a comprehensive and systematic depiction of the resource-based business perspective. Many subsequent studies have relied on Barney's organizing framework, which posits that "valuable, rare, inimitable, and nonsubstitutable organizational resources can yield sustained competitive advantage" (Meyer, 1991, p. 823), with subsequent research either adopting his framework or expanding upon it. However, scholars often introduce new terms without explicitly referencing the foundational RBV concepts.

Advocates of the RBV approach argue that instead of seeking competitive advantage externally, organizations should leverage internal resources. They contend that repurposing existing resources to exploit external opportunities is more cost-effective and practical than acquiring new skills for each opportunity. This paradigm views resources as paramount in enhancing organizational performance, shifting the focus from product portfolios to resource portfolios. Enterprises require various resources for product development and assembly, underscoring the integral relationship between products and resources (Wernerfelt, 1984).

RBV theory has profoundly influenced strategic management practices by urging organizations to conduct thorough internal analyses of their resources and capabilities, aligning their strategies accordingly. By identifying and leveraging their distinctive assets, firms can enhance their positioning within industries and improve their prospects for success in the marketplace.

3.2 Motivation Theory

Motivation is a scenario that is addressed by addressing specific individual demands to produce a high level of enthusiasm to achieve organizational goals. Several incentive theories have emerged over the last decade, some of which are particularly useful in human resource management. They contribute to employee satisfaction and performance.

According to Haque, Haque, and Islam (2014), managers in businesses or organizations are primarily responsible for ensuring that employees complete their tasks or occupations correctly. To accomplish this, HRM must guarantee that they have a competent team of workers capable of hiring the best people for the job. Employees must be appropriately motivated to optimize output. To comprehend how motivation affects an employee's performance at this level, one needs to have a deeper understanding of human nature. To achieve this goal, effective management and leadership must be linked with suitable motivating resources, as motivation affects employee performance. Not to add that, while motivation is important in defining an employee's talent, other factors such as the resources available to them to perform their duties also play a part. As a result, a variety of reasons can contribute to successful labor productivity. Because performance and motivation fluctuate from person to person and industry to industry, it causes ambiguity in the discourse. As a result, more critical analytical thought about the subject arises. Several types of academic literature from scholars and practitioners have ensured that this fascinating academic subject on how motivation might improve performance can be resolved in this environment. (2014) (Haque, Haque, & Islam).

According to studies, motivated employees are more productive and creative in achieving business or organizational goals. Less motivated employees, on the other hand, are less productive and appear to deviate from the organization's goals. Motivating employees through incentive programs is essential for capacity building and translating potential into increased performance (William, 2010).

The most well-known motivation theories include Abraham Maslow's theory of needs, Hertzberg's motivation-hygiene theory, Vroom's Expectancy theory, Deci's Cognitive assessment theory, and Adam's Equity and Justice theory.

Maslow's Hierarchy of Needs

Maslow's hierarchy of needs is sometimes represented as a pyramid, with the most fundamental needs at the bottom and the need for self-actualization and self-transcendence at the very top. According to Maslow (1943), employees have five types of needs: physiological, safety, social, ego, and self-actualization. According to Maslow (1943), lower-level needs must be addressed first before the next higher-level need may inspire personnel.

People's responses to incentives are determined by their place in the hierarchy, as demonstrated by the hierarchy. "At the most basic level, we all have basic physiological survival requirements (food, water, shelter, and security), which are followed by the need for social contact, followed by other people's respect, then self-esteem, and lastly the need for personal growth and development" (Gallos, 2006, pp. 637-638). This could indicate that a person's interests are centered on addressing basic needs or, for those higher up in the hierarchy, personal development.

In the context of organizational transformation efforts, reward can also be used to describe the motivation for good action. Leaders acquire intended results through a salary and reward philosophy that honors people for their proper performance, according to Gilley, Gilley, and McMillan (2009). Rewarding change initiatives demonstrates the urgency and necessity of change, as well as leaders' understanding that what gets rewarded gets done.

In Herzberg's studies, motivation was separated into two categories: motivators and hygienes (Herzberg et al., 1959). The hypothesis, according to Anderson (2020), distinguishes between work environment components that encourage motivation and those that are generally detractors. According to Herzberg, an individual's feelings of performance quality, personal acknowledgment, feedback, the individual's feelings of fit to the task, degree of responsibility, and growth and advancement chances are all variables that contribute to enhanced motivation. While not always affecting motivation when things are going well, Herzberg teamed with Mausner and Synderman to postulate on aspects that might lead to unpleasant work experiences if an employee is unsatisfied (Anderson, 2020). Supervisory quality, human relationships, compensation, and business policies and procedures are among these elements.

According to Herzberg, businesses can inspire employees by employing a democratic approach to management and changing the nature and substance of the actual job in various ways. The following are some techniques that managers could use to achieve this.

Job Expansion: Employees are given a larger task to perform, which should make their occupations more enjoyable.

Job Enrichment means giving employees a greater range of more sophisticated, engaging, and challenging tasks within the context of a complete unit of work. This should give you a sense of accomplishment.

Vroom's Theory of Expectancy

According to Vroom (1964), performance is a function of an individual's knowledge, skills, abilities, personality, and experiences. Edward E. Lawler investigated the role of motivation in terms of performance in Gallos (2006). Lawler also underlined the importance of expectancy theory in explaining motivation and why people behave the way they do. "The expectancy theory argues that people are mostly rational decision-makers who think about their actions and act in ways that satisfy their needs and help them reach their goals" (Gallos, 2006, pp. 635-636). In other words, people are proactive, taking actions they believe will help them attain their objectives.

According to Vroom (1964), motivation is a combination of expectation, instrumentality, and valence. According to Vroom (1964), human actions and choices are motivated by their desires and love for certain outcomes, their conviction that specific acts produce these ends, and their view that certain primary results are linked to secondary outcomes (Vroom 1964). According to the anticipation hypothesis, there is a reward component to motivation. In the workplace, this translates to a person putting in long hours on a project that helps the organization in exchange for monetary remuneration, recognition, or advancement. The challenge for firms here is determining what consumers find gratifying. People seek benefits such as money, time off, status, vacation, and flexibility. Organizations must build processes that are aligned with their corporate goals, beliefs, and culture to address the needs of individuals.

Deci's Theory of Cognitive Evaluation

Cognitive evaluation theory seeks to explain how external outcomes influence internal motivation (Deci, 1971). The notion calls into question many of our standard working methods. When researching self-determination, Gagné and Deci (2005) discovered that external variables such as urgency, surveillance, and performance evaluation influenced intrinsic motivation and other performance qualities such as originality and adaptability. In contrast, autonomy and feelings of competence resulted in higher levels of intrinsic drive. Furthermore, they discovered that to boost intrinsic motivation, rewards must be linked to specific achievements. Employee motivation was affected when the incentive was conditional on performance or was not directly related to employee competence (Gagné & Deci, 2005). Companies and supervisors should consider individual interests and values when creating a remuneration system.

Many different types of incentives have cultural consequences. Because understanding what motivates people is difficult, it is preferable to believe that value can be found in several activities such as supportive supervision, interesting work, high pay, job security, and family time (Gallos, 2006).

Adam's Theory of Equity and Justice

According to Adams' (1963) equity and justice thesis, employees seek equity between themselves and other employees. Wren (1995) defines it as "the theory that emphasizes the motivational value of fair treatment by leaders to followers." It assumes that in leader-follower exchange relationships, people appreciate fairness" (p. 330). In other words, Human resource procedures are linked to a consistent company strategy and values in this method 14 (Hughes et al., 2019). It also underlines the difference between equity and equality, meaning that motivated treatment is not necessarily equal, but it is always fair. This argument is easily stated in the situation of wage differences between men and women. Organizational ethics and fairness influence employee behavior and organizational performance (Yldz, 2019).

