

RESEARCH ARTICLE



Micro Businesses in Vietnam: Common Issues and Management Practices

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Abstract

The research study employs qualitative method to identify the management problems and common practices of managing micro businesses in Ho Chi Minh City, Vietnam. Primary data for the research are collected by observations and interviews with managers and employees of 19 micro enterprises. The research study reveals similar problems and deficiency of resources necessary for management of micro firms identified in previous studies among investigated businesses, such as the lack of important resources from finance, credit and marketing skills, managerial skills and mindset to growth. However, it is particularly discovered that micro businesses in Vietnam rely on a sophisticated group of resources which utilized effectively within the cultural context of the country. The resources do not help creating more business but seem ensuring the survival of the micro firms well. Overall impression was the risk-avoiding attitude limits the growth options of the enterprises. Some suggestions on further research in the context of micro businesses are then made.

Key words: micro business, resource-based management, qualitative research method

1 | INTRODUCTION

Small- and medium-sized enterprises (SMEs) have long been the research subject in management. They significantly contribute to the economic growth everywhere in the world (Mamun et al., 2018; Hayes et al., 2015; Grabowski and Stawasz, 2017). It is estimated that the role of SMEs is still very important in the next decades (Bushe, 2019; Argueta and Pereira, 2014; Rayen and Vijaya, 2017). However, the group of much smaller businesses did not receive adequate attention. Micro businesses also played an important role in many economies. The contribution of micro business to national GDP amounted to over 30% (Grabowski and Stawasz, 2017; Hayes et al., 2015). Micro business are creating a lot of jobs, providing service efficiently for communities and improving quality of life for many people around the world. They effectively serve in the areas of services and crafts like mechan-

ics, carpentry, shoes making/fixing, street vending etc.

One of the important characteristics of micro businesses is that they have very small number of employees. Many micro businesses just have single owner cum producer or service provider. Typically, a micro business consists of an owner and a few coworkers, totally less than 10 people by definition in most countries. Even small in terms of labor, the needs of effective management exist. Maybe the seemingly simple structure of the micro business negates or underemphasizes the aspect of management of this kind of business. However, the better understanding of the problems micro businesses are facing, their needs and their management would be useful in facilitating these businesses to be more fulfilling, profitable and sustainable.

In Vietnam, micro businesses abound. One can find these along any busy street, corner, or alley. These

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are the means of support for a large number of families. These businesses are very popular to consider in the overall picture of the growing economy. In the context of culturally hierarchical society, the micro businesses seemed to be managed and operated comfortably. Nevertheless, the challenges of the more and more competitive environment present these businesses with difficulties to overcome for survival. Understanding of management issues facing micro businesses and the common practices in management of this type of business would help these to continue to be the staple to Vietnam economy nowadays.

2 | LITERATURE REVIEW

There is a certain level of accord in defining micro business. In terms of dimension, most methods of definition rely on the size of labor and capital and/or annual revenue. The most common number to be used as the upper limit of labor size is ten (for instance, it is applied in most of European countries and in the United States). Some have different definitions, such as in Saudi Arabia, micro businesses are those having less than 25 employees (Ahmad, 2012). In terms of turnover, the European Union apply the limit of EUR 2.0 million while the United States Small Business Administration apply the criterion of USD 250,000.

In fact, the term “micro business” may imply different meanings. As Devins et al. (2005) indicate, it may refer to start-up, owner managed businesses, or family businesses... However, in essence, a typical micro business is one that has an owner cum manager who is very much involved in its everyday operation (for profit), hires very few employee, relies largely on own resources, is more of survival than growth. This make the micro business different from the bigger ones, which acquire different way of financing, management and strategy of growth.

The micro businesses are very popular across countries, be it developing or developed ones. Its statistics are usually combined with small and medium sized business and they make an overwhelmingly big sector of the economies by numbers of business. Micro, small and medium sized businesses account for more than 98% of all firms in Brazil, Ethiopia,

United States, Mexico (Argueta and Pereira, 2014; Bekele and Jacobs, 2008; Hayes et al., 2015).

