



**EMPIRICAL EVIDENCE ON THE PERCEPTIONS OF MSMES ENTREPRENEURS ON OPERATIONAL MANAGEMENT
KNOWLEDGE, SKILLS AND BUSINESS GROWTH**

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EMPIRICAL EVIDENCE ON THE PERCEPTIONS OF MSMEs ENTREPRENEURS ON OPERATIONAL MANAGEMENT KNOWLEDGE, SKILLS AND BUSINESS GROWTH

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ABSTRACT

The purpose of this study was to analyse MSMEs entrepreneurs' perceptions of operational and management skills and its influence on business growth in Otjomuise residential area, Windhoek. The study analysed the perception of MSMEs entrepreneurs' operational management skills using quantitative research approaches. A sample of 16 owners, 29 employees, and 15 customers in the 16 MSMEs was drawn. The study found that MSMEs entrepreneurs perceived capacity building, financial management, customer service and marketing skills as the required operation management skills. Furthermore, they perceived customer service, marketing and financial management skills as crucial for business growth. It was equally found that MSMEs entrepreneurs' perception of the required operation management skills was misaligned. However, there was an association between financial management skills as an aspect of operation management knowledge and skill and business growth. There was an equally significant relationship on the views of the MSMEs entrepreneurs on customer service as a required operation management knowledge and skills and business growth. The study recommended that MSMEs entrepreneurs needed capacity building training in operations and management skills to be able to manage their business operations effectively and achieve business growth. The study concluded that MSMEs entrepreneurs needed to have appropriate operations and management knowledge and skills to be able to achieve business success. The study further concluded that business operation and management knowledge and skills enabled business growth. Also MSMEs entrepreneur who had business operations and management skills achieved faster business growth.

Keywords: SME, Operations Management, Skills, Business Growth, Business Owners, Entrepreneur

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INTRODUCTION

Business operation management knowledge and skills of the Macro and Small Medium Enterprises (MSMEs) entrepreneurs' and the success of the emerging MSMEs have raised concerns in the business fraternity. MSMEs entrepreneurs with effective management skills are most likely to affect the management of employees (Ngima & Kyongo, 2013; Kivuva, 2015), increase productivity (Bekele & Worku, 2008) and attain business growth (Nambira & Indongo, 2017). Positive influences from line MSMEs managers affect employee commitment (Darryl, 2014) to run business and add value to the MSMEs prosperity. Improvement of the entrepreneurs' quality of management skills is crucial for running business affairs (Darryl, 2014). Businesses that have a concise management framework tend to attain a quality management system essential for running business operations and attaining business growth and sustainability (Pojasek, 2007). Consequently, MSMEs' managers play a vital role in managing and running the operations of the business.

Problem Statement

Business operation management knowledge and skills are prerequisites in running the operations of the business and ensure its sustainability (Newton, 2001) and success in the world of stiff competition (IIMD, 2000). Sustainable business operation management knowledge and skills depend on the systematic process of running and controlling of business operations in the areas of, for example, purchasing, production, control, accounting and finance, marketing (Herzig & Müller, 2002) and managing human capital or employees' commitments (Kivuva, 2015). Managers with effective management skills tend to use a consistent management framework to run the day to day operations of the business and make sound business decisions (Eccles, Perkins & Serafeim, 2012).

Frank and Newton (2001), list a hierarchy of management competencies and traits which are essential and advantageous in running the emerging MSMEs operations. These skills are aspects of 'leadership championing' and lined as 'visioning, planning, strategizing, softer skills and communication, entrepreneurialism basic Management Skills, literacy, numeracy, and computer literacy. Gasse (1997) listed key management competencies that are essential for running business operations such as vision, people management, operations, resources, and strategies. Attainment of these skills is essential for running MSMEs' business operations.

Despite the importance of management operation skills, less has been done to improve entrepreneurs' business management knowledge and skills (Neeta, Nambira & Gomsos 2016). Currently, the lack of operational management knowledge and skills are evident especially among small businesses compared to large ones (OECD, 2002). The difference of operation management knowledge and skill between small and large business emanate from skill deficits (Lyon, Ranzani & Rosati 2012) which are obvious to small than large businesses. Further, skill differences are attributed to the lack of information and the financial instability of small businesses. As such, MSMEs businesses are run on try and error mode (Howgego, 2016) than adapting systematics business operation management framework. It is evident that business that lacks systematic operation management frameworks fail to prosper compared to those that apply effective operational management knowledge and skills; and that effective entrepreneurs solidify the organisation operations (Chalmers, 1991). Henceforward, this explorative study gathered views from the perspectives of the owners of MSMEs in Otjomuise with the intention of analyzing the entrepreneurs' management knowledge and skills in running business operations

and the influences it has on the business growth and competitiveness.

Research Questions and Hypotheses

This study was triggered by the following research questions and hypotheses:

- What are the views of entrepreneurs on the operation management knowledge skills and business growth?