Employee involvement is related to employee perceptions of fairness, according to Lawler in Gallos (2006). Leaders should be transparent about their decision-making processes, include individuals in the process, foster an environment in which employees can trust decision-makers, ensure that the right people are in the room, and, finally, decisions should be able to be safely questioned (Gallos, 2006). This study underlines the significance of decision-making approaches such as search conferences and bottom-up initiatives. According to Anderson (2020), the objective of search conferences is "to encourage commitment to a common vision of the future and to develop energy to work on the action plans that will bring about that future in a highly participatory environment" (p.302). It also highlights the significance of diversity in leadership. Individuals may not perceive that succession planning is fair or that their viewpoints are represented if different genders, races, gender identities, and other aspects are not represented.

3.3 Entrepreneurial and Innovation Theory

While references to the term "innovation" in the context of denoting something uncommon can be traced back to the late 1880s, the seminal contributions of Joseph Schumpeter have rendered him a pivotal figure in the discourse. According to Schumpeter's perspective, customer preferences are regarded as predetermined and resistant to spontaneous change, positing them as an unlikely source of economic transformation. Furthermore, Schumpeterian theory contends that customers assume a passive role in the economic development process. The conceptual framework of innovation and entrepreneurship underscores the significance of creative thinking, opportunity identification, resource management, and risk-taking in propelling economic growth and enhancing the quality of life. This theoretical paradigm advocates for a comprehensive approach to generating and delivering value to society through the introduction of novel ideas and ventures.

Schumpeter, in his Theory of Economic Development and subsequent works, delineated the developmental trajectory as a historical process marked by structural changes primarily instigated by innovation. He categorized these transformative processes into five types:

1. The introduction of a new product or a novel variant of an existing product.
2. The adoption of unproven methods in the production or sales of a product within an industry.
3. The establishment of a new market, hitherto unrepresented by a branch of industry.
4. The acquisition of fresh sources of raw materials or semi-finished goods.
5. The creation or dismantling of a monopoly position.

This will lead to a reconfiguration of the current utilization of productive resources within the economic system. Schumpeter posits that innovation serves as a crucial catalyst for enhancing competitiveness and driving economic dynamics. Moreover, he contends that invention constitutes the propelling force behind economic development, giving rise to episodes of "creative destruction," a term coined by Schumpeter in his work "Capitalism, Socialism, and Democracy." According to Schumpeter, innovation embodies a "process of industrial mutation" that continually revolutionizes the economic structure from within, perpetually dismantling the old structure while concurrently establishing a new one.

Before the neoclassical era, the entrepreneur was regarded as the central person, the pivotal point in economic progress. In 1755, Richard Cantillon described the entrepreneur as an "undertaker," someone who does not shy away from dangerous economic undertakings. He buys and manufactures items at a given price to sell them later at an unknown price. His willingness to take chances qualifies him as an entrepreneur. François Quesnay (1888) underlined the role of capital, which makes any entrepreneurial effort possible first position. The entrepreneur employs a philosopher's ideas, that is, new information that has not yet been implemented in the economy, to create a new product. The entrepreneur employs labor, capital, and natural resources to transform new knowledge into a tradable good. The "leaders' people" create a new output or innovation. Only the administrators of the means of production may use these inventions. What matters to the administrators of the means of production, in addition to manufacturing enterprises, are those units that obtained bank loans to purchase these steps to comply with the new combination. This group was dubbed "entrepreneurs" by Schumpeter.

They alluded to Adam Smith's acknowledgment of entrepreneurs, particularly Richard Cantillon (who coined the term "entrepreneur") and Jean Baptiste Say, who was credited with introducing the character of "entrepreneur" to economic theory. The entrepreneur was simply the organizer and manager of production or trade in all these theoretical conceptions. It was usually the employer and the capital owner. Schumpeter's definition of "entrepreneur" is functional, focusing solely on functions and activities related to innovation. At the same time, the entrepreneur may be someone who does not possess any capital.

3.4 Transaction Cost

Transaction cost theory is an essential organizational theory for understanding strategy and organizational difficulties, and it has lately been used in human resource management functions to govern employee behavior. Based on finance and economics, transaction cost theory examines the problem of human trade (contract). This hypothesis is concerned with the HR department's interpretation of the employee's contract (Wright & McMahan, 1992). Transaction cost theory is used in the contract to solve opportunism and rationality. To begin, opportunism refers to a contract in which the parties act solely for their benefit. A firm's contract must have safeguards to ensure that the parties do not act in their self-interest.

Second, rationality indicates that the contract lacks adequate information, prohibiting the firm from making the best possible decision (Williamson, 1994). Suska (2016), on the other hand, divides transaction costs into three categories: acquiring information, making an agreement choice, and contract implementation costs. Inter-company transaction costs are the fixed and variable expenses of the company's activities. Finally, there are public transaction costs or organizing and sustaining public order. As a result, by providing sufficient information about the opportunities, analyzing application documents and references, and negotiating contract conditions through transaction cost marking, businesses can reduce the cost of finding a competent applicant (Suska, 2016).

Transaction cost theory can be used to describe employee motivation at the individual, group, and organizational levels. Jones, 1984 (cited in Wright and McMahan, 1992) connected the concept to the pay system and giving appropriate rewards for employee achievement.

Furthermore, if any gaps, flaws, or unanticipated disruptions arise between the parties, the transaction cost theory assists in contract execution.

3.5 Agency Theory

According to (Supriyanto, 2020), modernism is the standardization of knowledge systems with a production system, as well as linear historical advancement, absolute scientific truth, and the engineering efficacy of an idealized society. This can be explained by assuming that market expansion cannot occur without capital accumulation, and that a market economy is defined as an economic system in which the production of goods and the allocation of resources is determined primarily by decisions made in a competitive environment by economic actors rather than by the state. The primary feature of a market financial system is a profit orientation with an individual purpose. It can be claimed plainly that this system is a kind of capitalist economy (Bararuallo, 2019). Rosenau (Adhim, 2018) found modernism to have failed in three ways. First, modernism was unable to achieve the significant changes expected by its ardent advocates. Second, modern science cannot avoid arbitrariness and abuse of authority, as seen by preferences that frequently precede study findings.

Third, in the growth of modern sciences, there is a form of contradiction between theory and fact. Fourth, there is an inaccurate idea that modern science can cure all the problems that humans and the environment face, and this belief is proven to be incorrect when we see that hunger, poverty, and environmental devastation continue to follow scientific and technological progress. Fifth, because they focus too much emphasis on individual physical characteristics, modern sciences give less attention to the mystical and philosophical components of human existence (Tambunan & Medan, 2017). Furthermore, why is modernism regarded as having failed to elevate the position of humans and their natural environment? The answer could be that the modern world is nothing more than a treat for politico (political theater), essentially a meeting of various actors in various discourses orchestrated by behavior controllers. This resulted in the development of Agency theory, which was centered on two individuals, namely the owner (principal) and management (agent). This theory analyzes the relationship between authority delegation from the principal to the agent. Both the principal and the agent are viewed as rational economic actors who are entirely driven by their interests. According to agency theory, the agent (management) is the beneficiary of work from the principal (owner) and is required to report on the actions assigned to him. Aside from that, the principal will need specific recompense for what management does. (Aida, 2020)

Their research, according to (Putu & Jogiyanto, 2002), analyzes the interdependence of dividend policy leverage with empirical evidence, specifically for regulating agency cost of equity. However, because the agency cost of equity is difficult to directly observe, the used variables dividend policy and leverage considering the separation between the interests of management and shareholders' interests are different between agent and principal will lead to the agency conflict, which could affect the company's value.

