Organisational strategy in industry

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Abstract. Organizational strategy is a comprehensive topic debated in the literature and is widely recognized the critical role that the survival of their enterprises regardless of the type. Information on the strategic behaviour of enterprises in industry is limited.

A study was conducted in order to explore the types of strategy adopted by managers of small enterprises in the industry. The analysis is based on the typology of strategies undertaken by Miles and Snow. Three dimensions are covered: product, customers and competition. The obtained data was analysed using quantitative techniques to find out whether the independent variables chosen are predictors of how managers fulfil the role of strategist.

1 Introduction

The strategy is one that describes desirable image of the Organization in the future and is designed to target towards what aims to make the organization. Strategic thinking is the key to achieving success in a competitive environment which is constantly changing.

The authors describe the different typology for the strategic behaviour of the company. It ensures the care is good in respect of the external website.

In their work about Organization Strategy, Structure, and Process, Raymond E. Miles and Charles Snow [1] mentioned that companies develop strategies depending on the way in which companies decide to address three fundamental issues: entrepreneurial, technical and administrative. Entrepreneurial problem relates to how they should be managed. A technical problem is involved with how the company implements enterprise and solutions to the problem. The third issue is how to take into account the administrative structure of the company for the implementation of solutions to the first two problems. Although the companies are choosing different solutions to these problems, Miles and Snow suggests that more companies analogous solutions. So, they identify four types of organizational strategies: prospective, defensive, analyser and reactive. [2]

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Organizations that adopt prospective strategy address the problem of identification and exploitation of entrepreneurial new products, as well as the opportunities available in the market [3]. These organizations are successful in business environments and have an element of peril. They succeed by examining the market constantly in search of new opportunities. These companies have large production lines and often promote creativity more than efficiency. It prioritizes the development of new products to meet new needs and demands of consumers and changeable. The problem of these companies is to coordinate various business activities and promote innovation. Prospective companies solve this problem through decentralization, by encouraging cooperation between the different departments and units, they hire generalists (specialists).

Defensive strategies organizations are faced with the problem of maintaining entrepreneurial stable positions on the market and carry out their mission in the best business environments. These organizations achieve success by specializing in certain areas and through the use of standardized technical processes that maintain low costs. Organizations have aimed mainly at defensive efficiency, and the problem focuses on ensuring administrative efficiency through centralization and formal procedures. Because their environment is changing slowly, they can rely on long-term planning [4].

Organizations have common display characteristic analysers with the prospective and defensive, so their entrepreneurial problem is maintaining position in existing markets and identify new markets and products. Their problem is to maintain the operational effectiveness of established products but also to be flexible at the same time with new business opportunities. Accordingly, it seeks to maintain low costs, as well as identifying and developing new products to be competitive when the market changes. Administrative problem is to manage both aspects. Just like the prospective, the analyser organizations promote collaboration between departments.

As the name implies, reactive organizations, it does not have a strategy or a systematic structure [5]. They are not prepared to deal with changes in the external business environment. When you have a strategy and a well-defined structure, they no longer correspond to the external environment. The development of new products will fluctuate depending on how it perceives the Environment Manager [6]. These organizations do not have long-term plans, because for them the environment is changing too quickly, making them useless.

Various researchers have tried to validate the Miles and Snow typology [7]. So, Shortel and Zajac [8] found that firms are more likely to prospective who adopt new products; the analysers are firms that adopt new management procedures and the defensive are the first to adopt new production technologies [9].

The authors describe the behaviour patterns of stable typology for strategic business behaviour which gives it a good adaptation to the external environment.

2 The study

Based on the characteristics of each type of strategy we formulated twelve affirmations concerning the Organization's behaviour product, customer and competition. These statements represent items in a questionnaire asking respondents to indicate on a Likert scale is likely to adopt certain behaviour. They were included in the research of industrial firms in the County of Alba. Sampling method was simple random, each company was assigned a number and the selection was done by the method "used to make."

Each of the twelve items of the questionnaire corresponds to one of four types of strategies as indicated by Table 1 below.

