BRAZILIAN BUSINESS REVIEW
v.9, n.2
Vitória-ES, Apr.–Jun. 2012
p. 1-25 *ISSN 1808-2386* *DOI:http://dx.doi.org/10.15728/bbr.2012.9.2.1*

The Perception of the stakeholders influences strategies and its relation with the generic strategy: case study in small business enterprises of the north coast of Santa Catarina State

Carlos Alberto Freitas†
University of Vale do Itajaí - UNIVALI

Valmir Emil HoffmannΩ
University of Brasilia - UnB

ABSTRACT: The purpose of the present study is to analyze the relationship between the stakeholders' influence strategy perception and the generic strategy in the small business enterprises in the cities of the North Coast of Santa Catarina, according to the typologies proposed. The work, which has a predominantly quantitative nature, was realized in 148 (one hundred and forty-eight) business enterprises and services, by means of the application of three questionnaires in each company. The results found point out differentiation as the principal generic strategy, followed by Total Cost Leadership. It was also noticed that three stakeholders of the internal environment and four of the external environment could employ the influence strategies in order to compromise these organizations' strategic decisions. The results of the association between the generic strategies and the stakeholders' influence suggest little, or even no, difference between the adoption, or not, of generic strategies by the small enterprises, and the probability of receiving influence strategies on the part of the stakeholders, which was not expected by the study. The data obtained in these companies seem to emphasize the need to use more than one variable when analyzing small companies.

Keywords: Stakeholders, generic strategy, small companies

Received in 07/12/2010; revised in 10/21/2011; accepted in 02/25/2012; published in 06/19/2012.

***Corresponding authors**:*

†Master in Administration by University of Vale do Itajaí – Univali
Affiliation: Professor at University of Vale do Itajaí - Univali
Adress: Street Geral dos Canudos, no. 3930, Bairro Canudos, Município de Antonio Carlos – SC – Brasil
E-mail: carlosfreitas@univali.br
Phone: (48) 3381-9999

Ω Doctor in Administration by Facultad de Ciencias Económicas y Empresariales, Universidad de Zaragoza (Espanha)
Affiliation: Professor at University of Brasília - UnB
Adress: SQN 209, bl.I, ap. 401 Brasília – DF – Brasil
E-mail: ehoffmann@unb.br
Phone: (61)3107-6707

Editor's note: *This paper was accepted by Antonio Lopo Martinez*

1. INTRODUCTION

For a long time, thinking about strategy used to mean discussing strategic planning. This has changed in the 1970s, when Mintzberg (1973) wrote that entrepreneurs realized their strategies in other ways. In that period, Mintzberg (1973) called the attention to the strategy elaboration in small businesses and, since then, we can notice that the attention paid to strategy in this type of business has been intensified. This remark is confirmed by the number of studies related to strategy in such organizations, as we can observe in works like Gimenez's (1998); Hoffmann's (1998); Gimenez et al.'s (1999); Cancellier's (2001); Beaver and Price's (2004); Aragon-Sánches and Sánches-Marín's (2005); Oliveira's (2007); Hoffmann; Hoffmann and Cancellier's (2009).

In line with Gimenez and Grave's (1992), three main approaches have been directing the investigations for small and medium businesses. The first one would be the economic approach, which refers to the number of employees, to the proportion of work posts generated, to the profit sharing and value added participation, among others. The second approach, the enterprising one, investigates the creation of companies, the planning of new businesses, the risk capital and the franchises. The last approach, the administrative, refers to the management research in its various aspects, such as planning; marketing; decision-making; finance; production and human resources. The two last approaches have been more frequently observed, as per Gimenez and Grave (1992).

Some works about small companies (GIMENEZ, 1998; HOFFMANN, 1998; GIMENEZ et al., 1999; CANCELLIER, 2001; ROSSETTO and ROSSETTO, 2001; BEAVER and PRICE, 2004; ARAGON-SÁNCHES and SÁNCHES-MARÍN, 2005; OLIVEIRA, 2007; HOFFMANN; HOFFMANN and CANCELLIER, 2009) focus the concern on the elaboration process (how?); on the strategies applied (what?); and on the forces that have a direct influence on the choice of this strategy (who?). The present work tries to place itself among the studies that have somehow evidenced such approaches and, thus, seeks to exclusively link the adoption of the generic strategies typologies (what?) and of the stakeholders Theory (who?) to the strategy works in small companies. Therefore, the purpose of this study is to analyze the relationship between the stakeholders' influence strategies perception and the generic strategy the small business enterprises in the cities of the Northern part of Santa Catarina State adopt. So as to answer to this question, the following specific objectives have been determined: typify the generic strategies employed by the organizations researched; determine the stakeholders in the organizational environment; and identify the possible relations and associations between the two typologies in the companies under study. This work is divided into four parts: theoretical background, work methodology, results and study conclusions.

THE STAKEHOLDERS' INFLUENCE IN SMALL ENTERPRISES

The questions concerning the competitive environment arise from the differences referring to the understanding if the environment is a *realist* phenomenon, constituted by visible, explicit and concrete elements (DESS and BEARD, 1984; SHARFMAN and DEAN, 1991); or a *nominalist* phenomenon, representing the path of the information from the external environment to the companies, validated by the managers' belief and attention (WEICK, 1979). Although there is not two environments really and objectively (SCOTT, 2003; MACHADO-DA-SILVA and BARBOSA, 2002; MARCON, BANDEIRA DE MELLO and ALBERTON, 2008), conceptual differences have been shown themselves to be relevant so that the institutional influences not considered in other studies are assessed. This research is based on an approach whose purposes are, exclusively, the environment's material and economic features (PORTO et al. 2009).

The relevance of the environment in the works trying to explain the links between stakeholders and the organizational strategies of as certain market segment is evident when inferences, such as Clarkson's (1995), are observed. He indicates that the performance of a company is oriented by its business objectives and is better constructed when the stakeholders' perspective is employed.

The literature about stakeholders grounds that they are important (FREEMAN, 1984) or defined as relevant by the managers when their power, legitimateness and urgency are evaluated (MITCHELL, AGLE and WOOD, 1997). We can notice that this influence can be direct or indirect, and is related to the resources dependency (ALDRICH and PFEFFER, 1976; PFEFFER and SALANCIK, 1978) between the focus organization – the one that is providing or obtaining resources – and the stakeholder itself (FROOMAN, 1999); as well as the company's position in the stakeholders network (ROWLEY, 1997, p. 887-910). The definitions regarding the stakeholders arise from the second half of the 20th century, according to their classic perception, initially formulated in 1963, through an internal document of the Stanford Research Institute, considering the stakeholder as "[…]

the groups whose inexistence of support would cause the end of the organization" (FREEMAN e REED, 1983, p. 91).