It is expected that under ideal circumstances, the agent will make financial decisions in favor of the principal. The agency theory delves into the link between agent and principal can explain this occurrence (Mujtahidin, 2019). Furthermore, it is explained that expanding managerial ownership will make management's wealth more closely tied to the company's wealth, therefore management will try to minimize the danger of losing their money. The administration's strategy is to lessen the corporation's financial risk by lowering the level of leverage. Low leverage is believed to lower the likelihood of bankruptcy and financial difficulties. The relationship between management ownership and authority is also related to the danger of or expectation of insolvency. The policy leverage is likewise minimal, which decreases the danger of shareholder wealth loss. The interdependence of policy leverage and dividend policy has good consequences. Because internal cash flows have been used to pay dividends, firms are more likely to employ force to finance their investments.

Beginning with a conflict of interest, agency theory arose as a bridge for businesspeople to analyze the actions of the parties involved in agency relationships regarding financial statements. Agency theory is a descriptive theory that attempts to explain the relationship between positive accounting theory and accounting practice in the context of agency relations. (Irfana 2019)

Agency theory arose because of the separation of functions inside organizations, as demonstrated in the idea of entity theory (Ponto & Rasyid, 2017). According to this theory, the entity is something separate and distinct from the persons who designate the capital in the corporation. Because the corporation claims that it is independent of its owners, the focus is more focused on the corporation as an entity. This theory employs the equation Assets = Debt + Shareholders' Equity. In the context of the corporation, management serves as the owner of the capital trust. This relationship has ramifications. Management (agents) acting on behalf of the company are expected to carry out the principal's interests. In other words, the administration (agent) who has been given the authority to make choices must behave consciously in a way that advances the principal's interests. The issue that develops from this agency relationship stems from management's (agent's) motivation not to behave in the best interests of the principal. Agents tend to maximize profits at the expense of other parties. These agents are sometimes referred to as having constrained rationality, and they abhor risk (being risk-averse). According to (Jensen & Meckling, 1976, the agency problem develops when the proportion of manager ownership over your company's shares reaches 100%, causing managers to follow their interests rather than maximize value when making funding decisions. Furthermore, Jensen & Meckling, 1976) claim that this condition is the result of separating the management function from the ownership function. The agent does not bear the danger of making incorrect decisions, whereas the principal does. As a result, management tends to make beneficial expenditures for their interests, such as salary raises and status enhancements.

MSMEs are economic innovators Institutions that are quite old, as evidenced by their presence during the financial crisis era. Similarly, they would be more imaginative in carrying out their business under diverse market conditions. MSMEs must be resilient owing to their independence and mastery of market knowledge on production elements, particularly to discover numerous items that support key components, such as the source of raw materials Imodia requires coverage on the price of raw materials they want to buy locally and continuously, they know where and how to get business capital, who will be used as a professional workforce and a decent level of wages or salaries for workers, and they know where to get proper facilities and infrastructure.

MSMEs may use issues and complete and accurate market information to undertake proper company planning, create product designs that consumers prefer, define competitive market prices, identify the target market, and many other benefits. This reality is that the government's role in assisting the success of MSMEs in acquiring access to grow their marketing network is critical. MSMEs require comfort and speed in communicating or advertising their business to consumers both at home and abroad, in addition, to ease and speed in getting market information because resources are limited, and connections and transactions with customers cannot be guaranteed to last. This can be due to great distances or a lack of communication intensity.

3.6 Human Resource Management

Human resource management is systematically defined as a coordinated approach to overseeing an organization's most crucial assets - its workforce, whose individual and collective contributions are essential for achieving organizational goals. According to Storey (1989), human resource management can be described as a network of interconnected policies rooted in intellectual and philosophical principles. He outlines four essential components that characterize a meaningful form of HRM:

1. A Set of Attitudes and Beliefs: The foundational aspects of HRM involve a system of attitudes and beliefs.

2. Strategic Motivation: Decisions in personnel management are guided by strategic motivation.

3. Significant Involvement of Line Managers: The active participation of line managers is a crucial element in effective HRM.

4. Reliance on Limited 'Levers': HRM depends on a restricted number of mechanisms to influence workplace relationships.

An increasing body of evidence underscores the paramount importance of human capital—individuals' capacity to function as successful and productive economic agents—for development, surpassing the significance of natural resources and physical capital. In the agricultural context, studies consistently indicate that, beyond conventional factors like land and water availability, inputs, and credit, the education and skills of agricultural practitioners play a pivotal role in explaining variations in agricultural performance, both within and across farms and countries (United Nations Food and Agriculture Organization, 2010).

HRM involves procedures aimed at recruiting, retaining, and motivating people to ensure an organization's continuous existence (Schuler & Jackson, 1987). HRM tactics such as training and development, along with performance evaluation, serve to incentivize employees to enhance their efforts and contribute to increased organizational performance (Snell & Dean, 1992).

Compensation

Compensation, which refers to the rewards an employee receives for their contributions to the organization, is a crucial aspect of the employer-employee relationship. Managing remuneration is a systematic process vital for maintaining balance in this relationship by offering both monetary and non-monetary incentives to employees. It includes various forms of compensation given to acknowledge employees' efforts. Recognized as a significant asset, compensation management plays a key role in attracting and retaining valuable personnel.

Efficiently administering compensation is an intricate task that requires precision and accuracy; any errors can lead to negative consequences, potentially causing employee dissatisfaction. Acknowledging the connection between fair compensation and heightened employee motivation, organizations understand their role in cultivating a committed workforce. Moreover, well-crafted compensation practices contribute to the establishment of meaningful, practical, and measurable employment standards.

The integration of compensation policies with Human Resource Management (HRM) procedures is crucial for ensuring cohesiveness in organizational practices. A fundamental responsibility of compensation management is the establishment of a conducive work environment, fostering healthy competition among employees, and offering avenues for professional advancement (Khan et al., 2011). This integration not only supports organizational objectives but also enhances employee motivation and engagement.

Training

Training is a fundamental aspect of capacity building within any organization aiming to enhance employee performance and facilitate the achievement of organizational objectives (Tahir et al., 2014). The primary focus of training lies in refining and updating employees' skills and knowledge, leading to improved job performance (Azeem et al., 2013). It serves to enhance individual productivity, as employees acquire technical and interpersonal skills, as well as valuable knowledge during the training process, enabling them to perform tasks efficiently. The absence of ongoing training programs can result in subpar employee performance (Nawaz et al., 2014). Employee training not only augments their capabilities but also hones their critical thinking and creativity, enabling quicker and more effective decision-making (Elnaga & Imran, 2013).

According to Armstrong and Baron (1998), performance management is defined as "a strategic and integrated approach to increasing the effectiveness of organizations by improving the performance of their people and developing the capabilities of teams and individual contributors." Performance management serves as a mechanism for managers to monitor their staff's performance, ensuring alignment with organizational goals in terms of behavior and outcomes. Achieving a competitive advantage requires effective performance management, involving regular check-ins with employees to identify and address issues promptly, keeping everyone aligned with organizational objectives. The synergy between human resource management and performance management is evident; recognizing recurring challenges allows HR to adapt training programs, and addressing performance impediments through targeted hiring ensures a team with the necessary skills.

Safety and Health

The importance of human resource management in promoting workplace health and safety is emphasized through its oversight of personnel, organizational culture, and relevant policies and procedures. Human resource management assumes a critical role in ensuring organizational adherence to international labor regulations, with supervisors and managers recognizing their duty to maintain a workplace free from recognized risks that could result in death or serious physical harm.

