**Towards an understanding of how optimal distinctiveness contributes to
the achievement of superior performance**

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ABSTRACT

Key to achieving superior performance is an organisation's ability to develop a strategy that both conforms to and differentiates from its competitors. This paradox sits at the intersection of strategic management and institutional theory and suggests that organisations should aim to achieve optimal distinctiveness to enable the achievement of superior performance. This research aimed to understand how market and institutional forces influence the strategic position of an organisation. Given the influence from market and institutional forces, the need existed to understand how organisations orchestrate various resources towards a strategic position that is optimally distinct, to enable the achievement of superior performance in a complex context.

A qualitative, exploratory research methodology was followed. A total of 18 semi-structured interviews were conducted with senior executives of organisations, that were skilfully selected to include nine new entrants and nine established organisations, equally distributed across three industries (consulting, finance and insurance) to allow comparison across life cycle and industry.

The key outcome is an 'optimal distinctiveness framework', which helps explain how organisations can orchestrate resources towards an optimal strategic position that enables superior performance given the influence from various market and institutional forces. These findings contribute to the optimal distinctiveness literature in strategic management.

Keywords

Market forces, institutional forces, orchestration, optimal distinctiveness, superior performance

DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Signed: Jandre Bezuidenhout   Date

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1.1 Background to the research problem

Organisations continuously drive towards superior performance. Organisational strategy is important in achieving superior performance and, according to Reddy (2018, para. 1), "if a company wants to stay competitive in the industry, it must create and execute a strategy that is good and sound". Howard Yu, professor at IMD Business School in Switzerland, compares the competition in business to mountaineering where every organisation attempt to reach the summit first ("How Some Companies Beat the Competition… For Centuries," 2018).

In their report on life sciences and health care organisations in the United States, Raynor and Ahmed (2015) suggested that organisations in the 50th percentile bracket in terms of performance have less than a ten percent chance to achieve performance that will place them in the 70th percentile bracket. If an organisation aims to be part of the 90th percentile bracket of performance, there is a less than three percent chance. This led Raynor and Ahmed (2015, p. 28) to conclude that "few companies make the leap from mediocre to superior".

Organisations need to develop a strategy that allows them to differentiate themselves from competition to achieve superior performance and as executive chairman and chief technology officer of Oracle Corporation, Larry Ellison, famously stated: for an organisation to be a success, it has to "be daring, be first, be different". Similarly, Youngme Moon, a Harvard Business School professor, stated that organisations that do the same as their competitors cannot expect to achieve superior performance. Organisations need to be different as it makes all the difference (Taylor, 2010).

However, the business world is becoming increasingly complex with organisations having to constantly find new ways and means to mitigate threats. In his 2019 letter to shareholders, Satya Nadella, the CEO of Microsoft, acknowledged these threats and emphasised the need to put in place actions "to address new threats in an increasingly complex and heterogeneous world" (Nadella, 2019, p. 4). Jamie Dimon, Chairman and CEO of JPMorgan Chase & Co. agreed with this view, that the world of business is becoming increasingly complex (Dimon, 2018).

Therefore, organisations need to develop a strategy that will allow them to achieve superior performance in a complex environment.

1.2   The research problem

The research problem relates to the continuous need for organisations to deploy a strategy that is different, to avoid competition, whilst being seen as credible and being trusted by customers to promote superior performance (Haans, 2018). The business problem sits at the intersection of strategic management and institutional theory (Barlow, Verhaal, & Angus, 2019) and this research aimed to address this need.

On the one hand, strategic management scholars have suggested that organisations should aim to be different from their peers in order to establish a competitive advantage, which allows these organisations to escape competition (Haans, 2018; Herrera, 2015; Hull & Rothenberg, 2008; Porter, 1996; Semuel, Siagian, & Octavia, 2017; Yuliansyah, Gurd, & Mohamed, 2017). Less competition does increase the attractiveness of an industry, which could lead to better performance (Porter, 1980, 2008). On the other hand, institutional theory has long been suggesting that organisations need to display behaviour that is similar to other credible organisations in order to be perceived as credible and legitimate by various stakeholders (Deephouse et al., 2017; DiMaggio & Powell, 1983; Meyer & Rowan, 1977). The possession of legitimacy will allow these organisations to avoid adverse performance metrics (Zhao, Fisher, Lounsbury, & Miller, 2017), although the drive towards similarity increases the concentration of competitors, which makes it tougher for organisations to achieve superior performance (Porter, 1980, 2008). These opposing views on how organisations achieve performance between strategic management scholars and institutional theorists have created tension. This led to a key paradox that is evident at the intersection of institutional theory and strategic management where organisations need to strategically manage the competing need to be both different and legitimate at the same time (Barlow et al., 2019; Deephouse, 1999; Haans, 2018; Zhao et al., 2017).

These conflicting views of simultaneous sameness and differentiation to achieve superior performance between the strategic management scholars and the institutional theorists led to the need for scholars to suggest that organisational strategies should strive for optimal distinctiveness (Deephouse, 1999; Navis & Glynn, 2011; Zhao et al., 2017; Zuckerman, 2016). Deephouse (1999) was the first to bridge the gap and provided "substantive engagement" (Zhao et al., 2017, p. 97) between the institutional theory and strategic management by proposing strategic balance theory, which suggests the need for a careful balance between conformity and differentiation to achieve superior performance. Moreover, organisational resources

are also needed to support the strategic position through gaining a competitive advantage (Barney, 1991, 2018; Deephouse, 1999) and achieving legitimacy with various stakeholders (Greenwood, Oliver, Lawrence, & Meyer, 2017). Zuckerman (2016) stated that strategic balance theory has provided a clear direction on how organisations achieve optimal distinctiveness and obtain superior performance. This theory suggests that organisational managers embrace a strategy that takes up a modest level of similarity in order to be "as different as legitimately possible" (Deephouse, 1999, p. 147). Scholars promoting strategic balance theory have suggested that the theory helps managers to manage the competing needs of sameness and differentiation, which leads to superior performance (Zhao et al., 2017). However, institutional theory has progressed since Deephouse (1999) proposed strategic balance theory (Haans, 2018).

To complicate matters further, the environment of business has progressed towards complexity (Greenwood et al., 2017) where various market and institutional forces influence an organisation, either positively or negatively. This means that organisations are operating in an ever changing and dynamic environment (Durand & Jourdan, 2012) where organisations face a wide array of stakeholders, such as suppliers and customers, on a daily basis, each with their own perceptions.

In closing, optimal distinctiveness is multi-layered and the context is complex, suggesting research should move beyond the single point of convergence as assumed by Deephouse (1999) in strategic balance theory (Zhao et al., 2017), which presents an opportunity for further research. As a result, this research answers the call from Zhao et al. (2017, p. 95) for "a richer interface between strategic management and institutional theory" in order for organisations to achieve superior performance in the current complex environment. Moreover, many authors have suggested that the orchestration of resources is required for organisations to achieve superior performance in a complex environment (Pitelis & Teece, 2018; Sirmon, Hitt, Ireland, & Gilbert, 2011). This further presents an opportunity for further research and therefore, this research focused on gaining a deeper understanding of how optimal distinctiveness contributes to the achievement of superior performance by venturing into the research opportunities presented by the optimal distinctiveness and orchestration literature.

1.3 The purpose of the research

The purpose of conducting the research was to move towards an understanding of how optimal distinctiveness contributes to the achievement of superior performance. The research aimed to provide new insights into strategy development in complex operating environments by exploring how organisations develop a strategic position that is optimally distinct – different enough to avoid competition and similar enough to be recognised as legitimate by various stakeholders – through resource orchestration.

The research proposes a conceptual framework that explains how market and institutional forces, in a complex context, exert pressure on organisational resources. In addition, the framework further explains that in order for organisations to achieve superior performance, resource orchestration is required towards a strategic positon that is optimally distinct – simultaneous achievement of differentiation and conformity. The framework also hopes to be relevant to business managers by providing guidance on how to successfully achieve optimal distinctiveness, as a means to achieve superior performance.

1.4 Research questions

The following three research questions were pursued to explore the research opportunity.
1. How do market forces shape the strategic position of an organisation?
2. How do institutional forces shape the strategic position of an organisation?
3. Given the market and institutional forces, how do organisations orchestrate internal resources to achieve a strategic position of optimal distinctiveness, leading to superior performance?

1.5 Research contribution

The research contributes towards the strategic management literature on orchestration by gaining further insights into how organisations orchestrate resources towards optimal distinctiveness in a complex context.

In addition, the research also contributes to the strategic management literature on optimal distinctiveness by gaining deeper insights into how organisations achieve a strategic position that is optimally distinct. Another contribution that the research achieves is to enhance the literature on superior performance in a complex context.

Finally, the research also contributes through various extensions and refinements in the strategic management and institutional theory literature, as well as various

contributions on organisational life cycle, i.e. new entrants and established organisations.

1.6 Roadmap of the research

The research contains seven chapters. Chapter 1 outlines the background, as well as the research problem and purpose. Chapter 2 provides a detailed review of the literature. The literature review starts with an historic review of the strategic management and institutional theory arguments in the 1970s, until present, in order to establish an understanding of the change in operating environment and context. The literature review subsequently progresses towards the current context of organisations and reviews the literature on the orchestration of resources to achieve superior performance. Chapter 3 briefly outlines the research questions, and the aims of each question, which were derived from the literature review completed in Chapter 2. Chapter 4 explains and justifies the research methodology used in this study and is followed by Chapter 5 which is a detailed account of the findings. In Chapter 6, the findings from the study are discussed with the literature. Finally, Chapter 7 concludes the report by synthesising the findings of the study. In addition, the chapter highlights the implications for management, limitations of the research, and suggestions for future research.

CHAPTER 2: LITERATURE REVIEW

In order to understand the existing scholarship around strategic management, institutional theory, resource orchestration, optimal distinctiveness and superior performance, and how this research problem is situated in the literature, a review of the extant literature was completed and is discussed in Chapter 2.

2.1 Introduction

Optimal distinctiveness is defined as an organisation's strategic position that enables the organisation to achieve favourable stakeholder perceptions, whilst being different enough from other organisations to avoid competition (Deephouse, 1999; Haans, 2018; Zhao et al., 2017). This position of optimal distinctiveness will enable an organisation to achieve superior performance (Barlow et al., 2019; Haans, 2018).

Deephouse (1999) introduced strategic balance theory to explain the opposing needs of organisations to be both similar and different to address organisational performance. This theory sets the foundation for optimal distinctiveness at organisational level (Zuckerman, 2016), with optimal distinctiveness sitting at the intersection of strategic management and institutional theory (Haans, 2018). Strategic management and institutional theory initiated at a similar time in history; however, these scholarly fields went into different directions with limited overlap in the research. As a result of this limited overlap and the different literature circles in the Academy of Management, institutional theory and strategic management varied in how superior organisational performance was conceived (Zhao et al., 2017). Strategic balance theory bridged the gap on the achievement of organisational performance between the strategic management scholars, who suggested that organisations should be different from other organisations to achieve a competitive advantage, and institutional theorists, who argued that organisations need to conform to other credible organisations to be recognised as legitimate by stakeholders (Deephouse, 1999). Given this lack of agreement between the strategic management scholars and the institutional theorists on the achievement of superior performance, this research is situated at the intersection of institutional theory and strategic management (Carroll, 1993; Deephouse, 1999; Haans, 2018; Zhao et al., 2017).

The literature review is presented in three sections, which include strategic management, institutional theory and optimal distinctiveness, over three periods. Firstly, a review of the strategic management literature is presented, focusing only on the literature that pertains to the subject of optimal distinctiveness. Secondly, a

review of new institutional theory is presented. The review starts with the birth of new institutional theory, as this section of the institutional theory literature had the time overlap with strategic management and pertains to the strategic management theory explored in this research. The third section of the literature review includes optimal distinctiveness, which sits at the intersection of strategy management and institutional theory (Haans, 2018).

The strategic management and new institutional theory sections have been structured to firstly discuss the three periods, which outline and discuss the developments made in each of the three sections, followed by an analysis and interpretation on the main differences across these periods. In addition, each section includes a summarised table of the literature, highlighting the salient information on the scholarly field. This is then followed by a review of the optimal distinctiveness literature in its early form as strategic balance theory (Deephouse, 1999) and is subsequently followed by the discussion on the new research agenda, as proposed by Zhao et al. (2017). Again, an analysis and interpretation are given on optimal distinctiveness. In addition, this section explores how organisations orchestrate resources to achieve a strategic position of optimal distinctiveness that enables the organisation to achieve superior performance.

An overview of the full literature review table is illustrated in Table 22 in Appendix 1.

2.2   Mechanism used for analysis of literature

The literature on strategic management, institutional theory, and optimal distinctiveness was assessed using six criteria. The criteria include the description, link to performance, level of analysis, main topics covered, assumptions, and main authors.

2.3   Strategic management

An organisation's ability to obtain a competitive advantage is essential to achieve superior performance (Porter, 1991). However, in contrast to the need for legitimacy to achieve performance, as proposed by institutional theorists, strategic management literature highlighted the need for organisations to be different (McKnight & Zietsma, 2018). Organisations are recognised as different from other organisations based on the degree of distinctiveness (Navis & Glynn, 2011), which includes deviations from policies, procedures and behaviour that are perceived as universally accepted for that industry (Durand & Kremp, 2016).

The section outlines the developments made in strategic management using three periods. The three periods include the early research by Porter (1980, 1985), the resource-based view as proposed by Barney (1991) and the construct of shared value (Porter & Kramer, 2019), and are discussed below followed by an analysis and interpretation. A summary of the literature is listed in Table 1.

Table 1: Summary of literature review on strategic management

	Period name	External focus to achieve competitive advantage	Internal focus to achieve competitive advantage	Shared value to achieve competitive advantage
Strategic management	Description	• Competitive strategy is driven by industry attractiveness and competitive position of an organisation in the industry	• Managing internal resources and capabilities to achieve a competitive advantage	• Organisations are to use the principle of shared value to craft economic value for shareholders
	Performance	• Gain a competitive advantage by selecting an attractive industry and positioning the organisation through differentiation to achieve superior performance through market share	• Utilise internal resources that are valuable, scarce, inimitable, unsubstitutable to gain competitive advantage to achieve superior performance, although this is also influenced by the operational context	• Creating economic value for shareholders through value creation in society
	Level of analysis	• Industry	• Organisation	• Organisation and industry
	Key topics covered	• Competitive advantage • Five forces model	• Competitive advantage • Resource based view	• Competitive advantage • Shared value
	Assumptions	• Relatively stable market • Organisations are identical in the strategic resources they manage • Resource heterogeneity occurs only in short term	• Internal organisational resources and capabilities could be heterogeneously scattered in the industry and that organisations can hold on to these resources and capabilities for a long time	• Advancement of stakeholder through value creation • Complex and dynamic markets • Organisations view value creation narrowly and in the short term
	Main authors	• Porter	• Barney, Hamel, Prahalad ,Oliver	• Porter, Kramer, Adner, Kapoor

Source: Author's own, adapted from Barney (1991), Porter (1980, 1985, 1991, 2008), and Porter and Kramer (2019).

2.3.1 External focus to achieve competitive advantage

Research in the 1980s, mostly driven by Michael Porter, fundamentally focused on competition and suggested that it is integral to the success or failure of organisations through a competitive strategy (Porter, 1980, 1985). Porter (1985) further suggested that the goal of a competitive strategy is to achieve a favourable competitive position for the organisation, relative to other players in the industry. This would ultimately lead to success, which Porter (1991, p. 96) defined as "superior and sustainable financial performance". Therefore, the competitive strategy must be able to favourably manage the industry forces (also known as market forces) in order to allow the organisation to gain a better industry position than competitors, which will lead to superior performance (Takata, 2016).

Two questions fundamentally drive an organisation's decision to develop and implement a competitive strategy (Porter, 1985). Firstly, it is necessary to consider the industry context, which determines the attractiveness of the potential profitability, and the factors that determine it. The second question considers the factors that determine the competitive position of an organisation in that industry. Although Porter

(1991) acknowledged that both organisation and industry should be the level of analysis, his early research was mostly focused on an industry level and how an organisation should position itself relative to other market players.

The main topics covered during this period were the constructs of competitive advantage and the five forces model. Competitive advantage is an organisation's ability to create value for customers that is greater than the cost of creating this value (Porter, 1998). Organisations are able to achieve the desired competitive advantage by either achieving a lower cost than competitors, or by offering a product or service that is unique in the industry. Organisations are also able to achieve both cost and differentiation to obtain a competitive advantage (Porter, 1998). To understand the industry attractiveness, Porter (1985, p. 4) proposed five competitive market forces, which encompassed the "rules of competition" but assumed a relatively stable industry structure. The market forces include the bargaining power of buyers, rivalry amongst existing competitors, threat of new entrants, bargaining power of suppliers and threat of product or service substitutes, and determine an organisation's ability to earn a return that is greater than the cost of investment. Bargaining power of buyers refers to the ability of clients to influence the prices that organisations can charge. The rivalry amongst existing competitors is influenced by the prices that organisations can charge as well as the cost to compete. The threat of a new entrant force suggests that established organisations have less power if the barriers to enter the industry are low. Likewise, where the barriers for entry are high, new entrants are at a disadvantage, whilst the power of established organisations is increased (Bamiatzi, Bozos, Cavusgil, & Hult, 2016). The bargaining power of suppliers refers to the amount of influence from suppliers that affects the price of raw materials and other requirements in order for an organisation to produce its goods or service. Finally, the threat of product or service substitutes refers to the threat posed by alternative products or services that would encourage clients to purchase these alternatives (Porter, 2008).

The initial view of Porter (1985) on organisational strategy placed little emphasis on organisational characteristics or resources to achieve competitive advantage (Barney, 1991). For example, Porter (1980) assumed firstly that organisations are identical in the strategic resources they manage and the strategies that will be implemented, where resources are defined as the inputs to the production process. Secondly, Porter (1980) assumed that resource heterogeneity, if it occurs at all, would only occur in the short term as these resources are able to move from one organisation to the other in a short space of time. Although the five forces model was

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developed in the late 1970s, the five market forces are still as relevant today to understand an industry's competitive forces (Porter, 2008). As such, the definitions of the five forces are used as market forces in this research.

In summary, early research suggested that organisational performance is achieved by identifying a profitable industry through analysing the market forces, whilst seeking a favourable position in that industry (Porter, 1980, 1985, 1991). This will lead organisations to greater market share, and ultimately superior performance.

2.3.2 Internal focus to achieve competitive advantage

In contrast to Porter (1980, 1985), Barney (1991) developed a resource-based view at organisational level that considered the internal resources and capabilities to achieve a competitive advantage. His definition of internal resources aligned with the definition as presented by Porter (1980, 1985, 2008), albeit with greater detail. Achieving a competitive advantage by utilising internal resources and capabilities will enable organisations to achieve superior performance (Oliver, 1997; Garcia-Castro & Aguilera, 2015). Barney (1991) and Porter (1991) concurred on the definition of superior performance; however, their view on the means to achieve this superior performance differed. Porter (1980, 1985) argued that superior performance is achieved through identifying a profitable industry and favourable position in that industry, whilst Barney (1991) suggested that resources should be leveraged by organisations to achieve a competitive advantage to realise superior performance. However, the achievement of a sustainable competitive advantage, which will lead to superior performance, is influenced by the operational context and method for selecting the resources in an organisation (Oliver, 1997). In addition, Prahalad and Hamel (1990) conducted research on core competencies for organisations. Core competencies are defined as the shared learning of an organisation, which includes the technical understanding and execution of the production value chain and is aligned with the definition used by Barney (1991) on resources and capabilities. The research concluded that it is possible for organisations to achieve core competencies rather than solely focussing on identifying a profitable industry and seeking a favourable position in that industry, as was proposed by Porter (1980, 1985).

Main topics in this period remained competitive advantage, although Barney (1991) used a different definition than Porter (1980, 1985), and the resource-based view. Competitive advantage in this period was defined as an organisation's ability to successfully implement a value-creating strategy, using internal resources and capabilities, which is not being implemented by any other players in the market

(Barney, 1991). The second main topic in the period was the resource-based view, which is a model that identified the sources of sustained competitive advantage. According to this model created by Barney (1991), organisational resources, which include physical capital resources (Williamson, 1975), human capital resources (Becker, 1964) and organisational capital resources (Tomer, 1987), should have four qualities. Firstly, resources should be valuable and must be able to leverage opportunities in the organisational context and eliminate threats. Secondly, the resources should be scarce and not available to all competitors. Thirdly, resources must be difficult to copy or replicate by competitors and finally, substitutes for these resources should not exist.

The resource-based view model was fundamentally developed by making two assumptions. Firstly, the model assumed that internal organisational resources and capabilities could be heterogeneously scattered in the industry and secondly, that organisations can hold on to these resources and capabilities for a long time. These two assumptions are in direct contradiction to the view proposed by Porter (1980, 1985) in the previous period (Barney, 1991) and is also supported by Hamel (1991).

In summary, this period, compared to the previous, led to a fundamental shift in how organisations were perceived to achieve superior performance. This was driven by the research done by Barney (1991), where he argued that organisations can achieve a competitive advantage through the use of internal resources that are valuable, scarce, and inimitable. This subsequently shifted the direction for organisations to achieve a competitive advantage from the external view or industry view, as proposed by Porter (1980, 1985), towards a view that is more internally focused. It suggested that organisations are more in control of achieving a competitive advantage by obtaining resources that might be superior to those of competitors as they meet the four qualities mentioned above. Acquiring and using these resources as a competitive advantage will lead to superior performance.

2.3.3 Shared value to achieve competitive advantage

Shared value is defined as achieving economic value for an organisation's shareholders through the creation of value for the broader society by actively solving societal challenges and addressing their needs (Porter & Kramer, 2019). Creating shared value is fundamental to organisational success (Tantalo & Priem, 2016). There has been an increasing call among strategic management scholars that greater emphasis is required on research towards shared value creation (Adner & Kapoor, 2010; Priem, 2007; Tantalo & Priem, 2016). Hillman and Keim (2001)

suggested that there is an increased call for organisations to leverage their resources to support social and environmental problems, where their definition of resources remained vague and referred to, amongst other, raw material, capital and skills. This is due to the wide perception that organisations are benefitting from communities and even though organisations have been playing a more active role in corporate responsibility, the legitimacy of organisations has dropped, where legitimacy is defined as the trust in business (Porter & Kramer, 2019). They subsequently suggested that the solution is embedded in the principle of shared value and stated that shared value is "a new way to achieve economic success" (Porter & Kramer, 2019, p. 4). In other words, superior performance and the achievement of success as defined in periods one and two have shifted towards a more inclusive construct of shared value.

Shared value as a research construct has been conducted at an organisation and industry level, and includes a wide array of stakeholders, such as customers, suppliers, the surrounding communities and the environment. During this period, two main topics emerged. Firstly, competitive advantage remains an important construct in this period; however, the ways and means of achieving it differ from those of periods one and two. In this period, a competitive advantage is rooted in the interdependence between organisations and the community. Organisations can achieve a competitive advantage by leveraging resources to obtain shared value across the value chain, as the creation of shared value will lead to more sustainable long-term success (Porter & Kramer, 2019). Secondly, shared value at its core consists of crafting economic value for shareholders through value creation for society by actively pursuing the latter's needs (Porter & Kramer, 2019). Shared value does not mean the sharing of an organisation's value, i.e. profit, but rather the amplifying of the economic pool as well as social value. The authors continued by highlighting that organisations have mostly reacted to institutional forces only, such as pressures from lobby groups, by implementing corporate social initiatives to promote reputation. However, shared value calls on organisations to develop policies, practices and procedures, which will ensure that the environment where the various stakeholders operate is improved, whilst not only sustaining organisational competitiveness but enhancing it.