Table 1. The twelve items in the study and the corresponding strategy.

ITEM	Strategy
1. Trying to be the first to provide products to your customers	Prospective
2.Focus on a limited line of products	Defensive
3. Carefully develop new products	Analyzer
4. Develop new products in response to what is currently available	Reactive
5. Strive to be the market leader without disregarding competition	Prospective
6. Emphasize quality and better prices for customers	Defensive
7. Develop marketing strategies in line with other companies	Reactive
8. Rarely are the market leader but carefully analyze market trends	Analyzer
9. Your company operates in a market type "niche" to protect themselves from competition	Defensive
10. Analyze competition actions, learn from their mistakes	Analyzer
11. Strive to stay ahead of the competitions	Prospective
12. Try to keep up with competitors	Reactive

From the analysis of the responses of managers of firms in Alba County to the questions in the questionnaire were obtained the following results:

Fig. 1. The frequency of responses to the allegations regarding the conduct of the company.

Prospective strategy is adopted by the majority of the managers and holding them with analysers shall be regarded as leaders in the market that analyses market trends (Table 2). Prospective strategy has the highest frequency of replies "always" or "almost always."

Table 2. The strategies adopted by the managers of companies in Romania, Alba.

	Never	Almost never	Sometimes	Almost always	Always
prospective			11%	45%	6%
prospective				27.8%	72.2%
prospective	3%	5.2%	6.1%	43.6%	42.1%
analyzer				25.5%	74.5%
analyzer	2.8%	7.2%	17%	38%	35%
analyzer	11%	36.2%	34.8%	11.2%	6.8%
defensive	2.5%			14.2%	83.3%
defensive	11%	5.6%	38.9%	27.8%	16.7%
defensive			22%	34.5%	43.5%
reactive	5.6%	12.2%	21.6%	26.4%	34.2%
reactive	28.4%	1%	14.7%	23.3%	32.6%
reactive	8.5%	8.3%	38.7%	27.8	16.7%

The answers "always" and "almost always" are considered as the ones that indicate the presence of the strategy referred to in the statement. For each type of strategy were formulated three allegations, resulting in 12 questions.

From the analysis of the responses on the strategy depending on the number of employees, by size of firm, noted the trend medium and large enterprises to adopt strategies and defensive analyzers. The explanation for this result is that in companies with a large number of employees change occurs in a long time, it is necessary for maintaining stability and centralization is an important cost control while small firms are more flexible and at the same time more sensitive to changes in the external environment. In the case of micro enterprises, the percentages do not indicate a type explicitly, the difference between the answers were not significant.

Fig. 2. The type and size of company strategy.

The variable sales results show us that the companies with the lowest turnover recorded last year are predominantly those who adopt the strategy analyzers, a sign that the company is oriented toward lowering costs and at the same time are turning to new products and is attentive to the behaviour of the competition. For firms with turnovers, and for those with larger turnovers have not identified a predilection for specific strategies.

The experience of the manager is a variable that influences organizational behaviour as well as the strategic default. Firms are run by managers with long experience tend to choose prospective and analyser strategies. We observe that firms with less experience, up to 5 years shall adopt analyzers and defensive strategy, trend that remains for the next category, that of firms between 5 and 10 years. It is worth mentioning is that the strategy is present analyzers with a considerable percentage, between 29.9% and 44.4% regardless of the years of experience of the company.

Fig. 3. The type of exercise indeed and firm age .

3 Conclusions:

The objective of this study was to test the validity of the typology of organizational strategy in firms. The study was conducted in firms in the County of Alba Romania. The model shows that firms have looked a lot like the etymologized strategies by the two authors, regardless of size or managerial experience. So, we conclude that the four strategies are not exclusive but are stages or phases in the development of the company strategy, because as Miles and Snow, mentions the adoption of a strategy is manager’s option in function of how it perceives and market competition.

The attractiveness of this kind is given by the fact that specifies the relationship between strategy and structure of the company and treats the company as a whole in interaction with the environment. It is also to note that there has been major criticism levelled over time.

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