Are Competitive Positioning and Quality of Administration Related to the Continuity?

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Abstract

The objective of this article is analyse the relation of competitive positioning and quality of administration about the continuity of companies bound to Federação das Associações Empresariais de Santa Catarina (Santa Catarina Federation Business Association), Brazil. In this context, aiming to get the best data reliability to be analysed, it was applied a questionnaire to 173 companies. For identifying the competitive positioning it was used the Porter’s typology (1986) and for quality of administration perceived, it was used a scale developed by Gimenez et al. (2011). The companies were analysed in three moments: firstly with all involved, then the companies with more than 10 years of existence and, by the end, only with the companies with more than 20 years of existence. The data were analysed by means of factor analyses to verify the relation between positioning and quality of administration with the continuity. The results show that the competitive positioning did not present relation to the continuity, only the quality of administration, represented by environmental monitoring, presented a significant and positive relation to the continuity.

Keywords: price, differentiation, quality of administration

1. Introduction

The organizations become attractive and diversified when they adopt a competitive positioning oriented for creation of sustained competitive advantage, through the offer of products and/or rare services, valuables and difficult imitation (Porter, 1981; 1999; Barney, 1991; Peteraf, 1993; Teece, Pisano, & Schuen, 1997). Although this subject has been extended to recent discussions, (Melville et al., 2004; Nevo & Wade, 2010), it has been yet a challenge for managers and takers decisions analyse and implement different kinds of strategies that contribute for the organizational competitiveness, as much as in big companies as in small companies.

It has contributed for the emergence of studies that list the competitive positioning as guiding to create the sustained competitive advantage. Carlin, Glyn and Van Reenen (2001) and Hay (2012) emphasize the reduced costs like related to the competitive positioning, Harrigan (2014) explored technological elements in creation of patents and innovation (Veiga et al., 2016), Hsu and Ziedonis (2013) emphasize the competitive positioning in patents, Doherty and Terry (2013) indicated that the competitive advantage is sustained by the implementation of a different portfolio of product, Campbell, Coff e Kryscynski (2012) verified that the human capital allusive to individual skills are sources of competitiveness, Delgado, Porter and Stern (2010) evidenced the participation in settlements and Mitani (2014) dedicated to the effect of capital structure in competitive positioning.

In specific sectors, the competitive advantage can become harder to be sustained, mainly when the area is bound to technology and innovation or when the products’ specificities are easy to access, in reason of accessibility that the competing companies have to assimilate the advantage, copy it and develop it (Nevo & Wade, 2010; Melville et al., 2004). Because of it, it is necessary to ally a group of elements that united, can contribute for the use of a sustained competitive position (Doherty & Terry, 2013), mainly when there is a direction of some factors that can contribute for competitive advantage pursuit, being then bound to the competitive positioning, the quality of
administration and continuity.

In the moment that organizations use a competitive positioning, they can compete by lower prices and/or differentiation of products (Day & Wensley, 1988; Longenecker, Moore, & Petty, 2007; Porter, 1999) and the presence of quality of administration, become essential for obtaining a positive return about the positioning used. The quality of administration is related to a kind of interactive chain that involves the personal and sectorial engagement, as well as the projection related to planning and financial aspects oriented to organizational objectives, all of it oriented to competitive positioning (Cheung & Chan, 2012). When they act together with these two factors, competitive positioning and quality of administration, the organizations present results higher in their processes, consequently, higher organizational performance (Marques & Moraes, 2001). In reason of that, therefore, the organizations become perennial when there is a constancy and resistance during the years of continuity of business activities (Taa, 2012).

In this context, the objective of this study is analyse the relation between the competitive positioning and the quality of administration, about the continuity of companies in North Plateau in Santa Catarina State. For that, it was realized a study of quantitative-descriptive nature in 173 companies bound to Federação das Associações Empresariais de Santa Catarina - FACISC (Santa Catarina Federation Business Association), in Santa Catarina North Plateau. This study verified the competitive positioning according to Porter’s typology (1981) related to the cost and differentiation, the quality of administration and continuity.

This study brings two main contributions. The first is the relevance of the theme in reason of verifying the related factors to continuity of small companies, construct that is not very investigated in the corporative universe. The second practical contribution is bound to managers and decision takers of small companies that can better comprehend which the factors related to continuity, and with this, analyse the strategies that contribute for a continuity of small companies over the years, being possible, in case of familiar companies, having the family succession process.

Nowadays, for the firms in competitive markets an important issue is identify the competitive advantages and allocate resources to take advantages (Riasi, 2015). Organizations that identify competitive advantages are generally more profitable than their competitors. The presence of competitive advantage increases the chances to adapt to environmental changes, because the firm has access to resources and capabilities, elements that contribute to organization’ perpetuation (Lin & Tsai, 2016). However, a organization’ effectiveness still depends of managers decision-making capacity, in terms of articulate resources to create a new competitive advantage (Lin & Tsai, 2016). In this context, the human capital becomes a relevant source to the identification of the sources of competitive advantages, because the more structured the capital, in terms of organizational activities and interaction, the greater the chances to an organization presents greater performance (Sikora, Thompson, Russel & Ferris, 2016).