H0₁: MSMEs entrepreneurs conceived that business operation management knowledge and skill are needed to attain business growth.

- What are the required operation management knowledge and skills of MSMEs entrepreneurs and their influence on business growth?

H0₂: The required operational management knowledge and skills of the MSMEs entrepreneurs influence business growth.

LITERATURE REVIEW

The concept of operations management skill

Gilbreth (2014, p. 1) defines operation management skills as “an act of designing and controlling the process of production and redesigning business in making goods or services. Operation management skills guarantee that business operates competently by using as few resources as required while meeting the customers’ demands and expectations”. Mitchelmore and Rowley (2013, p. 127) enunciate that “operations management skills have been identified as specific skills set or competencies relevant to the exercise of fruitful entrepreneurship”.

The concept of business growth

The Pitcher Partners Growth (2012) defines business growth by reflecting several components such as sales growth, market expansion, and business value growth. In addition, business growth is “all firms with average yearly growth greater than twenty percent

per annum, over a three year period, and with ten or more personnel at the start of the scrutiny period” (Audretsch, 2012, p. 3). Doub and Edgcomb (2005) define business growth as a rise in business revenue or sales. In essence, business growth implies positive business development.

Operations management knowledge

Operation management knowledge and skill is the applied understanding or useful knowledge for management, production, service, and innovation in industries rather than broader social and scientific knowledge (Gao, Li, & Clarke, 2017, p. 5). According to Bell (1973, p. 4) operations, management knowledge and skill is a set of prearranged statements of business ideas, presenting a business reasoned judgment or business experimental result, which is conveyed to others through some communication medium in some systematic form or in general meaning. In addition, business operations management and skills constitute the primary activities of a business. Business operations knowledge is normally concerned with making the value chain work within and beyond the firm (Slack, Chambers, and Johnston, 2010, p. 1075). Mentzer, Stank, and Esper (2008, p. 1076) conceive business operations knowledge and skills as the use of analytical tools and frameworks to improve business processes that cross internal functional boundaries. Timmons and Spinelli (2009, p. 227) allude that “operations management skills include sourcing, communication, managing financial resources and managing or minimizing risks”. The entrepreneurs’ proficiency in some business aspects promotes business success (Kruger, 1996).

Operation management knowledge, skills, and business growth

Macro Small and Medium Enterprises (MSMEs) play a crucial role in economic development and job creation (Barbero, Casills, & Feldman, 2011). However, for MSMEs to do so, the entrepreneur

needs to possess diverse business operational attributes, skills and knowledge that are required to achieve business growth and success. Effective business communication skills can help MSMEs entrepreneurs to achieve business success and growth. Business communication skills are critical to the success of the business (Arab British Academy for High Education, 2011). Furthermore, MSMEs entrepreneurs need to have management, marketing, and information system capabilities to achieve business growth. According to Zehir, Acar, and Tanriverdi, (2006), skills in marketing, management, and information system enhances business.

Wiklund and Shepherd (2003, p. 17) found that higher educated entrepreneurs are more likely to manage a faster-growing business. Contrary to this conception, some studies found that entrepreneurs are able to run a business and succeed without desirable business management knowledge, skills and experience. Okpara and Wynn (2007, p. 67) contend that there is a negative relationship between management experience and small business failure while Barbero, Casills, and Feldman (2011) vied that there is a link between MSMEs performance and manager's education, prior experience and business knowledge. □

In post-capitalist society, knowledge was considered as an important resource to business growth Cheng, Yeh, and Huang (2012, p. 59). While this business knowledge is crucial, Naobeb (2011) found that MSME entrepreneurs in Namibia do not have adequate knowledge in presenting or introduce products to customers and take business opportunities. Manmohan (2004, p. 150) emphasises that skills development in operations is key to the competitiveness and growth of MSMEs. Supporting this notion, Nutt (2011, p. 860) vies that business knowledge help supports managers in making choices under uncertainty and reduce the risk of failure.

Business knowledge plays a pivotal role in product research and development. It enables the MSME entrepreneurs to innovate new products and retaining a competitive edge (Info, 2009). The implementation of entrepreneurs' knowledge, Business operations knowledge and skill can be an asset to business operations success. Business operations knowledge allows entrepreneurs to successfully implement, with values of the workforce, an organized technique that boosts business performance and creates a competitive advantage (Vraimaki, 2015, p. 1124).

Appropriate business knowledge implementation create a chain of crucial business strategic benefits such as increased productivity (Chang and Gurbaxani, 2012, p. 1118), produce stakeholder value (Brown and Perry, 1994, p. 1118), develop customer loyalty (Lin, Su, and Chien, 2006, p. 1118), enhance innovation (Darroch, 2005, p. 1118), facilitate the implementation of online business (Lin and Lee, 2005, p. 1118), rise market value (Choi and Jong, 2010, p. 1118), develop intellectual assets (Rastogi, 2002, p. 1118), increase business performance (Choi, Poon, and Davis, 2008, p. 1118 Fugate, Stank, and Mentzer, 2009, Lee and Choi, 2003, p. 1118; Malhotra, 2005, p. 1118; Tanriverdi, 2005, p. 1118; Zack, McKeen, and Singh, 2009, p. 1118).

