



# Business management: a look from productivity and competitiveness

## Gestión empresarial: una mirada desde la productividad y la competitividad

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### Abstract

The objective of this article is to describe business management by questioning the theoretical foundations on is defined and the implications that productivity and competitiveness have had on it. The methodology used is descriptive-documentary type. The results show that from the administrative sciences there are strategic plans for the prescription of the decision and the action that induce to redefine the power relations between management and clients, where productivity and competitiveness depend on relations with the market.

**Key words:** Management, business management, productivity, competitiveness.

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## Resumen

El presente artículo tiene como objetivo describir la gestión empresarial, cuestionando los fundamentos teóricos sobre los cuales está definida y las implicaciones que en ella han tenido la productividad y la competitividad. La metodología utilizada es de tipo descriptivo-documental. Los resultados dan cuenta que desde las ciencias administrativas existen planes estratégicos para la prescripción de la decisión y la acción, que inducen a redefinir las relaciones de poder entre la gestión y los clientes, en los que la productividad y la competitividad dependen de las relaciones con el mercado.

**Palabras clave:** gestión, gestión empresarial, productividad, competitividad.

## Introduction

Business management is an issue that despite being addressed from different angles or approaches, today it continues to be a key element in the business context. It is a tool to enable and meet the goals proposed by organizations at the local, regional, national and international levels.

Good business management guarantees the achievement of the expected results, reaching the necessary quality standards, which is obviously reflected in the increase in productivity and competitiveness of the company that carries it out. Today, when the business context moves in a globalized environment, and the levels of competitiveness are more intense and decisive for the survival of companies, the need for good business management gains more strength.

That is why, in this sense, attention is focused on the knowledge of the fundamental aspects to carry out good business management, which adjusts to the changing reality that prevails today. Likewise, there is evidence of the need to put emphasis on determining what elements of business management are key to raising productivity and competitiveness levels.

It could not be any other way, because the connection between these three concepts is evident, since management is in charge of ordering, implementing and executing the actions, as well as affecting the labor force, the raw material, to achieve efficient results, that is to say, turn the organization into a productive company. Consequently, the results are achieved by increasing production, with the same or lesser amount of inputs, then not only it speaks of a productive

company, but also is capable of competing at any level, with other entities that are in its sector. That is why this article aims to determine what aspects in the framework of good business management result in greater productivity and competitiveness in companies.

This paper is divided in follow sections: in the first section, the theoretical references of business management are addressed, to arrive at the relevant aspects that must be taken into account to exercise good business management, an issue that is analyzed in the second section. In the third and fourth sections, the concepts of productivity and competitiveness are examined; the fifth section being an analysis of the directly proportional relationship between productivity, competitiveness and business management.

## Theoretical referents of business management

There are multiple definitions found in the specialized literature on business management, from different points of view and approaches, but all roughly converge in the sense of perceiving it as an essential process in the life of organizations, which is constantly evolving so its analysis is essential if it wants to be successful.

It can be assumed that management is a process from which the resources available to companies are coordinated and improved to achieve their results with the highest efficiency, quality, productivity and competitiveness. It is ultimately the main action carried out by organizations to carry out their mission, and meet their objectives in society.

Management is seen as the ability of a company to quickly and upwardly achieve important operating results; that put it in a position to achieve success in the short, medium and long term. These aspects are indicative of effective management, which is the key for a company not only to become a leader, but to continue to be (Guerrero, 2015).

Likewise, management can be analyzed from a more global context, which encompasses the nation, in terms of its policies, strategies and objectives aimed at achieving the well-being and quality of life of its citizens, thus contributing to the development of society. However, for this study the focus is on the micro level, that is, the business environment.

In this sense, business management can be considered as the activity through which the manager or management team of an organization determine the strategies and actions to be followed by the company to achieve its objectives, achieve better results in its productive area from performance and efficiency, focusing on meeting the needs of its customers. But also focusing its attention on human resources, because the increase in productivity and competitiveness of the organization depends to a great extent on them, which will definitely affect its survival and growth possibilities.

