Business Culture in SMEs in the Municipality of Tamazula de Gordiano, Jalisco (Mexico)*

[English Version]

Cultura empresarial en las pymes del municipio de Tamazula de Gordiano, Jalisco (México)

Cultura empresarial nas PME do município de Tamazula de Gordiano, Jalisco (México)

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* Tamazula de Gordiano: municipality located in the southeastern region of the State of Jalisco, western Mexico. It is characterized by large extensions of crops of sugarcane, tomato, corn and fruit trees such as avocado. The Ingenio Tamazula that produces sugar and cane alcohol stands out (Government of Jalisco, 2019). The researchers declare that there were no conflicts of interest in the execution of the research project.

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Abstract

Objective: to examine the business culture of small and medium-sized companies in the municipality of Tamazula de Gordiano, Mexico. **Methodology**: the research was carried out with a quantitative approach and the method was quasi-experimental, transectional and exploratory. It was quasi experimental because it was carried out without manipulating variables and was based on the community of SMEs from the municipality of Tamazula de Gordiano; exploratory transectional, because the concept of exploratory and organizational culture began to be understood, which is applied to research, problems that are little studied in said community. Surveys were applied to the managers or owners of 35 small and medium-sized private sector companies (SMEs), using the "business diagnosis" questionnaire as an instrument, developed by the Institute for Development and Innovation in Technology for Small and Medium-sized Enterprises (IDITpyme), from the Universidad de Guadalajara, considering the area of business culture. **Results**: the business culture of SMEs in Tamazula de Gordiano does not distinguish or separate the capital of the company from family assets; only a minority has an organizational philosophy defined and known by its members. Most managers or owners consider strategic alliances of little or no importance to the achievement of organizational objectives and are reactive in the face of possible external threats. Considering the characteristics described above, it is inferred that the business culture of SMEs, according to the Robbins classification, is weak. The business culture that characterizes SMEs, the object of the study, implies a lower performance, which places them at a disadvantage compared to large companies that have a strong business culture and, furthermore, puts them at serious risk of remaining vulnerable in the face of an increasingly complex, changing and competitive local and national economic situation. **Conclusions**: it is concluded that this weak business culture is similar in SMEs in the different municipalities of Mexico and other Latin American countries, given the cultural similarities that persist and coexist in this geographical area of the world.

Keywords: Corporate culture; Organizational culture; Diagnosis; SMEs; Values.

Resumen

Objetivos: examinar la cultura empresarial de las pequeñas y medianas empresas del municipio de Tamazula de Gordiano, México. **Metodología**: la investigación se realizó con un enfoque cuantitativo y el método fue de tipo cuasi experimental transeccional y exploratorio. Cuasi experimental porque se llevó a cabo sin manipular variables y se basó en la comunidad de pymes originarias del municipio de Tamazula de Gordiano; transeccional exploratorio, porque se comenzó a conocer sobre el concepto

de cultura organizacional y exploratoria, que se aplica a problemas de investigación poco estudiados en dicha comunidad. Se aplicaron encuestas a los gerentes o dueños de 35 pequeñas y medianas empresas del sector privado (Pymes), utilizando como instrumento el cuestionario de "diagnóstico empresarial" desarrollado por el Instituto para el Desarrollo y la Innovación en la Tecnología para la Pequeña y Mediana Empresa (IDITpyme), de la Universidad de Guadalajara, considerando el área de cultura empresarial. **Resultados**: la cultura empresarial de las pymes de Tamazula de Gordiano no distingue o separa el capital de la empresa y el patrimonio familiar; solo una minoría cuenta con una filosofía organizacional definida y conocida por sus miembros. La mayoría de los gerentes o dueños consideran a las alianzas estratégicas con poca o sin importancia alguna para el logro de los objetivos organizacionales y tienen una posición reactiva frente a posibles amenazas externas. Considerando las características anteriormente descritas, se infiere que la cultura empresarial de las pymes, de acuerdo con la clasificación de Robbins es débil. La cultura empresarial que caracteriza las pymes, objeto de estudio, supone un desempeño inferior, lo que las coloca en una situación de desventaja frente a las grandes empresas que cuentan con una cultura fuerte y que, además, las pone en grave riesgo de permanencia ante una situación económica local y nacional cada vez más compleja, cambiante y competitiva. **Conclusiones**: se concluye que esta cultura empresarial débil, es similar en las pymes de los distintos municipios de México y otros países de Latinoamérica, dadas las similitudes culturales que persisten y coexisten en esta zona geográfica del mundo.

Palabras-clave: Cultura empresarial; Cultura organizacional; Diagnóstico; Pymes; Valores.

Resumo

Objetivos: examinar a cultura de negócios de pequenas e médias empresas no município de Tamazula de Gordiano, México. **Metodologia**: a pesquisa foi realizada com abordagem quantitativa e o método foi quase experimental, transecional e exploratório. Quase experimental, porque foi realizada sem manipulação de variáveis e baseou-se na comunidade de PMEs do município de Tamazula de Gordiano; transecional exploratória, porque se tornou conhecido o conceito de cultura exploratória e organizacional, aplicada a problemas de pesquisa pouco estudados nessa comunidade. As pesquisas foram aplicadas aos gestores ou proprietários de 35 pequenas e médias empresas do setor privado (PME), utilizando como instrumento o questionário "diagnóstico de negócios" desenvolvido pelo Instituto de Desenvolvimento e Inovação em Tecnologia para Pequenas e Médias Empresas (IDITpyme), da Universidade de Guadalajara,

considerando a área de cultura empresarial. **Resultados**: a cultura empresarial das PME em Tamazula de Gordiano não distingue ou separa o capital da empresa e os ativos da família; Somente uma minoria tem uma filosofia organizacional definida e conhecida por seus membros. A maioria dos gerentes ou proprietários considera alianças estratégicas de pouca ou nenhuma importância para a consecução dos objetivos organizacionais e é reativa diante de possíveis ameaças externas. Considerando as características descritas acima, infere-se que a cultura de negócios das PMEs, de acordo com a classificação de Robbins, é fraca. A cultura de negócios que caracteriza as PMEs, objeto do estudo, implica um desempenho inferior, o que as coloca em desvantagem em comparação às grandes empresas que possuem uma cultura forte e, além disso, as colocam em sério risco de permanência antes uma situação econômica local e nacional cada vez mais complexa, mutável e competitiva. **Conclusões**: Conclui-se que essa fraca cultura comercial é semelhante nas PMEs dos diferentes municípios do México e de outros países da América Latina, dadas as semelhanças culturais que persistem e coexistem nessa área geográfica do mundo.