Smaller firms are usually the majority in the group of micro and small businesses. One estimates that micro businesses comprise between 95% and 98 % of business entities in most countries (Samujh, 2011). Among micro and small businesses in Canada, those having less than 5 people account for 78% (Gill and Biger, 2012). Especially, 95% of all enterprises in Poland can be classified as micro business (Grabowski and Stawasz, 2017). Parilla (2011) reports that nearly 92% of firms in the Philippines are micro businesses. Meanwhile in the developed countries, the number is a bit lower, for instance at least 84% in New Zealand (Samujh, 2011) or over 80% in the US (Spivey, 2016) when the corresponding number is 75% in Malaysia (Mamun et al., 2018). It can be observed that the micro firms are the biggest group of business entities around the world.

Small in size but huge in distribution, micro and small businesses contribute considerably to the national economies. Most mentioned in the literature are their contribution in terms of employment and gross domestic production. Micro businesses alone hired more than 1.3 million people in Malaysia (Mamun et al., 2018). In Mexico, small and medium sized businesses were employing 73% of the labor force and responsible for a third of GDP. Over half of sales in the United States was contributed by small businesses (Hayes et al., 2015), micro enterprises alone represent 11% of employment and contribute to more than 50% of real domestic product (Spivey, 2016). In Poland, contribution to employment and GDP of these micro firms are 40% and 30% respectively (Grabowski and Stawasz, 2017). These numbers reflect the importance of the sector to economies around the world.

Smaller businesses bring the owners a number of distinctive benefits. For examples, Samujh (2011) indicates that the intrinsic rewards to the owners of micro businesses are the control of self-destiny, personal growth and development, and use of own special skills. However, the problems the micro firms have to face are also plenty. Authors have described various problems which relate to the external and internal environments. In addition, because of the tiny size, micro businesses seem have more serious consequences from these problems than the bigger ones.

Micro Businesses in Vietnam: Common Issues and Management Practices

External problems presenting micro firms with serious challenges include those summarized in the fol-

lowing table.

Table 1. External problems confronting micro businesses

Author(s)	Year	Problem(s)
Gill and Biger	2012	market challenges, lack of financing, regulatory issues
Amha and Ageba	2006	business development services, access to market, finance, marketing services, training, counselling, network or associations
Babu and Kasilingam	2013	bank credit
Bekele and Jacobs	2008	obtaining loans
Mbonyane and Ladzani	2011	lack of funding, access to credit
Naidu and Chand	2012	debtor problem
Ahmad	2012	financial support, lack of credit options, bureaucracy, unfriendly business environment, inadequate government support, unpredictable policy changes, culture of waste
Rayen and Vijaya	2017	credit for first generation entrepreneurs
Lalhunthara and Kumar	2014	rate of interest, meager assistance from government agencies, bank red-tapism, government red-tapism
Gold	2017	political and legal environments
Naidu and Chand	2017	culture, gender inequality
Spivey	2016	economy downsizing, partnerships
Khan and Quaddus	2015	social recognition, water and energy use, waste and emission
Łuczka and Małecka	2018	Culture

There are three big external problems for micro businesses drawn from the table. It seems that the biggest problem the owners have to confront is financing. The problem is even more serious for those who start their businesses, like Rayen and Vijaya (2017) mention, the first-generation entrepreneurs. In fact, it is a dilemma when the banks can only provide credit when the owners have enough collateral, which they usually do not or lack of (Barnhart, 1994), while the micro firms management do not have professional record system to prove the banks their operations are sound (Babu and Kasilingam, 2013).

The second significant problem is the lack of formal and informal aids that governments and service providers could provide. From specific skill development as record management or brand position (Amha and Ageba, 2006; Booth, 2020) to more long term assistance like market access or market regulatory issues (Mbonyane and Ladzani, 2011; Amha and Ageba, 2006; Lalhunthara and Kumar, 2014), the businesses have to take care by themselves. On the other hand, the businesses have to rely on their day-to-day performance to survive first so they may not think of these as a priority but get themselves

adapted.