A thorough examination of employee safety and health is imperative for establishing optimal practices across various industries. This entails ensuring compliance with regulatory requirements about safety measures tailored to specific work environments (e.g., the use of hard helmets in construction, providing counseling for law enforcement personnel, and supplying adequate safety equipment for chemists). With evolving industry standards, the implementation of new safety measures becomes essential.

Engaging in consultations with pertinent government agencies is essential to staying updated on safety regulations and compliance standards. Additionally, regular meetings with labor organizations provide a platform to discuss and address safety and compliance issues.

Human resource management remains incomplete without a steadfast commitment to ensuring the safety of tangible human resources under its purview, prioritizing their well-being and development.

3.7 Strategic Management

Effective leaders ensure the optimal utilization of corporate resources to achieve both short-term and long-term business objectives. Strategic management theory serves as a comprehensive framework guiding organizations in decision-making and strategy formulation to attain their goals.

Within the management domain, strategic management involves the articulation and execution of an organization's significant goals and initiatives by its managers on behalf of stakeholders. This process considers resource constraints and evaluates the internal and external environments in which the organization operates. Strategic management provides an overarching direction to the enterprise by defining objectives, creating policies and plans to accomplish those goals, and allocating resources to implement the plans. Academics and practitioners have developed various models and frameworks to aid strategic decision-making in complex and competitive environments. Notably, strategic management is dynamic, with models incorporating feedback loops to monitor execution and inform subsequent planning.

Michael Porter identifies three core elements of strategy:

• Establishing a "unique and valuable [market] position"

• Making trade-offs by deciding "what not to do"

• Establishing "fit" by aligning firm activities to support the chosen approach.

Strategic planning and strategic thinking are interconnected concepts within strategic management. While strategic planning involves analytical procedures to generate data and analyses for decision-making, strategic thinking synthesizes this information to develop the strategy. Moreover, strategic planning may encompass control mechanisms to implement the strategy once determined. Essentially, strategic planning occurs within the context of strategic thinking and strategy-making activities.

3.8 Stakeholder Theory

An outlook on capitalism underscores the interconnected relationships between a company and its consumers, suppliers, employees, investors, communities, and other stakeholders. Central to this perspective is the principle that a company should deliver value not only to shareholders but to all stakeholders involved. Stakeholder theory operates as both a descriptive and prescriptive framework, providing insights into how a company can function optimally. As proposed by

Donaldson and Preston (1995), it is a managerial theory that addresses the generation of value, commerce, and the effective management of a corporation.

Effectiveness in this context refers to the maximization of value creation. Stakeholder theory seeks to illustrate how business operations can be characterized by stakeholder interactions, addressing challenges related to value generation and trade. Moreover, to address ethical dilemmas within capitalism, the theory aims to demonstrate how a firm can be managed to fully account for its impacts on and responsibilities to stakeholders.

R. Edward Freeman introduced the Stakeholder Theory of organizational management and business ethics in 1984, emphasizing morality and values in organizational management. His acclaimed book, "Strategic Management: A Stakeholder Approach," outlines stakeholder groups in a firm, offering management techniques to consider their interests. The theory has gained prominence in the study of corporate ethics, serving as a foundational concept for ongoing research and development.

Since the 1980s, the theory has garnered increased attention globally, challenging the notion of focusing solely on shareholders' financial interests as the primary goal of business. To provide tools for researchers, students, and corporate executives, there is a collective effort to be at the forefront of stakeholder research and thought. It is essential to note that "Stakeholder theory" does not necessitate members from stakeholder groups to serve on the firm's governing boards, nor does it negate the rights of shareholders (referred to as "financiers" for inclusivity). Instead, the theory emphasizes the interconnected interests of these groups, asserting that value creation requires consideration of how each stakeholder is influenced by the actions of others and managers.

3.9 Innovation Management

Innovation management combines the oversight of innovation processes and change management, encompassing product, business process, marketing, and organizational innovation. ISO TC 279 is actively developing the ISO 56000 (previously 50500) series standards dedicated to innovation management.

Within innovation management, a suite of tools facilitates collaboration among managers, employees, or users, fostering a shared understanding of processes and goals. This approach enables organizations to adapt to external or internal opportunities, utilizing creativity to introduce new ideas, processes, or products. Innovation management goes beyond research and development, involving workers or users at all levels in contributing creatively to an organization's product or service development and marketing.

The foundations of innovation management can be traced back to principles put forth by the Austrian economist Joseph Schumpeter, who identified innovation as a vital element in economic growth during the 1930s. Drawing inspiration from Schumpeter's concept of creative destruction, innovation management assists organizations in seizing opportunities and diligently producing and introducing new ideas, processes, or products.

Creativity serves as the cornerstone of innovation management, with the ultimate goal being a transformation in services or business operations. Innovation management involves both imitation and invention, with the two phases leading to innovative ideas. Management leverages innovative management tools to activate the creative potential of the workforce for the continual development of an organization. Common tools include brainstorming, prototyping, product lifecycle management, ideation, TRIZ, Phase-gate model, project management, product line planning, and portfolio management. The iterative process, involving seeking, choosing, implementing, and capturing activities, facilitates the evolutionary integration of organization, technology, and market.

Innovation processes can be categorized as pushed or pulled. A pushed process relies on current or newly invented technologies available to the company, aiming to discover commercial applications for these technologies. Conversely, a pulled process focuses on identifying areas where consumer demands are not being met and developing solutions to those needs. Success with either strategy requires a deep understanding of the market and its challenges, often addressed through the formation of multi-functional development teams comprising both workers or users and marketers.

While innovation is a crucial prerequisite for the continuous survival and development of businesses, it takes various forms such as technological, disruptive, or social innovation. Innovation management plays a pivotal role in driving technological and institutional innovation. Organizational innovation management aims to create an environment conducive to innovation, assisting firms in obtaining more cooperative projects and serving as a "take-off platform for business ventures." The support of senior management is critical for effective innovation, requiring clear guidance, validation, and support for innovation endeavors.

3.10 Change Management

Change is constant in various contexts, encompassing technological, economic, political, legal, social, cultural, and sociological domains. In micro, small, and medium-sized enterprises (MSMEs), changes manifest in practices, procedures, organizational work, attitudes, behaviors, values, structure, and relationships with customers and markets. Organizational change is a part of daily life in MSMEs, evolving as they progress through their life cycle. Almeida (2005, p. 227-228) highlights that MSMEs continually face organizational change during their existence.

Change management in MSMEs refers to the methods and procedures employed by these enterprises to define and implement changes in both internal and external operations. It involves preparing and supporting people, developing essential change processes, and evaluating pre- and post-change activities to ensure successful implementation.

Implementing significant organizational change in MSMEs can be challenging, often requiring collaboration across various levels, and involving multiple autonomous groups within the organization. A well-planned change strategy is essential for a smooth transition while minimizing disruptions. Failures in change initiatives often stem from overlooking the natural, real, and predictable reactions of individuals to disruptions in their routines. Effective communication emerges as a critical success factor in change management for MSMEs. Ensuring that all personnel understand the progression through different stages and witness tangible results during the change process is vital.

MSMEs employ the discipline of change management in various ways based on their specific business needs. For instance, an MSME may embark on a must-win technology installation that necessitates effective change management, or it may choose to invest in change management as a strategic organizational competency to support ambitious company growth. The scope and purpose of change management can vary, and each MSME may define and apply it uniquely.

As a result, MSMEs must adopt a structured yet flexible approach to managing change in their operations. Regardless of the form it takes, the goal of change management in MSMEs is to assist individuals in making changes that contribute to the business's overall success.

