

**SOCIAL FACTORS AND THEIR EFFECT ON THE PRODUCTIVITY OF
SMALL BUSINESSES: A METHODOLOGICAL APPROACH FROM THE
MUNICIPALITY OF THE VITERBO- CALDAS**
**FACTORES SOCIALES Y SU EFECTO EN LA PRODUCTIVIDAD DE LAS PEQUEÑAS
EMPRESAS: UN ENFOQUE METODOLÓGICO DESDE EL MUNICIPIO DE VITERBO-
CALDAS**

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ABSTRACT

Keywords:

social factors, productivity,
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This paper analyzes the social factors that influence the productive development of small enterprises in Viterbo, Caldas, Colombia, in the context of a changing global economy. Using a mixed methodological approach, it seeks to identify shortcomings and formulate strategies to improve competitiveness and advise on public policies. This research work is organized in several chapters in order to analyze how social factors influence the productivity of small enterprises located in the municipality of Viterbo, Caldas, Colombia. The first chapter presents the relevance of the study, highlighting its legal and social framework within the Colombian context, as well as its general and specific objectives. The second chapter presents a literature review from both an international and regional perspective, addressing the fundamental concepts of productivity and social factors, and examining how these elements are related in different contexts. The third chapter focuses on the research methodology, which employs a mixed approach (quantitative and qualitative) and a cross-sectional descriptive design. The central hypothesis holds that the appropriate assessment of social factors and the institutional support of the municipality could contribute significantly to the improvement of small business performance in the region. To this end, we will work with a probability sample composed of local government employees and owners or workers of microenterprises. The data collection instruments include surveys and interviews, which will allow the analysis of various social factors such as education, age and socioeconomic level of the individuals linked to the enterprises. With a descriptive and correlational approach, the final objective of the research is to identify how these factors can influence productive development and contribute to strengthening the entrepreneurial fabric in Viterbo, Caldas.

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RESUMEN	
Palabras clave: factores sociales, productividad, economía, competitividad, política pública.	<p>El presente trabajo analiza los factores sociales que influyen en el desarrollo productivo de pequeñas empresas en Viterbo, Caldas, Colombia, en el contexto de una economía global cambiante. Con un enfoque metodológico mixto, se busca identificar falencias y formular estrategias para mejorar la competitividad y asesorar en políticas públicas. Este trabajo de investigación está organizado en varios capítulos con el fin de analizar cómo influyen los factores sociales en la productividad de las pequeñas empresas ubicadas en el municipio de Viterbo, Caldas, Colombia. En el primer capítulo se expone la relevancia del estudio, destacando su marco legal y social dentro del contexto colombiano, además de plantear sus objetivos generales y específicos. El segundo capítulo presenta una revisión de literatura desde una perspectiva tanto internacional como regional, donde se abordan los conceptos fundamentales de productividad y factores sociales, y se examina cómo se relacionan estos elementos en distintos contextos. El tercer capítulo se enfoca en la metodología de la investigación, que emplea un enfoque mixto (cuantitativo y cualitativo) y un diseño descriptivo transversal. La hipótesis central sostiene que la evaluación adecuada de los factores sociales y el respaldo institucional del municipio podrían contribuir significativamente al mejoramiento del rendimiento de las pequeñas empresas en la región. Para ello, se trabajará con una muestra probabilística compuesta por empleados del gobierno local y propietarios o trabajadores de microempresas. Los instrumentos de recolección de datos incluyen encuestas y entrevistas, que permitirán analizar diversos factores sociales como la educación, la edad y el nivel socioeconómico de los individuos vinculados a las empresas. Con un enfoque descriptivo y correlacional, la investigación tiene como objetivo final identificar cómo estos factores pueden incidir en el desarrollo productivo y contribuir a fortalecer el tejido empresarial en Viterbo, Caldas.</p>

Introduction

This research work is structured in chapters to study the influence of social factors on the productivity of small enterprises in the municipality of Viterbo, Caldas, Colombia. The first chapter discusses the importance of the study, its legal and social context in Colombia, as well as its general and specific objectives. The second chapter reviews the literature from an international and regional perspective on the relationship between social factors and productivity, integrating key concepts such as productivity and social factors, and the third chapter focuses on the methodology, using a mixed method (quantitative and qualitative) and a cross-sectional descriptive approach. In addition, the hypothesis suggests that the evaluation of social factors and support from the municipality can improve the performance of small businesses in Viterbo. A probabilistic sample of municipal employees and local microenterprises will be used. It should be noted that the collection instruments include surveys and interviews, and the research seeks to identify social factors such as education, age and socioeconomic level, which could improve productive development. Using a descriptive correlational approach, the study seeks to profile the impact of these factors on companies.

