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ANALYSIS AND CONTRASTING CHARACTERISTICS OF THE BUSINESS PARK IN THE CONSTRUCTION SECTOR IN COLOMBIA.

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The business sector is the fundamental pillar for economic policy and constitution of market economies, highlighting the performance of construction plays a leading role, especially in developing countries, through the provision of infrastructure essential to the progress of modern societies, responding favorably to changes in economic dynamics, through job creation, movement of raw materials, stimulation and development of other economic sectors. However, there is evidence a limited knowledge around the business dynamics, especially its propensity to external phenomena and configuration of organizational characteristics; consequently, its study will allow increasing the knowledge and strengthening of public and private decisions to boost economic growth around the interests in the organizations. Therefore, this research evaluated the characteristics of the business park and the construction sector in Colombia, allowing the identification of the coherence between economic activity and developed business capacity, identifying its majority constitution in individuals and society through simplified actions with 95%, integrated in SAS companies with 98% of representation, which defines characteristics, scope and response capacity in the market, amount of resources and projects along with innovation processes.

Keywords: Company; construction; Colombia; characterization; capacity.

ANÁLISIS Y CONTRASTES DE CARACTERÍSTICAS DEL PARQUE EMPRESARIAL DEL SECTOR DE LA CONSTRUCCIÓN EN COLOMBIA.

El sector empresarial es el pilar fundamental para en política económica y constitución de las economías de mercado, destacando el desempeño de la construcción desempeña un papel protagónico, especialmente en países en vía de desarrollo, gracias al aporte de infraestructura esencial para el progreso de las sociedades modernas, respondiendo favorablemente a cambios en la dinámica económica, mediante creación de puestos de trabajo, movimiento de materias primas, estimulación y desarrollo de otros sectores económicos. Sin embargo, se evidencia un limitado conocimiento alrededor de la dinámica empresarial, especialmente su propensión a fenómenos externos y la configuración de características organizacionales; por lo tanto, su estudio permitirá aumentar el conocimiento y fortalecimiento de decisiones públicas y privadas para dinamizar el crecimiento económico alrededor de los intereses en las organizaciones. Por lo anterior la presente investigación evaluó características del parque empresarial y sector de la construcción en el territorio colombiano, permitiendo identificar la coherencia entre actividad económica y capacidad empresarial desarrollada, identificando su constitución mayoritaria en personas naturales y sociedad por acciones simplificadas con el 95%, integradas en pymes con el 98% de representatividad, lo cual define características, alcances y capacidades de respuesta en mercado, cantidad de recursos y proyectos junto a procesos de innovación.

Palabras claves: Capacidad; caracterización; construcción; Colombia; empresa.

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1. Introduction

Pozos y Acosta (2016) state that companies are fundamental pillars for the economic development of a nation and support the generation of employment, innovation and social welfare, through the introduction of new formulations of trade and services, by identifying and using the advancement of new productive activities in market economies. Therefore, their constitution and permanence as fundamental units for trade and service provision, integral to the factors of greatest importance for the economy, should be encouraged and prioritized (Buele, Puwainchir, y Solano, 2019).

However, low productivity and investment caused by uncertainties in the economic environment generate changes in the fiscal stimulus and greater difficulty in forming and maintaining stable and productive organizations, together with the susceptibilities of Colombians to international economic and political variations, as a result of market variations and recession phenomena. ((J. A. Sarmiento-Rojas y Rueda-Barón, 2020). Therefore, the identification of organizational characteristics makes it possible to evaluate the performance of the Colombian business park and its propensity to external phenomena.

Consequently, the present research characterized the legally constituted Colombian business park, through the analysis of the organizational characteristics channeled and supplied by the chambers of commerce that converge in a certain geographical region; which allowed identifying, evaluating and formulating a diagnosis of the behavior of productive activities, together with the role played by organizations and identifying a centralized political environment, together with similar and prevailing characteristics that forge companies as a weak link in the Colombian economy, due to restricted capacities to innovate, grow and remain in the market.

2. Objectives

Analyze the characteristics of the business park together with the construction sector in Colombia.