Business operations knowledge and skill initiate innovations in business operation activities and allow greater organizational performances (He and Wong, 2004, p. 1223; Fugate, Stank, and Mentzer, 2009, p. 1223; Silva, Gomes, Lages, and Lopes, 2014, p. 1223). Possession of business knowledge gathered over the years of operation positively affects the performance outcomes of small businesses (Cooper, Gimeno-Gascon, and Woo, 1994, p. 217; Dimov and Shepherd, 2005, p. 217; Gimeno, Folta, Cooper & Woo, 1997, p. 217).

Knowledge management is also crucial for exploiting business relationships and extract value from the

external networks of the organization. As a principal driver of business growth, business operations knowledge and skill as an intangible asset, has replaced tangible assets (Boisot, 2002, p. 1102). Business knowledge plays a crucial role in the development of and maintaining a competitive advantage through innovation in both products and services (Quintane, Casselman, Sebastian, & Nylund, 2011, p. 842). Hence, business knowledge is a fundamental tactical resource that creates a sustainable competitive advantage especially in new, challenging markets as well as in existing markets that face stormy changes or unproductivity (Millar, Lockett, and Mahon, 2016, p. 845). Business knowledge is important for using business connections and extracts value from external networks of the business (Giudice and Maggioni, 2014, p. 842). Leek and Christodoulides (2012, p. 473) argue that business-related knowledge help MSMEs entrepreneurs acquire customers, especially in the early stages of customer-supplier relationships, by reducing the perceived risk of customers and creating trust with unfamiliar suppliers.☐

Decisions relating to strategy, allocation of resources or competitive responses depend on MSMEs entrepreneur business operations knowledge of finances, customer trends and competitive action (Millar et al., 2016, p. 846). Business operations management knowledge and skill are deliberated as one of the most vital assets in business (Sousa, Aparicio, and Costa, 2010, p. 3; Nonaka, Toyama, and Konno, 2000, p. 3). Business operations knowledge has a positive impact on operational and organizational performance (Chen and Huang, 2009, p. 4; Fugate, and Mentzer, 2009, p. 4; Bordoloi, and Islam, 2012, p. 4). Entrepreneurs with business operations knowledge are more likely to bring business opportunities, business networks, reduce

risks of transaction costs and improve access to business ideas (Misra, 2007). Thus, business management knowledge is an important asset for MSMEs' global competition (Aylin, Garango, Cocca, and Bititchi, 2013, p. 193).☐

Theoretical Orientation

This study used Kaizen's philosophy (Prošić, 2011) of which Six Sigma (1985-87) and Lean Sigma business theories are anchored. The use of Six Sigma and Lean Sigma is necessary for understanding the role of business operation management knowledge and skills and how business excels to the maximum achievement. Kaizen philosophy considers quality control as a tool for improving the efficiency of business operations. According to Prošić (2011), Kaizen entails sorting and reconstruction of business processes, systems, products, and services. Furthermore, Kaizen philosophy is concerned with teamwork while Six Sigma and Lean Sigma entail quality control and systematic approach to reducing waste. These skills are essential to MSMEs entrepreneurs.

The combination of Kaizen's philosophy, Six Sigma, and Lean Sigma brings about operations management knowledge and skills which focus on controlling the production process and business operations efficiently. MSMEs entrepreneurs who apply operations management knowledge and skill tend to ensure that businesses use limited resources to attain the quality of products and meet the customers' expectations. Thus, employees' skills, creativity, rational analysis and technological knowledge are essential for running business operations. This conception coincides with what Lewis and Myers (2011) termed Frederick Taylor's legacy and contribution to business management.