Research Justification

This study analyzes the influence of social and economic factors on the productivity of microenterprises, highlighting the impact of cultural traditions and consumption patterns on the local economy, as well as the importance of public policies, such as flexible taxation, to strengthen these enterprises, since they represent a key source of income and employment. On the other hand, the objective is to increase sales and improve customer service, which would benefit both the company and the consumer.

Also, the study proposes marketing strategies and the use of social networks to strengthen the visibility and reputation of brands, attract potential customers and build loyalty to existing ones, thus this approach is supported by the analysis and knowledge obtained in professional training, seeking to contribute to the Administrative Science and better understand the microenterprises in Colombia, specifically in Caldas, it should be noted that the analysis includes the use of legal argumentation to break down legal problems in specific aspects, facilitating a deeper understanding of the legal context. The research aims to offer solutions adapted to current problems, linking the economic development of microenterprises with the social and regulatory context.

Chapter I. Research Approach

The problem: In Colombia, the classification of SMEs is based, according to the congress of the republic, law 905 of 2004, on assets and employees, without distinguishing the productive sector. SMEs, according to Montoya et., al (2018) represent 96.4% of companies, generate 40% of GDP and 81% of employment. However, they face major survival challenges, as only 43% of new SMEs survive over time. In 2017, 323,265 companies were created, and 96% were engaged in sectors such as agriculture, industry and services. According to Asobancaria, the growth of these companies is hampered by a lack of business management skills and resources. Common mistakes include mismanagement of resources and poor preparation. The COVID-19 crisis intensified the challenges, forcing an adaptation to online trade and new logistics strategies. They also face high national and local taxes (such as income and VAT), which complicates their sustainability.

SMEs in Colombia need to strengthen their organizational culture and innovative capabilities to compete in a saturated market. This context is particularly visible in

Viterbo, where SMEs are the main economic engine and generator of employment. The lack of structural support and training affects their competitiveness. At the theoretical level, the importance of economic institutions is recognized in the neoclassical literature, which stresses how institutional rules and interactions determine growth. Institutional theory suggests that the institutional environment and human and physical capital are fundamental to the economy (Dworkin, 2013). In Colombia, the political weight and interests of various groups affect the allocation of resources.

Research Question

what are the social factors that significantly influence the productive development of small businesses in the Municipality of Viterbo, Caldas, Colombia, and how do these variables interact to affect the growth and sustainability of these businesses in the local context?

General Objective: To analyze the social factors (economic and legal) that influence the productive development of small businesses in the Municipality of Viterbo, Caldas - Colombia.

Specific Objectives:

- To characterize the small enterprise of the municipality of Viterbo Caldas with respect to social factors. (service, commercial, association and production companies).
- To identify the social factors that influence the productive development of small businesses in the municipality of Viterbo Caldas.
- To determine how social factors influence the productive development of small businesses in the municipality of Viterbo (Caldas).
- To implement an improvement proposal for small businesses in the Municipality of Viterbo, Caldas - Colombia.

Scope: Taking into account that economic issues associated with the productivity of a municipality will be studied, it is important to understand that there is information that will not be accessible and will require the management of external factors that may not be reliable at present to carry out an analysis. However, it would seem that absolutely all businesses and in general all those that contribute to the economy will be reviewed, but this is not the case; the focus will be local, developed in the urban area and with businesses previously registered with the official entities.

That said, it is essential to give continuity to the project with the planned approach through the selected media. The active participation of the people to whom the project is addressed is expected

interview-survey and the quality of their answers, it is required to find a high level of reliability in the study and the results that can be expected from it.

A composite indicator is an aggregation of individual indicators grouped by dimensions, which aims to provide a synthetic measure of a complex problem, based on the transformation of information that allows comparing values on a fixed scale.

However, since the indicators have different measurement scales, the values are normalized by means of the Z-score, which is an appropriate standardization method for data series with extreme values. This is why such analysis will only allow access to accurate answers to a specific problem, as the answers are influenced by the human factor and part of the determinant of emissions, it is established that the scopes have a reliable degree of accuracy. The aggregation of the normalized factors is done by adding them together, due to their simplicity, ease of understanding and general application. In this

way, for the municipality, the values of each index per dimension are obtained, which when added determine the vulnerability of the analysis (Durán- Gil, 2017.P18).

Background of the Work to Be Performed

International context

This paper presents studies conducted in various countries on the impact of social networks and other factors on small businesses. One of the studies analyzes how social networks affect small businesses run by women entrepreneurs in London. According to Nwogu (2020) it is monitored that social networks have a positive impact on online sales, but also generate problems such as returns due to product errors. These drawbacks can generate additional unplanned costs for small businesses. This study highlights both the advantages and pitfalls of social networks in online commerce, providing important insights into the use of social networks.