The third important challenge relates to the more remote environments including culture in general, and the issue related to a big group of owners – the female entrepreneurs. The culture promoting the domestic role of women creates barriers to enable them to be in charge of business (Naidu and Chan, 2017). Khan and Quaddus (2015) indicate that social recognition, freedom and empowerment may well associate with the sustainability of microenterprises. On the one hand, the popular market economy nowadays creates more and more opportunities to business of any size. On the other hand, the culture of gender inequality makes it harder for a specific group of micro firm owners. Bekele and Jacobs (2008) reveal that businesses operated by women were much more likely to fail in comparison with businesses operated by men.

The challenges above negatively influence the survival, growth and sustainability of micro businesses. Many related problems peculiar to these businesses were identified over the years. Such problems are summarized in the following table.

Table 2. Internal problemspeculiar to micro businesses

Author(s)	Year	Problem(s)
Majahan and Kamble	2015	risk-averse attitude, low morale, no professionalism
Bushe	2019	inability to grow at expected levels
Babu and Kasilingam	2013	poor management
Qureshil et al.	2009	inability to adopt information and communication technologies
Samujh	2011	anxiety, stress, depression
Bakele and Jacobs	2008	shortage of technical skills, poor management, in ability in obtaining loans from formal money lending institutions, inability to convert part of profit back into investment
Naidu and Chand	2012	financing problems, operational and administrative problems, sales and debtor problems
Peracek et al.	2017	overlapping of family and business life
Cherkos et al.	2018	entrepreneurship and business managerial problems
Yumlembam and Sharma	2015	marketing problems
Booth	2020	financial administration tasks
Eugine et al.	2019	mismanagement of financial resources, inadequate cost control, inadequate implementation on marketing fundamentals, poor management of the business

The issues in the table above can be categorized into the main problems of attitudes, management practices, and personal troubles. Majahan and Kamble (2015) mention defensive attitude, low work morale and lack of professionalism as the negative internal problem of micro and small entrepreneurs. The problems related to management in general are evident and diverse. They range from the issues in human resource management to marketing and technology as well as finance (Babu and Kasilingam, 2013; Qureshil et al., 2009; Bakele and Jacobs, 2008; Naidu and Chand, 2012; Yumlembam and Sharma, 2015; Booth, 2020; Eugene et al., 2019). It may result in the inability of the enterprises to fulfil their potential (Bushe, 2019). Besides, the personal lives of people of micro businesses can be badly affected. Samujh (2011) mentions bad psychological effects from anxiety to stress to even depression. In the meantime, Peracek et al. (2017) identify the undesired overlapping of family and business life may hamper the survival of family businesses.

Having many problems above, no wonder why the businesses largely fail. It is estimated that in Poland,

25% of small businesses would go bankrupt within the first year of existence (Grabowski and Stawasz, 2017) while in South Africa, 70% of businesses fail during the first 5-7 years in operation (Bushe, 2019). In the more competitive United States, Spivey (2016) suggests that 90% would fail eventually.

Taking the stance of resource-based view (Barney, 1991), a firm's success or failure can be attributed to special resources they possess and develop. Looking inside micro businesses, one can say the problems they have to deal with originate in the lack of certain resources. Any business needs resources, micro ones are no exception. The absence of crucial tangible and intangible resources contributes to the problems described above.

A number of authors have listed various resources that micro businesses are unaware of, wish for but just unable to have, or unable to develop. The resources range from basic tangible to more modern, sophisticated intangible ones, from generic to specific ones. The list of resources unavailable with micro enterprises is in the next table.