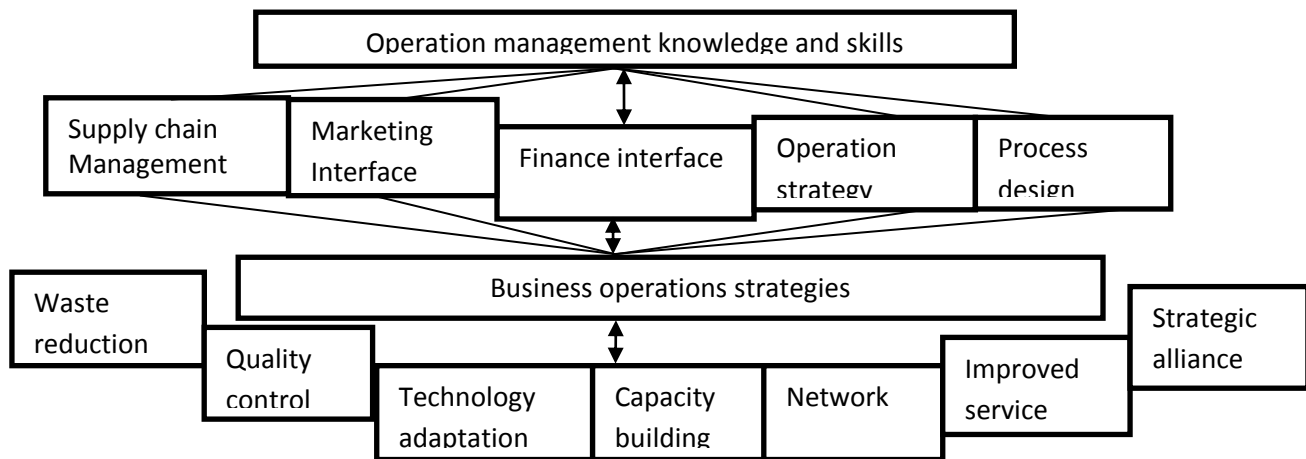


Figure 1: Conceptual Model - MSMEs Operation management knowledge and skills and business growth

There are dialectical connections between constructs that link business operation management knowledge and skills and business success. MSMEs entrepreneurs are expected to manage the supply chain of goods and services from the point of production to the endpoint of the consumers of the business products. This skill is essential in ensuring that business products are produced and supplied efficiently. This process requires the desired level of marketing knowledge that includes the demand for the products, service and customers' values. Meeting customers' satisfaction requires a face value market research on the customers' expectations. MSMEs entrepreneurs' desirable level of financial management knowledge and skill that includes capital control, choices of investment, asset control and inventories are prerequisites for business success. Financial management skills are essential in determining the business growth and its entire diversification. The expected expansion of the business requires stiff control of service operations and coping mechanisms that strike a balance between delivery and consumption of goods and services. Business expansion requires a concise mechanism for measuring business performances and aligns the performance of other business operation strategies. In order to advance and stay in the

market, process design and improvement skills are essential. Business without innovation or the injection of new ideas faces the challenges of competitive advantage.

Operation management knowledge and skills have a tremendous influence on business operation strategies. There is a flow chain of gains that businesses achieve when the operation management skills of MSMEs entrepreneurs are intact. These are reducing waste and sustain the high quality of product and service while controlling costs of production and attain cost-effectiveness of service delivery. The business growth increases its ability to integrate technology and control mechanisms into the operation processes. The integration of technology enables the business to perform effectively and efficiently. The advances in technology require a team of skilled workers. Continue training or capacity building enables employees to cope with new trends in development and enable the business to become competitive. To attain a competitive advantage, the business cannot work in isolation. The skilled entrepreneurs in networking learn from those with experience in business networking and thus implement the best practices by forming partnerships and strategic alliances.

METHODOLOGY

Overall, the purpose of the study was to analyse the perceptions of MSMEs on the essence of operation management knowledge and skill. The study intended to get insight into the entrepreneurs' perception of the required business operation management knowledge and skills and the influence it has on business growth. This research was grounded in a positivist worldview. The researcher used the quantitative method to describe the extent to which operational management knowledge and skills affect business operations. The survey research design using a specifically survey questionnaire was used to collect data from the participants of the study. The population for the study was 62 participants that comprised of 17 owners, 29 employees and 16

customers unit of analysis. A total sample of 17 MSMEs owners was holistically drawn. The 29 employees were drawn based on the period they had worked with the business from the information received from the MSMEs business owners. The 16 customers were drawn based on their availability at the time of site visit.

FINDINGS

Views on operation management knowledge, skills, and business growth

The respondents were asked to express their views on whether MSMEs entrepreneurs need to have business operation skills and knowledge to attain business growth.