The construct of shared value is built on the assumption that the advancement of stakeholders must be achieved through value creation (Porter & Kramer, 2019). This goes beyond the initial belief that organisations should have a competitive strategy to lead them towards success, where success is defined as "superior and sustainable

financial performance" (Porter, 1991, p. 96). Two additional assumptions exist. Firstly, organisations operate in a complex environment where "the competitiveness of a company and the health of the communities around it are closely intertwined" (Porter & Kramer, 2019, p. 6) and that "every company needs tacit or explicit permission from governments, communities, and numerous other stakeholders to do business" (Porter & Kramer, 2006, p. 80). Secondly, organisations view value creation in the short term, often at the expense of longer-term success (Porter & Kramer, 2019).

In summary, one of the key areas of focus on organisational performance for strategic management scholars is the construct of shared value where the purpose of organisations stretches beyond economic benefit. This means that for an organisation to achieve performance, they are required to manage multiple stakeholders and create economic value for shareholders through value creation in society. In order for organisations to be successful and achieve superior performance, they require a successful community, which would create demand for the product or service as well as provide a conducive and supportive environment. In turn, the successful organisations create jobs and other economic value for the community. This mutually beneficial relationship forms the roots of shared value and is an organisation's best possible chance to seek legitimacy and achieve superior performance (Porter & Kramer, 2019).

2.3.4 Analysis and interpretation of strategic management

Early research on organisational performance in the strategic management literature encompassed organisational strategy at an industry level where organisations sought to identify attractive industries and to position the organisations well, relative to competitors. The aim of organisations was to achieve success in the sense of superior performance through economic profits. However, subsequent research done by Barney (1991) suggested that organisations take a more active approach in managing organisational resources to achieve a competitive advantage. In other words, researchers argued that organisations are able to acquire resources that are valuable, rare, and inimitable and use these resources to obtain a competitive advantage, which results in the organisation achieving superior performance. Superior performance still meant the realisation of economic profit. Therefore, where Porter (1980) suggested that superior performance lies in identifying attractive and profitable industries, i.e. the external environment, Barney (1991) suggested that organisations look at their resources, i.e. the internal environment.

Further developments in the research suggested that organisations seek to achieve shared value. Creating shared value for a wide variety of stakeholders in the industry would enable an organisation to obtain a competitive advantage, and through this achieve superior performance. Although superior performance still entails the achievement of economic profit, it has expanded in definition to also include the creation of value for society. The creation of shared value enables an organisation to achieve legitimacy to achieve superior performance (Porter & Kramer, 2019). Therefore, this suggests that superior performance is dependent on organisational legitimacy, which is in line with institutional theory literature on achieving superior performance. The next section discusses the extant literature on institutional theory and the achievement of superior performance over the review period, followed by a discussion on the orchestration of resources to achieve a strategic position of optimal distinctiveness.

2.4 Institutional theory

The section outlines the advances made in institutional theory from the birth of new institutional theory in the 1970s to the current research agenda. Three periods are recognised (Greenwood, Oliver, Suddaby, & Sahlin-Andersson, 2008), which include the foundation, the establishment and the theorisation of a complex environment, and each of them is discussed below followed by an analysis and interpretation. A summary of the literature is listed in Table 2.

Table 2: Summary of literature review on institutional theory

	Period name	The foundations of new institutional theory	Establishing new institutional theory	New institutional theory transitions into a complex environment
Institutional theory	Description	• New institutional theory emerged and the main constructs presented. Organisations become isomorphic with their institutional context to gain legitimacy, which provides performance	• Various constructs in new instructional theory were questioned. Research started to focus in the for-profit sector as markets got recognized as institutions	• Research focused on legitimacy in complex environments and rejuvenated the research agenda towards institutional logics where organisations have opposing processes, practices and principles
	Performance	• Organisations must be similar to their institutional context to be recognised by customers and increase their likelihood of survival and achieve performance	• Organisations pursue legitimacy to improve their likelihood of survival and achieve performance	• Organisations are heterogeneous but must aim to be recognised as legitimate by stakeholders to achieve performance, which include accounting profit, increased in stock market value and social acceptance
	Level of analysis	• Organisation and field	• Organisation and field	• Organisation and field, although with revised definition to include issues
	Key topics covered	• Institutions, institutional context, isomorphism	• Theorisation of organisational heterogeneity	• Complex environment, institutional logics, heterogeneity, legitimacy
	Assumptions	• Institutions are highly rigid and constraining • Highly structured organisational fields leads to homogeneity • Organisations that conform gain legitimacy and achieve performance	• Organisations that conform gain legitimacy and achieve performance	• Complex organisations and environment with dynamic markets
	Main authors	• Meyer, Rowan, Scott, DiMaggio and Powell	• Carroll, Fombrun, Oliver, DiMaggio, Powell and Scott	• Greenwood, Suchman, Wooten and Hoffman

Source: Author's own, adapted from Greenwood et al. (2017), Wooten and Hoffman (2017) and Zhao et al. (2017).

2.4.1   The foundations of new institutional theory

New institutional theory, which originated in the 1970s and 1980s, presented new constructs to explain organisational performance. New institutional theory focused on the need for organisations to gain legitimacy by conforming to the institutional context, to ultimately survive and achieve performance (Greenwood et al., 2017; Zhao et al., 2017). Various definitions existed for legitimacy, each with its own level of specificity (Suchman, 1995). For example, prior to the period under review, Maurer (1971, p. 361) stated that "legitimation is the process whereby an organisation justifies to a peer or superordinate system its right to exist". However, in this period, a different definition was suggested where it was argued that legitimacy is gained when an organisation is similar to its cultural environment (Meyer & Scott, 1983). They stated that "legitimacy refers to the degree of cultural support for an organisation – the extent to which the array of established cultural accounts provides explanations for its existence" (Meyer & Scott, 1983, p. 201).

According to Wooten and Hoffman (2017), various terms were used to explain the level of analysis but ultimately the organisational field (Scott, 1991) was adopted. The organisational field was defined as the realm where the actions of an organisation were influenced by a series of relationships with other organisations that form part of the field (Warren, 1967; Wooten & Hoffman, 2017). Eventually, the organisational field was expanded to include organisations that interacted frequently with the organisation, therefore forming part of the organisation's community (Wooten & Hoffman, 2017). For example, an organisation was included in another organisation's organisational field if they shared a common supplier. This meant that the foundations of new institutional theory already considered a wide array of stakeholders and that these stakeholders might have an influence on the organisation's actions to achieve legitimacy.

Three key topics were introduced by Meyer and Rowan (1977) as constructs to new institutional theory, although some were not explicitly defined (Greenwood et al., 2017). Firstly, institutions were introduced but not defined and some scholars referred to institutions as physical assets, such as prisons and mental hospitals, while other scholars referred to them as sectors. Secondly, institutional context was also not defined by Meyer and Rowan (1977), with the exception that it contained rationalised myths. This construct was later defined as "widespread social conceptions of appropriate organisational form and behaviour constitute the institutional environment of organisations" (Tolbert, 1985, p. 2). This meant that institutions (e.g. organisations) aimed to achieve legitimacy by implementing various

practices and procedures that are widely perceived as rational in the organisation's environment (Boxenbaum & Jonsson, 2017). The third key topic and arguably most important, namely isomorphism, not only suggested that organisations, as institutions, are influenced by their institutional context, which refers to the external environment they are operating in, but also that organisations become isomorphic with their institutional context to ensure "an appropriate fit" (Greenwood et al., 2008, p. 3) to the socially accepted behaviours. This suggested that organisations will become isomorphic with the external environment as it will allow these organisations to been seen as legitimate and subsequently result in the achievement of organisational performance (Boxenbaum & Jonsson, 2017).

The period of new institutional theory was however based on three key assumptions. Firstly, institutions were theorised as "highly rigid and constraining" (Zhao et al., 2017, p. 99) and secondly, that organisations in highly structured organisational fields become homogeneous (DiMaggio & Powell, 1983; Wooten & Hoffman, 2017). This suggested that organisations, as institutions, are predominantly observers in their institutional context and that an organisation's response to market and institutional forces is limited due to the constraining environment (Powell, 1991). The final key assumption was that organisations who conform with their institutional context will gain legitimacy, which will lead to organisational performance by increasing the probability of survival (Deephouse et al., 2017).

In summary, new institutional theory suggested that organisations must become isomorphic with their institutional context, which refers to the organisational field that the organisation is operating in, as this will allow these organisations to be recognised by customers (Greenwood et al., 2017) by "appearing to be rational" (Meyer & Scott, 1983, p. 160). By becoming isomorphic with their institutional context, organisations are able to enhance their likelihood of survival and achieve performance (Deephouse, Bundy, Tost, & Suchman, 2017).

2.4.2 Establishing new institutional theory

Various uncertainties and doubts emerged in the late 1980s regarding new institutional theory (Greenwood et al., 2008). For example, the majority of research on new institutional theory was based in the not-for-profit or government sphere. The focus on not-for-profit and the public sector was due to Meyer and Rowan (1977) defining institutionalised organisations as those with weak market forces (Greenwood et al., 2008). Therefore, scholars did not necessarily expand research in the for-profit sector as it did not fit the definition, although this changed around

1990 as markets were recognised as institutions by authors such as Carroll, Lee, and Rao (1986), Powell (1991) and Zucker (1987). Markets are created by social relationships and are not limited to rational individuals, which suggests that markets can be institutionally defined (Carroll et al., 1986). This admission that markets are institutions and are subjected to various forces aligned to the research done by strategic management scholars (Porter, 1980, 1985, 1991). Another example that cast doubt on new institutional theory was that one of the main constructs from the previous period, isomorphism, was ambiguous (Fombrun, 1989). Moreover, Greenwood et al. (2008, p. 11) suggested that isomorphism and the idea that an organisation and the institutional context would converge towards similarity became "less acceptable". The ambiguity called for scholars to place less emphasis on organisational homogeneity and more research on the institutional processes that caused this event (Hirsch, 1997). The institutional processes refer to the means to which social behaviour gets institutionalised through various institutional forces that influence organisations over a long period of time (Oliver, 1991; Scott, 1987).

Institutional forces refer to the pressure, either tangible or intangible, that one organisation exerts on other organisations, which influence the organisation's behaviour (DiMaggio & Powell, 1983). These include either coercive (regulative), normative or mimetic (cultural-cognitive) pressures (Peters, 2019; Scott, 1995, 2013). Scott (2008) stated that regulative or coercive pressures "stress rule-setting, monitoring, and sanctioning activities" (p. 428). He further stated that normative pressures "introduce a prescriptive, evaluative, and obligatory dimension into social life" (p. 428), whilst cultural-cognitive or mimetic pressures are "shared conceptions that constitute the nature of social reality and the frames through which meaning is made" (p. 428). However, there was still a need to understand how organisations respond to these institutional forces, although, in contrast to the previous period, there was widespread acknowledgement that the response from organisations was less automatic than previously suggested (Greenwood et al., 2017).

Although a significant amount of uncertainty existed during the period, there was belief that organisations that conform to norms will gain legitimacy and improve their likelihood of survival (Armanios, Eesley, Li, & Eisenhardt, 2017; Sine, David, & Mitsuhashi, 2007), which would promote the opportunity to achieve superior performance (Powell, 1991). Therefore, the achievement of performance during this period was consistent with that of the previous period. Similarly, the level of analysis also remained at the organisational and field level.

In summary, questions surfaced during the period that challenged the findings of prior research. Previously, it was suggested that organisations must become isomorphic with their institutional context in order to gain legitimacy to improve their likelihood to survive and achieve performance. However, during this period, scholars began to theorise the possibility of organisational heterogeneity, as it became more acceptable for an organisation's response to market and institutional forces to be less isomorphic (Boxenbaum & Jonsson, 2017). This suggested that organisations have a greater influence on the achievement of organisational performance and, given that scholars still agreed that organisations should aim to achieve legitimacy, it was suggested that organisations are able to influence their legitimacy inside the organisational context to ultimately achieve superior performance.

2.4.3 New institutional theory transitions into a complex environment

The various uncertainties and the growing doubt that emerged from the previous period prompted the need for research to be redirected towards a focus on legitimisation rather than isomorphism by the middle of the 1990s and rejuvenated the research agenda towards institutional logics (Greenwood et al., 2017). In addition, research conducted in the previous period found a connection between conformity and legitimacy, but was somewhat absent concerning whether this led to better performance (Greenwood et al., 2017). However, Deephouse, Bundy, Tost, and Suchman (2017) indicated that subsequent studies, completed in the third period, did manage to link legitimacy to performance and continued by stating that legitimacy matters to organisations as it has consequences. During this period, organisational performance was defined as achieving accounting profit or the ability to increase the value generated in the stock market (Heugens & Lander, 2009). Moreover, this definition of organisational performance also included increased social acceptance and subsequent economic exchange as the majority of organisational stakeholders will only transact with legitimate organisations (Greenwood et al., 2017). Therefore, organisations must be recognised as legitimate by stakeholders to achieve superior performance.

Institutional theory scholars continued to conduct research at an organisation and field level (Wooten & Hoffman, 2017). However, Hoffman (1999) noted that the definition of the organisational field construct moved towards the issues pertaining to the interests and goals of a collective set of organisations. This allowed scholars to broaden the institutional theory research and identify new links that were not previously possible.

Four topics of research were salient in this period. Contradicting what was suggested in the previous periods, researchers increasingly theorised that the contexts of institutions are complex (Zhao et al., 2017). Greenwood, Raynard, Kodeih, Micelotta, and Lounsbury (2011, p. 318) defined institutional complexity as experiencing "incompatible prescriptions from multiple institutional logics", where institutional logic was a construct to explain the opposing processes, practices and principles in organisations (Friedland & Alford, 1991). This acknowledgment led to deeper interest from researchers to understand why and how various organisations reason and react in their context, given the presence of various market and institutional forces. The shift in research was also prompted by the acknowledgement from researchers that both the institutional context and the organisations operating within it are not homogenous (Boxenbaum & Jonsson, 2017). Legitimacy as a core construct of institutional theory, which was somewhat underdefined up to the third period, was also formally defined by Suchman (1995, p.574) as:

> *…a generalised perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions.*

In summary, an organisation aims to achieve legitimacy as it will allow the organisation to be seen as credible in the eye of various stakeholders (Almandoz, Marquis, & Cheely, 2017). Unlike previous periods, where it was assumed that legitimacy leads to performance, research conducted during this period found evidence that linked legitimacy to organisational performance, which included accounting profits, stock market valuations and broader social acceptance.

2.4.4 Analysis and interpretation of new institutional theory over the three periods

New institutional theory has made significant advances over the last four decades, specifically with reference to the achievement of organisational performance. During the first period under review, it was argued that organisational performance is achieved when organisations are similar to their institutional context as this will allow the organisations to be recognised by customers and lead to an increased likelihood of survival and performance (Deephouse et al., 2017). However, in the second period, the arguments that organisations became homogenous with their institutional context was challenged and it was suggested that the achievement of organisational performance was through the pursuit of legitimacy. Finally, in the third period under review, researchers argued that although organisations are heterogeneous, they

should aim to be recognised by stakeholders as legitimate as this will lead to superior performance, which was defined as accounting profit, stock market value and social acceptance (Heugens & Lander, 2009).

New institutional theory has been consistently conducted at the organisation and field levels, albeit revising the definition of a field to broaden the stakeholders included. Early institutional theory only included stakeholders as part of the organisational field that had direct interaction with the organisation. This definition was later expanded to include any stakeholder that shares a common goal or interest. Therefore, the current institutional theory literature suggests that a wide array of stakeholders form part of the operating context of an organisation. This supports the view that organisations are currently operating in a complex environment (Greenwood et al., 2011).

Significant advances were also made in the key topics covered in the three periods. In periods one, key topics centred on defining institutions, their operating environment and the construct of isomorphism. This shifted towards the theorisation of organisational heterogeneity – the fact that organisations can be different. In the final period, organisational heterogeneity continued to be a key topic; however, other constructs such as the complex environment and institutional logics were discussed with a greater emphasis on legitimacy.

The three periods discussed above also suggested that there was a shift in the assumptions made in each period. Initially, organisations were considered highly rigid and constraining (Greenwood et al., 2017), which suggests a static operating environment. However, this assumption changed to the notion that organisations operate in a complex environment, with various market and institutional forces from a wide variety of stakeholders that should be managed simultaneously if an organisation aims to gain legitimacy. In addition, institutional theory consistently suggested that organisations should gain legitimacy in order to achieve performance. However, early research suggested that organisations gain legitimacy by conforming to their institutional context (Boxenbaum & Jonsson, 2017). In other words, organisations that were similar to other legitimised organisations would be seen as credible, leading to survival and performance. However, with the introduction of organisational heterogeneity and complex environments (Cobb, Wry, & Zhao, 2016), it is suggested that legitimacy is not necessarily gained through homogenous behaviour, but rather through being recognised as a credible organisation by a wide array of stakeholders (Zhao et al., 2017). This suggests that organisations can

achieve superior performance through being recognised as credible by a wide array of stakeholders.

In closing, current institutional theory proposes that organisations must be able to manage multiple stakeholders in complex environments, which contain various market and institutional forces, to gain legitimacy. This will allow the organisation to be seen as credible by its patrons, which will allow stakeholders to sanction purchases from the organisation, leading to the achievement of superior performance.

At this point, a thorough review of the literature was conducted for both strategic management and institutional theory. This review was required as the optimal distinctiveness literature draws from both these scholarly fields. The final section of the literature review brings these scholarly fields together, i.e. optimal distinctiveness, and discusses the orchestration of resources to achieve superior performance in an organisation.

2.5 An introduction to optimal distinctiveness

Zuckerman (2016) indicated that the literature on optimal distinctiveness was founded on the original work done by Brewer (1991) and Deephouse (1999). Brewer (1991) and, Leonardelli, Pickett, and Brewer (2010) proposed an optimal distinctiveness theory at an individual level, where individuals have opposing needs of being similar and different from other human beings. The theory suggests that an individual reaches a point of optimal distinctiveness if the need for assimilation and the need for differentiation are balanced. Deephouse (1999) applied this theory at an organisational level, where organisations have apposing needs to differentiate and conform. Optimal distinctiveness, at an organisational level, is defined as an organisation's ability to achieve favourable stakeholder perceptions, whilst being different enough from other organisations to avoid competition, thereby achieving a competitive advantage (Deephouse, 1999; Haans, 2018; Zhao et al., 2017). Subsequently, it is theorised that the favourable stakeholders' perception, which includes stakeholders such as shareholders, employees, customers, the community and suppliers (Scott & Lane, 2000), will result in the highest performance (Haans, 2018), i.e. superior performance.

Optimal distinctiveness as an area of focus is situated at the interface of institutional theory and strategic management (Calori & Durand, 2006; McKnight & Zietsma, 2018). This section outlines the developments made in the optimal distinctiveness literature over the three periods. The first stage will not be discussed, as according

to Zhao et al. (2017, p. 96), "institutional theory and strategic management were initially on separate trajectories with little overlap". Periods two and three will be discussed and analysed, which consists of the formation of the initial bridge between the scholarly fields (Deephouse, 1999) and the new research agenda as proposed by Zhao et al. (2017). This is followed by an analysis and interpretation between the two periods. A summary of the literature is listed in Table 3.

Table 3: Summary of literature review on optimal distinctiveness

	Period name	No overlap between strategic management and institutional theory	Building an initial bridge between strategic management and institutional theory	The call for a broader interface on optimal distinctiveness
Optimal distinctiveness	Description		• Organisations strive for a moderate levels of strategic differentiation to achieve superior performance	• Organisations are heterogeneous, operating in a complex environment with multiple institutional logics. Organizations can achieve optimal distinctiveness by accessing multiple points of conformity and differentiations to achieve superior performance
	Performance		• Performance is achieved by balancing between conformity and differentiation	• Performance is achieved by obtaining synergy between conformity and differentiation
	Level of analysis		• Organisation	• Organization and field
	Key topics covered		• Optimise strategic position by balancing a single dimension	• Orchestration • Stakeholder Multiplicity • Managing Temporality
	Assumptions		• Organisations are assessed on a single, relatively static point of convergence	• Organisations are assessed on multiple strategic dimensions by a wide range of stakeholders • Organisational environments are considered complex and dynamic
	Main authors		• Deephouse	• Zhao, Chang, Wu, Madsen, Walker, Ocasio, Radoynovska

Source: Author's own, adapted from Deephouse (1999) and Zhao et al. (2017).

2.5.1 Strategic balance: Building a bridge between strategic management and institutional theory

As discussed in Section 2.3, strategic management scholars argued that organisations should aim to obtain a competitive advantage, which suggests that organisations should be different to achieve superior performance. Similarly, in Section 2.4, institutional theory scholars suggested that organisations should aim to achieve legitimacy by being the same as other legitimised organisations, as this would lead to superior performance. Therefore, tension is created between strategic management scholars and institutional theorists given the contrasting views on how organisations achieve superior performance, leading to a paradox. In response to this paradox, Deephouse (1999) developed strategic balance theory at an organisational level as an organisation's attempt to seek superior performance by being different from other organisations in the industry in which it operates, but also the same as those organisations in its industry. The tension of simultaneous

differentiation and sameness can be achieved by balancing the benefits of reduced competition with the challenges due to reduced legitimacy (Deephouse, 1999).

In his research, Deephouse (1999) tested the legitimacy and differentiation tensions at commercial banks in the Twin Cities area. This research found a relationship between an organisation's strategic deviation from the mean, defined as the degree of deviance from the average industry strategic position, and the financial performance of the commercial bank, but only up to a point. Thereafter, the financial performance decreased when compared to previous performance. In other words, as the strategy of an organisation deviates from the strategy of the competitors, it improves financial performance. However, too much strategy deviation from the competitors diminishes financial performance. This led Deephouse (1999, p. 147) to conclude that organisations should aim for "intermediate levels of strategic similarity" in order to achieve superior performance. Figure 1 illustrates a conceptual framework of strategic balance theory where organisations need to balance differentiation and similarity to achieve optimal distinctiveness, which leads to superior performance.
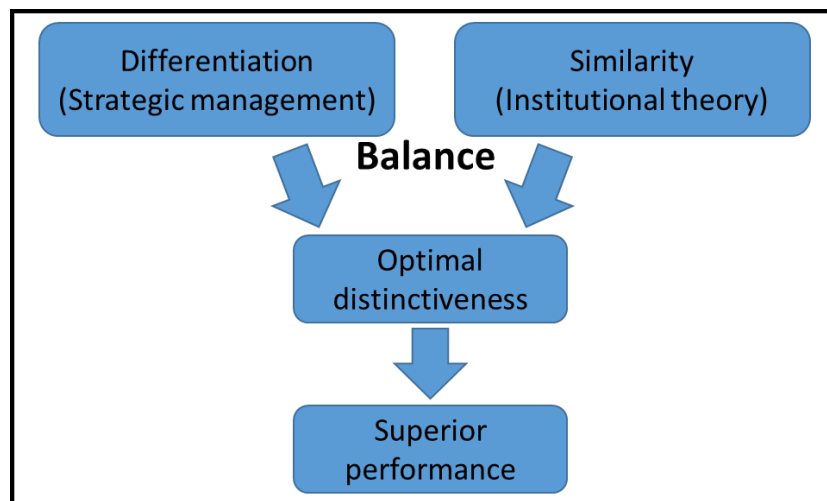
Figure 1: Strategic balance theory

Source: Author's own, adapted from Deephouse (1999).

2.5.1.1 Mixed findings on strategic balance theory

Zhao et al. (2017) indicated that strategic balance theory has been groundbreaking; however, contradicting outcomes from subsequent research on organisational life cycles have been puzzling and causing challenges, where the organisational life cycle describes the growth of organisations over time, i.e. new entrants and established organisations (Fisher, Kotha & Lahiri, 2016).