3. Methodology

Based on the above, a procedure was proposed that identifies, classifies and evaluates relevant business factors that allow the identification of the effect of the economic environment on the organizational performance of the construction sector together with the main economies and their companies.

3.1. Procedure implemented for the evaluation of organizations

In order to obtain a representative sample of the business organizations legally constituted in Colombia, a search was made for reliable sources to provide business information on their characteristics and behavior. For this purpose, a process of search and selection of data was carried out to formulate internal factors in the organizations that influence their permanence through the selection of primary information sources, provided by the Chamber of Commerce of Bogota, which channels and integrates all the business information of the existing chambers

of commerce together with the compilation and integration of all the chambers of commerce located in the national territory.

3.1.1. Selection of information sources.

For the analysis of information representative of the organizations legally constituted in Colombia, the database of business information provided by the Chamber of Commerce of Bogota and existing throughout the national territory was used as primary sources of information that channels and integrates all business information defined and constituted by Decree 1074 of 2015 (Ministry of Commerce, Industry and Tourism, 2015).

3.1.2. Business characterization process.

Based on the information provided by the chambers of commerce and legally constituted companies in the national territory, the general characteristics of the companies shown in Table 1 were selected and evaluated.

Table 1. Characteristics of the organizations to evaluate

Legal organization		Company size
Decree 410 of 1971 (By which the Commercial Code of Colombia is issued), implemented the commercial registry allows the identification of the activities carried out by merchants, thanks to the principle of publicity in accordance with the provisions of Article 26 of the aforementioned code, which states the following		Decree 957 of June 05, 2019 establishes the criteria for the classification of business size based on the exclusive criterion of income from annual ordinary activities.
Natural person		
Legal organization	Simplified joint stock company	micro small medium large
	Limited partnership	
	Foreign company	
	Sole proprietorship	
	Limited partnership	
	General partnership	
	Other	

GDP was also related from a productive approach as a value to measure business performance in the twelve initial groupings of Colombian economic activity according to the latest version of the International Standard Industrial Classification (ISIC 4th rev), as established by the National Administrative Department of Statistics (DANE for its acronym in Spanish) as shown in Table 2.

Table 2. Classification of the economic activities of the evaluated companies

Economic Activity	Symbol
Wholesale and retail trade; Repair of motor vehicles and motorcycles; Transportation and warehousing; Accommodation and food services	(G + H + I)
Public administration and defense; Compulsory social security schemes; Education; Human health care and social services	(O + P + Q)
Manufacturing industries	(B)

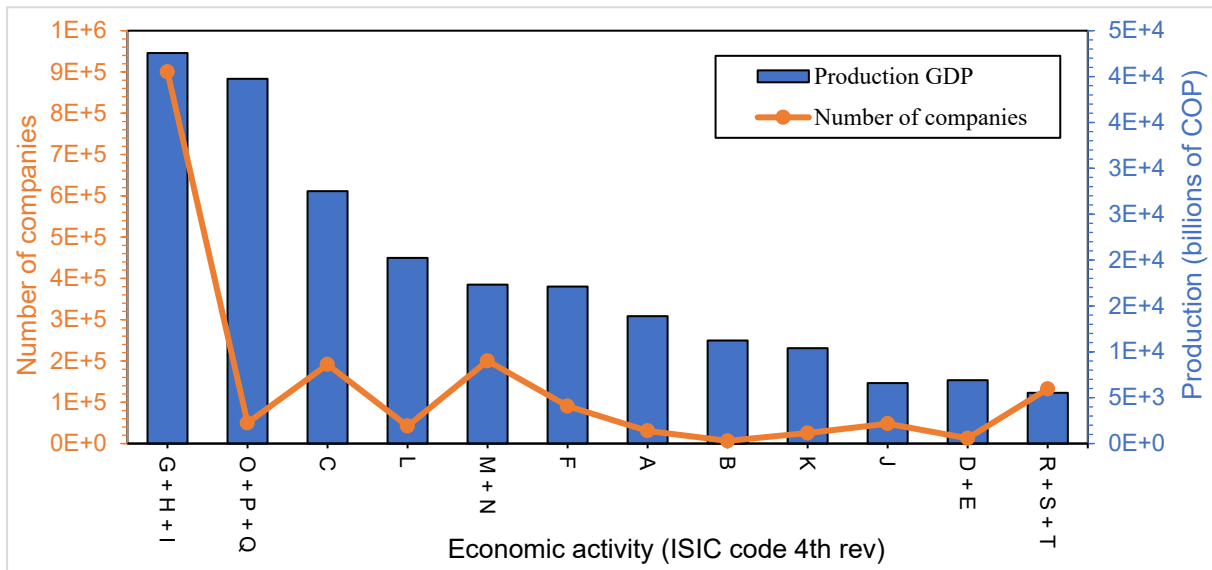
Real estate activities	(K)
Professional, scientific and technical activities; Administrative and support service activities	(M+N)
Construction	(F)
Agriculture, hunting, hunting, forestry and fishing	(A)
Mining and quarrying	(K)
Financial and insurance activities Information and communications	(J)
Electricity, gas, steam and air conditioning supply; water distribution; sewage disposal and treatment, waste management and sanitation activities	(D+E)
Arts, entertainment, recreation and other service activities; Activities of individual households as employers; undifferentiated activities of individual households as producers of goods and services for own use	(R+S+T)
Other	(U)