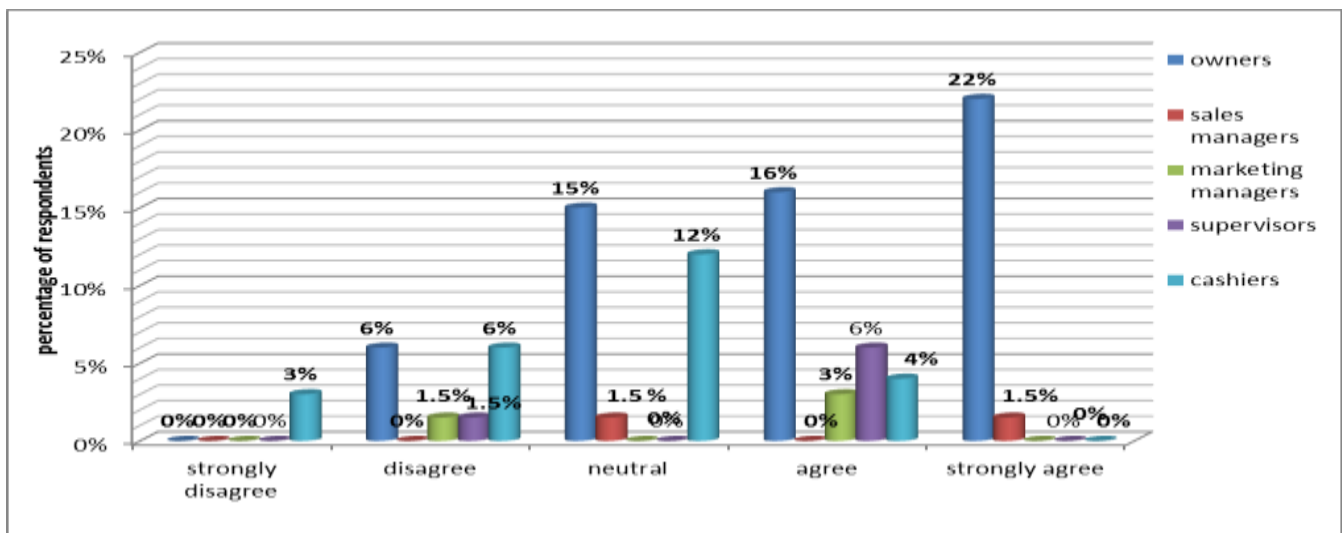


Figure 2: Views on entrepreneur's need for business operations management skills, knowledge and business growth

The results in figure 2 showed that 22% of MSMEs entrepreneurs strongly agreed, 16% agree, 15% were neutral and 6% disagreed that entrepreneurs need to have business operations management skills and knowledge to achieve business growth. Surprisingly, only a fraction (1.5%) of the sales managers strongly agreed and 15% were neutral regarding the need for business operation management knowledge and skills of MSMEs entrepreneurs was a prerequisite for

business growth. Regarding the marketing managers, only 3% agreed and 1.5% disagreed that business operation management knowledge and skill of MSMEs entrepreneurs were a prerequisite for business growth. A proportion of the supervisors 6% agreed while 1.5% disagree that business operation management knowledge and skill of MSMEs entrepreneurs was a prerequisite for business growth. It was interesting to note that 12% of the

cashiers were neutral while 6% disagreed and 3% strongly agreed.

Mean and Standard deviation of operation management skills knowledge and s growth

The central tendency statistics were computed to determine the frequency distribution of the score and the deviation from the mean.

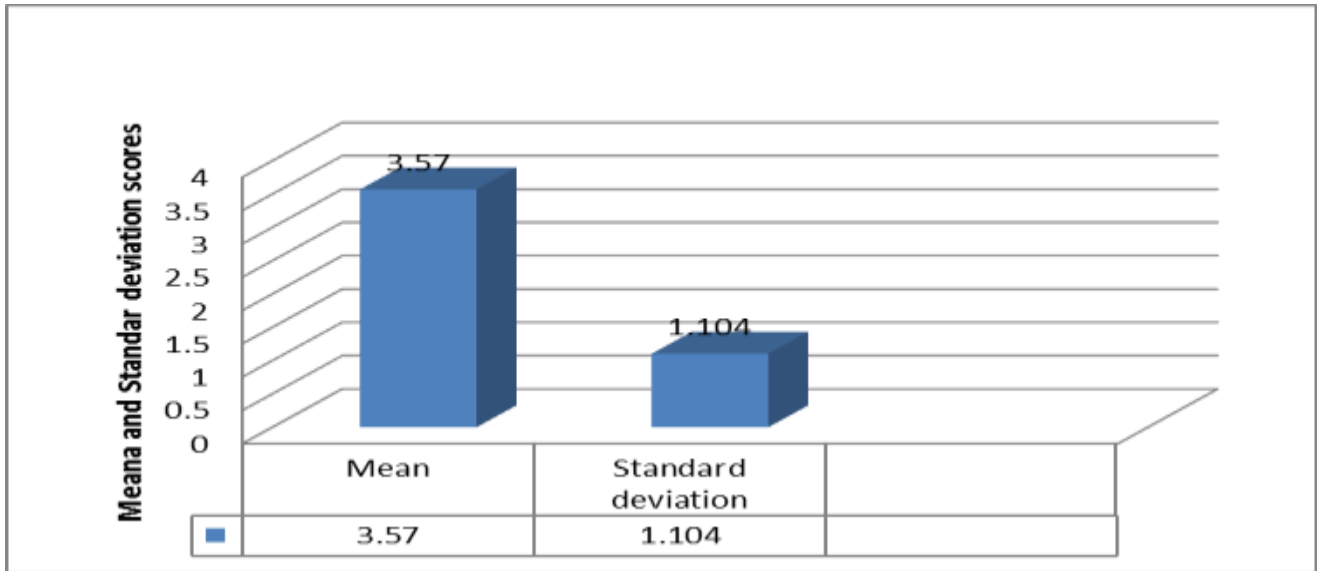


Figure 3: Mean and Standard deviation of operation management skills knowledge and business growth

The mean score of 3.57 and a standard deviation of 1.104 presented in figure 3 infer that respondents view that business operation management knowledge and skill of the MSMEs entrepreneurs as an enabler to business growth.

