

## The administrative process: A business management tool for the sustainability of micro-businesses in Sucre -

El proceso administrativo: Una herramienta de gestión empresarial para la sostenibilidad de los micronegocios en Sucre – Manabí

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### ABSTRACT

This research is part of the results of the training project "Sustainable Entrepreneurship" from the educational practice to strengthen the professional and organizational activity, ULEAM Sucre", which among one of its approaches is to diagnose the current situation of enterprises in the area. This research was carried out with the objective of analyzing the administrative process of the micro businesses located in the Cesar Rupertti Dueñas avenue of the Leónidas Plaza parish, Sucre - Manabí, to know its incidence in their business management and to obtain true information that allows the understanding and development of the present one. In order to end the administrative misinformation by small traders and / or entrepreneurs in the locality, thus managing to stay in the labor market, generate employment for others and

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promote economic growth in the country. Therefore, a qualitative-quantitative research was carried out through a descriptive study, since it identifies elements and characteristics of the problem, with the application of the deductive method and the survey research technique, which were of great help in gathering information. As a result, most of the owners of the microbusinesses have defined their objectives, half of them have a control of income and expenses, few have an accounting system and inventory, and almost all have the corresponding permit . In short, it shows that most of the small business owners have not yet defined the goals to be achieved, which does not ensure that the effort made throughout the process was worthwhile. It should be emphasized that to devise and improve the sales plan of a business to achieve economic growth, which all entrepreneurs seek, more knowledge and prior training is needed.

**Keywords:** SMEs, entrepreneurs, management, accounting system, economic growth.

## RESUMEN

La presente investigación es parte de los resultados del proyecto formativo “Emprendimiento Sostenible” desde la práctica educativa para fortalecer la actividad profesional y organizacional, ULEAM Sucre”, que entre unos de sus enfoques es diagnosticar la situación actual de los emprendimientos de la zona. Esta investigación se realizó con el objetivo de analizar el proceso administrativo de los micros negocios ubicados en la avenida Cesar Ruperti Dueñas de la parroquia Leónidas Plaza, cantón Sucre – Manabí, para conocer su incidencia en la gestión empresarial de los mismos y obtener información verídica que permita el entendimiento y el desarrollo de la presente. Con la finalidad de acabar con la desinformación administrativa por parte de los pequeños comerciantes y/o emprendedores de la localidad, logrando así mantenerse en el mercado laboral, generar empleo para las demás personas y promover el crecimiento económico en el país. Por tanto, se efectuó una investigación cuali-cuantitativa mediante un estudio descriptivo, ya que identifica

elementos y características del problema, con la aplicación del método deductivo y la técnica de investigación la encuesta las cuales fueron de gran ayuda para recabar la información. Dando como resultado que la mayoría de los propietarios de los micros negocios tienen definidos los objetivos, la mitad de ellos lleva un control de egresos e ingresos, pocos cuentan con un sistema contable e inventario y casi todos con el permiso correspondiente. En definitiva, muestra que la mayor parte de los pequeños comerciantes antes de situar su local aún no tiene definido las metas a alcanzarse lo que no asegura si el esfuerzo realizado durante todo el proceso valió la pena, cabe recalcar que para idear y mejorar el plan de ventas de un negocio para lograr el crecimiento económico, que todos los emprendedores buscan hace falta mayor conocimientos y una capacitación previa.

**Palabras clave:** PYMES, emprendedores, administración, sistema contable, crecimiento económico.ç

## INTRODUCTION

If more people took into account that "microenterprises are of great importance for Ecuador, Latin America and the world for their ability to generate employment and income contributing to the national productive apparatus and boosting economic activity" (Ruth Yadira Sumba Bustamante, 2018, p. 2) would help to evolve this area leaving many doors open in its path. This means that businesses that operate with less than 9 workers and a sales level up to one hundred thousand dollars, dedicated to commercial, service, industrial activities, such as: neighborhood stores, clothing vendors, pharmacies, hardware stores and among other businesses, make up a small business generating great changes in the economy of a country.

This research is based on the most important part of a business or enterprise, which is the administration. The study site of the present study is located in the province of Manabí, canton Sucre, parish of Leonidas Plaza, specifically throughout the avenue Cesar Ruperti Dueñas (GAD Municipal Sucre, 2016) in which there are several small businesses and enterprises.

In a preliminary investigation of the premises located on that avenue, we were able to identify some problems totally related to the administrative part and their permanence in the labor market.