“It is the business activity that seeks through people such as institutional directors, managers, producers, consultants and experts to improve productivity and therefore the competitiveness of companies or businesses” (Rubio, 2008, p. 15). For the purposes of this study, the previous definition is assumed, considering that it addresses in a synthetic and profound way the fundamental and most beneficial impact that good business management has for organizations.

## Intervening elements of business management

To carry out a good control of the management of a company (Rubio, 2008) it is recommended to take into account three essential functions: (i) What will be the purpose and mission of the organization, clearly defining its objectives; (ii) Preparation of company staff to work effectively through recycling and permanent training; (iii) Identify —either by improving or correcting— the impacts of social changes that may affect the organization, taking into account their effects and adapting them appropriately to the objective and mission of the organization.

Likewise, it is considered of utmost importance to recognize that management is closely related to the fluctuating nature of the environment in which it operates; especially when it comes to technological changes. Another important point is that management must always focus on people, whatever the size of the company is, since it is the workers who ultimately make the results are as expected.

In the same way, it is essential in management to pay attention to the changes that may occur within the company, using all the elements at its disposal to respond as quickly as possible, for the benefit of its clients and society in general.

The keys to turning organizations into truly productive and competitive entities, managers must design new businesses, adapt existing ones, continuously monitor current businesses to achieve maximum growth, and at the same time monitor the most important strategic functions (Rubio, 2008). For this reason, when referring to good business management, is highlighted the fact that a very innovative and interactive approach is required, this allows to design and adapt the capabilities of the company beyond what is expected, not only directing its effort and action exclusively to exploiting to the maximum its operations.

Effective management improves the way in which a company identifies and selects its best initiatives, provides them with the necessary resources and ensures that once implemented they are managed effectively. In this sense, it is valid to limit that, when starting a new project in the organization, the management must clearly determine the responsibilities, submit it at the same time to frequent reviews from its conception, the analysis carried out of each project that is started must be constant and continuous (Rubio, 2008).

In this way, the generation of new ideas and initiatives is linked to the supervision and joint control actions between all levels of management of the company in question, that is, area directors and senior managers. Achieving in a more practical and useful way to improve managerial work methods, the commitment of workers to organizational objectives, just as to promote learning and experience in the work, as well as constant correction and improvement to raise productivity.

On the other hand, an element that must also distinguish good management is being proactive, which is directly related to the variable nature of the globalized environment in which companies currently operate, mainly in the technological field. In this way, it will be able to go one step beyond what the complex challenges of each day entail, and it will be able to insert the competitive advantages that it discovers by appropriating the changes that impact it, to make a difference and strengthen its position in the market, guaranteeing its continuity.

At the same time, business management must focus on people regardless of the size of the organization that manages, keeping in mind the satisfaction of employees, it is punctual to create commitment and motivation towards the company and its objectives, this being a determining factor of the productivity. And it is that with pleased and motivated workers, the scientific evidence has proven the performance is better and therefore, the fulfillment of the objectives and achieve the expected results or higher than expected becomes a reality, which has a favorable impact on the society in general, increasing the quality of life.

Fully in line with the previous idea, the following sentence states “management can appreciate that an extraordinary increase in production levels will be possible if the operators cooperate in an entirely effective way” (Rubio, 2008, p. 5), it should be noted that managers, businessmen, entrepreneurs, have the responsibility and demand on their shoulders, to ensure and guarantee that each member of the organization takes into account the importance of the client as an objective, this constitutes a premise that will affect the correct attitude of employees during the performance of their duties.

Likewise, at present the idea that management must be agile and dynamic is imposed, it is the most certain way to respond to the changing conditions of the markets and the deal with individual or collective consumers.

In this sense, it is proposed that the work of those responsible for management is based on two essential functions: Marketing and Innovation (Rubio, 2008).

Rubio (2008) explains that the marketing function encompasses all actions focused on the client and his/her needs, and includes the following: information through market research on the needs and/or suggestions of customers; market analysis by studying customer profiles, how they are distributed, social attitudes, psychological behaviors, consumer or shopping trends;

observation of the activities of competing companies, studying their products, penetration strategies, advertising, and design of pricing and product policies; definition of promotion and sale actions, product packaging, marketing, distribution logistics; the sales policy (methods, after-sales services, financing of customer purchases); the function of innovation is the process by which a company obtains more and more benefits, as well as higher levels of quality.

