

## ENTREPRENEUR CHALLENGES IN MEXICO

### Desafíos del empresario en México

José G. Vargas-Hernández M.B.A.; PhD.<sup>1</sup>

Rebeca Almanza Jiménez Dra.<sup>2</sup>

Patricia Calderón Campos Dra.<sup>3</sup>

RECEPCIÓN: Agosto, 2016

APROBACIÓN: Diciembre, 2016

<sup>1</sup> University Center for Economic and Managerial Sciences, University of Guadalajara Periférico Norte 799 Edificio G-201-7, Núcleo Universitario Los Belenes CUCEA Zapopan, Jalisco C.P. 45100; México [josevargas@cucea.udg.mx](mailto:josevargas@cucea.udg.mx) [jgv0811@yahoo.com](mailto:jgv0811@yahoo.com) [jvagas2006@gmail.com](mailto:jvagas2006@gmail.com)

<sup>2</sup> Tecnológico Nacional de México. México D.F., México. [rebeca\\_aj@hotmail.com](mailto:rebeca_aj@hotmail.com)

<sup>3</sup> Tecnológico Nacional de México. México D.F., México. [patriciatecmx@gmail.com](mailto:patriciatecmx@gmail.com)

**ABSTRACT**

As the twentieth century there has been particular interest in studying and understanding the role of the entrepreneur in Mexico because the entrepreneur benefits the economy of a country this research project aims to identify the challenges and entrepreneurial profile in Mexico, by identifying personal, social and professional skills that promote entrepreneurship successfully.

Keywords: Competence, entrepreneur, profile, challenges.

**RESUMEN**

A partir del siglo XX ha existido particular interés por estudiar y entender el papel del emprendedor en México debido a que el emprendedor beneficia a la economía de un país. El presente proyecto de investigación propone identificar los retos y perfil del emprendedor en México, mediante la identificación de competencias personales, sociales y profesionales que promueven el emprendimiento en forma exitosa.

Palabras clave: Competencias, emprendedor, perfil, retos.

## INTRODUCTION

Currently there is a marked trend in all countries of the world towards the promotion of entrepreneurship. Entrepreneurship is the way forward to the progress and it is important its promotion because it favors all types of institutions whether these public or private, small, medium or large and generates development at the national or international markets (Soriano & Huarng, 2013).

The term entrepreneurship is specifically related to innovation. Schumpeter is considered a pioneer in economic analysis. He perceived the entrepreneurs as an extraordinary person promoting new innovations or combinations of what?. He argued that the role of entrepreneurs is to reform or revolutionize the pattern of production by exploiting an investment or, more commonly, an unproven technical possibility. To take care of these new things is difficult and constitutes a separate economic function, first, because it is outside of routine activities and, secondly, because the environment resists in many ways from a simple refusal to finance or to buy a new idea, to physical attack to the man trying to produce it (Schumpeter, 1935).

In this respect, Drucker (1986) states that the innovator is based on the same principles, although the entrepreneur is a great institution or an individual who begins alone his company taking risks. There is no difference if the company is business or an organization of public services; even if the company is governmental or not, the rules are exactly the same; what works and what does not work, innovation types and where to look for them.

## CONCEPTUALIZATION OF THE ENTREPRENEUR TERM

The word entrepreneur comes from the Spanish word "emprender" and the Latin word "take". Then an entrepreneur is a person who undertakes and is determined to make and execute, with resolution or effort, some considerable, arduous and major project that requires effort and dedication. In English the word entrepreneur, which actually is a word of French origin meaning free and simple businessman (Puchol, 2001). This word was used to refer to adventurers like Christopher Columbus who arrived in the New World; without knowing with certainty what to wait on him. The entrepreneur is synonymous with intelligence and attitude (RAE, 2014).

Later the term entrepreneur was used to identify who started a business and was linked to innovative entrepreneurs (Castillo, 1999). But can also relate to anyone who decides to carry out a project, but this project would not be for economic purposes (Formichella, 2004). The entrepreneur has the characteristics of those whose abilities are committed to doing things that improve the performance of the organization (Jericho, 2006). The Entrepreneur is in possession of repeatable skills that do not depend on the physical size (Coyle, 2009).

There some distinctions between entrepreneur, investor and entrepreneur according to Zorrilla (2009). Thus, an entrepreneur is who has the idea, the concept of a product or service to be performed; investor is who provides the necessary capital for the initial support and the implementation of a business; and, last but not least, the entrepreneur is the person who is responsible for managing an accountable business.