2. Theoretical Fundamentals

2.1 Competitive Positioning

The attractiveness and the organizational diversity become an organizational result when companies adopt a competitive positioning oriented to clients, suppliers, employees, investors and others. This kind of behaviour had already been discussed by authors as Porter (1981; 1999), Barney (1991), Peteraf (1993) and Teece, Pisano and Schuen (1997) when introduced the sources of sustained competitive advantages, bound to the offer of rare products and/or services, valuables and difficult imitation. Although this has been discussed by the authors since the 1980’s, still has been a challenge for the managers and decision takers analyse and implement different kinds of strategies that contribute for the competitiveness, as much as in big companies as in small companies.

When realized a comparative among companies of different sizes, it perceptible that the competitiveness chances, of small companies becomes restrict when it competes with big organizations. Although situations like that happen, the competitive positioning can depend on the company structure and its sector of activity, that can be more predisposed to technological innovation (Longenecker, Moore, & Petty, 2007; Porter, 1999; Veiga et al., 2012; Pinto et al., 2013). However, the challenge of competitive positioning – whether for large or small organizations – is tied to the understanding of how the resources and capabilities originate and hold up over time (Andreeva & Ritala, 2016). It is important that organizations know their internal and external competences that will guide the use of human and material resources in specific activities linked to business development (Lin, 2016). Understanding the internal competences and the demands of the environment, the organizational strategies may be orientated to the competitive positioning to be adopted by the organizations (Lin & Tsai, 2016).

In the moment when the organizations adopt a competitive positioning, they can compete for oriented advantage
in cost or for differentiation (Day; Wensley, 1988; Longenecker, Moore & Petty, 2007; Porter, 1999). When the option bounds to the competitive positioning of reduced cost, the organizations are disposed to offer a product and/or service with lower price than that one practiced in the market. In this positioning, the perceived value from client is oriented by products low price and/or service, considering its expectations in terms of cost/benefit generated in purchase. However, Hay (2012) notes when they compete for cost, the organizational managers must consider their actions in terms of total production costs and sales prices, as a way of guarantee positive results in the future. When the positioning for cost presents satisfactory result, higher will be the probability of revenues increase from sales and higher the negotiation power in relation to suppliers, according to Porter (1986; 1999) and Carlin, Glyn and Van Reenen (2001).

By other side, in adopting a competitive positioning by differentiation, it is aimed to aggregate value to the product and/or service, inserting a different element from what was already practiced in the market. In differentiation, it is internalized an inclusion of different aspects that contribute for the improvement of product and/or service, that can be the addition of characteristics more developed in a product that already exists, its durability's modification, offer of a new kind of technical assistance and/or schemes of differenced delivery (Porter, 1981; Perez & Famá, 2015). This action is realized by the customer in the moment when he will be disposed to pay a higher price for a product and/or service containing different characteristics (Longenecker, Moore, & Petty, 2007; Porter, 1999).

Studies about competitive positioning appeared, mainly, after Porter (1981) has presented his model of Diamond (Porter’s Diamond). Although this model has been sent to participation of companies in settlements, can be extended for those that do not act in specific kinds of arrangements. The model consists in relations among four different facets that determinate the nature and the level of competitive positioning of organizations present in a specific sector. Through this model, the sources would be coming of factor related to production; internal demand conditions; related sectors and support and; strategy, structure and companies’ rivalry (Porter, 1981). In adopting this kind of strategy, the companies can have a better positioning and, consequently, better performance. Therefore, considering the five faces of Porter’s model (1986), higher the chances to obtain return on his/her investment. Senff (2012) and Senff et al., (2015) directs that the organizations should adopt different kinds of strategies in a way to obtain a favourable result in different situations that can occur.

Although the model of diamond have more than three decades since its publication in 1981, there is still a variety of investigation that search higher clarification about competitive positioning adopted by different kinds of organizations, as an example of Carlin, Glyn and Van Reenen (2001) and Hay (2012) that emphasize the competitiveness in costs, to Harrigan’s work (2014) that dedicated to explore technical elements in creation of patents and innovation in the communication industry, to the study of Hsu and Ziedonis (2013) explored the competitive positioning in patents, the study of Doherty and Terry (2013) in indicating that a sustained competitiveness advantage can be obtained with the implementation of a different portfolio of products, the investigation of Campbell, Coff and Kryscynski (2012) that evinced the human capital allusive to the individual skills as sources that contribute for competitiveness and to the study of Delgado, Porter and Stern (2010) related to the participation in settlements as one of the factor that contribute for the competitive positioning of organizations. Besides these, it was also verified the effect of structure of capital in the competitive positioning of companies, considering that the kinds of financing of debt offer strategic advantages for the organizations (Mitani, 2014).

Although in some sectors the competitive advantage is more difficult to be sustained, mainly the bound to technology and innovation or when the specifics of product are easy to access, in reason of accessibility that competing companies have to assimilate the advantage, copy it and develop it (Nevo & Wade, 2010; Melville et al., 2004). Because of this, it is necessary ally a group of elements that in a group, can contribute for the adoption of a sustained competitive position (Doherty & Terry, 2013), mainly when there is knowledge of different factors that can contribute for the research of a positioning.

2.2 Quality of Administration

One of the essential elements for the improvement of internal process, operational and analytical of organization is referred to the quality of administration. Its relevance consists in oriented and integrated management in organizational sectors. It is by the harmony and interaction among organizational sectors that the organization can improve its internal process, realize better projection and obtain a better development, in terms of profitability, sales quantity, revenues increase, shorter time spent in operation’s realization, costs reduction and obtain efficiency (Longenecker, Moore, & Petty, 2007). Besides this, when organizational managers are willing to stimulated the people inside the organizations, aiming orientation of strategies for a competitive positioning,
the individuals will be more willing in acting to overcome the competitors and contribute to the business development (Cheung & Chan, 2012).