In the case of the innovation function, it can be observed that it constitutes an elementary aspect to develop productivity, it implies: the introduction of a new product (good or service); the introduction of a new production method; the opening of a new market; the conquest of a new source of supply of raw materials or inputs; the creation of new market structures in a given activity sector (Ortiz & Arredondo, 2014).

These functions mark an important milestone in the work of business management, therefore, paying attention to them is a smart decision and one that adds value to the company on its way to success.

At the same time, the literature consulted includes four business capacities, which are a requirement of any manager or administrative person who aspires to carry out good business management must consider (Ortiz & Arredondo, 2014): market orientation; learning orientation; entrepreneurial orientation; innovation capacity.

This are fundamental pillars for companies to increase their chances of survival and growth in the market.

In this same direction, another of the theoretical referents consulted states that the qualities that management must incorporate in their actions are both those of the entrepreneur and those of the administrator, since in their performance they will be relevant in an interrelated way to apply the functions of entrepreneurship and management (Ortiz & Arredondo, 2014).

According to the above, it can be seen that the competitive success of companies is related to business management where strategic planning predominates, there is a vocation for innovation in its processes, products and management, it also emphasizes developing a technological level superior to competitors in its sector.

## **Productivity: From the economy to sustainability**

The term productivity refers to an essential concept of the economy and that is understood, if analyzed from that premise, as the maximum amount of product that can be achieved by combining the factors of production (capital and labor) and natural resources.

On the other hand, productivity is appreciated as the effective use of innovation and resources to increase the added aggregate of products and services.

Another definition of productivity as the relationship between the product generated and the factors that contribute to achieving that production (Rubio & Baz, 2004). In direct line with the previous conception, it is pointed out that this can vary due to multiple factors, such as material, human, technological and capital inputs. Likewise, it emphasizes the impact of the way the company is organized, the improvement of products and the development of new ones.

In this sense, it is agreed in the appreciation that in order to increase the productivity of a company it is necessary to produce more with the same or more with less, which is the same as doing things better and better. Another definition of productivity indicates that it is the efficient use of the resources that a company has; which implies simplifying tasks, reducing costs, as well as using labor, raw materials and other aspects related to the company in a better way (Rodríguez, 2013). However, this definition does not highlight the role that business management plays in achieving high levels of productivity.

It is very common to associate the concept of productivity, only with the improvement of the direct labor output of production, either through higher work rates, improvements in methods or the automation of processes. It delves into the fact that productivity can also be considered from a more global point of view, by integrating in its evaluation the improvement of quality, costs, response cycles or required investments, since these factors will have a direct and indirect impact on improving productivity (Carro Paz & González Gómez, 2011).

According to the above, it has been observed that the number of indicators that are used with the intention of measuring productivity depend on the approach and the variables to be measured.

A company is productive when it has the internal conditions that allow it to compete and the external ones that give it the ability to reduce costs and compete successfully (Rubio & Baz, 2004).

Therefore, it is worth mentioning that productivity depends, in many ways, on government action in terms of infrastructure, education and technological development, as well as on public policies that promote or impede productivity growth, such as labor, fiscal and regulatory policy. On the other hand, it is mentioned that factors such as technological innovation, organizational or institutional changes and innovations, improvement in the business environment, improvements in management techniques, reduction of inefficiencies, fluctuations in demand or use of installed capacity — both cyclical elements —, changes in the participation of factors, the displacement of the use of factors towards more productive activities, the learning process on the job, the

use of economies of scale and even measurement errors or omission of variables can result in a loss of productivity (Ortiz & Arredondo, 2014).

Likewise, in one of the theoretical references consulted, two essential aspects are presented that, from the management, should be done to improve productivity: (i) increase production without changing the volume of inputs (which seeks to produce and sell more); (ii) reduce the volume of inputs without changing production (reduce the costs of the resources used in the company).

This is very useful because by increasing its productivity, the performance of its company is improved, and, therefore, increase its profits, and this is reversed in society, enabling a better quality of life. Since the fundamental way for a company to grow and be profitable, that is, to increase its profits, is by increasing its productivity levels.