Schumpeter (1942) cited by Borjas (2003) raises the entrepreneur in terms of reform or revolutionize the pattern of production by exploiting an invention or, more commonly, to produce a new product or transform an existing one as activities responsible for the prosperity that change the economic organism. The concept of entrepreneur is a development process characterized by constant innovation (Pereira, 2003). To McClellan (1989) also cited by Borjas (2003), achievement motivation is the source of entrepreneurship defined as a mental process focused to approach and quest for progress, excellence, innovation and effort. The entrepreneur seeks situations where assumes responsibilities in difficult situations it can control, by the desire to start a business. Meanwhile, Gibb (1988), says that entrepreneurs play a key role in the innovation process, as the search and processing of new opportunities.

The entrepreneur is a person who makes decisions based on how complicated is risk, and used wit (Rodríguez & Jiménez, 2005). The entrepreneur is a productive agent that buys services to other agents, combined in the production process to generate products with greater value than the sum of the services used (Gamez, 2008). In this regard Valdalisio and Lopez, (2000), assert that entrepreneur is the person who assumes the risk and is highly intelligent. The entrepreneur has qualities of imagination, audacity and surprise. Kirzner (1997), in this regard considers that an entrepreneur is one who wishes to speculate in a situation of uncertainty, responding to market signals regarding prices, profits and losses. He is the fellow who discovers the world of imperfect knowledge an opportunity that others have not noticed.

## ENTREPRENEURSHIP IN MEXICO

Mexico faces many and varied challenges. However, the most significant is the one that relates to expand our capacity to generate wealth so as to allow a prosperous Mexico by including the millions of Mexicans who are currently excluded and living in poverty. This is the main challenge of this generation. The opportunity is that there is a young population and a demographic bonus that well used, can make possible the required change. This process requires the participation and effort of all sectors and also requires a clear strategy where vision is defined and clear national priorities are established.

One priority must be to significantly expand the number and quality of companies in the country. "Companies of high-impact startups are generally associated with some innovation and high growth potential and clear. They usually are ideas that are generated in response to a clear need to resolve in a differentiated manner to current solutions, providing greater benefits to customers" according to Dantus (2013). These companies to be successful, require a clear strategy and a detailed financial planning that allows them to raise capital to accelerate growth and create jobs with a technological base and have significant impacts on the economy.

Some of the most successful examples are known: Apple, Microsoft, Google, Facebook, etc., at the international level and in Mexico can be mentioned among others to: Extra Corona, Telmex, Telcel, Televisa, Shops Electra, Bimbo, Cemex, Grupo Banorte, Grupo Inbursa, Bodega Aurrera and Oxxo, Liverpool, and Groups Carso, among others. These companies are, today, huge corporations of high value for the economy. Someday, a few years ago, they were simply an idea and then a venture. The undisputed winner among Mexicans is Carlos Slim, with

three companies among the largest in the world.

### PROLIFE OF SUCCESSFUL ENTREPRENEUR

Entrepreneur is defined by the Royal Spanish Academy (Real Academia Española, 2014) as an adjective implying that person who undertakes resolutely random or difficult actions. In turn entrepreneur, according to the same source, means action: undertake and begin a work, a business, an endeavor, especially if it encloses certain degree of difficulty or danger.

The entrepreneur proposes a work, a project. That is, he has a goal, an aim, wants to get something that involves some degree of difficulty. The entrepreneur will commit actions and to manage situations with some degree of complexity and difficulty. Therefore, must possess the resources to let know face these fears to avoid the dangers and uncertainty. Coyle (2009) defines the entrepreneur as the possession of repeatable skills that do not depend on physical size. The skills are integrated into the person as behavior patterns, such as patterns of systematic and converted action, models that are repeated not consciously become personal, social and professional skills models. That is, they should be guided to know something and want to do something.

### PERSONAL, SOCIAL AND PROFESSIONALSKILLS OF THE ENTREPRENEUR

There are many definitions of competencies which some authors conceptualized as the "Repertoire knowledge that some master better than others, making them effective in a given situation" (Levy-Leboyer, 1997: 13). They are permanent characteristics of people, are revealed when a task or a job is executed and are not associated with

success, but it is assumed that actually are caused, can be generalized to more than one activity and combine the cognitive, affective and behavioral (Vargas, 2001). The underlying capacity of a person who is causally related to performance, based on a higher or effective criterion in a job or situation (Spencer & Spencer, 1993).

