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Corporate governance structure and the impact on the generation of competences in human resource management and financial performance

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Abstract

In the present paper we study the impact of corporate governance structure in human resource management and financial performance in the Colombian context. For this purpose, it will analyze the concept of corporative governance. Later, we will be discussed two streams that study both the structure of corporate governance as the behavior of managers, the agency theory and stewardship theory.

We find that the structure of corporate governance and distinctive capabilities of human resource are positively related to company performance, but this not explained the attitude steward of the CEO and collaboration systems.

1. Introduction

In the present paper is a first step of a comparative study that includes Mexico and Colombia. In this first approach addresses the issue of corporate governance structure and its impact on human resource management and financial performance in Colombia, which starts playing the theme of the corporate governance in Colombia, and then study the theories that have studied the corporate governance; the agency theory and stewardship theory and then analyze the research has been done on these theories and their relationship with the variables already mentioned above. For after studying data from a survey of 40 Colombian companies that are listed as the 5.000 most important companies of the country by the *Revista Dinero* in 2008.

1.1. Colombian Context

The corporate governance in Colombia is based on analyzing the codes of conduct established in this country and being supported by the assumption that the corporate governance activities are inherent in financial reporting to allow society, the state, and shareholders to ensure their confidence in the management of companies (Cano, 2002).

As for the structure of corporate governance in the Latinamerican context in wish predominate the family business and therefore have different governance systems of the them used in Anglo Saxon countries, for example, the separation of ownership and control by the American companies will not occur in our context, given the high influence of shareholders on the board of directors and the president (Cano, 2002). The reasons for this concentration of ownership may be because the external monitoring institutions aimed at monitoring the agency are just beginning to be established (Khanna and Palepu, 1999). Another reason for what companies' concentrate ownership is for reason the culture of a society, that is, the set of shared beliefs that determine the behavior of individuals (Smircich, 1983). These cultural elements are socially created and therefore we can not be assumed that the structure of corporate governance is entirely a product of rationality and the explicit design of the individual. For Hernandez (2005), resistance to sell or transfer ownership beyond the family is deeply accepted Colombian business culture. According to *Revista Dinero* (1999, cited by Hernandez: 146) in 1999 nearly 80% of large companies were family businesses that had been adjusted to the new modern management environment

2. Theoretical Framework

This section will discuss the theories that underpin this research, first discussed the concept of corporate governance, understood as a system by which business corporations are directed and controlled through the distribution of rights and responsibilities different participants in the corporation such as the board of directors, managers, shareholders and stakeholders. Later the two streams will be discussed studying both the structure of corporate governance as the behavior of managers, the agency theory and stewardship theory. In the first study of agency problems that arise when the director of the company has superior information and acts as a selfish trader can exploit the resources of the company for its own benefit, which would otherwise be the owner (principal) of the company who would. Agency costs can be low, if there is a close alignment between the interests or identity of the owners and directors. Stewardship theory is another perspective, which shows the advantages and disadvantages of the form of control of the company. This theory proposes that leaders and business executives aspire to high goals in their jobs given by high levels of self-motivation, responsibility and achievement, as well as protecting the organization through a collectivist behavior. Under this theory, managers are not simply selfish economic agents, act selflessly for the benefit of the organization and stakeholders (Miller, Le Breton - Miller, 2006).

2.1. Concept of Corporate Governance

The Organization for Economic Cooperation and Development defines corporate governance as (OECD 1999, cited in Clarke, 2004): The system by which business corporations are directed and controlled. The corporate governance structure specifies the distribution of rights and responsibilities among different participants in the corporation, as the board of directors, managers, shareholders and other stakeholders, explaining the rules and procedures for corporate decision making, and provide the structure and foundation of the establishment of objectives, the means to achieve and ways to monitor their implementation.

One of the key concepts of corporate governance is of the stakeholders which refers to the study of all stakeholders, whether internal or external, that are positively or negatively affected by the operations of the company, from a human point of view, ethical or social, without losing sight of the goal of maximizing the benefits to the organization.