Barlow et al. (2019) found that the most successful entry point for new entrants into the market is both high levels of similarity with successful products in the market and low levels of similarity to the most common products in the market, whilst Zhao, Ishihara, Jennings, and Lounsbury (2018) found that higher conformity during the initial stages of product development for new entrants yield better results, but also that high differentiation from the norm could lead to great results. In addition, research on established organisations, by Deephouse (1999) and McNamara, Deephouse, and Luce (2003) found that moderate differentiation would result in the highest performance, whilst research by Cennamo and Santalo (2013), and Miller, Amore, Le Breton-Miller, Minichilli, and Quarato (2018), also on established organisations, found that a modest level of distinctiveness leads to the worst performance due to confusion created with key stakeholders. Moreover, recent research done by Haans (2018) uncovered the conditions that are required for established organisations to achieve optimal performance through moderate distinctiveness. He found that organisations operating in a homogenous environment experience better performance with high distinctiveness, while this better performance disappears for organisations operating in a heterogeneous environment. This led him to conclude that "how distinctiveness affects performance thus depends entirely on how distinct others are" (p. 3).

The mixed findings in the research for both new entrants and established organisations have provided contradicting outcomes and caused challenges amongst researchers (Zhao et al., 2017). Even prior to the research that resulted in mixed findings, Deephouse (1999) concluded that "precise identification of the strategic balance point requires a better understanding of the underlying relationships among similarity, competition, legitimation, and performance" (p. 159). The request for further research by Deephouse (1999), as well as the mixed findings from subsequent studies, suggests that more research is required on both new entrants and established organisations to determine the optimal point of an organisation's strategic position.

2.5.1.2 Conclusions on strategic balance theory

The mixed findings on strategic balance theory can be attributed to the assumptions made by researchers (Zhao et al., 2017). Researchers of strategic balance theory assumed a single point of convergence as perceived by the market in which the organisation operates, although Deephouse (1999, p. 160) did suggest future research where "an enhanced theory of strategic balance should examine how the

strategic balance point changes over time". Static markets are rare and many markets might have multiple points of distinctiveness (Cattani, Porac, & Thomas, 2017; Chuang, Dahlin, Thomson, Lai, & Yang, 2018; Fuentelsaz & Gómez, 2006; Levinthal, 1997; Peteraf & Shanley, 1997) and future research should account for this complexity.

These contradictions in the research on how organisations can achieve superior performance suggest that more research is required to understand the various market and institutional forces exerted on an organisation to achieve optimal distinctiveness (Haans, 2018). In addition, Section 2.4.3 discussed that researchers increasingly theorised that the context of institutions is complex (Cattani et al., 2017). Institutional logics were introduced to help explain the complex operating environment where organisations have opposing processes, practices and principles (Friedland & Alford, 1991), which suggest these organisations are not homogeneous (Greenwood et al., 2017). Finally, the definition of superior performance has changed significantly over the last 40 years. Superior performance was previously defined as the achievement of a financial return that is above market average (Porter, 1991). However, research done after Deephouse (1999) suggested that organisations should aim to achieve superior performance that is inclusive, which goes beyond financial return (Porter & Kramer, 2019). The authors suggested that organisations should aim to achieve superior performance that is embedded in the principle of shared value. Given the complex operating environment of organisations (Cattani et al., 2017; Chuang et al., 2018; Fuentelsaz & Gómez, 2006; Levinthal, 1997; Peteraf & Shanley, 1997), the different institutional logic, the need to manage a wide array of stakeholders, and the change in the definition of superior performance, it is suggested that strategic balance theory is limiting. This prompted the call from Zhao et al. (2017) and Gehman and Grimes (2017) for a renewed agenda on optimal distinctiveness, which is discussed in the next section.

2.5.2   The call for a broader interface on optimal distinctiveness

The next section of the literature review outlines the recent developments in optimal distinctiveness by highlighting firstly, the opportunities in institutional theory, secondly, opportunities in strategic management, followed by a summary of the three research proposals by Zhao et al. (2017). Finally, the integration of optimal distinctiveness with the orchestration of resources to achieve superior performance is discussed.

2.5.2.1 *Opportunities in institutional theory*

The current advances in institutional theory, i.e. organisational heterogeneity, complex environments and multiple institutional logics, have not been incorporated into strategic management, where markets are dynamic with multiple points of distinctiveness (Cattani et al., 2017; Chuang et al., 2018; Levinthal, 1997; Peteraf & Shanley, 1997; Zhao et al., 2017).

As suggested in Section 2.4, institutional theory has progressed from isomorphism towards the conceptualisation that organisations are heterogeneous (Thornton, Ocasio, & Lounsbury, 2012), operating in a complex and dynamic environment (Cattani et al., 2017; Chuang et al., 2018; Durand & Jourdan, 2012; Greenwood et al., 2017, 2011). These dynamic and complex organisational environments support the claim that organisations can achieve optimal distinctiveness by achieving synergy through accessing multiple points of conformity and differentiation, leading to superior organisational performance (Chang & Wu, 2014; Chuang et al., 2018; Madsen & Walker, 2017; McKnight & Zietsma, 2018). This view was also supported by Oliver (1997) when she proposed that organisational heterogeneity and achieving a sustainable competitive advantage are influenced by resource selection in an organisation and the surrounding context. She continued by suggesting that for organisations to achieve a sustainable competitive advantage that leads to superior performance, it is important to consider both organisational resources, which refers to an organisation's unique assets and capabilities, and the market (Zhao et al., 2017) and institutional forces influencing the organisational resources. For example, Verhaal, Hoskins, and Lundmark (2017) suggested that smaller craft beer producers are entering the mainstream market by leveraging the legitimacy of larger competitors. This suggests that organisations can gain legitimacy from other legitimised organisations through market and institutional forces, which enhances differentiation (Chang & Wu, 2014). Dacin, Oliver and Roy (2007) had similar findings where organisations partner with legitimised stakeholders to gain legitimacy.

The discussion in Section 2.4 highlighted that the broadening of institutional logics, that is the organisation's belief system, has expanded the research agenda for organisational heterogeneity. Furthermore, a broader research agenda can be achieved by studying how industries are integrated and how norms and beliefs interact to shape organisations. Such insights could inform and identify how to strategically reposition an organisation to attract various stakeholders (Durand & Paolella, 2013), leading to superior performance. Zhao et al. (2017) further highlighted that the current research on institutional logics suggests the occurrence

of multiple market and institutional forces that could be conflicting at times. This is supported by the research completed by Ocasio and Radoynovska (2016), where they investigated how institutional complexity can provide organisations with new opportunities to revise their strategy given the conflicting norms and pressures (Geng, Yoshikawa, & Colpan, 2016; Zhao & Lounsbury, 2016). Research also found that complexity in organisations can lead to various logics, which could subsequently result in different strategic positions accompanied by different stakeholder perceptions and results (Lee & Lounsbury, 2015). This view further supports the argument that various strategic positions exist for organisations to achieve optimal distinctiveness, which could lead to superior performance.

2.5.2.2 *Opportunities in strategic management theory*

Unfortunately, the majority of conventional research in the strategic management field ignores market and institutional forces and aims to understand how organisational efficiency and capabilities direct performance differences and subsequent entry and exit patterns for both new entrants and established organisations (Klepper & Simons, 2000). Experience and technical capabilities should play a significant role in organisational performance, and as a result it is expected that new entrants and established organisations should perform differently (Madsen & Walker, 2017). Ignoring market or institutional forces, one might expect that the new entrants, with high flexibility and relevant technical capabilities, would easily outperform the established organisations. However, market or institutional forces are present and established organisations can fight off the threat of new entrants by leveraging their institutional legacies to attain resources, which can easily make up for their bureaucratic context and technical inefficiencies (Zhao et al., 2017). Institutional legacies could include favourable government support, good organisational reputation and political influence (Battilana, Besharov, & Mitzinneck, 2017; Chang & Wu, 2014; Madsen & Walker, 2017). Established organisations may tend to lean more towards conformity to achieve optimal distinctiveness. In contrast, new entrants do not have a history of legitimacy with their stakeholders (McKnight & Zietsma, 2018; Thornhill & Amit, 2003), which Stinchcombe (1965) termed the "liability of newness" (p. 148) and will leverage their high flexibility and updated technical and technological capability to substitute for the lack of institutional legacies. As a result, new entrants would lean more towards differentiation to achieve optimal distinctiveness (Madsen & Walker, 2017), although Tolbert, David, and Sine (2011) suggested that new entrants tend to align their structure, practices and behaviour to that of established organisations. Therefore, considering the

organisational life cycle, it further supports the existence of multiple points of distinctiveness to achieve superior performance.

2.5.2.3 A broader research agenda: Three opportunities

Zhao et al. (2017) concluded that the "time is ripe to develop a broader research agenda on optimal distinctiveness" (p. 99) and proposed three key dimensions of research that would enhance understanding of optimal distinctiveness. The three key dimensions include:

- orchestration,
- stakeholder multiplicity, and
- managing temporality.

Firstly, more research is required to understand how organisations orchestrate a wide array of strategic resources to manage simultaneous pressures of conformity and differentiation. Orchestration will have to move beyond the single point of convergence, as proposed in strategic balance theory (Deephouse, 1999) and consider the various market and institutional forces that jointly shape the strategic position and perceptions of an organisation. Secondly, they proposed research that considers the multiplicity of stakeholder and how this affects multiple optimal distinctiveness positions for an organisation in the market. They positioned stakeholder multiplicity as product-market scope and suggested it could inform how organisations make decisions about their value chain to manage the scope of products to achieve optimal distinctiveness. Lastly, Zhao et al. (2017, p. 100) proposed that research considers the "importance of managing temporality" in optimal distinctiveness by introducing the various dynamics at play in both the industry and market. They suggested the research considers the various strategic positions that can be implemented by organisations to optimally deliver new products to the market. Although Zhao et al. (2017, p. 100) acknowledged that the three research dimensions mentioned above are neither comprehensive nor mutually exclusive, "[they] believe that they provide useful starting points for a broader research agenda on optimal distinctiveness".

The three areas proposed by Zhao et al. (2017) provide ample opportunity for further insights into optimal distinctiveness; however, this research focussed on gaining a better understanding of how various market and institutional forces jointly shape the strategic position of organisations to achieve superior organisational performance in a complex environment with multiple stakeholders. As a result, the research did not

focus on the organisational product itself, i.e. dimension two, or the timing of market entry, i.e. dimension three.

The research focused on the first dimension as proposed by Zhao et al. (2017) and provides deeper insights on how organisations orchestrate their strategic or internal resources, whilst experiencing various market and institutional forces to achieve optimal distinctiveness, and subsequently how the realisation of optimal distinctiveness contributes to the achievement of superior performance. The conceptual framework for the first dimension on orchestration is illustrated in Figure 2, followed by the discussion.
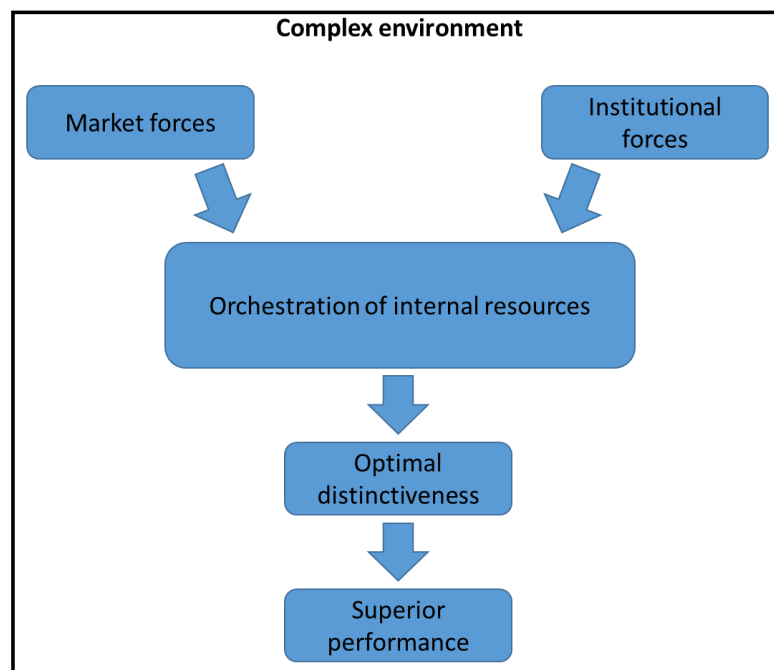
Figure 2: Orchestration to achieve optimal distinctiveness

Source: Author's own, adapted from Zhao et al. (2017).

2.5.2.4 *Orchestration to achieve optimal distinctiveness*

Sections 2.3.3 and 2.4.3 suggested that organisational environments are theorised as complex with multiple stakeholders, which suggests that managers in organisations have to orchestrate a wide array of dimensions to achieve optimal distinctiveness (Kor & Mesko, 2013; Miller, 1996). The function of management in a complex environment can be compared to that of an orchestra conductor. Orchestration is defined as the ability to harmonise various resources in an organisation to achieve synergy that leads to the best performance (Kor & Mesko, 2013), which Sirmon, Hitt and Ireland (2007) defined as shareholder value, whilst Lessard, Teece and Leih (2016), and Pitelis and Teece (2018) defined orchestration as the ability to combine human resources, various technologies and other

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resources. The successful orchestration results in the delivery of long-term superior performance (Teece, 2007).

Kor and Mesko (2013, p. 238) stated that senior executives have the critical role of "continuous orchestration" of the organisation's internal resources to promote the achievement of superior performance. Resource orchestration as a construct was developed to help explain how managers develop a resource-based competitive advantage in a complex environment (Sirmon et al., 2011) given that Alexy, West, Klapper and Reitzig (2018) and Sirmon et al. (2007) criticised the resource-based view due the lack of clarity on how an organisation creates value from these resources. It was developed as a combination of two frameworks, which include resource management and asset orchestration. Resource management, asset orchestration, and resource orchestration are briefly discussed below. In addition, Zhao et al. (2017) proposed two methods of orchestration, i.e. integrative and complementary, in the context of optimal distinctiveness, which are also discussed below.

a)   Resource management

Resource management, which draws from resource-based theory, is a process that requires the "structuring, bundling and leveraging" of internal resources to build capabilities in the organisation to create value (Sirmon et al., 2007, p. 275). The first process is structuring the resources, which requires organisations to obtain the necessary resources through acquisition or disposal through divesting. These organisational resources should then be combined together in various ways to form capabilities. Finally, the formed capabilities must be mobilised and coordinated in the leveraging process to exploit opportunities in the market. This means that the leveraging of resources consists of using the formed capabilities to create valuable solutions to current and new stakeholders (Kazanjian, Drazin, & Glynn, 2017), which will help organisations to achieve superior performance.

b)   Asset orchestration

Asset orchestration, which was developed at the same time as the resource management framework and draws from dynamic capabilities (Eisenhardt & Martin, 2000), consists of "search/selection and configuration/deployment" processes (Sirmon et al., 2011, p. 1391). The "search/selection process" involves finding the resources, making associated investments and developing governance structures around them (Sirmon et al., 2011, p. 1393). The "configuration/ deployment process" involves the coordination of resources, developing a vision for the resources and encouraging innovation (Sirmon et al., 2011, p. 1393). Similar to the resource

management framework, the achievement of these processes is important to realise a competitive advantage for an organisation to help achieve superior performance.

c)   Resource orchestration

The resource management and asset orchestration frameworks were developed concurrently. These frameworks complement one another to form a more comprehensive framework that is known as resource orchestration (Sirmon et al., 2011).

The resource management and asset orchestration frameworks are mostly similar (Sirmon et al., 2011). Although the two frameworks describe the resource-related actions using different terms, the frameworks complement one another, which led Sirmon et al. (2011, p. 1390) to conclude that resource orchestration involves the "structure, bundle, and leverage [of] firm resources". This linear process of resource orchestration is illustrated in Figure 3. Furthermore, the resource management framework draws from resource-based theory, while the asset orchestration framework draws from dynamic capabilities. However, resource-based theory and dynamic capabilities have been linked (Helfat & Peteraf, 2003), providing a link between the two frameworks. Other differences between the frameworks include, on the one side, a lack of reference by the asset orchestration framework to resource divestment, strategies to deploy resources, and bundling actions. On the other side, some elements identified in the asset orchestration framework are not directly addressed in the resource management framework, which includes amongst others, governance structures and innovation (Sirmon et al., 2007). The resource orchestration framework can support organisations to use their internal resources to obtain a competitive advantage (Sirmon et al., 2011).

d)   Integrative and complementary orchestration

Building on the construct of orchestration, but in the context of optimal distinctiveness, Zhao et al. (2017) identified two different methods of orchestration for an organisation to achieve optimal distinctiveness and subsequent superior performance.

Firstly, "integrative orchestration" refers to the concept where organisations conform in key areas of organisational behaviour, such as price and product, but how they manage to achieve synergies between these key areas is unique to the organisation. "Integrative orchestration" can also be achieved by combining idiosyncratic strategic decisions, which are perceived by stakeholders as cumbersome, with strategic decisions that are accepted, resulting in a combined strategic decision that is

considered legitimate by stakeholders and therefore credible. This suggests that "integrative orchestration" is at a system level, where the combination of strategic decisions, i.e. resources orchestration, matters rather than each decision separately. In fact, Sirmon et al. (2011) suggested that, although the processes in the resource orchestration framework are important, the synchronisation of these processes is required to create value. Therefore, "integrative orchestration" complements the resource orchestration framework of "structure, bundle, and leverage" (Sirmon et al., 2011, p. 1390) of organisational resources by providing guidance on the synchronisation of these processes, which will allow decisions to be made by considering the system as a whole, as opposed to making decisions independently.

Secondly, "compensatory orchestration" leverages the fact that organisations are assessed by stakeholders on a wide array of strategic dimensions and because organisations are assessed holistically on strategic dimensions, there is room for organisations to differentiate on one dimension, as the other dimensions would compensate for any loss in legitimacy. Again, "compensatory orchestration" considers the system as a whole and complements the resource orchestration framework of "structure, bundle, and leverage" (Sirmon et al., 2011, p. 1390).

Organisations are operating in a complex environment (Greenwood et al., 2017), which suggests that both "integrative orchestration" and "compensatory orchestration" occur over a wide array of strategic dimensions and allow an organisation to achieve optimal distinctiveness through simultaneous sameness and differentiation by leveraging the multiple points of distinctiveness. Figure 3 illustrates the orchestration of resources in an organisation, where multiple decisions on resources are made through resource orchestration. However, by considering these multiple decisions as a system, organisations can achieve integrative and complementary orchestration.
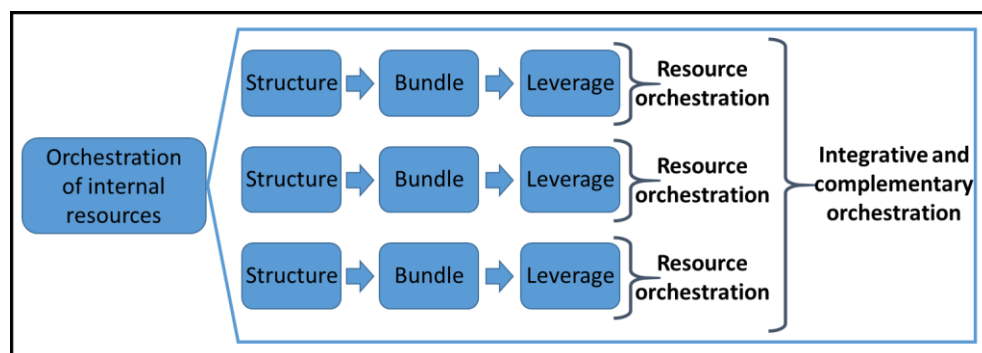
Figure 3: Orchestration of resources in an organisation

Source: Author's own, adapted from Sirmon et al. (2011) and Zhao et al. (2017).

2.5.2.5 Conclusions on optimal distinctiveness

Deephouse (1999) proposed the strategic balance theory, which appears to imply a single point of convergence between conformity and differentiation. However, since organisational context is theorised as complex (Greenwood et al., 2017; Zhao & Lounsbury, 2016), the single point of convergence does not account for this complexity. This could explain the mixed findings in the research on optimal distinctiveness, where there is no agreement between scholars on the degree of differentiation that will lead to an organisation achieving superior performance. It suggests that more research is required to understand the various market and institutional forces exerted on an organisation to achieve optimal distinctiveness, which was the aim of this research.

It means that research should go beyond the initial direction of strategic balance theory and venture into new areas to understand how organisations cope with complexity and manage strategic or internal resources to achieve optimal distinctiveness.

Furthermore, the careful orchestration of internal resources that experience market and institutional forces may allow organisations the opportunity to achieve optimal distinctiveness by leveraging the multiple points of distinctiveness (Zhao et al., 2017). In addition, the multiple points of distinctiveness may allow new entrants and established organisations to orchestrate internal resources differently to achieve an optimal strategic position (Zhao et al., 2017). Therefore, it may be possible for both new entrants and established organisations to achieve superior performance in the same market. This suggests that new entrants and established organisations may be able to achieve multiple points of optimal distinctiveness through a combination of resource orchestration and, integrative and complementary orchestration by obtaining synergy between conformity and differentiation to achieve superior performance (Sirmon et al., 2011; Teece, 2007; Zhao et al., 2017). Future research must pursue this further, to gain a deeper understanding of the different optimal distinctiveness points across the different life cycle stages, i.e. new entrant and established organisation (McKnight & Zietsma, 2018), which was also the aim of this research.

2.5.3 Superior performance

It was previously suggested that optimal distinctiveness will lead to superior performance as this strategic position will allow an organisation to achieve favourable stakeholder perceptions (Deephouse, 1999; Haans, 2018).

However, the operating environment of organisations have become complex with multiple institutional logics (Greenwood et al., 2011). Strategic balance theory suggested that optimal distinctiveness can lead to financial performance (Deephouse, 1999); however, organisations also experience increased pressure from a magnitude of stakeholders to go beyond economic value and more towards the achievement of shared value (Porter & Kramer, 2019). In addition, Barney (2018) argued that without the resources provided by non-shareholders of an organisation, there will be no economic profit to bear. As a result, he extended the resource-based view to include a stakeholder perspective, rather than a shareholder perspective. Therefore, given the growing call for organisations to move beyond economic performance, a strategic position of optimal distinctiveness must account for various other stakeholders. This effectively means that research must also move beyond the economic performance as highlighted by Deephouse (1999), which was the aim of this research.

2.6   Conclusions

New institutional theory and strategic management have made significant advances since the 1970s. These two scholarly fields were initially on separate paths on how organisations achieve superior performance (Zhao et al., 2017); however, the strategic balance theory proposed by Deephouse (1999, p. 159) bridged this gap to "help researchers better understand the trade-offs between differentiation and conformity" to identify a strategic position that is distinct. A successful strategic position of an organisation is fundamentally supported by internal resources that are rare, valuable, non-substitutable, and inimitable (Barney, 1991, 2018; Barney & Arikan, 2001; Sirmon et al., 2011) and internal resources need to be orchestrated (Sirmon et al., 2007, 2011) to achieve both conformity and differentiation (Zhao et al., 2017) (see box 3 in Figure 4).

Therefore, given the complex operating environment, and with market and institutional forces that influence the internal resources of an organisation, organisations need to orchestrate these internal resources to achieve optimal distinctiveness, which will lead to superior performance (Zhao et al., 2017).

The mixed findings on new entrants and established organisations on the optimal level of distinctiveness suggest more research is required on the experiences at different stages of the organisational life cycle. Based on the mixed findings, Haans (2018) noted in his research that "these inconsistent results may lead one to conclude that little progress has been made" (p. 5); however, he also highlighted the

presence of market and institutional forces and emphasised the need to understand these forces of an organisation to achieve optimal distinctiveness. Market forces influence organisational performance and the way resources are deployed (Porter, 1980, 1985, 2008; Takata, 2016) (see box 1 in Figure 4). Moreover, for organisations to achieve superior performance, they need to consider both their internal resources and the institutional forces influencing them (Oliver, 1997) (see box 2 in Figure 4). In addition, recent advances in new institutional theory, such as organisational heterogeneity and environmental complexity, have not been incorporated and Zhao et al. (2017, p. 99) suggested that the "time is ripe to develop a broader research agenda on optimal distinctiveness".