Palavras-chave: Cultura de negócios; Cultura organizacional; Diagnóstico; PME; Valores.

Introduction

Culture in generic terms refers to the values, beliefs and traditions of a society; these values are also reproduced within organizations, making their members behave in one way or another. Culture is intrinsic to any type of organization, it is the personality that makes them original, it is like the human fingerprint, one-of-a-kind. Therefore, small and medium-sized enterprises (SMEs), as organizations, also have a unique way of behaving, seeing things and reacting to the problems they face. All these singularities are called "business, organizational or corporate culture".

One of the main characteristics in the organizations of the 21st century is their dynamism, due to the way in which organizations solve problems and how they look for new business opportunities, allowing them to evolve and adapt successfully to the challenges of the new business reality. In this context, SMEs are undoubtedly of vital importance for the economic development of Mexico because of their combined economic contribution, which adds up to 36% of the Gross Domestic Product (GDP) and 32% of employment (Secretariat of Economy, 2010).

The renowned Chilean sociologist, Darío Rodríguez (2016), explains that the issue of organizational culture becomes relevant from the 1980s, with the

emergence of the Japanese model as a culturally based form of organization, globalization, the replacement of generation of "baby-boomers" by the "Y", was a motivation to understand the particularities of culture as a model of being in organizations, the present decade of the 21st century being highlighted for the study of work cultures.

In the Latin American context, some research has been carried out on organizational or business culture in small and medium-sized companies. In Colombia, Marulanda, López and Castellanos. (2016), carried out a research project with the aim of exposing the relationship between organizational culture and good practices for knowledge management (KM) in SMEs in Colombia, to formulate actions that allow their growth (p. 163) , concluding that organizational culture positively influences the impact of good practices for knowledge management, due to the efforts made by companies in recognizing the importance of KM (Marulanda et al., p. 174).

In Mexico, the authors Gómez, Villareal and Villareal (2014), published an article entitled, "the business culture and its relationship with the learning styles in the pulp, cardboard and paper industry in Mexico", in which they make a diagnosis of the dominant business culture, the prevailing learning styles and the relationship of both concepts, reaching the conclusion that "the dominant culture in the sector studied is the market culture", adding that "a company has a dominant culture, which is accompanied at different intensities by the characteristics of the other three cultures "(…) adhocratic, clan and hierarchical (Gómez et al., p. 22).

This research project uses companies categorized as original and located SMEs within the municipality of Tamazula de Gordiano, Jalisco, Mexico, as a source of data to perform the examination. According to data from the National Institute of Statistics and Geography, INEGI (2000), interviews were applied to managers or owners of companies, using the business diagnostic questionnaire as an instrument, developed by the Institute for Development and Innovation in Technology for Small and Medium-sized Enterprises (IDITpPyme), of the University of Guadalajara, considering the business culture area.

The objective is to examine the most significant aspects of business culture in SMEs, as a first approach to understand their cultural situation and to propose concrete actions to improve their development and competitiveness in future research. The specific objectives that this study has set are:

1. Select small and medium-sized companies, based on the number of employees, originating and located in the municipality of Tamazula de Gordiano, Jalisco.

2. Analyze the main elements of organizational culture in the selected companies under study.

3. Categorize the business culture of SMEs in the municipality of Tamazula.

Hypothesis

The business culture of SMEs in the municipality of Tamazula de Gordiano Jalisco is characterized by being weak, without an established or shared organizational philosophy among the members and with a reactive way of dealing with environmental problems.

Background and Theoretical Contributions

First, the most relevant concepts for this research are defined and then the background and theoretical contributions on the subject are detailed.

Concepts.

Analysis.

"Distinction and separation of the parts of something to know its composition." Another meaning is the "detailed study of something, especially a work or a piece of writing" (Spanish Royal Academy, 2018).

Institutional Analysis.

According to Franklin and Krieger (2011), "institutional analysis has the purpose of discovering the collective unconscious of organizations, groups, and society in general" (p. 143).

Strategic alliances.

They are defined as: "cooperational agreements that may have a local, international and even global character, to establish agreements with other companies in order to carry out a new operation, seeking to share costs, risks and benefits when venturing into the development of business "(Benavides-Pañeda, 2004, pp. 30-31).

Organizational culture.

"Set of basic premises on which the organizational decision is built" (Rodríguez, 2016, p. 152).

Dominant culture.

"It expresses the core values shared by most of an organization. When speaking of the culture of an organization, reference is made to its dominant culture "(Robbins and Judge, 2009, p. 553).

Strong culture.

The one where the fundamental values are shared with intensity and in an extensive way (Robbins and Judge, 2013).

Weak culture.

Culture where values are not assumed, but are conceived as obligations (Robbins and Judge, 2013).

Diagnosis.

"Process of gradual approach to the analytical knowledge of a fact or problem, which allows highlighting the most significant elements of its composition and operation, to derive adjustment and / or development actions aimed at optimizing it" (Franklin, 2014, p.385).

Pyme.

Acronym for small and medium business.

Value.

"In the most current trends, value is what guides action" (Garza-Treviño, 2004, p. 389).

Values.

"The values of the company should be the maps that direct all the efforts desired in the search for the stated purposes" (Hernández-Palomino, 2017, p. 121).

Theoretical Contributions.

Organizational Diagnosis.