For Freeman and Liedtka (1997), the grounding regarding stakeholders was "[…] connected to a very ancient tradition that used to see business as an integrant part of society, instead of considering it an institution that is separated and purely economic in nature" (p. 286). In Freeman and Reed's (1983) studies, we can notice two approaches regarding the Stakeholders Theory, in a broad sense. The authors point out that stakeholder is "any identifiable group or individual who can affect the achievement of an organization's objectives or who is affected by the achievement of an organization's objectives" (p. 91). It is emphasized that these groups or individuals may be the main competitors, trade unions, employees and investors, among others. Strictly speaking, stakeholders would be "any identifiable group or individual on which the organization is dependent for its continued survival" (p. 91). It can be highlighted that some suppliers, financial institutions and stockholders, among others fit into this approach. Therefore, we understand that, depending on the objectives and on the competitiveness environment of each organization, this concept may or may not be expanded (FREEMAN and REED, 1983).

Consistent with Stoner and Freeman (1985, p. 47), "the direct action environment is formed by stakeholders, individuals or groups that are directly or indirectly affected by the pursuit of their objectives on the part of an organization". According to Stoner and Freeman's (1985) approach, they belong to two categories of stakeholders: the internal (1) – comprising investors, shareholders, owners, boards of directors and employees; and the external (2) – including other groups, such as, competitors, trade unions, suppliers, clients and certain government agencies, among others. For Stoner and Freeman (1985), the force employed by an external agent in a particular component of the organization will determine if it will be a stakeholder or not.

On the other hand, the indirect action elements, in accordance with Stoner and Freeman (1985), are those of the external environment affecting the atmosphere where the organization competes. We can mention politics, economy and technology as external elements. These authors suggest that the general environment elements may be classified as: political, economic, social and technologic, and have an influence in all organizations. In general, we can notice that some theorists highlight the stakeholders' rights (limited view) legitimacy, based, for example, on: "contracts, titles, legal and moral rights or interests in the damages and/or benefits generated by the organizations actions" (p. 47).

<table>
<tr><td rowspan="4">Does the organization depend on the stakeholder?</td><td colspan="3">Does the stakeholder dependent on the organization?</td></tr>
<tr><td></td><td>No</td><td>Yes</td></tr>
<tr><td>No</td><td>Indirect / Retention (Low Interdependence)</td><td>Indirect / Use (Organization's Power)</td></tr>
<tr><td>Yes</td><td>Direct / Retention (Stakeholder's Power)</td><td>Direct / Use (High Interdependence)</td></tr>
</table>

Figure 1: Typology of the Resources Relations and Influence Strategies
Source: Frooman (1999, p. 199-200).

According to Frooman's (1999) typology, each line is related to the dependency, which may vary from low to high. The dependency variable is evaluated to observe if the groups depend or not on each other. The vertical column is associated to company's dependency on the stakeholder; the horizontal one, to the stakeholder's dependency on the company. Frooman (1999) also indicates the strategies the Stakeholders may employ to influence the company's behavior, besides the elements that may clarify the strategies chosen by them.

Summarizing Figure 1, we can say that the direct strategy is the one in which the stakeholder manipulates the provision of resources. The indirect strategy occurs when the stakeholder associated to other stakeholder with the purpose of indirectly manipulating the provision of resources to the company and, thus, is able of influencing the decisions the company makes according to its interests. The indirect strategy will be employed by the stakeholder when it is dependant (high interdependence) on the company. When the company depends on the stakeholder (high interdependence), the latter will use the direct retention strategy. On the other hand, the low interdependence will result in the adoption of the indirect retention strategy. As said by Frooman (1999), the stakeholder will choose a use strategy direct to influence the company, in case they are both interdependent from each other. For Frooman (1999, p. 198), the stakeholders influence strategies theory makes available a chance to answer to the question "what can stakeholders do to try to obtain what they want from the companies?".

STRATEGIES IN SMALL BUSINESS ENTERPRISES

In the 1980s, Hall (1984) observed that the speed of the changes and transformations in the economic, political, environmental, social and technological environments had a direct influence in the companies' strategies, which increased even more the challenge faced by the small companies' managers to administrate them in a strategic way (HALL, 1984). However, this seems to be a persistent reality if we consider the words of Contador (1996, p. 220-236), since, in accordance with him, due to the inconstant competition environment noticed in modern industrial organizations, recommendations are added to the foundations and to the classical methodologies regarding the rational planning. Vieira (2006), in her turn, has shown that the competitive environment may even be altered by factors external to the company's target activity, as in the case studied by her, the meat industry, which is very affected by aspects concerning public health. Twenty-six years have elapsed and the changing environment theme is still the same.

When we analyze studies in small and medium companies, we can notice that they employ some type of strategy, even though there is not a plan formally established, as Mintzberg (1973) has already pointed out. Therefore, in order to study the strategy in the small companies and to help answering to the questions related to them, the models that identify the type of competitive strategy the organization adopts are employed. The works about the strategic typologies have been justified by the idea that there are strategies groupings relatively broad to be adopted in any company or type of industry (HAMBRICK, 1983; HERBERT and DERESKY, 1987). Two of such strategy typologies are presented by Ansoff (1977): Diversification and Internationalization. Later in 1986, Porter defined three other strategies, designating them as generic: Total Cost Leadership, Differentiation and Focusing.

So as to evaluate the effectiveness of such approaches, Silva, Brant and Costa (2003) tested these typologies in their studies, and also those of Miles and Snow (1978), in a fast-food franchise in Brazil and concluded that the three typologies have demonstrated own descriptive arrangements, and that Porter's (1986) typology has presented greater adherence to the organizations researched, validating it. Hence, having evaluated each typology's perceptions, this study opts for the adoption of the strategies identification proposed by Ansoff (1977) and Porter (1986), since it is nearer to the features of the organizations researched.

Based on Ansoff's work (1977), we find two strategies: Diversification (DIV) and Internationalization (INT). In line with Ansoff (1977, p. 109), the organizations diversify themselves because their objectives can no longer be attained with the existing revenue, the cash flows accumulation is bigger than the expansion requirements. The same author argues that diversification is more drastic and risky than internationalization, for it involves a simultaneous distance of products and known markets. As no Internationalization strategy was verified in the present work, it was not dealt with in this grounding.

Using the model idealized by Porter (1986), the first generic strategy would be the Total Cost Leadership (TCL). It refers to the lower cost in relation to the competitors, and this would be the “central essence” (p. 52) of every strategy. So as to reach TCL, the company employs a grouping of functional policies, such as: structure and facilities in an efficient scale; search for costs reduction through the experience curve; strict control of costs and expenses; reduction in the costs of several areas and uninterrupted control of costs. This situation regarding costs determines that the company obtains a comfortable position against the competitors rivalry and the big clients’ purchasing power, besides being able to face the stronger suppliers. Besides, the Total Cost Leadership strategy also leads the company to a favorable position before the similar products and their competitors.

