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LEADERSHIP AN OPPORTUNITY FOR SMALL BUSINESS SUCCESS IN TIMES OF CRISIS

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Abstract: The literary information on leader, leadership, companies, entrepreneurs and businessman is quite vast and interesting, so it is necessary to establish the differentiating frameworks between the concepts mentioned and specifically between the chief entrepreneur and leader, so that the functions of each of them are observed in their achieved results. The present research uses a qualitative model with document review to relate my main variables of the effect of leadership to remedy the ravages of crises in small companies. For some time now, the analysis of leadership in smaller companies has focused on the role of the owner or founder, where it is expressed that the will of the owner is referred to in the will of the company, in a high percentage this personal situation was manifested. However, current studies express the opposite, since the demands of the companies are not related to the way of exercising leadership in these companies.

Keywords: Company, Leadership, Boss, Crisis and Success

INTRODUCTION

Leadership is currently occupying a significant place in all types of organizations, whether private, public, mixed, regardless of the productive, commercial or management activity, however, there are many companies that ignore the relevance of knowing and applying the different types of leadership, which translate into processes and procedures with efficiency, effectiveness and at the same time are reflected in the levels of profitability of the same, therefore similar situation happens at the macroeconomic level. Therefore, in this study we are interested in contributing the elements of analysis in the area of leadership and its application in small production and marketing units, taking into account the time and the way of applying leadership in the different moments of the life cycle of the company.

MATERIALS AND METHOD

In this study a qualitative approach was applied, the process is to collect documents that through a series of questions allow to contribute in the analysis. This methodological tool modality, uses an inductive process that allows us to achieve results from observation and analysis to form theoretical frameworks, in the development of the research was conducted through the following stages:

- Selection of documents, books, articles, essays related to the phenomenon under study.
- The observations of the information are detailed with respect to the areas of knowledge, leadership contents and their implications as well as their authors.
- This provides the basis for the categories of analysis.
- The results derived from the research allow to state the tendencies of the investigation, and therefore to present proposals for the improvement of the leadership and to be translated in the profitability and permanence of the small companies in the markets in which they participate.

RESULTS AND DISCUSSION

It is controversial to make reference to the conceptualization of small companies, according to the number of companies in the economic activity, participation in the markets, the number of employees that are incorporated in this size of companies, as well as the volume of sales, are the indicators that are recognized in most countries and international institutions, such as the international monetary fund, the united nations organization among others, despite the above, this business stratum is decisive in the economic and social sphere in all countries in the world.

A small company is understood as an economic activity carried out with a reduced turnover and number of workers, as well as the life cycle of companies of this size in a very important percentage expresses their great difficulty to change business stratum.

For Rodrigues N. (2023) "An SME is a business that may or may not be legally constituted as a company; it has a small number of employees and a moderate turnover".

According to the Ministry of Economy a small company has between 11 and 50 employees whose sales range from 4 million to 100 million pesos and according to INEGI (2023) in our country is 4% and generate 15% of jobs and its contribution to GDP is greater than 14% based on the above, this size of company in Mexico is essential on the one hand there is promotion of local trade and on the other hand there is promotion of local commerce have areas of opportunity that, if addressed, could move to a higher level and remain in the market for a longer period of time.

According to the Economic Commission for Latin America and the Caribbean (ECLAC), small and medium-sized companies are key to boost economic growth in Latin America because they represent almost 99% of all existing companies, and generate more than 60% of jobs; however, their contribution to GDP is low, revealing the existing productivity problems, which are palpable when compared to large companies, which are more than 30% more productive. In relation to exports, there are also areas of opportunity since, according to data, only 10% of Latin American SMEs do so, while in Europe 40% are exporting.

Perhaps the answer is not a lack of resources, but on the one hand the lack of policies in line with the needs of each region and promoting formality in them, on the other hand Schwab O. Managing director, World Economic Forum in his article The great opportu-

nity behind small businesses states that in the World Economic Forum report Future preparation of SMEs and medium-sized enterprises it is evident that smaller companies have sufficient elements to achieve growth, innovation and sustainability in our economies. As a result of this research, it is concluded that what concerns managers most is not technology or innovation, but survival and the ability to expand, as well as talent. This makes it clear that they must establish strategies that allow for expansion, but at the same time take advantage of what they have with a long-term vision.

In his article he proposes intelligent strategies and establishes three basic capabilities:

Long-term growth. Achieve long-term financial strength Social impact. - Act for the benefit of society

Ability to adapt. - Develop levels of resilience and agility to recover in times of crisis by taking advantage of opportunities.