In conclusion, it can be stated that the criteria and concepts associated with productivity and competitiveness in a company are closely linked and for this reason they receive permanent attention from producers, governments, investors and analysts.

Every company must pay special attention to the fact that its strategy (the decision of how it wants to achieve its objectives) is effective, since its success will depend on it, that is, it must have a strategy that can be applied efficiently (Carro Paz & González Gómez, 2011).

In this sense, it should be stated that it is not an easy task for a company to be productive if it does not have, to begin with, a clear, defined and shared strategy, a specific structure and a distribution of responsibilities according to said structure. This is a key point in the interdependent relationship that exists between business management and productivity.

It is considered that probably the most important reason why organizational productivity does not grow sufficiently is the lack of commitment on the part of the management in its business management.

In the same industrial sector, with comparable products and equipment, it is perfectly possible to find companies with significantly different levels of productivity.

This underlines that not only factors external to the company (government policies, union, inflation, crisis) are those that cause low productivity, but also differences in the level of commitment of management during certain periods of time in relation to the productivity.

## Competitiveness: Its theories and approaches

Regarding the phenomenon of competitiveness, several theories and approaches have emerged over time that try to explain it within the framework of the prevailing situation of globalization (Campi, Font & Lazcano, 2017). However, there is still no consensus regarding a definition that is generally assumed.

Another definition of competitiveness extracted from the consulted bibliography indicates that it is the ability of an organization to maintain or increase its market share based on new business strategies, on sustained productivity growth, on the business-to-business capacity to participate in negotiations with different institutions and other companies within their environment, in the existence of a competitive environment determined by the sector and the consumer market and in policies introduced by national governments and regional economic alliances (González, Alaña & Gonzaga, 2018).

This definition is assumed for this study, as it is considered more accurate when addressing the determinants of productivity and therefore business success. Thus, it is what makes a company successful in the field in which it develops. This is a consequence of the conditions that exist in the environment, as well as the ability of the employer that the management to distinguish itself from its competitors.

And, for a company to be considered competitive, it must develop products and services whose costs and qualities are comparable or higher than those of its competitors in the rest of the world.

The competitiveness of each company depends on its own internal structures, that is, on its organization and capacity to produce in such a way that it can increase its sales and beat its competitors in different areas (Rubio & Baz, 2004). However, there are an infinity of external factors that determine their ability to compete.

At this point, companies need to have a physical, legal and regulatory environment that contributes to reducing costs and raising their productivity, which the government can provide with an adequate policy with incentives to boost productivity. Since, in a globalized world, the ability to compete is essential, since from that ability derives the creation of wealth, economic growth and, therefore, the creation of jobs and the improvement in the living standards of a population.

To the extent that a society is more productive, the ability to compete will be greater; that is why talking about competitiveness necessarily implies talking about productivity. For organizations, competitiveness is synonymous with the ability to compete successfully in international markets and against imports in their own territory.

Competitiveness, ultimately, will be a matter for companies and not for countries or sectors of the economy (Rubio & Baz, 2004). However, the optimal path to achieve business competitiveness not only requires intense work on the part of entrepreneurs, but also of the government.

Also from the business point of view, competitiveness is an attribute or quality of companies that is determined by four fundamental features: factor conditions; demand conditions; related or support industries; and the structure and rivalry of the companies, these attributes and their interaction explain why companies innovate and remain competitive in certain (Pacheco, 2013).

The Economic Commission for Latin America and the Caribbean (ECLAC) considers that competitiveness to be real must be based on the incorporation of technology and the renewable use of natural resources, a concept that can be considered more avant-garde and aimed at sustainability environmental, contrary to obsolete conceptions that focused their approach to competitiveness on the mere exploitation of human and natural resources.

On its part, the Central Bank of Ecuador defines competitiveness in terms of effectiveness, considering that it reaches this point when the organization's ability to efficiently produce high-quality goods and services is evidenced.

This translates into productivity improvements, expressed in visible cost reductions, and in improvements in the quality and variety of goods and services produced, which result in the competitiveness of the company.

### *How is competitiveness evaluated in the business environment?*

There are various factors in the literature to consider, if it wanted to assess the competitiveness of a company.