The second generic strategy is differentiation (DIF), which, according to Porter (1986), accrues from the conception of a product or service that is unique in the entire industry’s field. The differentiation configurations may occur by means of: brand image or project; technology; specificities; custom-made service; suppliers network, among others. “Ideally speaking, the company is distinguished from the others across various dimensions” (p. 51). The differentiation strategy provides the organization’s isolation against competitors due to the consumer’s loyalty to the brand and to the natural and smaller price susceptibility. This particularity originates a strong barrier to the entrance of new competitors, however “[...] reaching differentiation may, sometimes, render the attainment of a high market parcel impossible” (p. 52).

The third generic strategy is the focusing (ENF). In line with Porter (1986), this strategy concentrates in a segment product or in a certain geographic part of the potential market. The functional policies of this strategy are elaborated based on the final purpose specificities. It is expected, thus, to meet its strategic target in the best way possible, by beating the competitors that broadly concur. Porter (1986) defines that the “[…] focusing developed means that the company has a low-cost position with its strategic target, high differentiation, or both” (p. 53). The companies adapt their barriers against the competitive market forces. The same author also argues that the choice for the focusing strategy suggests, nevertheless, some restrictions in the total market parcel that may be covered, as well as a needful exchange between profitability and sales amount.

Porter (1986) insists that the three generic competition strategies would be interesting methodological choices for organizations that face the competitive market forces. According to him, the organizations that would present the best performances would be those able to employ one, and only one, of the three generic competition strategies proposed by him. Therefore, the organizations that would try to employ a hybrid strategy and/or fail the search for one of the three strategies would be in a “middle-term” position (p. 55). Nonetheless, Dess and Davis (1984, p. 65) infer that the fact that an organization fits the “middle term” does not necessarily mean it does not employ competition techniques and arms, characteristic of some of the generic competition strategies, but does mean that its strategy would exclusively present some deficiencies and would only need greater consistency.

RESEARCH METHODOLOGY

The field research realized was predominantly quantitative, with a descriptive focusing, following the orientations of Cervo and Bervian (1996). The region studied is considered an important industrial and touristic pole, and is seen as one of the most important economic regions for the state of Santa Catarina. According to data from SEBRAE’s yearbook, Santa Catarina has 131,300 formal companies, among which approximately 46,400 companies consist of commerce and services, and 84% of them are placed outside the capital of the state (SEBRAE, 2008). Therefore, the approximate population of small formal companies of the commerce and services segment, distributed among the 19 cities informed in the questionnaire, is estimated in 17,500 micro and small formal companies, which have been considered as research universe. The sample research covered 148 micro and small commercial companies in the northern coast of Santa Catarina, and was characterized as non-random, for the sake of convenience, constituted by the companies that have agreed to be part of the study, among the 350 that had been contacted.

A pre-test was performed, as well as the adjustments necessary. The study used the information from a research realized between 2005 and 2009, and its data are unpublished. The collection was made in person, directly in the company. In the majority of the cases, it was carried out with three people in each organization, focusing on the most qualified profile among the respondents: owners (59.46%), managers (29.73%), and others (10.81%). Around 73% of the respondents have been working in the company for two or more years; and more than 53% of the interviewees have concluded secondary school, and other 30% have attended higher education institutions. The questionnaire was structured in three parts. The first one contains questions to define the generic strategy predominant in the company. So as to define the generic strategy, the most frequently answered by the interviewees was considered as predominant. Three questionnaires have been applied in each company for this analysis; therefore, the sum of the answers for the three questionnaires has determined the organization's strategy.

The second part has investigated the strategies elaboration process, and is not considered in the present article. The third part concerns the stakeholders and was elaborated with the purpose of evaluating the interviewees' level of perception (HAYES, 2003) in relation to the stakeholders influence in the company and, thus, measuring the company's level of perception regarding the stakeholders. A continuous five-point scale was applied, being 5 points the highest importance level and 1 point the lowest, according to Malhotra's (2001) classification. The stakeholders selected were those presenting more than 50% of the answers from the scale center upward (≥ 3). The influence strategies the stakeholders are subject to employ have been identified in the questionnaire, under the acronyms: ED – the company is dependent on the stakeholders' interests; SD – the stakeholders are dependent on the company's interests; and ESD – the company and the stakeholders are interdependent due to their interests.

The treatment has occurred through the absolute frequency, for stakeholders; and through generic strategy and contingency coefficient (C), for the measures to associate stakeholders and strategies. Then, the association between the stakeholders' influence level perceptions and the interviewees' level of education has been analyzed. In order to reach the result, the total average of each level of education was calculated and, thus, the stakeholders' level of influence for each group was determined. The influence average was determined by: ∑ points of each stakeholders/16 (number of stakeholders). So as to determine the index of each level of education, the following formula was used: ∑ total points of those interviewed per level of education) / N (total stakeholders in each group of interviewees). Consequently, a total average for each level of education was obtained. Next, Pearson's correlation matrix was employed.

RESULTS

The research results are divided in the generic strategies determination and in the subsequent identification of the stakeholders, of their level of influence and of the strategies they may adopt in the small business enterprises of the cities in the northern coast of Santa Catarina. Based on the results, the relations between both approaches are, then, presented.

STAKEHOLDERS DETERMINATION

The stakeholders classification results corroborate to what was evidenced by Stonner and Freeman (1985); Sabino et al. (2005); and Hoffmann, Procopiak and Rossetto (2008): the external stakeholders appear in a greater number (Figure 2) than the internal ones (Figure 3). The results have pointed out to the existence of 13 external stakeholders, being clients, suppliers, banks and competitors observed as the most recurrent.

EXTERNAL STAKEHOLDERS	% LEVEL 4	% LEVEL 5	% TOTAL
Clients	11.5%	77.00%	**88.5%**
Suppliers	196.00%	51.4%	**70.9%**
Banks	23.6%	23.00%	**46.6%**
Competitors	29.1%	10.1%	**39.2%**
SPC	19.6%	12.8%	32.4%
CDL	16.2%	12.2%	28.4%
Trade Association	16.2%	9.5%	25.7%
Municipal Government	15.5%	9.5%	25.00%
State Government	15.5%	7.4%	23.00%
Universities	9.5%	10.1%	19.6%
AMPE	4.1%	5.4%	9.5%
SEBRAE	4.1%	4.7%	8.8%
SENAC	4.7%	2.00%	6.8%

Figure 2: Distribution of the external stakeholders’ Influence Level.

It is also noticeable that the small companies praise four external groups of stakeholders: clients (88.5%), suppliers (70.9%), banks (43.6%), and competitors (39.2%). The results of the first three stakeholders’ level of influence coadunate to the research of Sabino et al. (2005) and Procopiak (2006), in which the high influence of these three stakeholders is observed too. In his work, Lima (2008) also confirms this result, in part, when arguing that the supplier is one of the stakeholders that have greater influence in the strategic decisions in small furniture companies.