The quality of administration is related to how daily activities are executed, how are elaborated reports and projections, considering the length time the managers have on their business (Fleury & Fleury, 2001). Therefore, in small companies, the quality of administration is closely related to the manager's competences and it becomes relevant for definition of adopted strategies that present impact straight in its performance. A relevant factor is related to the experiences and knowledge of the management team, in the way of how this knowledge is coded for other organizational members and, from that, transformed in capacities that contribute to the improvement of daily activities performance (Lin & Tsai, 2016).

The quality of management is linked to competitive advantage when the manager or the management team adopts compliance conducts to the environmental requirements, and, from that, makes decisions about the use, relocation or renovation of the resources to highlight the core competencies of the organization as a way to add value to products and/or services (Lin & Tsai, 2016). Such decision group experiences and knowledge with the purpose to create competitive advantages (Lin & Tsai, 2016).

When the organizations are immerse in an environment where there is integration, sharing of knowledge and skills, individual valuation, realization of efforts together, availability of reports and documents allusive to projections, allied to the use of necessary resources, allied to organizational common objectives, higher are the chances of the intended strategies be effective (Fleury & Fleury, 2001; Gimenez et al., 2011; Korontai et al., 2016).

All of it, bound to quality of administration and when a group of competences (e.g. business and social techniques) is incorporated, its result offers positive impact in the organizational activities (Fleury & Fleury, 2001). Therefore, the quality of administration is very close to management characteristics of actors, that manage the organization, being it structured in big, medium or small companies (Longenecker, Moore, & Petty, 1997). The organizational success becomes a result of people and their shared values (Peters & Waterman, 1982).

In the moment that the organization opts for adopting a competitive positioning by lower prices and/or products differentiation, the role of organizational individuals becomes essential to obtain the positive return. Therefore, the quality of administration is also bound to the manner how the employees are formed, acquire knowledge and share it with other correlated sectors (Cheung & Chan, 2012). All of it, becomes an interactive chain that involves the personal engagement, from sectors, as well as the projections related to the planning, and financial aspects, directed by an administration that is bound to orientation of organizational objectives and adopt a competitive positioning (Cheung & Chan, 2012). With this, it is also responsible for administration get better, in terms of learning and knowledge, its human capital (Chen, 2008).

2.3 Continuity in Companies

Usually, the organizations that have just begun do not have information about the market and do not have information to disclose to the market. This scenario changes over the time and the organization reaches maturity. The agility is acquired with the production, minimizing costs and achieving growth (Marshall, 1980). The objective of know the continuity and the life stages of an organization is to analyze the incentives, strategies and the constraints that are related throughout his life by the decisions of managers and the performance (Drake, 2013).

The continuity of companies talks about the constancy during the years of business activities and it is bound to existence time or to the total of years that an organization acts (Mayfield, Mayfield, & Stephens, 2007). The characteristics that bring to organizations' continuity can be varied and depend on the kind of company, however, some elements become similar among organizations. Some studies verified the continuity bound to direction stability, when the board concentrates in a small number of decision takers and the time these people act in the same occupation (Mayfield, Mayfield, & Stephens, 2007).

As determinant factors in time extension of organizational acting, Ferreira (2001) identified the organizational control, the leadership process and the adoption of a system of goals and organizational training. In relation to the control process, the author evaluated the concentration in taking decision in few people and the creation of methods to evaluate the performance. This dimension bind to the manager control in terms of employees' conducts, and review and executed work evaluation (Ferreira 2001). The leadership process binds to the relationship among the high administration, the leaders and the subordinates in work realization. In addition, in the end, the nature of goals system and training, evaluate the proposition of goals and objectives to the employees. These factors were listed by Ferreira (2001) contributed for a longevity of analysed companies.
The continuity companies investigated by Martins (2008), in Santa Catarina, Brazil, presented management practices oriented for financial aspects in resources capitation to facilitate innovation, investments in infrastructure and support polices and personal development. Allied to it, these companies adopted specific practices in crise's moments, oriented to knowledge and constant improvement of process, search of information related to the market, goals creation and clear objectives, innovation policy, adoption of flexible structure and creation of a succession system (Martins, 2008). In similar way to Martins (2008) study, Pinheiro, Silva and Araújo (2013) verified that the main influent elements in longevity of companies was related to strategies adoption oriented to transaction costs, financial incentives and employee remuneration, investments in physical and functional structure of organization, marketing knowledge of managers and the adoption of entrepreneurial behaviour.

The acting time of companies can also be influenced by variables in the level of individual and organizational (Parker, 2009). In terms of individual, there is a positive relation among age, educational level, occupation period and experience in the sector or related companies. It seems to have a positive relation between these manager’s characteristics and the continuity of company and it is bound to the manager had acquired and learned essential competences to develop his/her business. In the organizational level, there is a tendency for the continuity in terms of initially invested capital, the company’s size and the growth percentage per year (Parker, 2009). The presence of these organization's variables, indicate that as bigger as they are, more conditions the managers will have to manage the business, will have access to more resources and a higher negotiation power, contributing for the organization development.