Based on the extensive literature review conducted on strategic management, institutional theory, orchestration and optimal distinctiveness, the conceptual framework, as presented in Figure 44, has been developed, which synthesises the literature.
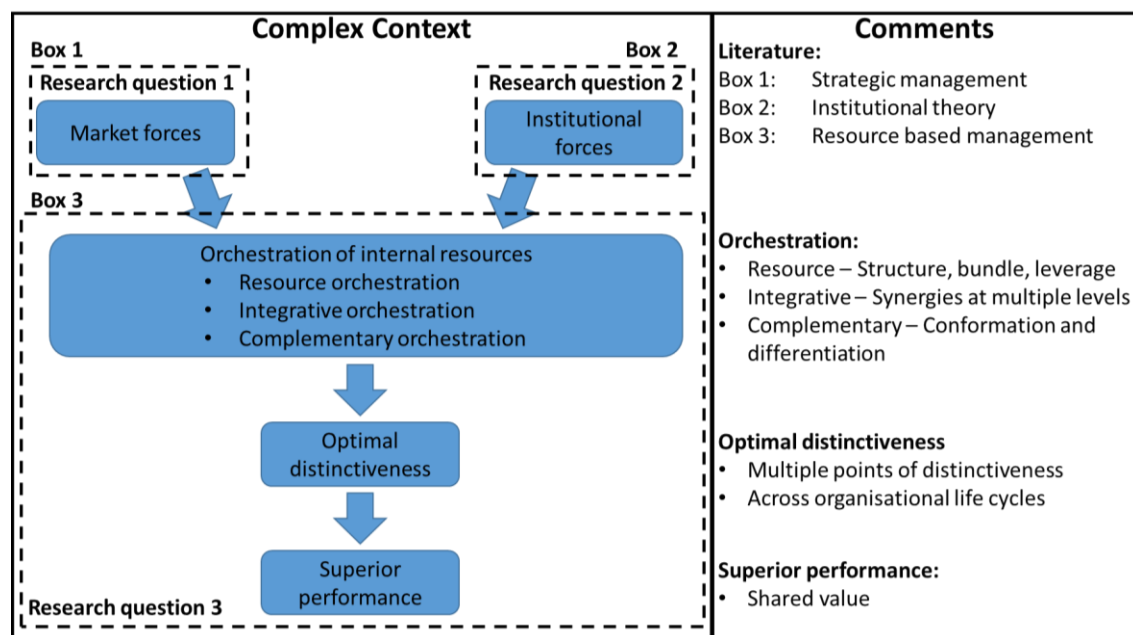
Figure 4: Conceptual framework of the research

Source: Author's own, adapted from Porter (1980, 1985, 2008), Oliver (1997), Sirmon et al. (2011) and Zhao et al. (2017).

As noted in Section 1.3, this research aimed to move towards an understanding of how optimal distinctiveness in organisations contributes to the achievement of superior performance. Therefore, this research focused on gaining deeper understanding of how market and institutional forces influence and shape the strategic position of organisations operating in a complex environment.

In addition, the research aimed to gain deeper understanding of how organisations, across different organisational life cycles, i.e. new entrants and established organisations, orchestrate their internal or strategic resources to achieve optimal distinctiveness – being different enough to be competitive, whilst being similar enough to be recognised – to ultimately achieve superior performance.

In closing, this research answers the call from Zhao et al. (2017, p. 100) who said that more research is needed that "explores how managers orchestrate various aspects of strategies, structures, and processes to achieve optimal performance".

CHAPTER 3: RESEARCH QUESTIONS

The research aimed to answer three research questions. Each of the research questions was derived from the literature review presented in Chapter 2.

3.1 Research question 1

How do market forces shape the strategic position of an organisation?

Research question 1 aimed to identify the various market forces that influence the strategic position of an organisation. In addition, the research question aimed to obtain deeper insights into how organisational strategy is influenced by these forces.

3.2 Research question 2

How do institutional forces shape the strategic position of an organisation?

Research question 2 aimed to identify the various institutional forces that influence the strategic position of an organisation. In addition, the research question aimed to obtain deeper insights into how organisational strategy is influenced by these forces.

3.3 Research question 3

Given the market and institutional forces, how do organisations orchestrate internal resources to achieve a strategic position of optimal distinctiveness, leading to superior performance?

Research question 3 aimed to obtain a deeper understanding of how organisations, given the influence from various market and institutional forces, orchestrate internal resources to achieve a strategic position that is optimally distinct – being different enough to be competitive, whilst being similar enough to be recognised. The research question also aimed to identify what these organisations define as superior performance.

CHAPTER 4: RESEARCH METHODOLOGY

4.1 Introduction

This chapter presents the methodology that was chosen to complete this research. This research followed a qualitative and exploratory research approach, while the population, unit of analysis, sampling method and size, measurement instrument and data gathering and analysis methods were deliberately selected to support robustness in the research methodology. Each of these sections, together with validation and reliability, ethical considerations and limitations is discussed below.

4.2 Research methodology and design

The philosophy of this research was interpretive. Schwartz-Shea and Yanow (2013) claimed that researchers following an interpretivist philosophy discover reality by understanding the background, experiences and views of the participants, while Gioia and Pitre (1990) stated the goal is "to describe and explain in order to diagnose and understand" (p. 591). According to Saunders, Lewis, and Thornhill (2016), the reason for doing interpretivist research is to develop new, deeper understanding and explanations of social worlds and contexts. The authors further stated that this ultimately requires a researcher to look at organisations from the perspective of a wide array of individuals. Given that the research aimed to gain deeper understanding of organisations and how they achieve optimal distinctiveness through the development of strategy, it was the most appropriate research philosophy to interpret the experiences from the social actors inside these organisations (Saunders & Lewis, 2017; Thanh & Thanh, 2015). In addition, research by Dewey (1891, p. 519) suggested "an experience is always what it is because of a transaction taking place between an individual and what, at the time, constitutes his environment". Therefore, this transaction serves as an exchange between the social actor of the organisation and the institutional context that the organisation is operating in.

The approach for this research was a combination of induction and deduction, which is referred to as abduction (Saunders & Lewis, 2017). An inductive approach was first completed, followed by a deductive approach to help categorise the data. According to Saunders and Lewis (2017, p. 113), an inductive approach is "trying to gain an understanding of the meanings humans attach to events". They continued by stating that an inductive approach "want[s] to get a more detailed picture of the experience…", while Saunders et al. (2016, p. 147) suggested that an inductive

approach is "concerned with the context". Thomas (2006) stated that the goal of an inductive approach is to develop a framework from the raw data on the experiences or processes. In addition, Saunders et al. (2016) highlighted that the inductive approach aims for meanings to surface from the qualitative data collected, which is subsequently used to identify various patterns and relationships to build or refine theory. Theoretical contributions can be made by either building, refining or testing theories. Refining theory could include subjecting an existing theory to different contexts as well as new geographical locations (Crane, Henriques, Husted, & Matten, 2016). Given that this research used the existing work as proposed by Zhao et al. (2017), the refinement of theory was completed. This refinement of theory has been done through the emergence of patterns from the qualitative data, by interpreting the experiences from the actors. In order to provide structure to the data collected, deduction was completed after induction in order to categorise the data using the frameworks as proposed by Barney (1991), Porter (1980, 1985), and Scott (1995).

The methodology for this research was mono method qualitative. The appropriate methodological method was fundamentally driven by the questions the research aimed to answer (Rich & Ginsburg, 1999). Open-ended questions were asked including the what, where, when, who, why and how to achieve optimal distinctiveness. Quantitative methods are more appropriate for questions like how many (Rich & Ginsburg, 1999), which was not the intent of this research. Furthermore, this methodology also complements the research philosophy of interpretivism (Denzin & Lincoln, 2017), as the research intended to make sense from inter-subjective understanding of the participants' experience in optimal distinctiveness. According to Creswell (2007), "we conduct qualitative research because a problem or issue needs to be explored" (p. 39). Also, given that the research aimed to uncover deeper insights into an area with limited research, exploring this problem or issue further promoted the use of qualitative methods.

The strategy of the research comprised a multiple case study, which is a detailed inquiry into a phenomenon that occurs in its real life setting (Yin, 2018), and has the means to generate rich, empirical explanations and develop theory (Dubois & Gadde, 2002; Eisenhardt, 1989; Eisenhardt & Graebner, 2007; Ridder, Hoon, & McCandless Baluch, 2014; Yin, 2018). Eisenhardt (1989) stated that case studies are "[p]articularly well suited to new research areas or research areas for which existing theory seems inadequate" (p.548). Given that this research was highly dependent

on the actors' context, and that the area is not well researched, it was found appropriate.

Yin (2018) highlighted that the case study research could refer to a person, a group, or an organisation. Four case study strategies are proposed, which include single, multiple, holistic and embedded cases (Saunders et al., 2016). This research aimed to incorporate multiple cases, which included two sets of cases. The first set included three cases (i.e. consulting, finance and insurance) from organisations that are considered new entrants in the market, while the second set of three cases (i.e. consulting, finance and insurance) included established organisations. New entrants do not have a history of legitimacy with their stakeholders (McKnight & Zietsma, 2018; Thornhill & Amit, 2003), which Stinchcombe (1965) termed the "liability of newness" (p. 148). On the other hand, established organisations, defined as powerful market players with legitimated patterns of organising and strong political backing (McKnight & Zietsma, 2018), have already gained legitimacy in the market (Zhao et al., 2017). In sum, the multiple case study strategy included six cases, three organisations that are new entrants and three organisations that are established across the consulting, finance and insurance industries.

The time horizon was cross-sectional. Data collection occurred once, which translates to a snapshot in time (Saunders & Lewis, 2017). The research aimed to understand optimal distinctiveness in organisations and is therefore not required to be tracked over a time period. As a result, a cross-sectional time horizon is appropriate. Also, the insights generated from the data collection are subject to change and this research does not conclude that the insights can be used in future (Williams, 2007).

4.3 Population

The population that was identified for this research included organisations based in Gauteng, South Africa. The purposeful setting for this research was organisations that are both new entrants and established organisations who intend to achieve superior performance. In addition, the organisations had to operate in a complex environment. Therefore, the level of analysis of this research was at a meso or organisation level.

4.4 Unit of analysis

According to Srnka and Koeszegi (2007), it is an essential initial step to correctly identify the unit of analysis. The authors continued by stating that the research question determines which unit will best serve as the basis for coding and subsequent analysis. The research aimed to move towards an understanding of how optimal distinctiveness contributes to the achievement of superior performance. Therefore, the unit of analysis was individuals in these organisations who have experience of the research phenomenon and can speak credibly on how the organisation acts. This is also indicated in Table 4. The unit of analysis also tied up with the purpose of the research.

Table 4: Research criteria for participants

Research constructs	Business context	Criteria to participate
Optimal	Ideal position in the market	Actively involved in guiding the strategic direction of the organisation
Distinctiveness	Positively different	Understanding the need to be different from competitors to gain a competitive advantage
Superior performance	Above market performance	Experience and knowledge in the organisation of what above market performance means

Source: Author's own.

4.5 Sampling method and size

The research focused on organisations that operate in a complex institutional context by developing a strategy that aims to achieve optimal distinctiveness. As a result, participants from qualifying organisations were selected. Since the sampling size was unknown, non-probability sampling techniques, in the form of purposive sampling, were used (Saunders & Lewis, 2017). This is appropriate as qualifying participants (see Table 4 for criteria) were judged capable of answering the research questions. Initially 18 interviews were targeted; however, the data from two interviews could not be used due to the participants highlighting during the interview that their organisations are "just trying to survive", which disqualified them from the sample. This meant that a total of 20 interviews were conducted of which 18 were usable. The 18 interviews included nine interviews from new entrants and nine interviews from established organisations. In addition, the nine interviews in each life cycle were evenly spread across the three industries, which include consulting,

finance and insurance. A summary of the life cycle of the organisation, the industry as well as the participants' position in the organisation are given in Table 5.

In addition, codes were assigned to the 12 organisations included in the research to ensure anonymity, which is included in brackets next to the title for each participant (NE equals new entrant, EO equals established organisation). In addition, organisations that were mentioned in the interviews were also given codes to ensure anonymity. These codes include BigInvestCo, BigTechCo, BigConsultCo, AuditCo and InnoCo. BigInvestCo refers to an established organisation in the finance industry, BigTechCo refers to an established organisation in the technology industry, and BigConsultCo refers to an established organisation in the consulting industry. AuditCo refers to an audit organisation, whilst InnoCo refers to an innovation organisation.

Table 5: Summary of participants with their positions in the organisation

Services industry	New entrants	Established organisation
Consulting	CEO (NE1)	Director (EO1)
	Director (NE2)	Director (EO1)
	Director (NE3)	Director (EO2)
Finance	Director (NE4)	Senior Executive (EO3)
	CEO (NE5)	Senior Executive (EO3)
	CEO (NE6)	CEO (EO3)
Insurance	CEO (NE7)	CEO (EO4)
	Senior Executive (NE7)	CEO (EO4)
	Director (NE8)	CEO (EO4)

Source: Author's own.

Figure 5 provides a summary of the unique codes generated after each interview. The first five interviews identified over 70 percent of the total unique codes generated in all interviews. Data saturation is reached when no new codes are generated from the interviews (Guest, Bunce, & Johnson, 2006).

Saturation in this research was reached after interview 14, with no new codes being generated in the last four interviews held. This was also observed by the researcher during the interviews as indicated by the field notes that were completed after each interview.
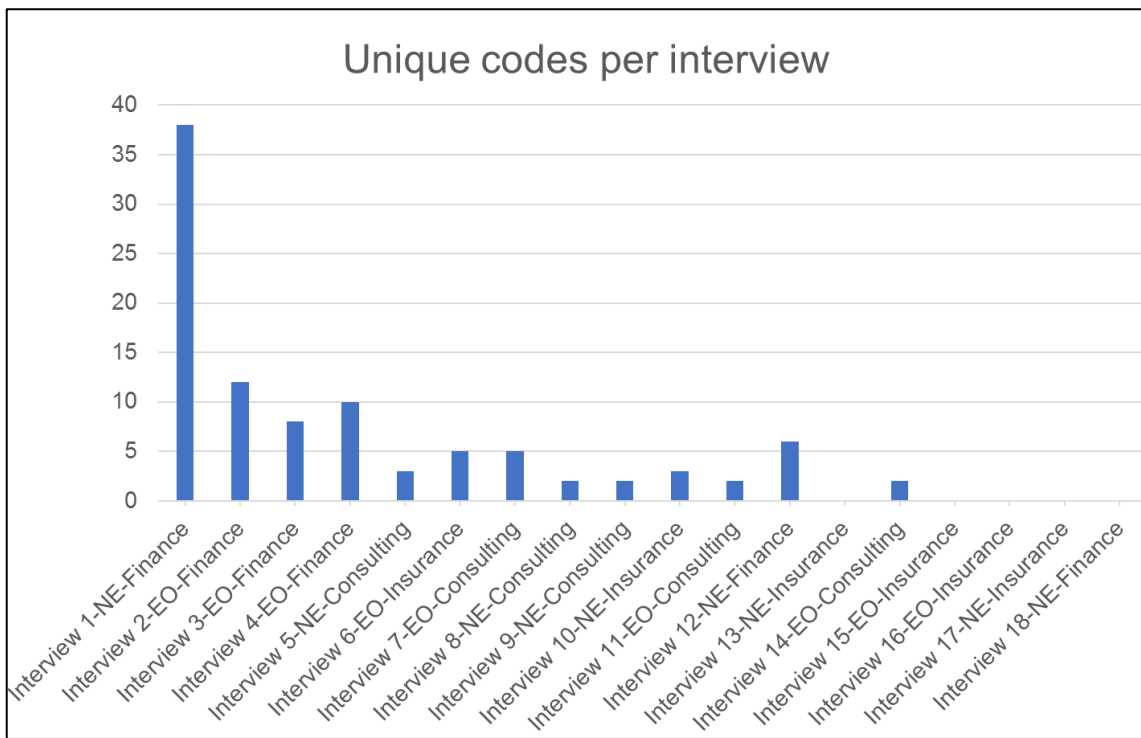
Figure 5: Breakdown of unique codes generated by interview

Source: Author's own.

4.6 Measurement instrument

The measurement instruments for this research included both the researcher and the semi-structured interviews (see Appendix 4). Firstly, the researcher served as the measurement instrument as his senses were used to gather information in a qualitative study that was used to assist him to recall the interview whilst interpreting the interview data. Secondly, the interviews were also a measurement instrument as they were used with executives of organisations to gain comprehension on their experience in strategy development to achieve superior performance (Maxwell, 2013).

In order to promote the validity of the research, a pilot interview was conducted to test the interview protocol as well as to ensure as far as possible that questions were not leading (Lewis & Saunders, 2018) and the appropriate responses were obtained.

Furthermore, the pilot interview assisted in determining if the research questions are appropriate given the allocated time requested from participants. Lastly, during the pilot interview, the recording instruments were also tested to ensure functionality and that the noise levels were not elevated, which could have hampered the transcribing process later. Insights from the pilot interview, such as correct placement of the

recording devices, were used to rectify the shortcomings prior to the first interview with the participants.

4.7 Data gathering process

Given that the research was exploratory, Saunders and Lewis (2017) suggested that the use of a combination of what the existing scholars are saying together with a robust design and analysis of the empirical data are some of the most suitable ways to conduct the research.

Data collection firstly occurred from semi-structured interviews, which is in line with the exploratory nature of the research (Saunders et al., 2016). In addition, Yin (2018) highlighted the use of multiple sources of data as an important principle when using a case study strategy. The author highlighted that this data or evidence can be acquired from six sources, which include interviews, organisation documentation, historic records, physical artefacts and both the researcher's and the participants' observations. Therefore, secondary data, such as the organisation's vision and mission statements and other annual reports were captured using publicly available platforms and used to assess if the organisation is seeking superior performance, although this information was not included in the report to ensure participants are kept anonymous. Additional secondary data from the industries was collected and used in the report to provide context on the complexities of the operating environment. Multiple sources of data promoted triangulation and further enhanced the validity of the research (Saunders et al., 2016). The research questions guided the interview questions raised to the participants, which formed the base of the interview. The interview questions were carefully selected to ensure participants are comfortable with the terminology used. However, questions were kept broad enough to obtain rich responses from the interviewees, while leading questions were avoided to ensure circularity did not occur. Here circularity refers to potential dangers of participants simply confirming what the interviewer believes due to the closed nature of the questions. The link between the research and interview questions is shown in Table 6.

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Table 6: Link between research questions and interview questions

Research questions from Chapter 3	Interview questions
Research question 1: How do market forces shape the strategic position of an organisation?	**3.** Please can you tell me about the factors at an organisation level that are contributing towards the achievement of meaningful outcomes?
	4. Please can you tell me about the challenges at an organisation level that are hindering your organisation's achievement of meaningful outcomes?
Research question 2: How do institutional forces shape the strategic position of an organisation?	**5.** Please can you tell me about the factors beyond the organisation that are contributing towards the achievement of meaningful outcomes?
	6. Please can you tell me about the challenges beyond the organisation that are hindering your organisation's achievement of meaningful outcomes?
Research question 3: Given the market and institutional forces, how do organisations orchestrate internal resources to achieve a strategic position of optimal distinctiveness, leading to superior performance?	**1.** Can you tell me about your role in the organisation towards the achievement of meaningful organisational outcomes?
	2. What meaningful outcomes are you trying to achieve and for whom?
	7. Tell me about what you have learnt from your experience of working on strategies for this organisation.

Since the strategy of the research was a case study, organisations from the consulting, finance and insurance industries were selected across new entrants and established organisations. Consulting, finance and insurance industries were selected to obtain a balance between unregulated (consulting) and regulated (finance and insurance) industries to gain further insights into market and institutional forces. As mentioned above, participants were selected based on their organisation meeting the research criteria, as well as meeting the criteria for individuals (see Table 4). The latter was to ensure that the individuals were in a credible position to answer the research questions, which was also tested with the first question from the questionnaire. The researcher used his professional network outside his current employment to identify qualifying participants, where the criteria were governed by the research phenomenon.

Interviewees were contacted via email (see Appendix 2) to elucidate the purpose of the research and they were given an opportunity to review the informed consent form (see Appendix 3), which was attached to the email. Furthermore, the email also explained the interviewing process in the event that the participants wanted to know this information prior to agreeing to partake. Interview questions, however, were not

shared upfront as the spontaneous responses from the interviewees were sought to promote depth in the answering of the research questions (Silverman, 2015).

Lastly, important information, such as the need to record the interview were highlighted and a convenient date, time and location were requested. Once the potential interviewee agreed to partake in the research, a follow-up email was sent, stipulating the convenient date, time and location.

All interviews were conducted face-to-face. Telephone interviews were not considered, as analytic memos were written after each interview to record noteworthy observations from the interview, which assisted in interpreting the data from the interviews. The durations of the interviews were between 25 minutes and one hour and 20 minutes, with an average duration of approximately 50 minutes.

Prior to the meeting with the interviewees, an appropriate amount of time was spent researching the individuals being interviewed and their organisation through the use of secondary data. This was to promote credibility (Saunders & Lewis, 2017). At the beginning of the interview, participants were given assurance of anonymity and it was explained that they could withdraw at any point in time (Saunders & Lewis, 2017). Again, the researcher highlighted and explained to the participants that the interview would be recorded using a voice recording device.

4.8   Data analysis

The data collected from the interviews was transcribed from the voice recordings to text using a third-party professional service provider. The service provider also signed a confidentiality agreement to ensure the information shared by the participants would be kept confidential. To promote accuracy during the implementation of the methodology mentioned below, a thorough review of both the voice recordings and scripts was undertaken as part of the first step of data analysis.

Once the data was in text format, it was analysed using the coding methodology, as proposed by Saldaña (2009), in the data analysis software ATLAS.ti. Firstly, codes were assigned to various parts of the text. These codes are used to summarise a thought or idea in the text. A total of 98 codes were generated in this study, and are listed in Table 23 in Appendix 5. Secondly, "look alike" and "feel alike" codes were categorised and in some cases subcategorised (Saldaña, 2009, p. 9). Lastly, once the descriptive codes had been categorised, the process advanced from the reality of the collected data towards a conceptual level where themes were generated using deduction. The themes or concepts were selected based on important constructs or

patterns that occurred repetitively and had some meaning to the research questions (Saunders & Lewis, 2017; Srnka & Koeszegi, 2007). This process is also referred to as the conceptual leap, which serves as a method to bridge the gap between the magnitude of words as part of the empirical data, and the theory (Klag & Langley, 2013). In addition, analytic memos were written. Saldaña (2009) compares analytic memos to a researcher's journal entries which includes information such as the observations about the participants and the other noteworthy observations from the interview. This assisted the researcher to come back to the moment of the interview when the interview data had been analysed.

4.9   Validation and reliability

Validation of research should occur continuously during the process as many factors could influence the results, which could result in the findings being invalid (Saunders & Lewis, 2017). Kvale and Brinkmann (2009, p. 248) supported this view and stated that research validation "permeates the entire research process". Zikmund, Carr, and Griffin (2013) stated that the research is reliable when subsequent attempts result in similar findings.

Given that the methodology for this research was qualitative, Saunders and Lewis (2017) highlighted that this type of research methodology is subjective. Therefore, to promote the validity and reliability, the research utilised various interventions to limit this. Firstly, the interaction between the researcher and the interviewee might influence the data collected (Agee, 2009) and as a result, the researcher performed a pilot run (Saunders & Lewis, 2017) to prepare for the interviews. Secondly, the interview questions were standardised for all participants, and sufficient time was granted for these participants to explore each question. Finally, the participants were selected based on a set of criteria to promote the integrity of the sample.