The other stakeholders have presented an inferior percentage in both levels of importance. Hillman and Keim (2001), as well as Pinto and Oliveira (2004), have demonstrated that the external stakeholders have a high power of influence in the company's decisions. On the other hand, the stakeholders can make important contributions, since they wish their interests to be met; therefore, they may provide some advantages and incentives to the company, which seems to explain the results found.

INTERNAL STAKEHOLDERS	% LEVEL4	% LEVEL5	% TOTAL
Family	18.9%	61.5%	**80.4%**
Employee	29.1%	47.3%	**76.4%**
Partners	10.1%	54.7%	**64.9%**

Figure 3: Distribution of the Internal Stakeholders' Influence Level.

In Figure 3, we can notice that all internal stakeholders are important to the organization. They have presented the highest percentages among the population investigated: family represents 80.4%; employees, 76.4%; and partners, 64.9%. This confirms the importance of this group of stakeholders. Once more, these results are similar to those observed by Sabino et al. (2005), Procopiak (2006) and Lima (2008). The high level of importance ascribed to the groups of stakeholders family and employees is also realized, which seems to be a feature of the small company, which serves as object to this study, in which more than 70% of the small companies is managed by the family.

Hence, from the importance of a stakeholder's to the company, it is possible to analyze the influence strategies they may employ in these small companies, according to the typologies of Stonner and Freeman (1985) and Frooman (1999). In Figure 4, we can verify the percentage of stakeholders of the external environment that may employ influence strategies: 81.1% of the clients may use these strategies; 65.5% may adopt the direct retention strategy. It is emphasized that the clients' importance in the work by Freeman and Liedtka (1997), in which its behavior in the acquisition of products of the company, in the long term, has implied in providing its opinions and suggestions with relation to products or services. In Procopiak's (2006) work, the predominance of the possibility for the clients to use the direct retention strategy was also observed, as demonstrated in Figure 4.

EXTERNAL STAKEHOLDERS	% ED	% SD	% ESD	% TOTAL
Clients	***81.1%***	***2.7%***	***14.9%***	***98.6%***
Suppliers	***60.1%***	***5.4%***	***21.6%***	***87.2%***
Banks	***37.8%***	***1.4%***	***10.8%***	***50.00%***
Competitors	***6.1%***	***2.00%***	***33.8%***	***41.9%***
SPC	10.1%	0.00%	22.3%	32.4%
CDL	10.8%	0.7%	18.9%	30.4%
Municipal Government	9.5%	0.00%	15.5%	25.00%
Trade Association	2.7%	0.7%	21.6%	25.00%
State Government	6.8%	0.00%	16.2%	23.00%
Universities	2.00%	0.7%	17.6%	20.3%
AMPE	2.00%	0.00%	7.4%	9.5%
SEBRAE	0.00%	0.7%	7.4%	8.1%
SENAC	0.00%	0.00%	6.1%	6.1%

Figure 4: Distribution of the external stakeholders' influence strategies.
Key:
ED – The company depends on the stakeholders' interests;
SD – The stakeholders depend on the company's interests;
ESD – The company and the stakeholders are interdependent due to their interests.

The possibility of greater concentration of strategies comes from the suppliers, since 87.2% of them may employ such strategies. In Procopiak's (2006) work, we can verify that the suppliers of the civil construction sector companies researched could adopt the indirect use strategy. On the other hand, in the present work, about small commercial companies, it can be noted that the indirect use strategy is not predominant among the influence strategies that may be used by the suppliers.

Still in the subject of suppliers, we can observe, in Table 4, that the predominance is in the direct retention strategy (60.1%). This difference in the suppliers' influence strategy in the two studies can possibly be explained by the market segments investigated. While Procopiak (2006) has analyzed civil construction companies, the present study has analyzed small commercial companies. This divergence in the results may also be related to the number of monopolistic or oligopolistic suppliers (cement, iron, elevators and other suppliers) related to the civil construction, whereas the concentration of monopolistic or oligopolistic suppliers was not observed in the business enterprises.

The banks appeared with 50% of importance; among these 50%, 37.8% may use the direct retention strategy. This result indicates that, apparently, the small companies use the bank services as a way to finance their sales (clients) or purchases (suppliers), or maybe as a form of investment for the business enlargement. Then come the competitors, with a total percentage of 41.9%; among which 33.8% may exercise the direct use strategy. This highlights an elevated interdependency between the small companies and the banks.

However, studies evaluating this relationship have not been found, neither works about the bank stakeholder and its connection to the company's strategy.

In figure 5, we can observe the influence strategies the small companies' internal stakeholders may employ. The family, with 91.2% of the total, seems to be the most influential stakeholder. From this total, 52.7% may employ the direct retention strategy. This result has already been evidenced before through the stakeholders' level of influence, and this analysis confirms those results. This finding may indicate how this stakeholder can influence the strategic process in such small companies. We can note that 89.2% of the small companies' may use these strategies; and 50% of them may employ the same direct retention strategy.

This verification looks relevant from the theoretical point of view, with the purpose of opposing the study of Procopiak (2006), who has also analyzed these stakeholders' power of influence. Nonetheless, in that study, only 3.4% of the employees could employ the direct retention strategy. Perhaps, this may be explained by the size of the organizations analyzed in both studies. The civil construction companies of Balneário Camboriú (SC), considered in Procopiak's (2006) study, are bigger than those covered by the present research.

The partners are another group of influential stakeholders, since 75% of them are able to use some strategy influence; and 49.3% may employ the direct retention strategy. This result may be observed in the inferences of Alexander; Miesing and Parsons (2005, p. 1). Their studies have evidenced the bankruptcy of big North-Americans corporations and, according to them, such corporations used to focus great part of their attention to the shareholders (partners), putting aside other groups of stakeholders essential to the organization. This indicates that such results also confirm those found by Sabino et al. (2005) and Lima (2008), for the predominant strategy in the partner group was also the direct retention strategy, in which 49.3% of the small companies consider the partner a fundamental stakeholder, with elevated influence level, as previously observed.

INTERNAL STAKEHOLDERS	% ED	% SD	% ESD	% TOTAL
Family	52.7%	12.8%	25.7%	**91.2%**
Employees	50.00%	11.5%	27.7%	**89.2%**
Partners	49.3%	4.7%	20.9%	**75.00%**

Figure 5: Distribution of the internal stakeholders' influence strategies.

From the results evidenced in these analyses, we notice the high probability of employing the influence strategies on the part of the stakeholders in the small business enterprises researched. Among all strategies that may be employed, the one that seems to cause more impact on the organization is the direct retention one, since, through this strategy, the stakeholders may manipulate the supply of inputs necessary to the company's operation, which negatively reflects in its results.