Another aspect that contributed for the continuity of companies is the existence of a corporative governance (Radaelli, 2010). It is by means of corporative governance that big, medium and small companies adopt a group of practices that contribute for its management and transparency in terms of administration and operational and financial results. As a result of its adoption, the companies modify their structure and present more chances of being efficient and profitable in relation to employees, suppliers, clients, banks, investors, among others (Radaelli, 2010). Notwithstanding, the existence of corporative governance is not limited only to traded companies, that it is executed from mechanisms of property and control, small and medium companies can adopt these practices aiming accessibility to sources of financing more attractive of financial companies and the own local government, from state or even federal. Besides this, in familiar companies, the corporative governance contributes for the organization continues operating during many generations (Radaelli, 2010).

In relation to this, the corporative governance becomes an attenuating element in moment of economic crises, mainly because in these times, financial entities act in the sense to restrict the access to financial resources, as well as, governmental entities act in the sense to moderate its acquisition (Radaelli, 2010). In times of financial adversity, when the funding sources become scarcer, the quality of corporate governance becomes a relevant factor to search and access new sources of resources (Carvalhal & Leal, 2013). In addition, due this kind of situation, companies that adopt conducts according to corporative governance can present higher chances of access, contributing to conserve its continuity.

It is pointed out by Tau (2012) that the acting resistance of company during a long period of time become a rare phenomenon, because these entities suffer internal and external environment influences, allusive to economic situation in the country, the entrance of new technologies, creation of new products, new competing companies and new markets. Because of that, the familiar succession becomes substantial element in the organizational continuity.

3. Marketing Procedure

With the objective of analysing the relation between competitive positioning and quality of administration, about the continuity of companies in Santa Catarina North Plateau, there were selected the companies of Santa Catarina North Plateau with acting in the region, it was realized a study with companies bound to Federação das Associações Empresariais de Santa Catarina - FACISC (Santa Catarina Federation Business Association), being from trade, industry and provision of services. The research's application was in nine cities: Campo Alegre, Canoinhas, Irineópolis, Itaiópolis, Mafra, Rio Negrinho, Rio Negro, São Bento do Sul, Três Barras. The city of Rio Negro, that is located in Paraná, was part of the research because the city is in the frontier with Mafra, where there are many associated to Associação Empresarial de Mafra – ACIM (Mafra Business Association), and because of that was included in the study.

The data collection occurred in 173 companies, by means of a survey, it was realized the data collection by means of a semi structured questionnaire, with closed and opened questions, of scale likert of 5 points, variating from 1 to totally disagree and 5 to totally agree. The collection was through a partnership composed by
Commercial and Industrial Association (CIA) in the region of study with the support of Santa Catarina Federation Business Association, opting for companies with more than 5 years of existence.

The questionnaires were applied by researchers with help from CIAs of each city, following the recommendation that the respondents were managers, supervisors or even company owner. The first stage had the general data from the companies, then the respondent profile. The second stage contemplated information about competitive positioning (Porter, 1986) and quality of administration (Gimenez et al, 2011), with the dimensions: 1) environmental monitoring (EM), 2) Human Capital (HC), 3) administrative practices (AP) and negotiation ability (NB).

For a better understating of continuity variation of companies there were analysed three moments. Firstly with all the companies, in the sequence with the companies above 10 years old and, by the end, with the companies with more than 20 years of existence. For the data analyze, it was realized the Factor Analyses (FA), for the verification of constructors of scale and its reduction and the Cronbach’s Alpha to verify its reliability. For verifying the relation among continuity and the other variables, it was used the Multiple Linear Regression to verify the relation between positioning and quality of administration with the continuity, all with help of SPSS software, version 21.

4. Presentation and Data Analysis

From the objective proposed in the study were analysed the companies related to their characteristics and variations. The respondents were the managers of each company, making up 173 valid answers. The companies have in average 28 years old and 68 employees, the Table 1 presents the information by city that characterize the sample.

Table 1. Researched companies data

<table>
<thead>
<tr>
<th>City</th>
<th>Company's Age</th>
<th>Employees</th>
<th>Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Campo Alegre</td>
<td>31</td>
<td>11</td>
<td>3</td>
</tr>
<tr>
<td>Canoinhas</td>
<td>33,7</td>
<td>82</td>
<td>31</td>
</tr>
<tr>
<td>Irinópolis</td>
<td>28,8</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>Itaiópolis</td>
<td>23,7</td>
<td>10</td>
<td>16</td>
</tr>
<tr>
<td>Mafra</td>
<td>22,2</td>
<td>43</td>
<td>69</td>
</tr>
<tr>
<td>Rio Negrinho</td>
<td>41,2</td>
<td>57</td>
<td>21</td>
</tr>
<tr>
<td>Rio Negro</td>
<td>8,7</td>
<td>36</td>
<td>11</td>
</tr>
<tr>
<td>São Bento do Sul</td>
<td>51,4</td>
<td>324</td>
<td>8</td>
</tr>
<tr>
<td>Três Barras do Paraná</td>
<td>39,3</td>
<td>438</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>28</td>
<td>68</td>
<td>173</td>
</tr>
</tbody>
</table>

Source: Research Data.