For Freeman (1984) stakeholders are individuals or groups who can affect or be affected by the purposes and business success, however, several scholars have suggested that this definition is too broad, because the final analysis all social players are directly or indirectly affected by the actions of the company. What has given rise to different classifications of stakeholders, has suggested that there are primary and secondary, according to the degree of impact on the organization in terms of achieving its mission and objectives of the company (Clarkson, 1995, cited by Mitchell et al., 1997). Others have suggested that the stakeholders are all parts that are positively or negatively affected by the operations of the company those involve risks and therefore gain or lose by the results of corporate activities (The Clarkson Centre for Business Ethics School Joseph Rotman Management, University of Toronto, 1999, in Principles of Stakeholder Management, 2002).

For Mitchell et. al. (1997), are classified as voluntary or involuntary the first are those with a degree of risk, whether they have invested large sums of money, personnel, technology or other resources in the enterprise. The second are those who are interested in the business because their actions affect them, although it had no intention of doing so.

The relationship between the company and internal stakeholders (employees, managers and owners) is defined by formal and informal rules developed through history. While shareholders may fund managers, they rely on employees to create strategies. External stakeholders are equally important and are related to: consumers, suppliers, competitors and special interest groups are also considered for formal and informal rules. Finally, local governments and communities together the formal and informal rules that businesses have to operate (Freeman, 1994; Post et al., 2003, cited by Clarke, 2004).

2.2. Agency Theory

The agency theory says that ownership in large companies is diversified across multiple shareholders who transfer authority in making decisions to CEO in order to achieve optimum business performance. The fact that shareholders have a small equity stake results in a difficult access to information on actions taken by its managers (Berle and Means, 1932, cited by Davis et. al., 1997, Jensen and Meckling, 1976), control is costly and information is costly to obtain, especially for a person.

For this reason there is the possibility that CEOs pursue their own goals even to the detriment of the interests of shareholders. The separation of ownership and control is the main problem to avoid possible opportunistic behavior of CEOs that could affect security on the investment return of shareholders (Jensen and Meckling, 1976). Williamson (1985) defines opportunism as an effort to make profits through the dishonesty in transactions. This can take two forms: the strategic concealment of information (which gives the agent a benefit) and the inability to obtain a commitment of responsible behavior during execution.

The agency problem arises when the welfare of a person depends on another: the agent is the person who acts and the principal is the person that affects the action. One major problem for investors is that CEOs can pursue their own goals, even at the expense of obtaining lower profits for owners. In any negotiation between two parties establishing a relationship of agent and principal, which is characterized by the existence of a hierarchical relationship, which can be established through a formal or informal. One party has possession of an asset or senior administrative role, the principal, the other party manages the assets of a company, which is called "agent" The key feature of this relationship is the asymmetry of information, the agent has more information about the daily operation of the organization and the primary has only generic information, thus incurring high costs to monitor the actions of the agent (Jensen and Meckling, 1976).

This is given by the absence of contracts made in full, therefore, identifies some actions that the principal can do to narrow differences to their interests, which are based on systems and incentive to incur costs monitoring to limit the aberrant activities opportunistic agent.

In particular, this model promotes the use of independent power structure is, that does not match one person in the position of CEO and chairman of the board of directors of a company, in order to avoid opportunistic behavior of managers (Jensen and Meckling, 1976).

Moreover, the agency problem has been widely criticized, as it faces a problem between managers and owners only and the shareholders are not the only ones affected by the activities of the company but also find all the stakeholders (groups interest), which are also affected by the organization, therefore arise stewardhip theories such as described below.

2.3. Stewardship Theory

Stewardship theory is a model opposite to that established by the agency theory; the model holds that the interests of CEOs are aligned with the interests of the principal, in contrast to the selfish motivations that supports the agency theory. According to this theory, the CEOs seek to balance the interests of shareholders and interest groups, stakeholders, and therefore try to make decisions in benefit all of them.