GENERIC STRATEGY DETERMINATION

The generic strategy predominant in the small and medium companies studied is the Differentiation, present in 38.51% of the organizations. However, the Total Cost Leadership comes right after, with 37.84%. We can observe that the differentiated products, according to Pindyck and Rubinfeld (1994), are distinguished by means of appearance, quality and reputation. For Gaskill (1998), the image of the product quality shows itself to be the most lucrative approach for the companies employing this strategy. That is to say, maybe these small companies have opted for the differentiation strategy on account of the fact that this is the strategy which represents a higher added value due to the productivity.

Generic Strategy	Number of Companies	Frequency
DIF – Differentiation Strategy	57	**38.51%**
LCT – Leadership in the Total Cost Strategy	56	**37.84%**
ENF – Focus Strategy	22	14.86%
DIV – DiversificationStrategy	13	8.78%
Total	148	100.00%

Figure 6: Predominant Generic Strategies

It is noticeable that these small companies employ a generic strategy, even without a formal plan defined, for they identify, in an informal manner, that the products and services differentiation is an appeal to their clients, and that it may generate better results to their business. The second generic strategy predominant in the study was the Total Cost Leadership, employed by 37.84% of the companies. In line with Porter (1986, p. 53), TCL is the "central essence" of every strategy. By confirming Porter's (1986) typology, the present study shows that these companies may have adopted this strategy due to the flexibility in the definition of profit margins for the products they commercialize, which determine real conditions to protect it against the competitive forces of the sector in which they act.

This result is similar to that of Silva; Brandt and Costa (2003), who have tested these typologies and proven that such strategies presented high adherence in the companies they have researched. The results found have also been observed in the work of Hoffmann (2002), who has pointed that certain specificities provides the companies with a positioning bringing competitive advantages in face of the bigger companies. The author also infers that the small company’s capacity to act in certain segments with an elevated costs or differentiation index would cause its size to be an advantage against their opponents (HOFFMANN, 1998).

ASSOCIATION BETWEEN THE VARIABLES

As a complementary study, there occurred the analysis of the association between the influence strategies the stakeholders may use and the generic strategies predominant in the small companies investigated. The contingency coefficient was only 0.202, indicating a low association between the variables analyzed (Barbetta, 2003), which suggests little, or even no, difference between (i) the adoption, or not, of generic strategies by the small companies, and (ii) the probability of receiving influence strategies from stakeholders. This weak association has also been covered by Procopiak’s (2006) study.

EDUCATION LEVEL	*STAKEHOLDERS*		
	Number of Respondents	Frequency	Influence Level
1- Basic Education (up to 8 years of study)	60	13.61%	2.15
2- Secondary Education (up to 11 years of study)	236	53.51%	2.29
3- High School (up to 16 years of study)	130	29.48%	2.62
4- Post-Graduation (more than 16 years of study)	15	3.4%	2.51
Total	**441**	**100%**	**-**

Figure 7: Relation between the Stakeholders’ Influences Strategies and the interviewee’s Education Level.

When examining the correlation between the interviewees’ education level and their perception of the stakeholders’ level of influence (Figure 8), we identify a positive correlation (0.8585), indicating that the higher is the education level of the interviewees, the more they notice the stakeholders’ influence on the company. This result is relevant from the theoretical point of view, since works capable of conforming, or even putting away, this result's conclusions have not been found, even though one is not examining the casualty relation.

	Stakeholders' Influence Level
Education Level	0,8585

Figure 8: Correlation between the education level and the stakeholders' influence level

The last analysis proposed in this study was to verify any other relation between the generic strategy and the stakeholders, by means of ANOVA.

STAKEHOLDERS INFLUENCE STRATEGY	GENERIC STRATEGY (%)			
	DIF	DIV	ENF	LCT
Directs/Retention	14.8	26.7	15.2	12.1
Indirect/Use	4.6	11.7	12.7	4.6
Direct/Use	22.3	15.8	10.3	28.7
No influence strategy	58.3	45.8	61.8	54.6
Total	**100,0**	**100,0**	**100,0**	**100,0**

Figure 9: Association between the stakeholders' strategies X generic strategies.

In Figure 10, the data variance is decomposed in two components: between the groups (Generic Strategy and stakeholders) and inside the groups (DIF – Differentiation; DIV – Diversification; ENF – Focusing; TCL – Total Cost Leadership; and Influence Strategies: Direct/Retention; Indirect/Use; Direct/Use and no influence strategy). In the present work, what is analyzed is how the stakeholders' influence strategy variable movement behaves in each of the generic strategies. In the first analysis (Figure 10), the *p* value of the variance analysis resulted in 0.181, indicating that we cannot refuse the null hypothesis that the generic strategy variable does not depend on the different types of influence strategy of the stakeholders, at a reliance level of 90%.

Origin	Sum of Squares	G.L.	Mean Square	Ratio F	P-Value
"Among groups"	102.723	3	341.462	1.63	0.181
"Within the Groups"	111.239	2	205.991		
Total	**121.511**	**142**			

Figure 10: Analysis of the variance for stakeholders' influence strategy and generic strategies.

From the results of the different types of generic strategy, we have a variation of 10. It is observed that, within each group, a variation that seems important, around 10% of the data variation is answered by the difference between the types of generic strategies.

ANOVA has provided a *p*-value greater than 0.1 (for the reliance level of 90%), that is, one should not refute the hypothesis that, regardless of the stakeholders' influence strategy, the types of generic strategy have a behavior more or less alike. This result looks appropriate due to the fact that, among the four predominant generic strategies, three have presented results quite similar (DIF; ENF and TCL), and only one does not stand out (DIV). However, ANOVA has demonstrated that there is a minimum dependency, which should not be ignored, in both groups. To confirm this reflection, another analysis has been done, by means of the Box-and-Whisker graph (Figure 11) in a direct way. So, if a box does not overlap the others, we can conclude that the level corresponding to that box interferes in the answer variable in an individualized manner, in comparison to the others. An example: if a box is positioned more in the left, the result would point that that level has a negative influence (reduces the answer variable), being emphasized that there may be influence, at least in the case of the generic strategies Diversification and Focusing.