The business environment is very dynamic and uncertain...therefore, micro, small and medium-sized enterprises (MSMEs) are the most vulnerable and uncertain to face changes. Since, despite representing the engine of the economy and job

generation, they lack either profits, planning or competitiveness, which, in many cases, causes their closure even before reaching five years of operation. (Becerra Bizarrón & Cortes Palacios, 2018, p.1)

By means of an exhaustive analysis through surveys of the owners and/or proprietors of the stores, the main problem of the businesses on the avenue mentioned above was found to be that the empirical and experimental management developed by the owners affects their productivity. Some of the main causes are the lack of training in business administration and the owners' lack of interest in preparing themselves to manage a business correctly.

Many are the barriers that economic theory points out as inhibitors to the success of SMEs (small and medium enterprises) and the creation of new sources of employment, such as lack of access to financing, a weak administrative capacity, lack of skilled workers, inability to exploit economies of scale, lack of information on market opportunities, lack of access to new technologies and organizational methods. (Ricardo Monge González, 2019, p. 2).

The objective of the following research work is to analyze the administrative process (planning, organization, management, and control) of microbusinesses in order to understand its impact on business management. Therefore, "...keeping updated is of vital importance..." (INESEM, 2004) to develop in a better way in this field.

One of the main erroneous thoughts of society in general is always to be reluctant to change, since their thoughts, attitudes, behaviors and beliefs are always based on antiquity. Having already proven that training is the best way to prepare in this case the manager of a business, because, if he wants an economic growth, he will do it according to his knowledge. For this reason the "...purpose of all companies has been focused on changing their mental model" (Rodríguez, 2003, p. 1) .

In this way it is necessary to carry out studies focused on the behavior of the owners of the premises in the administrative area in order to know more in depth about this topic, covering first of all, in what way does motivational training influence the owners of the businesses, since the great majority is based simply on the little knowledge obtained, do they have written or defined objectives, being of great importance to know where their enterprise is directed and finally to observe in what way the administration of the place is more feasible for them, so that they can obtain economic growth.

In micro businesses "their growth and business management has been very limited, due to the lack of knowledge and application of technical tools by their managers" (Estrella Quispe & Pérez Hidalgo, 2014) , resulting in high levels of failures.

The following work is framed in the administrative process that entrepreneurs take, trying to encourage and motivate them towards training for the area already described, well, it is known that this process takes some time, therefore, it is considered that the owners become aware and train themselves before starting a business.

The largest commercial area in the parish is located mainly on César Ruperti Dueñas Avenue, which runs through most of Leonidas Plaza parish. Ruperti Dueñas Avenue, which crosses a large part of the Leonidas Plaza parish. It is common to visit the area and perceive that there are new businesses and at the same time that others close their activities permanently. Faced with such a changing situation, it is necessary to know the reasons why it is preliminarily visualized that there is a lot of entrepreneurship and at the same time, a high number of businesses that fail. "SMEs are currently considered the most productive sector in the economy of a country" (Ron Amores & Sacoto Castillo, 2017, p. 10) .

How important it is to know that "Management is essential for the existence, survival and success of organizations" (Idalberto, 2006, p. 29) . It should be emphasized that the premises of the aforementioned avenue, have great possibilities of continuing in productivity, but it is the administrative parts that take full control of it, it is for this reason that this research is intended to reach the entire entrepreneurial public before executing any action.

The ideology of management "...was so essential for the success of the manager and of the organizations..." (Idalberto, 2006, p. 10) , since a business is exposed to several changes among them the most important is the presentation of the business and the publicity that the owner presents to the buyers. So that it will form positive changes in an establishment "...despite being theory, the General Theory of Administration (G.T.A.) is incredibly instrumental, since it gives the administrator the most powerful weapon: his conceptual ability. Knowing how to think and know how to diagnose before executing..." (Idalberto, 2006, p. 11) .

With this phrase of Idalberto Chiavenato there is no doubt about the great mental power that is obtained by being informed of this or that situation in which you want to enter, as in this case the world of administration, because it is so immense that it is impossible to be totally covered by it, that is to say, there are situations that you can know what to do and how to do them, however there will be many others that you will not even know where to start, hence the importance of getting into the administration before performing any action that in the future does not materialize in a good way and take a wrong path.

This study will be of great contribution for the administrative and/or entrepreneurial community that requires some information on the management of this area, for which it will be of utmost importance in first action to promote in that sector or any other to prior training, which directly promotes economic activity in the country, therefore "the administration has a comprehensive and universal approach to see business..." (Milenio, 2012, p. 14) .

SMEs have been greatly affected by the prolongation of global competitiveness because many of them do not have financial support, economies of scale or are not competent enough to keep up in competitive markets. For this reason, they have had to adapt to the logic of free trade, in order to reproduce capital, which

has led to the growing interconnection of markets around the world. (Ron Amores & Sacoto Castillo, 2017)

Finally, as mentioned above, the presentation is the most important part of a business, since if the client sees a clean, well presented and organized place, he will undoubtedly approach it, unlike if he sees the opposite. So is advertising, because if the place is well commented and attracts attention by what is said about it, it will make the presence of customers as such.

