

## The individual and organizational performance in small and medium Mexican company

### El desempeño Individual y organizacional en la pequeña y mediana empresa Mexicana

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#### Abstract

For some decades, the representative studies about performance have evoked a great interest in the individual and in the collective field, being this of great importance in the organizational environment by the performance, which is presented by the Individuals when operating in the company. This research aims to sight the relationship between individual and organizational performance, as well as the intervention of the considered criteria for the study. The foregoing is based on a quantitative methodology with a descriptive scope because it seeks to identify the characteristics that lead to an adequate work performance, with a correlational scope when presenting the relationship between the associated cross section variables. The study was conducted using the survey as a data collection instrument with Likert scale type, presenting a non-probabilistic sample for convenience, obtaining a sample of 284. It was verified that the intellectual capacities of the individuals are the main source of performance of the company, so it was concluded that a special focus on the company's human resources has to be given, and it is advised in future research to expand the area of application of the sample.

**Performance, Individual performance, Organizational performance, SMEs**

#### Resumen

Desde hace algunas décadas los estudios representativos al desempeño han evocado un gran interés tanto en el ámbito individual como en el colectivo, siendo esto de gran importancia en el entorno organizacional por el desempeño el cual se presenta por parte de los individuos al opera en la empresa, la presente investigación pretende avistar la relación existente entre el desempeño individual y organizacional, así como la intervención de los criterios considerados para el estudio. Lo anterior bajo una metodología cuantitativa con alcance descriptivo porque se busca identificar las características que lleva a un adecuado desempeño laboral, de alcance correlacional al presentar el enlace de las variables asociadas y de corte trasversal; el estudio se realizó utilizando la encuesta como instrumento de recolección de datos con una escala de Likert, presentándose un muestro no probabilístico por conveniencia obteniendo una muestra de 284, de las cuales se verifico que las capacidades intelectuales de los individuos son la principal fuente de rendimiento de la empresa por lo cual se concluyó que se tiene que dar un enfoque especial en los recursos humanos de la empresa , y se aconseja en futuras investigaciones ampliar el área de aplicación de la muestra.

**Desempeño, desempeño individual, desempeño organizacional, pymes**

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## Introduction

Performance broad to cover various variables without a universal definition for the lack of consensus issue, however, authors like Montejo (2001) defines it as a standardized and systematic approach to, understand, analyze and influence the attributes of an individual process, their behavior and performance when performing a certain activity, to discover how proactive is the worker in order to improve future performance thereof. While the concept of performance applies in every sphere of life, the focus in this research is in the organization, specifically SMEs, being small businesses that economic unit where its main function is monetary gain for workers as patterns which are composed of 30 or fewer workers,

Moving on individual performance is extremely difficult to measure, and how to observe when increases, but this increase is usually not the result of economic or monetary policies of the enterprise, this is due to advances in innovation, infrastructure and mainly quality of human resources (Seleim, Ashour, & Bontis, 2004), these features these closely related to the organizational climate to improve in the company for which the opinions claim that these similarly to the above has a relationship with the performance of the organization, so far relatively few studies have explored how companies match the support or improve innovative work environments (Shanker, Bhanugopan, Van der Heijden, & Farrell, 2017).

Individuals within organizations through the activity of their work and the application of knowledge are the main driver of success of small and medium enterprises (SMEs) which make competitive companies in its market with the most qualified personnel, so it is important to check the abilities, skills and abilities that people in the organization, because these factors can help understand the performance of each of them in different tasks (Lingling, Xuhui, Cunrui, & Fei, 2014 ). Based on the above knowledge of individuals are essential for SMEs so organizations can develop, as well as innovative competitive advantage, Individual performance there are several points of view which must be taken into account when it will assess the quality of work in relation to the activities being undertaken in the company because you can use parameters to calculate worker performance in activities generic or specific.

For example, according Gamble and Hale (2013) considers four parameters to evaluate the performance of the worker being the first of them involving this is basically the direct contribution this made, the second is the influence that it had on others or as directed teamwork, third the impact this relationship is what you do with the results, and finally print the efficiency of team members who recognize the efforts of others.