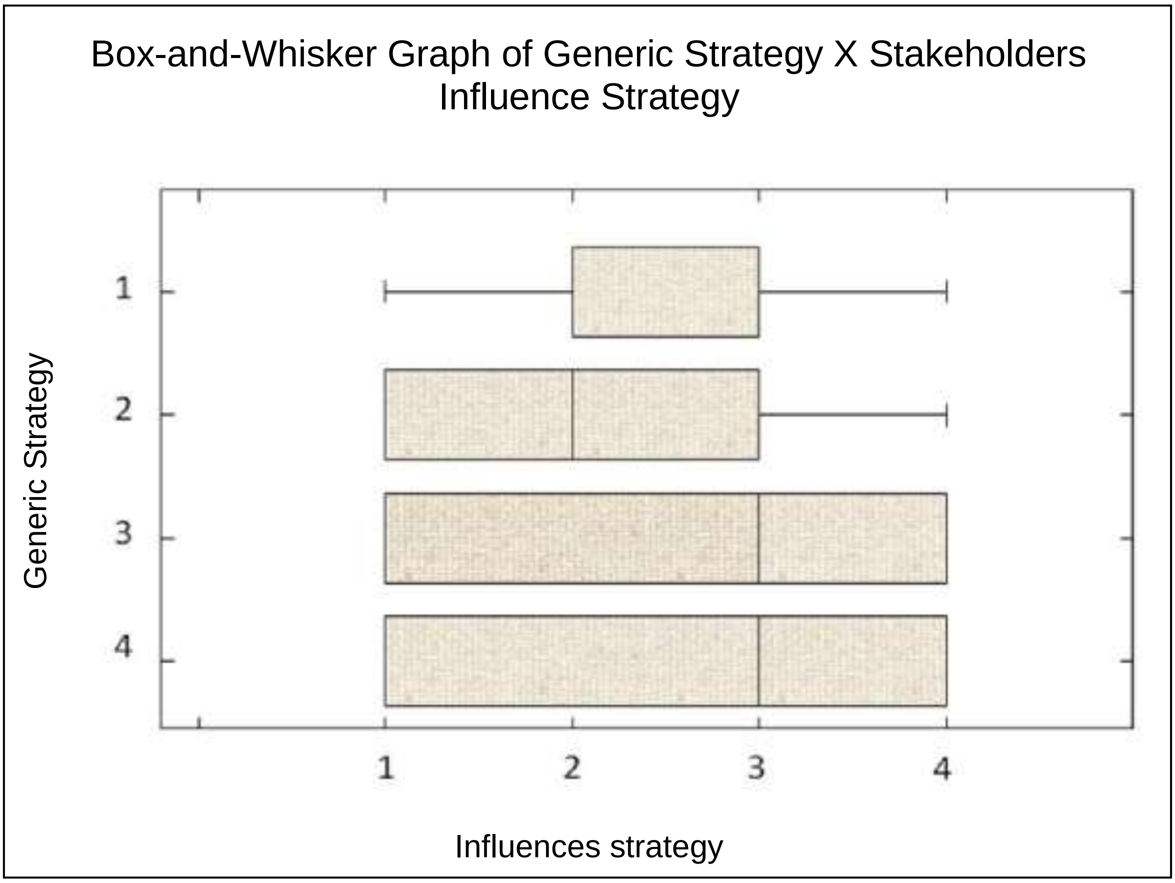

Figure 11: Box-and-Whisker Graph of Generic Strategies X Stakeholders Influence Strategies
Key:
Generic Strategy: 4 – Differentiation; 3 – Total Cost Leadership; 2 – Focusing; 1 - Diversification;
Stakeholders Influence Strategies*:* 1 – Direct/Retention; 2 – Indirect/Use; 3 – Directs/Use; 4 – No Influence strategy;

In the generic strategy Differentiation, we notice both extremes and quartiles in the stakeholders strategies influence (direct retention and no influence strategy. In this generic strategy, companies not indicating the stakeholders' influence strategy have not been observed. The total cost leadership generic strategy analysis seems to be the most complete, and is practically similar to the results found in the differentiation strategy. In this strategy, we find companies with all the stakeholders' influence strategies, being the extremities represented in the hachured area. This means that 50% of the companies researched are between the influence strategies Direct/Use and No influence strategy. In such instance, we have the first, the second and the third quartile. Before the first quartile (appointing to the influence strategy Direct/Retention), we find 25% of the population (which fits the differentiation strategy), and 25% of them are also above the third quartile.

Therefore, the variance analysis (ANOVA), in figures 10 and 11, points out that one cannot asseverate there is influence, since the *p*-value shows that the hypothesis defending that the stakeholders' influence levels are all equivalent among them should not be refuted. Figure 11 demonstrates a possibility in which the diversification strategy presents differences in relation to the other generic strategies. Thus, we can notice that the generic strategies diversification and focusing are distant from the other two, being Differentiation more related to the influence strategies Directs/Retention; whereas the Total Cost Leadership strategy would be more related to the influence strategy Direct/Use.

These results look relevant, for they are supported by the theory previously discussed. The differentiation strategy is the one mostly identified in the companies studied, due to the fact that the small business enterprises specificities are seen as opportunity sources. This is a typical feature of the generic strategy differentiation: to create barriers against the competitors (PORTER, 1986). The same thing occurs to the generic strategy total cost leadership, in which the organization seeks a way to differ from its competitors, and, consequently, to obtain greater returns for itself and to its shareholders, through the continuous cost reduction (PORTER, 1986).

CONCLUSIONS

This work has aimed to evaluate the relation between the stakeholders' influence strategies perception and the generic strategy the small business enterprises of the cities in the Northern Coast of Santa Catarina adopted. The results have pointed to the existence of two predominant generic strategies among the companies researched: Differentiation and

Total Cost Leadership, with little difference in the absolute frequency between them. This seems to correspond to the type and size of the companies investigated.

On the other hand, regarding the analysis of the stakeholders in the small companies, we notice a high number of external stakeholders in comparison to the internal environment. This result was already expected, as shown by Stonner and Freeman (1985) and by Frooman (1999). When some possible relation between the variables was sought, by means of the association between them, the results suggested little, or even no, difference between the adoption or not of generic strategies by the small companies and the probability of receiving influence strategies on the part of the stakeholders. This result indicates that we cannot affirm that the development of a generic strategy does not depend on the analysis of the influence strategies the stakeholders may employ. This means that the entrepreneurs in these small companies consider the stakeholders' influence in the moment of elaborating their strategy, even if in an unconscious and non-structured way. The results have also indicated that there are several forms of implementing the strategy Differentiation and/or Total Cost Leadership, and it seems to be there that such influence is occurring. Furthermore, we note that the results are not equal to those found in other studies. This is a evidence that the predominance in the use of influence strategies by stakeholders varies among the companies belonging to the different economic sectors; at least, that is the situation presented in the present work and in the studies of Sabino et al. (2005), Procopiak (2006) and Lima (2008).

The results found seem to suggest that the higher is the education level of the interviewees, the more they notice the stakeholders' influence, indicating that the interviewees' level of education influences in the way how they evaluate the importance the stakeholder has in relation to the company. A conclusion we can come to is that, among the companies studied, the decision makers' view is broadened as they level of education increases, which may imply a beacon to the small companies, and the preparation of their managerial workforce.