Denzin and Lincoln (2017) suggested that triangulation requires the research problem to be approached using multiple methods. However, although Lincoln and Guba (1985) acknowledged that triangulation can refer to multiple methods, they also suggested it could refer to use of multiple sources. The latter is defined as either multiple data of the same type of source, such as interviews, or multiple sources to obtain the same type of data, such as organisational documentation. Therefore, this research triangulated the results through the use of approximately 18 interviews, using various sources (12 organisations), across different industries and life cycles. In addition, organisational documentation and information from the literature review

were used, which according to Saunders et al. (2016) adds an additional layer of robustness to the research.

4.10 Ethical considerations

Ethics play a comprehensive role in the research process. Ethical research requires that participants in the research provide consent, that their information be kept confidential and that these participants do not experience any harm through their interactions with the research (Denzin & Lincoln, 2017; Josselson, 2007). This viewpoint is supported by Saldaña (2009), who stated that ethical behaviour is a requirement to conduct qualitative research. The author continued by stating that qualitative researchers should have seven personal attributes. One of these attributes requires the researcher to be "rigorously ethical" (Saldaña, 2009, p. 29) in order to uphold the integrity of the research.

The researcher constantly attempted to uphold the highest levels of ethics to promote the validity of the research.

4.11 Limitations of the method

The following limitations were identified in this research.

The researcher is aware of the various forms of bias, such as researcher bias, that could risk the validity and reliability of the data (Saunders & Lewis, 2017). The researcher had his own assumptions on how organisations achieve performance in the current business context. However, to address the limitation, the interview protocol was developed to avoid leading and closed-ended questions.

The researcher was also not expertly trained to conduct interviews. Although a pilot interview was completed, it is acknowledged that his lack of expertise in interviewing could have influenced the data from the interviews (Agee, 2009).

The sample size was 18 interviews. This could be seen as a limitation, albeit the research did achieve saturation after 14 interviews, and as such the low sample size is suitable.

CHAPTER 5: RESULTS

5.1 Introduction

The chapter outlines the findings of the analysis of the data that was collected from the semi-structured interviews that were completed with 18 senior executives in the services sector. The results are presented according to the research questions that were presented in Chapter 3. All tables and figures that follow have been created by the author based on the findings.

5.2 Presentation of results: Descriptive data

5.2.1 Description of primary data

Anonymity was granted to participants in the research. As a result, no information on the individual or their respective company was included in the analysis. A total of 18 interviews were completed in the services sector, evenly distributed across the three industries of consulting, insurance and finance. Furthermore, the interviews were also evenly selected to include both new entrants and established organisations. The sample of interviews was purposefully selected to only include organisations that aim to achieve superior performance and are operating in a complex environment. Table 5 provides a summary of the interviews, their positions in the organisation, and the organisation's industry and evolution.

5.2.2 Description of secondary data

Three industries were included in the analysis. The industries were selected to include a combination of unregulated industries, i.e. consulting, as well as regulated industries, i.e. finance and insurance. The context surrounding the industries for consulting, finance and insurance is discussed below and the information was selected to provide context of the complex operating environment.

5.2.2.1 Consulting industry

The consulting industry in South Africa is a highly concentrated market with many new entrants entering the market due to the low barriers to entry. However, the reputation of the consulting industry in South Africa has been damaged over the last three years with many organisations involved in various scandals. For example, Cameron (2018) believes that organisations like Bain, McKinsey and KPMG "behaved like thugs by helping to raid taxpayers' funds". This has caused many organisations to terminate contracts with certain consulting organisations and has

placed the industry under pressure. To help alleviate some of this pressure, Kevin Sneader, McKinsey & Company's global managing partner, announced an apology to South Africa. He said "on behalf of McKinsey & Company, [he] sincerely apologise to the people of South Africa. [They] are deeply sorry" (Brock, 2018, para. 3). Brock (2018) further explained that the audience consisted of other consulting organisations, demonstrating, at times, hostile tactics. This indicates that the industry as a whole has been damaged.

The consulting industry is also a dynamic environment with the industry rapidly changing. Clients are becoming more demanding and focused on the implementation of new innovative technologies to take advantage of the global trend towards digitisation. This places consulting industries under pressure to remain relevant by investing heavily in acquiring the right skills and expertise (Dunmore, 2015).

Consulting organisations actively compete in acquiring the right talent to promote the achievement of a competitive advantage as this is a significant value proposition to clients. According to Malter (2019, para. 3), McKinsey and Company recruits the "best and brightest" talent to ensure their organisation remains a market leader in the industry. In addition to the need to acquire the best talent, these organisations also rely heavily on relationships to expand their business. For example, they have a wide alumni network of high-ranking executives for some of the best performing organisations globally. These networks enable these organisations to expand their business and achieve meaningful outcomes.

5.2.2.2 Finance industry

South Africa has a strong banking system (Schwab, 2018), which aims to promote economic stability and consumer protection. In addition, the banking system is set up to also promote institutional safety. The financial services industry is backed by a strong regulator that shows authority in the issuing of significant fines to organisations that are not adhering to the regulation. New laws are constantly introduced to dictate how the financial system will be regulated in the future to allow the industry to remain up to date according to the global trends (Lopes & Sheik, 2019). For example, the National Credit Act dictates the terms and conditions for the granting of loans.

The South African banking industry is highly concentrated with five established organisations taking account for 95 percent of the assets. The dominance in the market by established organisations has led to slow transition to digital service innovation, although there has been recent progress due to banks reacting to poor

customer satisfaction (Calvey & Romagny, 2019). A significant force in the financial industry is the drive towards technology. A director of the Centre for Alternative Finance at Cambridge Judge Business School, recently stated that "the most significant transformative force in financial services today is without a doubt technology" (City Press, 2019, para. 1). He continued by explaining that established organisations "are not interested in disrupting themselves", and that this is driven by new entrants into the industry (City Press, 2019, para. 8). The article continues to explain that the South African financial industry is firmly established, and this has made entry for new entrants challenging. However, new entrants have managed to enter the market, which has resulted in an increase in innovative servicing and the initiation of price wars between new entrants and established organisations (Calvey & Romagny, 2019). Asief Mohamed, the chief investment officer at Aeon Investment Management, stated in an interview that "new banking entrants have already put pressure on the big five banks in the banking sector, with fee income being reduced to stay competitive" (Khumalo, 2019, para. 19).

5.2.2.3 Insurance industry

The South African insurance market has, over the last couple of decades, remained fairly unchanged with established organisations dominating the market. However, in recent times this trend has changed. According to Mahlaka (2019), two new entrants entered the market to compete with established organisations. It is not often that one finds new entrants in the competitive financial services market (M&A Community, 2019). Bongani Madikiza, the CEO for one of the new entrants, agreed that there is a perception in the market that it is difficult to enter; however, he believed this to be untrue. He said that "the idea that there is no space for more competition is wrong" (M&A Community, 2019, para. 12). He continued by explaining that the market is big enough to share.

The insurance industry is rapidly changing. For example, digital transformation in the insurance industry is also changing fast. A recent report done by McKinsey & Company revealed that digital technologies are changing the insurance industry and the real challenge for established organisations is how they can transform their current business to digital to compete with new entrants, whilst maximising their existing asset base (McKinsey & Company, 2018).

In addition, the South African insurance regulatory environment is also strong. Financial products, which include insurance policies, can be purchased with confidence and consumers can be rest assured that safeguards are in place to

protect them (Stokes, 2019). To build trust in the industry, the South African regulators have prioritised the needs and protection of clients when setting up new laws. This principle of prioritising the clients led to the development of the principle of treating customers fairly (TCF). The head of legal and regulatory affairs at the Financial Intermediaries Association (FIA), recently explained (Stokes, 2019, para. 4):

> …the TCF principles are not new to the insurance and advisory market and were introduced by the South African regulators in 2011… …the key intention behind these principles is to ensure fair outcomes for customers throughout the customer journey – from ensuring that the appropriate culture is embedded within organisations, to the product design, sales and disclosure process; and the claims and complaints experience.

This requires organisations in the insurance industry to train staff appropriately, and set in place processes and systems that will adhere to the TCF principle. Furthermore, the Insurance Act of 2017 provides a comprehensive framework to not only ensure appropriate capitalisation of insurance organisations, but also to promote the long-term sustainability of the insurance industry. The Act contains detailed information, guidelines and directives in terms of requirements for licensing, operating structures and the prudential standards for various insurance stakeholders. In short, the Act gives clients peace of mind that the insurance industry will not go belly up (Stokes, 2019). In addition, various other regulation exists to protect the clients. One of these is the Policyholder Protection Rules (PPRs), which according to the head of legal and regulatory affairs at the FIA, explains in detail how insurance organisations should treat clients. She explains that "they detail requirements in relation to product design, advertising and disclosure, intermediation and distribution, product performance and acceptable service, and no unreasonable post-sale barriers" (Stokes, 2019, para. 9).

The insurance industry can therefore be summarised as an environment with strong regulations that ensure the integrity of the industry is protected. In addition, the industry is experiencing rapid change, such as the digital transformation.

5.3 Interview findings

The results for this research are presented according to the research questions presented in Chapter 3.

The analysis of the findings was done using a combination of inductive and deductive analysis. An inductive analysis was initially completed on the transcripts from the participants to establish a general understanding. Subsequently, a deductive analysis was completed, where the concepts were considered in relation to existing theory to help organise the findings into theoretical categories.

The findings to each of the research questions are given below and are divided into three segments. Firstly, a brief introduction to the finding is given, followed by a comparison between the three industries, i.e. consulting, finance and insurance. This is followed by another comparison between new entrants and established organisations. The comparisons are done to obtain deeper insights into how different types of organisations experienced the research questions. At the end of each theoretical category a summary table is given of the forces observed for new entrants and established organisations, as well as for each of the three industries. The summary table outlines the key themes observed in the theoretical category, and the perception from the participants is noted using three types of Harvey balls. A full Harvey ball indicates that participants experienced significant pressure, while a half-full Harvey ball indicates that participants felt that there was less pressure on their organisation. An empty Harvey ball indicates that participants felt there was no pressure on their organisation. The findings on the organisation life cycle are indicated with the orange Harvey balls, whilst the findings on the industry are indicated with the black Harvey balls. Where none of the participants referred to the force, 'no data' was indicated.

5.4 Results for research question 1: Market forces

Research question 1: How do market forces shape the strategic position of an organisation?

The aim of the first research question was to identify how various market forces influence the strategic position of an organisation to achieve its meaningful outcomes.

The various market forces that exert pressure on organisations, as identified by the participants, were categorised into five theoretical categories, which include bargaining power of buyers, rivalry amongst existing firms, threat of new entrants,

bargaining power of suppliers and threat of substitute products or services. In each of the theoretical categories, various themes were developed from the insights shared by the participants. Each of the theoretical categories, as well as the themes, is discussed below.

5.4.1 Bargaining power of buyers

The analysis of the interviews revealed five themes for buyer power that acts as a market force on the organisation. This is summarised in Figure 6, followed by a brief discussion on the findings on each of the themes.

Quote	First order category	Theme	Theoretical category
• "people [require] a quick turnaround". • "[we need] to pay [clients'] claims as quickly as possible".	Efficiency, response rate	Turnaround time	
• "we tried to make it as practical as possible for our clients". • "everyone is now looking at, how else can I service my customer. Something that is more efficient, that is within their control. And obviously everyone is saying digital is the way to go". • "the bigger entities have a cookie-cutter approach".	Pragmatic, digital, tangible	New solutions	Bargaining power of buyers
• "our clients locally do prefer working with locals. So when it comes to core delivery, they prefer working with a local team". • "our customers are very private…even when it comes to design [of the] branches, we quite conscious not to create too much visibility into the branch".	Working with locals, customer centric	Client interaction	

Figure 6: Bargaining power of buyers

5.4.1.1 Turnaround time

During most of the interviews conducted, participants highlighted the pressure from clients to deliver solutions quickly. Participants indicated that clients need solutions in a short space of time, otherwise they seek solutions from competitors. This places these organisations under pressure to deliver solutions quickly.

Participants in all three industries had similar thoughts on the pressure from clients to deliver solutions quickly. A director from the consulting industry recalled a recent comment from one of his clients. According to the director, his clients said: "Give me value quickly".

Analysing the data by comparing the responses for new entrants and established organisations revealed that participants expressed similar views. In other words, clients are putting pressure on organisations to have quick turnaround times regardless of whether they are a new entrant or an established organisation. For example, one CEO from a new entrant explained that "clients like the fact that we are…much more nimble". She continued to explain that this is the reason "[they] build solutions very quickly". One CEO from an established organisation agreed on the need to build solutions very quickly as "[their] clients want turnaround time a lot quicker".

5.4.1.2 New solutions

Most participants highlighted that clients place a significant amount of pressure on their organisation to provide solutions that are pragmatic, tangible and digital. For example, one participant mentioned that he has to "show a client something that is very practical that they can sort of visualise in their own environment", whilst another highlighted that "everyone is saying digital is the way to go".

A comparison between the three industries revealed that the pressure from clients on new solutions is dependent on the industry. For example, participants from the finance industry explained that although they can bring completely new solutions to clients, they opt not to as some clients might reject it. A director explained that they deliberately designed their organisation's website in a certain way. He explained that "the website needs to look like what people are used to seeing"; similarly, another director explained that his industry is conservative, and clients want to see what they are used to. Participants in the insurance industry expressed similar thoughts. However, participants in the consulting industry highlighted that they can bring new innovative out-of-the-box ideas to clients as the industry is less conservative.

Comparing new entrants and established organisations revealed that participants from both types of organisation felt the clients place pressure on their organisations to deliver new solutions to their problems. One director from a new entrant explained that "[he] can't have a fixed solution that is static, it's unrealistic". Another director from an established organisation shared that the client "forces [him] to be more practical in what [he] put[s] on the table". However, an additional pressure was observed on established organisations, which was not found in new entrants. A director, from an established organisation explained that "if you've been partnering with a client for a long period of time you cannot just do the same things over and over again, you need to, as you evolve, you need to help your clients to evolve". Therefore, organisations that have been working with clients for a long time are under pressure to deliver new solutions.

5.4.1.3 Client interaction

Participants were very outspoken in the interviews on the different needs of various clients during interactions. Most participants highlighted that the clients place pressure on their organisations as there is an expectation from these clients that the organisations will accommodate their unique requirements. One participant highlighted that they are considering a change in their operating model to close down branches as he said that "fewer and fewer people actually go into the branches". However, the same individual also indicated that "[he] find[s] that there are certain customers that want that face-to-face engagements", and this poses new challenges for these organisations.

Comparing the industries revealed that participants from all three industries indicated that they experience some sort of pressure from the client in their interactions. A director from the consulting industry explained that he would often leverage the services of international staff to service a client. However, he said that the client would put pressure on him to utilise local staff. Participants in the finance and insurance industry shared similar thoughts.

A comparison between new entrants and established organisations revealed that none of the participants from new entrant organisations made reference to face-to-face interaction with clients. However, participants from established organisations were quite vocal about the clients putting pressure on their organisation as clients want to meet in person. A CEO from an established organisation explained that "[they] deal with…traditionalists, [the clients'] go to funeral parlours". The participant

continued to explain that it does present a challenge for them to accommodate the individual interaction needs of clients.

5.4.1.4 Summary for bargaining power of buyers

Table 7 provides a summary of the life cycle comparison, as well as the industry comparison for bargaining power of buyers.

Table 7: Bargaining power of buyers – comparison

Theme	Life cycle		Industry		
	New entrant	Est. organisation	Consulting	Finance	Insurance
Turnaround time	🟠	🟠	⚫	⚫	⚫
New solutions	🟠	🟠	⚫	◑	◑
Client interaction	No data	🟠	⚫	⚫	⚫

Legend (Life cycle)
🟠 Experience significant pressure
◐ Experience less pressure
○ Experience no pressure

Legend (Industry)
⚫ Experience significant pressure
◑ Experience less pressure
○ Experience no pressure

5.4.2   Rivalry amongst existing firms

The analysis of the interviews revealed four themes for rivalry amongst existing firms that acts as a market force on the organisation. This is summarised in Figure 7, followed by a brief discussion on the findings of each of the themes.

Quote	First order category	Theme	Theoretical category
• "we now compete with everyone". • "everybody has got an insurance solution right now". • "it is not like the clients do not have other options in terms of who they can partner with". • "[they have] seen everybody jumping into financial services". • "[they] are in an industry which is a baby industry, so it is uninteresting to some of the really big players…[if the big players enter] the whole industry…would be dead; everything would just go to them".	Many competitors	Market concentration	
• "we need to adapt and we have to adapt quickly and we have to be agile and we can't just keep on doing business the way we have been doing it". • "we have to change, otherwise somebody else will change and we [will] miss the boat". • "[they] need to have the flexibility and the agility as well".	Flexibility, adaptability	Agile	Rivalry amongst existing firms
• "we charge performance fees at a more reasonable level". • "larger organisations…they're also more competitive on their rates. We used to see some of their rates being three times as much as ours, they are starting to bring down their rates". • "[they] only got that tender because [they] went in with a much lower price than the other people".	Price wars, competitive rates	Price	
• "there's a skills challenge because now you look at the digital data and scientist's data and engineers, those skills [are] needed by every organisation". • "it's [the] tech companies, it's the BigTechCo1 and BigTechCo2 and BigTechCo3 that we compete with".	Battle for talent with everyone	Talent	

Figure 7: Rivalry amongst existing firms

5.4.2.1 Market concentration

All participants in the interviews highlighted the significant presence of competitors in their industry. As a result of the high concentration of competitors, participants highlighted that it puts a significant amount of pressure on their organisations.

Participants in all three industries explained that the pressure was due to the many competitors. A director from the consulting industry shared his challenges on competition, whilst participants in the insurance and finance industries expressed similar views.

A comparison between new entrants and established organisations revealed that participants from both types of organisations spoke extensively about the pressure from a highly concentrated market. One director from a new entrant explained that he cannot be slow to market. Upon asking a CEO from a new entrant what his biggest challenge is, he stated "competitive pressures, competition is tough, and it is exacerbated by the fact that the market is not growing". Participants from established organisation agreed with the new entrants. However, a participant from a new entrant explained that his organisation decided to enter an industry where there is a lack of established organisations and that this contributes towards the achievement of meaningful outcome.

5.4.2.2 Agile

In addition to the market concentration, participants highlighted the need for their organisations to demonstrate agility by having a quicker response rate than that of competitors. For example, one participant indicated that "businesses are expected to be more competitive much quicker". An analysis of the three industries revealed similar responses from participants.

A comparison between new entrants and established organisations revealed that participants from established organisations felt there is greater pressure on them to be agile. A senior executive from an established organisation stated that "some of the smaller guys are at an advantage…they don't have this big legacy". A CEO from a new entrant agreed with this and stated that their big advantage is "being [agile], being nimble in terms of the way [they] deliver the solutions to the market". Another senior executive from an established organisation stated that "if [they] want to compete with [new entrants], [they] need to move things quickly, because it's a matter of time before one of [the] smaller guys [are] going to do it". Most participants

from new entrants believed they were experiencing less pressure than established organisations as they are able to adapt quickly.

5.4.2.3 Price

A significant discussion point in some of the interviews was the pressure from competitors with regards to pricing the products or services competitively. Some participants highlighted that they would assess the market on prices, and price their product below that of the competitors.

A comparison between the responses from the consulting, finance and insurance industries revealed that all three industries are experiencing a force to price service offerings competitively. Participants from all three industries felt the pressure to price their service offering as low as possible due to the high levels of competition.

A comparison between new entrants and established organisations revealed that participants from new entrants felt they are able to price their product or service at a lower price compared to established organisations, thus placing pressure on larger organisations to also reduce their price. Upon questioning as to the reason for this, a CEO from a new entrant stated that "[she does not] have a big benching workforce. [She has] a core team in the business and the rest are contractors that [she] tap[s] into as and when [she] need[s]". However, a senior executive, also from a new entrant, did indicate that the pressure from new entrants has started to result in established organisations reducing prices, which in return places pressure on new entrants. Even with the reduction in prices by established organisations, one senior executive from a new entrant still glowingly stated that "[they] are much cheaper", which contributes towards the achievement of meaningful outcomes.

5.4.2.4 Talent

Some participants highlighted the pressure that is being exerted due to the high competitiveness surrounding talent acquisition. A director provided extra perspective by summarising this pressure. He said that "[he] believe[s] that the real competition for [them] as an organisation is not whether [they] win or lose that one pitch or that one engagement or that one client. The real competition for [them] is about the talent, about the human capital because that's all [they] have".

Analysing the responses from the participants across the three industries revealed that none of the participants in the finance and insurance industries made reference to the pressure due to talent acquisition. However, participants from the consulting industry were quite vocal about the competitive nature of talent acquisition.

The comparison between the new entrants and the established organisations indicated that new entrants are competing with established organisation for talent, and vice versa. One individual from an established organisation stated that "[they] are now competing directly with the start-ups, the large tech companies…and even [their] clients for those skills". This higher demand for resources increases the cost, which puts a lot of pressure on new entrants with regards to capital. One director from a new entrant shared his frustration when he said that: "trying to get the best resources out there, which are valuable, is very expensive. And usually you will find that makes you uncompetitive".

5.4.2.5 Summary for rivalry amongst existing firms

Table 8 provides a summary of the life cycle comparison, as well as the industry comparison for rivalry amongst existing firms.

Table 8: Rivalry amongst existing firms – comparison

Theme	Life cycle		Industry		
	New entrant	Est. organisation	Consulting	Finance	Insurance
High concentration	⬤	⬤	●	●	●
Agile	◖	⬤	●	●	●
Price	◖	⬤	●	●	●
Talent	⬤	◖	●	No data	No data

Legend (Life cycle)
⬤ Experience significant pressure
◖ Experience less pressure
◯ Experience no pressure

Legend (Industry)
● Experience significant pressure
◖ Experience less pressure
◯ Experience no pressure

5.4.3 Threat of new entrants

The analysis of the interviews revealed four themes from the threat of new entrants that acts as a market force on the organisation. This is summarised in Figure 8, followed by a brief discussion on the findings on each of the themes.

