

Original Article

Strategic configurations and performance: a study in micro and small business retailers

Configurações Estratégicas e Desempenho: um Estudo em Micro e Pequenas Empresas Varejistas

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Abstract

A significant number of studies advocate the interdependence and complementarity between environmental, structural, strategic and personal variables in strategy formation. There are rare surveys that link these variables with small businesses performance. Combining several dimensions of these variables, this study aimed to verify which strategy configurations composed by the strategy development process, strategy content, entrepreneurial attitude, administrative mode and perceived environmental uncertainty were associated with the performance of small-sized clothing retail businesses. Data collected by survey with 228 companies and investigated by cluster analysis technique revealed two groups/clusters of companies with different configurations and performance levels. The results indicate the relationship of interdependence among variables in explaining the heterogeneity of organizational performance.

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Keywords: Strategy; Configurations; Performance; Small business

Resumo

Um conjunto expressivo de estudos advogam a interdependência e complementariedade entre variáveis ambientais, estruturais, estratégicas e pessoais do estrategista na formação da estratégia. São raros os levantamentos que associam essas variáveis com desempenho de empresas de pequeno porte. Conjugando variáveis nessas dimensões, a pesquisa aqui apresentada objetivou verificar quais configurações estratégicas compostas pelo processo de desenvolvimento da estratégia, conteúdo da estratégia, atitude empreendedora, modo administrativo e incerteza ambiental percebida associaram-se ao desempenho de empresas de pequeno porte do varejo de vestuário. Dados levantados em *survey* com 228 empresas e investigados pela técnica de análise de *clusters*, revelaram dois grupos/clusters de empresas com configurações e níveis de desempenho distintos. Os resultados indicam a relação de interdependência de variáveis na explanação da heterogeneidade do desempenho organizacional.

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Palavras-chave: Estratégia; Configurações; Desempenho; Pequenas empresas

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Introduction

Traditionally, investigations into organizational strategy have focused on organizations and their performance, especially those of large size. However, the studies that deal with the relationship between strategy and performance in small firms have intensified, due to the increasing awareness they have obtained in the national and international scenarios (Filion, 2004; Gimenez, Pelisson, Hayashi, & Krüger, 1999; Hervas-Oliver, Sempere-Ripoll, & Boronat-Moll, 2014; Lima, 2001b; Santos, Da, Alves, & Almeida, 2007).

The importance given to the studies of micro and small enterprises arises from the differentiations imputed to this organizational type for several reasons: the increase and representativeness of small enterprises, especially in Brazil, which represents a current research challenge, notably concerning the theoretical generalization of small entrepreneurial firms (Damke, 2012; Whelsh & White, 1981); the strategy is a complex and unique phenomenon throughout the organization (Mintzberg, Ahlstrand, & Lampel, 2000), especially in small firms (Cooper, 1981; Miller, 1987b); a considerable number of studies have shown that most of the theories elaborated for large organizations do not fully apply to small firms because they disregard the behavior of the leader (D'ambroise & Muldowney, 1988); thus, the strategy is influenced by the strategist's cognition, intuition, managerial style, beliefs and values (Jenkins & Ambrosini, 2002; Miller, 1986a; Miller, 1986a, 1986b; Mintzberg & Quinn, 2001; Vieira et al., 2015). From these conditions, it is possible to point out that new and small firms provide a distinct environment for the formulation and implementation of strategy.

The process of strategy formation in small firms, not unlike large ones, is complex (Gimenez, 2000; Jenkins & Ambrosini, 2002; Miller, 1987b; Wang & Shi, 2011). In small firms, it is up to the strategist to understand the formation of strategy as a system formed by several dimensions, such as environmental forces, organizational processes and managerial orientation (Cooper, 1981; Gimenez, 2000).

Considering the studies that highlight the formation and implementation of strategies as a complex and multifaceted process (Harms, Kraus, & Schwarz, 2009; Jenkins & Ambrosini, 2002; Kraus, Kauranen, & Reschke, 2011; Miller, 1987a; Miller, 2011; Mintzberg & Quinn, 2001), it is assumed that the strategy-performance relationship in small firms cannot be characterized by the combination of few attributes, but rather by arrangements of certain organizational characteristics that shape the strategy and produce superior results.

Aiming at a more comprehensive explanation about the strategy formation in small firms and its relationship with performance, it is proposed the configurations approach as a theoretical framework for this study. This approach suggests that organizations are better understood as clusters of variables interconnections, whose elements of environment, structure, leadership, and strategy can combine or interrelate in quantum states or configurations (Meyer, Tsui, & Hinings, 1993; Miller & Friesen, 1984; Miller, 2011), while performance is influenced by the interaction of these configurations (Anhaia, 2010; Bispo,

2013; Damke, 2012; Dess & Davis, 1984; Fiss, 2007; Hambrick, 1983; Miles & Snow, 1978; Miller & Friesen, 1984; Mugler, 2004).

Thus, the present research aims to investigate the presence of strategic configurations in small firms related to the aspects of strategy development, strategic content, adopted administrative mode, entrepreneurial attitude and perceived environmental uncertainty, and their association with performance.

The relationship of these five aspects to performance has not been explored as a whole (Damke & Gimenez, 2014; Damke, 2012; Fiss, 2007; Harlacher & Reihlen, 2014; Miller, 1987b; Miller, 2011; Mugler, 2004; Vieira et al., 2015), leading to incomplete explanations of strategic management. In this sense, it is hoped to contribute with the field of business strategy studies, seeking to explain the process of strategy formation through a combination of procedural, structural, strategic, and environmental aspects. In view of the above, this study seeks to answer the following research problem: Which strategic configurations were associated with the performance of micro and small firms in the clothing retail sector of Curitiba – PR?

Thus, to achieve this objective, the article is structured in five sections including this introduction. In the next section, we present a synthesis of the configurations approach, the central theoretical axis of this study. Next, the research procedures are presented, preceding the section that describes and analyses the results. Finally, the final section concludes the article with final considerations, contributions and suggestions for future research.

The strategic configurations approach

The configurations approach originated from the studies of Khandwalla (1977) and was further developed in more depth by Mintzberg (1979), Hambrick (1983), Miller and Friesen (1984), Miller (1987a), Miller (1987b), Tushman and Romanelli (1995) and Miller (2011). In this approach, understanding about how strategy, structure, leadership, and environment interact in producing results is paramount (Miller, 1987a, 1987b; Miller, 2011).

In this perspective, organizations are marked by a quantum change dynamics, alternating between periods of stability and periods of transformation. In periods of stability, patterns can be identified among common organizational attributes, composed of dimensions related to environment, structure, leadership, and strategy. These dimensions, called by Miller (1987a) as imperatives and widely accepted by the organizational theory, interact with each other to form gestalts (Miller & Mintzberg, 1983; Miller, 1981), archetypes (Greenwood & Hinings, 1993) or configurations that influence performance (Delery & Doty, 1996; Dess & Davis, 1984; Fiss, 2007; Hambrick, 1983; Harlacher & Reihlen, 2014; Kraus et al., 2011; Miles & Snow, 1978; Miller & Friesen, 1984; Miller, 2011).

Consistent with the configurations approach, it is proposed to combine environmental, structural, procedural, strategic content and strategic aspects as imperatives for designing the strategic configurations of small companies. Thus, the following is a

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