The relevance of the studies involving the stakeholders' analysis and the organizational strategies is deeply connected to the implications these stakeholders have in the corporate management, specifically when there are disputes between the organization's interest groups in the sense of maximizing its value economic. Through the present study, we can conclude that those stakeholders considered more important have a significant probability of reaching their objectives by means of the direct retention strategy.

Apparently, there is some fragility on the part of the small companies, between its internal and external stakeholders. The present study corroborate the research of Stoner and Freeman's (1985), and Frooman (1999), since it manages to validate, throughout its results, the typologies proposed by them. It has also demonstrated the need for a closer relationship with these stakeholders, with the purpose of minimizing the implications their influence strategies could have in the decision-making process of the small companies investigated.

The theoretical assumptions herein have started from the observation that, for the organization to obtain advantages in its market, it needs to perceive how the complexity and turbulence in the external environment influence them in its decisions. In this context, the following question arises: how to adjust, if the environment is complex and turbulent? The organization's strategy is supposed to define this. The results of the association between the generic strategies and the stakeholders' influence strategies suggest few, or even no, difference between the adoption, or not, of generic strategies by the small companies and the probability of receiving influence strategies on the part of the stakeholders, which was not expected by the study. We can observe that this result has confirmed other studies, but other associations have been done, as an attempt to find representative results.

As a consequence, another association was realized, between the perception of the influence strategies the stakeholders may employ and the respondents' level of education. The results suggest that the higher is the interviewees' level of education, the more they perceive the stakeholder influence. This result seems relevant from the theoretical point of view, since studies evaluating this relation have not been found.

Ultimately, the existence of a relation between strategies generic and stakeholders was tested. The variance analysis did not present this relation between both approaches. However, statistically, the results have indicated that one should not refute the hypothesis that there is an association. The data obtained in these companies seem to emphasize the need of using more than one variable when analyzing the strategy in small companies. When discussing the Stakeholders Theory, we evidence that they are important to the companies and to its decision-making process. It is latent that, perhaps, the strategy adopted is more related to the market as a whole than to the stakeholders. Maybe their importance lies on how this strategy is implemented, which was outside the scope of this work.

On the subject of the limitations existing, there is the probability that, if other theoretical models or other issues were accepted, different results and new conclusions could be found. For instance, the fact that there is no middle-term strategy (Porter, 1986) may be due to the absolute frequency bias adopted, and not due to its inexistence itself. Besides, there was no access to the external stakeholders; therefore, it was not possible to verify if they really employ influence strategies identified in the results investigation, as has also been indicated by Procopiak (2006). The study was limited to the quantitative aspects of the research, since only the companies that agreed to be part of the study have been investigated. Among the suggestions for future investigations, the most probable would be to increase the study in the cities which have already started to be studied, as well as to expand the research for small companies in other market segments, such as industries and services provision, and even in other cities. As a proposal for future research, we can apply a more qualitative study, with a reduced number of cases, in order to enlarge the understanding of the results from all the groups involved in the study.

REFERENCES

ALEXANDER, C. S.; MIESING, P.; PARSONS, A. L. How important are stakeholders relationships? **Academy of Strategic Management Journal**, v. 4, p. 1-7, 2005.

ANSOFF, I. **Estratégia empresarial**. São Paulo: McGraw-Hill, 1977.

ARAGON-SÁNCHEZ, A.; SÁNCHEZ-MARÍN, G. Strategic orientation, management characteristics, and performance: a study of Spanish SMEs. **Journal of Small Business Management**, 43(3), p. 287-308, July 2005.

BARBETTA, P. A. **Estatística aplicada às ciências sociais**. Florianópolis: UFSC, 2003.

BEAVER, G.; PRINCE, C. Management, strategy and policy in the UK small business sector: a critical review. **Journal of Small Business and Enterprise Development**, 11(1), p. 34-49, Mar. 2004.

CANCELLIER, É. L. P. L. **A formulação de estratégias em pequenas empresas**: um estudo na pequena indústria catarinense. Itajaí: Univali, 2001. p. 1-11.

CERVO, A. L.; BERVIAN, P. A. **Metodologia científica**. São Paulo: Prentice Hall, 1996. p. 49.

CLARKSON, M. B. E. A stakeholders framework for analyzing and evaluating corporate social performance. **Academy of Management Review**, New York, v. 20, n. 1, p. 92-117, Jan. 1995.

CONTADOR, J. C. **Modelo para aumentar a competitividade industrial**: a transição para a gestão participativa. São Paulo: Edgard Blücher, 1996. p. 364.

DESS, G.; BEARD, D. Dimensions of organizational task environment. **Administrative Science Quarterly**, 29(1), p. 52-73, Mar. 1984.

DESS, G.; DAVIS, P. S. Porter's (1980) generic strategies as determinants of strategic group membership and organizational performance. **The Academy of Management Journal**, 27(3), p. 467-488, Sept. 1984.

FREEMAN, R. E.; REED, D. L. Stockholders and stakeholder: a new perspective on corporate governance. **California Management Review**, v. 25, n. 3, p. 88-92, Spring 1983.

______. **Strategic management**: a stakeholder approach. Toronto: Pitman, 1984.

FREEMAN, R. E.; LIEDTKA, J. Stakeholder capitalism and the value chain. **European Management Journa**l, 15(3), p. 286-296, June 1997.

FROOMAN, J. Stakeholder influence strategies. **The Academy of Management Review**, 24(2), p. 191-205, Apr. 1999.

GASKILL, F. J. **Is small business retail success a product of enacted generic strategy?** Disponível em: <http://www.sbaer.uca.edu/research/asbe/1998/pdf/07.pdf>. Acesso em: 25 ago. 2009.

GIMENEZ, F. A. P. et al. Estratégia em pequenas empresas: uma aplicação do modelo de Miles e Snow. **Revista de Administração Contemporânea**, v. 3, n. 2, p. 53-74, maio/ago. 1999.

GIMENEZ, F. A. P. Escolhas estratégicas e estilo cognitivo: um estudo com pequenas empresas. **Revista de Administração Contemporânea**, v. 2, n. 1, p. 27-45, jan./abr. 1998.

GIMENEZ, F. A. P.; GRAVE, P. S. Discutindo a possibilidade de sistematizar o pensamento estratégico em pequenas empresas. In: ENCONTRO DA ASSOCIAÇÃO NACIONAL DOS CURSOS DE GRADUAÇÃO EM ADMINISTRAÇÃO, 8., 1997, Niterói. **Anais**... Niterói: ENANGRAD, 1997.

HALL, R. H. **Organizações**: estrutura e processos. 3. ed. Rio de Janeiro: Prentice-Hall do Brasil, 1984.

HAMBRICK, D. C. Operationalizing the concept of business-level strategy in research. **The Academy of Management Review**, 5(4), p. 567-575, Oct. 1983.

