Leadership position in micro, small and medium enterprises in Tejupilco, State of Mexico

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The aim of this study was to identify the leadership of managers by Inventory Leadership Practices (IPL) in the Micro, Small and Medium Enterprises (MSMEs) engaged in trade in Tejupilco Mexico for the year, 2018. The criterion of choice of the sample was by the random number board in 294 companies. The research conducted was descriptive and transactional in nature; applying as it does the Instrument Inventory of Leadership Practices consisting of 30 questions, and measurement was performed using a Likert scale. According to a general level instrument 103 were at low, 94 medium and 97 high. The main results in giving breath to the heart are at a low level with 110, 108 middle and 76 high. In the behaviors of the IPL model of either the owners, managers, and employees, the behaviors that were less practiced in the MSMEs dedicated to trade were identified, they spend little time celebrating the achievement of objectives and recognizing it publicly.

Keywords: Leadership, enterprise, educational development

INTRODUCTION

The world is undergoing major changes in the geopolitical, economic and technological fields, which affect the possibilities of growth in the region and at the same time, generate new spaces that can be exploited. The slow economic growth, the lower dynamism of international trade, the acceleration of digital revolution that is modifying consumption and production patterns worldwide and the new global demands linked to the Sustainable Development Goals and the 2030 Agenda, represent challenges and opportunities for Latin American countries to face a new, more just and sustainable development style. That is why it is important that both organizations adapt very quickly to change and it is necessary that they have the right people to take the appropriate course to achieve objectives, remain in the market and expand.

Rost (1991) analyzed written materials from 1900 to 1990, and found more than 200 different definitions for leadership, ranging from understanding the leader as great men or heroes who were highly influential due to their personal charisma, intelligence, wisdom or political ability until you understand the leader as the one who serves and who ensures that they meet the needs of other people with the highest priority. For its part, Dugan (2017) emphasized the difference of a leader, which refers to the individual and is often linked to the promulgation of a particular role, leadership that reflects a collective process approach of people working together towards common goals or efforts of collective leadership development.

The new leaders must contribute their own needs and that of their teams, although most of the theories, and existing leadership models so far focus on the relationship of the leader and his followers, it is important to consider from a personal point of view (intrapersonal) as well as the social perspective (inter-leadership).

According to the conclusions of the 2012 World
Economic Forum in Davos (Manpower Research Center), we are facing a new era called the “Human Age”, which is part of a particularly dynamic and changing environment where the progressive consolidation of the effects of globalization, demographic changes, the impact of technological developments and their consequences for the socialization of individuals and businesses require the rethinking of strategies by management professionals.

Moreover, in the 2015 edition of the World Economic Forum, it was noted that lack of credible leaders is one of the most important challenges which humanity faces and 86% of respondents in the Global Agenda agreed that the world suffers from leadership crisis worldwide. It is essential to have leaders who address the challenges of organizations, society and economy both at the regional, state, national and transnational levels.

In Mexico, small businesses account for 97% of the business sector which generates 41% of GDP (gross domestic product) and 64% of employment. This demonstrates its importance in economic growth, competitiveness, innovation and job creation in the country (INEGI, 2015). MSMEs require the cooperation of followers to achieve objectives. As regards the leadership in management, this represents a primordial stance for staff to identify and commit to achieving organizational results, business efficiency, and maximizing available resources (Rodriguez, 2008; Cuadra and Veloso, 2009; Rodriguez, 2010; Barahona et al., 2011).

In recent years, several studies have shown that transformational and transactional leadership positively affect the performance of followers, because they work with the internal qualities of each individual who, having a good performance, benefit from a reward. Pedraza et al. (2015), in their study, identified leadership practices in commercial sector companies in Tamaulipas (Mexico), with a questionnaire reviewed by experts to a sample of 84 managers. Among the findings, it was determined that the five dimensions of the IPL (challenging the processes, inspiring a shared vision, enabling others to act, shaping the path and encouraging the heart), are present in the leadership practices of companies.

It was determined that the purpose of this article was to characterize the leadership practices exercised by the managers of micro, small and medium businesses in Tejupilco State of Mexico in 2018.

Literature Review

The key tool of a leader in any organization is the communication he has with his subordinates, the effectiveness with which he manages to bring his ideas to members of the organization will determine if objectives will be achieved, as proposed both in the short, medium and long term.

Barrios (2010) stated that a leader needs to effectively develop a communication process in the organization. Communication is important to achieve an efficient exercise of leadership and consequently help cultural change in the organization. Communication is an essential element for the life of organizations. It is consubstantial in the company and essential for its proper functioning, plays a role of primary importance in the creation, maintenance and change in the culture and corporate identity.