4. Results

4.1. Evaluation of companies that make up the nation's economic activities

The set of organizations that make up the Colombian business park are the fundamental pillar for the constitution of market economies and support the country's economic policy decisions, related to employment, formulation and implementation of substantive functions in the commercial structure ((Buele et al., 2019; Pozos y Acosta, 2016). Therefore, supply is composed of heterogeneous companies dedicated to producing goods and services influenced by public policies and financial decisions, as the authority responsible for allocating resources in process or group of operations that combine the trade of raw and manufactured materials, along with the workforce for production and marketing of goods and services (Hamman et al., 2019). Figure 1 illustrates the relationship between the economic activities that compose and integrate the twelve initial groupings according to DANE's classification of Economic Activities (Departamento Administrativo Nacional de Estadística –DANE, 2020).

Figure 1. Number of companies and gross production by main classification of economic activities.



These economic activities are made up of, and operate mostly by companies that use labor and diverse capital and tools along with the variety of skills, as shown in Figure 2. In addition, it was identified that the set of economic activities defined as Wholesale and retail trade; repair of motor vehicles and motorcycles; Transportation and storage; Accommodation and food services (G+H+I) represent 52% of organizations of the 1,731,458 companies that make up the database of the Chamber of Commerce of Bogota and subsidiaries.

Therefore, these economic activities represent the largest production in Colombia. However, the production/company ratio corresponds to 0.047, which indicates an oversupply that does not include informal commerce, estimated at 47.5% of labour occupation along with 75% of additional micro-enterprises that are not legally registered; which generates uncertainty in economic analysis, labour permanence and tax payments (Departamento Nacional de Planeación (DNP), 2019). Therefore, it is feasible that the contribution of legally constituted companies tends to generate a lower contribution to the main economic activities, added to the need for few economic resources for their constitution, manifested in the large number of organizations.

The opposite case is reflected in manufacturing activities, which represent the third largest number of legally registered organizations with 11.0% participation and generate an increase in the production/ organization ratio of approximately 0.1. These variations allow inferring that specialized activities require greater technical knowledge, physical and financial capital, such as mining and quarrying activities or public administration and defence activities. These quantitative relationships between production and legally constituted companies are illustrated in Figure 2.

Figure 2. Ratio of production and legally constituted companies by economic activity.