Among them, it is talked about the levels of competitiveness, as explained below. Competitiveness occurs and is analyzed on three levels: business, regional and international.

To measure competitiveness at the three levels, two international indices have been created: The Global Competitiveness Index, created more than two decades ago by the World Economic Forum; The Microeconomic Competitiveness Index created by Michael E. Porter.

Other aspects to take into account when evaluating competitiveness are exposed by the Organization for Cooperation for Economic Development (OECD), which are considered to have equal importance when determining business competitiveness: (i) The successful management of production flows and inventories of raw materials and components; (ii) The successful integration of market planning, research and development (R&D), design,

engineering and manufacturing activities; the innovation process is one of the main pillars to sustain competitiveness and economic development, patents and other forms of industrial and intellectual protection play a decisive role for growth; (iii) The ability to combine R&D of the organization with R&D carried out in universities, research centers and other companies; (iv) The ability to incorporate changes in demand and the evolution of markets as well as the generation of an environment conducive to business is an important factor for economic prosperity, competitiveness and growth; (v) Promotion of production programs through schemes that facilitate greater integration and partnerships between companies. Establishment of schemes in which development between suppliers and distributors within the value chain is allowed.

On the other hand, when analyzing the level of business competitiveness, eight dimensions can be distinguished which, in a combined way, contribute to determine how competitive a company is, as well as the degree of success it presents in the domestic and foreign market (Ibarra, González & Demuner, 2017). These dimensions are set out below, given their relevance:

*Strategic planning:* refers to the knowledge that exists in the organization about the objectives and goals in the short, medium and long term; and the policies for compliance and monitoring. It is even considered whether studies have been carried out on the environment, threats, opportunities, weaknesses and strengths. Contingency plans have been developed. This dimension is considered to be fully applied in all companies since it is based on their being and doing. However, the evidence shows that sometimes this is not considered a priority when seeking to achieve higher levels of competitiveness in a company.

*Production and operations:* its importance on the competitiveness of the company lies in the complexity of the production processes, use of modern production tools, certifications, flexibility in production processes, planning of raw materials and supplies, development of new products, management of inventories, among other factors. These allow organizations to react quickly to changes in demand patterns and factors external to the organization; therefore, the greater the flexibility and modernization of the processes and operations, the higher the level of competitiveness of the company.

*Quality assurance:* in this dimension the level of implementation of quality standards is determined, work groups are created to address this aspect, certifications are developed, and programs to face contingencies are developed. The evidence indicates that companies where quality processes and product quality are certified and high, have higher levels of competitiveness.

*Marketing:* focuses on the analysis of sales policies, distribution channels, payment methods, relationship with customers and suppliers, definition of the target market, market studies, use of marketing strategies, customer satisfaction. This is one of the most relevant dimensions

since interaction with customers and suppliers is essential both to efficiently produce and to distribute and successfully sell products among customers.

*Accounting and finance:* focuses on studying whether it exists and is known the cost structure, the profit margin, if the financial planning and administration is clearly established, the fiscal strategies, the payment of taxes, among other aspects of this nature. Much of the success or failure of organizations is related to access to financing and strategies to make adequate and intelligent use of the economic resources of their organizations.

*Human resources:* part of the competitiveness of an organization is related to the adequate use of human resources, it is essential to have a rigorous selection and hiring process, training and coaching programs, analysis of the causes of job rotation, the work environment and the development of programs to correct them, in addition to the establishment of compensation systems, as well as the control of compliance with aspects of safety and industrial hygiene.

*Environmental management:* the new requirements in this area are of greater relevance for consumers, companies must be competitive and at the same time responsible with the environment. A competitive company analyzes the use of environmental standards, creates programs that respect and conserve the environment, establish waste management policies, recycling policies, among other measures, to achieve greater productivity based on sustainability and environmental sustainability.

*Information systems:* it emphasizes the development of technology as a mechanism for business competitiveness. Organizations that are aware of and adopt information and communication technologies, have specialized personnel, have a certain degree of systematization and generate effective contingency plans, this allows them to be more competitive not only nationally but also internationally.