Based on the above information the question arises:

What is the relationship between individual and organizational performance and how they affect the performance in companies Ciudad Obregon?

The currently situation in enterprises today a small part of the workers will do the physical work and more people will do intellectual work, This is known as the intellectual capital (IC), this is not something which appears in the finances of a company, but has much more value than the fixed assets of the same, the success of a company relies heavily on strategic management presented intellectual capital compared to monetary resources, but one of the challenges is when administrators or business owners do not look at their own workplace valuable resources present, which is the knowledge of workers, these resources could open doors for the opening of new strategies but if the owners of organizations only give credit for physical tasks ,these companies are intended to be stagnant or very slow its progress (Gogan, Artene, Sarca, & Draghici, 2016).

To increase the competitiveness of an organization, labor should be more knowledgeable, adaptable and competent, intellectual capital (IC) is no less important than capital investment for companies in developing countries in order to create value and sustainable advantages (Chen, Cheng, & Hwang, 2005). Identify the relationship between organizational and individual performance in SMEs in Cd. Obregon, Son. To establish proposals for improvement.

### **Theoretical background**

Currently SMEs are dependent on various factors for proper operation depend entirely on the knowledge and skills of workers which these are very important because they have to have the human resources constantly learning.

In studies by LONE realizaos and Mclean (1992) define individual performance it is to perform activities or tasks to produce productivity which makes the company grow both monetary and intellectual capital in a way. Success is based on performance is which can be measured in two ways with negative and positive results. Organizational theory generally agrees that a superior organizational performance and competitive advantage arises from the application in the company of a strategy of creating unique value, which is not being being applied in another company allows higher profits compared to the rest competitors (Prahalad & Hamel, 1990). Intellectual capital also known as the new invisibles active and is known as the knowledge that is of value to the organization.

### **Organizational performance**

For Dobbs and Koller (2006) define precisely the organizational performance is still complex and subjective, because it would be taken into account several indicators such as finance, marketing, etc. And these differ according to the aspect which is being analyzed, therefore, recommends a broader view to analyze organizational performance.

Organizational performance has traditionally been associated with financial dimensions, positioning and adaptation to changes in the market, with profit margins organizational averages, with the yield based on capital employed, with growth in sales, etc. (Kangis and Williams, 2000).

Human resource management is a way to organize the intellectual capital in order to create an awareness within the work area to improve efficiency, like being able to disseminate and evaluate among members of the company as well as other social agents involved. However, Mexico is an emerging economy that has not been able to develop this concept in a harmonious way (Wilson, & Macevi, 2002).

Human capital is a fusion of genetic inheritance, attitude, education and experience of the people in your life and business. The most valuable asset of any company is human resources compared to other capital or equipment. On the other hand, it is also believed to be the most active ignored by companies (Khan, Farooq, & Hussain, 2010).

### **Individual performance**

It is defined as the performance of each employee must reach over a specific period, under action of its activity or work (Navarro, 2014). It is also believed that there is a strong positive relationship between intellectual capital and organizational performance. However, this link should be confirmed. The importance of the concept of intellectual capital in the era of knowledge becomes the new core of economic progress, since the influence of the fixed assets and financial assets is reduced compared to the influence of intangible assets. A growing number of specialists support the argument that intellectual capital is essential to achieving performance in an organization (Sydler, Haefliger, & Prukasa, 2014) element.

According to Bontis, Keow and Richardson (2000) there are three main elements of intellectual capital are human capital, structural capital and customer capital. The inclusion of three additional independent variables consisting of the capital, technological capital and spiritual capital. Why the corporation between independent variables; human capital, structural capital, customer capital, social capital, technological capital and spiritual capital with the dependent variables; usefulness of the organization. So now the intellectual capital is in full swing of economic reality because of the intelligence and knowledge to merge and become one becomes intellectual capital which includes all resources that can not be seen in physical in organization which gives an advantage in the market in combination with what already exists can be very beneficial (Stewart, 2001).

### **Methodology**

This section will address as composed and compiled the information presented, which show who were the subjects of study, the materials used to carry out this research, and the process I just got to do it.