In other research, De la O Cordero and Monge (2020) conclude that Costa Rican entrepreneurs recognize the challenges of starting a business, which include meeting economic, social and political requirements. They point out that educational level does not guarantee success, but it helps to reduce risks, therefore, this research highlights the importance of social factors in the advancement of companies and underlines the need for more research on these aspects, in addition, they highlight the relevance of labor productivity in small companies, especially in the commercial sector, and how factors such as management and labor influence productivity. According to Kazaz and Ulubeyli (2007), socio-psychological factors, such as job satisfaction and labor relations, are determinants of productivity, beyond economic factors. Also Jarkas et., al (2012) identify manpower skill and communication as key factors, while Naoum (2016) proposes to further explore optimization concepts such as lean construction. Other studies such as Kaur et., al (2016) point out that lean can improve competitiveness in industries such as apparel. In addition, productivity in SMEs is positively associated with the age of the company.

According to, Yunus et., al (2014) the educational level of employees in Colombia's manufacturing industry influences labor productivity, suggesting that improved competitiveness in this sector could be achieved with more skilled labor. Productivity must be a continuous process, and improvement is more linked to management programs than to current work practices. In addition, organizational factors such as technological innovation, innovations and the use of information technologies are key to improving production levels in SMEs. However, labor productivity depends on a complex interaction between several factors, such as the work and economic environment. According to Satish et., al (2013) it is highlighted that environmental factors, such as exposure to paints in closed environments, affect productivity. Cequea and Rodriguez (2012) identify four factors that influence productivity: individual, group, organizational and results. In Costa Rica, [8] emphasize that entrepreneurs face great challenges when starting a business and that the level of education does not guarantee success, but it does reduce the risks.

National Context

In the research entitled "Analysis of the behavior of the informal microenterprise sector in Colombia" according to Hurtado et., al (2018) seeks to raise awareness of the importance of microenterprises in the economy, there, an exploratory study was conducted with 100 informal microenterprises in Cali, using surveys to collect data. The results showed a negative estimation among the variables, highlighting that many microenterprises are not legally constituted and belong to the family business group. In addition, the study underscores the need for a more competent financial sector to support

new microentrepreneurs with financing and resources. The research also highlights that the informal environment is related to educational levels and asset management. Other research, such as Franco et. al (2021), addresses SME productivity, identifying factors such as infrastructure and motivation as key determinants.

The results of the research by Barreto et., al (2021) focus on the psychometric analysis of measurement scales, where an Exploratory Factor Analysis (EFA) was used, revealing significant correlations between items related to process efficiency and integrated management. One question was excluded because it was not relevant, and six key components were identified that explain 54% of the companies' durability. The conclusions highlight the need for companies to review their principles during crises, adapting to their environment and learning from previous experiences. It also emphasizes the importance of strengthening internal capacity to prevent irreversible crises and promote a collective and supportive approach to management. Finally, it is suggested that future research should examine the dynamics of business crises in Colombia in an interdisciplinary manner.

In addition, Peralta et. al (2021) found that many manufacturing SMEs in Colombia have low levels of competitiveness, due to the lack of training of human talent and the scarce application of innovative technologies. Also, Quiñonez and Giraldo (2019) highlighted that SMEs in Villavicencio have difficulties in following strategic plans, which affects their survival. This research underscores the need to strengthen entrepreneurial capabilities, promote sustainability and improve the competitive environment through public policies.

Local background: In research on the risk factors affecting small and medium-sized enterprises in Caldas and neighboring municipalities, several studies stand out, such as Morantes (2020) analyzed the causes of liquidation and dissolution of companies in the solidarity sector in La Dorada-Caldas, concluding that factors such as disagreements among associates and financial crisis are found.

On the other hand, Durán (2022) in his study on entrepreneurs supported by the Governor's Office of Quindío found that achievement needs were key to persistence, especially among people between 30 and 40 years old and with professional education.

In another study, Hoyos (2019) explored the factors that boosted the internationalization of industrial SMEs in the Eje Cafetero, concluding that, although these companies have managed to open up to international markets, there is a need to improve the training of managers and strengthen promotion and distribution strategies.

In summary, the studies highlight the importance of training, leadership, organizational culture and adaptability in success and sustainability.

The work of Sánchez (2022) focuses on analyzing the relationship between business dynamics, the productive structure of MSMEs and territorial development in Chinchiná-Caldas between 2017 and 2021. The main objective is to establish strategies to formalize this sector with the collaboration of the municipal administration, academia and entrepreneurs. For this purpose, a mixed methodological approach is employed, using interviews and socioeconomic mapping.