The Table 1 data show that the general average of companies age analysed is 28 years old. This data reflects the importance of these institutions in the city where they act, because on average, during 28 years contributed for the region development, being in the job generation for the population, tax collection and/or moving bank credit lines. The companies that presented higher age average are situated in São Bento do Sul, acting a bit more than half a century (51,4 years) and it is responsible for the generation of 324 jobs. Other companies are located in Rio Negrinho and presented average age of 41,2 years and although this perennial characteristic, they generate a total of 57 jobs. Although the companies from Três Barras – Paraná have on average age of 39,3 years, they act with a higher quantity of formal jobs, 438. In Canoinhas, the average age is 33,7 years and represent a total of 82 jobs generated in the city. Other companies in the sample are also perennial; however act with lower average age and number of employees.

Considering the cities where the companies act are small, these companies have high prominence for local expansion and for generating jobs to families that are located in these regions. About that, it is important to highlight the organizations that presented continuity, contribute for its strengthening, as well as, for the development of its acting sector and economy when generate job and revenue (Martins, 2008).
The companies’ analyses were realized in a separate way, in accordance to the age of companies in three estimations. Initially the statistical procedures were realized with all the companies in the Brazilian Santa Catarina North Plateau and then estimated considering the companies with average age above 10 years and then, above 20 years. It was realized that to test the statistical relations here proposed for each one of the samples, enabling an identification of clearer way between the competitive positioning and quality of administration about the companies’ continuity.

4.1 All Companies Analysis

There were analysed the correlations among the variables of all the companies. The coefficients values of correlation of Pearson among the variables indicates positive and negative correlations among the same. The results demonstrate that do not exist variables highly correlated, not being necessary its exclusion. For relation analyses, it was necessary realizing the Exploratory Factorial Analyses (EFA) to verify the settlement of factors and its reliability, represented by value of Cronbach’s Alpha. The quality of administration was analysed in a separated way, with its respective constructors. The Table 2 presents the results.

Although the use of scales already validated, it was opted to submit the data to EFA to verify the items that compose the dimension, Quality of Administration. Initially was verified whether the factorial analyses is applicable to the model, realized by the statistic KMO, that revealed statistically significant in all the factors and adequacy in some constructs, except the Negotiation Ability (0,500) and Administrative Practices (0,593), this way, it was opted by exclude them from analyses. The extraction presented four retained factors that explain above 60% of each construct, being considered satisfactory (Hair et al, 2005). The reliability was tested by means of Cronbach’s Alpha and it presented a good adjustment, with values higher than 0,8 in all the constructs analysed.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach’s Alpha</th>
<th>KMO</th>
<th>Explained Total Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Monitoring</td>
<td>0,777</td>
<td>0,786</td>
<td>52,83%</td>
</tr>
<tr>
<td>Negotiation Ability</td>
<td>-</td>
<td>0,500</td>
<td>-</td>
</tr>
<tr>
<td>Administrative Practices</td>
<td>-</td>
<td>0,593</td>
<td>-</td>
</tr>
<tr>
<td>Human Capital</td>
<td>0,867</td>
<td>0,826</td>
<td>60,66%</td>
</tr>
</tbody>
</table>

Source: Research Data.

In the sequence, it was proceeded with the multiple regression that according to Hair et al (2005), is an analysed method appropriated when the research problem involves an only variable dependent metric considering related to two or more variables independent metric. The application’s objective of this analyses in this study is foresee the changes in the dependent variable that is the continuity, as answer to the changes of independent variables, in this case the competitive positioning and quality of administration. The independent variables are the competitive positioning by price, the competitive positioning by differentiation and quality of administration, being represented by constructs: environmental monitoring, negotiation ability, administrative practices and human capital.

Firstly. it was analysed the companies’ continuity, being it considered dependent variable. By means of VIF (variance inflation factor), it was verified there is no multicollinearity. Not being necessary to withdraw none variable of the model. The Table 3 presents the results of regression with continuity.

The model showed an explanation power of 0,08 indicating that only 8% of analysed variables explain the companies’ continuity, that there are many other factors that can be related to it. It was not found relation between the competitive positioning, as well as by price as by differentiation and continuity of companies. In the analyses of some authors (Coyne, 1986; Faulkner & Bowman, 1992; Mintzberg, 1998), a low cost strategy, attached to parity in price and product’s attributes, would not construct sustained competitive advantage, once the client would not realize any difference between the company’s offer and other similar products, whose manufactures presented higher production costs. As consequence, the leader company in cost would not be able to obtain the enough scale and experience for sustain its cost advantages in the long term, that is exactly the reality of the analysed companies.
Table 3. Model Coefficients of regression with the continuity

<table>
<thead>
<tr>
<th>Continuity</th>
<th>Non Standard Coefficients</th>
<th>Standard Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Standard Model Beta</td>
<td></td>
<td></td>
<td>Tolerance VIF</td>
</tr>
<tr>
<td>Constant</td>
<td>41,548</td>
<td>10,310</td>
<td>4,030</td>
<td>0,000</td>
<td></td>
</tr>
<tr>
<td>Price</td>
<td>-1,368</td>
<td>1,039</td>
<td>-0,098</td>
<td>-1,316</td>
<td>0,190 0,979 1,022</td>
</tr>
<tr>
<td>Differentiation</td>
<td>-2,112</td>
<td>2,116</td>
<td>-0,080</td>
<td>-0,998</td>
<td>0,320 0,842 1,187</td>
</tr>
<tr>
<td>Environmental Monitoring</td>
<td>6,080</td>
<td>1,629</td>
<td>0,329</td>
<td>3,732</td>
<td>0,000 0,703 1,422</td>
</tr>
<tr>
<td>Human Capital</td>
<td>-2,189</td>
<td>1,562</td>
<td>-0,119</td>
<td>-1,402</td>
<td>0,163 0,765 1,306</td>
</tr>
</tbody>
</table>

Source: Research Data.