Meanwhile Perrenoud (2004) conceptualizes competence as an ability to deal effectively with a family of similar situations, mobilizing awareness and how to speed in relevant and creative time, multiple cognitive resources such as knowledge, skills, values, attitudes, assessment schemes of perception and reasoning. These characteristics of an individual are causally related to effective or superior job performance, such as motives, personality traits, skills, aspects of self-image or a body of knowledge that an individual is using (McClellan, 1989).

The competences are considered as the ability to successfully respond to a demand, task or complex problems mobilizing and combining cognitive and non-cognitive personal resources and environment (OECD, 2005). "The skills are the result of integration, essential and widespread of a complex set of knowledge, skills and professional values that are manifested through an efficient professional performance in solving the problems of their profession and can even solve those non default" (Forgas 2003: 112),

It has professional competence who as the knowledge, skills, aptitudes and attitudes needed to perform effectively in specific work situations, enabling him to solve problems that are presented in the exercise of his functions autonomously and flexibly, and he or she is able to assist in his professional environment and the organization of work (Bunk, 1994).

#### A. Personal competencies

Within personal competences, Mercader

(1998) distinguishes as those associated with the knowledge of self, self-realization and self-control.

### 1) Self-knowledge

Knowledge of itself is linked to the need for the entrepreneur knows himself, that has clearly defined his wishes and interests, perceptions and motivations. Develop self-awareness involves entering the field of aspirations made manifest in the personal goals that possess, as Senge (1997) identifies as a personal vision or image of a desired future. Consequently, every entrepreneur should set priorities, define goals and identify personal and professional vision; for he must assess himself and identify strengths and weaknesses he has and his relation to opportunities and threats and internal factors that could impede the achievement of goals.

### 2) Self-realization

This is defined by Senge (1997) as a fundamental need in acquiring the own ideals; i.e. make the visions real. Meanwhile, Acosta (1998) believes that self-realization is the aspiration that feels to be better, to strive for excellence in what is made, it is an aspiration that motivates. It depends on will. It is the constant search for own personal growth and development. Self-realization is a result of motivation and this drives people to achieve success, relying on willpower and confidence in the abilities.

According to Mercader (1998), the human beings possess the ability to think clearly, to show decision, to have a unique mindset that allows to discern between the real possibilities, choosing the best alternative for troubleshooting. Self-realization according to this author, covers not only to achieve goals, but feel satisfaction for the growth that is experienced; discover that evolves attention to the possibilities and abilities.

### 3) Self-control

Self-control emphasizes the capacity that must have any person, including the entrepreneur, the balanced management of emotional intelligence. Mercader (1998) argues that it is necessary and vital that the entrepreneur educates his mind. Education of the mind is based on the cultivation and development of certain habits that clarify the meaning of life and the role in it. These habits are: smiling, make life fully, take advantage in nice weather, and be influenced by positive ideas. Self-control allows the entrepreneur to control the thoughts, feelings and sensations.

The competences of the entrepreneur in his personal component through self-knowledge, self-realization and self-control, make possible the development of skills and abilities to act taking into account the challenges facing, more individual characteristics or qualities within the human component that may also is called to handle balanced.

### B. Social skills

Social competence of the entrepreneur-businessman is the basis on which the action of the business project is organized. Social competence is what allows to achieve the satisfaction of needs through access to resources and possibilities found in other people, in the environment and in society. The interaction with others, and know how to do properly and effectively becomes the backbone of thinking. Social skills are defined in three components:

#### 1) Empathy

It refers to the ability to put ourselves in the place of the other person. Goleman (1999) describes how this capacity is articulated through four modes of operation: understanding with others, service

orientation, leveraging diversity and political consciousness.

## 2) Knowledge of social conventions

It is essential to know what fees prevailing in certain forums are. It is not the same to be an entrepreneur who is going to handle in the field of new technologies, an entrepreneur who will initiate an activity in a firm of commercial lawyers.

## 3) The situational factor

The particular time. The factors and variables that influence significantly the situation in which social contract operates.

Social skills include the following elements and characteristics: social skills are learned behaviors, socially accepted and in turn enable interaction with others, are instrumental behaviors necessary to achieve a goal. In them merge observable aspects and situations of not direct bind cognitive and affective nature. Evaluation, interpretation and social skills training should be in line with the social context.