Key results include the consolidation of information that benefits MSMEs, academia and the municipality, facilitating the development of growth strategies. The creation of alliances between these actors and the generation of sustainable business ideas are highlighted. From a social perspective, the study is linked to SDG 8 on decent work and economic growth, identifying needs and designing solutions.

The work also highlights the contribution of academia, especially in the Business Administration and Public Accounting programs of the Corporación Universitaria Minuto

de Dios (UNIMINUTO), which allows students to participate in research and generate business strategies. In terms of the relationship between economic and academic aspects, it is concluded that collaboration between these sectors can have a positive impact on the strengthening of MSMEs and regional growth.

Conceptualization

This paper investigates how social factors impact productivity in small and medium-sized enterprises (SMEs). Accordingly, productivity is addressed as a multidisciplinary topic, and it is specified that this is of interest not only to economists, but also to engineers and managers, who consider that the optimal combination of technology, organization and human talent is key to achieve high levels of productivity, in the case of Colombia, SMEs in the commerce sector are essential to the economy, generating employment and contributing significantly to the GDP, especially in the department of Caldas, however, these companies face challenges such as high labor costs and difficulties in strategic planning.

This publication examines how social and organizational environment factors disrupt labor productivity, which is fundamental for economic growth. It also highlights the importance of human resource management in SMEs, which must adjust to their limited resources, but remains essential to motivate employees and improve the work environment, and external collaboration is crucial for these companies, allowing them to access resources, financing and knowledge that they could not obtain independently, expanding their scope and competence.

Also, small businesses can access new business opportunities through external connections and networks, facilitating strategic partnerships and alliances that expand their reach. According to Porter (1991) successful companies constantly seek to create and protect their competitive advantage at the international level, a process that requires continuous adaptation. In addition, the advance of social networks has facilitated digital commerce (e-commerce).

In the case of Viterbo, Caldas, the local economy stands out for its cultural diversity and the rural productive sector, where small businesses are linked to commerce, services and agriculture, driving regional development; also, investments in infrastructure and community events strengthen business growth and cultural identity. It also highlights the importance of gender diversity in organizations, which fosters an inclusive culture, improves problem solving and broadens market reach.

Inclusion of diversity in teams generates creativity and better decisions, while effective leadership and motivation increase employee engagement. As Sinek (2017) puts it, a trusting work environment elevates cooperation and a sense of belonging, therefore, human productivity is key to business success, with approaches ranging from economic analysis to organizational management.

On the other hand, productivity is key to economic development and the improvement of a nation's standard of living, driven by the growth and efficiency of companies, and the literature on this subject stresses the importance of human capital and knowledge as sources of competitive advantage. On the other hand, in the business world, theories on organizational growth emphasize the role of internal and external factors, such as the Gibrat and Penrose models. Gibrat argues that the size of a company does not influence its growth, while later studies show that small companies tend to grow faster. Penrose, on the other hand, emphasizes growth as an internal and managerial process within the company.

In addition, other approaches, such as Chandler's, analyze organizational structures and the importance of hierarchies and functional divisions for expansion. In

the Colombian context, SMEs play a significant role in the economy, although they face technological, financial and market limitations. It should be noted that the agricultural industry is particularly relevant in the country, with growth expectations, although it is also affected by the lack of integration and competitiveness in a globalized environment. The study will focus on identifying key factors for the growth of local SMEs, especially in the agricultural and commercial sectors, seeking to improve their stability and competitiveness.

Organizational Culture: According to Steckerl (2006), the company has both an economic and social role, since it not only offers products or services, but also cultural and personal values, thus, organizational culture includes shared norms and behaviors Chiavenato (2009) and is essential for business success by influencing behavior and decision making (Rodriguez and Romo, 2013). Chiavenato divides organizational culture into four layers: artifacts (products and technology), behavioral patterns, values and beliefs, and basic assumptions. To analyze organizational culture, Quinn and Rohrbaugh (1981) propose the Competing Values Framework (CVF) model, which is based on adaptation to the author.

In terms of competitiveness, ECLAC highlights factors such as productivity, infrastructure, social welfare, human capital and technology, which drive economic growth. Likewise, public management and institutionalism play a role in government effectiveness and social justice.

Data Collection and Sources of Information

Data to analyze the characteristics of a population can be collected from internal and external sources. This is the item where information from different sources is used and which represents a fundamental relevance in the line of the project.

As mentioned, for the development of this research we intend to conduct and apply two surveys aimed at small businesses in the municipality of Viterbo (Caldas).

