Journal of Business Research 69 (2016) 1407–1411

Contents lists available at ScienceDirect

Journal of Business Research

Unraveling Belgian fashion designers' high perceived success: A set-theoretic approach☆

Sofie Jacobs [a,*], Bart Cambré [a], Marieke Huysentruyt [b,1], Annick Schramme [c]

[a] Antwerp Management School & University of Antwerp, Sint-Jacobsmarkt 9-13, 2000 Antwerp, Belgium
[b] SITE, Stockholm School of Economics & HEC, Paris, France
[c] Antwerp Management School & University of Antwerp, Prinsstraat 13, 2000 Antwerp, Belgium

ARTICLE INFO

Article history:
Received 1 January 2015
Received in revised form 1 July 2015
Accepted 1 September 2015
Available online 24 October 2015

Keywords:
Fashion design industry
Ambidexterity
Dominant logic
csQCA

ABSTRACT

This article presents an explorative comparative case study of 19 cases in the fashion design industry regarding the achievement of high perceived organizational success. The set-theoretic analysis of these data yields two configurational pathways to high perceived success. Firstly, a balance between exploitation and exploration is necessary, especially when the fashion design firm is at an early stage in the life cycle or following dominant industry logic. Secondly, no balance is sufficient for low perceived organizational success. These findings enhance configurational understanding of the fashion industry and show that the business side of that industry needs more support.

1. Introduction

In the past few decades, the Belgian fashion industry is receiving international praise as a niche-level scene and as a highly successful incubator for new fashion design and future-oriented designers (Martinez, 2007). The sector has an enviable reputation as a hub for independent designers, offering something genuinely distinctive from mainstream fashion while also attracting subsequent generations of young international designers to study fashion design in Belgium (Craik, 2014).

Previous research reveals that studies on this industry, however, largely concentrate on the "art" rather than the "business" side of fashion (Choi, 2012). This sector has strong dominant logics and mainly consists of beginning entrepreneurs and small enterprises. Above all, creative entrepreneurs seem to have difficulty balancing economic and artistic tensions (Wilson & Stokes, 2006).

Accordingly, fashion companies need to balance artistic and economic considerations (Kolsteeg, 2014), targeting both commercial success and artistic expression to ensure long-run survival (Lampel, Lant, & Shamsie, 2000). This tension, which links to the concept of ambidexterity, is a pull between *exploration* and *exploitation* (Andriopoulos & Lewis, 2009; March, 1991). Gibson and Birkinshaw (2004) coin the concept of contextual ambidexterity and argue that the best firms are those that can carefully balance explorative innovation with exploitative innovation in an ambidextrous fashion (Chang & Hughes, 2012; Raisch & Birkinshaw, 2008).

However, within the theory of ambidexterity, almost all empirical studies focus on large, multi-unit firms (Chang & Hughes, 2012). With few exceptions (e.g., Abebe & Angriawan, 2014; Lubatkin, Simsek, Ling, & Veiga, 2006), studies on ambidexterity fail to account for SMEs, a business type that accounts for the largest share of companies within the creative industry sector (Jeffcut & Pratt, 2002), including the fashion industry. Andriopoulos and Lewis (2009) posit that SMEs face greater challenges than larger firms do in managing the tensions and tradeoffs that associate with explorative and exploitative innovations.

Therefore, to broaden the findings of previous research, this study combines the following concepts: Dominant logic, organizational life cycle, and the balance between exploration and exploitation. This study also employs a configurational perspective on these concepts in addition to the qualitative studies approach and econometric modeling typical in creative industries research. Finally, this study also contributes on the practical level by providing fashion design managers and policymakers with a more tangible understanding of pathways for perceived success in the fashion industry.

This study builds on an in-depth comparative study of 19 cases within the Belgian fashion design industry. Fiss (2007) states that organizations are clusters of interconnected structures and practices; in this vein, this study systematically compares the cases using a set-theoretic qualitative comparative analysis (QCA) to discover patterns that hold reliably across the cases (Rihoux & Ragin, 2009). Although QCA is

☆ The authors thank Ellen Loots, Erasmus University Rotterdam, and Walter van Andel, Antwerp Management School, for their careful reading and suggestions.

* Corresponding author.
E-mail addresses: sofie.jacobs@ams.ac.be (S. Jacobs), bart.cambre@ams.ac.be (B. Cambré), Marieke.Huysentruyt@hhs.se (M. Huysentruyt), Annick.schramme@uantwerpen.be (A. Schramme).
[1] Sveavägen 65, Stockholm, Sweden.

http://dx.doi.org/10.1016/j.jbusres.2015.10.116
0148-2963/

increasingly common in organization and management science (Bakker, Cambré, Korlaar, & Raab, 2011), QCA is a novel approach in the research of management at creative firms. Set-theoretic approaches enable researchers to elucidate how factors combine into configurations of necessary and sufficient conditions underlying outcomes (Rihoux & Ragin, 2009), and so this approach identifies several models or mechanisms that explain a diverse set of comparable cases (Marx & van Hootegem, 2007).

2. Conditions influencing high perceived organizational success

This research seeks to explore a configurational perspective on high perceived organizational success in the fashion industry. Drawing on prior research and experience, this article deals with three concepts: The balance between exploitation and exploration (i.e., ambidexterity), organizational life cycle, and the presence of dominant business logic.