According to Rodríguez (2016), "the organizational diagnosis constitutes a description, an explanation, made by the observer, of the operation of a given organization." (p.30). For his part, Guizar (2013), explains that "the diagnosis consists of the collection of data related to the operation of the organization and their analysis. From this, the causes of the problem or the opportunities of the organization can be discovered" (p. 197).

Organizational diagnosis has evolved from being a technique used as part of the Organizational Development (OD) process to an important technique in itself.

Culture and Business Culture.

The word culture, according to what the Royal Spanish Academy (2018) establishes in its dictionary, comes from the Latin *cultura*, which means cultivation and whose definition is the "set of ways of life and customs and degree of artistic development, scientific, industrial, in a time and social group". From the point of view of Sociology, Giddens (2000) defines culture as: "the ways of life of the members of a society or its groups. It includes dress, marriage customs and family life, work patterns, religious ceremonies and hobbies" (p. 21). In the organizational context, the business culture according to Mercado (2006) is specified as: "those common values and ideas that, without being formally established, guide the behavior of all members of the organization" (p. 350).

Recently the administrative approach, according to Chiavenato (2006), says that "the organizational culture represents the informal and unwritten norms that guide the conduct of the members of the organization day by day and that give meaning to their actions for the realization of organizational objectives. Each organization has its own corporate culture" (p. 319).

Additionally, Chiavenato (2006) adds that: "the only viable way to change an organization is to change its culture, (…), so that organizations can survive and develop, so that there is renewal and revitalization, the culture must be changed organizational" (p. 321). The aforementioned by Chiavenato accentuates the need that all organizations should have to understand their culture and analyze it in order to determine, if this truly helps, through their strategy, to achieve their objectives.

Ritter (2008) considers organizational culture as "the way in which the members of a group or organization act and that has its origin in a set of shared beliefs and values" (p. 41). Robbins and Judge (2013), for their part, define organizational culture as "a system of meaning shared by members, which distinguishes organization from others" (pp. 552-553). They also demonstrate that there are seven characteristics that capture the essence of an organization's culture: innovation and risk-taking, attention to detail, results orientation, people orientation, team orientation, dynamism and stability.

According to Jones (2008), organizational culture is the "set of shared values and norms that control interactions between organizational members, as well as between these and other people outside the organization" (p. 8). In turn, this same author defines values as "criteria, standards or general principles that people use to determine the types of behavior, situations, events and desirable or

undesirable results" (p. 8). For his part, Hellriegel, Scolum and Franklin, 2017), establish that "culture refers to a unique pattern of shared assumptions, values and norms that shape socialization, symbols, language, stories and practices of a group of people" (p. 596). For these authors, the organizational culture is relevant because it has an effect on the performance and satisfaction of the members.

One of the main authors and pioneers in the study of business culture, Edgar H. Schein (1988), defines it as organizational culture as:

> A model of basic assumptions-invented, discovered or developed by a given group as they learn to cope with their external adaptation and internal integration problems, that have exerted enough influence to be considered valid and, consequently, be taught to the new members as the correct model to perceive, think and feel these problems (pp. 25-26).

Zapata and Rodríguez (2008) mention that "corporate culture is made up of various elements that have significance and that are shared by a group" (p.228). These elements are: the values, the symbols, the language, the myths and the hero. Values represent the way things should be, symbols reproduce culture through information, language is the way the organization expresses itself, myths embrace the company's founding history and highlight its values, and the hero is the one who gives the example, who could be the founder of the organization.

Franklin and Krieger, (2011, p. 362), mention the fundamental characteristics that the organizational culture presents:

1. It is holistic: the whole represents more than the sum of its parts.
2. It is historically determined: it reflects the history of the organization.
3. It is socially constructed through interaction.
4. It is created and recreated by formal and informal norms that govern organization, authority and leadership styles.
5. It is intangible, but it makes the difference between one organization and another.
6. It is difficult to change, as it is internalized in the people, groups, teams, managers and executives who make up the organization.

These same authors point out that: "organizational culture cannot be seen directly, so to know it we must look at a series of indicators and manifestations that characterize the organization's basic assumption system" (Franklin and Krieger, 2011, p 362). These indicators are: "the organizational climate, organizational values, basic assumptions, norms, symbols, subcultures within the

organization, physical environment and material culture" (Franklin and Krieger, 2011, p. 362) (See Figure 1).

Figure 1. Indicators of Organizational Culture

Source: Authors' elaboration Based on Franklin and Krieger (2011)

1. The organizational climate

The organizational climate is the most visible factor and can be studied through the psychological contract, the system of remuneration, rewards and incentives, career development and competencies. Analysis of group expectations, authority relationships and leadership styles, leaders, characteristics of the job-task function and conflict resolution.

2. Values

Jones (2008) defines values as "criteria, standards or general principles that people use to determine the types of behavior, situations, events and desirable or undesirable results" (p. 178). Organizational values are an essential element of the culture of an organization, according to this same author, organizational values are made up of terminal values and instrumental values (See Figure 2).

Figure 2. Organizational Values
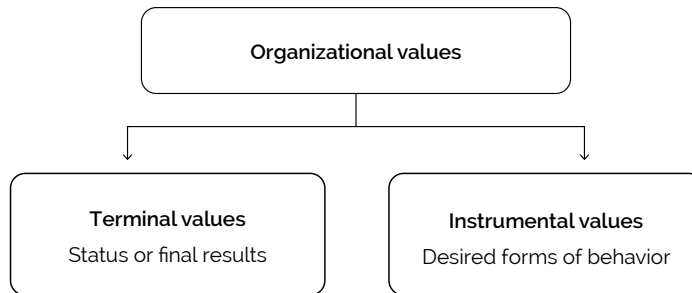
Source: Authors' elaboration Based on Jones (2013)

In Figure 2, we show that organizational values are made up of terminal and instrumental values. Terminal values are those focused on results, such as achieving high quality or excellence in your operations, profitability, innovation, reliability. Instrumental values are the means to achieve the terminals, for example, being useful, doing things right and the first time, being honest, taking risks, etc. Therefore, according to Jones (2008), the combination of both values leads to a business culture.

