

Effective Managerial Leadership in Micro and Small Business Enterprises - A Case Study of Selected Small Business Enterprises in Krishna District, Andhra Pradesh

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ABSTRACT

The study examines the effective managerial leadership styles in Micro and Small Business Enterprises. Business means an occupation profession or trade. A business assumes universal importance as a problem requiring coordination to form into a whole all the inter-dependant or coordinated parts. A manager's behaviour is what makes the difference between effective and ineffective organisations. Managerial leadership combines the skills of a manager and the qualities of a leader. Businesses are classified into sectors and there are 17 sectors among the 84 business enterprises taken for study. Among the 84 enterprises 9 are owned and managed by women managerial leaders. The indicators of women empowerment are presented to show how women can be empowered by the rich experience and economic status they gain as women business leaders. In 21 business firms the autocratic and democratic mixed leadership style is adopted. But the decisions taken at the top level are explained to the subordinates and the subordinates were convinced of the benefits of the decision for the entire organisation. There is only one sector in which the employee oriented leadership is followed in addition to the largest number of firms adopting autocratic (10), democratic (7), and autocratic and democratic (4) styles of leadership. General Merchants believe that employee orientation impacts on the working of the employees as the employees feel their interests are also considered. Out of 72 respondents 26 (36 per cent) expressed dissatisfaction with respect to category-III benefits, which include benefits related to family welfare, children's education and provision for entertainment. The managerial leadership in the micro and small business enterprises is able to satisfy 38 out of the 72 respondents including 7 women. It indicates the ability of the manages to look into the well-being of their subordinates.

1. Introduction

In common parlance business means an occupation profession or trade. In economics business connotes the purchase and sale of goods in an attempt to make a profit. In commerce, the word denotes a person, partnership or corporation engaged in commerce, manufacturing of a service, profit seeking enterprise or concern.

A business assumes universal importance as a problem requiring co-ordination to form into a whole all the inter-dependent or coordinated parts. There is always the need to build up successful organisational relationships to achieve the goals of business. The ideal relationships can be maintained applying principles of organisation. Some common principles of organisation are considerations of objectives, relationship of basic components of organisation, responsibility and authority, span of control, dividing and grouping of work (including coordination) effective delegation, communication, line and staff relationships, balanced stability and flexibility.¹

1.2 Managerial Leadership

Organisations are managed to achieve the goals of organisations. Managerial Leadership can further be illustrated and functions may also be explained. The aim of both

managers and leaders, is leading the team to embrace success. Despite subtle conceptual differences between managers and leaders, managing and leading are the sine qua-non for the success of business enterprises. Managerial leadership occupies a central role in the success of any business or commercial organisation.

Effective managing requires exemplary leadership. The behavioural functions of managership and leadership cannot be segregated. While a manager organises, directs and controls various activities of the enterprise to realise specific ends, a leader inspires confidence and trust in his subordinates to earn maximum cooperation from them and guides their activities in organised effort. Managerial leadership is behaviour that elicits voluntary follower behaviour beyond that associated with required performance on a job. Leadership is the influential increment over and above mechanical compliance with routine directives of organisations.²

A manager's behaviour is what makes the difference between effective and ineffective organisations. Managerial leadership combines the skills of a manager and the qualities of a leaders.

1.2.1 Derivation of the word management

¹ Khanna, O.P. (1995). Industrial Engineering and Management, Dhanpet Rai and Sons, Delhi, pp.3-11.

² Ibid., p.3ff.

The derivation of the verb “to manage” is found in late thirteenth century Italian “Maneggiare” referred to the ability to handle a horse, from manus, the Latin for “hand”. Role of managers was to manage with ability, it meant the conduct of any affairs plot of a noel to personal finances. Management came to suggest something more than administration to less than control. It requires not only persuasive or manipulative and coercive skills, along with a flair for extracting more from a person organisation situation than what would have been achieved without such skills. The manager does not exercise total control. Managing expects dealing a state of affairs on which they will never be to control.

1.2.1.1 The concept of Managerial Leadership and Indian family Business enterprises

The concept of managerial leadership underscores the need to combine the qualities of both managers and leaders to achieve not only task performance, organisational effectiveness but also human satisfaction.

Indian legacy exposes the importance of some individual concerns developing business environment. Some business enterprises are owned by families. India has the third highest number of family firms, while US and China top the list. India is the home to 111 family-owned businesses. The combined market capitalisation is \$.839 billion, Indian companies owned by families generated average annual returns of 13.9 per cent since 2006, more than double the 6 per cent reported by companies that were not. India firms, on average generated the highest absolute Cash-Flow Return on Investment (CFROIs) across own Non-Japan Asian group. However, they generated the second-lowest absolute share price returns in 2017 and an average since 2006.

In family companies founders or descendants hold at least 20 per cent in direct shares. The revenue growth premium appears relatively robust for family-run businesses across all the main regions around the world. This lays the foundation for a superior overall financial performance, which in turn supports strong share price appreciation as well.³

1.2.2 The Need for Private Investment

The need for private investment by business families with managerial leadership heritage is recognised and the central government is extending facilitation for private investment through investment India.