This activity is carried out through the use of applications such as Excel, or SPSS and other applications that facilitate statistical modeling for the purpose of validating the data obtained.

First of all, as the research approach is based on a mixed one, from the perspective of data analysis, a methodology based on parametric analysis will be used, followed by descriptive and inferential estimations in accordance with the line established by the objectives proposed for this research.

As a second step, from the qualitative perspective, the criteria of grounded theory will be applied specifically from the application of open, axial and selective coding as established in the definition of the descriptive categories such as social factors and productive development of small businesses, in addition to presenting the descriptive subcategories, among which are: Organizational culture and internal relations, networks and external relations, community and socioeconomic impact, gender and diversity, leadership and participation.

Method

The research process seeks to generate knowledge by solving the problem posed at the beginning of this study, identifying the problem, formulated in questions and objectives, and making methodological decisions to find solutions Taylor and Bogdan (1998). Meanwhile, the fundamental axis of the research process is the research

methodology, which includes decisions on design, strategy, samples, sampling, data collection methods, organization techniques and data analysis, in this sense, the main paradigms are quantitative (rationalist) and qualitative (naturalist).

In the legal research, it is conclusive to understand the legal framework that impacts small businesses in Viterbo, Caldas, this method allows to recognize relevant laws and regulations, such as labor and tax legislation, identifying rights and challenges for these businesses, however, integrating this approach helps to understand how legal factors interact with social and economic ones.

The quantitative approach, based on the scientific method, uses parametric analysis techniques, based on measurement and statistical analysis, facilitating data-driven decisions (Paitán et., al 2014). The research in Viterbo considers social variables as independent variables and productive development as dependent, applying descriptive and correlational analysis, regression models and hypothesis testing, among others.

Qualitative or interpretive methodologies, such as documentary research, explore and transcend the accumulated knowledge about an object of study (Galeano and Vélez, 2002). This approach helps to understand the meanings behind the data, clarifying the current state of a problem and unifying.

However, the research builds on previous theories to confirm or refute their veracity and employs a structured approach that allows generalization of the findings. However, the quantitative approach presents a static view of social reality, considering it external and conditioning for individuals. On the other hand, the qualitative approach allows us to understand individual experiences and perspectives through methods such as interviews and life history analysis, which are essential to capture the subject.

The research on small enterprises in Viterbo, Caldas, integrates an interdisciplinary legal, social and economic analysis, which focuses on the legal framework of Law 590 of 2000, modified by Law 905 of 2004, and on public support policies, such as financing, training and business support networks. In addition, it studies economic factors (access to financing and production costs) and social factors (education, culture undertaken).

The qualitative approach is essential to understand individual and contextual interpretations, emphasizing that knowledge in social sciences depends on the interaction between researcher and subject, thus positivism relies on statistical data, the constructivist approach in social sciences gives an active role to human beings in the interpretation of their reality.

Research Design

Fligstein and Cardona argue that economic and organizational sociology is key to understanding the social, economic and legal factors that affect small businesses in Viterbo, Caldas, Colombia, therefore, this comprehensive approach is essential to formulate policies that promote their sustainable development, therefore, legal research allows for the analysis of laws and policies in areas such as labor, tax and commercial, helping to identify rights, challenges and growth opportunities for these companies. Globalization brings both legal challenges and opportunities, requiring local companies to adapt their practices to international standards in order to compete competitively. The non-experimental study design, which observes phenomena without manipulating variables, ensures a natural analysis of the data explicitly framed in the main variable. It should be noted that the combination of qualitative, quantitative and legal methods provides a complete view of business challenges and opportunities, facilitating the identification of strategic improvements.

Grounded Theory

According to Bonilla and López (2016) it allows the researcher to understand a phenomenon through the actions and meanings of the participants. This approach involves the simultaneous collection, coding and analysis of data, differentiated by its systematic and interpretative character, and in this case, it is used as a complement to a quantitative analysis, structured in open, axial and selective coding, where the application of TF in the research allows understanding how social, economic and legal factors influence the development of small businesses in Viterbo, Caldas.

Socioeconomic Interpretative Method

The analysis of the social, economic and legal factors that affect the productive development of small enterprises in Viterbo, Caldas, is based on a comprehensive understanding of the business and regulatory environment, including the Colombian legal framework, specifically Law 590 of 2000, as amended by Law 905 of 2004, which regulates and promotes the development of micro, small and medium-sized enterprises (MSMEs). This analysis uses the Socio-Economic Interpretative Method, which allows to present

In this regard, Law 590 of 2000, as amended by Law 905 of 2004, is fundamental because it recognizes the importance of MSMEs in the economy and promotes their competitiveness through policies that facilitate access to markets, technology and financing; in addition, this law establishes the simplification of administrative procedures and the elimination of bureaucratic barriers, the socioeconomic interpretative approach integrated with this legal framework allows for a rigorous analysis of the factors that influence the development of small enterprises in Viterbo, where the multidisciplinary approach facilitates understanding of the interaction between social, economic and legal factors in the business environment.