For Arciniega and Zazueta (2010), values are like "the cognitive representations of universal needs that are manifested through transitional goals that are organized hierarchically and are presented in the workplace context" (p. 43).

3. Basic assumptions

Franklin and Krieger (2011), explain that the basic assumptions are the unconscious premises within the company, which can be of commitment or non-commitment, of certainty or uncertainty, of individualism or teamwork, of care for the work environment, among others.

4. Rules

The norms, rules or policies applied in an organization also largely determine the prevailing culture.

5. Interactions

The type of relationship between the members of the organization, including employees, partners, leaders, suppliers and customers, reflects the culture of the company.

6. Symbols

Symbols refer to rituals, ceremonies, slogans, and stories that occur within the organization. These symbols of culture develop throughout the life of the company and in some cases, for example, in stories, tend to be exaggerated. The main objective of the symbols should be to motivate staff to feel part of the organization and achieve its goals and objectives.

7. Subcultures

Within the same culture of the company there are social groups with different ways of thinking, customs and values that coexist within the company, however, these subcultures may be opposed to strategic ends, causing adverse forces to it.

8. Physical environment

The physical environment of organizations is made up of three elements: physical structures, physical stimuli, and symbolic objects. The physical structure of the company's facilities refers to the design and location of the offices and this determines the type of culture. If the spaces are isolated and closed, a culture of fiefdoms with little communication will be promoted, and on the contrary, if the spaces are open, this will facilitate a culture of contact and exchange of ideas.

9. Material culture

Material culture originates when the products or services created by organizations consciously or unconsciously reflect the beliefs of the individuals who manufactured or provided them and by extension the beliefs of the society to which those individuals belong (Franklin and Krieger, 2011, pp. 366-374).

Organizational Culture Formation

The formation of an organizational culture is exemplified by Robbins (2004), in the following scheme (See Figure 3), where the culture starts from the philosophy of the founders of the company, which is then transferred to the criteria for selecting personnel to integrate them into the organization and finally it is socialized to the rest of the members by its managers.

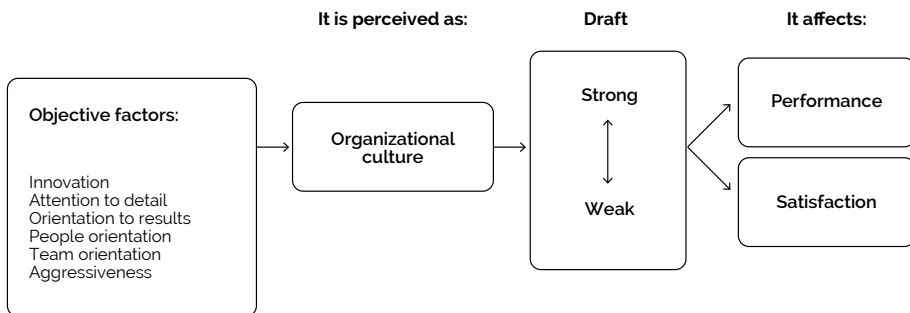**Figure 3.** How the Culture of an Organization is Formed
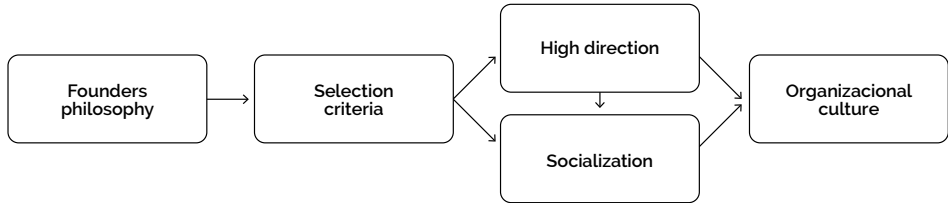
Source: Authors' elaboration Based on Robbins (2004)

Classification of Business Culture

Robbins (2004), classifies the business culture by virtue of its significance or *strong* draft, a culture in which core values are firmly held and widely shared and *weak*, a culture where values are not assumed, but are conceived as obligations. According to this same author, the effect that business cultures have on the performance of the organization depends to a large extent on the strength of that culture, the stronger it is, the greater the operational performance and vice versa. (See Figure 4).

Figure 4. Effect of Organizational Cultures on Performance and Satisfaction

**Source:** Authors' elaboration Eased on Robbins (2004)

The stronger the culture of an organization, the less need management will have to worry about developing formal rules and guidelines that guide the conduct of employees, who internalize that regulation when they accept the culture of the organization (Robbins and Judge, 2013).

According to Hellriegel et al. (2017), to build a strong culture, it is necessary that its visible elements project a single consistent message, where managers and employees share the same style of behavior, use the same approach to solve problems, meet goals and treat customers, suppliers and other interest groups. And they add "when the business environment of an organization is relatively stable, strong cultures that support strategic goals contribute to the performance of the company" (p. 606).

How then to Understand the Corporate Culture?

For the purposes of this article, based on the revised theoretical contributions, business culture will be understood as the set of beliefs, values, symbols and customs that define the behaviors shared by the members of an organization, learned from successes and errors of the past, and which in turn impacts, based on the strategy defined by the managers, the results of the company (See Figure 5).

Figure 5. Business Culture as an Element of Impact on Organizational Results
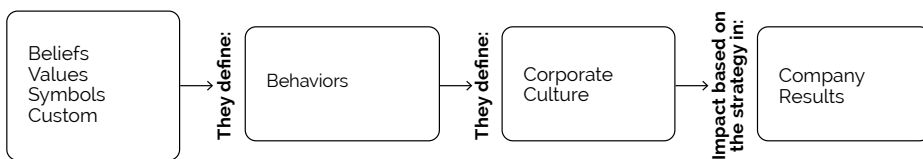
Source: Authors'

Business Culture in Mexico

According to David (2003), Mexico is an authoritarian society and it can be seen in several organizations, such as schools, churches, businesses and families. Employers "seek employees who are welcome, respectful, and obedient, rather than innovative, creative, and independent. Mexican employees tend to be more activity oriented and less oriented to problem solving" (p. 258). (p. 258).