Investment India is the central government’s investment facilitation and promotion arm. The government at centre is eager to fast-track investment proposals in coordination with state governments and investment India. It is looking at ways to ensure use of the industry’s unutilised capacity. The average unutilised capacity in India is about 26 per cent. Plans are ready to increase domestic demand and to boost exporter to bring about full capacity utilisation.⁴

1.2.3 Importance of Managerial Entrepreneurial Leadership

³ A report titled “The Credit Suisse Family 1000 in 2018”. Quoted in The Hindu Businessline, The Hindu Group of Publications, Vijayawada edition, dated 15th September 2018.

⁴ *Ibid.*

Unfaovurable Industrial scenario in India calls for immediate push for new investment in the form of starting micro-and small business units, which contribute to the economic development of the nation at large, with its potential to enhance employment generation in all states and particularly in the state of Andhra Pradesh. India is now passing through a phase of a slowdown in Industrial growth and suggest private investment. Department of Industrial Policy and Promotion which will in to existence include India Inc. (Incorporated), representatives from Commerce and Industry Minister, held discussions with industry bodies including the confederation of India Industries (CII), FICCI (Federation of Indian Chambers of Commerce Industry), ASSOCHAM (The Associated Chambers of Commerce and Industry). Senior government officials, Chief Economic Advisor with an aim to push the economic growth to higher levels.⁵

1.2.3.1 Responsible Entrepreneurialship

Entrepreneurship involves taking responsibility for actions taken. It has a wider scope. It includes planning organising analysing, communicating doing and briefing evacuating and recording process in learning. It has other aspects also which include identification of strengths. It looks into creativity, uncertainty measurement and calculates positive response to change. Entrepreneurs take initiative and proceed with drive to gain profits.

1.3 Entrepreneurial leaders in business families

In India and in some states certain communities and business families are known for their enterprising nature. The Jains and Marwari’s are a well-known special class of business oriented persons and communities. They inherit business mindedness, entrepreneurial abilities from their ancestors and such talents are nurtured and encouraged as holy duties of committed communities for the cause of commercial development and promotion of manufacturing activities as gifted duties. In Andhra Pradesh, the Chowdary community also popularly known as Kamma community, and Vysyas (Business Community) are business oriented and encourage their women members also to take to managerial leadership as livelihood option. They own some businesses as family owned firms which become business empires.

1.4 Micro and small business enterprises in the study area

Various types of business communities business houses, manufacturing units are organised and led to achieve goals by persons with managerial leadership qualities. They are in different categories of enterprises. The classification of enterprises is presented.

1.4.1 Classification of Enterprises

In order to identity micro and small enterprises the classification of enterprises need be presented.

As per the Micro Small and Medium Enterprises Department (MSMED) Act, 2006, Enterprises are classified basing on investment on plant and machinery. The details of classification are provided in table 1.1

Table 1.1

Category-wise Manufacturing and Service

⁵ *Ibid.*

S.No.	Category of enterprise	Manufacturing enterprise	Service enterprise
1	Micro enterprise	Upto Rs.25 lakhs	Upto Rs.10 lakhs
2	Small enterprise	Above Rs.25 lakhs upto Rs.5 crores	Above 10 lakhs upto Rs.2 crores
3	Medium enterprise	Above Rs.5 crores upto Rs.10 crores	Above 2 crores upto Rs.5 crores
4	Large scale enterprise	Above Rs.10 crores	Above Rs.5 crores

Source: Government of Andhra Pradesh, Department of Industries, District Industries Centre, Vijayawada, Krishna District, p.1.

Note: Rupee is a legal tender in India and unit of currency.

The table declares that the investment on plant and machinery should not exceed rupees twenty five lakhs for a manufacturing enterprises and it should be upto Rs.10 lakh for service enterprise to be categorised as Micro enterprises. For small enterprise the respective limits are between Rs.25 lakhs and Rs.5 crores and above Rs.10 lakhs and upto Rs.2 crores respectively for the manufacturing and service enterprises. In the category of Medium enterprises the investment ranges between Rs.5 to 10 crores.

2. Objectives, Methodology and Review of Literature

2.1 Objectives of the present study are:

1. To bring out the type of the managerial leadership style in small business enterprises in the selected area.
2. To find out the impact of managerial business leadership on empowerment of women.
3. To examine the Employee and Employer relations in the small business enterprises.
4. To suggest policy measures to improve the small business enterprises and status of women leaders in the selected district.

2.1.1 Methodology

The methodology describes how the research is conducted and results are found.

2.2 Sources of data

The study has identified the primary and secondary sources of data. The researcher used both the primary and secondary sources of data.

2.2.1 Primary Data

The Primary data was collected employing case study method using a schedule. 84 manufacturing units employing regular workers, daily wagers are contacted. Labour suppliers contractors, labour leaders are approached and their answers were recorded. The online inspection report which contains 84 manufacturing units is obtained from the office of the Labour Inspectors of different areas in Krishna district. The reports are authentic as they are prepared by various sections of Department of Industries, Government of Andhra Pradesh. The 84 business enterprises all are proprietary concerns. They come under the purview of shops and establishment Act.

2.2.2 Secondary Data

The Secondary data is collected from secondary sources such as government institutions, which collect and publish statistics as part of their routine duties. Publications, abstracts,

available with Department of Industries, Reports of Inspector of Industries, pamphlets, records and information provided by the District Industries Centre are compiled for secondary data and abstracts from International Newspapers like the Hindu and the Hindu Businessline are procured.