Quote — **First order category** — **Theme** — **Theoretical category**

- "it's about [being] top of mind for us".
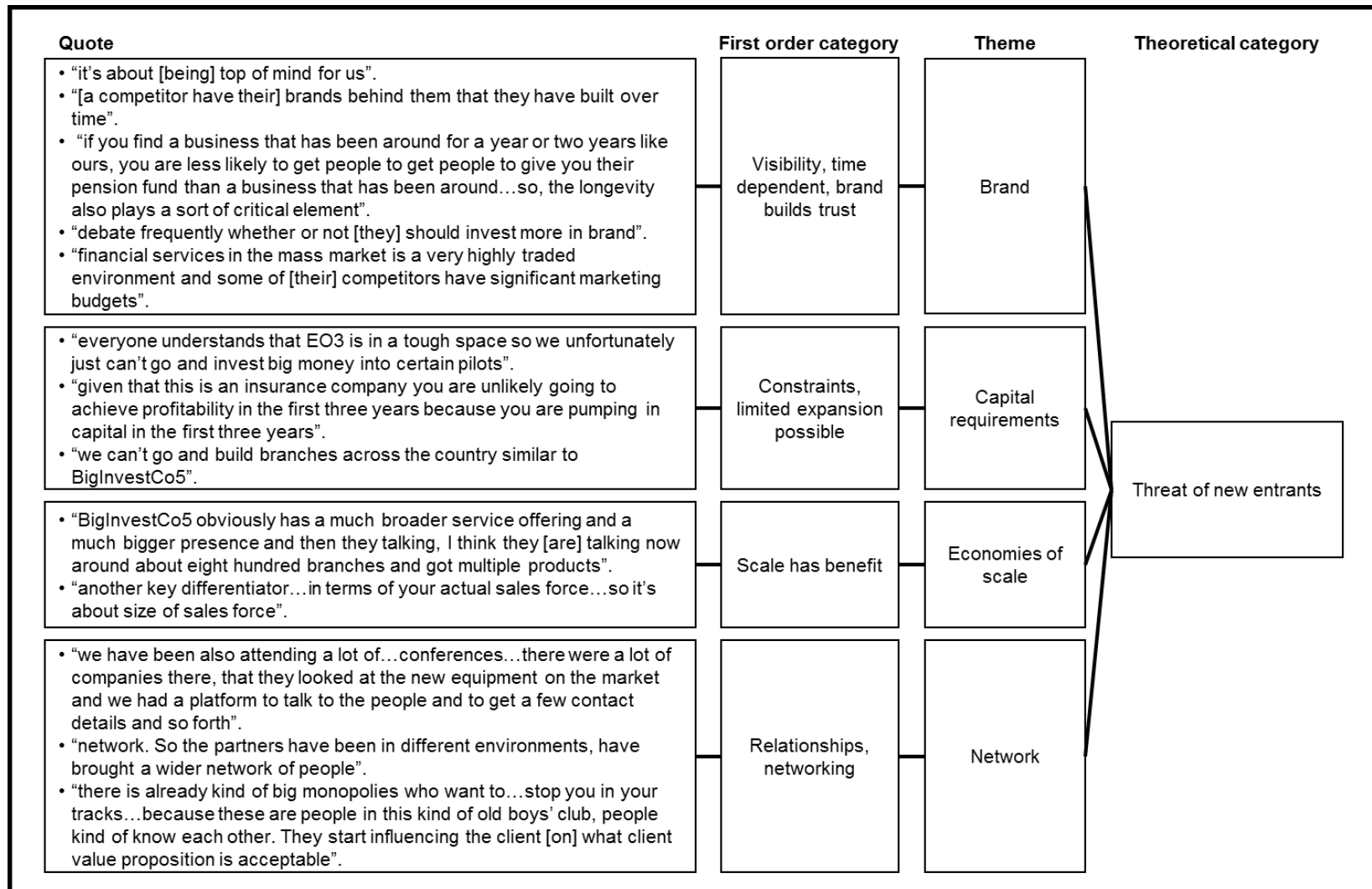- "[a competitor have their] brands behind them that they have built over time".
- "if you find a business that has been around for a year or two years like ours, you are less likely to get people to get people to give you their pension fund than a business that has been around…so, the longevity also plays a sort of critical element".
- "debate frequently whether or not [they] should invest more in brand".
- "financial services in the mass market is a very highly traded environment and some of [their] competitors have significant marketing budgets".

First order category: Visibility, time dependent, brand builds trust
Theme: Brand

- "everyone understands that EO3 is in a tough space so we unfortunately just can't go and invest big money into certain pilots".
- "given that this is an insurance company you are unlikely going to achieve profitability in the first three years because you are pumping in capital in the first three years".
- "we can't go and build branches across the country similar to BigInvestCo5".

First order category: Constraints, limited expansion possible
Theme: Capital requirements

- "BigInvestCo5 obviously has a much broader service offering and a much bigger presence and then they talking, I think they [are] talking now around about eight hundred branches and got multiple products".
- "another key differentiator…in terms of your actual sales force…so it's about size of sales force".

First order category: Scale has benefit
Theme: Economies of scale

- "we have been also attending a lot of…conferences…there were a lot of companies there, that they looked at the new equipment on the market and we had a platform to talk to the people and to get a few contact details and so forth".
- "network. So the partners have been in different environments, have brought a wider network of people".
- "there is already kind of big monopolies who want to…stop you in your tracks…because these are people in this kind of old boys' club, people kind of know each other. They start influencing the client [on] what client value proposition is acceptable".

First order category: Relationships, networking
Theme: Network

Theoretical category: Threat of new entrants

Figure 8: Threat of new entrants

5.4.3.1 Brand

Most of the participants highlighted the need to have a recognisable brand in the services industry and indicated there is constant pressure on their organisations to expand their brand recognition. Participants in all three industries agreed that brand recognition is critical and contributes towards the achievement of meaningful outcomes.

A significant difference between new entrants and established organisations was observed during the interviews. New entrants shared that they experience significant pressure as their brand is not as recognisable. For example, one participant from a new entrant stated that "you need to have a track record, which is a bit of a chicken and an egg because if you don't have a track record, how do you get the money to then build the track record", whilst another new entrant provided an example of this pressure. He stated that:

> *…the way BigInvestCo1 has been advertising on the radio…and television; when you get your first job and you say, 'Okay, I need to select a pension fund manager' and then you see all of these names; BigInvestCo1, BigInvestCo2, BigInvestCo3, BigInvestCo4, NE6…I can tell you right now, NE6 is not even going to feature when making your crosses and your ticks and it's because their name is not out there as much.*

Participants explained that established organisations are able to demonstrate a long period of operation, which is important to build a strong brand. However, a participant from an established organisation disagreed with the participants from new entrants and explained that her organisation does experience brand pressure. She explained further that she is under constant pressure to uphold the brand that her organisation has built over time.

5.4.3.2 Capital requirements

Capital was identified as one of the biggest areas of focus for the participants. The participants highlighted that capital is paramount for any business to operate, and most indicated that budgets are often constrained. Upon asking a CEO what his biggest focus area is in the business, he simply stated "financing". Upon comparing the responses from consulting, finance and insurance, it became clear that participants expressed similar views with regards to capital requirements.

Both new entrants and established organisations highlighted that they are under severe capital pressure. Participants from new entrants highlighted the need to obtain the required funding to start the organisation and build scale. A director from a new entrant noted the capital constraints and added that "[they] need[ed] to be lean". However, a CEO from a new entrant explained that he deliberately identified and partnered with certain individuals and established organisation as shareholder in order to remove the capital constraints in his organisations. He said that "[they] started looking for funders…[they] clearly said, EO4 you bring [them] the capital". Participants from an established organisation also noted that they are unable to expand due to funding constraints.

5.4.3.3 Economies of scale

Some participants mentioned that economies of scale can be a benefit to an organisation as it can be used to place significant pressure on competitors. However, some participants also explained the challenge associated with it, and that it can be a hindrance to an organisation.

A comparison between the three industries revealed that none of the participants in the consulting industry made reference to economies of scale, whilst participants in both the finance and insurance industries felt that size matters. For example, a CEO in the insurance industry explained that his large sales force provides him with an advantage against competitors.

A comparison between new entrants and established organisations revealed that participants from established organisations felt it is a significant benefit and puts pressure on smaller competitors. A senior executive from a new entrant highlighted the benefit to a competitor for having scale and explained that his organisation is struggling to compete with that. However, one director from a new entrant found that scale can also be a challenge for these organisations. He provided an example in his domain and stated that:

> …one of our competitors they charge very aggressive performance fees, and so we went to the market just bashing that, saying how unethical that is, and then we charged performance fees at a more reasonable level. Now, one of our competitors are screwed…so potentially they would need to swallow that loss of income unless they want to swallow that loss of reputation.

5.4.3.4 Network

Another significant area that was highlighted by all participants in the interviews was the need for strong networks across various stakeholders. Participants shared that the relationships must include a wide array of stakeholders, such as the regulator, clients, and other partners. A comparison across the industries revealed that participants in all three industries felt that strong relationships with stakeholders provide a significant advantage to an organisation and exert pressure on competitors.

A comparison between new entrants and established organisations revealed that participants from new entrants felt that established organisations are using their relationships to put up barriers, which hinders new entrants from entering. A director from a new entrant stated that "there's a real sense that the established players are setting up hurdles and making it harder for everyone", whilst another director, also from a new entrant titled it as the "old boys' club". Another director from a new entrant agreed and added that the "breaking of this big monopoly, the competitiveness of this big monopoly, is not very easy…well-established, big organisation, has all the networks, has all the resources, to push this. That is a big challenge for small medium enterprise organisation".

5.4.3.5 Summary for threat of new entrants

Table 9 provides a summary of the life cycle comparison, as well as the industry comparison for threat of new entrants.

Table 9: Threat of new entrants – comparison

Theme	Life cycle		Industry		
	New entrant	Est. organisation	Consulting	Finance	Insurance
Brand	● (orange full)	◐ (orange half)	●	●	●
Capital requirements	● (orange full)	● (orange full)	●	●	●
Economies of scale	● (orange full)	◐ (orange half)	No data	●	●
Network	● (orange full)	◐ (orange half)	●	●	●

Legend (Life cycle)
- ● Experience significant pressure
- ◐ Experience less pressure
- ○ Experience no pressure

Legend (Industry)
- ● Experience significant pressure
- ◐ Experience less pressure
- ○ Experience no pressure

5.4.4   Bargaining power of suppliers

The analysis of the interviews revealed three themes for supplier power that acts as a market force on the organisation. This is summarised in Figure 9, followed by a brief discussion on the findings on each of the themes.

Quote	First order category	Theme	Theoretical category
• "bringing in people who could just step into that role were too expensive". • "[our products are] all developed in-house...we [have] looked at using kind of external providers...but they are very costly". • "there will be people willing to pay that skill; four, five, sometimes even ten times more than what we are able or capable of paying them".	High cost of labour, makes you uncompetitive	Cost	Bargaining power of suppliers
• "where do you rank at your service provider?". • "if I outsource my services, let's say to AuditCo1 as the auditor, [they] would be like "aggghhh this NE5, okay well we are only making this much... They don't rank as a priority client". • "get resources from an external service provider".	Supplier ranking, prioritised customer	Dependency	
• "Like brand names...using this company's IT system. [The investors are] comfortable that it can manage private investments or whatever".	Brand names	Reputation	

Figure 9: Bargaining power of suppliers

5.4.4.1 Cost

Participants explained that suppliers are putting them under pressure by increasing the price of products and services, which they need to provide value to their clients. In addition, the employees of service organisations were viewed as the suppliers of a service to their respective organisations. Many individuals highlighted the high cost of labour and that this is hindering their achievement of meaningful outcomes. Comparing the participants' responses across the industries revealed that employees put pressure on these organisations regardless of industry.

A comparison between new entrants and established organisations revealed that participants felt that new entrants were at a disadvantage compared to established organisations. Participants shared that the cost of suppliers, which include staff, is very high, and because of their size, the new entrants do not have negotiation power with suppliers to reduce the cost. A director from a new entrant highlighted that he is forced to recruit staff at a junior level due to excessive cost and then allow the staff members to grow within the organisations. On the other hand, individuals from established organisations also highlighted the significant cost of suppliers, but added that they are able to recruit individuals, with the same skill set as the suppliers, on a permanent basis to build the capabilities in house.

5.4.4.2 Dependency

Another source of pressure that organisations tend to experience is their dependency on suppliers to deliver a service to the client. A comparison across the three industries revealed that participants in all three industries felt that a high supplier dependency places their organisations at risk of achieving meaningful outcomes.

A comparison between new entrants and established organisations revealed that none of the participants from the established organisations highlighted supplier dependency as a pressure they experience. However, most participants from new entrants explained that the dependency on suppliers, places significant pressure on their organisation. A director from a new entrant stated that "[they are] quite dependent on InnoCo themselves with regards to providing [their] tool…if something must happen to that company…[it] will have a massive impact on [their] business…to achieve [their] outcomes". A CEO from a new entrant also explained that although he is dependent on the service from the supplier, his organisation does not feature high on the supplier's prioritisation due the fact that he is a small organisation.

5.4.4.3 Reputation

Two participants explained the pressure their organisation experiences due to the need in the industry to utilise a reputable supplier product for the daily execution of operations. Although it was only mentioned twice, the CEO and director of new entrants, which are also based in the finance industry, explained that it places increased pressure on their organisation as these products from reputable suppliers usually come at an exorbitant cost. The director highlighted the need for his organisation to use certain IT systems, although many other brands are available to support this function, which puts pressure on his organisation.

5.4.4.4 Summary for bargaining power of suppliers

Table 10 provides a summary of the life cycle comparison, as well as the industry comparison for bargaining power of suppliers.

Table 10: Bargaining power of suppliers – comparison

Theme	Life cycle		Industry		
	New entrant	Est. organisation	Consulting	Finance	Insurance
Cost	🟠	◐	●	●	●
Dependency	🟠	No data	●	●	●
Reputation	🟠	No data	No data	●	No data

Legend (Life cycle)
- 🟠 Experience significant pressure
- ◖ Experience less pressure
- ○ Experience no pressure

Legend (Industry)
- ● Experience significant pressure
- ◐ Experience less pressure
- ○ Experience no pressure

5.4.5 Threat of substitute products or services

The analysis of the interviews revealed only one theme for threat of substitutes that acts as a market force on the organisation. This is summarised in Figure 10, followed by a brief discussion on the findings of the theme.
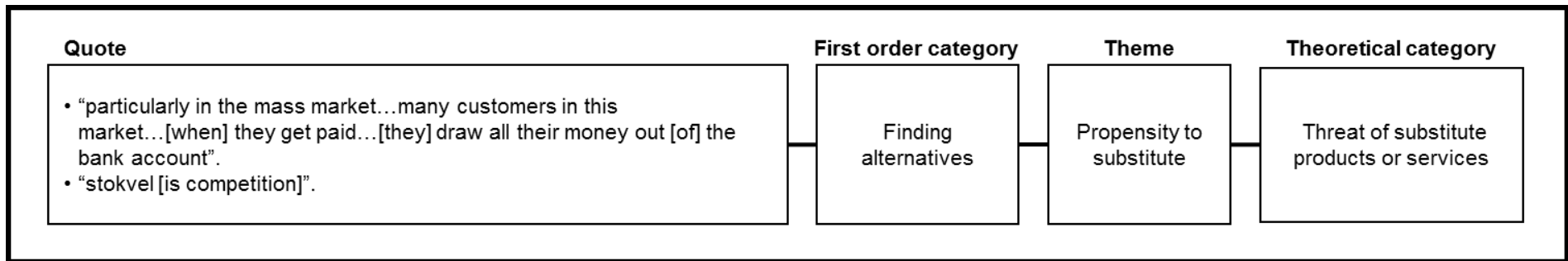
Figure 10: Threat of substitute products or services

5.4.5.1 Propensity to substitute

Only a few participants made reference to the fact that the service or product they offer can be replaced in the market. Due to the fact that only individuals in the finance industry made reference to this, a comparison across the three industries was not completed. However, a comparison between new entrants and established organisations revealed that there is no difference between the types of organisation. A CEO from an established organisation in the finance industry shared that it is difficult to build his organisation as he requires funds from clients to invest. However, he noted that "particularly in the mass market…many customers in this market…[when] they get paid…[they] draw all their money out [of] the bank account". He further explained that the "stokvel" is now a substitute to his product and service and that it poses a challenge to the achievement of meaningful outcomes.

5.4.5.2 Summary for threat of substitute products or services

Table 11 provides a summary of the life cycle comparison, as well as the industry comparison for threat of substitute products or services.

Table 11: Threat of substitute products or services – comparison

5.5   Results for research question 2: Institutional forces

Research question 2: How do institutional forces shape the strategic position of an organisation?

The aim of the second research question was to identify how various institutional forces influence the strategic position of an organisation to achieve its meaningful outcomes.

The various institutional forces, also referred to as pressures, as identified by the participants, were categorised into three theoretical categories, which include regulative, normative and cultural-cognitive pressures. In each of the theoretical categories, various themes were developed from the insights shared by the

participants. Each of the theoretical categories, as well as the themes, is discussed below.

5.5.1 Regulative pressure

The analysis of the interviews revealed eight themes for regulative pressure that acts as an institutional force on the organisation. This is summarised in Figure 11, followed by a brief discussion on the findings on each of the themes.

Quote	First order category	Theme	Theoretical category
• "So there's a fairly strict set of rules that need to get followed. Some of it is driven by regulation in terms of the financial advisory and intermediary services act". • "we have to be cognisant of how we behave because it has to be in a certain regulated framework".	Strict rules, constraint	Authority	
• "it means you can't plug and play your resources". • "we just outsource all the skills we need on a project-by-project basis".	Flexibility	Complexity	
• "when investors look at that feedback, which is independently done, we like what EO3 is doing, we want to invest in this particular business". • "the good part is your big funders or your big customers that you are chasing…the thing that gets you through the door in terms of getting a meeting or getting a chance to propose [is that you are regulated]".	Confidence, open up doors	Credibility	
• "it's a regulated product, it has a maximum interest rate you can charge, there's a minimum and maximum credit life that you can charge. From a product perspective it's very difficult to differentiate". • "the product, technically, is as it is everywhere else, but you differentiate on how you service your customer".	Commodity type, service becomes differentiator	Differentiation	Regulative pressure
• "as soon as there comes a change, we have to prioritise that and a lot of the other strategic initiatives…get pushed out as well". • "regulatory change could be seen as a challenge but also an opportunity and it does create opportunities for us".	Disruptive, deprioritise other work, bring opportunity	Frequency of change	
• "the regulator will look at the same mistake we make and, let's use BigInvestCo2…but the regulator will close us down and they will not close BigInvestCo2 down…it is because there is a systemic risk when you close BigInvestCo2…we are still too small". • "the environment is just such that always larger guys always have more muscle and there isn't an enabling environment for smaller businesses".	Size dependent, small business at a disadvantage	Consistency	
• "[people ask] what is going to be the result? What does the new regime bring?".	Volatility	Political	
• "the priority [is] we need to sustain the financials…and obviously the shareholders". • "lot of shareholder support…the shareholders had to put in extra capital that they could have used for expansions". • "our shareholders are big they…want us to behave as if we are big". • "certain conditions that EO4 has put on us that's a little bit onerous".	Conditions, shareholder support	Internal	

Figure 11: Regulative pressure

5.5.1.1 Authority

Authority refers to the participant's perception that adherence to regulation is important and noncompliance can result in severe consequences for the organisation. Organisations feel the need to adhere to the proposed regulation as it could adversely affect the achievement of meaningful outcomes.

A comparison between the responses from the participants across the three industries indicated that individuals in the finance and insurance industry felt that the authority of the regulator is strong, whilst unsurprising, the participants in the consulting industry made no reference, given the lack of regulation in the industry.

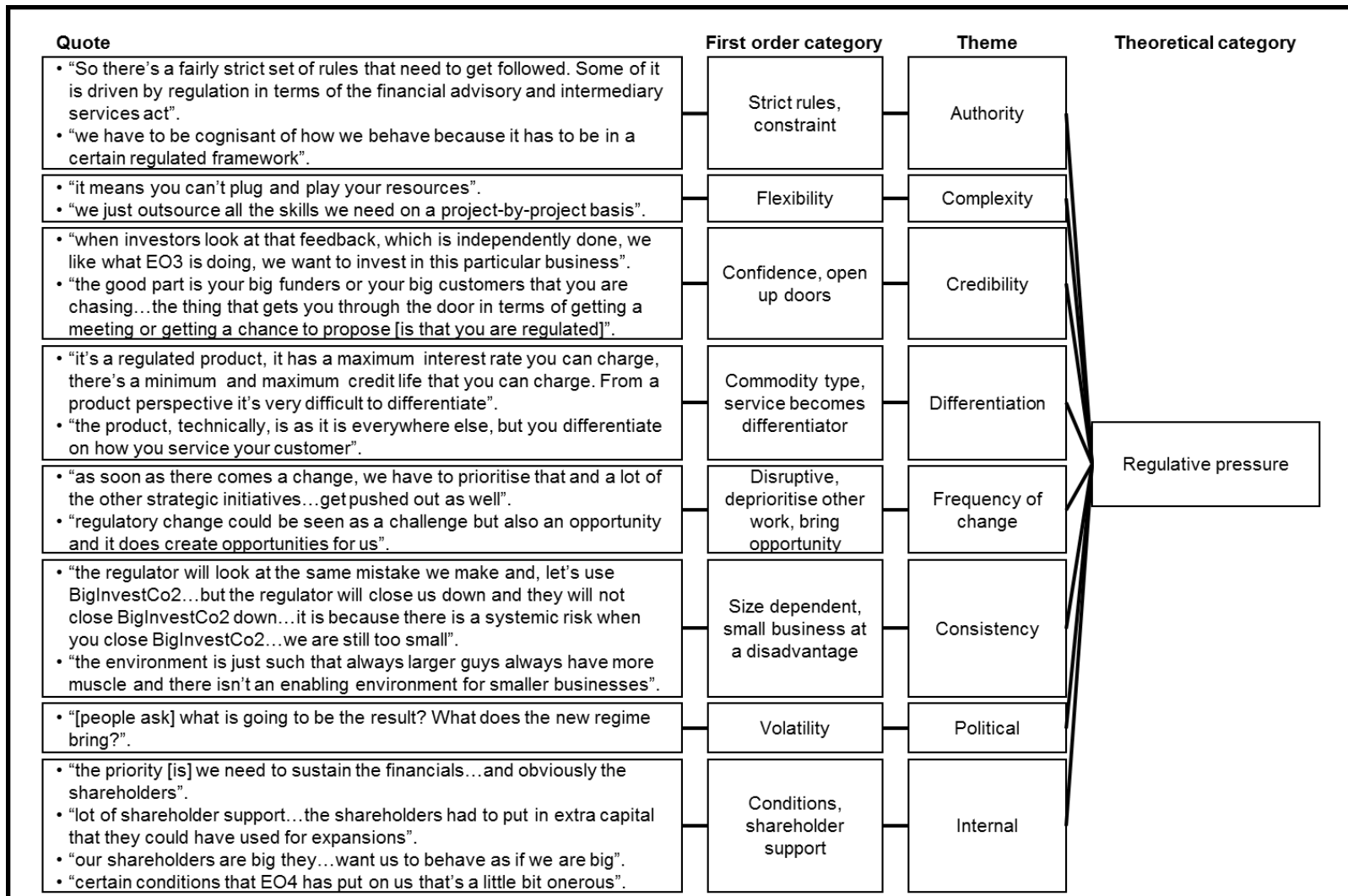A comparison between new entrants and established organisation indicated that participants from both organisational types felt that regulation is important and that adherence to the regulatory requirements is paramount to the achievement of their meaningful outcomes. A senior executive from an established organisation confirmed this by stating that "[they] just need to make sure that the business [they are] doing is compliant within the laws and regulations, and not found wanting…[a] key strategy objective is that [they] have to have a zero-tolerance in terms of non-compliance", whilst another participant from an established organisation said the "credential authority is so strong…with that big stick". This view was shared by new entrants.

5.5.1.2 Complexity

The complexity of regulation was a frequent point of mention by the individuals interviewed, and the analysis of the data found that it provides both opportunities to organisations as well as challenges.

A comparison between the three industries revealed that the responses from the participants in the consulting industry were limited to labour laws and government policies such as tax incentives. One director explained his frustration when he referred to "the headache of going…to the CCMA" when he wants to remove somebody from his organisations due to the tough economic conditions. However, all participants from the insurance industry complained about the complex regulation and the pressure it is exerting on their organisation, whilst only one participant from the finance industry made this reference.

The complexity of regulation, and the challenges and opportunities it brings, were evenly shared between new entrants and established organisations. One participant from a new entrant indicated that the complexity brings opportunity when he stated

that "a lot of people who use [their] fund administration services just don't understand the law and they just say, Ok, well, you just handle it for us". The individual continued to explain that his organisation would recruit skills that are able to interpret the complexity, which allows his organisation to differentiate itself. However, another participant from a new entrant shared challenges when they stated that the "[clients] don't necessarily want to do business if the compliance complexity is too high".

5.5.1.3 Credibility

The perception of some of the individuals interviewed indicated the presence of a force where the adherence to regulation provides credibility to their organisation.

None of the participants from the insurance industry made reference to the fact that regulation provides credibility; however, participants from both the consulting and finance industries indicated that compliance to regulation provides their organisation with credibility to clients and gives credibility to partners.