3.11 Customer Relationship Management (CRM)

Customer Relationship Management (CRM) encompasses the principles, procedures, and guidelines that businesses follow in their interactions with customers. The roots of CRM trace back to the early 1970s when customer satisfaction was gauged through annual surveys and direct inquiries. During this era, businesses relied on separate mainframe systems for sales automation, but technological advancements allowed the categorization of clients using spreadsheets and lists. A precursor to modern CRM, the Farley File, compiled detailed records by James Farley, Franklin Roosevelt's campaign manager, capturing political and personal information about individuals associated with FDR.

In 1986, Pat Sullivan and Mike Muhney introduced ACT, a customer evaluation system resembling a digital Rolodex, marking the first instance of contact management services. The late 1990s witnessed the popularization of CRM by Siebel, Gartner, and IBM. Subsequent enhancements between 1997 and 2000 included shipping and marketing capabilities. In 1999, Siebel released the inaugural mobile CRM app, Siebel Sales Handheld, while other key providers, such as PeopleSoft, Oracle, SAP, and Salesforce.com, embraced the concept of standalone, cloud-hosted customer databases.

SugarCRM introduced the first open-source CRM system in 2004, coinciding with CRM's shift to the cloud, making it accessible to small teams and sole proprietors. This shift led to significant price reductions. Around 2009, developers harnessed the momentum of social media, creating solutions to enable businesses to connect on customers' preferred networks. Notably, Gartner hosted the inaugural Customer Relationship Management Summit in the same year, outlining the features essential for systems to be classified as CRM solutions. In 2013 and 2014, major CRM programs were integrated with business intelligence systems and communication software to enhance corporate communication and end-user experience. Current trends include the replacement of conventional CRM solutions with industry-specific or highly customized alternatives, as highlighted in Forrester's November 2016 report, featuring the nine most crucial CRM suites from eight major providers.

Adapting the CRM concept to Micro, Small, and Medium-sized Enterprises (MSMEs), CRM systems play a pivotal role in integrating and automating sales, marketing, and customer support. These systems often feature dashboards offering an overview of these tasks from a single customer's perspective or individual pages for each customer. The dashboard typically consolidates client information, previous sales, and marketing activities, summarizing all customer-firm relationships. Operational CRM comprises three key components: sales force automation, marketing automation, and service automation.

3.12 Sustainable Management

Sustainability management, the integration of sustainable practices into various entities such as enterprises, farms, buildings, and communities, aims to minimize emissions, reduce energy consumption, promote growth, and ensure resource availability for future generations, contributing to a healthier world. In the context of micro, small, and medium-sized enterprises (MSMEs), ethical management decisions about growth and development increasingly emphasize the triangular approach encompassing economic, environmental, and social aspects. Unlike a focus solely on short-term profitability, sustainability management in MSMEs considers the environmental and social costs associated with business operations.

The significance of sustainable management lies in its crucial role in preserving the quality of life on our planet. From business operations to community prosperity and the sustainable management of natural resources like forests, every aspect of life can benefit from adopting sustainable management practices. The sustainability movement has evolved significantly since the 1970s environmental movements, progressing from viewing environmental management as a regulatory necessity to recognizing it as a social obligation by the 1980s. Harvard professor Michael Porter's 1995 article highlighted the potential competitive advantages for businesses embracing environmental conservation, leading to a paradigm shift in business perspectives.

As MSMEs navigate the contemporary challenge of climate change, sustainability management gains prominence, offering opportunities to reduce emissions, maximize profits, attract consumers, and investors, and enhance reputation. However, the evolving nature of sustainable norms poses a challenge for MSME managers, demanding forward-thinking strategies that consider both short-term and long-term implications.

3.13 Lean Management and Six Sigma

Derived from Toyota's production system, Lean management is a managerial and organizational strategy tailored to enhance the performance, quality, and profitability of micro, small, and medium-sized enterprises (MSMEs). It is a business practice aiming to boost efficiency and quality by eliminating wasteful resources like time, money, and effort, often known as lean manufacturing or lean production. The primary objectives are to provide customers with optimal services or products at the best possible price while ensuring employees work in optimal conditions. The central goals of Lean management for MSMEs are complete client satisfaction and the success of each employee.

Established by Toyota in the late 1940s, Lean Manufacturing aimed to eliminate non-value-added procedures, resulting in significant gains in productivity, efficiency, cycle time, and profitability. The fundamental principles of Lean management for MSMEs include:

1. Defining Worth: Determining the value of a product or service from the customer's perspective, emphasizing the importance of a clear manufacturing timeline.

2. Stream Value Mapping: Analyzing all steps of a business process to identify redundant processes and resources, enhancing overall efficiency.

3. Making Flow: Emphasizing efficiency and speed, completing operational duties swiftly and smoothly without compromising quality.

4. Creating a Pull: Establishing a flow with sufficient materials and resources to produce required products on time and continuously.

5. Perfection Seeking: Ensuring consistent adherence to the principles, with all staff aligned with the ultimate lean mission.

Six Sigma

The boundary between Lean and Six Sigma has blurred, with "Lean Six Sigma" increasingly used to combine both methodologies for improved results in MSMEs.

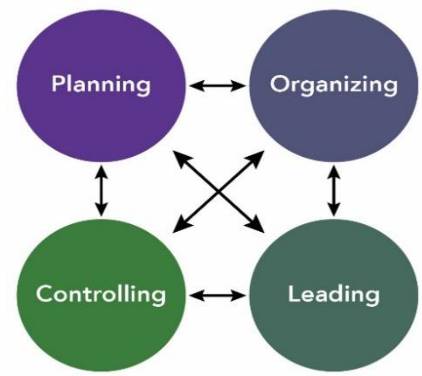
Lean Six Sigma, a data-driven improvement philosophy, prioritizes defect avoidance, enhances customer satisfaction, and boosts bottom-line results by minimizing waste, variance, and cycle time. It is applicable wherever there is variance and waste, engaging every employee in the process.

3.14 Conceptual Framework

3.14.1 Management of Micro-Small and Medium-Sized Enterprises

Understanding management is crucial as it permeates various facets of daily life, demonstrating its application in numerous human activities. The essence of management extends to every individual, each possessing an inherent managerial instinct, conceptualizing plans, and consistently executing management responsibilities. Despite often perceiving management as a distinct field, it inherently underlies numerous actions we routinely undertake. Unbeknownst to many, daily life involves a multitude of managerial activities. Defined as the collaborative process guiding individuals towards shared objectives, management plays an omnipresent role in daily existence (Massie and Douglas).

At its core, management is the mechanism for achieving organizational objectives or goals by executing fundamental functions such as planning, organizing, leading, and controlling. These interconnected functions are integral to the management process, shaping its dynamics and effectiveness. Although these functions are interrelated, their execution is not always strictly linear, contributing to the complexity of the managerial landscape.



1. Figure: The key functions in the management process are connected, but not always linear.

Source: https.//study.com, 2024

1. Planning

Planning is a forward-looking process crucial for charting the course of an organization. It involves formulating organizational plans tailored to achieve diverse goals. Each unique goal requires a specific set of action plans. Planning allows us to delineate the current actions aligning with the organization's mission, paving the way to realize its future vision.

2. Organizing

Organizing revolves around the systematic arrangement of an organization's management hierarchy, power structure, and the delineation of responsibilities in a coherent sequence. This ensures the effective execution of action plans. Organizing encompasses the provision of both tangible (assets, capital, etc.) and intangible (labor, etc.) resources for the organization. Key steps in organizing include:

- Identifying various organizational tasks.
- Assigning tasks to employees based on their authority and responsibilities.
- Establishing a clear linkage between authority and accountability.

- Coordinating these efforts seamlessly.