Social skills more accepted today according to Perez-Santamarina, (1999), Torbay, Muñoz & Hernandez (2001) and Portillo (2001) are as follows: Listen, say hello, introduce yourself and say goodbye, initiate, maintain and end a conversation, do and observe requests, apologize or admit ignorance, defend the rights, negotiate, express and defend opinions including disagreements, deal with criticism, make and receive compliments, express love, appreciation and affection, ask to change behavior another, cooperate and share, express and receive emotions, lead others or solve conflicts, giving and receiving feedback, conducting an interview, apply for a job and public speaking among others.

## C. Professional skills

Etymologically, the concept of competition comes from the Latin *competentia* and within the meanings granted by the Royal Spanish Academy (Real Academia Española) are: business, skill, aptitude, suitability to do something or act in a particular case, opposition or rivalry between two or more aspiring to get the same thing or situation of companies that compete in a market offering or demanding the same product or service. Consequently, three meanings are indicated: skills as rivalry or conflict, as incumbency and as fit and proper (RAE, 1999): Professional skills are integral actions to identify, interpret, argue and solve problems with integrity and ethical commitment, mobilizing different knowledge: being, doing and know (Tobon, 2010: 14).

## 1. Challenges successful entrepreneur

Entrepreneurship in Mexico is complicated according to the Organisation for Economic Cooperation and Development (OECD). There are three main barriers to the establishment of new businesses in the country: public monopolies, private monopolies and access to financing. The lack of openness to compete is one of the major barriers that entrepreneurs face. Obstacles also depend on the economic organization of a country. In Mexico the unequal distribution of income and opportunities, coupled with a high degree of informal economy and corruption that keep out the entrepreneurialism of productive activities and impose high taxes on foreign investment.

For an entrepreneur to have an impact on the Mexican economy, he/she must create a business that impact on job creation and offer innovative products and services. Says the Global Entrepreneurship Monitor (2007), Mexican entrepreneurs should raise their business models with a vision that leads them to compete in international markets and educational institutions that should form the integral human capital. I.e., providing

knowledge and values during the educational process, which have mushroomed in the country several networks of incubators and business accelerators, both public and private, do a good job, but not necessary because the change must be starting from primary and finish with ease of employment, via comprehensive vision that would make the government an accomplice of little market access.

Mexico already has the elements for economic stability so it is necessary to change these conditions to productivity. To make the transition from an oligarchic system to a good capitalism, public policies that promote entrepreneurship with legal, institutional and tax changes are needed. The ultimate goal is to get entry and exit market is simple, ensuring competition and discourage corruption. Entrepreneurs are the answer to oligopolies because they make the market more competitive. To create an entrepreneurial economy in Mexico are recommended: facilitate the opening of new businesses, rewarding growth and create antitrust laws and promote international trade.

## CONCLUSIONS

Entrepreneurs are one of the most dynamic factors that stimulate productive activities with higher added value, economic and social development of a country. In this regard, Mexico must promote the entrepreneurial movement to generate employment, income distribution, productivity and innovation to micro and medium enterprises and referenced with other countries of the actions that have been made and adopt some practices of those entrepreneurs on the issue of high-impact entrepreneurship as they are essential for economic development.

Some obstacles to be overcome are the lack of entrepreneurial culture, lack of financing, high tax burdens, government bureaucracy and the lack of a national

strategy to promote entrepreneurship, business creation and self-employment.

## REFERENCES

- Acosta, M. (1998). *Un proyecto de vida para directores. Planeación de vida y carrera de trabajo*. 2ª edición. México. Tecnológico de Monterrey.
- Borjas, L. (2003). Espíritu empresarial. Creatividad empresarial. Un nuevo reto. *Revista Universidad Metropolitana*. Vol. 3, No. 2 (Nieva serie), pp. 133-152.
- Castillo, A. (1999). *Estado del arte en la enseñanza del emprendimiento. Programa emprendedores como creadores de riqueza y desarrollo regional Intec*. Chile. Intec.
- Coyle, D. (2009). *Las claves del talento*. Barcelona, España: Editorial Zenith.
- Bunk, G.P. (1994). La transformación de las competencias en la formación y perfeccionamiento profesionales de la RFA. *Revista Europea de Formación Profesional* 1, pp. 8-14.
- Dantus, M. (2013). *México y el emprendimiento en su mejor momento*. Dirección de Desarrollo Económico. H Ayuntamiento de S.L.P. en línea consulta el 09 de septiembre del 2016. Disponible en <http://de.municipiodeslp.gob.mx/mexico-y-el-emprendimiento-en-su-mejor-momento/>
- Drucker, P. (1986). *La innovación y el empresario innovador*. Editorial. Norma. Colombia.
- Forgas, J. (2003). *Diseño curricular por competencias*. Tesis doctoral en ciencias pedagógicas. Instituto