Participants from new entrants indicated that they leverage adherence to regulation to obtain client credibility much quicker. For example, one participant indicated that "one of the things that gets you through the door in terms of getting a meeting or getting a chance to propose" is the fact that the organisation complies with regulation. Another individual from a new entrant shared that the client uptake would improve based on "the way the company has been structured…to comply to a due diligence financial institute". However, this was not limited to the new entrants as one participant from an established organisation indicted that business would also improve as it would be "informed by the good ratings review that [they] got" from the Ratings Agencies.

5.5.1.4 Differentiation

Some interviewees indicated that regulation does not offer them the opportunity to differentiate their products. A comparison between the three industries indicated that participants in both the finance and insurance industries felt that regulation is strict, and it does not allow the organisation to differentiate their products, whilst no participants from the consulting industry made reference to this. However, one senior executive indicated that "[they] differentiate on how [they] service [their] customer and how [they] treat [their] customer and the advice [they] give".

The comparison between new entrants and established organisations revealed that participants from both types of organisations felt that the regulation does not allow them to differentiate their product offering. One senior executive in the finance

industry explained that "[they are] not a very distinctive business and the industry is actually not very distinctive, so most players in [their] industry offer the identical product". However, one participant from a new entrant indicated that the lack of differentiation on the product offering forces her organisation to differentiate on service.

5.5.1.5 Frequency of change

None of the participants interviewed challenged the need for regulation. However, the interviews did reveal a significant amount of discomfort by the number of times the regulation is changed. A CEO shared that "the challenge lies in the amount of regulatory change and being able to, as an organisation, effectively adapt".

None of the consulting participants made reference to the frequency of change in regulation. However, both insurance and finance participants did, with one CEO in the insurance industry indicating that "once those [changes] begin to take effect, there's an element of adaptation that needs to function in such a way, that those challenges don't cripple the business".

A comparison between new entrants and established organisations revealed that participants from established organisations were more vocal about the challenges experienced due to the pressure from regulatory change. All participants from the established organisations raised this as a concern, whilst only one individual from the new entrants raised it. The main concern raised by these participants was that many staff members would have to redirect current priorities and focus on implementing the changes to ensure compliance. Some individuals from established organisations indicated that, because of the size of their operation, this would be a hindrance and that "if there's any regulatory issues [they've] obviously got to have [a] big focus on that". However, some established organisations embraced the high frequency of regulatory change as it provided them with new opportunities.

5.5.1.6 Consistency

The consistency in the application of regulation was also brought up by the interviewees. Participants explained that the regulator would, at times, surprise them with decisions, and as a result this would have some sort of consequence on the organisation.

An analysis across the three industries indicated that the consulting industry made no reference to the inconsistency of application; however, the insurance and finance sectors shared their concerns equally that regulation is, at times, applied inconsistently.

Some participants from both new entrants and established organisations felt that the pressure exerted by regulation was not consistently applied to organisations. One participant from a new entrant was vocal about the inconsistency of application when she stated that "[they] were delayed in launching because of regulatory challenges". In addition, one participant from a new entrant felt that established organisations are given preferential treatment when it comes to enforcing regulation. Another participant from an established organisation was also unhappy with the inconsistency in application but referred to illegal organisations when he said that "the challenge with regulation is, they [are] regulating the good guys but they [are] not regulating the bad guys".

5.5.1.7 Political

All participants highlighted at some point during the interview their dissatisfaction with the political landscape in South Africa, and shared that it is not good for their organisation. For example, one individual said that the "political environment in South Africa is not conducive at the moment", whilst another said that the "political situation is volatile".

Comparing the three industries revealed that none of them are completely resistant to the forces from political influence. In addition, one individual from the consulting industry felt that "there is a negative, let's say attitude, against consulting or services as a whole" from the political realm.

A comparison between new entrants and established organisations revealed that new entrants were a lot more sensitive to political influence. For example, one participant from a new entrant shared that they would place a lot of focus in their business on a certain product offering. However, if this area is threatened through adverse political comments, it would pose a significant risk to their organisation. To mitigate the political risk, one CEO shared that "with the benefit of hindsight, [they] should have started three or four [products] at the same time". Participants from established organisations felt they were also not immune to the political environment.

5.5.1.8 Internal

The final dimension on regulative pressure being exerted on organisations is internal to the organisation, imposed by the shareholders of the organisation. As one participant stated with reference to shareholder value, "[they] need to have made enough or shown enough traction to make for a good story". A comparison between the three industries revealed that all participants from consulting, insurance and finance felt that they experience a pressure from the shareholders to deliver shareholder value.

A comparison between new entrants and established organisations revealed that both types of organisations experience significant internal pressure from shareholders to achieve shareholder value. One director from a new entrant shared that he drives towards the achievement of "proper shareholder value", whilst a participant from an established organisation highlighted that she would often have conversations with her shareholders where they would simply state "well, actually, [they] need a return, so what are [they] going to get at the end of the day". In addition to the above, participants from new entrants shared that they experience an additional force from their shareholders who impose various requirements on the organisation. One CEO from a new entrant explained that he is obligated by the shareholder to use a certain type of technology system.

5.5.1.9 Summary for regulative pressure

Table 12 provides a summary of the life cycle comparison, as well as the industry comparison for regulative pressure.

Table 12: Regulative pressure – comparison

Theme	Life cycle		Industry		
	New entrant	Est. organisation	Consulting	Finance	Insurance
Authority	🟠	🟠	No data	⚫	⚫
Complexity	🟠	🟠	⚫	⚫	No data
Credibility	🟠	◐	⚫	⚫	⚫
Differentiation	🟠	🟠	No data	⚫	⚫
Frequency of change	◐	🟠	No data	⚫	⚫
Consistency	🟠	🟠	No data	⚫	⚫
Political	🟠	◐	⚫	⚫	⚫
Internal	🟠	🟠	⚫	⚫	⚫

Legend (Life cycle)
🟠 Experience significant pressure
◐ Experience less pressure
○ Experience no pressure

Legend (Industry)
⚫ Experience significant pressure
◐ Experience less pressure
○ Experience no pressure

5.5.2 Normative pressure

The analysis of the interviews revealed six themes for normative pressure that acts as an institutional force on the organisation. This is summarised in Figure 12, followed by a brief discussion on the findings on each of the themes.

Quote	First order category	Theme	Theoretical category
• "we started to publish articles with regards to our success stories…I think it brings more of the trustworthiness". • "there's an industry body…they listen to the advice of some of their members but much more from some than others…there's a real sense that the established players are setting up hurdles". • "[he] sit[s] in other industry bodies where [he is] championing the message. [He is] pushing the message through to them…in fact what [they're] doing is creating barriers to the market".	Publish articles, Use of industry body, industry barriers	Accreditation	
• "there were forces within the organisation that said…let's just carry on with what we are doing…but there were stronger forces actually that were actually convinced we need to do it".	Challenging the status quo, thought leadership	Work habits	
• "I will rather delay the decision and make the right one than to rush a decision and make the wrong one". • "there is a sense that potentially…to get some business from the larger institutions one might need to be corrupt".	Due diligence, corruption	Ethical conduct	Normative pressure
• "these are the core values". • "it's a fairly stated objective of ours that we want to remain a sustainable employer". • "all of that [advertising] had the same kind of slant, which is very much that we want things that are good for everyone".	Sustainability, mutual benefit	Values	
• "finding the right talent is difficult…talent doesn't want to leave a big [organisations]…they would rather shift when that business has just become an BigInvestCo1".	Employees prefer large organisations, high salaries	Staff expectations	
• "what doesn't help us is the fact that you might hear of scandals, such as forex trading, you might hear of other scams that are out there and that adds to the lack of trust". • "so you need to build your brand whilst building the confidence of the financial services organisation". • "the game here is about confidence. So confidence and trust…the first thing you need to worry about in insurance is the ability for people to trust you".	Everyone is responsible, trust must be built	Institutional reputation	

Figure 12: Normative pressure

5.5.2.1 Accreditation

The need for accreditation was highlighted by some individuals to promote trustworthiness in their value proposition, whilst others shared that professional bodies can be leveraged to put pressure on other organisations.

A comparison between the three industries revealed that participants from consulting made no mention of accreditation, whilst participants from the insurance and finance industries agreed on the need for accreditation with professional bodies.

A comparison between new entrants and established organisations indicated that participants from new entrants felt a far greater need for accreditation with professional bodies. This was observed as only one participant from an established organisation made mentioned of this, whilst most participants from new entrants did. For example, one director stated that "one thing that is counting for [them]…[is] the fact that [they] are qualified". Another director agreed, but added that they would make an active effort to publish articles to build trust. However, participants from new entrants also shared their challenges with the professional bodies and that it puts additional pressure on their organisation. He explained that:

> …some of [their] larger competitors…employ these bullying tactics through some industry bodies that they're part of…where they try and make laws, which…clearly…discriminated against smaller businesses. It's clearly in the benefit of large businesses…so it's a high hurdle for small businesses that try to compete.

5.5.2.2 Work habits

Most participants during the interviews shared some of their habits at their place of work that is either contributing or hindering their achievement of meaningful outcomes. A comparison between the three industries revealed that participants expressed similar views.

A comparison between new entrants and established organisations revealed that participants from both types of organisations felt that habits in their organisations either contribute or hinder the achievement of meaningful outcomes. One CEO from a new entrant shared that he would encourage thought leadership in his organisation and explained he embedded this habit in the organisation by telling staff "[they] must always leave space in [their] day to think, space in [their] day to research something that is of interest". The CEO further explained that this benefits his organisation.

Another director from an established organisation explained they have embedded a habit in their organisation that promotes continuous improvement.

5.5.2.3 Ethical conduct

All participants in the interviews that highlighted ethical conduct, also indicated the importance and the need for it. However, the interviewees shared mostly challenges on ethical conduct when conducting business. Some interviewees shared that ethical conduct is an internal problem to the organisation, whilst others revealed that there is a significant amount of pressure from external stakeholders to conduct business in an unethical way.

A comparison between the industries revealed that participants from all three industries felt that there is significant pressure to conduct business unethically. One director from the consulting industry highlighted that "greed" is a problem and that the "value" delivered by some consulting organisations is "completely disproportionate" to the cost. Participants in the insurance and finance industries shared similar stories.

A comparison between new entrants and established organisations revealed similar pressures, although participants from new entrants were more vocal. More than twice the number of participants from new entrants referred to it. Participants from new entrants were specifically vocal about the need to conduct proper due diligence when partnering with other organisations. For example, one director from a new entrant explained that:

> …when [he] met with potential partners last week they said: 'But [he is] asking too many questions'. [He said] it is part of what [they] are supposed to do. [They have] to kick the tyres. If [he is] not asking the right question, then [he has] not done [his] job.

5.5.2.4 Values

All participants spoke glowingly about the values in their respective organisations and that it contributes towards the achievement of their meaningful outcomes. In addition, participants noted the importance of communicating these values to all stakeholders.

A comparison between the three industries indicated that participants expressed similar views on values. Participants in all three industries felt that values are paramount to conducting business.

A comparison between new entrants and established organisations indicated that participants from both types of organisations felt values are important. For example, one senior executive from an established organisation stated that "it's a fairly stated objective of [theirs] that [they] want to remain a sustainable employer". In addition to the belief that values are important, participants from new entrants shared the importance of finding partners that have values that are aligned to theirs. A director from a new entrant highlighted the need for partners when conducting business and shared that the secret is to "find likeminded entities whose objectives are aligned to what [they] want to deliver".

5.5.2.5 Staff expectations

The interviews also revealed the pressure being faced by new entrants based on the expectations from employees. The pressure from staff expectations was observed in all industries, with participants highlighted the same challenges.

Some participants from new entrants explained that the expectation from employees on certain area puts a lot of pressure on them. For example, one CEO from a new entrant explained how the salary expectation from staff puts pressure on her organisations. She stated that this is a challenge for her as her staff "want to be paid a heck of a lot of money" due to the perception created by established organisations, which she often cannot afford. Furthermore, it was also revealed that some participants felt the pressure from established organisations due to the fact that some employees would rather want to be associated with established organisations. This was understood when the individual stated that "consultants want to go to EO2 or BigConsultCo1".

5.5.2.6 Institutional reputation

During the interviews, participants made reference to their broader industry and highlighted that it contributed towards the achievement of their meaningful outcomes. Although all participants referred to it, many struggled to give it a name. For example, some participants simplify referred to it as a "thing", whilst another participant called it "our own name", but he was quick to correct not the name of his organisation. However, others felt comfortable to give it a title. One senior executive called it "this industry" and a director referred to it as a "field", whilst a CEO said that "[he is] grateful for, for the institutions in this country…they breed confidence".

A comparison between the industries revealed that participants in all three industries felt that they require the industry around them to do well, in order for them to achieve meaningful outcomes.

All participants from new entrants concurred that they need established organisations to do well in order to build confidence in the industry. Upon asking a CEO from a new entrant, who also happens to be in the insurance industry, what is a factor that contributes to his organisation's achievement of meaningful outcomes, he responded by saying "the success of other insurers". Requesting for further clarity, the CEO explained the challenges he faces due to the legal cases between [BigInvestCo1] and [the senior executive]. He stated that "there has been this nonsense in the last week, two weeks with [the senior executive] fighting…so that to us is a problem. Yes, it's nice when they are fighting and this is their issue, but it erodes confidence". The participants from new entrants explained further that the damage to the institution places a significant amount of pressure on their organisations to achieve meaningful outcomes. However, the sentiments were not limited to the new entrants. All participants from established organisations agreed with the new entrants and explained that they also need their established counterparts, as well as the new entrants, to do well.

5.5.2.7 Summary for normative pressure

Table 13 provides a summary of the life cycle comparison, as well as the industry comparison for normative pressure.

Table 13: Normative pressure – comparison

Theme	Life cycle		Industry		
	New entrant	Est. organisation	Consulting	Finance	Insurance
Accreditation	● (significant)	◐ (less)	No data	● (significant)	● (significant)
Work habits	● (significant)	● (significant)	● (significant)	● (significant)	● (significant)
Ethical conduct	● (significant)	● (significant)	● (significant)	● (significant)	● (significant)
Values	● (significant)	● (significant)	● (significant)	● (significant)	● (significant)
Staff expectation	● (significant)	○ (no pressure)	● (significant)	● (significant)	● (significant)
Institutional reputation	● (significant)	● (significant)	● (significant)	● (significant)	● (significant)

Legend (Life cycle)
- ● Experience significant pressure
- ◐ Experience less pressure
- ○ Experience no pressure

Legend (Industry)
- ● Experience significant pressure
- ◐ Experience less pressure
- ○ Experience no pressure

5.5.3   Cultural-cognitive pressure

The analysis of the interviews revealed three themes for cultural-cognitive pressure that acts as an institutional force on the organisation. This is summarised in Figure 13, followed by a brief discussion on the findings on each of the themes.

Quote	First order category	Theme	Theoretical category
• "traditionally we were known largely as a human capital business, then our initial client is usually the HR executives…[however], we started on operating model design. So operating model design does not sit in HR". • "we are not known as a, with everyone, as a business consulting entity". • "there is an element that says that [the clients] don't want [their] bank to know about that. So although they banking with, I mean probably forty percent of [their] customers bank with BigInvestCo5".	Organisations get labelled, historic behaviour counts	Assumptions and beliefs	Cultural-cognitive pressure
• "very few people [in Nigeria] want to interact with insurance, very [few] people [in Nigeria] have confidence that insurance is going to, is going to make their lives different". • "there's not one industry anywhere in the world that is not currently either on a digital journey, thinking about digital, starting of a strategy and everyone's struggling with it". • "[there is a] need within companies for data, for business intelligence, for the knowledge behind the scenes". • "I just need to know I'm going to be buried and so I go to a funeral parlour and I pay my monthly membership fee and they must bury me". • "strong cultural affiliation for funeral business".	Trust, digital culture	South African culture	
• "it is not necessarily copying what competitors are doing. It is just about rethinking. I think you are sort of forced to sort of rethink the way you are perceived in the market on a continuous basis". • "we said we are going to drive the company for scale. And looking at the scale with some experience which I got myself by spending time in Silicon Valley". • "[competition is] probably assisting…because it's driving [them] to deliver quicker".	Observing competitors, mirroring what they do, differentiate from competitors	Competition	

Figure 13: Cultural-cognitive pressure

5.5.3.1 Assumptions and beliefs

Some individuals during the interviews explained the presence of a force when assumptions and beliefs from clients and employees affect their organisation's pursuit towards meaningful outcomes.

Analysing the responses from the participants across the industries indicated that all three industries experience some sort of pressure or force from client or employee assumptions and beliefs.

A comparison between new entrants and established organisations also showed that both types of organisations are subjected to client and employee beliefs or assumptions. One director from a new entrant highlighted that his organisation's inherent belief towards a sustainable business provides them with an advantage. He said that "[they are] willing to do that; whereas other people, they are very concerned about their current earning and they potentially have high overheads that they have to pay". In addition, a senior executive from a new entrant shared her frustration on working with some clients, as these clients have earmarked her organisation to deliver only on a specific value proposition. According to this senior executive, these assumptions by clients are based on previous work done. She also shared that her organisation has expanded on its value proposition, but that they are finding it difficult to convince clients that they are capable of delivering a greater scope of work.

5.5.3.2 South African culture

Culturally induced forces were also topical with interviewees. The participants suggested that the client's culture is a significant contributor towards their achievement of meaningful outcomes.

A comparison between the industries revealed that participants from the insurance industry were the most vocal about the benefit they receive from culture forces. Although participants from the consulting industry did not make any reference to cultural forces, they did speak extensively on a drive towards the digital age, which is building a digital culture in organisation and this drive is contributing towards their achievement of meaningful outcomes.

A comparison between new entrants and established organisations revealed an equal representation between the two types of organisations. Participants from both new entrants and established organisations felt the culture of their clients contributed towards the achievement of meaningful outcomes. One CEO from a new entrant explained that "[they are] lucky that [they] actually have a customer base that is

willing to buy insurance". Another senior executive, also from a new entrant agreed, but called it a "market mind-set". She then highlighted that she believes "South Africans are ready for the product and the solution [they are] offering", and suggested that this force plays an important role in their success.

5.5.3.3 Competition

The presence of competition was a significant discussion point during the interviews. Interviewees highlighted that the presence and actions of competitors are putting pressure on their organisation to mirror or avoid certain behaviour. For example, one participant shared that the competition is "growing quite quickly, so [they're] having to… [do] a lot of the stuff", whilst another said that he "think[s] competition for [them] has been, if [he] think[s] back to [his] business specifically in what it has forced [them] to do over the last couple of years".

Participants from all three industries spoke extensively on the need to be aware of the actions from competitors. For example, one director in the consulting industry explained that although he is aware of the competitors, he is not so much replicating them.

A comparison between new entrants and established organisations showed that participants from both types of organisations spoke extensively on the need to be aware of what the competitors are doing. However, the responses from new entrants suggested they enter the market on a proposition that is different to the current offerings, while the responses from established organisations revealed that they need to constantly change to keep up with these new entrants. A CEO from a new entrant explained that he had to be different in the market to achieve meaningful outcomes. He said that "how do [they] distinguish, make sure that what [they offer is] distinct from [their] other competitor[s]".

5.5.3.4 Summary for cognitive-culture pressure

Table 14 provides a summary of the life cycle comparison, as well as the industry comparison for cognitive-culture pressure.

Table 14: Cognitive-culture pressure – comparison

Theme	Life cycle		Industry		
	New entrant	Est. organisation	Consulting	Finance	Insurance
Assumptions and beliefs	🟠	🟠	⚫	⚫	⚫
South African culture	🟠	🟠	⚫	⚫	⚫
Competition	🟠	🟠	⚫	⚫	⚫

Legend (Life cycle)
🟠 Experience significant pressure
◓ Experience less pressure
◯ Experience no pressure

Legend (Industry)
⚫ Experience significant pressure
◑ Experience less pressure
◯ Experience no pressure

5.6 Results for research question 3

Research question 3: Given the market and institutional forces, how do organisations orchestrate internal resources to achieve a strategic position of optimal distinctiveness, leading to superior performance?

This research question was to address three parts of the research. Firstly, the research question aimed to obtain a deeper understanding of how organisations, given the influence from various market and institutional forces, orchestrate their internal resources. Secondly, a deeper understanding was sought on how the various internal resources are orchestrated to achieve a strategic position that is optimally distinct – being different enough to be competitive, whilst being similar enough to be recognised. Thirdly, from a strategic position that is optimally distinct, the research question also aimed to answer what superior performance is being achieved and for whom is it being achieved.

The various internal resources, as identified by the participants were categorised into three theoretical categories, which include physical capital resources, human capital resources and organisational capital resources. In each of the theoretical categories, various themes emerged from the insights shared by the participants. Each of the theoretical categories, as well as the themes, is discussed below.

5.6.1 Orchestration of internal resources: Physical capital resources

The analysis of the interviews revealed three themes with regards to physical resources in the organisations. This is summarised in Figure 14, followed by a detailed description of each theme.

Quote	First order category	Theme	Theoretical category
• "if you look at…BigInvestCo1 for example or BigInvestCo3…they are also physically present in places like the airport. So when you are travelling…naturally travelling has a lot of trust associated with it…you trust the airline, you trust the pilot and you are seeing an advert about trust is earned from the likes of BigInvestCo3". • "we would put containers down, we serviced [the clients] out of the containers, we did all of those kind of things and we found that the client was okay with it. They look at brand, as long as they can see it". • "often highlight that in order for [the clients] to feel that sense of comfort, of engaging with one company over another, it's your presence in [their] community or are [they] present in [their] environment. Do you have physical infrastructure, are [they] visible?".	Being seen, creating a physical presence	Physical assets	
• "we have operations outside South Africa…where we then share experiences…to say, this is how they are doing it there, and this is how it has helped people". • "we deliberately chose the name NE7…because there's affinity within this market segment, mass customers to BigInvestCo6 already and it's simply the name and EO4…by virtue of extension, so it's not a direct link, but people know the NE7 name and we're saying, if we had gone to market with a name like [Noname] insurance, you wouldn't have known who we are, so then we must build credibility from the ground up". • "with the BigInvestCo6 name comes…decent funding and then there's EO4 that also brings the experience and the surety in terms of our back-end support".	Beyond borders, partnerships	Geographic footprint	Physical capital resources
• "what we'll be looking at if we need to expand our reach is…we look into the digital tech to be able to take that step forward. You know, everyone [has] a device in their hand". • "one of the things we did recently is we invested heavily in building solutions, digital solutions…building up that credibility and we are now being recognised…[the clients] now see us as credible advisors in that industry". • "we have two licenses…we have legacy business on one system and we have new business on another system. To try and get them all to talk to each other is really tricky". • "some of the smaller guys are at an advantage…they don't have this big legacy [problems]".	Going digital, invest to create credibility, legacy problems	Technology	

Figure 14: Physical capital resources

5.6.1.1 Physical assets

Some of the interviews revealed that the ability for organisations to demonstrate a tangible presence with clients promotes the achievement of their meaningful outcomes. A comparison between the responses for the three industries showed similar findings. In other words, participants from consulting, finance and insurance expressed similar thoughts on physical assets.

Some of the interviewees from new entrants saw their lack of physical presence as a challenge and a disadvantage compared to established organisations. A CEO from a new entrant shared their frustration with having a lack of tangible assets. Although the individual acknowledged that "[challenges] are faced by all other organisations", he continued and stated that these same challenges "are much more pronounced because [they] are small". Conversely, all the participants from established organisations that made reference to physical presence highlighted the benefit of a large physical presence. A participant from an established organisation even went as far as to say that a wide geographic footprint for "client service and…operational ability" through physical presence is "just a ticket to the game". A CEO from an established organisation also noted that "[clients] look at brand, as long as they can see it…so as long as [they] can see that there is somewhere [they] can go to be serviced, [they are] happy". A senior executive, also from an established organisation, but with limited budget for infrastructure expansion, shared how they manage their lack of physical presence. He stated that they have been successfully using digital platforms to expand their reach to client where they do not have infrastructure.