The method focuses on understanding the social and economic realities of small businesses through interviews, case studies and focus groups, all seeking to understand the experiences of entrepreneurs, employees and other relevant actors, exploring how they affect local social dynamics and socioeconomic structures.

Therefore, the Socioeconomic Interpretative Method provides a deep and contextualized understanding of these factors, being useful in this research because:

Facilitates the implementation of interviews and observation.

Reflective Economic-Legal Approach

It should be mentioned that this method seeks a critical reflection on local economic policies and their interaction with the legal environment, from there it investigates how government policies, tax incentives, financing policies and other economic measures impact small businesses. Local and national economic data are analyzed to understand how these policies affect business growth in Viterbo Caldas.

In a complementary way to the previous method, it can be said that the reflective Economic-Legal approach, as it implies a critical and reflective approach to the analysis of economic and legal phenomena, now, since it focuses on the understanding of the interconnections between the economic and legal dimensions, considering the mutual influence of these areas in business development, it is beneficial to integrate it to the previous methods due to the following:

- Facilitates social and economic contextualization.
- It allows for the analysis of power relations and inequality.
- Evaluates the socioeconomic impact.

- It presents critical results.

Type of Research

The research was conducted through a mixed approach (qualitative, quantitative) with a parallel interpretative model, with a cross-sectional descriptive approach of documentary type, which determines the selection procedure, access and registration of the documentary sample. The techniques selected were observation, documentary or bibliographic research and interviews.

Quantitative Method: "uses data collection to test hypotheses based on numerical measurement and statistical analysis, in order to establish patterns of behavior and test theories" (Bonilla and Lopez, 2016). Therefore, the quantitative method will be used based on evaluating and contrasting the hypothesis by means of the measurement instrument applied. On the other hand, the qualitative method was used to describe, explain and argue the results obtained previously. Qualitative method: according to the objectives formulated and methodology proposed, this method facilitates the understanding of the context from the subjectivity, there the vision and training of the researcher is an aspect that influences the design and development of the study, while, the qualitative approach "uses the collection and analysis of data to refine the research questions or reveal new questions in the interpretation process" (Bonilla and López, 2016).

Descriptive type: this type of method facilitates the visualization of the behavior of each of the characteristics of the actors and their context in which the research takes place.

Transversal Approach: The research is limited to a period from January 2023 to April 2023 and will not be followed up, taking as a reference data from the interviewees of the last ten (10) years.

Field: The research was conducted at the facilities of the Municipal Mayor's Office of Viterbo - Caldas. It will also have a probabilistic sample of SMEs located in the municipality.

Research Hypothesis

There is a significant relationship between social, economic and legal factors and the productive development of small enterprises in the Municipality of Viterbo, Caldas, Colombia.

Population and Sample

Population 1. Employees of the Municipal Administration of Viterbo Caldas - Colombia made up of (68) people divided between (1) mayor, (8) office secretaries, (17) administrative career employees and (42) contractors. (Municipality of Viterbo, 2023).

Sample 1. A sample of 58 people was determined with a margin of error of 5% and a confidence level of 95%. Through simple random sampling.

Population 2. MSMEs settled and registered in the Municipality of Viterbo Caldas, which amount to 352. (Manizales Chamber of Commerce, 2022)

Sample 2. A sample of 185 MSMEs in the municipality was calculated through random sampling, always generating a probabilistic result.

Population 1.

Inclusion: For the study, all employees who work permanently in the Municipal Administration were taken into consideration.

Exclusion: They were not taken into account for the research given their lack of knowledge of the subject and the difficulty in surveying interim employees, seriously disabled personnel and subcontracted employees.

Population 2.

Inclusion: The study took into consideration all MSMEs that have their respective commercial registry for the year 2022.

Exclusion: MSMEs with expired commercial registration were not taken into account for the research; likewise, those MSMEs that do not allow the application of the respective survey will not be considered and will be replaced until the sample parameters are preserved.

Units of Study

The following table presents information related to the distribution of the sample according to population and economic activity of small businesses (Table 1).