According to the exposed dimensions, there is no doubt that to the extent that organizations establish adequate strategic planning, have an effective environmental management system, adopt information systems with state-of-the-art technology, and manage efficiently their human resources, they will have greater capacity to be productive and therefore to increase their competitiveness.

And it is that competitiveness constitutes a specific line of action, if it is intended to expand the potential of a company that is moving towards its internationalization. This is an important way to achieve growth and consolidation.

## Competitiveness in Ecuador

The approach provided by the Ecuadorian government to the subject of business competitiveness constitutes an aspect of great interest. This can be seen in the application of a series of modifications at the governmental level in the economic sphere that directly involve companies. The guidelines that guide these changes are registered in the National Plans that have been issued since 2007, and of which there are currently these versions: National Plan for Good Living 2014 (Plan Nacional para el Buen Vivir 2014); National Development Plan 2007-2010 (Plan Nacional de Desarrollo 2007-2010); National Plan for Good Living 2009-2013 (Plan Nacional para el Buen Vivir 2009-2013); Good Living National Plan 2013-2017 (Buen Vivir Plan Nacional 2013-2017).

In the current version, a group of guidelines can be identified aiming to strengthen the competitiveness of companies in the rural, service and productive sectors. This is mainly aimed at the application of scientific and technological research, local experimentation, access to knowledge, innovation, among other aspects, in the country's economy.

It has been observed in the documentary analysis carried out for this study that in Ecuador, the State has played an important role in the establishment of policies and guidelines included in the National Plan for Good Living, in order to create the necessary spaces and conditions for the strengthening of the competitiveness of national companies, of the different sectors of the economy, both in the public and private spheres (Campi, Font & Lazcano, 2017).

However, despite the favorable context made possible by government policies and the attention that the State has given to this issue, increasing competitiveness at the business level in Ecuador continues to be an imperative for the country, and a *sine qua non* condition to achieve economic growth and viable sustainable development that Ecuadorian companies need so much.

This path, as might be expected, must be traveled with full knowledge of the obstacles and consequently the search for alternatives to solve them. Among them, urgent attention should be paid to the following aspects: the implementation of a coherent, secure and favorable legal framework for the reactivation of the Ecuadorian productive sector, which helps to eliminate the restrictions and distortions of the legal system emanating from ineffective legislation and a deficient system of justice administration.

Simplification of procedures that prevent the flight or decrease in foreign investment and that promote the creation of new export business ventures.

Tariff reductions, especially for technological hardware and software products that allow better conditions of access to technology and facilitate the laying of community information technology networks in rural areas.

Promotion of competition in monopoly economic sectors, such as the opening of the monopoly of air flight controllers. And institutionalization and regulation of quality levels, such as the implementation of ISO standards for quality control in organizational and productive activities.

Simplification of taxes, actions to reduce the interest rate, improvement in the current macroeconomic and institutional environment that allows the pillars described above to become State policies.

## **Productivity and competitiveness as variables directly proportional to business management**

How does good business management influence productivity and competitiveness? Management implies knowing the environment, conceptualizing it and generating strategic guidelines (Hernández y Rodríguez & Pulido Martínez, 2011).

The previous approach marks a milestone in the interdependence that exists between productivity and competitiveness with the effective business management of any successful organization. This is due to the fact that business management constitutes the basis of any company, if good management is carried out the company grows, on the contrary, if bad management is carried out the company will decline.

On the other hand, good management should not only focus on the company and what happens within it, but should also pay attention to finding problems that are affecting organizational performance. In the same way, it must maintain a satisfied customer, based on the standards of excellence in the production of services and goods. Likewise, it must be in charge of making the most of all the resources that the company has, to maximize its profits and reduce costs, without ignoring quality and the customer.

And it is that as it is stated in this reference:

The manager is the dynamic and life-giving element of every business. Without their executive capacity, the 'production resources' are never converted into production [...]. In an economic system of competition, the quality and performance of the managers determine the success of a business and, even more, its survival, because they constitute the only advantage a company can have [...] in the system it operates. (Drucker, 1974, p. 13)

And something that has been proven from the analysis of the specialized literature carried out in this study is the fact that the vast majority of productivity improvements can be effectively driven by active managers, innovators and entrepreneurs who have a high commitment with their role as catalysts for productivity.