HAYES, B. E. **Medindo a satisfação do cliente.** Rio de Janeiro: Qualitymark, 2003.

HERBERT, T. T.; DERESKY, H. Generic strategies: an empirical investigation of typology and strategy content. **Strategic Management Journal**, 8(2), p.135-147, Mar./Apr.1987.

HILLMAN, A. J.; KEIM, G. D. Shareholder value, stakeholder management, and social issues: what’s the botton line? **Strategic Management Journal**, 22(2), p. 125-139, Feb. 2001.

HOFFMANN, R. A.; HOFFMANN, V. E.; CANCELIER, E. P. L. As estratégias da microempresa varejista e seus estágios de informatização. **Revista de Administração Mackenzie**, v. 10, n. 2, p. 110-134, 2009.

HOFFMANN, V. E.; PROCOPIAK FILHO, J. A.; ROSSETTO, C. R. As estratégias de influência dos stakeholders nas organizações da indústria da construção civil: setor de edificações em Balneário Camboriú – SC. **Ambiente Construído** (online), Porto Alegre, v. 8, n. 3, p. 21-35, jul./out. 2008.

HOFFMANN, V. E. Comportamento estratégico em PME de primeira e segunda geração: um estudo de multi-casos no Vale do Itajaí - SC. **Alcance** (UNIVALI), Itajaí, n. 6, p. 79-86, 2002.

______. Processo de elaboração de estratégias organizacionais: evolução em uma empresa industrial. **Alcance** (UNIVALI), Itajaí, v. 5, p. 75-85, jan./jun.1998.

LIMA, L. M. E. S. **Influência dos stakeholders no processo estratégico de 2 pequenas empresas no ramo de móveis**. 2008. 163 f. Dissertação (Mestrado em Administração) – Programa de Pós-Graduação em Administração, Universidade Regional de Blumenau, Santa Catarina, 2008.

MACHADO-DA-SILVA, C. L.; BARBOSA, S. L. Estratégia, fatores de competitividade e contexto de referência das organizações: uma análise arquetípica. **Revista de Administração Contemporânea,** v. 6, n. 3, p. 7-32, set./dez. 2002.

MALHOTRA, N. K. **Pesquisa de marketing**: uma orientação prática. Porto Alegre: Bookman, 2001. 719 p.

MARCON, R.; BANDEIRA DE MELLO, R.; ALBERTON, A. Teoria instrumental dos stakeholders em ambientes turbulentos: uma verificação empírica utilizando doações políticas e sociais. **Brazilian Business Review**, Vitória, v. 5, n. 3, p. 289-308, set./dez. 2008.

MILES, R. E.; SNOW, C. C. **Organizational strategy, structure and process**. New York: McGraw-Hill, 1978.

MINTZBERG, H. Strategy-making in three modes. **California Management Review**, v. 16, n. 2, p. 44-53, Winter 1973.

MITCHELL, R. K.; AGLE, B. R.; WOOD, D. J. Toward a theory of stakeholder identification and salience: defining that principle of who and what really counts. **The Academy of Management Review**, 22(4), p. 853-866, Oct. 1997.

OLIVEIRA, I. C. J. de. **Processo de formação de estratégias em restaurantes**: um estudo de múltiplos casos. 2007. 170 f. Dissertação (Mestrado em Administração) – Programa de Pós-Graduação em Administração, Universidade Federal de Pernambuco, Recife, 2007.

PFEFFER, J.; SALANCIK, G. R. **The external control of organizations**: a resource dependence perspective. New York: Harper & Row, 1978.

PINDYCK, R. S.; RUBINFELD, D. L. **Microeconomia**. São Paulo: Makron Books, 1994.

PINTO, M. S. L.; OLIVEIRA, R. R. Estratégias competitivas no setor elétrico brasileiro: uma análise dos interesses e expectativas dos atores da CHESF. **Revista de Administração Contemporânea** (online), v. 8, edição especial, p. 131-135, 2004.

PORTER, M. E. **Estratégia competitiva**. Rio de Janeiro: Campus, 1986.

PORTO, E. C. et al. Ambientes organizacionais: uma proposta de classificação com uso de munificência, dinamismo e complexidade. **Revista de Administração e Contabilidade da Unisinos**, v. 6, n. 2, p. 101-119, maio/ago. 2009.

PROCOPIAK FILHO, J. A. **Estratégias e stakeholders em organizações da indústria da construção civil em Balneário Camboriú – SC**. 2006, 171 f. Dissertação (Mestrado em Administração) – Programa de Mestrado Acadêmico em Administração, Universidade do Vale do Itajaí, Biguaçu, 2006.

ROSSETTO, C. R; ROSSETTO, A. M. O processo de adaptação estratégica segundo o modelo de Tushman e Romanelli: um estudo de caso no setor de edificações. In: ENCONTRO NACIONAL DE ENGENHARIA DA PRODUÇÃO, 21, 2001, Salvador. **Anais**… Salvador: ENEGEP, 2001.

ROWLEY, T. J. Moving beyond dyadic ties: a network theory of stakeholder influences. **The Academy of Management Review**, 22(4), p. 887-910, Oct 1997.

SABINO, B. S. et al. Importância dos stakeholders na tomada de decisão das pousadas de Bombinhas.**Turismo, Visão e Ação,** v. 7, n. 2, p. 341-354, 2005.

SCOTT, W. R. **Organizations**: rational, natural, and open systems. 5. ed. New Jersey: Prentice Hall, 2003.

SEBRAE. Serviço Brasileiro de Apoio às Micro e Pequenas Empresas. Departamento Intersindical de Estatística e Estudos Socioeconômicos. **Anuário do trabalho na micro e pequena empresa**. Brasília: DIEESE, 2008.

SHARFMAN, M. P.; DEAN JUNIOR, J. W. Conceptualizing and measuring the organizational environment: a multidimensional approach. **Journal of Management**, 17(4), p. 681-700, Dec. 1991.

SILVA, J. F. da; BRANDT, E. A.; COSTA, L. S. de V. **Truelo de tipologias estratégicas na arena das franquias de fast food no Brasil**: Porter x Miles & Snow x Mintzberg. In: ENCONTRO NACIONAL DA ASSOCIAÇÃO DOS PROGRAMAS DE PÓS-GRADUAÇÃO EM ADMINISTRAÇÃO, 27, 2003, Atibaia. **Anais**... Campinas: Anpad, 2003. CD ROM

STONER, J. A; FREEMAN, R. E. **Administração estratégica**. Rio de Janeiro: PHB, 1985.

VIEIRA, L. M. The role of food standards in international trade: assessing the brazilian beef chain. **Revista de Administração Contemporânea**, edição especial, p. 33-51, 2006.

WEICK, K. **The social psychology of organizing**. 2. ed. Boston: Addison-Wesley, 1979.