Table 3. Resources unavailable with micro enterprises

Author(s)	Year	Resource(s)
Mahajan and Kamble	2015	marketing, financial resources, ability of motivating staff, innovation capability
Bushe	2019	entrepreneurial capacity, industry experience, financing, cash flow, business planning, management competence, goal setting skills, growth controlling skills, controlling system

Continued on next page

Micro Businesses in Vietnam: Common Issues and Management Practices

Table 3 continued

Babu and Kasilingam	2013	credit, capital and collateral
Qureshil et al.	2009	information and communication technologies
Bakele and Jacobs	2008	managerial skills, technical skills
Mbonyane and Ladzani	2011	legal knowledge, financial resources, business acumen (infrastructure, technical skills, staff relation)
Perks	2010	mindset to grow the business
Oudah et al.	2018	succession planning, strategic planning
Hassman et al.	2013	credit management
Samujh	2011	formal education foundation in business, bookkeeping, time management skills, risk management skills, business information update skills
Hayes et al.	2015	human resources, financial, strategic planning skills, daily operations control, marketing, legal and regulatory environment handling
Łuczka and Małecka	2018	knowledge management skills
Sheela and Panigrahi	2013	technology usage, know-how, objective and plan setting skills, network, marketing
Ajibade and Khayundi	2017	record management
Cherkos et al.	2018	work premises, infrastructure, entrepreneurship and business management
Yumlembam and Sharma	2015	Marketing
Booth	2020	financial administration skills
Eugine et at.	2019	cost controlling skills, marketing, management
Hyder and Lussier	2016	business planning, staffing, capital, partnership, record keeping, experience, educational foundation, marketing
Mamun et al.	2018	responsibility, accountability, emotional intelligence, analytical thinking
Munoz et al.	2015	managerial capabilities

The resources in the above list can be divided into certain categories. The first group of resources are the fundamental necessity of business. They are tangible such a physical infrastructure, capital, work premises. The second group include specific skills necessary to perform the functions of any business like bookkeeping, record management, financial administration skills, marketing, operations control... and overall knowledge related to running a business like entrepreneurship and business management. Third, the intangible supporting resources in the group consist of emotional intelligence, analytical thinking, innovation capabilities, relevant education background or an appropriate mindset. All of these resources are said to be in need among micro businesses around the world. The needs of the resources and priorities of those should certainly be considered in the context of the micro firms.

In the context of management research, Devins et al. (2005) suggest that managers of micro enterprises should be recognized as of a special group as they take in multiple roles at the same time. Samujh

(2011) indicated that the micro businesses though constituting a big portion of the economy, however were rather neglected. These tiny business entities really deserve attention from the research community. These above problems and the situation of resource inferiority necessitate the assistance from all sides.

The micro businesses in Vietnam have been ever crucial. By the end of 2018, they account for over 62 per cent of the total number of businesses, and recruit 29 per cent of the labor force (General Statistics Office, 2019). More importantly, they support millions of families day by day. The understanding of the desire of resources of micro businesses in Vietnam would help practitioners, academicians, and policy makers alike in their commissions. The paper aims to explore on the situation of crucial resources (un)availability with micro businesses in Vietnam.

3 | METHODOLOGY

The research follows the exploratory and qualitative approach. The author met with owners and employees of 19 micro firms in Ho Chi Minh City, Vietnam to discuss their concerns with their ongoing businesses. Their points were then categorized into issues related to problems and relevant resource deficit, supply and development that seem to influence the survival and growth of the business.

The local micro businesses visited include those largely in the service industries: food supply (1), barbershop (2), restaurant (5), curtain maker and installer (1), motorbike repair (2), motorbike washing service (2), general store (3), coffee house (2), and bakery (1). They have been operating for any duration between one and 15 years.

4 | FINDINGS

Similar to the choices reported in other countries, all of the informants revealed that their businesses were self-funded, or the initial capitals came from own savings, were contributed by close family members like parents or in-laws. In three cases, the founders borrowed to start or renovate the shop/stores, but they did not go to banks but their relatives with very preferable terms of repayment. Not explicitly mentioned, but the common feeling was the voluntary support among family members, and being afraid of debt make self-funding the top options for all. On the one hand, the majority reported that opening and running the business of that scale did not cost them too much, and their families were all in with them. This on the other hand indicates that taking credit from outsiders has not been a habit of the very small business owners as they were not very interested in other options.