Davis, et. al. (1997), determine the characteristics of behavior that should have the perspective managers stewards who are motivated to act proactively and to be collectivism, which has a high value compared to an individualistic and selfish actions. Due to the high need for growth and achievement, psychological motivations, the manager appreciates the value of collaboration using their initiative to promote success, establishing bonds of trust with them. This has a positive attitude towards group harmony by avoiding conflict or confrontation.

For all the above we can say that with a stewardship structure, internal stakeholders such as managers and the employees develop a high identification with the company while generating value and commitment to the organization, and both the manager and investors (shareholders) have a motivation to self-realization, that thanks to general manager looking for the involvement of all members of the organization of your employees, managers and investors seek to generate investment and ensuring long-term yields at the cost of short yields term.

3. Literature Review

In this section we develop the assumptions underlying each hypothesis, will start with stating that the separation of ownership and control results in better performance, then analyze how the attitude of the CEO (steward type) can build capacity distinctive human resource management and employee collaboration.

3.1 The structure of Corporate Governance, Stewardship and Company Performance

As already mentioned, the agency theory assumes that the separation of owners (principal) and CEOs (agents) increases the attitude of the latter to take actions that do not maximize shareholder wealth (Jensen and Meckling, 1976). However, to Fama and Jensen (1983), the separation of ownership and control within the firm reduces agency costs and thus leads to high performance, which implies that the chairman of the board is different from the CEO.

In stewardship theory, The CEOs are inherently trustworthy and not prone to divert company resources (Donaldson and Davis, 1991). It is believed that CEOs are good stewards for the primary and will be effective in setting strategies to increase shareholder wealth. The duality between ownership and control encourages flexibility in the workplace and reduce conflicts between the board and management, which lead to high levels of returns to shareholders (Davis, 1997).

Both theories of agency and stewardship reflect two types of leadership in any organization. According to Said, Yaacob, and Ismail Awang (2009), one of the strongest debates about corporate governance is the question of whether the general manager of the company should also be the chairman of the board of directors. The general manager who heads the organization's decisions while the president of the board is responsible for working for the council, ensuring that all essential matters on the agenda, the council monitor and supervise the rectification of strategic initiatives director of the company and oversee the hiring, firing, evaluation and compensation of the CEO of the company.

Therefore there must be evidence that the duality of corporate governance brings better returns for the firm (Finkelstein and D'Aveni, 1994; Martinez, 2004), but there is also research that shows otherwise (Daily and Dalton, 1994; Judge, Naoumova and Koutzevol, 2003) and others that the results are mixed and inconclusive (Chowdhury and Geringer, 2001) so we feel the need to further analyze these structures using best practices. From this follows the first premise:

Premise 1: In companies with duality in the control generate better business performance.

With this premise the following hypotheses emerge:

H1: Companies with dual control structures generate behaviors steward of the director general.

H2: Companies with dual control structures generate good financial performance.

3.2. Stewardship and the Effects on Human Resource Management and Firm Performance

The evolution of governance models, presented by stakeholder theory and stewardship theory, extends the company's obligations beyond shareholders, this based on the assumption that the company has responsibilities to society and a variety of ethical and moral obligation (Caldwell, Karri and Vollmar, 2006).

The role of leadership in human resource steward type in the governance of the organizations has received increased attention in the post-Enron era (Caldwell et. al., 2007, Hernández, 2008). Caldwell et. al. (2010) describes the stewards CEOs, as leaders who have a complex set of obligations to stakeholders. These obligations achieve long-term wealth to achieve the benefits of all stakeholders and highlight the obligations of the company with society.

The success of the strategic management of human resources involves the design and implementation of a set of policies and practices that ensure that employees share knowledge, skills and abilities that contribute to achieving the objectives of the organization (Huselid, Jackson and Schuler, 1997).

Becker and Huselid (2006: 902) note that the intangibility of human resources is essential to achieve a sustainable competitive advantage, which depends on whether the leader of a company understands how to integrate people into the achievement of organizational goals. Supangco (2006), mentions that successful human resource practices in organizational capacity building help the organization to adapt to changes in a global environment, these practices provide the necessary infrastructure to enable the organization to create value in the market.