**Subject**

In this research a pilot test was conducted at small and medium enterprises with commercial, industrial and evenly distributed a total of 30 pilot questionnaires in Ciudad Obregon throwing a reliability of 9.20 twist services, so it is quite reliable. Where he was interviewed in each company in principal owners or managers instance if not possible to present the owner for lack of participation in the business or little interest. Helping with their responses to enrich the measuring instrument used (questionnaire).

Then the characteristics of the selected SMEs who participated in this project are as follows:

CHARACTERISTICS	N	%
Size		
Small (1-30 employees)	248	87.30%
Medium (31-100 employees)	36	12.70%
Total	284	100%
Business rotation		
Commercial	135	47.50%
Service	113	39.80%
Industrial	36	12.70%
Total	284	100%
Age (years)		
1-10	190	66.90%
11-20	47	16.55%
21-30	25	8.80%
31-40	13	4.58%
41-50	6	2.11%
60-70	one	0.35%
100	two	0.70%
Total	284	100
Manager (by gender)		
mens	136	47.90%
Women	148	52.10%
Total	284	100
Manager Age (years)		
0-10	236	83.10%
Nov 20	33	11.60%
21-30	9	3.20%
31-40	4	1.40%
41-50	two	0.70%
Total	284	100
degree manager		
Basic	twenty-one	7.40%
upper half	131	46.10%
Higher	132	46.50%
Total	284	100
Kinship with owner (s)		
Son	3. 4	12%
grandchild	two	0.70%
Brother	7	2.50%
Nephew	5	1.80%
Other	236	83.10%
Total	284	100
<i>Source: Elaboration from SPSS.</i>		

**Table 1** Characteristics of SMEs

**Materials**

For collecting valuable information an instrument developed in this case a questionnaire, where its structure first consists of general information about the company and its manager, then the factors evaluated in this project, where the manager gave include a level of importance to each of them at its discretion, with 1 being very important and 10 the least. After the instrument is divided into two variables are organizational performance and individual performance where one factor divided into 4 sections while variable 2 into 7 sections where each section contains 3 to 5 reagents giving a total of 44 questions.

variables	factors	Number of questions
Individual performance	clear standards	Of 1 to 4
	Feedback or feedback	5 through 8
	Support for the task	From 9 to 12
	incentives	From 13 to 16
	Knowledge and Skills	From 17 to 20
	individual capacity	From 21 to 24
organizational performance	Context	From 25 to 28
	Context analysis.	From 29 to 32
	Marketing and business models.	From 33 to 36
	Information technologies.	From 37 to 40
	Customer service.	From 41 to 44

*Note: Prepared*

**Table 2** Factors sections and questions

Data collected for this quantitative research are 284 non-probability samples for convenience. Using as a statistical tool SPSS system in version 22. Since data collection through the implementation of the instruments is at one time so it is cross-sectional.

Variables and items	materials
Individual performance	Does the company implements performance standards?
It is defined as the performance of each employee must reach over a specific period, under action of its activity or work (Navarro, 2014)	Do the above results are taken into account to define standards?
	Are they clearly defined?
	Are they attainable?
	Always performance feedback is offered?
	It's enough?
	Is it clear?
	Is it timely?
	Do employees know when and because acting?
	Is communication clear?

	<p>Are they coordinated with each other?                  Does the employee opinion to support task is taken into account?                  Does the company have an incentive program?                  Recognition on employees who meet the objectives is granted?                  Are incentives are awarded in a timely manner?                  Do they have a system that allows you to assess if the employee agrees with them?                  Are they grant employees the knowledge necessary to achieve your goals?                  Are training programs are effective?                  Does the company staff is competent to perform their daily activities?                  Does the company fosters a competitive environment?                  Does the physical capacity required for each activity is evaluated?                  Does the brainpower evaluated?                  Does the emotional capacity required evaluated?                  There a follow the results is given?                  Does the company cares about providing the necessary security for those trying to achieve the standards?                  Does the organizational culture they use is the most effective?                  Is there a balance between standards and social need and relatives of employees?                  Are the standards are compatible with guidelines and / or needs of the organization?</p>
<p>organizational performance                   The concept refers to measurable performance and structure of the internal strategies within an organizational system to increase performance (Pérez &amp; Cortes, 2009)</p>	<p>In recent years the market has grown the company?                  Do you have bargaining power with suppliers?                  Does the economic and political impact the company?                  Does the company is located within the new market trends?                  You know your target market?                  Does marketing process?                  Does your product or service offers customer value?                  Are your prices are competitive in relation to the competition?                  Does it apply new technologies within the company?                  Do you drive innovation constantly?                  Do you use social networks?                  Does the technology used is suitable for your needs?                  Does it meet customer expectations?                  You do guarantee your customers?                  Do your customers have easy access to their products and / or services?                  Do you know your customers?</p>