It is important to recognize that small companies must be prepared and corporate strategies must be established.

According to studies on business demographics from 2019 to 2023 conducted by INEGI and released on January 31, 2024 in press release number 68/24 states that companies in Despite the COVID - 19 affectations companies in their various dimensions in the period studied showed an increase of 1.7 million establishments, however we cannot pass unnoticed that also closed 1.4 million that according to INEGI data disappear from the different sectors approximately 1.4 million, that is, for every 10 thousand establishments between births and deaths there was a monthly rate of 61 and 71 similar case occurred in 2012.

The mechanism of MSMEs, to respond to the strongest event of this century considered a pandemic, was carried out through social networks having a very important impact in order to counteract the abandonment of this size of companies in the market and thus raise

awareness of the contribution to the Sustainable Development Goals and therefore to the global economy.

If we analyze the comparative of 2019 to 2023 presented by the National Institute of Statistics and Geography (INEGI), through the Studies on Business Demographics, we can observe that there are several indicators such as employed personnel, location, closing and opening, among others, that characterize micro, small and medium-sized companies in Mexico, which is why they require special attention; a sample of them is that in the 2019 economic census they represent 99.8% and in 2023 these production and commercialization units, identified certain strategies that allowed their subsistence and continue to form a fundamental part of their operating and business model. If we start from the 2019 censuses, we will have a clear picture of what happened in the analyzed period. In 2009, according to the economic census, 99.8% of the establishments were micro-enterprises.

The study shows the response of small and medium-sized companies, which were affected by the sanitary emergency. The study shows the response of strategies used not only by businessmen but also by the government during and after, marking a disruption to what was being done. As shown in Graph 1, this level of establishments in the three sectors of the economy is expected to increase by 2024.

Size	Companies	
	Number	Share (%)
Total	280 489	100
Great	14 219	5.1
Medium	19 329	6.9
Small	98 917	35.3
Microenterprises	148 024	52.8

NUMBER OF COMPANIES BY SIZE 2021

Note: “Microenterprises” are companies with six to 10 employees.

Source: INEGI. National Survey of Business Financing (ENAFIN) 2021.

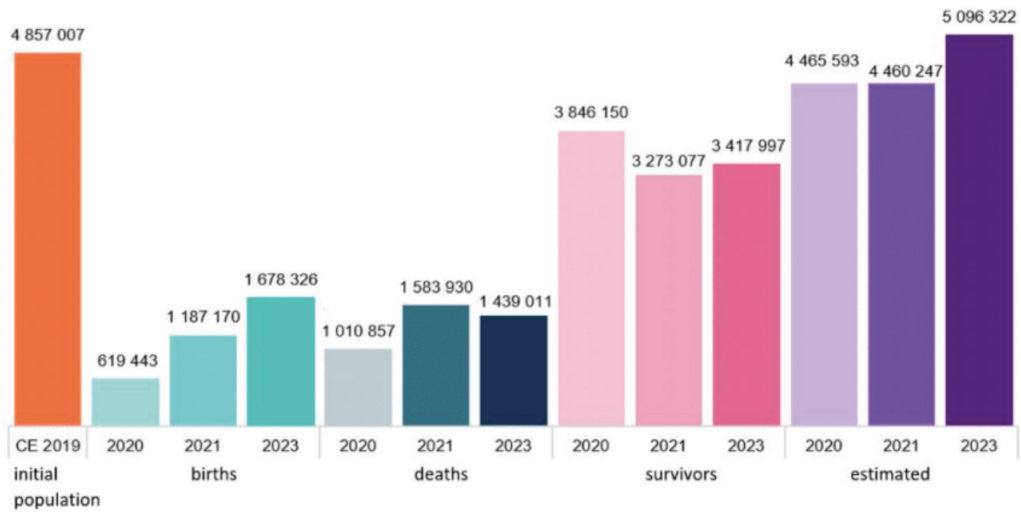
If we focus on small companies we have to mention their particularities such as:

- Heterogeneous companies that are involved in almost all sectors of the economy.
- Its presence in international markets is scarce.
- The above data clearly show us the importance of insisting on achieving a better orientation, clear establishments of objectives, strategies and their actions, and this is an essential task for company leaders to find the optimization of resources that will be reflected in profitability and therefore in the permanence in the market.