Rodríguez-Valencia (2002), in his book Administration of Small and Medium Enterprises, states that *familism* is a force that influences the business behavior of our country and is immersed in Mexican culture (p. 107), and it is also one of the most common values in developing countries that business organizations give great importance to kinship.

"The culture defines the color that we see in the world" (Hellriegel, *et al.* 2017, p. 606). These authors try to convey through this phrase the complexity of cultural values that make up an organization or country and explain the differences between the values and management characteristics between Mexico and the United States. For example, according to these authors, Mexicans prefer a centralized decision-maker, while in the United States participation and delegation in decision-making process are preferred; in the case of the planning process, in the United States planning is formal, proactive and long-term, while in Mexico it is unstructured, reactive and short-term.

Cultural Change

Organizations are immersed in a changing environment that forces companies to modify their structures, according to Hernández-Palomino (2017), the previous approach to vertical integration has to shift towards the "use of partnerships, partnerships and joint ventures" (pp.134-135). In the current environment, changes are constant, the organizations must be flexible to adapt, so it is important to have a proactive and non-reactive culture. It means, be prepared early instead of reacting when the situation has already changed.

Due to this fact, the organizations are forced towards drastic strong changes to the enormous competition and demands of customers, in technological advances and in different sciences to survive and grow within the market and adds: "as the changes are often profound in those who suffer them, every organization tends to be affected in one of its parts by the change" (Hernández-Palomino, 2017, p.135). However, in most Mexican SMEs resistance to change is highly prevalent, but companies must make changes to their structure and processes to fit the current context. According to Hernández-Palomino (2017),

"there are five techniques that can be used to achieve an effective process of change" (p. 131), they are:

1. Awareness-raising training. This refers to a method of changing behavior through unstructured interaction.
2. Survey feedback. Attitudes are assessed and differences between members of an organization are identified through surveys.
3. Consulting in process. This technique relies on an external consultant who give the client the knowledge of what is going on around him, inside him and between the client and other people.
4. Equipment integration. This technique uses high-interaction group activities to increase trust and openness among team members.
5. Intergroup development. It seeks to change attitudes, stereotypes and perceptions of groups with each other (Hernández-Palomino, 2017, pp.131-133).

Methodology

This research was carried out with a quantitative approach and the method was quasi-experimental, transectional and exploratory according to Hernández-Sampieri, Fernández-Collado and Baptista-Lucio (2014). It is quasi-experimental because it was carried out without deliberately manipulating variables and was based on concepts, communities or contexts that have already occurred. Exploratory transfer because a variable, an event, a situation is released, and it is an initial exploration since it applies to little-studied research problems that constitute the preface to other research designs.

For this study, a population of 35 small and medium-sized private sector enterprises, located and creating in the municipality of Tamazula de Gordiano, Jalisco, Mexico, was considered, it was obtained from the database of National Statistical Directory of Economic Units 2018, D.E.N.U.E. (INEGI, 2018). 17 enterprises from the service sector, 3 from the production sector and 15 from the commercial sector (see Figure 6).

Figure 6. Analyzed Population

Population
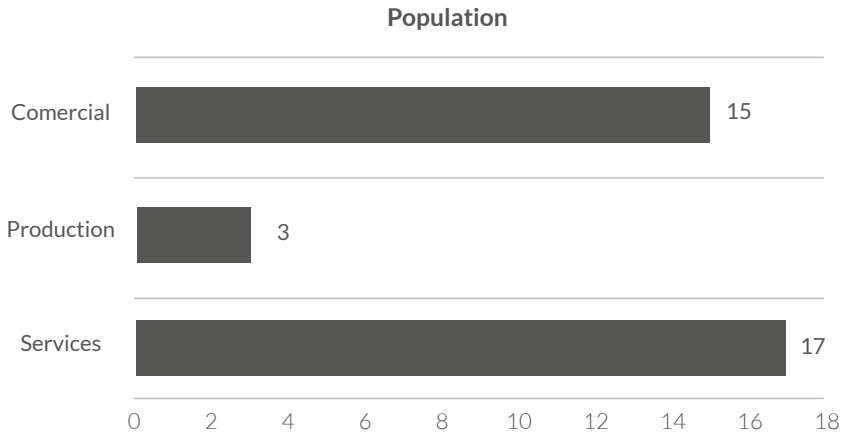
Source: Authors' elaboration Based on Data from the INEGI (2018)

The size of the selected companies was determined taking into account the information published in the Official Journal of the Federation of June 30, 2009, cited in the document Economic Census (INEGI, 2011) Micro, small, medium and large enterprises, which indicate that small and medium-sized enterprises have 11 to 250 employees in the production sector and 11 to 100 employees in commercial and service sector (see Table 1).

Table 1. Classification of Companies by Number of Employees

Classification by Number of Workers			
Sector / size	Production	Commercial	Services
Micro company	0 – 10	0 -10	0 – 10
Small company	11 – 50	11 – 30	11 – 50
Medium-sized enterprise	51 – 250	31 – 100	51 – 100
Big company	from 251 on	from 101 on	from 101 on

Source: Authors' elaboration with Data from INEGI (2011)

For data collection, the "business diagnosis" developed by the Institute for Development and Innovation in Technology for Small and Medium-sized Enterprises (IDITpyme, 2014) of the University of Guadalajara was used as a tool, considering the area of business culture. This diagnosis "allows to assess several items within the various functional areas of the company, in relation to world-class business practices and practices that limit their own growth" (IDITpyme, 2014).