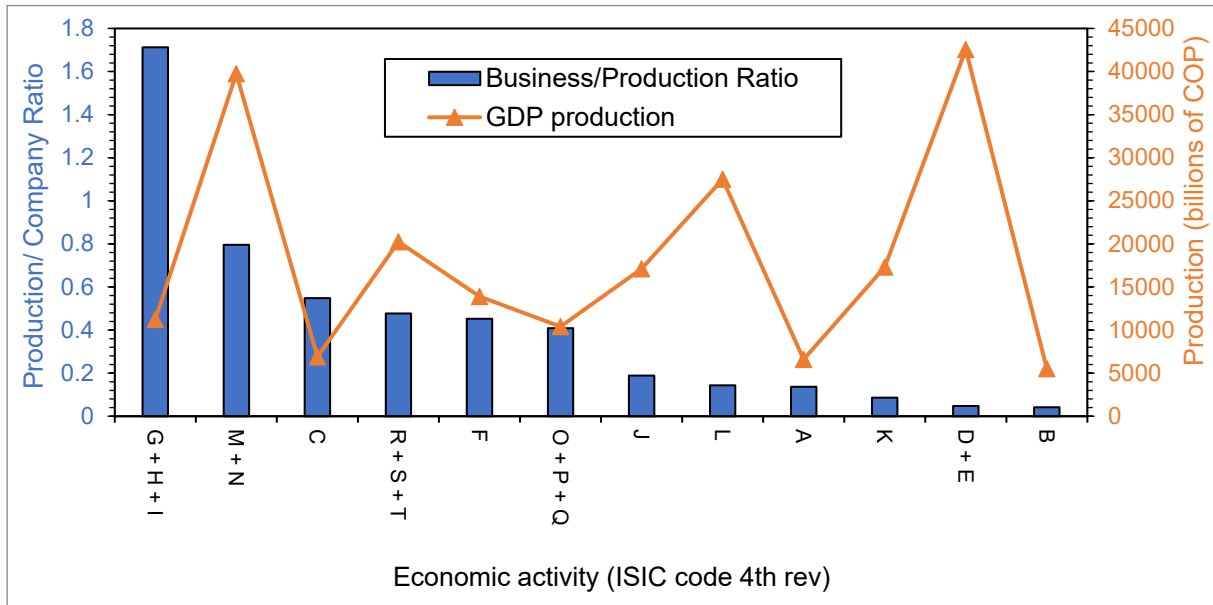
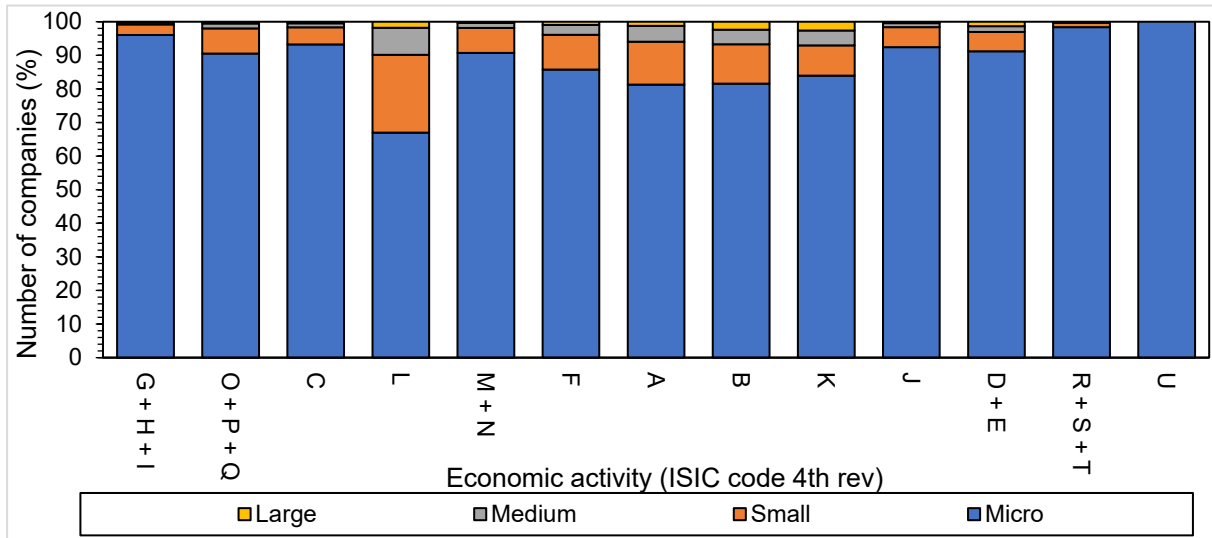


Figure 2 shows that the construction sector, together with manufacturing industries or professional, scientific and technical activities or administrative services activities, are companies that require a high degree of specialized knowledge. Therefore, there is a lower degree of informality in these sectors together with a lower number of companies than their production. Likewise, to the extent that productive resources and input yields increase with their use, the rate of returns is reduced and allows the coexistence of organizations with different scales of production, related to their capacities and scopes and correlation between business sizes and type of business partnership (Hamman et al., 2019).