The Human Capital variable that represents the quality of administration also did not showed significant. The result differs from other studies that point the need of coming back to the external environment and the orientation for the clientele, matching simultaneously price strategy and market to quality of product or service provided (Rodrigues & Labes, 1999; Kara, Spillan, & Desheilds, 2005), and other studies, that bind the performance to the development of human resources, to combination of tangibles and intangibles resources, employees promotion and training, improvement of leadership system and organizational structure, among others (Miller, 1987; Lorenzet, Cook & Ozeki, 2006; Packham, Brooksbank, Miller, & Thomas, 2005).

Only the Environmental Monitoring showed significant, this result can be justified due the factor time, companies' age; it is a relevant factor for the learning and companies' survival. This monitoring is a part of the quality of administration that is related to the way that daily activities are executed, how are elaborated reports and projections, considering the living time that managers have on their business (Fleury & Fleury, 2001).

4.2 Companies’ Analysis Aged Over Than 10 Years

For the companies aged more than 10 years, it was realized the same former statistical procedure. In these organizations, that totalized 139, there were verified the correlation between variables. The results demonstrated do not have high correlations between the variables, proceeded the analysis without the exclusion of none of them. For the relations analysis, the constructors were reduced by means of Factorial Analyses, the Table 4 presents the constructs’ reliability (Cronbach’s Alpha) and the variance explained by them, the quality of administration was analysed in a separated way.

Table 4. Factors and reliability

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach’s Alpha</th>
<th>KMO</th>
<th>Explained Total Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Monitoring</td>
<td>0,777</td>
<td>0,783</td>
<td>54,99%</td>
</tr>
<tr>
<td>Negotiating Ability</td>
<td>-</td>
<td>0,500</td>
<td>-</td>
</tr>
<tr>
<td>Administrative Practices</td>
<td>0,696</td>
<td>0,603</td>
<td>62,30%</td>
</tr>
<tr>
<td>Human Capital</td>
<td>0,874</td>
<td>0,826</td>
<td>62,06%</td>
</tr>
</tbody>
</table>

Source: Research Data.

For these companies (above 10 years) also was opted by realize initially an Exploratory Factorial Analyses (EFA) for verifying the items that compose the dimension quality of administration. Initially was verified whether the factorial analyses is applied to the model, with exception of negotiating ability variable, that obtained a value of KMO = 0,500 and was excluded from the analyses. The extraction presented four retained factors that explain above of 50% in the proposed model. The reliability (Cronbach’s Alpha) presented a lower value in the variable “administrative practices” (0.696) being considered acceptable (Malhotra, 2011).

Then, it was proceeded with the multiple regression, the independent variables are the competitive positioning by price, the competitive positioning by differentiation and the quality of administration, being represented by
constructs: environmental monitoring, negotiation ability, administrative practices and human capital. Firstly it was analysed the companies’ continuity, being considered dependent variable. By means of test VIF (variance inflation factor), it was verified that there is no multicollinearity. Not being necessary withdraw of any variable from the model. The Table 5 presents the results of regression with the continuity.

Table 5. Coefficients of regression model with continuity above 10 years

<table>
<thead>
<tr>
<th>Continuity</th>
<th>Non standardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Statistics of collinearity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B Standard Model Beta</td>
<td></td>
<td></td>
<td></td>
<td>Tolerance VIF</td>
</tr>
<tr>
<td>Constant</td>
<td>55,065</td>
<td>10,591</td>
<td>5,199</td>
<td>0,000</td>
<td></td>
</tr>
<tr>
<td>Price</td>
<td>-1,597</td>
<td>0,977</td>
<td>-0,133</td>
<td>-1,635</td>
<td>0,104 0,951 1,051</td>
</tr>
<tr>
<td>Differentiation</td>
<td>-3,650</td>
<td>2,136</td>
<td>-0,153</td>
<td>-1,709</td>
<td>0,090 0,788 1,269</td>
</tr>
<tr>
<td>Administrative Practices</td>
<td>5,187</td>
<td>1,556</td>
<td>0,324</td>
<td>3,334</td>
<td>0,001 0,669 1,495</td>
</tr>
<tr>
<td>Environmental Monitoring</td>
<td>2,616</td>
<td>1,619</td>
<td>0,163</td>
<td>1,616</td>
<td>0,108 0,618 1,619</td>
</tr>
<tr>
<td>Human Capital</td>
<td>-5,531</td>
<td>1,533</td>
<td>-0,345</td>
<td>-3,607</td>
<td>0,000 0,688 1,453</td>
</tr>
</tbody>
</table>

Source: Research Data

The model showed an explanation power of 16%, the analysed variables explain the companies’ continuity; there are many other factors that can be related to it. It was not found relation between competitive positioning by price and the companies’ continuity, as well as the quality of administration being represented by the environmental monitoring. The other analysed variables were significant, positioning by differentiation in the level of 10%, administrative practices and human capital in the level of 5%.

The competitive positioning by differentiation, variable that influences in the companies’ continuity aged above 10 years, can be adopted to aggregate value to the product and in this differentiation can occur the inclusion of new aspects that contribute for the product improvement (Porter, 1981; Perez & Famá, 2015). This differentiation is realized by the customer in the product cost benefit (Longenecker, Moore, & Petty, 2007; Porter, 1999).