Business culture, administration, service, marketing and merchandising, finance, human resources and innovation and technological development were the areas considered in the instrument. In the research, the area of business culture was diagnosed and analyzed. The analysis of the data collected was carried out using a spreadsheet (see Table 2).
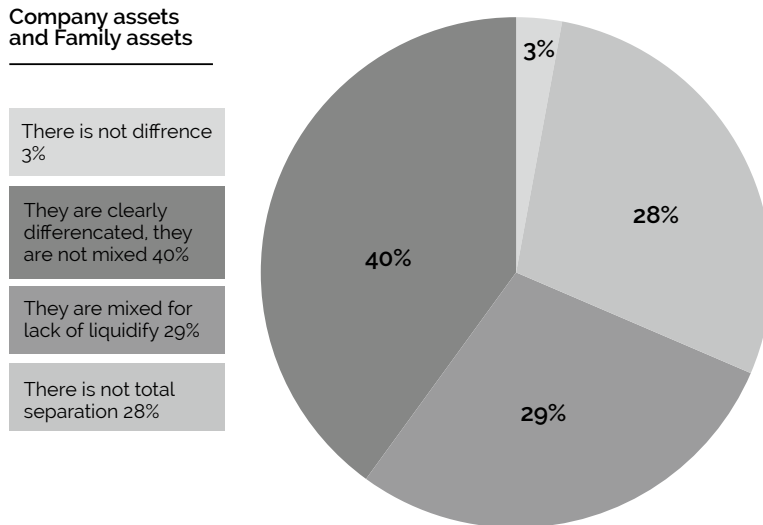
Table 2. Research Data Sheet

Features	Survey
Population	35
Study field	Interview using diagnostic instrument applied to the manager/owner of the company
Unit	Company categorized as SME
Data Collection	Interview using diagnostic instrument applied to the manager/owner of the company
Fieldwork date	May 2018

Source: Authors'

Results

The results from the data analysis from the application of the instrument: business diagnostic questionnaire (IDITpyme, 2014), from the University of Guadalajara in the area of business culture to the owners/managers of 35 SMEs located and originated in the municipality of Tamazula of Gordiano, Mexico, are presented below.

Figure 7. Relationship between Company Assets and Family Assets

Company assets and Family assets

There is not diffrence 3%

They are clearly differencated, they are not mixed 40%

They are mixed for lack of liquidify 29%

There is not total separation 28%

Source: Authors'

In 29% of SMEs surveyed, the company's assets were mixed with the familial assets due to a lack of liquidity, and therefore the family-owned cash is a source of financing apparently at no cost to the company; 28% is not completely separated and 3% do not distinguish from each other. 40% of the companies have clearly identified both concepts without mixing them (see Figure 7).

This data shows that 60% of SMEs in the municipality of Tamazula do not keep company and family's assets separately, this is a common practice among Mexican SMEs. The capital of the company and the family's assets are combined in a disorderly manner using personal or family assets, such as the house, cash, cars, land, etc., considering this as a temporary support that sometimes becomes undetermined.
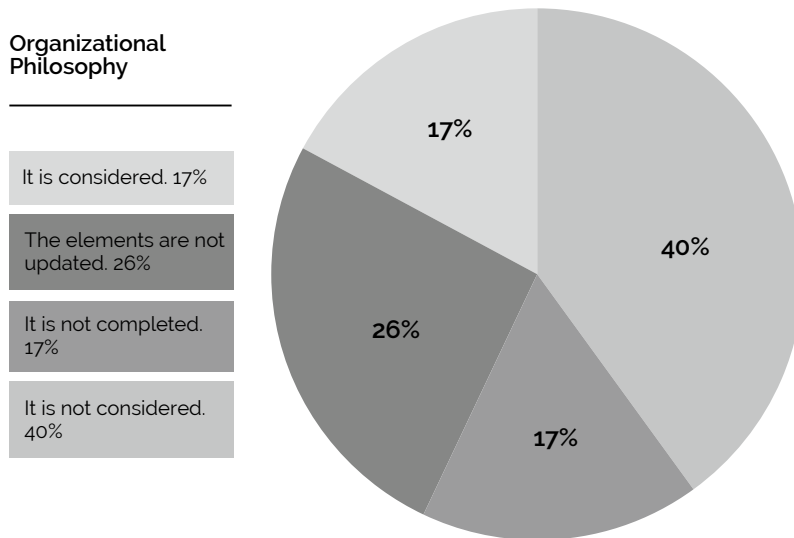
The managers surveyed provided these reasons about this practice:

1. The owner or manager considers that as they have always done things in the same way, and it has worked, they have to continue doing them in the same way.
2. Relatives involved in SMEs believe they have rights to the company's assets and can use them at their discretion.

3. There are verbal agreements and these are not documented, this causes misunderstandings among the same family members regarding the use of the company or family's assets.

In these points, it is important that SMEs document verbal agreements related to the use of family and company assets. These should be respected and be temporary. In addition, it is essential to promote a culture within the family that separates the family's and company's assets in order to achieve a formal administration of the heritage, to avoid family conflicts that could endanger the performance of the company.

Figure 8. Organizational Philosophy

Organizational Philosophy

It is considered. 17%

The elements are not updated. 26%

It is not completed. 17%

It is not considered. 40%
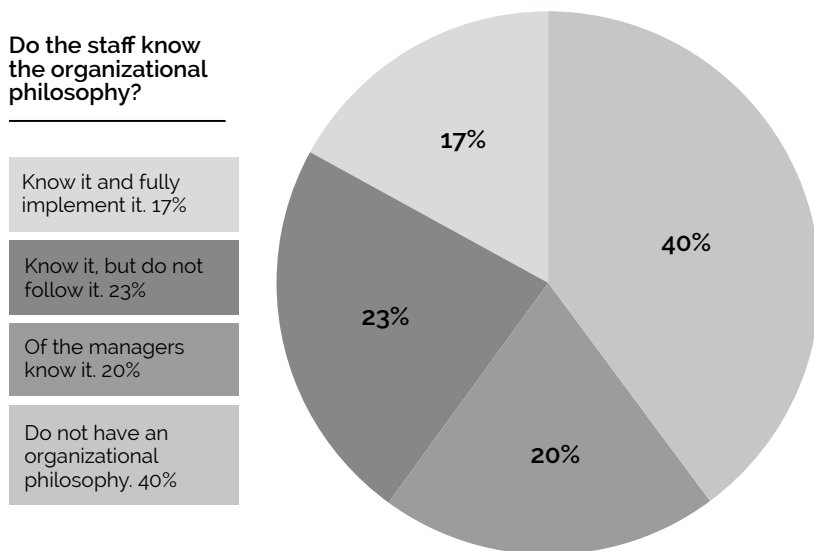
Source: Authors'