If we consider human capital as part of unique and valuable knowledge of the employees, they will be relevant features to generate a sustainable competitive advantage. The value of knowledge reflects the power to improve efficiency and effectiveness of the firm, exploiting market opportunities and / or neutralize potential threats, while the unique knowledge helps to differentiate from competitors

As Barney and Wright (1998) suggest, a resource creates value by lowering costs or differentiating the product/service in a way that the company can charge a high price, then a valuable knowledge will generate high returns in growth markets with rate benefit to consumers on their associated costs. For López Cabrales et. al. (2009) define the value to the extent that human capital provides low cost or an increase in the characteristics of the goods or services that matter to consumers.

However, some authors note that the resources of a company should not only be valuable and unique, to provide superior performance, it is also necessary to have an appropriate organizational structure to achieve an advantage of these resources (Barney and Wright, 1998, López Cabrales et. al., 2009). Goffee and Jones (2001, cited by Caldwell, 2006) mention that leaders must build relationships with employees to develop a sense of commitment in a competitive global market. This brings systems management practices of human resources, called collaborative or partnership/alliance (Lepak and Snell, 1999; López Cabrales, et. Al., 2009; Martinez Lucio and Stuart, 2005). The literature also emphasizes the importance of working in groups or teams to raise awareness of the unique and valuable members of the organization (Nonaka and Tekeuchi, 1995, Lepak and Snell, 1999, cited by López Cabrales, et. al., 2009). In the collaborative system, the ability to work as a team are necessary to move any selection process and these skills are the focus of training initiatives. In sum, the evaluation process and compensation provided complete with a criterion group (Helleloid and Simonin, 1994; Lepak and Snell, 1999). Therefore, the design teamwork is to generate a competitive advantage in the organization.

As we can see there is a paucity of empirical studies on the relationship between human resource management and corporate governance, which creates an opportunity for research to define the type of relationship. So you can give the following premise.

Premise 2: In companies with CEOs steward attitudes generate collaborative and distinctive capabilities in human resource management.

From this premise, our next hypotheses emerge

H3: Attitude steward of the CEO generates distinctive capabilities.

H4: Attitude steward of the CEO generates collaboration with employees.

H5: The employee collaboration creates distinctive capabilities.

H6: The distinctive capabilities produce good financial performance.

4. Methodology

In the present study will be used simultaneous equations models, using single equation methods that are most used because they may be less sensitive to specification errors. To make the sequence analysis, it must be the dependent variables are: distinctive capabilities (CD) and financial performance (DF). On the other hand, the independent variables: duality in the control (DC), stewardship attitude (ST) and collaboration (C).

To measure the relationships are presented in the following model equations:

$$CD = \alpha_1 + \alpha_2 ST + \alpha_3 C + \varepsilon_1 \quad (1)$$

$$DF = b_1 + b_2 DC + b_3 CD + \varepsilon_2 \quad (2)$$

$$ST = \gamma_1 + \gamma_2 DC + \varepsilon_3 \quad (3)$$

$$C = \square_1 + \square_2 ST + \varepsilon_4$$

(4)

As control variables we take the company size, family background (in case of family businesses) and the structure of the board.

We use the recursive OLS model equations taking as an assumption that the errors (ε) are not correlated with the dependent variables, in other words to the equation (1) has only independent variables on the right side of the equation and so therefore uncorrelated with the error term ε_1, therefore this equation meets the basic criteria MCO. In equation (2), which contains a dependent variable (CD), as an explanatory variable along with other non-stochastic independent variable, you can also apply OLS as CD and ε_2 are uncorrelated, which is the same case of Equation (4).

For the conduct of the investigation we developed a questionnaire with items derived from the hypothesis, appropriate for a Likert scale (1932; in Hayes, 1999), often called grading method combined. This scale is also a widely accepted technique with which the participant indicates the amount of agreement or disagreement you have with a variety of statements about a particular attitude object. For this survey takes the instruments developed by López Cabrales, et. al. (2009) and Rodrigo and Arenas (2008). To measure the financial performance variables take the sales, assets, ROA, available at the National University of Colombia (see Annex).