4.2. Business size analysis.

Business size is considered a relevant factor due to its relationship with the capabilities of organizations to optimize the information generated in business processes with customers, suppliers and the market; likewise, this characteristic influences the improvement of their productivity, success and their adaptation in the environment (Esparza Aguilar y Reyes Fong, 2014; Martínez Gómez, 2017). When evaluating the total number of companies and differentiating them by the size of their organization as established in Decree 957 of 2019 (Ministry of Commerce, 2019), there is a marked characteristic tending towards micro and small companies. Figure 3 illustrates these differences.

Figure 3. Classification of companies by business size



Micro and small enterprises represent 98.3% of legally constituted organizations and the denomination "MSMEs" which includes medium-sized enterprises adds up to 99.62%; therefore, research conducted by Franco Ángel, (2019), has considered this type of organizations as the backbone of modern economies, vital to sustain long-term economic growth along with the leading role played for the country's development thanks to the solid and positive relationship between their representative size and economic growth (Ardic, Mylenko, y Saltane, 2011). Micro and small enterprises in the construction sector represent 96.11%; therefore, according to their size, they share similar characteristics with the other economic activities.

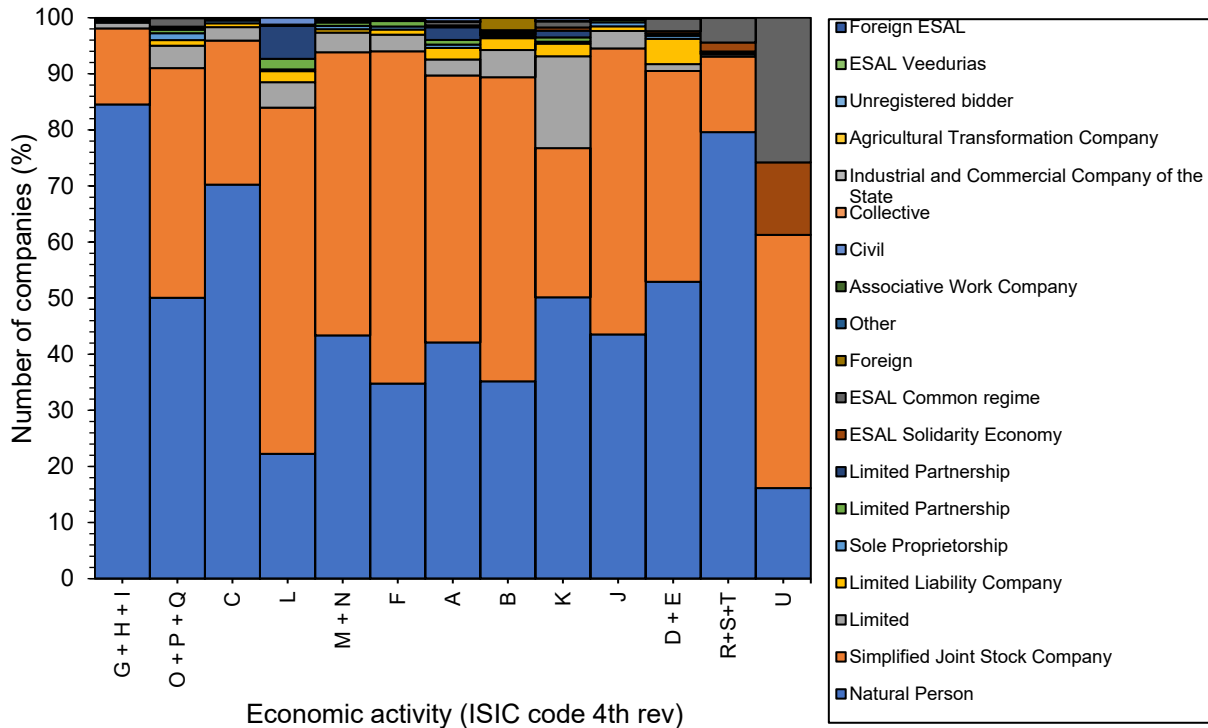
Therefore, the panorama of legally constituted companies, mostly MSMEs, reduces its scope with greater impetus due to the socioeconomic conditions of the nation and the phenomena of informality in the main economic activities. In addition, part of the organization's management depends on the individual skills of the entrepreneur or manager, which generates diverse performances, given that in an environment of informality or little regulation, soft or empirical skills prevail and generate distortions in the economic environment that affect the distribution of skills and business size.