On the other hand, Silva (2008) reported that two important concepts are mentioned in organizations: leaders and leadership. Leaders are those who are able to influence others and who have administrative authority. Leadership is the process of influencing others and supporting them to work enthusiastically in achieving goals. Being a leader in this era is a challenge. Organizations look for leaders with leadership mentality (Maxwell, 1996).

This implies the need for the leader to raise more leaders and multiply. It is not enough to just be a leader, in addition to this a leader should also encourage others within the organization. A true leader creates an interlocution with his subordinates, an effective communicational feedback that leads to the solution of any situation that be present.

For his part, Martínez (2007) stated that leadership in a company is very important given its ability to guide and direct. Also, a company with a good leader, can plan properly, have excellent control, and can make the company flow without any delay, a leader is necessary for a company to operate, and it makes it more effective.

On the other hand, Silva (2008) reported that two important concepts are mentioned in organizations: 1) leaders and 2) leadership. Leaders are those who are able to influence others and who also have administrative authority. For its part, leadership is the process of influencing others and supporting them so that they work enthusiastically to achieve goals. Being a leader in this era is a challenge. Therefore, organizations look for leaders with leadership mentality (Maxwell, 1996). This implies the need for the leader to raise more leaders and multiply. It is not enough to just be a leader, but also to encourage others within the organization to be so: a true leader creates an interlocution with his subordinates, an effective communicational feedback that will lead to finding a solution for any situation.

Transformational and Transactional Leadership

One of the most interesting theories is the so-called transformational leadership. Although the term was mentioned by J.V. Downton in his book Rebel Leadership: Commitment and Charisma in a Revolutionary Process (1973), James MacGregor Burns (1978), was the first to introduce the concept of transformational leadership in his descriptive research on political leaders. According to Burns, transformational leadership is the process in which "leaders and followers help each other to achieve higher levels of morals and motivation." Burns (1978), established two concepts: "Transformational leadership and transactional leadership."

The transformational approach creates a significant change in the lives of people, organizations, and
perceptions, values are redesigned, workers' expectations and aspirations change. Contrary to the transactional approach, it is not based on a "give and receive" relationship, but on the personality, characteristics of the leader, ability to cause changes through the example, the articulation of an energizing vision and challenging goals.

Transformational leaders are idealized in the sense that they are a moral example of the meaning of work oriented to the benefit of the team, the organization or the community. Burns stated that transformational and transactional leadership are mutually exclusive styles. Transactional leaders generally do not seek changes at the cultural level within the organization, but instead work on the existing culture, while transformational leaders try to change the organizational culture.

Another researcher, Bass (1985), a disciple of Burns expanded his work (1978), explaining the psychological mechanisms behind transformational and transactional leadership. Bass also used the term "transformational" instead of "transformative" and added elements to the initial concept of Burns (1978) to explain the way in which transformational leadership could be measured, as well as the way it impacts the motivation and performance of the followers. The point to which the leader is considered transformational is measured first, in terms of the influence on the followers. The followers of this type of leader feel trust, loyalty, respect and due to their quality of being transformational, they are willing to work harder than expected.

These results occur because the transformational leader offers followers more than just work for their own benefit. A transformational leader provides them with an inspiring mission, conveys vision and identity. The leader motivates, transforms followers through their influence (which is often referred to as charisma), intellectual stimulation and individual consideration. Additionally, the leader encourages followers to seek, apply new and unique ways to challenge the status quo, as well as modify the environment to reinforce the sense of success. Finally, contrasting with Burns, Bass suggested that leadership can simultaneously deploy both transformational and transactional leadership since both are relative to the success of the work team in organizations.

Thirty years of research and many analysis have shown that transformational and transactional leadership positively predict the results of performance variables at both the individual and group levels (Bass and Bass, 2008).

Transformational leadership, is considered part of the so-called organizational leadership theories, its importance is given that leaders contribute to the success of organizations, which are subject to numerous changes resulting from the globalization process. Transformational leaders manage to respond quickly to the demands of the environment supported by their followers, who they have influenced, and achieving change from an individual interest to a collective interest, and reaching the goals of the organization.

As Burns (1978) has commented, the concept of transformational leadership in which the leader exerts an influence on the followers through their communication ability and personal characteristics, manages to convey an ideal vision in which everyone wishes to participate. As defined by Lussier and Achua (2010, p. 348) "Transformational leadership serves to change the state of things by articulating with their followers the problems in the current system and an attractive vision of what a new organization could be "

A transformational leader emerges in contexts of uncertainty and is characterized by maintaining positive relationships with the working groups and successes in the organizational objectives, since they manage to generate trust and cooperation in the people around them.