Analysis of group mean differences in operation management skills knowledge and business growth

Five predictors were used to predict the views of the entrepreneurs on operation management knowledge and skills and business growth. ANOVA was computed to determine the mean differences of the

five groups and infer the findings to the hypothesis. The outcome of variance analysis in table 1 showed a significant relationship between MSMEs entrepreneurs' operation management knowledge and skill and business growth (sum of square=49.08, df4. $F=4.8, p=.002$), accepting the alternative hypothesis that operation management knowledge and skill of MSMEs entrepreneurs influence business growth.

Table 1: Variance analysis of MSMEs entrepreneurs' operation management knowledge, skill, and business growth

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	49.081	4	12.270	4.805	.002
Within Groups	158.322	62	2.554		

The likeliness between observation and the hypothesis

The chi-square analysis attempted to analyse the likeliness between the observation and the

hypothesis that business management knowledge and skill determined business growth. The results were presented in counts in table 2 and in chi-square in table 3.

Table 2: Views on the MSMEs entrepreneurs on operation management knowledge skills and business growth (in counts)

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
MSMEs Owners	0	4	10	11	15
Sales managers	0	0	1	0	1
Marketing Managers	0	1	0	2	0
Supervisors	0	1	0	4	0
Cashiers	2	4	8	3	0

There were markedly different views of the MSMEs entrepreneur's responses to the operation management knowledge and skills and business growth. MSMEs entrepreneurs strongly agreed that

operation management knowledge and skills affect business growth (11 agreed) compared to sales manager (1strongly agreed), marketing manager (2 agreed) supervisors (4 agreed) and cashier (3agreed).

Table 3: Chi-square results on MSMEs entrepreneurs' views on operation management knowledge skills and business growth

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	30.038a	16	.018
Likelihood Ratio	35.991	16	.003
Linear-by-Linear Association	13.589	1	.000

The chi-square results ($\chi^2=30.08$, $df=16$, $p>.018$) showed a significant association between the MSMEs entrepreneurs' positions and the operation

management knowledge and skill and business growth thus accepting the hypothesis that operation management knowledge and skill influences business growth.

The required operations management skills to run a small business

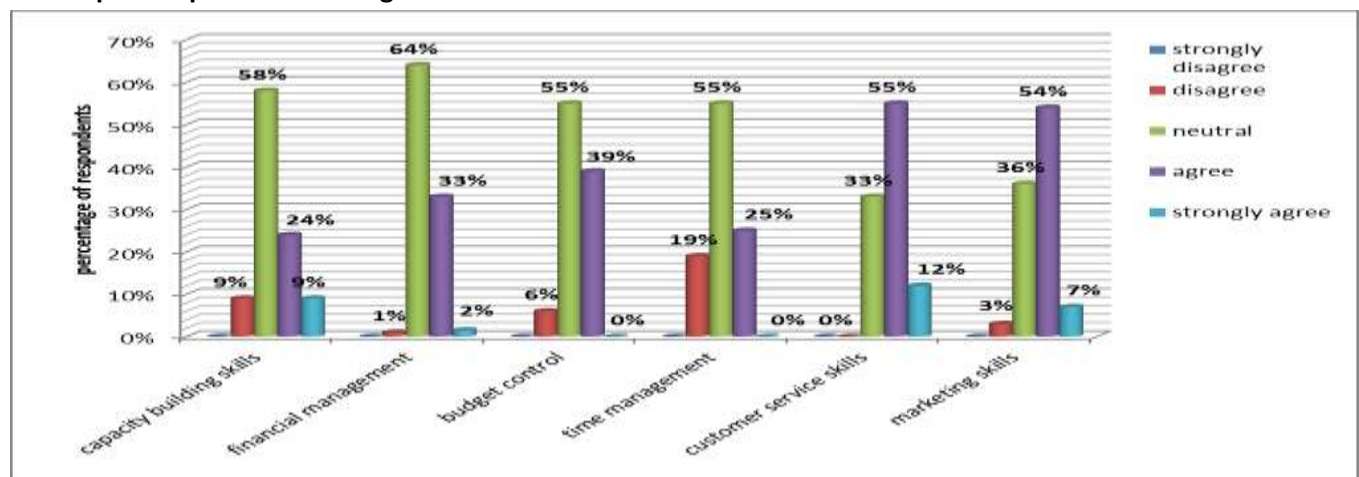


Figure 4: The required operations management knowledge and skills to manage a small business