2.3 Description Of Study Area

Krishna district is one of the nine coastal districts of the state of Andhra Pradesh and covers an area of 8,727 square kilometers. It is bestowed with 88 kilometers of coast line. The coastal belt consists of fertile plains in the Krishna delta region. The district consists of 4 revenue divisional 1005 revenue villages, five municipalities and one municipal corporation. Though Machilipatnam is the District Headquarters Vijayawada is more known as a major commercial city.⁶

The industrial scenario presents a developing industrial district with 6,900. Registered industrial units, 80 registered medium and large units. The estimated average number of daily workers employed in small scale industries is 56,950 and employment in large and medium industries is 16,800. The number of industrial areas is 17. The number of micro and small enterprises registered during the period 2007-08 and 2011-12 include 757 Micro enterprises and 594 small enterprises.⁷

2.3.1 The Instrument

The instrument is a Questionnaire. The researcher herself filled the answers given by the respondents. The methods of selecting sample include deliberate selection also. The researcher picked up only those items which she thought are typical or representative of the population. The selection is judicious without personal prejudices

The observation method and the questionnaire method are taken up for the purpose of enquiry. The data collected is tabulated to make an orderly and systematic presentation of the numerical data.

2.3.2 The Sample

The researcher contacted 228 regular workers in the 84 business enterprises found in the online report. It is also noted that around 500 daily wagers, contract workers find work every day. Out of the 728 workers, a 10 per cent (72) sample is taken to examine the state of Employee and Employer relations. A good and satisfactory labour relations and peaceful atmosphere indicates the efficacy and a quality of leadership of the enterprises.

2.4 Review of Literature

The Review of Literature gives details of the functions of managers and their role in the organisation. The ultimate control of the organisation is in the hands of owners. It continued in standard forms of business governance. Managers were required to report to a Board. The Board is appointed by the shareholders. Budgets and important decisions are taken by the Board and the shareholders.

⁶ MSME – Development Institute, Ministry of MSME, Government of India, Hyderabad, p.3.

⁷ *Ibid.*, pp.8-9.

Literature on leadership, competencies provides conceptual definitions. It also describes professional efficiencies and components of successful management. Literature on leadership and entrepreneurship define leader competencies and entrepreneurship. It says that a leader means a featured article a trade especially offered at a low price to attract consumers. A leader can be a person who can lead his followers to win success.

Competencies are the underlying characteristics of a person in that it may be a motive, tract, skill, self-images or social role or a body of knowledge which he or she uses.⁸

Entrepreneurship is an attitude that reflects an industry's motivation and capacity to identify an opportunity and to pursue it, in order to produce new value.⁹

The profession of management referred to people employed for their administrative and supervisory skills in handling complex affairs such as work of an estate or business for this reason the role of manager could be expected to stop short of strategy. Ultimate control and therefore strategy would stay in the hands of the owner.¹⁰

Pavett and Lau¹¹ pointed out that an important component of successful management is the ability to influence others. Committed employees are more motivated and dedicated towards meeting and achieving organizational goals declares Pfeffer.¹²

Democratic style of supervision results in group effectiveness. Studies have established positive relationship between them. The positive relationship between democratic style of supervision and group effectiveness.¹³

Levels of profits, group cohesiveness, pressure towards task accomplishment are associated with employee oriented management styles. Employee-oriented management style was associated with higher average levels of profit, lower average levels of group cohesiveness and lower pressure towards task accomplishment.¹⁴

⁸ Boyatzis quoted in Arshad Nab Wani; Khrushid A. Butt (2017). "Entrepreneurial Competencies and Venture Performance : A Literature Review and conceptual development", *Journal of Entrepreneurship and Management*, Chennai, India, Vol.6, No.1, p.23.

⁹ Ajzen (1991). Sapero & Sokoll (1982) quoted in Afshan Yousuf Khan, "An Empirical Study of Entrepreneurial Intentions", <http://www.publishing.com>

¹⁰ Paul Useldung (1981). "Management Thought and Education in America: A Centenary Appraisal" in Jeremy Attack, ed. *Business and Economic History*, Second Series 10 (Urbana University of Illinois, (1981), p.16.

¹¹ Pavett C, and Lau A (1983). "Managerial work: The influence of hierarchical level and functional specialty". *Academic Management Journal*, Academy of Management, Vol. 26, pp.170-177. <https://journals.aom.org>

¹² Pfeffer, J. (1998). "Seven practices of successful org Pavett anizations". *California Management Review*, Vol. 40, pp. 96-123.

¹³ Mahoney, T.A. (1956). Managerial Perceptions of Organisational Effectiveness, *Management Science*, Vol.14, pp.76-91.

¹⁴ Kaezka, E.E. and Kirk, R.V.(1976). Managerial Climate, Work Groups and Organisational Performance, *Administrative Science Quarterly*, 12, pp.253-273.

Likert^{15,16} in his new patterns of management and in his human organisation and Blake and Mouton¹⁷ and Fiedler¹⁸ and Bales and Strodtbeck¹⁹ describe a task oriented manager who structures role relations, fixes time bound targets, places structured expectations on his subordinates and is less generous in the evaluation of those who are inefficient.

Thus a review of literature covers definitions of styles of management, describes the correlations between variables associated with management and explains the components of effective task accomplishment.

3. Analysis of the data

3.1 Area-Wise Micro And Small Enterprises

Krishna district is one ideal area for establishing and developing enterprises in different areas. The area-wise classification of enterprises is presented in table 3.1.