3. Leading

Leading involves inspiring, communicating, and overseeing personnel to ensure their successful adherence to action plans for efficient goal achievement. This encompasses guiding employees, fostering self-direction, establishing open communication channels between superiors and subordinates, and supervising employee performance to align with organizational goals.

4. Controlling

The controlling function is dedicated to guaranteeing the execution of pre-planned organizational actions. It involves setting performance standards and ensuring that employees' performances align with these benchmarks while implementing action plans to attain future objectives.

Micro Enterprises

Microenterprises play a crucial role in shaping the economy, particularly in job creation, fostering entrepreneurship, and supporting local economic growth. Operating across various sectors such as retail, services, and small-scale manufacturing, these entities significantly contribute to the economic landscape. Despite their importance, microenterprises face distinct challenges, including limited access to capital, resources, and markets. Policymakers and researchers consistently focus on understanding and supporting microenterprises, recognizing their vital role in the business ecosystem, especially in emerging and developing economies.

Small Enterprises

Small enterprises, commonly referred to as small businesses, are entities that meet specific criteria in terms of size, revenue, and other characteristics. The exact definition varies by country and industry, but they have more employees and generate higher revenue than micro-enterprises, while still being considerably smaller than larger corporations. Typically employing dozens to a few hundred people, small enterprises operate across various industries, including retail, manufacturing, services, and technology. Governments and organizations classify small enterprises based on factors such as the number of employees, annual income, and industry. Small businesses play a vital role in job creation, innovation, and overall economic vitality, leading to numerous economic development programs focusing on their support and promotion.

Medium Enterprises

Medium-sized companies typically emerge from the gradual growth of successful small enterprises. As a company's revenue increases, it can invest in office space, equipment, and additional staff. This progression lays the foundation for medium-sized firms to eventually evolve into larger corporations or even giants.

4 RESEARCH METHOD

4.1 Research Approach

The research employed a quantitative and qualitative research methodology to conduct the study. The utilization of quantitative tools, particularly statistics, was imperative for realizing the study's goals, as outlined by Creswell (2014). This approach empowers researchers to gather and assess data quantitatively, facilitating the attainment of research objectives. Quantitative research is well-suited for scrutinizing relationships and examining their intensity, scope, and influence on other variables. Its objective nature allows for the generalization of research findings (Creswell & Creswell, 2017).

There is leeway for the researcher to accumulate. According to Creswell (2005), qualitative study can be conducted on these terms: the researcher relies on the view of participants, asks broad, frequent questions, collects data consisting of words (or texts) from participants, describes and analyzes these words for themes, and conducts the inquiry in a subjective, biased manner.

4.2 Research Design

This study adhered to a descriptive design, aligning with the objectives of descriptive research, which seeks to portray, document, analyze, and interpret the present nature, composition, or progression of events (Manuel & Medel, 1976). In practical terms, the study is focused on elucidating the current state of management in micro, small, and medium-sized enterprises in Southern Africa.

This approach enhances the study's capability to offer a more comprehensive understanding of an event or phenomenon when compared to alternative quantitative methods.

4.3 Sampling Strategy/ Population

This study focuses on workers in Southern Africa.

A sample size of 101 based on the questionnaire, and three interviews. In total five interviews were conducted, of these numbers only 3 interviews were completed successfully. The rest of the interviews were not completed for many reasons.

4.4 Data Collection Instrument

Data collection for this research will be facilitated through the utilization of questionnaires and interviews. The primary gathered by distributing a questionnaire among the specified demographic. The questionnaire will incorporate a combination of closed and open-ended questions. To mitigate potential bias and variance, irrelevant items were interspersed within the questions to gauge the attentiveness of respondents.

4.5 Limitation

The primary constraint lies in the limitation of time, which affects us all. On one hand, it involves the availability of interviewees, and on the other hand, the progressively diminishing time. Due to both time and financial constraints, conducting in-person interviews was not feasible for me. Consequently, I opted for online interviews, leveraging this medium to my advantage. However, a challenge arises as my interviewees reside in a region where internet accessibility poses some difficulties, potentially impacting the study results significantly. The research employs a tool for primary data collection, acting as a clerical instrument during interviews. The specific interview format is semi-structured and conducted online through platforms like Zoom and WhatsApp. Numerous research instruments are available, each tailored to the study's nature, resource availability, and specific research goals.

5 RESULTS AND DISCUSSION

5.1 Introduction

The Member States of Southern Africa are Angola, Botswana, the Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, United Republic of Tanzania, Zambia, and Zimbabwe.

I am from Angola and have traveled to other nations in the Southern Africa region, including Congo, Namibia, South Africa, and Zambia. My experiences have given me an understanding of the region, which is similar across countries.

2. Figure: Southern African Development Community

Source: https://www.sadc.int

Due to the constraints encountered during my research, it is regrettably not feasible to present additional results from diverse sectors. Consequently, the selection of three specific sectors assumes paramount significance.

Upon finalizing the selection of the three sectors, an added advantage emerged as I possess some familiarity with the locales where the research is to be conducted. The Southern Africa region comprises 16 member states, and due to practical constraints, addressing each member individually proves unfeasible.

5.2 The functionality of MSMEs in the Agriculture field in comparison with the Education and Finance fields

What I want to show here is the level of functionality of MSMEs in the fields. To determine the functionality of the Management of micro-small and medium-sized enterprises in Southern Africa system in the agriculture field and other two fields.

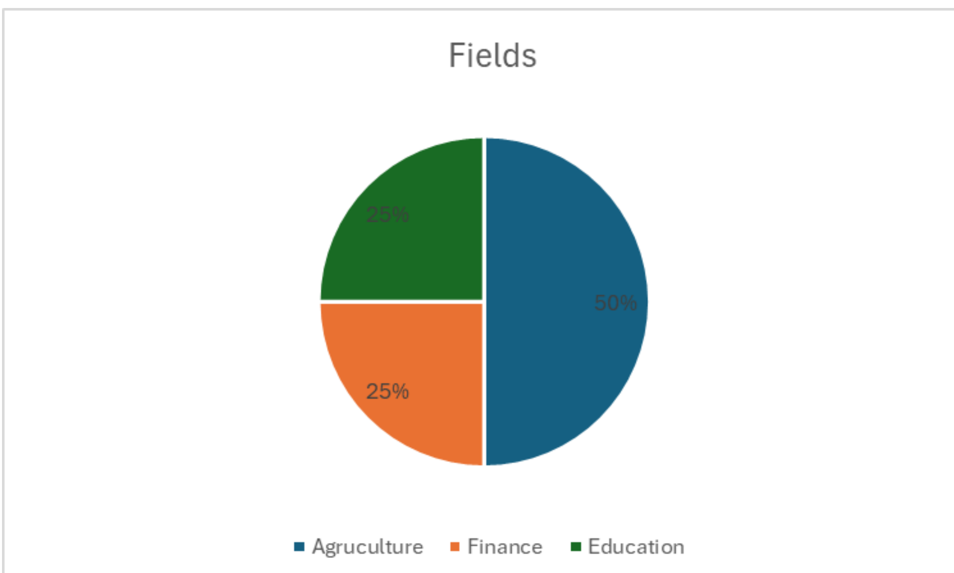
Based on the responses obtained from the administered questionnaire, the distribution of participants across various professional domains is as follows: 51 respondents representing the agriculture sector, 25 respondents associated with the finance sector, and an equivalent number of 25 respondents involved in the education sector. These findings provide a preliminary insight into the demographic composition of the surveyed population concerning their occupational affiliations.

Field of work

1. Table: Field of Work

Fields	Number of Participants	Percent of Participants
Agriculture	51	49,6%
Finance	25	25%
Education	25	25%

Source: author's work



3. Figure: Fields of work

Source: author's work

5.2.1 Interview Questions

The primary objective of this interview is to delve into the day-to-day business operations, challenges faced, and potential optimization strategies through the implementation of effective management practices in Micro, Small, and Medium-Sized Enterprises (MSMEs) within the context of Southern Africa.