Various investigations have shown that there is a correlation between the transformational leader and employee performance, organizational commitment and job satisfaction (Liao and Chuang, 2004). Another study has shown that workers with supervisors characterized by transformational leadership experience positive emotions and job satisfaction (Pastor et al., 2007). Likewise, a study revealed that the relationship between a transformational leader and the followers is stronger because they perceive a quality relationship (Piccolo and Colquitt, 2006). Finally, the studies by Aragón-Correa et al. (2007) and Trautmann et al. (2007), have demonstrated the positive relationship between transformational leadership and climate, culture and organizational learning.

A transformational leader has qualities to take risks, make changes to present situations and has a vision that allows him to see opportunities which he takes advantage of, and also manages to convey interest and inspires his followers to create and assume the same projects.

Bass and Avolio (1994) stated that transformational leadership is composed of four dimensions: 1) Idealized influence or charisma: which makes the followers feel an attachment to their leader; 2) inspiring motivation: the transformational leader manages to convey inspiring visions; 3) individual consideration: it is a role model for others and 4) intellectual stimulation: it encourages creative thinking and problem solving through critical and novel thinking.

Lussier and Achua (2010) summarized the characteristics of transformational leaders as agents of change, visionaries, who enjoy a high level of trust from their followers, take risk with caution, their behaviors are guided by core values, possess cognitive abilities, believe in people and are sensitive to their needs, are flexible, open to learning and experienced.

Transformational leadership is one of the most widely used leadership theories today. It is defined as a relationship of influence of social type with intrinsic motivation that proposes the change of the status quo, the original, current idea, for a vision of the future that influences followers through new ideas.

Transformational leadership is associated with the idea of change in the environments in which it is applied, since the image of the leader in this theory is known to move
and change things by communicating to the followers a special vision of the future, using ideals and higher motives of the followers” (Lussier and Achua, 2011).

A leader "has a non-delegable role in the instrumentalization of change, taking into account elements such as the creation of a shared vision" (García, 2011).

A fundamental element of the theory of transformational leadership is the link generated through the commitment - between leader and followers - towards the achievement of goals. The influence generated by the leader on his followers is what allows the group’s vision to be articulated and projected to achieve common goals.

“Transformational leadership is seen as “real” leadership [transformational leaders] seek to optimize and innovate individual, group, and organizational development, and not be left alone in expectations” (D’Alessio, 2010).

The conviction of leaders to followers plays an important role as it allows the group to constantly "inject" pressure to reach the proposed goals, making efforts to achieve ethical and moral compliance.

**Transactional leadership**

It is defined by an economic relationship of influence. “In this relationship, the collaborator interacts with the leader solely by extrinsic motivation” (Cardona, 2000). “Transactional leaders exhibit behaviors associated with constructive and corrective transactions. The constructive style is called contingent reward and the corrective style is management by exception” (D’Alesio, 2010).

The fundamental role of the leader in transactional leadership is to achieve goals and meet objectives while working under pressure; that is, maintain efficiency and avoid making mistakes in the fulfillment of activities. In this leadership model, the basis is the fulfillment of objectives through an exchange of awards and punishments. As a result, this leadership is based on a type of operant stimulus-response conditioning.

For Rice (1997), operant conditioning consists in learning from the consequences of behavior, emphasizing that according to Skinner (1904-1990), behavior operates in the environment to produce consequences, which can be rewards or punishments.

Therefore, the dynamics of transactional leadership consists in conditioning the collaborator to meet the goals. In companies, it is mainly applied when it is necessary to reach specific quality objectives and at set times.

The inventory of leadership practices originated the theory of relations, where you can find two main trends within this theory, transactional leadership and transformational leadership.

**Transformational leadership theory Kouzes and Posner (2006)**

These authors closely considered the dynamic process of leadership through case studies, surveys, and recognized five fundamental practices through which leaders get extraordinary things done. The model came alive through leadership, character, and color when they began to hear stories of ordinary people who got out of ordinary achievements. They found that the leaders studied were able to carry out the following five practices:

**Subscales of transformational leadership of Kouzes and Posner**

In Table 1 Each of the practices identified by Kouzes and Posner describes:

- a) Challenging processes
- b) Inspiring a shared vision
- c) Enabling others to act
- d) Modeling the Way
- e) Giving encouragement to the heart

**METHODOLOGY**

The scope of this study is descriptive, because of the interest of identifying and characterizing the behavior of commercial management in the five leadership practices model IPL. It is a non-experimental research design because it does not influence respondents or their environment in responding to questions in the questionnaire. A cross sectional study was conducted, during which data was collected in a specific period of time, field activity was held from January to July 2018.