For variables distinctive competencies, attitudes stewardship and collaboration is making a set of items to measure them. It is part of a population where it operates a set of variables and it trys to find several factors that could reveal the deep structure of that reality. For this, all the variables that form a factor must be correlated and yet be relatively independent of the rest. To validate the study used the Cronbach alpha resulting in 0.98, so one can assume that the factors have a good level of reliability.

5. Analysis of results

When estimating the equation $CD = \alpha_1 + \alpha_2 ST + \alpha_3 C + \varepsilon_1$ (Table 1). We can see that both α_2 and α_3 of model 1 are not significant, it has a very low R^2, but we estimate the F-test and accepting the model achieved an overall significance level of 85%, so that reject the null hypothesis that the coefficients are zero, in other words, the whole stewardship and collaboration variable explained the distinctive capabilities of employees, and that has a positive relationship with both variables. By running the model with only the control variables firm size (Model 2) had an explanatory power of almost 90% the other control variables did not have significance level, so can be concluded that when the company have high levels of collaboration within it will develop distinctive capabilities in the employees, we can also conclude that larger companies will have higher levels of distinctive capabilities of employees and they can explain the generate plans for collaboration. Also applied the White test to verify that there is not heteroskedasticity, for the models 1 and 2, and we conclude which is rejected, because exist up to 50% and 75% critical value respectively. This is done to test the hypothesis 5, but considering that it has low levels of significance, is achieved partially test the hypothesis 3, given the non significance of the coefficient and globally acceptable levels.

Table 1: Estimated equation $CD = \alpha_1 + \alpha_2 ST + \alpha_3 C + \varepsilon_1$

	Constant	ST	C	R^2	F	Control variables
Model 1	-1.101836	0.195312	0.275810	0.085785	1.735942	
	ee = (0.502148)	(0.173111)	(0.197888)		Prob(0.190280)	
	t = (-2.194246)	(1.128247)	(1.393769)			
	p – value (0.0346)	(0.2665)	(0.1717)			
Model 2	-1.401.058	0.223229	0.337805	0.145282	2.039712	Company size
	ee = (0.527276)	(0.170606)	(0.197893)		Prob (0.125622)	
	t = (-2.657164)	(1.308449)	(1.707005)			
	p – value (0.0117)	(0.1990)	(0.0964)			
Model 3	-0.805218	0.185189	0.284848	0.095326	1.264446	Structure of the board of shareholders
	ee = (0.698706)	(0.175352)	(0.200106)		Prob (0.301135)	
	t = (-1.152441)	(1.056102)	(1.423484)			
	p – value (0.2567)	(0.2980)	(0.1632)			
Model 4	-0.816571	0.223847	0.424866	0.103928	0.850531	Family background
	ee = (0.948659)	(0.202513)	(0.334194)		Prob (0.481192)	
	t = (-0.860763)	(1.105346)	(1.271316)			
	p – value (0.3987)	(0.2810)	(0.2169)			

In Table 2, we can see that the equation $DF = b_1 + b_2 DC + b_3 CD + \varepsilon_2$, in model 1 the coefficient b_2 does not have an acceptable level of significance, but it has a b_3 90% confidence, and with the F-test and accepting the model achieved an overall significance level of almost 90%, there is a relationship in the distinctive capabilities of the employees of the company, so we can say that in companies where further develop these skills, they will have better financial performance. By running the equation with variable structure control of the board of shareholders (Model 3), we can see that the model remains overall significance nearly 90%, and the same relation of signs, but not so with the other control variables as the models 2 and 4, which lowered its overall significance to 85 %, but still b_3 haves a significance level of 90% with of these two models. Thus we can say that the capabilities of employees explain up to 90% the performance of the company, but the control dual structure and distinctive capabilities explain the performance of the company, but the variable structure of dual control individually does not explain the financial performance, based on this information we can accept hypothesis 6 and in part the hypothesis 2.