## **MATERIALS AND METHODS**

In this research the descriptive type of study is used because it identifies elements and characteristics of the problem in which it is intended to demonstrate the characterization of facts and situations. The importance of this is to pretend that the locals have a better administrative management on the other hand also seeks to improve the management of resources in micro entrepreneurs for them to have a clearer idea and give them another result in their profits, hoping that this research of positive fruits to society creating a change in the administrative part of small and large commercial.

The research method applied is deductive since it gathers information about the reality of microenterprises specifically in the Cesar Rupertti Dueñas Avenue in the Leónidas Plaza parish in the Sucre canton - Manabí.

The research technique applied for the collection of information and the main source of it are the surveys that serve as the basis for the analysis of the research, directed directly to the owners of the microenterprises on the avenue and to the customers who visit this place, which after their application were tabulated and interpreted to know the situation in which they are.

For the sample of microenterprises, simple random sampling was used in which all microbusinesses have the opportunity to be surveyed, obtaining valid and important data for the research.

It was not possible to initially define the population of Cesar Rupertti Dueñas Avenue because there were no statistics on microentrepreneurs, so we went from store to store, counting each one. Therefore, the sample is made up of 72 stores located in Leonidas Plaza through which we were able to know the administrative part of them. The research used a probabilistic type of sampling since it worked with surveys and simple random sampling in which all the micro businesses were surveyed so that there are independent random variables yielding representative data.

This research is part of the results of the training project "Sustainable Entrepreneurship from educational practice to strengthen professional and organizational activity, ULEAM SUCRE", which among one of its focuses is to diagnose the current situation of entrepreneurship in the northern area of Manabí - Ecuador (Espinoza Arauz, et al., 2024).

## RESULTS

The administrative area plays a fundamental role in the stores on Cesar Rupertti Dueñas Avenue, which is why we mention below what they currently do to keep track. First we inquired about the products offered and we found several of them such as: groceries, vegetables, clothing and footwear stores, cyber, telephone booths, banks, cooperatives, automotive workshops, refrigerators, bookstores and printers, copiers, bars, restaurants, hairdressers, barbers, hardware stores, hotels, hostels, gyms, butchers and bakeries. Then it was found that 86% of the premises have objectives, 50% have a control of income and expenses, 74% have a manual accounting system and the same percentage have inventories, half of them have an organization chart, and finally 92% have the corresponding permit. This means that most of the businesses in Leonidas Plaza do not have total control of the administrative part of their business or that it has an impact on their sales.

As is known, in this research everything is framed in the administrative part of a business, which is why it must have a good management mainly of income and expenses, so that it can survive in the world of large markets. In the same way it is necessary and of utmost importance that the micro businesses or enterprises of the Cesar Rupertti Dueñas Avenue have an accounting system to know the financial status and if they have an economic growth or if their capital has decreased, since, with this system they will know if their business is profitable or not, and if it could generate more resources, not only for them but also, offering jobs and improving the quality of life of some families in the sector, since, this would mobilize the sector on the economic side.

**Table 1.** *Type of product sold.*

I.- What type of product do you sell?		
ALTERNATIVE	QUANTITY	PERCENTAGE
Groceries and legumes	8	11%
Pharmacie	8	11%
Clothing and footwear store	10	14%
Cyber and phone booths	5	7%
Banks and cooperatives	1	1%
Workshops and automotive	4	6%
Refrigerator	1	1%
Bookstore and printing	3	4%
Copiers	1	1%

Bar and	7	10%
Hairdressing and barber shop	5	7%
Hardware store	4	6%
Hotels and	4	6%
Gym	2	3%
Butcher's sho	3	4%
Panderas	6	8%
Total	72	100%

The investigation revealed that in the parish of Leonidas Plaza 14% are clothing and footwear stores, 11% groceries and vegetables, 11% pharmacies, 10% bars and restaurants, 8% bakeries, 7% cyber and telephone booths, 6% hotels, 6% hardware stores, 4% butcher shops, 3% gymnasiums, 1% banks, 1% refrigerators and 1% copiers.

**Table 2.** *Business objectives.*

2- Do you have written or defined business objectives?		
ALTERNATIVE	FREQUENCY	PERCENTAGE
Yes	62	86%
No	10	14%
Total	72	100%

In the research conducted, it is known that in business 86% of the people have defined their objective; while 14% state that their objective is not yet defined.