The owner performs multiple accounting, administrative and management functions, among others. This implies achieving an optimal linkage between economic agents, increasing the efficiency and effectiveness, not only of the companies but also of the support institutions for the achievement of productivity and competition levels and offering a better welfare to the region where the smaller companies are located. The generation of collaborative processes between companies would result in the development of competitive advantages and therefore greater consolidation and penetration to the business update demanded by the current market.

Therefore, it can be affirmed that the levels of competence, the integration of each of its functional areas, the internal administration, will be determinants of the leader and the modalities of orientation that he stipulates in his productive and commercial organization.

The relevance of small businesses should be analyzed with a comprehensive approach, since they generate employment, offer products, in some cases pay taxes, generate benefits to society because their participation helps reduce the level of poverty, increases the



Graph 1. NUMBER OF ESTABLISHMENTS¹ NATIONWIDE 2020, 2021 Y 2023²

¹ Corresponds to micro, small and medium-sized establishments in the manufacturing, commerce and private non-financial services sectors.

² The sum of establishments that were born and survived does not coincide with the final estimated population due to rounding. The same happens in the case of the sum of surviving and dying establishments, which does not coincide exactly with the initial population.

³ The initial population corresponds to MSME establishments that reported the 2019 CE for the large manufacturing, commerce and private non-financial services sectors.

Source: INEGI. EC 2019 and EDN 2020, 2021 and 2023.

welfare of low-income families, etc. These are the reasons why the authorities, academia and economic agents should develop specific actions for greater insertion in the market with greater competitiveness and efficient management in order to have the possibility of changing to other business strata.

Newstrom (2007) defines leadership as:

The process of influencing and supporting others to work enthusiastically to achieve certain objectives. It is the crucial factor that helps an individual or a group identify their goals, then motivates and assists them to achieve them. (p.159)

It is mentioned that “from management it is the process of directing the work activities of the members of a group and influencing them; leadership involves other people, employees or followers” (Sanchez, 2011, p. 98).

A wide diversity of theoretical models insists on a description of the factors that are involved in its development and therefore in the results, so it is necessary to study in depth the owners of companies that are organized spontaneously to identify their causes and on the other hand to analyze the determining factors to achieve a consolidation in its technical elements, its controls and decision making, guiding and orienting them to achieve a greater dynamism of small businesses in our regions. That is to say, the leadership is an essential component for the success of these companies, among the aspects that impact a greater market share are:

- Clear vision and strategies related to its objectives, by means of a plan
- Making the right decisions, so leaders must assess their context to choose the right actions.

- Motivation and inspiration in the collaborators, thus achieving a greater commitment, which will be reflected in an efficient contribution to the processes in which they operate and fostering an adequate work environment.
- Managing complex economic and social situations is crucial for leaders and mitigating their impact on the smaller productive or commercial organization. etc.

It can be affirmed that leadership models are not only indispensable for the orientation of companies regardless of their size, but also for the generation of environments that allow the creation of an increase in quantitative indicators, and even lay the foundations for the innovation of their processes and procedures.

In Arise.mx (n/d). Peralta and Saavedra (2019) state that:

CEOs of small, medium and large companies, as well as new entrepreneurs, face the greatest challenge of their careers: to take advantage of the moment of change in which their businesses are immersed. The leadership with which they decide to assume it will be decisive to be at the forefront of innovation and creativity for building business resilience. This attitude will have an impact on the very stability of the business, where shared value will be the key to win-win, in the places that generate their products (p. 89).

Gaibor in his publication It is not enough to be good in business, you also have to be a good leader. Discover the secrets of leadership. on LinkedIn on May 18, 2009. 2024 establishes that leadership in SMEs has unique characteristics and because of this the role of leaders in this size of companies is in a broad context where they are required to be flexible for rapid adaptation to drastic changes in the environment, especially since they do not have a single role, adding that they must also be excellent managers of resources. That

is why effective leadership in SMEs involves:

Proximity to the team: Close and direct relationship with employees, fostering a collaborative work environment.

Focus on sustainable growth: Balance between rapid growth and long-term stability.

Develop a vision vision: Define objectives clearly and regularly communicate the vision to all employees.

Encourage innovation: Create an environment where new ideas are welcomed and valued.

Establish solid relationships: Build trusting relationships with employees, customers and suppliers.

Be flexible and adaptive: Be prepared to adjust plans and strategies according to changing circumstances.

Faced with changes in the environment, the leader must opt for a strategic vision that allows him/her to have a global view in decision making.