Table 3.1

Area-wise Classification of Enterprises in the study area

S.No.	Name of the Area	No. of Enterprises
1	A.Konduru	2
2	Agiripalli	2
3	Bapulapadu	1
4	Gannavaram	1
5	Gudivada	2
6	Jaggaipeeta	2
7	Machilipatnam	3
8	Mylavaram	1
9	Nagayalanka	3
10	Nandigama	11
11	Tiruvuru	1
12	Vijayawada	55
	Total	84

Source: Computed

The table shows that highest number of enterprise are in Vijayawada 55 (65.48 per cent) followed by Nuzvid 11 (13.09 per cent). There are 3 firms each in Machilipatnam and Nagayalanka and 2 each in A.Konduru, Agiripalli, Gudivada, Jaggaipeeta. In Tiruvuru, Bapulapadu and Mylavaram 1 business enterprise each in Business activity.

3.2 Sector-Wise Micro and Small Enterprises

All the enterprises are based on different sectors. The sector-wise classification is shown in Table 3.2.

Table 3.2

Sector-wise micro and small enterprises in the selected area

S.No.	Name of the Area	No. of Enterprises
1	Agro-based	4
2	Auto Engineering	3
3	Cloth	7

¹⁵ Likert, R.(1961). *New Patterns of Management*, Mc Graw-Hill, New Delhi, pp.180-182.

¹⁶ Likert, R. (1967). *Human Organisation*, Harper, New York, pp.124-127.

¹⁷ Blake, R.R. and Mouton, J.S. (1964). *The Managerial Grid* Publishing, pp.88-110.

¹⁸ Fiedler, F.E. (1967). *A Theory of Leadership Effectiveness*, McGraw-Hill, New York, pp.88-89.

¹⁹ Bales, R.F. and Strodtbeck, F.L. (1951). Phases in Group Problem Solving, *Journal of Abnormal and Social Psychology*, Vol. 46, pp.485-495.

4	Electricals	3
5	Fancy	5
6	Furniture	2
7	General Merchants	25
8	Hotel and Inc cream	3
9	Iron & Steel	5
10	Medical	8
11	Mini wholesale trader	1
12	Printing	2
13	Readymade garments	3
14	Sales & Services	5
15	Textiles	4
16	Timber Saw mill	2
17	Transport	2
	Total	84

Source: Computed

The table points out that general merchants are highest in number with 25 units (29.76 per cent) followed by medical 8 (9.53 per cent), cloth 7 (8.35 per cent). Fancy Iron and steel sales and service based enterprises are 5 each. Followed by 4 each agro and textile sectors 3 each, electrical & Auto engineering, Hotel and Ice creams, readymade garments sector 2 each furniture Printing, Timber Saw Mill, Transport. There is only 1 business enterprise dealing in Mini-Wholesale trading.

3.3 Gender-Wise Ownership of Micro and Small Enterprises

Table 3.3

Gender-wise Ownership micro and small of Enterprises

S.No.	Name of the Area	Male	Female	Total
1	A.Konduru	2	0	2
2	Agiripalli	2	0	2
3	Bapulapadu	1	0	1
4	Gannavaram	0	1	1
5	Gudivada	1	1	2
6	Jaggaipeta	2	0	2
7	Machilipatnam	3	0	3
8	Mylavaram	1	0	1
9	Nagayalanka	3	0	3
10	Nandigama	11	0	11
11	Tiruvuru	1	0	1
12	Vijayawada	48	7	55
	Total	75	9	84

Source: Computed

The table declares that out of 84 owners who can be designated as managerial leaders, 75 (89.28 per cent) are men and 9 (10.72 per cent) are women. Women entrepreneurs who act as managerial leaders are found largely in Vijayawada which is the financial capital of the state of Andhra Pradesh. Vijayawada being an urban and elite and rich area encouraged women to enter business and carry on the business activities as women managers and leaders. In Gudivada and Gannavaram there are 1 each woman managers running the enterprises. Gannavaram is a sub-urban area of Vijayawada city. The Vijayawada Airport is located in Gannavaram. It has the urban touch and more civilized and educated and favourable atmosphere for women to come up undertaking business activities. Gudivada is also can agro-rich and politically important area with enterprising class, coming from forward classes who imbibed the modern values of civilization in which there is no gender discrimination with respect to

participation of women in maximum number of activities in different areas of business.

3.4 Age-Wise Classification Of Managerial Leaders

Age is an important aspect of business orientation and commitment young and dynamic leaders draw inspiration from more expressed and matured leaders. The age-wise details are provided in table 3.4.

Table 3.4

Age-wise classification of managerial leaders

S.No.	Age-group	No. of Business Managers		
		Male	Female	Total
1	20-30	6	1	7
2	30-40	16	3	19
3	40-50	20	1	21
4	50-60	24	2	26
5	60-70	9	2	11
+	Total	75	9	84

Source: Computed

The table points out that the highest number of managers are in the age group of 50-60 with 24 men and 2 women followed by 40-50 group 20 men and 1 woman. 30-40 group 16 men and 3 women, the youngest age group 20-30 contains 6 men and 1 woman.

It can be inferred from the table that women coming from entrepreneurial classes and enterprising communities have been in business. Their experience taught them managerial techniques and made them carry on business with experience and knowledge gained over the years to sell themselves and achieve the goals of business. Every business firm aims at maximising profits and winning goodwill of the customers. It is a good indication that women in all the age groups are in the activity of managing business enterprises.