Table 1
Organization and distribution of the sample (2023)

Type of Company	f	h%	n
Association	9	3%	5
Commercial	209	59%	110
Production	9	3%	5
Services	125	36%	65
Grand total	352	100%	185

In a bibliographic matrix it is expected to have documents of different types of material: journal articles, research papers, books, undergraduate and graduate degree works, brochures, recordings, official budget documents, public works and data from entities in charge of statistics management; this information is considered necessary, since they make direct allusion to the research topic and are part of a component not only historical but procedural of the actions aimed at analyzing the economic and political facts that influence the processes of the MSMEs of the municipality of Viterbo, so the criteria used for the management of this information is based on the quality of the information and the content that this has as truthful and updated to respond effectively to what was raised in the development of the research.

- Administration people in charge of budget management, execution, people from associative entities.
- SME managers through study samples.

Research Variables

In the investigative context that arises, the factors corresponding to the impact of social factors (economic and legal) that influence the productive development of small businesses in the Municipality of Viterbo, Caldas - Colombia, for this it must be taken into account that reliability in research evaluates the consistency of a method to generate similar results when replicated, in addition, internal validity focuses on whether the conclusions adequately reflect the reality studied, while external validity examines

whether the results can be generalized to other contexts; qualitative research, in this sense, also seeks to explain phenomena in specific contexts rather than genres.

The methodological debate in research includes those who advocate exclusively qualitative or quantitative approaches and those who prefer mixed methodologies. Mixed methods integrate qualitative and quantitative techniques, allowing for greater understanding and compensating for the limitations of each approach. These methods provide stronger inferences and more complete findings, although combining both approaches can be challenging, especially for research.

In studies on SMEs, several independent variables are analyzed to better understand the factors that influence these entities. These variables include aspects such as socioeconomic status, place of residence, taxes, profitability and educational level. In addition, gender and age, understood from a sociocultural perspective, are included. These variables are organized in a logical order, starting with economic factors and ending with personal social aspects of the individual within the companies studied.

Data Collection Instruments

Taking into account that the instruments are consolidated as the tool that delivers first hand the most relevant information according to the variables or categories of study that are carried out in a research. Therefore, according to Hernandez et., al (2014), these tools allow recording observable data raised in the research, thus, the documents used can be both informal and informal

Common instruments include notebooks to collect field data through interviews and surveys, and technological tools such as Excel to compile and filter study texts. In quantitative research, surveys with open and closed questions are used to collect information aligned with the objectives and specific variables, such as legal, social and political factors, with productive development being a dependent variable.

In the qualitative area, field diaries are developed to record impressions of businessmen, and a documentary analysis of the categorized information is carried out. In addition, semi-structured interviews are applied to understand how social factors influence the economic development of small and medium enterprises, especially in specific contexts such as Viterbo-Caldas.

Procedure

The study focused on analyzing texts by reading, reviewing and copying information according to previously defined analytical categories, however, the research design is based on identifying key categories to study small businesses in relation to social factors and productive development, where the categories include: organizational culture and internal relations, networks and external relations, socioeconomic impact, gender, diversity, leadership and participation. The bibliographic matrix, detailed in a table, organizes this information according to the categories described above.

In this sense, Yan & Gray (1994) emphasize that the case study is suitable for examining organizational changes, especially in complex or dynamic phenomena that involve intangible elements, the focus on cases requires decisions on the number and selection of these, considering factors such as research objectives, depth of analysis and available resources, this implies a discretionary choice between the number of cases and the depth of each analysis, since a large number of cases limits the depth in specific details and may result in superficial data instead of revealing deep social processes.

The analysis plan was developed in two readings: one linear and the other transversal. The first linear reading allowed reviewing all the bibliographic information continuously, while the transversal reading facilitated the comparison of sources to

identify patterns, gaps and the quality of the information on the object of study. The observations were documented in memoranda and comments, serving as inputs for subsequent stages.

Analysis was a constant process throughout the research, and the analytical categories applied to the empirical materials were essential for their interpretation. These categories act as guiding principles, providing clarity and rigor in the analysis. As a whole, the categories cover concepts such as the history of the term, background, definitions, theories, objectives, among others.

The study concluded that these categories not only organize the analysis, but also help to meet the research objectives, providing depth in understanding how social factors influence the productive development of small businesses.

Results

Analysis of Information Results

From a general perception it can be said that: The information provided refers to a survey of 185 companies, where data was collected about aspects related to business development. A general interpretation of the results is presented below:

1. Type of company and economic sector

Most of the companies (59.5%) are classified as commercial, followed by services (35.1%).

The primary economic sector is very small, with only 2.7% of the companies, while the tertiary sector is dominant, with 97.3%.

2. Socioeconomic level of customers

The predominant socioeconomic level of the clients is high, with 38.9% of the companies, followed by medium (40%) and then low (21.1%).