Nevertheless, to expand the business is another story. About half of the respondents were aware of the opportunities of growing and the need of additional capital, but most were content with the current size as they said they did not want to get credit from outside of the families and they believed that banks would not serve their street corner businesses. The other half of the respondents indicate that the survival of their businesses is of higher priority, and they did not

want to risk it with enlarge the businesses. Therefore, the discussion of funding options exposed the attitude towards risks as well, the owners seem to avoid rather than take risk. In summary, for capital as the primary resource of their business, micro firms in Vietnam preferred to take advantage of their internal and low-risk sources.

Having had their businesses up and running, was longer-term plan for the businesses concerned the owners? The owner-managers of the businesses were rather ambiguous about this matter. The quality of having a vision for the business is not a popular resource for most of the owners. They seemed to prefer to adapt to the change of the local environment. About a third of the respondents maintain that their professions suit the small size they have and so they did not think a lot about the radical expansion or moving outside the trades they have. There is no need to change the profession, as long as it still supports the family. There might be some slight difference among young and old people in this aspect. Some youngsters are more ambitious and reveal to try to improve the family home-based shops to a more formal business later. One even mentions an old Vietnamese saying “A big boat has to face with big waves” to imply his foreseeing of challenges when he dreams of a bigger firm. In general, having an expanded horizon in business does not regularly concern the owners of micro businesses here.

In reflecting their day-to-day operation and how the “management” job was considered, most of the respondents find it difficult or even silly to share because they did not think about it a lot. A few points can be made about this. Most of the respondents are the owner-managers but very much involved in the technical or operational aspects of the business, e.g. barbering, so they see their work just repetitive and simple and can say little about it. Some of the businesses do not hire but utilize family members so the management seem to be mixed with natural daily interaction. Giving stern orders or lack of discussion seem to be readily made and accepted by these special employees. For those in the job for a long time, especially family businesses, it is observed that they did not have much verbal interaction at work but routinely work as per their natural labor division. When confronted with the specific question of how work are arranged, divided, overseen, or adjusted, the peo-

Micro Businesses in Vietnam: Common Issues and Management Practices

ple usually retorted like “See, we were in this business for generation/a long time. I can close my eyes but still am aware of what is happening.” But look closely into different details of the job, more can be revealed about the way “management” is performed at the micro businesses under investigation.

Bookkeeping activity is the one needs mentioning first. Among all investigated, only three took it seriously, and just enough. Of course all were following single entry system. One barber shop required that the barber post an entry to the common log book for each customer served, recording the sum of money received, when the cash are put in the common pocket at the corner of the shop. In the other barber shop, the entry is also posted, but the employees kept the cash in their own belly pouch. This is believed to be cross-checked by the end of the day. In the other businesses, the bosses received payment directly from the customers, without any recording. The practice was discussed, and various explanations were given – “it’s my money anyway,” “no time to record all the petty cash,” “no one needs the recording, tax had been fixed lump sum,” “I know the money received everyday.” The activity seems to be of little importance as the owners are confident that they are on top of it, and on the other hand, it seems that no analysis or as mentioned earlier, no evidence necessary as they are not looking for additional funding outside the family circles. In summary, there is no real pressure from the environment for building this capacity and many micro businesses just overlooked it.

The area of people management has more variety of strategies from the owners. The most common one is non-employment but utilizing family members or relatives. About two thirds of the investigated businesses apply this strategy with the common reasons including trust and saving. A subtlety emerges here when a few suggest that they would avoid relatives as they think it would be awkward to be so strict to relatives when they can be with immediate family members or a certain employee outside the family circle. Another reason for the strategy is the issue of succession. This is the reason for a few businesses which were considered well established and provided stable cash flow let alone the business secrets or techniques or know-how staying within the family. On the contrary, a few businesses just avoid family members as

the owners believed that the current businesses were just for survival and the next generation deserved better to find a position with bigger companies or work in more prosperous industries. All above point to practicality in the area of recruitment.