3.5 Women Managerial Leadership In Different Micro And Small Enterprises

Micro and small Business enterprise-wise female managers are presented in table 3.5.

Table 3.5

Business-wise female managerial leaders

S.No.	Name of the Business	No. of women
1	Cloth	1
2	Hotel	1
3	Fancy	2
4	Mini wholesale trade	1
5	General Merchants	2
6	Services	1
7	Readymade garments	1
	Total	9

Source: Computed

The table shows that women commercial interests and trading expertise took up the running of various business enterprises, such as cloth, hotel, fancy, mini wholesale trade, general trade, services, readymade garments. In general trade and fancy business, there are 2 women and in other businesses 1 woman each is running the firms. In some fancy and general mercantile firms the ownership is in the hands of some established business families.

The number of workers in regular category and daily wagers are also contacted to examine the state of labour management relations in the selected firms. The number of regular workers-wise particulars are provided in table 3.6.

Table 3.6
Number of regular workers-wise classification

S.No.	Name of Enterprises
0	5
1	42
2	23
3	3
4	2
5	1
6	0
7	1
8	1
9	2
10-20	1
20-30	1
30-40	2
Total	84

Source: Computed

The table says highest number of establishment (42) provided employment to one regular worker followed by 23 establishment providing regular work for 2. There are 5 establishments with no regular workers. It is found in the study that hotel Parkin Vijayawada provides employment to 30 regular workers and the same number of regular workers are found in the same category in Suraksha Hospital, Vijayawada. In Pratibha Offset Printing, Vijayawada while 20 workers are

regular workers while such workers are 15 in number in Surya printing Works, Vijayawada. The researcher identified certain enterprise like Hotel Parkin, Suraksha Hospital, Pratibha offset Printing all in Vijayawada employing 30 each 20 and 15 regular workers respectively.

3.6 Managerial Leadership and Empowerment of Women

The researcher observed how far empowerment of women indicators like selling and buying skills independent marketing, better business practices, which come under changes in women's labour patterns can be calculated in the study area. The researcher elicited information from the 9 women managerial leaders.

The researcher applied the women empowerment indicators suggested by the International Fund for Agricultural Development (IFAD).

The broad categories of indicators are described under 4 broad heads of changes:

1. Changes in women's mobility and social interaction.
2. Changes in woman is labour patterns.
3. Changes in access to and control over resources.
4. Changes in Infra-household decision-making.

I. Changes in women's mobility and social interaction

Women who have been running the business enterprises as women managers have attained the required changes. Changes in women's mobility and social interaction are shown in table 3.7.

Table 3.7

S.No.	Required Change	No. of Women		
		Gained	Not gained	Total
1	Greater self-confidence	8	1	9
2	Greater self-respect	7	2	9
3	Assertive role in Domestic sphere	7	2	9
4	Reduction in Domestic violence	8	1	9
5	Participation in community affairs	6	3	9
6	Participation in local elections	2	7	9
7	More freedom to visit parents	6	3	9
8	Paying visits to relatives	5	4	9
9	Freedom to need friends and visit them	6	3	9

Source: Computed

The table points out that most women gained self-confidence, self-respect and played assertive role in domestic sphere. As regards, participation in community affairs, and participation in community elections they are yet to find to change which is required. The freedom to meet friends and visit them is also satisfactory with 6 out of 9 positively answering, the question while asked. The domestic violence is negligible. It is found out that women in the oldest age group that is 60 to 70 are old fashioned and are accustomed to submitting to male chauvinism. The younger women are more vocal and strong in exercising their rights.

It is a good indication that women empowerment is gained through managing in business activity as leaders which strengthens them economically to gain respect and to find for their rights guaranteed.

Economic empowerment through business enterprises is possible to achieve the goal of women empowerment, as the study finds out.

II. Changes in women's Labour Patterns

Regarding the changes in women's labour pattern the gains are shown in table 3.8.

Table 3.8
Changes in women's labour patterns

S.No.	Required Change	No. of Women		
		Gained	Not gained	Total
1	Selling and buying skills	9	0	9
2	Independent Marketing	7	2	9
3	Better Business Practices	7	2	9

Source: Computed

The table presents that the new entrants into business are to gain. They are yet to acquire skills in better business practices. The senior women are well-versed in selling and buying skills. Independent marketing is an assert and it is gained by exercising individual competencies and experience. Only 2 women are unable to gain independent marketing abilities.

III. Changes in access to and control over resources

The researcher recorded the women's positive answers and indifference to answer some questions with regard to changes in access to and control over resources. The details are presented in table 3.9.

Table 3.9
Changes in Access to and control over resources

S.No.	Required Change	No. of Women		
		Gained	Indifferent	Total
1	Women's Assertive role in financial matters	8	1	9
2	Gaining new skills through training practices	7	2	9
3	Viable and disciplined family budget	7	2	9
4	Right to purchase their own real estate	8	1	9
5	Gaining skills for better pricing of their products	6	3	9

Source: Computed

The table asserts that women accepted that they play assertive role in financial matters. Such women are larger in numbers while those who are indifferent are very small in

number (1, 2, 2, 1, 3). This shows women have improved their status as economic assets.