3. Availability of skilled labor and public services

The availability of skilled labor is adequate for 30.8% of the companies, while 35.7% consider it to be high.

The accessibility of public services is moderate, with 27.6% of companies considering it to be accessible and 35.7% considering it to be not very accessible.

4. Local government support and legal framework

Local government support is adequate for 32.4% of the companies, while 22.2% consider it to be high.

The legal and regulatory framework is neutral for 30.8% of the companies, while 30.3% consider it favorable.

5. Level of productivity and satisfaction with economic results

The level of productivity is low for 33.5% of the companies, while 27.6% consider it to be high.

Satisfaction with economic performance is neutral for 34.1% of the companies, while 21.6% are satisfied.

6. Importance of social factors

The majority of companies (35.1%) consider social factors to be important in productive development, while 12.4% consider them to be very important.

It can be seen that most of the companies surveyed operate in the tertiary sector (97.3%), with commercial (59.5%) and service (35.1%) companies being the most common. The predominant socioeconomic level of their clients is high (38.9%) and

medium (40%). As for the challenges they face, the availability of skilled labor is adequate (30.8%) or high (35.7%), while the accessibility of public services is not very accessible (35.7%) or accessible (27.6%).

Local government support (32.4% adequate, 22.2% high) and the legal framework (30.8% neutral, 30.3% favorable) are perceived as adequate, but not entirely favorable. Perceptions of the level of productivity and economic performance are mixed. The level of productivity is low (33.5%) or high (27.6%), while satisfaction with economic performance is neutral (34.1%) or satisfactory (21.6%). Finally, the majority of companies (35.1%) consider that social factors are important in their productive development, suggesting that they play a crucial role in their growth and success. In conclusion, the surveyed companies operate mainly in the tertiary sector, facing challenges related to the accessibility of public services and local government support. Perceptions of productivity and economic performance are mixed, with a tendency towards neutral or moderately positive evaluations. The importance of social factors is recognized by most companies.

Correlation Analysis

Significant Variables (0.01 level)

Socioeconomic Level of Clients, presents significant positive correlations with:

- Availability of skilled labor = 0.569
- Importance of social factors = 0.419

Availability of Skilled Labor, shows significant positive correlations with:

- Local government support = 0.594
- Favorable legal and regulatory framework = 0.528
- Productivity level = 0.628
- Satisfaction with economic results = 0.435
- Importance of social factors = 0.681

Local Government Support, shows significant positive correlations with:

- Favorable legal and regulatory framework = 0.588

Favorable Legal and Regulatory Framework, shows significant positive correlations with:

- Productivity level = 0.318
- Importance of social factors = 0.292
- Level of Productivity, presents significant positive correlations with:
- Satisfaction with economic results = 0.369
- Importance of social factors = 0.360

Satisfaction with Economic Results, presents significant positive correlations with: Importance of social factors = 0.612

Findings

1. Socioeconomic Level of Customers and Availability of Skilled Labor are very important factors, since they have multiple significant positive correlations with other critical factors of the company's productive development.
2. Accessibility to Public Services and Local Government Support are also important, but have less significant correlations compared to the previous variables.

3. Legal and Regulatory Framework has a significant relationship with several factors, indicating that a favorable legal environment is crucial for the productive development of the company.
4. Level of Productivity and Satisfaction with Economic Outcomes are highly correlated, suggesting that improving productivity is likely to result in greater economic satisfaction.
5. Importance of Social Factors is highly correlated with other key factors, highlighting that social aspects play a vital role in productive development.
6. Based on these results, it can be seen that, in order to improve the productive development of small enterprises, efforts should be focused on improving the availability of skilled labor, ensuring good support from local government, improving access to public services and creating a favorable legal framework. It is also crucial to address entrepreneurs' perceptions of the importance of social factors in the success of their business.

Discussion and Conclusions

Economic, Legal and Institutional Organization Factors

Economic Factors

Studies on MSMEs in municipalities near Viterbo-Caldas, where the research was conducted, including the municipality of Chinchiná-Caldas, reveal that economic factors, such as the lack of recognition of work and the absence of consolidated information on business dynamics, significantly affect the productive development of small businesses. Integration between business, academia and the municipality is crucial to create effective development strategies

Legal Factors

Inconsistent policies and lack of continuity in government guidelines for the agricultural sector generate uncertainty among producers, which hinders rural agroindustrial development. Policy stability and regulatory clarity are essential for business growth.

Institutional Organization

Institutional organization and collaboration among various actors (government, NGOs, academia, civil organizations) are essential for the success of rural agroindustrial projects. The proper administration and management of these projects depend on efficient coordination among all parties involved.

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