Note: own.

**Table 3** Structure of the instrument

The instrument is then applied using Likert scale of 1 to 5 small and medium enterprises with commercial, industrial and service turn

**Process**

It began with a training program for research participants, regarding the databases where reliable information is collected, once familiar with the system search was begun an exhausted search of various scientific articles related to individual performance and organizational later reference was sought regarding instruments on the issues. Once identified proceeded to the embodiment of the instrument, then made a piloted to verify understanding of the instructions of the items and answer options.

Data were analyzed with the statistical program Statistical Package for the Social Sciences, referred to as SPSS 22 (for its acronym in English). The internal validity of the instrument was performed by three experts. Test reliability of the data was performed according to the provisions of Cronbach, it is noteworthy that exceeded those parameters was obtained as .920

Cronbach	N elements
.920	44

**Table 4** Reliability Analysis  
 Source: Elaboration from SPSS

Software validation test was done with Cronbach's alpha then we proceeded to apply the rest of the instruments in Cd. Obregón.

Once applied instruments was continued processing all the information obtained in SPSS, this yielded information which was analyzed and the most relevant information for research was obtained giving the results presented.

**Results**

In this section the results obtained after the data collection instruments were applied in order to know roughly what is the relationship which has organizational performance and individual research are presented, displayed the following results:

## Organizational performance

Category	Does not apply		if applicable	
	Frequency	Percentage	Frequency	Percentage
Never	19	6.7%	-	-
Hardly ever	29	10.2%		
Sometimes	69	24.3%	-	-
Usually	-	-	103	36.3%
Forever	-	-	64	22.5%
Total	117	41.2%	167	58.8%

Note: Prepared results from SPSS.

**Table 5** Apply new technologies in SMEs

Here it is important to highlight some of the companies are still using outdated as it can be when making the charges any product or when communicating with fellow organization methods, another aspect to mention is that the 41.2% which do not apply technologies, never 6.7%, 10.2% rarely, 24.3% sometimes, while on the other side of 58.8% if implemented, 22.5% always, 36.3% of SMEs almost always applies new technologies within the company.

Category	Does not apply		if applicable	
	Frequency	Percentage	Frequency	Percentage
Never	22	7.7%		
Hardly ever	19	6.7%		
Sometimes	60	21.1%		
Usually			118	41.5%
Forever			65	22.9%
Total	101	35.6%	183	64.4%

Note: Prepared results from SPSS.

**Table 6** Implement of performance standards in SMEs

It is pertinent to mention some of the companies applied them, but left halfway through lack of knowledge of the process which must be performed to be made, so the 35.6% that do not apply technologies never 7.7% 6.7% rarely, 21.1% sometimes, while on the other hand 64.4% that if applied, 41.5% almost always and forever 22.9%.

Category	Does not apply		if applicable	
	Frequency	Percentage	Frequency	Percentage
Never	27	9.5%		
Hardly ever	twenty	7%		
Sometimes	65	22.9%		
Usually			102	35.9%
Forever			70	24.6%
Total	112	39.4%	172	60.5%

**Table 7** Provides performance feedback

Note: own results from SPSS elaboration.

As for feedback on performance in SMEs was observed and taking into account that managers responded positively to the question being which previously we had confirmed that no places no training with which they could measure and feedback presented their activities.

Because of this subjects which said no applied is 39.4%, of which 9.5% never, 7% rarely and 22.9% sometimes, then firms who said we were the 60.5% which They divided into 35.9% almost always and forever 24.6%.