IV. Changes in Intra-household decision-making

Table 3.10
Changes in intra-household decision making

S.No.	Required Change	No. of Women		
		Gained	Indifferent	Total
1	More assertive role in their children's education and health	9	0	9
2	Decision on recreation	7	2	9
3	Increased awareness to improve living standards of the family and community	7	2	9

Source: Computed

The table says that most of the women gained respect in playing assertive role in their children's education and health and in taking decisions on recreation. Their awareness has increased to improve living standards of the family and community. The essence of the table is that business enterprises when run on profitable margins empower women economically which in turn paves way for their holistic empowerment in all other spheres.

The researcher noted that 70 out of 84 (83.34 per cent) owners of proprietary concerns are aware of schemes like Advantage Andhra Pradesh Industry Mission Polices (Industrial Development Policy, 2015-20) Ease of Doing Business, Single Desk Policy, Public Service Delivery Guarantee Act, Electricity, Infrastructure Development, Industrial Corridors for Promotion of Micro-Small and Medium Industries in Andhra Pradesh. They are yet to make up their minds to utilize such facilities and add to industrial development of Andhra Pradesh.

3.7 Labour problems and employee employer relations in the selected micro and small enterprises

Labour Welfare measures increases the ability and willingness of the workers to work further firms to increase profits to be shared by both workers and management.

The term labour welfare covers not only the workers, but also their families.²⁰ Labour welfare is commonly known as Voluntary efforts and benefits given by the employer to employees for betterment of working conditions.²¹

Labour welfare measures are restricted to certain statutory guidelines and norms prescribed by any established agency, the government and own employers.²²

²⁰ Banks, S. (1995). Introduction to Ethics on Values in Social Work, Palgram, London, pp.1-7.

²¹ Jones, H. (1983). "Employers Welfare Schemes and Industrialised Relation in inter-war Britain", *Business History*, Vol.25, No.1, pp.61-75.

²² Harilal, K.N. *et al.* (2006). Power in global value chains: Implications for employment and livelihoods in the cashew nut industry in India, Summers Report International Institute Environment and Development (IIED), London. UK.

The researcher observed the maintenance of minimum wages as per the latest minimum wages for shops and establishments in Andhra Pradesh and the positive answers

are recorded and presented. The latest Minimum Wages for Shops and Establishment in Andhra Pradesh are provided in table 3.11.

Table 3.11
Latest Minimum Wages for shops and Establishment in Andhra Pradesh

S.No.	Class of Employment	Zone	Category	Basic per month Rs. Ps.	VDA per month Rs. Ps.	Total per month Rs. Ps.
1	Manager/Sales Manager/Security Officer/Computer Programmer	I	Shops	5357.00	5241.60	10798.60
2	-do-	II	Shops	5357.00	5241.60	10598.60
3	Clerk/Godown Incharge/Accounts Assistant/ Typist/Receptionist/ Lineman/stenographer/Clerk-cum-typist/Xerox Machine Operator/clerks in STD, ISD, FAX / Asst. Salesman	I	Shops	4102.00	5241.60	9343.60
4	-do-	II	Shops	3886.00	5241.00	9127.60
5	Asst. Manager/Accountant Supervisor/Purchaser	I	Shops	4722.00	5241.00	9963.00
6	-do-	II	Shops	4302.00	5241.60	9543.60
7	Pharmacist/Air conditioner / Plant Operator	I	Others	4722.00	5241.60	9963.00
8	-do-	II	Others	4520.00	5241.60	9761.60
9	Weighman/Kolgari	I	Commercial establishments	3886.00	5241.50	9127.60
10	-do-	II	-do-	3757.00	5241.60	8998.60
11	Salesman/Stenographer/ Receptionist/Auction Bider/Tradesman/Type Writer Instructor	I	-do-	4520.00	5241.60	9761.60
12	-Do-	II	-do-	4302.00	5241.60	9543.80
13	Peon/Attender/Watchman/Water Boy/Helper/Messenger/Security Guard	I	-do-	3700.00	5241.60	8941.60
14	-do-	II	-do-	3370.00	5241.60	8611.60
15	Manager/Field Officer/ Development officer/ Security Officer / office Incharge/ Computer Programmer	I	-do-	5557.00	5241.00	10798.60
16	-do-	II	-do-	5138.00	5241.60	10379.60
17	Computer Operators	I	-do-	3886.00	5241.60	9127.60
18	-do-	II	-do-	3757.00	5241.60	8998.60
19	Accountant/Asst.Manager/ Sales Executive / supervisor/ Purchaser/ Store Keeper / Agent/ Sales Promotion Employees	I	-do-	4722.00	5241.60	9963.60
20	-do-	II	-do-	4520.00	5241.60	9761.60
21	Salesman/Sales Representative / Bill Writer /Cashier/Tradesman	I	Shops	4520.00	5241.60	9761.60
22	-do-	II	Shops	4302.00	5241.60	9543.60

Source: The A.P. Minimum Wages CPI Notification 1st October 2019.pdf

An important finding is that out of the 84 business enterprises only 3 come under the purview of Employees Provident Fund Act. The Employees Provident Fund (EPF) Act is applicable to establishments who employ a minimum of 20 employees.

The Andhra Pradesh Shops and Establishment Act 1966 provides for regulation of conditions of work employment in shops commercial establishments and other establishments and for matters connected there with Establishments are refined as shop, a commercial establishment, residential hotel,

restaurant, eating-house, theatre or other places like public amusement or entertainment.

The Maharashtra Shops and Establishment Act 2017 encompasses medical practices, clinics, poly clinics, maternity homes, hospitals and dispensaries that employ 10 or more persons.