We applied the White test to verify that there is no heteroskedasticity, we found that heteroscedasticity is rejected in Model 1 to 25% of critical value in Model 2 is that there is heteroskedasticity, 3 and 4 we can conclude that no exists a critical level of 5%. For equations $ST = \gamma_1 + \gamma_2 DC + \varepsilon_3$ and $C = \square_1 + \square_2 ST + \varepsilon_4$ not managed to find statistically significant so poor that fail scenarios 1 and 4. Therefore, we can not accept the assumptions 1 and 4 (Table 3 and 4).

Table 2: Estimated equation $DF = b_1 + b_2 DC + b_3 CD + \varepsilon_2$

	Constant	DC	CD	R^2	F	Control variables
Model 1	7.380.764	0.377401	0.270181	0.111327	2.254.931	
	ee = (0.569344)	(0.660081)	(0.128471)		Prob (0.119495)	
	t = (1.296.363)	(0.571749)	(2.103.055)			
	p – value (0.0000)	(0.5710)	(0.0425)			
Model 2	7.347.774	0.372491	0.266825	0.111802	1.468.542	Company size
	ee = (0.625656)	(0.670228)	(0.132551)		Prob (0.239900)	
	t = (1.174.411)	(0.555767)	(2.012990)			
	p – value (0.0000)	(0.5819)	(0.0519)			

Model 3	7.863.004 ee = (0.689579) t = (1.140.261) p – value (0.0000)	0.307894 (0.658069) (0.467875) (0.6428)	0.250922 (0.128570) (1.951.641) (0.0590)	0.147689	2.021.600 Prob (0.128760)	Structure of the board of shareholders
Model 4	7.677.786 ee = (0.665095) t = (1.154.390) p – value (0.0000)	0.406898 (0.663152) (0.613581) (0.5435)	0.244157 (0.132311) (1.845.334) (0.0735)	0.130223	1.746.736 Prob (0.175400)	Family background

Table 3. Estimated equation $ST = \gamma_1 + \gamma_2 DC + \varepsilon_3$

	Constant	DC	R^2	F	Control variables
Model 1	-1.623433 ee = (0.632853) t = (-2.565.261) p – value (0.0144)	0.349330 (0.756404) (0.461829) (0.6468)	0.005581	0.213286 Prob (0.646837)	
Model 2	-1.451887 ee = (0.679467) t = (-2.136.803) p – value (0.0393)	0.360976 (0.761350) (0.474126) (0.6382)	0.019483	0.367601 Prob (0.694893)	Company size
Model 3	-1.374703 ee = (0.800918) t = (-1.716.409) p – value (0.0944)	0.327121 (0.765038) (0.427589) (0.6714)	0.012665	0.237301 Prob (0.789945)	Structure of the board of shareholders
Model 4	-1.281.297 ee = (1.381.037) t = (-0.927779) p – value (0.3632)	0.111615 (1.267.326) (0.088072) (0.9306)	0.000437	0.005027 Prob (0.994987)	Family background

Table 4. Estimated equation $C = \square_1 + \square_2 ST + \varepsilon_4$

	Constant	DC	R^2	F	Control variables
Model 1	-1.224174 ee = (0.360573) t = (-3,395,076) p – value (0.0016)	0.065834 (0.141508) (0.465235) (0.6444)	0.005664	0.216443 Prob (0.644419)	
Model 2	-0.987207 ee = (0.406856) t = (-2,426,429) p – value (0.0202)	0.045620 (0.141531) (0.322333) (0.7490)	0.044605	0.863721 Prob (0.429916)	Company size
Model 3	-1.393933 ee = (0.526302) t = (-2,648,545) p – value (0.0118)	0.071498 (0.143581) (0.497964) (0.6215)	0.011006	0.205879 Prob (0.814857)	Structure of the board of shareholders
Model 4	-1.611056 ee = (0.529240) t = (-3,044,091) p – value (0.0043)	0.088303 (0.143290) (0.616256) (0.5415)	0.031763	0.606898 Prob (0.550375)	Family background