Genge M., Leithwood K., & Tomlinson D., (1999), cited by Gámez D. and Toscano J. (2023) establishes that there are four foundations or concepts that are the basis of transformational leadership

First concept: We talk about purposes, and this is the mission that is shared among the members of an organizational structure and that have a common goal. The transformational leader calls it as having an expectation to change, that is, the ability of people to bring about a transformation.

Second concept: It is the people, that is to say, that it has as an end, to know each of the followers that the leader has so that the change is likely to achieve the desired goals, he/she must know each of their skills and abilities.

Third concept: We talk about strategy, and this is the way in which changes are carried out, which will depend on the organization's competencies (e.g., goals, number of personnel, ages, etc.).

Fourth concept: Culture refers to the procedure by which any change that takes place is integrated into the organization's mission and vision.

Organizations require leaders who, through their collaborators, are able to face turbulent changes such as those taking place in the environment, and the only way to achieve this is with the firm commitment of all the members of the organization; therefore, leaders must have a transforming vision.

Thus Bass and Avilio cited by Lussier and Achua. (2011) proposed that transformational leadership is composed of four behavioral dimensions and referred to them as the four I's:

Idealized influence (charisma). Transformational leaders with charisma possess the ability to develop great symbolic power that is then used to influence followers.

2.- Inspirational motivation. Transformational leaders tend to be inspirational individuals as well.

Individual consideration. - It is a factor that reveals the role of the mentor that is often assumed by transformational leaders.

Intellectual stimulation. - describes the leader's creative and out-of-the-box thinking, he or she encourages followers to approach old and familiar problems in new ways. By stimulating novel thinking patterns in employees, the leader inspires followers to question their own beliefs and learn to solve problems creatively on their own. (p. 350).

Our life is developed through transactions and contacts and this situation is reaffirmed on a daily basis, so that by constituting leadership as an essential element for the management of companies in this century, it requires the directors of productive and commercial organizations to go deeper to face this baggage of facts and phenomena that will have to solve, since they must deploy or create strategies to adapt to this increasingly changing business world, this requires the implementation of a model to govern behaviors of the leaders. In these times of frequent and turbulent changes that we face as agents of production and marketing of products and services in all areas, leadership must be considered as seriously as possible, the different emerging approaches reflect the current importance of re-conceptualizing leadership as an individual position that is exercised over a group of people in organizations without distinction.

To the extent that the company enjoys higher levels of competitiveness is mainly due to the establishment of efficient strategies and the conduct of those who lead the organizations generating a work environment that allows the achievement of the objectives of those involved, recognizing that the rigid behavior of managers are unacceptable by the members of the organization, resulting in a lack of commitment by the latter, due to the lack of commitments between the different levels of the structure of organizations with open systems that must respond to changes, forcing organizations to have leaders from the perspective of disruption and strategies to make this size of companies more competitive in different economic sectors coupled with the above commitment to sustainable development, which requires leaders capable of responding not only economically but also socially and environmentally.

Leaders in general with the disposition and indispensable conditions to remedy the orga-

nizations that face difficulties for their optimal functioning, require an integral analysis of the same to eradicate the failures and therefore, eliminate those difficulties or obstacles from their origin, for which it is necessary to The conceptualization of leadership should be presented with greater relevance to stop presenting much controversy in the scientific environment, due to its diversity of interpretations by different theories.

CONCLUSIONS

There is a common denominator among small enterprises in a significant percentage of countries, the discrepancy when using indicators for a study and that they constitute a decisive part in the economic activity of a nation, due to the number of employees, the urgency of being supported by the authorities from the managerial, financial, technical and administrative point of view.

This research leads us to point out leadership as a determining element for the achievement of objectives and business evolution, provided that the following aspects are taken into account:

- Paying attention to transparent communication between the leader and the workers of smaller organizations will allow the issuance of clear instructions for the assignment of tasks.

- They are the leaders responsible for motivating and improving the performance of workers through an appropriate work environment.
- The leader will have to generate operational efficiency by eliminating duplication of functions and conflicts among the members of the company.
- Encouraging creativity. Active participation will imply increasing the levels of competitiveness and of course the participation in the market where small companies are inserted.
- In a very dynamic market, small business leaders will be responsible for better management, acquisition of new technologies and efficient strategies in their business behavior.
- The leader of smaller companies must focus on their customers to build loyalty and loyalty and achieve sustained growth.
- The company leader must develop capabilities to identify the talent and willingness to develop their work activities of workers at all levels of the organization.

We are aware that each leader, according to the development of his company, will apply strategies based on his organizational culture and his ability to adapt to the new demands of the context of business competitiveness.

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