This is consistent with the restriction of own resources of MSMEs. These weaknesses translate into little access to sources of financing, minimal use of economies of scale and little access to a variety of economic resources, which leads to the hiring of employees with low qualifications; therefore, the management approach implemented is short term and underdeveloped in internal capabilities along with weaknesses in the flow of information, low effectiveness and use of communication tools. These conditions hinder the attainment of important customers and affect the formulation and structuring of marketing strategy according to the new paradigms to respond to the market, due to the limited capabilities within the organization to detect and assimilate external knowledge and consequently, little access to updated scientific knowledge or management tools to strengthen the shortcomings in implementing quality assurance systems due to lack of analysis or understanding of management principles in management to promote management processes within the company (Amer, Daim, y Jetter, 2013; Baporikar, Nambira, y Gomxos, 2016; Drexler, Fischer, y Schoar, 2014; Franco Ángel, 2019; Franco, Santos, Ramalho, y Nunes, 2014).

4.3. Evaluation of commercial partnerships

The mercantile associations or legal entities are varied in order to develop commercial acts, together with the profits or losses in the objectives undertaken that are distributed according to their participation. Therefore, Figure 4 illustrates the behavior of this factor in Colombian companies.

Figure 4. Companies with legal status according to economic activity.



The different commercial associations and their preponderance are based on the regulatory framework that constitutes them through a social contract signed by those who make it up, who can be natural persons or other commercial companies with different types. However, there is a majority trend towards the formation of companies with natural persons who carry out commercial activities in a habitual and professional manner in a personal capacity, who assume all the rights and obligations of the commercial activity that they carry out; and legal persons, which are mainly constituted by groups called Simplified Stock Company and Limited Company; The latter two comprise capital and personal companies respectively. These three types of mercantile companies represent 97.57% of legally constituted companies. In the construction sector, 34% of companies are constituted by natural persons and approximately 60% by SAS, which is consistent with the capital invested in civil works, the product of collective collaboration as the main foundation to achieve an objective that when supported in a person, the probabilities of success would be smaller; therefore, companies with collective collaboration (association) influence their results and therefore the benefits achieved.

Consequently, natural persons who in their own name assume commercial responsibility to a great extent limit the growth and scope of the company, since commercial companies emerge as an essential requirement for the development of economically productive activities and that for a person are almost impossible to perform (Guevara Cadena, 2019). Likewise, the integration of several people produces commitments formulated by means of an agreement of

wills or contract, which is born with a particular legal person and has as its purpose a shared profit spirit together with the constitution facilities in legal terms and flexibility in its conformation. As a sole person (sole proprietorship) or several persons (pluripersonal), SAS companies have become a predominant type of commercial company (Nossa, 2017).

5. Conclusions

The Colombian economy, together with the construction sector, is susceptible to economic variations since the business muscle is practically constituted by micro and small companies, due to limited own resources, little access to financing sources, minimal use of economies of scale and scarce access to a variety of economic resources; which produces little qualification in labor occupation and consequently an impoverished implementation of management tools, which limit the internal capacities of the companies. Therefore, the present study allows supporting future research that reveals the implementation of tools in project management as a diagnosis to generate policies that allow organizations to detect and assimilate external and scientific knowledge updated to the current market conditions and improve their performance.

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