Regarding the operation management knowledge and skills to run the business, the respondents were asked to respond on a five-point scale on six operation skills that MSMEs entrepreneurs required to have to run a business and attain the desired growth. The findings show 58% of the respondents indicated neutral compared to 24% who agree, 9% who disagree and 9% who strongly agree that capacity building skill is required to successfully manage the business operations. On Financial Management Skills, More than half, (64%) of respondents were neutral, while 33% of respondents agreed, 2% strongly agreed and 1% disagreed that financial management skill is required by MSMEs entrepreneurs to manage business operations. On Budget Control the findings revealed that 55% of respondents were neutral

regarding the necessity of budget control and time management as required operation management skills to manage business compared to 39% who indicated neutral and 25% who and 6% who disagreed. On-time management, 55% indicated neutral, 25% agreed and 19% disagreed respectively. About Customer Service Skills, more than half (55%) of respondents agreed that MSMEs entrepreneurs require customer service skills to manage the business and enable it to grow compared to 33% who opted neutral 12% of the respondents who strongly agreed. On the Marketing Skills, the findings revealed that 54% of the respondents agreed, 36 % indicated neutral, 3 disagreed and 7 strongly agreed that MSMEs entrepreneurs require marketing skills to manage business operations and achieve growth

Mean and Standard deviation of required business operation management knowledge and skills

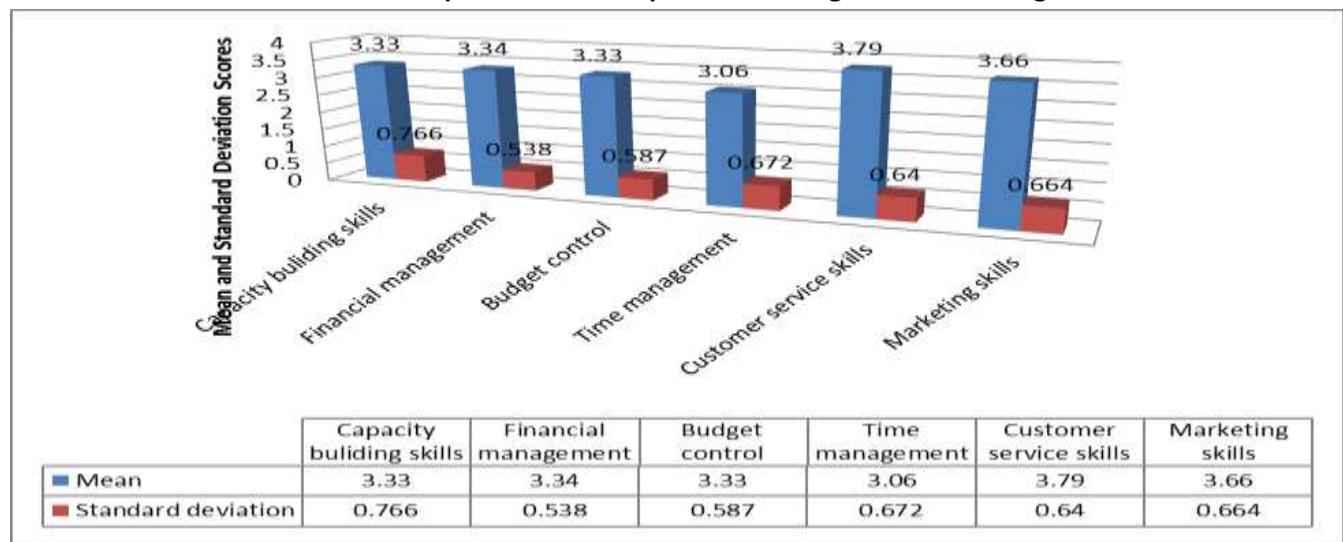


Figure 5: Mean and standard deviation scores of required business operation management knowledge and skills

Figure 5 presented the mean and standard deviation of MSMEs entrepreneurs' responses on the required operation management knowledge and skill to manage the business. Considering the mean scores of the MSMEs entrepreneurs' responses, most of the respondent fell on the mid score indicating not being sure on the extent to which capacity building (3.33), financial management (3.34), budget control (3.33)

and time management (3.06) influences business growth. Comparably, the MSMEs entrepreneurs' conceived customer service with a mean score of 3.79 and a standard deviation of 0.64 and marketing mean 3.66 and a standard deviation of 0.664 as essential operation management knowledge and skills to enhance business growth.

The assumption of variance across the sample

The homogeneity of variance was used to test the equality of variance through the sample. Levine statistics were observed to verify the assumption regarding the assumption that entrepreneurs require business operation knowledge and skill to affect business growth.