The provisions of the Act, do not apply to 95.24 per cent of the firms taken for study, because 80 of the 84 firms employ less than 10 employees. The employees state Insurance scheme alone applies to these business enterprises.

At present law on wages do not cover workers earning a monthly of more than Rs.18,000. The minimum wage will be applicable to all classes of workers. These include:

1. The Minimum Wages Act, 1948
2. Payment of Wages Act, 1936
3. Payment of Bonus Act, 1965
4. Equal Remuneration Act, 1976

Though these acts do not apply to the 80 business enterprises, the workers who are designated as regular workers and daily wagers, contract labourers, answered that there are some benefits offered to them by the employers as they (Employers) believe that satisfied workers are an asset to the organisation and they (workers) help in increasing the profits of the organisation feeling as if the organisation is a coveted asset.

A manager's success lies in his ability to get the best out of his subordinates (workers). Workers' satisfaction is measured in terms of their satisfaction with the benefits being received under different categories of labour laws. The Shops and Establishment Act applies to all the 84 enterprises taken for study. The categories of benefits are listed and presented under table 3.12.

The researcher compiled the respondents answer as regards their satisfaction with maintenance of the organisation. The payment of wages, the benefits, the leave facilities, maternity benefits, medical aid, family welfare, children's education, and provision for entertainment. The respondents answered to the effect that they are more satisfied, satisfied, and not satisfied. The sector-wise degrees of satisfaction-wise, details with respect to benefits, (employees employer relations) are provided in table 3.12.

Table 3.12
Sector-wise, benefit-wise, level of satisfaction-wise details of Employee and Employer relations

S.No.	Sector	Benefit	No. of Respondents			
			More satisfied	Satisfied	Not satisfied	Total
1	Agro-based	I,II,III ⁿ	1	1	1	3
2	Auto Engineering	I,II,III ⁿ	0	1	2	3
3	Cloth	I,II,III ⁿ	2	3*	1	6
4	Electricals	I,II,III ⁿ	0	2	1	3
5	Fancy	I,II,III ⁿ	0	2*	2	4
6	Furniture	I,II,III ⁿ	0	1	1	2
7	General Merchants	I,II,III ⁿ	5	10**	6	21
8	Hotel and Ice cream	I,II,III ⁿ	0	2*	1	3
9	Iron & Steel	I,II,III ⁿ	0	2	2	4
10	Medical	I,II,III ⁿ	0	5	2	7
11	Mini wholesale trader	I,II,III	0	1	0	1
12	Printing	I,II,III ⁿ	0	1	1	2
13	Readymade garments	I,II,III ⁿ	0	1	1*	2
14	Sales & Services	I,II,III ⁿ	0	2*	2	4
15	Textiles	I,II,III ⁿ	0	2	1	3
16	Timber Saw mill	I,II,III ⁿ	0	1	1	2
17	Transport	I,II,III ⁿ	0	1	1	2
	Total		8	38	26	72

Source: Computed

Note 1: Out of the 72 respondents 8 are women

Note 2: Category-I. 1.The payment of wages, 2.the benefits, 3.the leave facilities

Category-II: 4.maternity benefits, 5.medical aid,

Note 3: Category-III : 6.family welfare, 7.children's education, and 8.provision for entertainment I, II, III stands for 3 types of categories of benefits.

Note 4: *indicates one woman respondent

**indicates three woman respondents

Note 5: 'n' indicates dissatisfaction with the category of benefits

The table furnishes that the respondents are more satisfied with the benefits offered under two categories, Category I, Category II, in Agro based, Cloth, General Merchants sector. Cloth sector is a flourishing business sector, as cloth is one of the most basic necessities of people. General Merchants observing some traditions give some benefits on festive occasions like Dussehra and Deepavali and

on important occasions like the birthday of the founders. Respondents 8 in number reported that they are more satisfied with the first two categories of benefits. With respect to the third category which includes benefits related to family welfare, children's education and provision for entertainment, none of the respondents reported that they are satisfied. 26 respondents including 1 woman are dissatisfied with the

provision of category-III benefits by employers. There are 38 respondents with 7 women reported that they are satisfied with the payment of wages, benefits and leave facilities, maternity benefits and some sort of medical aid. Out of 72 respondents 26 (36 per cent) expressed dissatisfaction with respect to category-III benefits.

The essence of the table is that the managerial leadership in the micro and small business enterprises is able to satisfy 38

out of the 72 respondents including 7 women, besides 8 who are more satisfied. It indicates the ability of the manager to look into the welfare of their subordinates.

The researcher observed different styles of management in leading the business enterprises. The sector-wise, management leadership wise details are provided in table 3.13.