The quality of administration, regarding the administrative practice, influences in a positive way the companies’ continuity, indicating the older companies adopt administrative practices in bigger quantities than companies aged less than 10 years. Being related to activities realized daily, with reports and projections, considering the experience and competence from the manager in the activity area (Fleury & Fleury, 2001). The variable Human Capital was significant, but in a negative way, the older companies develop less the incentive to personal and professional development to employees.

4.3 Companies’ Analysis Aged above 20 Years

The companies aged above 20 years make up a total of 113 and, followed the analyses with the correlation among the variables, the Exploratory Factorial Analyses (EFA), it was observed the Cronbach’s Alpha value generated and multiple regression. There were not found variables correlated and the factors’ results and the reliability are disposed in Table 6.

Table 6. Factors and reliability

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach’s Alpha</th>
<th>KMO</th>
<th>Explained Total Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Monitoring</td>
<td>0,810</td>
<td>0,792</td>
<td>57,18%</td>
</tr>
<tr>
<td>Negotiating Ability</td>
<td>0,682</td>
<td>0,500</td>
<td>-</td>
</tr>
<tr>
<td>Administrative Practices</td>
<td>0,717</td>
<td>0,630</td>
<td>64,02%</td>
</tr>
<tr>
<td>Human Capital</td>
<td>0,880</td>
<td>0,820</td>
<td>63,35%</td>
</tr>
</tbody>
</table>

Source: Research Data.
The KMO value of variable “negotiating ability” was low (0.500), reason why it was discontinued its analyses. The factors extraction presented percentages next to 60%, being considered satisfactory (Hair et al., 2005). The reliability was tested by means of Cronbach’s Alpha and it presented values of satisfactory adjustments. In the regression, the explanation power of the model was of 15%, absence of multicollinearity and the Table 7 presents their values.

Table 7. Coefficients of regression model with the continuity

<table>
<thead>
<tr>
<th>Continuity</th>
<th>Non Standard Coefficients</th>
<th>Standard Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Statistics of collinearity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B Standard Model Beta</td>
<td>t</td>
<td></td>
<td></td>
<td>Tolerance VIF</td>
</tr>
<tr>
<td>Constant</td>
<td>57.989</td>
<td>10.733</td>
<td>5.403</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Price</td>
<td>-1.623</td>
<td>0.982</td>
<td>-1.653</td>
<td>0.100</td>
<td>0.944 1.059</td>
</tr>
<tr>
<td>Differentiation</td>
<td>-3.340</td>
<td>2.173</td>
<td>-1.537</td>
<td>0.127</td>
<td>0.726 1.377</td>
</tr>
<tr>
<td>Environmental Monitoring</td>
<td>1.631</td>
<td>1.853</td>
<td>0.880</td>
<td>0.381</td>
<td>0.500 2.002</td>
</tr>
<tr>
<td>Negotiating Ability</td>
<td>1.216</td>
<td>1.797</td>
<td>0.677</td>
<td>0.500</td>
<td>0.531 1.883</td>
</tr>
<tr>
<td>Administrative Practices</td>
<td>4.940</td>
<td>1.640</td>
<td>3.012</td>
<td>0.003</td>
<td>0.638 1.568</td>
</tr>
<tr>
<td>Human Capital</td>
<td>-4.678</td>
<td>1.687</td>
<td>-2.774</td>
<td>0.007</td>
<td>0.603 1.659</td>
</tr>
</tbody>
</table>

Source: Research Data.

It was found a significant relation in the level of 10%, but negative in the positioning by price, indicating that the companies that are more than 20 years old do not have this practice. The variables “Human Capital” and “Administrative Practices” were significant, the first in the level of 5% and with negative impact and the second of 1% with positive effect. To Porter (1986) lower costs means that the company can get better prices and by consequence high returns. The variables that did not presented relation to the continuity were the positioning by differentiation, the quality of administration being represented by environmental monitoring and the negotiation ability.

4.4 Comparative Analysis of Results

From the realized estimations in this study some inferences can be realized. In the first model, estimated with all companies and with explanation power of 8%, it was verified that the only variable that presents effect on the companies’ continuity is the environmental monitoring, with positive impact of 0.329. This result indicates that it causes a positive effect in the companies’ continuity and, although being low, it becomes an important element. This variable corresponds to the ability of analysing the internal and external environmental changing to the organization and either, the creation of a space for holding improvements in terms of products and processes. Due to it, the environmental monitoring allows to the organizations have knowledge according the customers necessities and the market tendencies; therefore, as much as comprehend the environmental, more elements exist to improve the business.

When the organizations make use of tangible and/or intangibles resources for acting according to the environmental changes, it becomes easier the organizational adaptation and, by consequence, higher are the chances of surviving. In linking the knowledge about environment and with the actuation time of manager in the business, the decisions taken by these tend to be more appropriated, and it is due to knowledge that they gain during the years, turning the companies more adaptable to environmental uncertainties (Mayfield, Mayfield, & Stephens, 2007). Beyond this, when decision takers assimilate and comprehend the organizational acting scenario, there is an integration between environment and decision taker, that modifies the organizational structure, the way the strategies are realized and the way how opportunities and threats are assimilated and interpreted (Pinheiro, Silva, & Araújo, 2013). Similar results were found by Martins (2008) in the adoption of oriented policies for the marketing knowledge and constant improvement of internal process and by Pinheiro, Silva and Araújo (2013) in the marketing knowledge of managers contribute for the organizations’ continuity.