Conclusions

Based on empirical and theoretical studies are reviewed argue that the structure of corporate governance can positively affect the functioning of the company itself is generating capabilities to improve its financial performance. By contrast the agency theory and stewardship of six hypotheses were raised which could accept only proposals (1) and (2), of which explain the hypotheses 2, 3, 5 and 6, although with reservations since the coefficients ($\alpha 2$, b2,) have no significance but the overall significance F test fails to pass the significance level for models 1 and 2 of equation (1) and equation (2) must be in all the models have acceptable levels of significance between 85% and almost 90%. We can also conclude that there is a positive relationship between attitude steward of CEO and collaboration in the generation of distinctive capabilities of human resources.

Rejection of equations (3) and (4) and therefore the hypothesis 1 and 4, given the low explanatory power of the equations, so there is no relationship whatsoever between the duality of the overall direction and attitude steward of the CEO and this in turn has no relation to employee collaboration. These results should be viewed with caution since it is a small sample of one of the main limitations of the study also to apply a perception survey of risk managers to evaluate only positive things about the organization so that suggests future research to other types of study as may be case studies in depth interviews with a group of companies of this sample.

Therefore we can conclude that in the Colombian context of corporate governance structure does not explain the behavior of the CEO, and neither collaboration systems existing within the company, but one can say that the attitude steward and collaboration have a positive impact in the generation of capabilities in the human resource and lead to better financial performance.

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Annex

Measurement model

Finance performance

Sale, assets, ROA, Relationship ebitda/sales

Corporate governance structure

1. Is this a family-owned company?
   a. Yes
   b. No
   If your answer to the previous question was "Yes" go to the next question. If you answered "No" go to question 2.

1.1. The current CEO is the founder?
   a. Yes
   b. No

1.2. How did he do founded it?
   a. Its own assets.
   b. With a state loan agency.
   c. With a bank loan.
   d. Through angel investors.

1.3. If it is a family business, is there separation between capital and the family patrimony?
   a. Yes
   b. No.

2. Is there a board?
   a. Yes
   b. No

2.1. The shareholders are mainly family members?
   a. Yes
   b. No

2.2. Is the company's general director the chairman of the board?
   a. Yes
   b. No

Factor 1. Attitude Stewardship (López - Gamero et. al., 2008)

S1. The top management's behavior inspired continuous improvement un all members of the organization

S2. Te CEO ensures that workers continually develop skills in line with projection of the organization.

S3. There is a positive attitude of the CEO to provide strategies and activities for that the people in addition to contributing their time they'll generate their best effort

S4. Decision making is rational, technical and participatory

S5. Decision making is articulated in strategic business units.

S6. The administrative controls are applied consistently and regularly reviewed in their design.

S7. The CEO looks that HR practices are aligned with corporate culture.

S8. The company creates an environment where people have the opportunity to learn, grow and develop.

S9. The CEO ensures that workers continually develop skills in line with the projection of the organization.

S10. In the company there exist mechanisms for feedback.
S11. In the company there is a basic attitude concerning the possibility of growth and diversification.
S12. In the company there is a positive attitude towards the possibility of strategic alliances.

Factor 2 Distinctive capabilities in the human resources (Lepak and Snell, 2002)

DC1. All members of the organization know mission and share the objectives of the company
DC2. Employees have skills that contribute to the development of new products, services and/or opportunities.
DC3. Employees have the ability to create innovations.
DC4. Employees have the skills necessary to maintain high quality of products and/or services.
DC5. Employees have skills that are able to provide exceptional customer value.
DC6. The employees have skills that are developed through work experience.
DC7. Employees have skills that are difficult to imitate or replicate by competitors.
DC8. Employees have skills that are not available to our competitors.

Factor 3. Collaboration (Lepak y Snell, 2002).

C1. It generate cross-functional teams and networking within the company
C2. Training activities focus on building interpersonal relationships.
C3. There are performance evaluation methods that assess teamwork.
C4. The methods of performance evaluation are focus on the skills of employees to work with others.
C5. In the selection process assesses the ability to collaborate and work together.