Table 3.13
Details of sector-wise management leadership styles in the micro and small business enterprises

S.No.	Sector	Types of Leadership styles				Total
		Auto-cra-tic	Demo-cra-tic	Autocratic, democratic	Employee oriented leadership	
1	Agro-based	2	0	2	0	4
2	Auto Engineering	2	0	1	0	3
3	Cloth	4	2	1	0	7
4	Electricals	2	0	1	0	3
5	Fancy	3	0	2	0	5
6	Furniture	2	0	0	0	2
7	General Merchants	10	7	4	4	25
8	Hotel and Ice cream	2	0	1	0	3
9	Iron & Steel	3	0	2	0	5
10	Medical	5	0	3	0	8
11	Mini wholesale trader	1	0	0	0	1
12	Printing	2	0	0	0	2
13	Readymade garments	2	0	1	0	3
14	Sales & Services	3	0	2	0	5
15	Textiles	3	0	1	0	4
16	Timber Saw mill	2	0	0	0	2
17	Transport	2	0	0	0	2
	Total	50	9	21	4	84

Source: Computed

The table declares that 50 of the micro and small enterprises follow the autocratic managerial leadership styles. It is to be kept in mind that all the business firms are proprietary concerns. They feel that businesses are their only assets. There is very little scope for democratic decision making because the entire investment is borne by the owners. The owners may be a family in which they are equal stakeholders. They are brought up with the belief that continuing business activities is upholding and respecting the precious heritage. The table also furnishes that in 21 business firms the autocratic and democratic leadership styles is adopted. The owners feel that democratic style of management is a natural transition in the present day era of liberalization, privatization and globalization. In furniture, mini whole sale trade, printing and timber sawmill and transport, because of small number of business concerns democratic decision making does not take place. But the decisions taken at the top are communicated explained to the subordinates and the subordinates get convinced with the benefits of the decision for the entire organisation. There is only one sector in

which the employee oriented leadership (4) is followed in addition to the largest number of firms adopting autocratic (10), democratic (7), and autocratic and democratic (4) styles of leadership. General Merchants believe that employee orientation impacts on the working of the employees as the employees feel their interests are also considered. With the cooperation of the employees coming from their bottom of hearts, they bring out their best to raise the organisation to highest possible level.

4. Findings and Suggestions

Findings

1. The main finding is that the business is run on the strong premise that they are the only assets they possess.
2. The micro and small enterprises are operated in such a way that there can never be an occasion to leave the business to be taken up by others as if they were sold out. To survive in business they tried to be successful in winning trust of their workers.

3. The senior member of proprietary concerns bequeath their managerial abilities to their family members who are nurtured and groomed in the family business culture, so that the practice continues as precious heritage.
 4. The family owning businesses are found to be flexible in inviting change and implement decisions to face challenges of the globalization whose business culture dictates enhanced skills in executing business plans.
 5. The woman managers bank upon their own family members reposing confidence and trust in family business empires.
 6. The firms employing no worker or a single worker can be described as those adopting purely authoritative management style.
 7. Hotel Parkin, Suraksha Hospital, Pratibha Offset Printing employing 30 each and 20 are the only concerns which attract the implementation of Employees Provident Fund and Miscellaneous Provision Act, 1952.
 8. The study reiterates that it is possible to achieve women empowerment through enhanced financial status women gained by managing business enterprises.
 9. For all the broad 4 women empowerment indicators the strong base is provided by their improved economic status, social interaction, marketing skills and independent marketing abilities.
 10. Different styles of managerial leadership styles are required for different socio-commercial conditions influenced by changes in business environment and life styles.
 11. Not one style of managerial leadership is applicable in all circumstances and business situation a mixed type of managerial as leadership styles provide the needed guidance to lead the organisation to success.
 12. 38 out of 72 respondents (52.78 per cent) are satisfied with payment of wages, benefits and leave facilities, maturity benefits and some sort of medical aid.
 13. Majority of the members (63.89 per cent) are able to win the satisfaction of their subordinates which indicates managerial leadership success.
 14. The ownership concerns are able to gain the trust of their workers. 72 per cent of the workers expressed that they have trust in their managerial leaders.
- extended to larger number of industries who can join as members.
 2. Despite decrease in the powers of Inspectors (once the situation was designated as Inspection Raj) some owners especially women managers report some sort of harassment.
 3. A committee may be formed to look into the problems of the small industries and prepare a report to the Government to address the problem.
 4. Despite the incentives under industrial development policy 2015-20 micro and small medium enterprises are unable to attract entrepreneurs. Because of the lesser profitability tag attached to such industries. It is observed by industrialists that not even one among thousand are willing to establish to micro and small units.
 5. The industrial associations had better suggests to the Government to bring suitable changes in industrial policies to make investment in micro and small businesses a profitable option.
 6. Globalization, cheap imports from China are posing problems leading to heavy competition for micro and small businesses. The Government may address the problem by declaring suitable protection policies.
 7. Workshops and seminars may be conducted for managerial leaders to increase awareness and offer training in organizing micro and small enterprises to expand on adopt viable managerial styles to generate more employment.
 8. Many of the small business owners are unable to gain from the incentives in benefit offered under industrial development policy 2015-2020, which approved benefits for Micro, Small and Medium Enterprises, Large Industries, Scheduled Caste and Scheduled Tribe Entrepreneurs, Backward class Entrepreneurs, Women Entrepreneurs and Mega Projects.
 9. To increase the effectiveness of managerial leadership in small business enterprises the proprietary concerns need be encouraged to expand their activities, to provide employment for more number of people, so that laws on wages and employees Provident Fund Acts and other legislation on wages would apply to the workers who in-turn promote the organisation physically, financially and socially too. It implies the corporate social responsibility of the business community.
 10. Business is an active process. Management is dynamic. A managerial leader should be flexible to adopt different styles of management, as the times demand to promote industrial development by increasing their business activities.

Labour Relations in the selected business establishments

Suggestions

1. The *laghu udyoga bharathi* – a registered All India Association has been working for the benefit of the small and micro units since its inception 1994. The number of branches and the coverage of district which were 250 and 450 respectively may be