The research carried out utilized quantitative and qualitative approaches, since the data were collected using a questionnaire and these were analyzed with techniques such as Exploratory Factor Analysis (AFE), to determine the underlying structure of the dimensions or leadership practices; Cronbach’s Alpha for assessing the reliability of the instrument (Mertens, 2010; Hernández et al., 2010; Creswell, 2012).

**Study variables**

**Dependent variable:**

- The leadership of managers in micro, small and medium enterprises Tejupilco, State of Mexico.

**Independent variables:**

- Challenging processes
- Inspiring a shared vision
- Enabling others to act
- Modeling the Way
- Giving encouragement to the heart

The National Statistical Directory of Economic Units (DENUE) found 1239 companies engaged in wholesale and retail. As a tool for data sample, 294 MSMEs were applied.

The criterion of choice of the sample was by the random
Table 1. Characterization of the IPL model dimensions

<table>
<thead>
<tr>
<th>Leadership practices</th>
<th>Description of scope</th>
<th>Dimension of leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Challenging processes</td>
<td>Seeking out opportunities that involve the challenge of change and grow, innovate and improve. Experiment, take risks, to extend the experiments and questions made by the leader.</td>
<td>Transformational: they provide a vision and focus on internal needs, higher order on employees; increasing commitment to them with the vision of the company by the quality of interpersonal relations</td>
</tr>
<tr>
<td>2. Inspiring a shared visión</td>
<td>It implies that the leader envisions a future uplifting, exciting vision. It has the ability to bring others in an environment with a common vision by appealing to their values, interests, hopes and dreams</td>
<td>Transformational:</td>
</tr>
<tr>
<td>3. Enabling others to act</td>
<td>Encourage collaborative work and participatory decision-making, building trust</td>
<td></td>
</tr>
<tr>
<td>4. Modeling the Way</td>
<td>An example of behavior consistent with the values adopted</td>
<td>Transactional:</td>
</tr>
<tr>
<td>5. Giving encouragement to the heart</td>
<td>The leader recognizes individual contributions to the success, providing positive feedback and public recognition, celebrates team accomplishments regularly</td>
<td>The focus is on the right sharing of resources. It implies that the leader defines the tasks to subordinate their performance and in return the employee becomes entitled to a reward</td>
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Source: Based on Kouzes and Posner (2003), Robles (2008), Robles et al. (2008), Cuadra and Veloso (2009), Zarate and Matviuk (2012).

RESULTS

The most popular way to mediate internal consistency is by Cronbach’s alpha, and a value of 0.864, is indicative of a good level of confidence of the questionnaires used in the development of this research. Using the SPSS software (version 23), according to a general level IPL, 103 people were at a low leadership level, 97 in the middle and 94 were high (Figure 1). This indicates that companies in the trade retail sector, should do more work on the training of both managers, employees, and owners should go out in search of opportunities to innovate, grow, take risks and learn from mistakes. Their vision should be according to their values for the construction of an uplifting future, encourage teamwork, build trust, delegate responsibility, commitment, and something few companies do in the region is to constantly celebrate the team’s achievements.

Women predominated the people surveyed, and this is good because it changes paradigms, culture, and the mentality that only a man can work. Level post for the research refers to the person who is responsible for the business, such as the owners, managers and employees. Owners predominate, where 55 are women and 93 are men, thereby giving women more freedom in terms of work.

Since managers are people who have earned the trust of the owner, they cannot make decisions with total freedom, because when you need to talk to the owner, 40 are women and 43 men. Employees are people who at the time of the survey were in business, 43 were women and 20 men (Figure 2).

According to the education level in both men and women, at high school were 61 women and 45 men, in undergraduate were 21 women and 24 men and 2 men in graduate school, there is a person who is uneducated, helps you likes to read a lot and be informed of what happens at the national, state and municipal levels (Figure 3).

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With regards to challenging processes, 116 people are at
Figure 1: General level IPL instrument
Source: self made

Figure 2: Ratio according to sex
Source: self made

Figure 3: Information with the degree of gender studies
Source: self made
a level under the leadership of which 53 are owners, 39 managers and 24 employees. Regarding the average level in 111, 58 are owners, managers 26, 27 and 63 is used up, 37 are owners, managers 18 and 12 employees (Figure 4).

Leaders do not seek new opportunities, live in a comfort zone and they are also not physically, mentally and emotionally prepared to face any challenge that comes their way.

In terms of inspiring a shared vision, of 129 persons 55 are owners, managers 46 and 28 employees, 109 in medium 61 being owners, managers 22 and 26 employees, 56 in high, 32 are owners, managers 15 and 9 employees. Leaders do not train other employees to achieve mutual interests committing them to achieve a common goal (Figure 5).