In terms of dealing with everyday problems related to staff, the practices of the owner of micro businesses seem to converge. Most of the owners apply paternalistic approach in managing their own staff and it appears to be effective. The staff voluntarily follow the quick and strict orders of their bosses in all aspects of the business. Power absolutely resides with the managers and they utilize it fluently. Corrective actions are made promptly in the face of the staff who accept them readily. The bosses are caring but they are hard at the same time so staff’s disagreement or discussion about their decisions is not an option as those mean disrespect to people who do favor to the staff. In the cultural context of Vietnam, age difference creates an important advantage to the older people. It is observed that among the investigated bosses, the ones who are of the same age as the staff’s are milder even though they still receive good respect from their employees. Especially when it comes to technical issues, the young bosses are open and more listening. Anyway, it is observed that the resource of personal power is rather ubiquitous for micro firms here and the utilization is just effortless.

On the job of attracting and keeping customers, considered as marketing for the bigger companies more or less, the micro enterprises appear to be not so passionate about. Except for signboards indicating the products or services of the business, there are very few further efforts to win more customers. Lacking of funds is an obvious reason, but many considered it unnecessary for street side businesses which rely on passers-by and the acquaintances in the neighbors. Some reported to have special day discounts or happy hours, but it seems rare. Younger people utilize new channel available for some time like Facebook, other social networks, and the internet. They suggest that the internet marketing helped them to be known more, have more interaction with customers, provide information for them, but these moves were not yet popular for businesses of this scale. It can be concluded that the micro firms are not active in marketing as they concern the costs in compared with the effects to their businesses.

Technology and innovation were not witnessed clearly in the investigated businesses. The efforts are more towards cost cutting measures than adding value to the customers. In the first place, the owners indicate that they tried to provide the products that the customers already acquainted for a long time. New dishes on the menu or new items rarely well received in the restaurants and coffee house, it was revealed. The food supplier keeps on taking advantage of the fame of its two traditional products. The impression was the attitude about risk of these micro firms – one typical reflection of an informant from a coffee house was “They [the customers] ordered nothing but my notable iced black coffee.” For a long time, her shop offered limited other drink varieties while more modern chains of bubble tea for instance were blossoming. It is not expected that the micro firms to invest greatly into groundbreaking technologies or something state of the art, but the level of risk-taking is low.

A special trait of the tiny businesses under investigation is their efforts and ability to maintain a good relationship with the local “stakeholders” – who are living nearby and the local authorities. They are quite sensitive to be an acceptable member of the immediate neighborhood believing it is important to facilitate smooth business transactions. For those who rent the business premises, they are even more active in everyday giving a helping hand to the property owners, e.g. keeping the entrance clear, keeping the house clean, entertaining the owner’s children, providing free services and so on. With the purpose of long-term relationship at reasonable price, the micro firm managers know the ways to be a nice fellow to the people and the authorities. The neighbors may or may not buy the products or use the services but they are important in minding the business around the clock or turning a blind eye when the business utilize the public space e.g. pavement, alley for their operations. In other words, the businesses have the chance to use public resources with the approval of the stakeholders if they maintain good relationships with them.

One can say that there are great similarities between an entrepreneur and a micro business owner. One similarity observed from the research is the long working day and whole working week. Many owners are directly involved in the daily operation, they

work long hours from early morning open until late evening when the business closes. One of the owners reveals that she considered the business as her life with few holidays a year and all work. They seem to face the dilemma between expanding business, hiring more (certainly with all kind of risks, the stress of management work) and staying small with unhealthy work-life balance forever. In the end, risk-avoiding attitude prevails. There is another Vietnamese saying “difficulties restrict creative thinking.” In this case difficulties coupled with risk-avoiding attitude place limit on the growth of the businesses.