## Individual performance

Category	Does not apply		if applicable	
	Frequency	Percentage	Frequency	Percentage
Never	10	3.5%		
Hardly ever	17	6.0%		
Sometimes	54	19.0%		
Usually			128	45.1%
Forever			75	26.4%
Total	81	28.5%	203	71.5%

Note: own results from SPSS elaboration.

**Table 8** Knowledge necessary for the employee

In Table 8 was observed that 28.5% of subjects given the knowledge necessary for employees to carry out their activities which, 3.5% never, 6% rarely and 19% sometimes provided in the next part the percentage of companies that if applied with 71.5% of them, which is divided into 45.1% almost always apply the managers and 26.4% is always carried out in the organization shown.

Category	Does not apply		if applicable	
	Frequency	Percentage	Frequency	Percentage
Never	14	4.9%		
Hardly ever	18	6.3%		
Sometimes	46	16.2%		
Usually			86	30.3%
Forever			120	42.3%
Total	78	27.4%	206	72.6%

Note: own results from SPSS elaboration.

**Table 9** Evaluation of intellectual capital

The brainpower an undeniable fact is observed which various companies of the sample say evaluate the intellectual capital backing itself with at least one training each year, but the subjects tell us not to perform a diagnosis of training needs only perform training what they think most convenient.

Table 9 shows that 27.4% do not apply the evaluation of which, 4.9% never, 6.3% rarely and 16.2% sometimes, while 72.6% if applying this assessment of which 30.3% almost 42.3% always and forever.

Category	Does not apply		if applicable	
	Frequency	Percentage	Frequency	Percentage
Never	8	2.8%		
Hardly ever	12	4.2%		
Sometimes	52	18.3%		
Usually			105	37.0%
Forever			107	37.7%
Total	72	25.3%	212	74.7%

Note: own results from SPSS elaboration.

**Table 10** The competitive environment in SMEs

With respect to the table 10 of all of which mentioned the competitive environment works are 25.3% of which 2.8% said they never, 4.2% rarely and 18.3% only sometimes, while the other side of the shows that if applied 74.7%, 37% and almost always mentioned that 37.7% always. Which affirms the competitive environment within companies is quite well adding that workers strive to be recognized, besides motivation that drives a monetary reward.

Category	Does not apply		if applicable	
	Frequency	Percentage	Frequency	Percentage
Never	10	3.5		
Hardly ever	13	4.6		
Sometimes	49	17.3		
Usually			146	51.4
Forever			66	23.2
Total	72	25.4	212	74.6

Note: own results from SPSS elaboration.

**Table 11.** Organizational culture

Table 11 data are presented regarding the organizational culture which is expressed is presented based on the information obtained with a total of 25.4% does not apply meaning that do not conform in 72 companies in the sample with the environment or the environment in which its activities are carried out, while 74.6% of organizations say are satisfied with how things are carried into the company.

## Conclusions

In research the objective was to identify the relationship between organizational and individual performance in SMEs in Cd. Obregon, Son. Mexico; To establish proposals for improvement. In which, based on the above findings, it can be noted that small and medium-sized companies currently in Cd. Obregón organizational performance is taken from the wrong perspective, so you have that belief that, if the company remains active during the early years, and gets the minimum earnings is working, when it is not, this more than some can be an obstacle for SMEs in their growth, they should not focus only on the money.

According to the findings, we can say that the way to implement performance standards which operates motivation for the employee to have certain criteria which have been analyzed and concluded that they are best for the organization, this should be implemented in any company that wants to grow so thanks to this, you can measure how much has been the improvement that has been taken since the start of activity until the end of it.

As for the intellectual capital which is part of human resources being these are all the knowledge, skills and attitudes of a worker in performing an activity, where on the basis of the results obtained revealed in SMEs in Ciudad Obregon should focus at this point that is the most important because this is the key to the growth of the express having employees prepared to face any situation.

In future research, we propose to expand this study in relation to individual and organizational performance. Thus it suggested form new variables from the relationship between the two, to achieve this empirical contribution in this area.

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