- Superior Pedagógico Frank País, Santiago de Cuba.
- Formichella, M. (2004). *El concepto de emprendimiento y su relación con la educación, el empleo y el desarrollo local*. Buenos Aires, Argentina. Publicación INTA.
- Gámez, J. (2008). El emprendedor, hacia una nueva caracterización en Colombia. *Management Revista de la Facultad de Ciencias Empresariales*. XVII (29), pp. 17-32.
- GEM, (2007). World Economic. Foro.
- Gibb, A. (1988). *Simulating Entrepreneurship and New Business Development*. Ginebra. Oficina Internacional del trabajo.
- Global Entrepreneurship Monitor (2007). Determinants in a cross country setting. *Journal of Evolutionary Economics*. Volume 17. Issue 2, pp.117-131.
- Goleman, D. (1999). *La práctica de la inteligencia emocional*. Editorial Kairos.
- Jericó, P. (2006). *No miedo: en la empresa y en la vida*. Barcelona, España. Alienta editorial.
- Kirzner, I. (1997). Entrepreneurial Discovery and the Competitive Market Process: An Austrian Approach. *Journal of Economic Literature*, 35 (1), pp. 60-85.
- Levy-Leboyer, C. (1997). *Gestión por Competencias*. Barcelona: Gestión 2000. Recuperado el 12 de agosto del 2016 de: <http://sht.com.ar/archivo/temas/competencias.htm>.
- McClellan, D. C. (1989). *Estudio de la motivación humana*. Madrid. Editorial Narcea.
- Mercader, V. (1998). *Gerencia de la vida*. Caracas, Venezuela. Editorial TORVIC.
- OCDE, (2005). *Definición y selección de competencias clave (DeSeCo). Resumen ejecutivo*. (Versión electrónica). Recuperado el 12 de septiembre del 2016 de: <http://www.pisa.oecd.org/dataoecd/47/61/35070367pdf>.
- Pereira, F. (2003). Reflexión sobre algunas características del espíritu emprendedor Colombiano. *Revista Econ. Gest. Desarrollo Cali*, Colombia, Vol. 1, pp. 9-26.
- Perez-Santamarina, E. (1999). Psicopedagogía de las habilidades sociales. *Rev. Educ. Univ. Gr.* 12, pp. 45-76.
- Perrenoud, P. (2004). *Diez nuevas competencias por enseñar*. Barcelona, España: Grao
- Portillo, M.C. (2001). Habilidades sociales y competencia comunicativa en la escuela. *Aula de Innovación Educativa* 102, pp. 18-22.
- Puchol, L. (2001). *El libro del emprendedor*. Días Santos. España.
- Real Academia de la Lengua Española. (1999). *Diccionario de lengua española* Recuperado el 28 de agosto del 2016 en: <http://www.competencias/definición>.
- Real Academia Española (2014). *Diccionario de la Lengua Española*. Madrid, España. 23ª edición. Asociación de

- academias de la lengua española (ASALE).
- Rodríguez, C. & Jiménez, M. (2005). Emprenderismo, acción gubernamental y academia. Revisión de la literatura *Innovar*. 15 (26), pp. 73-89.
- Schumpeter, J.A. (1942). *Capitalism, socialism and democracy*. Nueva York, NY: Harper Row & publisher.
- Schumpeter, J. (1935). *Análisis del cambio económico*. Ensayos sobre el ciclo económico. Ed. Fondo de Cultura Económica. México.
- Senge, P. (1997). *La quinta disciplina. Como impulsar el aprendizaje en la organización inteligente*. Barcelona, España. Editorial Juan Graniza, S.A.
- Soriano, D.R. & Huarng, R.H. (2013). Innovation and entrepreneurship in Knowledge Industries. *Journal of Business Research* 66(10) 1964-1969.
- Spencer, M. & Spencer, M. (1993). *Competence at work models for superior performance*. John Wiley & Sons. Inc. Nueva York.
- Tobón, S. (2010). *Formación integral y competencias. Pensamiento complejo, currículo, didáctica y evaluación*. Bogotá: Ecoe.
- Torbay, A., Muñoz, M.C. & Hernández, C. (2001). Los estudiantes universitarios de carreras asistenciales: Que habilidades dominan y cuales creen necesarias para su futuro profesional. *Aula abierta*, 78.pp. 1-17.
- Valdaliso, J.M. y López, S. (2000). *Historia Económica de la Empresa*. Barcelona. Critica.