In terms of enabling others to act are 106 people with 48 being owners, 34 managers and 24 employees, of 124 in medium, 66 are owners, 33 managers and 25 employees and of 64 in high, 34 are owners, 16 managers and 14 employees were not allowed to carry out a participatory and collaborative process in decision-making (Figure 6).

In the variable model, of the path of 114 respondents, 52 are masters, 34 charged and 28 employees, 112 mediums, 59 are owners, 30 managers, 23 employees and 68 high, 37
are masters, 19 charged and 12 employees. It does not help to bring a consistency of moral reasoning in practice, colloquially, the leader "does not preach by example" in this investigation (Figure 7).

Finally, the variable give breath to the heart is an important point for the leader to be shown and as such in an organization of 110 people 54 are owners, 33 managers, 23 employees, 108 middle, 53 owners, managers 32, 23 and 76 employees up 41 are owners, managers 18 and 17 employees. The leader does not publicly acknowledge individual contributions (Figure 8).

**DISCUSSION**

Analyzing the information obtained in field schooling the MSMEs leaders is important for the five behaviors IPL, and the number of workers in charge. This means that both the level of education and the number of workers is optimal for leadership (Robles et al., 2008).
It was observed that limiting the characterization of leadership is influenced by Mexican culture and values (Lautent, 1986) cited by Robles et al. (2008). As shown in inspiring a shared vision, there is a very low level of leadership, so the recommendation is that this investigation should be tracked to compare leadership practices among different cities. Mexico women face obstacles such as unpaid workload four hours a day more than men; the distinction of roles, which involves policies to reconcile work, family life; and child care, in the case of women who have a family.

According to research, women are present to hold positions in companies, which share the idea that research need help from women exercising leadership qualities, instead of imitating the traditional role of a male leader, being relevant and conducting studies of psychological, social and cultural relations with different methods of variables analysis, in order to achieve greater and better understanding of the phenomenon of inequality (Contreras et al., 2012). Bass and Avolio (1994), and Vega and Zabala (2004) considered transformational leadership to be an extension of transactional leadership, so a leader can exhibit both, according to the circumstances and if they demand different leadership patterns. Therefore, assuming any leadership style does not mean that it is correct, that depends on the context, the needs and the followers’ skills.

Almaraz (1994) highlighted the importance of leadership within the processes of organizational change. However, it should be noted that theorists who work on this topic do not include much leadership theory in their discussion. For that reason, note that there are definitive works on the relation of these two variables, constituting a good opportunity for researchers in the organizational field.

With regard to leadership style and sociodemographic characteristics, the research showed that only gender and management by passive exception are related, with men being the ones who exhibit more of this transactional style of leadership. These results partially coincide with those obtained in the meta-analysis conducted by Eagly et al. (2003), in which they reviewed 45 studies of transactional, transformational and laissez-faire leadership styles. They found that men are more likely than women to manifest aspects of transactional leadership, especially active exception management, passive exception management and laissez-faire.

It is very important that organizations have a person who exercises leadership in such a way that they are not afraid to make decisions, innovate, grow, in addition to involving followers in the vision to achieve objectives, teamwork, being consistent with what they say and how they act. They should also recognize the work of others giving the value they deserve for being the most fundamental resource in any type of company.

**Conclusion**

According to the leadership practices evaluated, managers exhibit a transformational leadership with some transactional features, confirming the existence of a leadership profile, which does not exclude practices
belonging to other categories.

In the municipality of Tejupilco, there are large commercial enterprises which micro, small and medium enterprises should focus on providing good services and keep up to date in terms of technology such as bar code products, and cameras.

The study showed that leaders do not know or may not want to acknowledge the work done by others, either because they think it will make them lose power, outshine and want to take credit for what is achieved within the organization. It is elementary that each follower recognizes the work he does, because it creates an atmosphere of harmony, confidence and provide social security.

It can be seen that people who are in charge of businesses are responsible and sometimes exercise their leadership role, but do not know how to make decisions, because they have enough freedom to do so.

As a result of change of government, business owners perceive uncertainty and do not want to invest in the new public policies that will be implemented.

Recommendations

The research was conducted to study findings and leave important future lines where MSMEs lacking administrative, financial management and internal control, do things very empirically. In some businesses twice personnel functions, there is no organization, lack of organizational manuals, procedures, positions, policies. It would be beneficial for organizations that receive refreshers leadership courses, motivation, organizational climate, and teamwork.

Conflict of interests

The authors declare that they have no conflict of interests.

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