1. What are the main obstacles in your business for success?
2. How beneficial can be Management of Micro Small and Medium-sized Enterprise areas of operation?
3. The social environment is crucial. In your opinion, which type of enterprise do you believe contributes positively to the social environment?
4. What type of product or service does your business provide to the public?
5. Does your product and service reach the entire community?
6. In your perspective, how feasible is the assertion "achieve success with the resources at hand" in contemporary business?
7. In the daily operations of your business, how can you implement the idea of "accomplishing more with fewer resources for a broader audience" without engaging in employee exploitation?

The provided insights stem from interviews conducted with representatives of Micro, Small, and Medium-sized Enterprises (MSMEs) operating within the Southern African Development Community (SADC) region. Notably, the participants include a delegate from Bank BAI (with the interviewee holding the position of Administrative Director in Angola), a member of a farming family in Zambia representing the agricultural sector, and an Assistant HR Director at the University of Stellenbosch Business School representing the education sector in South Africa.

6 RESULTS

6.1 Data Analysis

6.1.1 Zambia's agricultural sector

What are the main obstacles in your business for success?

Based on the interview, the primary challenges that the country faces in the operational business sector relate to government budget allocations and land distribution policies. The budget allocations within Zambia's agricultural sector do not align with the intended objective, namely poverty eradication. Moreover, the government's policy limiting agricultural activity to two hectares or less per farmer's family significantly hinders progress toward achieving this goal.

The prevailing policy framework serves to exacerbate issues within the sector, as articulated by the interviewee who stated, "The prescribed norm dictates that two hectares or less are permissible for agricultural activities per farmer's family." This prescribed approach is considered inappropriate in effectively realizing the sector's overarching objective. The insights gleaned from the interview convey a discernible presence of authoritative control within this domain, delineating limited latitude for initiatives beyond the confines of government-established policies and regulations.

While government budget allocations and land distribution policies present significant challenges to Zambia's agricultural sector, the management of MSMEs mitigates these obstacles by fostering entrepreneurship, innovation, local economic development, and poverty alleviation.

Considering the current challenges posed by government budget allocations and land distribution policies, the type of enterprise that I believe contributes positively to the social environment is the Micro, Small, and Medium-sized Enterprise.

The offerings are accessible to a massive portion of the community, challenges arise due to government policies, such as restrictions on agricultural activity per family. Despite these obstacles, strive to collaborate closely with local communities and stakeholders to maximize the impact, particularly targeting those most in need.

6.1.2 Angola’s financial sector

Angola's economy faces several challenges, ranging from limited diversification beyond the oil sector to inadequate infrastructure and institutional weaknesses. However, the social environment remains critical, with enterprises that prioritize inclusivity, sustainability, and community engagement playing a pivotal role in contributing positively to society.

The substantial expansion of the banking sector in Angola has brought about distinctive regulatory challenges. Responding to the risks associated with the burgeoning financial industry, the central bank has implemented recent regulations focusing on audit, disclosure, and risk management.

The evolution of Angola's global financial integration not only highlights the idiosyncrasies of the Angolan economy but also underscores shifts in international financial relations. Notably, the ownership of Portuguese banks by Angolan entities primarily seeks to establish legitimacy and credibility. Portugal, as described by one participant, functions as the "launchpad" facilitating Angola's entry into the global market.

These South-to-North financial flows, characteristic of institutions such as SouthPartner, result from the unique relationship between the Angolan and Portuguese economies. The acquisition of Portuguese banks by Angolan entities signifies a strategic maneuver aimed at positioning Angola favorably on the world stage. Moreover, this symbiotic relationship reflects an intricate interplay between domestic economic dynamics and broader international financial trends.

6.1.3 The education sector in South Africa

According to the interview, the education sector in the region is confronted with numerous challenges due to emerging pressures for competitiveness driven by globalization, internationalization, and technological advancements. Additionally, there is a growing need to integrate with the local socio-economic, cultural, and intellectual dynamics of a rapidly evolving society.

These challenges encompass structural issues, notably the inadequate preparation of students transitioning from secondary to higher education levels. This mismatch in educational readiness poses significant hurdles in bridging the knowledge gap between these educational stages and the expectations of the labor market. How the region addresses these challenges will determine its ability to effectively respond to the evolving demands of its educational landscape.

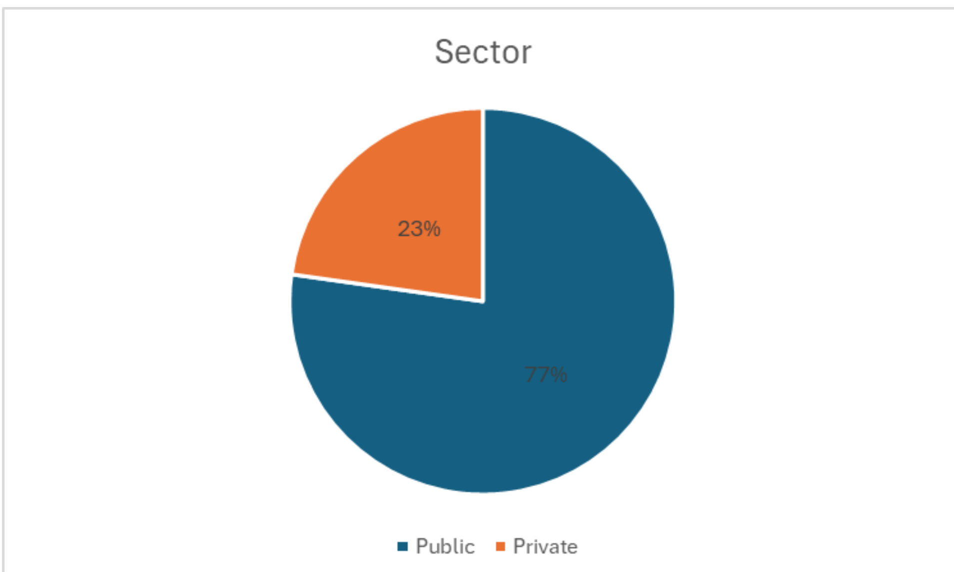
The Department of Basic Education in South Africa focuses on General Education and Training (GET) and Further Education and Training (FET), the management of micro, small, and medium-sized enterprises falls within the purview of the Department of Small Business Development. The Department of Small Business Development plays a crucial role in fostering the growth and sustainability of Micro Small and Medium-Sized Enterprises in the country.

Implement various support programs to assist Micro Small and Medium-sized Enterprises in different stages of their development. These programs may include funding initiatives, mentorship programs, and training sessions to enhance entrepreneurial skills.

The department facilitates access to finance for MSMEs by collaborating with financial institutions and implementing funding schemes. Micro Small and Medium-Sized Enterprises often face challenges related to management skills, market access, and compliance. The Department of Small Business Development provides training and capacity-building programs to equip entrepreneurs with the necessary skills and knowledge to effectively manage their businesses.

6.1.4 Sectors

The predominant portion of respondents is employed within the public sector. Conversely, the private sector constitutes the minority, with a notable exception in the education sector, where the prevalence of private schools contributes significantly to employment opportunities. Furthermore, it is important to note that while the public sector is the main source of employment for the respondents, there is a diversity of roles and employment levels within this sector, ranging from entry-level positions to high-ranking positions. This distribution reflects the characteristics of the local labor market and may have significant implications for employment policies and economic development.