**Table 3.** *Keep track of income and expenses in a budget.*

3) Do you keep track of income and expenses in a budget?		
ALTERNATIVES	FREQUENCY	PERCENTAGE
Dail	36	50%
Weekly	15	21%
Monthly	16	22%
Semiannual	5	7%
Total	72	100%

The research shows that 50% of the business owners do their accounting on a daily basis; while 21% do their accounting on a weekly basis; the other 22% do their accounting on a monthly basis; and 7% do their accounting on a semi-annual basis.

**Table 4.** *Businesses with an accounting system or are carried out manually.*

4) Does the business have an accounting system or is it done manually?

Alternative	frequency	percentage
yes	53	74%
no	19	26%
total	72	100%

The project has revealed that 74% of the businesses have an accounting system, that is, most of the micro-businesses do have an appropriate system for controlling their income and expenses, while 16% do not.

**Table 5.** *Inventory control*

5) Do you have an inventory control of the products you have in your business?

Alternative	frequency	percentage
yes	53	74%
no	19	26%
total	72	100%

The investigation revealed that 74% of the owners have an inventory control system that allows them to know the quantity of products sold, while the remaining 26% do not have one for various reasons.

**Table 6.** *Business organization chart.*

6) Do you have an organizational chart of your business?

Alternative	frequency	percentage
Yes	39	54%
No	33	46%
Total	72	100%

The research revealed that 54% of the businesses have an organizational chart, while 46% do not have an organizational chart in their business.

**Table 7.** Means of communication used

7) What media do you use to publicize your products and company?

Alternative	frequency	percentage
Radio	18	25%
Networking	8	11%
Only the sign on the premises	38	53%
Flyer	3	4%
None	4	6%
Others	1	1%
Total	72	100%

The research revealed that the most commonly used product advertisements are signs outside the stores with 53%, radio 25%, social networks 11%, flyers 4%, none 6%, and others with 1%.

**Table 8.** Reason to the customer.

8) Do you believe that the customer is always right?

Alternative	frequency	percentage
Very much in agreement	35	49%
Neither agree nor disagree	29	40%
Disagree	7	10%
Strongly	1	1%
Total	72	100%

According to the graph it was found that 49% of the owners agree that customers are always right since 40% of the owners say that they neither agree nor disagree that the customer is right but 10% of the owners disagree that the customer is right but 1% strongly disagree that the customer is right.

**Table 9.** Permits of the Law for the business.

Do you have the corresponding legal permits for the operation of your business?

Alternative	frequency	percentage
Yes	66	92%

No	6	8%
Total	72	100%

The following analysis shows that 92% have the corresponding permits, while 8% have not obtained all their permits for their legal operation.

**Table 10.** Profit purposes of the different businesses.

Only if your business is a family business, please answer the following questions: Are the sales or profits generated by the business used for other purposes not related to the economic activity?

Alternative	frequency	percentage
Always	15	26%
Most of the time if	10	17%
Sometimes yes sometimes no	18	31%
Most of the time it does not	6	10%
Never	9	16%
Total	58	100%

In the graph it was possible to analyze that most of them always work with a family business, which is valued at 26%, but there is a valuation of 6% that never works in a family, therefore it is known that most of the micro-businesses are family businesses. Most small and large businesses are created mainly to meet our needs, knowing that to stay mobile with money, it is vital to devote time to the administrative part of your business, since this will define whether it remains standing or collapses completely, which is why this research group has been dedicated to know how important is the administrative part for micro businesses in the parish Leonidas Plaza Cesar Ruperti Dueñas Avenue because previously there was visualization of failures. Small businesses acquire a special importance for the economic and social structure of the country as they are immersed in a new globalizing context, they face new problems, new challenges, which forces them to adopt or develop new action alternatives to be able to remain and join competitive markets. (Milenio, 2012) .

So, it can be said that management training is not something that can be chosen, since it is of great importance and even more so if you want to grow the business you are starting, so Leonidas Plaza business owners should learn more to create an administrative strategy that suits them or help them with economic growth, the goal of any business.

## CONCLUSIONS

It can be concluded that the owners of the micro businesses in the Leonidas Plaza parish on Cesar Ruperti Dueñas Avenue do not have control of the businesses (results of the investigation), which makes it clear that the owners of the businesses with the administrative system that they are carrying out are denying themselves the possibility of generating more employment, affecting their permanence and therefore not without economic growth.

It is for this reason that we wish to promote the provision of the training service of the Ministry of Industries and Productivity of Ecuador to lead to a growth in the labor and economic field of small and medium enterprises favoring Ecuador in a global way.

In relation to all of the above, it should be emphasized that the only purpose of this is for the administrator to have personal conditions for success in any field or organization in which he/she wishes to develop, given that he/she will be able to obtain better possibilities of success in the future.

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