In this first statistical estimation, the other variables did not present significance, this way, they do not have relation to companies’ continuity. The variables were price, differentiation, and human capital. In front of that, any strategy of organizational decision takers oriented to the competitiveness by price, by differentiation or
human capital will not impact in continuity of their organizations.

In the second model, estimated for companies above 10 years old, it was verified that the explanation power of continuity was higher (16%) than the initial model (8%) and more variables present significant effect. It was verified that the competitive positioning by differentiation causes negative influence (-0,153) in the continuity, suggesting the companies that adopt the differentiation as strategy, in terms of product quality and/or service, assistance and/or develop an innovator product, do not impact in the continuity. In this sense, this result can serve as indicative for companies that adopt the differentiation as strategy. Because of it, the managers could reconsider this strategy, considering that its adoption affects negatively the operation time in the companies in analyses. The same negative effect is also caused by the variable human capital (-0.345), indicating that organizational decision takers of continuity companies develop less the professionalization and personal development of their employees. A positive effect is caused in the continuity by administrative practices (0,324), that suggests when the administration and management work is realized, when reports and projections are elaborated and management techniques are used in proper way, there is a positive impact in the continuity. For this group of companies the other variables were not significant, being them the price, differentiation and environmental monitoring.

This result differs from the found from Martins (2008) related to the incentive of policies of innovation for differentiation of products that presented positive impact in the companies’ continuity. Beyond this, the negative influence for the variable Human Capital also presented distinct from analysis of Ferreira (2001) where points out the nature of target’s system and training to employees as indicatives for continuity of analysed organizations. In relation to the variable administrative practices, the results corroborate with the study of Ferreira (2001) related to the adoption of conducts for review and evaluation of executed work.

In the third model, estimated with companies above 20 years old, the continuity is explained in 15%, by the variables: price (-0.153), administrative practices (0.339) and human capital (-0.321). This result suggests that competing for price creates a negative effect in the companies’ continuity, in other words, the effect of lower prices causes continuity reduction. In front of that, it is pointed out that this behaviour is not used for perennial companies, what indicates that the management practices can be bound to other kinds of characteristics of products. The adoption of competitive positioning by prices is linked to modification of different elements linked to the products process, management and marketing and, there is needs of financial projections for the sold price overcome the expenses of products and make a profit. And, in front of its negative effect, this positioning contributes negatively for the companies development. In the same way occurred in the second model for companies above 10 years, in this estimation for the companies above 20 years, the Human Capital also presented negative influence and the administrative practices, positive influence. The variables that did not present significance were differentiation, environmental monitoring and negotiation ability.

With the presented results, it was verified that the positive effect in the companies’ continuity is caused by the environmental monitoring in all the companies and the administrative practices for companies above 10 and 20 years old. In this sense, the developed conducts by managers related to environmental monitoring and the administrative practices might be revaluated and highlighted, due to positive relation to the continuity.

5. Conclusions and Final Considerations

This study had as objective analyses the relation among the continuity, the competitive positioning and the companies’ quality of administration. The analyses started with the verification of dimension of Quality of Administration by means of Exploratory Factorial Analyses, in the sequence it was realized the Confirmatory Factorial Analyses to verify the statistic consistence of model and its scales, as well as the validity and reliability of used metrics. The companies were analysed in three stages: 1) all the companies, 2) companies aged above 10 years and, 3) companies aged above 20 years.

The present study was motivated for the objective of reporting and presenting the factors that make to the companies in Santa Catarina North Plateau be longer in the market; allowed the discovery that key factors involve the surviving of these companies. The study allowed to make relations among the quality of administration and also its positioning in relation to companies’ continuity.

It was verified the necessity of managers reevaluate their conducts related to variables that presented positive impact, as the environmental monitoring (estimation with all the companies) and the administrative practices (companies above 10 and 20 years) due to the positive relation found with continuity. In addition to it, would fit a reanalyses of variables that present negative effect in the continuity, as for example, competitive positioning by price, by differentiation and human capital.
Among the theoretical contributions in this study, the found results can expand the comprehension about the reality of Brazilian Companies, especially in the analyses of two of the many factors that impact on the organizational continuity: the competitive positioning and the quality of administration. The metric of quality of administration used and tested in the work can serve as theoretical subsidy for the reality verification of other companies, providing empirical base for the knowledge construction about the administration as much in small companies as medium and big, in its nuances and peculiarities, being this a contribution of this work.

In the practical field, it is waited that the found results can contribute in the reality comprehension of the own situation of the enterprise and also in the view of manager, giving support for a better positioning in the market where it acts, in the improvement of quality of administration in his business, increasing the professionalism and competitiveness level and, consequently, the improvement of business performance.

There are found limitations in the sample characteristics about the location of the researched companies, considering that the micro regions presented different characteristics among each other. Future studies can produce a more accurate description of these variables and reality. Higher samples and more extensive in relation to the researched region can corroborate for better scale validation of quality of administration and the results, furthermore of study to provide a conceptual support more appropriate for the metric of quality of administration. Beyond this, the possibility of comparison among sectors and the comparison among Brazil’s regions can generate interesting information about the companies’ reality.

References


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