Table 4: Homogeneity test on MSMEs entrepreneurs required business operation management knowledge and skills

Test of Homogeneity of Variances				
	Levene Statistic	df1	df2	Sig.
Capacity building skills	1.168	4	62	.334
Financial management skills	7.913	4	62	.000
Budget control skills	.773	4	62	.547
Time management skills	1.235	4	62	.305
Customer service skills	.602	4	62	.663
Marketing skills	1.989	4	62	.107

The test of homogeneity variance on MSMEs' entrepreneurs' view on the required business operation knowledge and skill showed that there is an association between financial management skills as an aspect of operation management knowledge and skill and business growth only (Levene=7.913;df1=4;df2=62;p=.000).

Analysis of group mean differences on the entrepreneurs required business operation management skills

Table 5: Variance analysis of the MSMEs entrepreneurs required business operation management skills

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Capacity building skills	Between Groups	2.141	4	.535	.906	.466
	Within Groups	36.635	62	.591		
	Total	38.776	66			
Financial management	Between Groups	2.059	4	.515	1.872	.127
	Within Groups	17.046	62	.275		
	Total	19.104	66			
Budget control	Between Groups	.739	4	.185	.520	.722
	Within Groups	22.037	62	.355		
	Total	22.776	66			
Time management	Between Groups	2.224	4	.556	1.252	.299
	Within Groups	27.537	62	.444		
	Total	29.761	66			
Customer service skills	Between Groups	4.015	4	1.004	2.699	.039
	Within Groups	23.059	62	.372		
	Total	27.075	66			
Marketing skills	Between Groups	1.269	4	.317	.707	.590
	Within Groups	27.835	62	.449		
	Total	29.104	66			

Interestingly, the analysis of variance showed a significant relationship on the views of the MSMEs entrepreneurs on the customer service as a required knowledge as an aspect of operation management knowledge and skills and business growth (sum of square=4.015; df66; mean square=1.004; F2.699; $p.039$). This finding infers that customer service skills boost business growth. The remaining operation management knowledge and skill were not influential to business growth.

RECOMMENDATION POLICY IMPLICATION AND CONCLUSION

The findings regarding the MSMEs entrepreneurs' views on the need for business operation management knowledge and skills in order to attain business growth show that owners of MSMEs see the need for having these skills compared to those employed and holding a different position in the business. Despite these differences, the mean scores show that MSMEs entrepreneurs view operation management knowledge and skill as essential to entrepreneurs. It thus makes sense if operation management knowledge and skills are prerequisites to business growth. Entrepreneurs who own business and possess operation management knowledge and skills are able to drive the business to greater heights. Furthermore, the findings show a marked association between MSMEs entrepreneurs' operation management knowledge, skill, and business growth; accepting the notion that operation management knowledge and skill of MSMEs entrepreneurs influence business growth.

About the required operations management knowledge and skills to run MSMEs, the entrepreneurs agreed that customer service skills and marketing skills are the most required operations management knowledge and skills to run MSMEs. In addition, the means score centred on the midscale indicating an aspect of central tendency error specifically on time management, budget control, and

financial management, and capacity building. This implies that the entrepreneurs were not sure about the extent to which the remaining skills apart from marketing and customer service skills as essential operation management knowledge and skill to boost business growth. Interestingly, a test of homogeneity of variance and ANOVA revealed a significant association between financial management and customer service operation management knowledge skill and business growth. The latter findings revealed that MSMEs entrepreneurs require financial management and customer service skills to be able to boost business growth.

In considering the findings, it is recommended that the MSMEs owners should use capacity building programme as a tool for extending the understanding of the essence of operation management knowledge and skills to train a team of staff employed in the business. These understandings will build a team spirit that is geared toward advancing the business growth. The significant association between marketing, customer service, and financial management skills with business growth implies that these skills are essential for growth. The MSMEs entrepreneurs should improve these skills and ensure that the business employees work as a team to improve customer service, financial management and market the business and the products. It was found that the MSMEs view some operation management knowledge and skills as essential than others. It is recommended that MSMEs entrepreneurs should integrate a wide range of operation management skills to be able to attain business growth. Hence, the MSMEs entrepreneurs should strengthen the business network and establish strategic alliance practices to be able to emulate the best operation management knowledge and skills from best business practices.

These findings pose several policy implications. The foremost effective policy implication lies in raising the capacity of MSME through training in the areas of


operation management of a business. It is also essential to raise the understanding of the holistic importance of mainstreaming all components of business operation management and skills since marketing skills or customer service cannot be effective in isolation. A piece of strong knowledge and skill in financial management especially budgeting is necessary to affect business growth and give room to business diversification.

In considering the findings, there is a strong perception of MSMEs entrepreneurs on the

significance of operation management knowledge and skill and business growth. Reflecting on the required skills, there is a misalignment on the perceptions of the MSMEs entrepreneurs on the essence of operation management knowledge and skills. The misaligned perception of the required operation management skills of MSMEs entrepreneurs on the components of operation management may negate the business growth.

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