Regarding the analysis of organizational philosophy, the results (see Figure 10) show that only 17% of companies surveyed have a well-defined philosophy. For 40% do not have it, 26% are outdated and 17% was unfinished.

Organizational philosophy according to Pérez (2008), "deals with the values, philosophical convictions of managers (...); mission, the general concept of the company; what the company should look like in the future, and strategy, the track in which the business should move" (p. 12). According to Koontz and

Weihrich (2013), one of the characteristics of the companies of excellence is the one that "drives them a philosophy of the company based on values of its leaders" (p. 7).

Therefore, corporate philosophy can be defined as an ideal building within the organization, outsourced through principles, values, mission and vision that make up it. SMEs in Tamazula, as they do not have the company's mission or purpose, a clear vision or track that show where they want to reach and without certain values that must define the behaviors of their members, are in disadvantage in relation to their larger competitors who have a well-structured philosophy and is shared by their members.

Figure 9. Do the Staff Know the Organizational Philosophy?
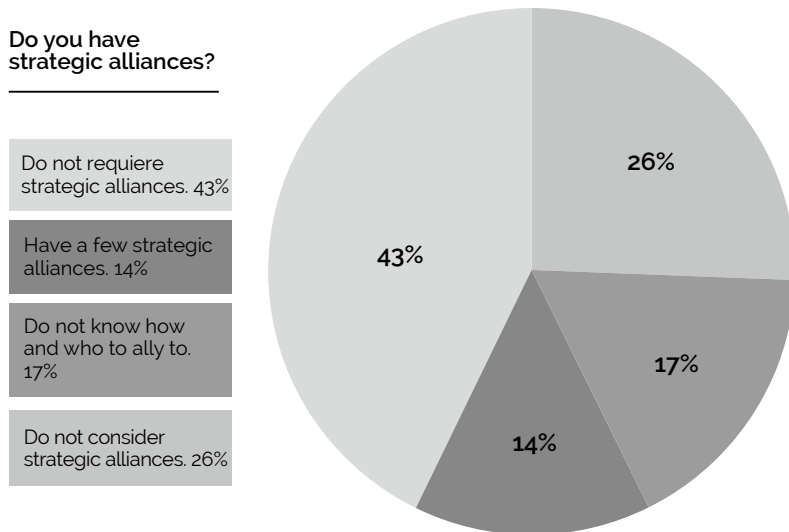

Source: Authors'

40% of SMEs in Tamazula do not have an organizational philosophy, 20% are only known by managers or owners, and 23% of SMEs know it, but do not follow it. Only 17% have one, which is known to the members of the organization and is fully implemented (see Figure 9).

In sum, 83% of SMEs do not have a corporate philosophy or it is only known by their owners or managers with no follow-up, therefore it is inferred that the fact of having principles and values in small and medium-sized companies in Tamazula is not a priority which leads to a disparity between the values the owners have and the values their staff accept. This may cause problems such as the turnover of people and the need to implement strict regulations leading to reduce possible behavioral conflicts amongst their members.

A corporate philosophy, according to Viñarás, Cabezuelo and De la Casa Herranz, 2015) encompasses three basic aspects: mission, values and corporate vision (pp. 395-396). Values are part of the organizational philosophy according to Arciniega and Zazueta (2010), they are "the cognitive representations of universal needs that are manifested through transitional goals which are hierarchically organized and take place in the workplace context" (p. 35). The more members know and accept the fundamental values of the organization and the greater their commitment, the stronger the organizational culture will be. A strong organizational culture should reduce staff turnover, as it demonstrates a high level of agreement with what the organization represents.

The stronger the organizational culture, the less need for management to worry about developing formal rules and guidelines that lead the behaviour of employees, who internalize that regulation when they accept the organizational culture (Robbins and Judge, 2013). In addition, Hernández-Palomino (2017) mentions that a clear mission can become good motivation for employees. The mission must aim at the growth of the company, since as organizations grow, direct communication with staff becomes more difficult and so it is not easy to transmit the plans, vision and values that will govern the company in the future.

Figure 10. Do you Have Strategic Alliances?

Source: Authors'

In relation to the practice of strategic alliances, 43% of the companies surveyed answered that they do not require such alliances for SMEs improvement of their results; 26% said they do not consider them necessary and another 17% mentioned that they do not know who to ally with. Only 14% acknowledge having made some kind of alliance (See Figure 10). This data allows us to establish the following three points:
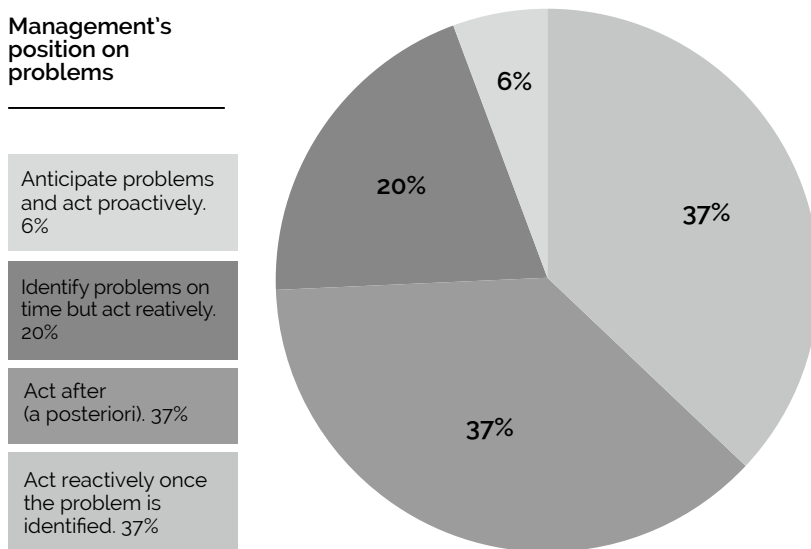
1. 86% of SMEs know neither what strategic alliances are or what they are for
2. From the companies that know the term, 43% consider that they are not necessary to either expand or improve their company somehow.
3. Only 14% of SMEs admit having made some type of alliance, without necessarily being strategic.