5 | DISCUSSION

Many of the above findings resemble those from research studies on micro businesses around the world so far. They share the similarities of the problems of external resources like lack of financing from outside, credit options, lack of development services or training, networking or association, support from the government (Gill and Biger, 2012; Amha and Ageba; Mbonyane and Ladzani, 2011; Ahmad, 2012; Raven and Vijaya; 2017; Lalhunthara and Kumar, 2014). These problems did not suffocate the micro firms and drive them out of business immediately, but force the businesses to accept survival rather than expansion or growth as their only option. Many of the business are operating without fulfilling their potential, serving more customers, creating more employment.

Some internal problem can also be found in other previous studies, such as poor management, risk-averse attitude, lack of professionalism and work morale, shortage of technical skills, administrative problem, overlapping of family and business life, marketing problems (Majahan and Kamble, 2015; Bushe, 2019; Babu and Kasilingam, 2013; Bakele and Jacobs, 2008; Naidu and Chand, 2012; Peracek et al., 2017; Yumlembam and Sharma, 2015). These may be the direct or indirect results of the challenges of the business environment and reflect the frailty of this type of business. Again, these did not stamp out the micro firms but restrict their sustainability.

The same can be said about lack of resources when these are identified earlier in the literature. The ones like financial resources, goal-setting skills,

Micro Businesses in Vietnam: Common Issues and Management Practices

growth controlling skills, credit, managerial skills, mindset to growth, information and communication technologies, record management, marketing skills (Bushe, 2019; Munoz et al., 2015; Perks, 2010; Sheela and Panigrahi, 2013; Ajibade and Khayundi, 2017; Eugene et al., 2019; Hyder and Lussier, 2106). From the point of view of management, these are all important to a certain extent for business nowadays. However, for the investigated micro businesses, these did not seem to be of urgent necessity. The businesses are persistent over time. They did not grow big, they stay small and are delighted with their situation. Maybe from lack of risk-taking attitude comes all the deficiency of the “necessary” resources.

The findings peculiar to Vietnam identified from this research is the overall management style that was applied effectively among the researched businesses. They typically rely very much on the immediate family, the extended family members as managers and employees, the neighborhood support in the different ways, the cost saving skills, the paternalistic approach of management, and the member bonding skills of the boss. For micro businesses, the number of staff is very small, direct and frequent interaction and people management are possible. Family members equal trust and cost saving while neighborhood support leads to security. All of these components create a special resource that help the businesses keep on their operations on a daily basis. Furthermore, the cultural values seem to be a very supportive agent for the special resources. Vietnam is known to have the high-context culture. Vietnamese highly regard collectiveness, organizational hierarchy, family, face, respect as the values to maintain order in the society and at home. These values are congruent to the management of a typical micro enterprise here where the father is the head of the business giving all kinds of order to his children and nephews who are the trustable and submissive employees. The local cultural values may not promote the establishment of business in general, but from the research it appears that they fit very well with and facilitate the management of the micro ones.

6 | CONCLUSION

Micro enterprises are the biggest group of business entities in any economy. Their importance in job creation or contribution to economic growth is obvious, but they have been overlooked by researchers so Samujh (2011) calls them “silent (or silenced) majority.” Authors like Devins et al. (2005) have called for the more distinguishing consideration and analysis of the management of this group. This research contributes to fill in this gap by providing insights into the problems and resources for management of these businesses. By and large, micro firms in Vietnam share the attributes of those in other countries. They face the major problems from external business environments and at home that hamper the development and growth of their business. The drawbacks of not being able to grow to the full potentials can be associated to the lack of important resources from finance and credit to marketing skills, managerial skills in general and mindset to growth. Typically, micro businesses in Vietnam rely on the resource of immediate family and relatives bonding and assistance, neighborhood support, paternalistic management approach. That special resource is utilized well in the supportive culture of collective, hierarchical, and family-focused values.

Hayes et al. (2015) suggest that there is no simple pattern for success among small businesses. This research study may have identified a certain formula for micro business survival in the context of Vietnam in the early twenty first century. Further research is recommended in the areas of culture and micro businesses, western business approaches and micro businesses, development of models and quantitative tests for the relationship between resources and success of micro businesses.

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