4. Figure: Sectors

Source: author's work

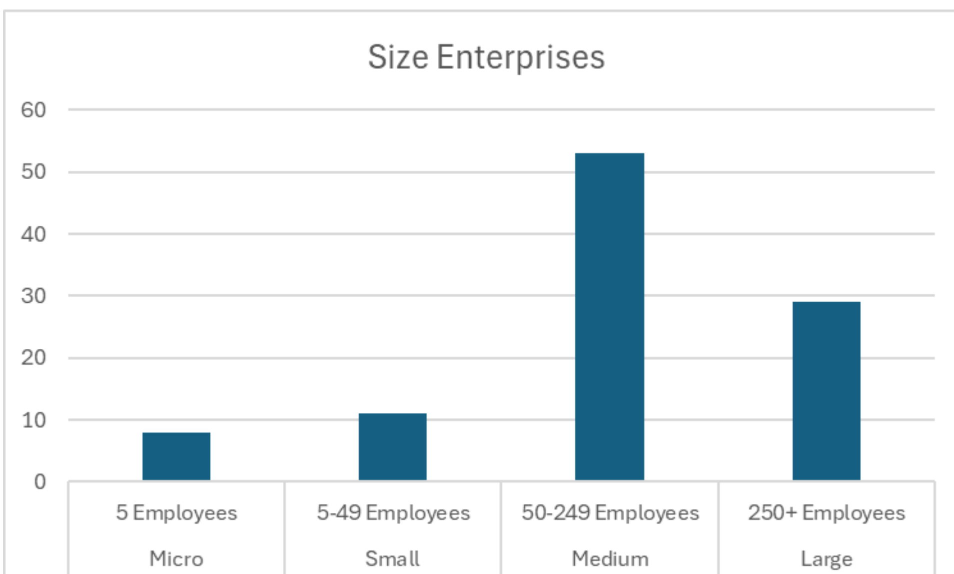
2. *Table: Sectors*

Sectors	Number of Participants	Percent of Participants
Public	78	77,2%
Private	23	22,8%

Source: author's work

Based on the respondents to the questionnaire, most respondents work in medium-sized enterprises, with 53 respondents 52,5%. And also in large enterprises with 29 respondents 28,7%.

The overall compensation for the enterprises is approximately 37.48%



5. *Figure: Size Enterprises*

Source: author's work

3. *Table: Size of Enterprises*

Size Enterprises	Number of Participants	Percent of Participants
Micro	8	7,9%
Small	11	10,9%
Medium	53	52,5%
Large	29	28,7%

Source: author's work

7 FINDINGS

My hypothesis was in believing that the Management of micro-small and medium-sized enterprise systems has a high-level function in the agriculture field because I wanted to make a comparison with other sectors.

Agriculture moves countries' economy. Agriculture never stops.

Now I can assume that Micro, small, and medium-sized enterprises hold immense potential to address the functionality in the agricultural sector. With their agility, local engagement, and capacity for innovation, MSMEs play a pivotal role in driving agricultural productivity and resilience. By providing tailored solutions, training, and support to smallholder farmers, MSMEs can improve agricultural practices and market access, thus enhancing the sector's performance.

This can be my second hypothesis too. The Management of micro-small and medium-sized enterprises helps Southern African countries to succeed because the continent faces so many challenges in the economic field.

About the environment, I assume that has a significant impact on the development of enterprises, here is my understanding: The African continent faces so many challenges and does not develop because of global competition and Economic Stagnation.

A minority of individuals on the continent amass immense wealth at the expense of widespread suffering among the masses. Meanwhile, the creative potential of numerous ordinary Africans across many African nations remains largely untapped and suppressed. This lack of expression and exploration often stems from a combination of limited resources and oppressive regimes, which prioritize the interests of the elite over the broader population.

This suppression of creativity not only hampers individual potential but also impedes societal progress and development. The status quo, entrenched by these regimes, serves as a survival strategy aimed at maintaining their grip on power and perpetuating dynastic rule. Consequently, the continent's advancement is stifled, as innovative ideas and initiatives struggle to emerge and thrive amidst such constraints.

The management of micro, small, and medium-sized enterprises in Southern Africa grapples with a myriad of challenges. Access to finance stands out as a significant hurdle, with many MSMEs struggling to secure affordable funding for expansion and investment. Infrastructure deficiencies, including inadequate transportation networks and unreliable energy supply, further impede their operations and growth. Limited skills and training opportunities hinder MSMEs' ability to innovate and enhance productivity.

8 CONCLUSION

Management of Micro- Small and Medium-Sized Enterprises in Southern Africa face a complex web of challenges that hinder their growth and sustainability. Access to finance remains a major obstacle, limiting their ability to invest and expand. Infrastructure deficiencies, limited skills development opportunities, burdensome regulations, and difficulty accessing markets further restrict their potential. However, these challenges cannot overshadow the crucial role MSMEs play in driving economic development, particularly in agriculture and education. In the agricultural sector, MSMEs participate throughout the value chain, processing, distributing, and retailing goods, while also supplying farmers with needed inputs. They can also introduce innovative technologies and provide crucial market access for smallholder farmers. Similarly, in the education sector, MSMEs offer complementary services like after-school tutoring and vocational training and can even establish affordable private schools. To unlock the full potential of MSMEs, a collaborative approach is needed. Policymakers must implement supportive policies, business support organizations need to equip MSMEs with the necessary skills and resources, and financial institutions must develop innovative financial products. By fostering a more enabling environment, we can empower MSMEs to become true drivers of economic growth, job creation, poverty reduction, and improved access to education across Southern Africa.

8.1 RECOMMENDATIONS

Policymakers should prioritize initiatives aimed at improving access to finance for the Management of micro-small and medium-sized enterprises because there is functionality in all sectors.

9 SUMMARY

The objective of this study was to assess the operational effectiveness of micro, small, and medium-sized enterprises within the Southern African context, focusing specifically on selected sectors as I mentioned above, and how can help the countries to succeed.

Micro Small and Medium Enterprises contribute to the success of Southern African countries by creating jobs, driving economic growth through innovation, fostering regional development, and promoting entrepreneurship. Realizing this potential requires supportive policies to streamline business regulations, improve access to finance, and enhance capacity-building initiatives for SME owners and managers. Additionally, facilitating market access and investing in infrastructure development is crucial to enabling SMEs to thrive and contribute to the overall economic prosperity of the region.

Micro-Small and Medium Enterprises in the African continent play a significant role in contributing to over half of the employment opportunities and Gross Domestic Product (GDP) growth, as indicated by Ramukumba (2014).

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12 ABSTRACT

Hailing from a region fraught with numerous challenges, I intended to delve deeper into understanding how the functionality of micro, small, and medium-sized enterprises contribute to the development of Southern African countries.

For my research, I created a detailed survey in Google Forms. I managed to collect 101 responses and 3 interviews.

The universal standardization of Small and Medium-sized Enterprises (SMEs) is challenging due to the diversity in economies across countries (Ramukumba, 2014). Each nation defines SMEs based on their unique context and standards ("SMEs Marketing Skills Challenges in South Africa,"). In Africa, SMEs constitute more than 90% of business activities and play a significant role in providing over 50% of employment and contributing to the GDP.

The micro, small, and medium enterprise (MSME) is a self-contained organization with defined working and financial boundaries established by states or groups of states with distinct logic, cultures, interests, and a business spirit. According to Liberto (2020), MSMEs are businesses that keep their income, assets, and number of employees below a specified legal level in each country or group of countries. Each country has its definition of what an MSME is. This type of organization is frequently regarded as the beating heart of developing and developed economies. According to the Organization for Economic Cooperation and Development (OECD), many individuals in emerging economies work in MSMEs, which account for around 45% of total employment and 33% of GDP in these countries.

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