According to Johnson, Scholes and Whittington (2006) "a strategic alliance takes place when two or more organizations share resources and activities to undertake a certain strategy" (p. 349). Strategic alliances are of utmost importance for SMEs to increase their advantages over their competitors, since synergies and new approaches occur in the way of exploring and entering potential markets.

Mercado (2006) adds that strategic alliances are a global trend, which "allow to increase the advantages of each of the parties by producing significant synergies and new approaches in how to enter different markets" (p. 347).

Organizations are currently immersed in a changing environment that forces companies to modify their structures, according to Hernández-Palomino (2017), the previous focus on vertical integration, for example, has to change towards the "use of alliances, associations and companies shares "(p.134-135). The lack of awareness of the benefits of making these types of alliances limits the development of SMEs and increases the probability of losing business opportunities in the future.

Figure 11. Management's Position on Problems

Management's position on problems

Anticipate problems and act proactively. 6%

Identify problems on time but act reatively. 20%

Act after (a posteriori). 37%

Act reactively once the problem is identified. 37%

6%

20%

37%

37%

Source: Authors'

Regarding the position that managers have when facing problems, (See Figure 11), it is observed that 37% of the surveyed managers / owners have a clearly reactive position, another 37% observe problems and acts *after*, 20% identify problems on time, but acts reactively as well, and only 6% claimed they anticipate the problem with a proactive stance.

Results suggest that the culture of Tamazula SME managers is reactive, unplanned, of living up to date without being able to anticipate scenarios that leave the continuity of the company at risk, and therefore without strategies to face them.

In the current environment where changes are constant, organizations must be flexible in order to adapt (Hernández-Palomino, 2017), therefore, it is important to have a proactive and not reactive corporate culture, that is, to be prepared ahead of time and not react when the situation has already changed.

Given the above, it is important that SMEs develop a strategic planning, which refers to the "formulation of strategies to take advantage of new and different opportunities for the future" (David, 2017, p. 5). Strategic planning helps managers identify opportunities and threats and consider them to formulate the mission, plans and strategies for the company, formulating plans for the continuous changes in their business environments. According to Michel Porter (quoted by Hellriegel *et al.*, 2017) the strategic planning of a company must include an evaluation of the five competitive forces: competitors, new entrants, customers, suppliers and substitute goods and services (pp. 232- 234).

Conclusions

Corporate culture is a distinctive element of any organization. It is a business's way of being and acting before certain events. It is a culture learned from successes and mistakes made in the past, formed and transmitted by their owners. The culture of SMEs located and originating in the municipality of Tamazula de Gordiano, is characterized by neither distinguishing or separating the capital of the company and the family heritage, because only a minority of companies have a well-defined organizational philosophy known for its members, where the majority of managers or owners consider strategic alliances as of little or no importance for the achievement of organizational objectives and with a reactive position of their managers or owners against possible threats.

The fact that SMEs mostly lack a well-defined organizational philosophy, shared and transmitted to its members, in a highly competitive environment and despite this continues to adhere to the same traditional values and driving modes, is the reason that we must be "alert about this in order to change the organizational culture" (Franklin and Krieger, 2011, p. 380).

On the other hand, it is inferred that, given the characteristics examined, the business culture of Tamazula's SMEs is a weak culture, according to Robbins´s (2004) classification, which puts small and medium-sized companies at a

disadvantage compared to large organizations that are characterized by having a strong culture that allows them to perform better and be more competitive in an extremely demanding market. This weak culture puts SMEs in Tamazula at risk of being left behind in an increasingly complex local and national economic situation, with the arrival of competitors such as regional or national chains that have been establishing themselves in this Mexican municipality during the last decade.

Finally, it is concluded that the characteristics of the weak business culture that prevails in the SMEs of the municipality of Tamazula de Gordiano, are similar to the small companies of the different municipalities in Mexico and other Latin American countries, due to the great cultural similarities that coexist and are shared among the countries of this part of the world.

Recommendations

It is important that SMEs in the municipality of Tamazula de Gordiano separate the capital of the company from the family assets, not mixing them with each other, in order to establish a business culture that prioritizes professional administration and allows the clear identification of assets owned by the company and the family. This can avoid internal problems, fostering a culture of transparency that sets the limits between the aforementioned assets, in order to improve its performance.

It is also essential to develop and / or update the organizational philosophy which includes at least the mission, vision, and values. Once established, it is necessary to make it public to all company personnel. The dissemination and awareness of business values are essential tasks for any organization, because they directly influence the human capital endowment process. If new members do not share these values, their integration into the company will be difficult, causing conflicts between its personnel when acting according to different values or not allowed by the management of the company.

There is also the opportunity to establish strategic alliances that can help Tamazula SMEs to enter to new markets, better technology and applied research, through manufacturers, suppliers and study centers, among others. Finally, it is a priority for SMEs in the municipality of Tamazula de Gordiano, Jalisco (Mexico), to carry out adequate strategic planning that allows them to anticipate threats that endanger the permanence of the company with a proactive attitude focused on continuous improvement, seeking achieving organizational goals and objectives.

Acknowledgments

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