Although this obviously constitutes a challenge, managers can improve productivity, and therefore, the competitiveness of their companies even in an environment like the current one where the constant variable is change (Carro Paz & González Gómez, 2011).

For this, it is essential for them not only to manage but to create, configure and implement functions and actions that allow them to increase productivity efficiently, and also significantly enhance competitiveness in their organizations.

A specific premise that cannot be ignored is the direct and close relationship that is appreciated between productivity, competitiveness and business management. For this reason, it is essential to implement management systems in companies, where top management assumes with a high degree of commitment the strategies to become productive and competitive.

In this sense, it is also necessary to encourage the participation and commitment of workers to handle problems associated with productivity that are found in their daily work, because only in this way can the expected results be obtained, and ultimately sustainability and survival of the company in such a globalized and changing context.

At this point, in the same way, the need to promote an education aimed at training and the formation of skills at both the managerial level and the workers plays a fundamental role to fulfill their responsibilities in the process of generating quality goods and services, taking into account it has the effective indicators to measure the performance of companies in terms of increasing productivity and competitiveness.

Business success is a variable that directly depends on the high level of productivity and competitiveness achieved by the organization.

There are some components included in the literature consulted on successful companies where business management is analyzed in the first place, and this is because effectively the increase in productivity and competitiveness of a company are the result of good business management.

These components are set out below and, due to their relevance, their inclusion is considered valid and not only for study purposes, but with the aim of promoting their implementation (Suárez, 1994, p. 169).

(i) Leadership and business management, which involves: long-term emphasis (high degree of commitment to strategy); strategy shared by all members of the organization; constant benchmarking; flat organizations; focus of energies on what the company “knows how to do” (core competences); global vision (search for or attention to new markets and strategic

alliances); executives directly involved in company processes (hands on); balance between the importance of functions.

(ii) Process management, which involves: product development through overlapping stages; design in search of manufacturability (DFM); close relationship with a small number of suppliers and distributors; just-in-time (JIT) systems; continuous improvement; total quality (TQM); process reengineering; activity-based accounting and costing (ABC).

(iii) Management of human talent, which includes: emphasis on the team and not the individual; evaluation and reward systems based on company or team performance; rotation of tasks (people with an overview); deliver greater authority and decision-making power to the lower levels of the company (empowering); high commitment to the education and training of the members of the organization.

## Conclusions

It was possible to reach the conclusion and confirm the premise that supports this study that good business management depends on the organization reaching higher levels of productivity and competitiveness that lead it to position itself in the market and become a national and international benchmark in its sector.

The factors that must distinguish good business management were determined to take the organization to its maximum productive and competitive potential, among which the proactive, innovative, entrepreneurial, customer-focused attitude should prevail, without forgetting the important role of human resources, and with an enormous and developed capacity to adapt to change and take advantage of it as an opportunity for competitive advantage in the business environment.

The fundamental indicators that allow achieving productivity in an organization were exposed, among which the following stand out: having a clear and accurate strategic planning that all members of the organization know, improvements in management techniques, in the learning process in the work, technological innovation, the quality of goods and services, as well as government management around infrastructure and education, in addition to reducing costs and increasing profits.

The key aspects to measure competitiveness at the business level were identified, among which stand out: the increase in market share based on innovative business strategies; the increase in productivity determined by the increase in sales and the reduction of costs; the increase in business-to-business participation in niches or new markets based on the formation of cooperation alliances with other business entities; as well as the successful integration between

market planning, marketing actions, research and development activities plus innovation to improve production processes, work rates, design of products or services, as well as raising their quality.

It was found that in Ecuador, despite the favorable intention of the government, who constitutes the managerial level at the country level, and the incentives that it has implemented to enhance the productivity and competitiveness of companies, more appropriate action is still required around to the policies concerned to achieve this purpose, which should be aimed at the application of a reliable, safe and effective legal framework; the simplification of procedures and reduction of tariffs and taxes, which help to reactivate the national productive sector, attract and retain foreign investment and promote competition but also business cooperation at all levels through strategic alliances in sectors that merit it.

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