2.1. Balance between exploitation and exploration

This first concept represents the balance between the artistic (exploration) and the economic decisions (exploitation) that creative firms must achieve (Andriopoulos & Lewis, 2010; Lampel et al., 2000). Scholars often call successful organizations "ambidextrous": These organizations are efficient in their management of current business demands, while remaining sufficiently adaptive to changes in the environment to ensure long-term success (Gibson & Birkinshaw, 2004; Tushman & O'Reilly, 1996).

This study considers contextual ambidexterity. Contextual ambidextrous individuals and organizations have the capability to switch between different mind and action sets in accordance with situational demands (Bledow, Frese, Anderson, Erez, & Farr, 2009). Additionally, ambidexterity associates positively with subjective ratings of performance (Burton, O'Reilly, & Bidwell, 2012; Markides & Charitou, 2004). Therefore, this study envisions to find a positive link between the balance of exploitation and exploration in fashion firms and high perceived organizational success. However, this study cannot make any assumptions about the configuration of this balance with dominant logic and organizational life cycle.

2.2. Dominant logic

A dominant logic comprises "a mindset or world view or conceptualization of the business and the administrative tools to accomplish goals and make decisions in that business" (Prahalad & Bettis, 1986, p. 491). A dominant logic increases an organization's efficiency by reducing the set of environmental stimuli and responses (Sinkula, 2002), thereby simplifying and accelerating decision making. This concept, however, can suffer from possibly toxic rigidity effects when environmental conditions change (Bettis & Prahalad, 1995; Bettis & Wong, 2003).

Spender speaks of an "industry recipe," a "shared knowledge base that those socialized in an industry take as familiar professional common sense" (Spender, 1989, p. 69). The industry recipe contains core beliefs about the relevant set of competitors and the appropriate way to compete. In this context, a link exists between firm-level and group-level competitive activities, thus, an individual firm within the industry has a narrow range of strategic possibilities to consider (Porac, Thomas, & Baden-Fuller, 1989). This logic becoming dominant could impede innovation. This could perhaps be why many companies cannot overcome internal and external barriers to innovate (Matthyssens, Vandenbempt, & Berghman, 2006). Industry recipes supply the industry rules of the game (Berghman, Matthyssens, & Vandenbempt, 2006), and most scholars agree that an obsolete dominant logic can create strategic path dependencies, limit innovation potential, and eventually cause strategic problems (Bettis & Prahalad, 1995; Bettis & Wong, 2003).

To summarize, a dominant logic can increase an organization's efficiency, but also strategic problems can appear under certain circumstances. Therefore, this study does not expect a single link between dominant logic and perceived success. In addition, this study cannot make any assumptions about the configuration of dominant logic with the balance between exploration and exploitation and organizational life cycle.

2.3. Organizational life cycle

An organizational life cycle is a specific phase in an organization's development. Many scholars see this concept as essential to understand success and failure (e.g., Lumpkin & Dess, 2001; Quinn & Cameron, 1983). In the research literature on creative industries, only a few authors discuss life cycle approaches as a way of understanding creative organizations more effectively (Hagoort, 2012). This study distinguishes four phases drawing on Hagoort's (2012) insights into life cycles in creative organizations: Firstly, the *idea phase*, in which the organization focuses on artistic leadership and ideas. In this stage, organizations learn mainly by trial and error. Secondly, the *structure phase*, in which the firm creates a division between the artistic and strategic activities. In this phase, the organization develops a strategic vision regarding both production and distribution. Next, when the organization is stable, the organization reaches the *strategy phase*, with new artistically-inspired, future-oriented initiatives. The last phase, the *festival phase*, revolves around teamwork and innovative projects. Hagoort's insights are similar to Greiner's (1998) life cycle model, which describes this life cycle as a sequence of crises. This research does not have an expectation regarding the link between organizational life cycle and perceived success. In addition, this study does not make any assumptions about the configuration of this life cycle with the balance between exploration and exploitation and the dominant logic.

3. Method

One of the key contributions of this study is the application of a set-theoretic method. QCA provides a unique set of tools to systematically examine the similarities and differences of a set of comparable cases and identify structural conditions that lead to an outcome (Marx, Cambré, & Rihoux, 2013). Furthermore, set-theoretical approaches can process conjunctural, equifinal, and asymmetric causal complexity.

This study employs the most conventional type of QCA: Crisp-set qualitative comparative analysis (csQCA), using the computer software R.

3.1. Data collection

The first step consists of four in-depth interviews with fashion industry experts to construct a dominant logic framework for the fashion design industry. The second step consists of selecting the research population; this study divides fashion designers into four segments: The independent designers, the luxury fashion concerns, the middle market, and the retail chains (Schrauwen & Schramme, 2014). Independent designers and the middle market segment are the most common segments in Belgium, and participants of these two groups come from a Flanders Fashion Institute's database, which lists 257 Belgian fashion designers. From this database, this study selects 50 cases following a most similar/most different strategy (Yin, 2003). Nineteen cases respond positively to a request for an interview, all of whom this study subsequently interviews. To avoid sample bias, this study carries a non-response analysis that shows that the 19 cases are a representative sample.

The semi-structured interviews last between 40 and 90 min; the study keeps tape recordings and transcriptions. In addition to the formal interviews, the study collects additional data about the cases from financial reports, press documentation, and website information.