5.6.1.2 Geographic footprint

Generally, the interviews revealed that participants felt that the ability of an organisation to have a wide geographic footprint contributed towards the achievement of their meaningful outcomes. One interviewee made reference to the wide footprint when he shared that he believes "building trust is also about being out there to a large extent". The benefit to organisations was understood when one interviewee stated that "obviously the fact that [they] are a global firm really helps", whilst another shared the benefit of being a "Cape to Cairo organisation". These organisations indicated that they are able to quickly obtain skilled resources and resources from other offices to augment projects in their region.

A comparison between the three industries indicated that participants from the consulting industry felt that an international footprint results in a significant benefit to achieve their meaningful outcomes. On the other hand, the finance and insurance industries were somewhat indifferent, although one participant from the finance industry did indicate that it is useful to have an international footprint, to learn from the "experiences in that environment".

A comparison between new entrants and established organisations indicated that participants from established organisations felt a wider footprint provided them with a distinct advantage. For example, one senior executive from an established organisation explained that they are able to use these experiences and share the actions implemented with the regulator to help convince the latter on policy changes. A director from an established organisation indicated that "if [he has] a very big transformation program that [he is] bidding for, it is not that difficult to bring the best [of] EO1 globally". However, some individuals from new entrants acknowledged the challenges they faced but shared an interesting method of how they manage to expand their geographic footprint without themselves owning the wide footprint. One participant indicated that they deliberately selected specific shareholders on the basis of their geographic footprint, reach and credibility. The participant further stated that shareholders that are wealthy bring decent funding. In addition, established organisations as a shareholder to new entrants also bring the experience and the surety.

5.6.1.3 Technology

All participants in the interviews spend a considerable amount of time to address the need for technology advancements and the ability to have strong technological capabilities in the organisation. The interviewees went on to discuss the growing need from clients to utilise digital platforms to conduct business. One CEO shared that clients sometimes want "an app, sometimes they want it on the intranet" of their respective organisations. In response, one participant indicated that they have "deliberately set-out to be completely digital". As discussed above, one senior executive also shared the benefit of strong technology to expand the organisation's reach to clients, where physical infrastructure was lacking.

Across the three industries, there was equal reference to the importance of technology. This means that participants from the consulting, insurance and finance industries all felt that the use of technology is critical towards the achievement of their meaningful outcomes.

A comparison between new entrants and established organisations indicated that participants from established organisations felt much stronger about the need to leverage technology to compete with new entrants. For example, one participant from an established organisation emphasised the importance of technology "where you are having new entrants - these small, agile, nimble players that are coming in and that are disrupting the old operating models". Other participants, also from the established organisations, highlighted their technology and legacy problems. One participant shared his frustration when he stated "[he] think[s] digital was one of the areas where [they have] felt that [they] are not really gaining traction". Another participant from the established organisation also felt that new entrants have an advantage as they do not have to deal with legacy. Finally, participants from new entrants also noted the importance of leveraging technology to reduce cost, which provides them an opportunity to compete with established organisations. The interviewee from a new entrant said that they have, as an organisation, decided to "sell using tablets, [they are] going to have advisors on the ground, but when they go and meet a customer there is not going to be any paper exchanged" to reduce operational cost.

5.6.1.4 Summary for physical capital resources

Table 15 provides a summary of the life cycle comparison, as well as the industry comparison for the physical capital resources.

Table 15: Physical capital resources – comparison

Theme	Life cycle		Industry		
	New entrant	Est. organisation	Consulting	Finance	Insurance
Physical assets	◐(orange full)	◐(orange full)	●	●	●
Geographic footprint	◑(orange half)	◐(orange full)	●	◑	◑
Technology	◐(orange full)	◑(orange half)	●	●	●

Legend (Life cycle)
- ● (orange) Experience significant pressure
- ◑ (orange) Experience less pressure
- ○ Experience no pressure

Legend (Industry)
- ● Experience significant pressure
- ◑ Experience less pressure
- ○ Experience no pressure

5.6.2   Orchestration of internal resources: Human capital resources

The analysis of the interviews revealed five themes with regards to human capital resources in the organisations. This is summarised in Figure 15, followed by a detailed discussion on each theme.
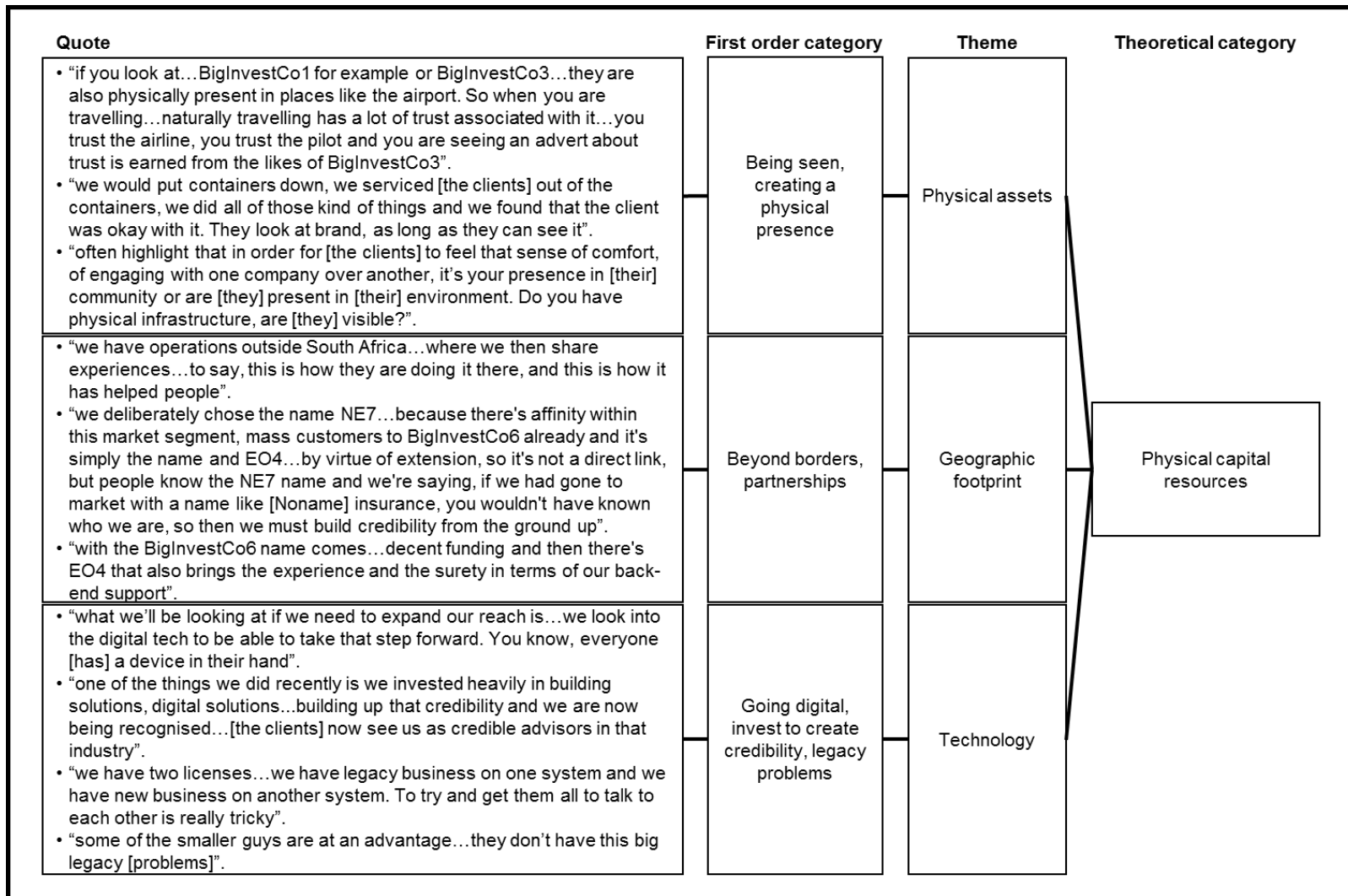
Quote	First order category	Theme	Theoretical category
• "people who have deep skills that I am already working with". • "talent that I am working with is exceptional". • "[getting] the right capability in an environment to actually do meaningful work".	Highly skilled, getting the right skills	Staff acquisition	
• "[we] put in a lot of investment and money to try and equip [the employees] and skill them appropriately". • "we constantly challenge ourselves in terms of the new skills that we need to develop". • "[I] spend 33 percent of my time on people, just really focusing on managing Q&A, just developing [them]".	Invest in training, building new skills, coaching	Training of staff	
• "a really competent executive leadership team. Our board has said on numerous occasions that the executive team of EO3 deserves to be running a bigger business". • "wealth of experience within this organisation. People have been around, they've been at competitors, they've been here". • "she is extremely experienced just overall. With regards to her background in the working world, coming from CEO positions, MD positions and so forth". • "we have been in a position where bringing in people who could just step into that role were too expensive".	Highly experienced, targeting experience, high cost	Experience	Human capital resources
• "there's not enough hours in the day". • "there's a lot, I think on the go and we are very, sort of, thinly spread". • "[projects] actually [have] been in the pipeline for years. But, you know…when we got other big projects on hand, [the smaller projects] unfortunately kind of gets pushed to the bottom".	Limited time, deprioritising projects	Capacity	
• "because of the credibility [of the management team], we have been able to attract talent which is a good thing, people want to come to us". • "we have that relationship with the client". • "[building relationships is a] time game and how often are you engaging with the customers". • "[spending time] at clients to really focus on understanding what the real pain points are, what they're struggling with, to remain relevant in this industry". • "appointed a person relevant for cold calling and meeting set-ups…to get our networking and our presence out there and meeting the right people".	Attract talent, client relationships, time dependent, understanding client problems	Relationships	

Figure 15: Human capital resources

5.6.2.1 Staff acquisition

Almost all interviewees spoke highly of the skilled employees in their organisation. This suggested that the individuals have significant access to skilled individuals to support the operations of the business. However, some interviewees did suggest that the access to skilled staff is not unlimited, and, one interviewee stated that "the real competition for [them] is about the talent, about the human capital, because that's all [they] have".

A comparison between the industries indicated that participants in all three industries emphasised the need to acquire skilled individuals. However, participants in the consulting industry emphasised this need the most, followed by finance and insurance.

Analysing the difference between new entrants and established organisations revealed that participants felt that both new entrants and established organisations are under significant pressure as they are competing for the same skills, and therefore the same individuals. One participant from an established organisation said that "[they] are now competing directly with the start-ups, the large tech companies, the big ones and even [their] clients for those skills. And so that's the real one of the challenges".

5.6.2.2 Training of staff

Almost all participants revealed the importance of training staff members comprehensively to ensure meaningful organisational outcomes are achieved. One senior executive confirmed the need for training due to "the skill set to do the level of consulting that [they] do, the complexity of [their] solutions, and the complexity with the clients [they are] dealing with". The participants in the interviews also highlighted the need to spend their time with direct reports to help train and coach individuals.

Participants from all three industries highlighted the importance of training to ensure staff can contribute to the achievement of meaningful outcomes.

A comparison between new entrants and established organisations revealed that participants felt that established organisations tend to have better coaching opportunities and training methods. A participant from an established organisation said one of his priorities is "to develop talent, both within [their] own organisation, meaning kind of educating, coaching and apprenticing at the end of the day a new generation of consultants". When asking a participant from an established

organisation about his organisation's ability to train employees to achieve meaningful outcomes, he responded by saying that "it is extremely…strong and organised".

5.6.2.3 Experience

Experience was also emphasised by some of the interviewees as key to conduct business. One participant when prompted about the factors contributing towards the achievement of meaningful outcomes, stated "its experience". Furthermore, the requirements of a strong leadership team were also mentioned by some of the participants.

A comparison between the three industries of consulting, insurance and finance revealed that participants in each industry believed that experience matters, and it provides an organisation with an advantage.

The importance of staff experience was highlighted equally between new entrants and established organisations. Some participants from established organisations boasted about the significant experience they, as well as their staff members, possess. Participants from new entrants did highlight the lack of experienced staff members as a challenge. To manage this challenge, one participant from a new entrant noted that he headhunted an individual as "she is extremely experienced", whilst another participant from a new entrant explained that "[they] are deliberately choosing experienced advisers" when recruiting. However, new entrants also indicated that sourcing experienced individuals comes at a significant cost, often too expensive for them to afford.

5.6.2.4 Capacity

The ability to have additional capacity for other value-adding activities was highlighted as a challenge by the participants. Many individuals complained about not having enough capacity to do all the activities they wanted to do for the organisation.

Comparing the three industries revealed that none of the participants from the insurance industry highlighted capacity as a constraint. However, participants in the consulting and finance industries did indicate that both their capacity, as well as that of their staff, is often constrained.

A comparison between new entrants and established organisations indicated that participants felt both are equally affected by staff capacity. On the one hand, a participant from an established organisation highlighted that certain projects have been in the pipeline for years, but due to resource constraints do not get done. On the

other hand, a participant from a new entrant stated that the "capacity with the employees" is a challenge for his organisation, whilst another participant from a new entrant said that her staff do not "always have the luxury of time". As a solution to the limited time available to staff, one new entrant explained that he would outsource specific deliverables.

5.6.2.5 Relationships

All interviews referred extensively to the need for relationships to enhance business, not only within the organisation, but also external to the organisation. Participants highlighted the need to build strong relationships with employees, partners and clients in order to achieve meaningful outcomes. One participant suggested that the strong relationships, internal to the organisation, "[promotes] a good work ethic". In addition to the better organisational efficiency, one participant noted that good external relationships provided credibility to an organisation, which was used in her organisation to attract skilled individuals.

A comparison of the responses from the interviewees across industries, showed that participants expressed similar views, although participants in the consulting industry mentioned the need for relationships most frequent, followed by insurance and finance.

Comparing new entrants and established organisations revealed that participants expressed similar thoughts. A CEO from a new entrant highlighted that relationship building is a "time game" and that it is really about "how often are you engaging with the customers". One participant from an established organisation openly acknowledged that "[they have] built all [their] business via relationships", whilst another participant, also from an established organisation, stated that "[he has] to gain [the client's] trust, that's why a lot of [their] business is based on relationships because if [they] don't have that relationship it's never going to work".

5.6.2.6 Summary for human capital resources

Table 16 provides a summary of the life cycle comparison, as well as the industry comparison for the human capital resources.

Table 16: Human capital resources – comparison

Theme	Life cycle		Industry		
	New entrant	Est. organisation	Consulting	Finance	Insurance
Staff acquisition	🟠	🟠	●	●	No data
Training of staff	🟠	◑	●	●	●
Experience	🟠	🟠	●	●	●
Capacity	🟠	🟠	●	●	●
Relationships	🟠	🟠	●	●	●

Legend (Life cycle)
🟠 Experience significant pressure
◑ Experience less pressure
◯ Experience no pressure

Legend (Industry)
● Experience significant pressure
◑ Experience less pressure
◯ Experience no pressure

5.6.3 Orchestration of internal resources: Organisational capital resources

The analysis of the interviews revealed four themes with regards to organisational capital resources in the organisations. This is summarised in Figure 16, followed by a detailed description of each theme.
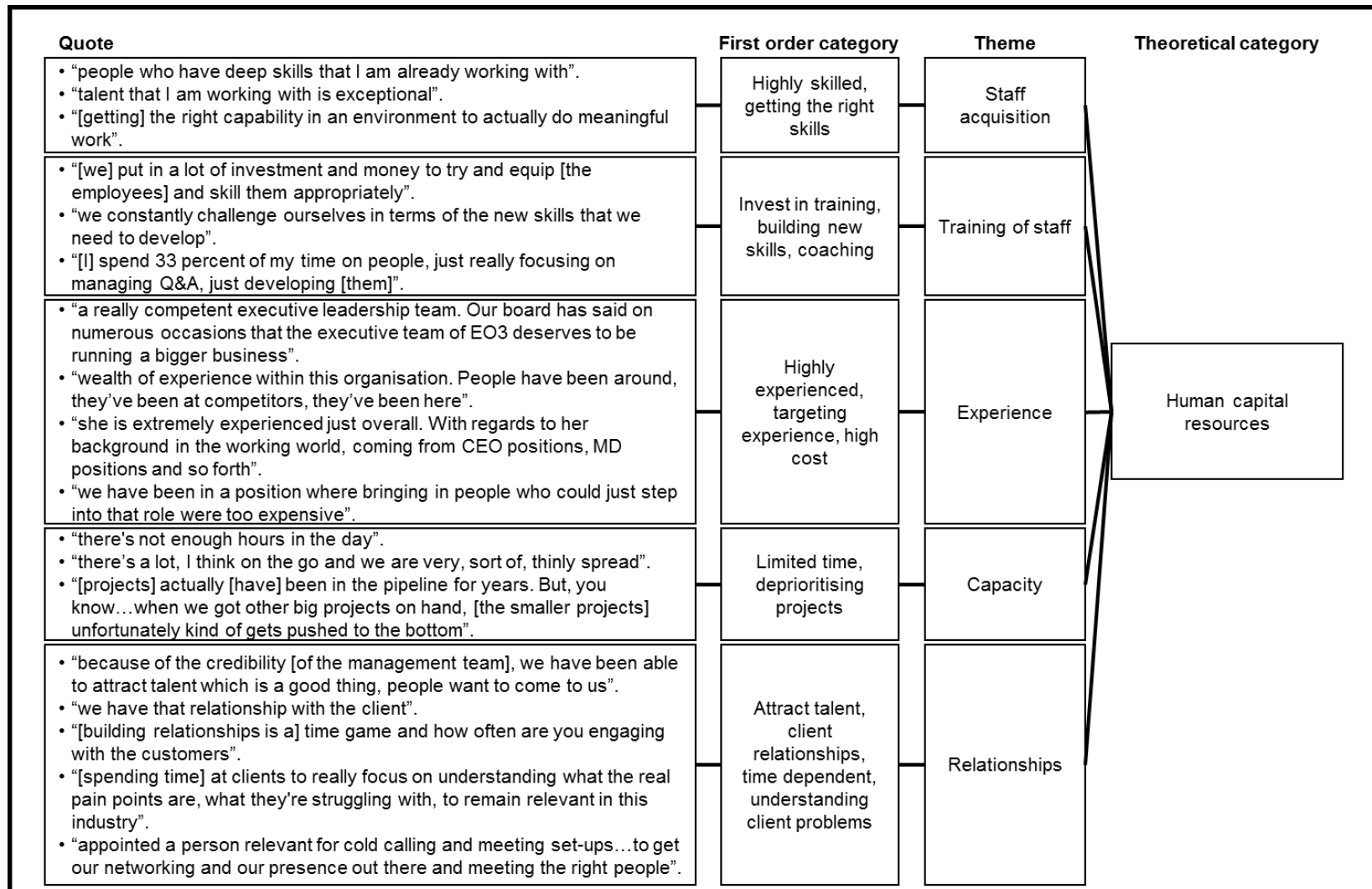
Quote	First order category	Theme	Theoretical category
• "we are sort of over governed to an extent…so governance is really affecting our ability to be agile and our ability to respond quickly to things that are happening in the market". • "before I can even go out, so whilst I negotiate and I am coming up with a deal…I still need to go somewhere else and explain that and get [management] on board…it gets frustrating". • "we are a very flat structure, so we are very much leadership orientated, in that all of us are leaders, and that everybody contributes" • "being a small company where the decisions are actually just limited to the shareholder". • "[we are] able to move very quickly and have quick turnaround times".	To much governance, hierarchical, quick decision making	Reporting structure	
• "[we have] clear longer term thinking and planning and then doing it and then growing our capability in a sustainable manner". • "focusing on the future, [as well as] new offerings".	Long term planning, sustainability	Planning	Organisational capital resources
• "[we are] really trying to bring all the departments together. They have always operated very siloed". • "we have put in place manco sessions and started providing quarterly business updates to the rest of the organisation". • "working smarter with what you have and complement where there's significant capabilities". • "we have thoroughly brought in everyone. So that was one of the challenges in the past that staff felt that they were not in the loop". • "the hard thing is communicating…I think you have to bring your staff along".	Siloed mentality, additional meetings, bring people along, change management	Coordination and Communication	
• "the risk management process allows us to, to then make it easy for the customer". • "Its vast, especially the members we serve. It's a slow process". • "as the business grows you have more requirements and more processes in place which you never had in the past". • "[we are] developing an organisation…which had got the right processes and systems". • "[we] need to make sure that [we] can operate as optimally as possible. And we have chosen to use IT as a means to compete".	Efficiency improvements, red tape	Systems and processes	

Figure 16: Organisational capital resources

5.6.3.1 Reporting structure

The reporting structure dimension refers to the hierarchical nature of the organisation and its ability to make and implement decisions. Many interviewees suggested that the reporting structure in their organisation either contributes towards the achievement of meaningful outcome or that it is a significant hindrance. A comparison between the three industries indicated there is no significant difference between the consulting, finance and insurance industries.

Comparing new entrants with established organisations revealed that most participants from established organisations indicated that they are hindered by governance and that their organisational structure is not promoting a conducive environment for them to achieve meaningful outcomes. For example, one participant from an established organisation said that she thinks "a lot of…fires [have] to [be] put out and explaining…to…this forum and that forum and you know, it's like [she has] to explain [herself] and the rationale, this is why, it's very tiring, especially being in such a large organisation". All participants from new entrants spoke glowingly about their ability to make decisions quickly, which promotes their ability to act fast. Furthermore, another participant indicated that the need for quick decisions is paramount in their industry in order to differentiate themselves, "because there's always going to be somebody out there who can actually develop a solution much quicker".

5.6.3.2 Planning

Planning refers to an organisation's willingness and ability to think about the future and plan accordingly. A low number of participants highlighted the importance of planning to achieve meaningful outcomes.

A comparison between the three industries indicated that participants agreed on the importance of planning for the future in order to build an organisation that is relevant tomorrow.

Participants from established organisations highlighted the importance of planning and building a business of the future more frequently than new entrants. However, although only mentioned by a few participants from new entrants, these organisations also shared the importance of planning for the future. The importance of planning for the future was understood when a participant from an established organisation stated that "[they themselves], as an organisation, challenge [themselves], challenge the status quo, [they] don't rely on a past success but [they]

invent [themselves] which is challenging at times and tiring and…it's tempting to say, look [they] are successful with what [they] are doing".

5.6.3.3 Coordination and communication

Various participants shared the benefits of comprehensive coordination and thorough communication in their organisations to achieve meaningful outcomes. A CEO stated that it is absolutely critical for management to constantly know what is going on around them and be ready to respond quickly. Another participant went as far as to say that "simplified communication" is most important, "which is undervalued".

A comparison between consulting, finance and insurance revealed that participants expressed similar views across the three industries.

Conducting a comparison between new entrants and established organisations revealed that none of the participants from new entrants highlighted coordination and communication as a requirement to achieve meaningful outcomes. However, all participants from established organisations highlighted that coordination and communication as a factor that is contributing towards the achievement of meaningful outcomes, but explained this to be a challenge in their organisations.

5.6.3.4 Systems and processes

Systems and processes refer to an organisation's ability to effectively utilise its resources by integrating various areas of the business as well as deploying this to market quickly. A comparison between the three industries indicated that participants in all three industries made reference to the importance of effective systems to allow them to go to market quickly.

A comparison between new entrants and established organisations revealed that that both organisational types expressed similar thoughts on the importance of systems and process to enable their organisations to integrate different functions. However, established organisations emphasised that this is challenging their organisation. A director from an established organisation stated that his large organisation "makes it harder to bring...to find the best expert". Contrary to the established organisations, new entrants explained that it is easier for them as their systems and processes are a lot more agile. The participants from new entrants further explained that they can deploy to market quickly, which gives them an advantage.

5.6.3.5 *Summary for organisational capital resources*

Table 17 provides a summary of the life cycle comparison, as well as the industry comparison for the organisational capital resources.

Table 17: Organisational capital resources – comparison

Theme	Life cycle		Industry		
	New entrant	Est. organisation	Consulting	Finance	Insurance
Reporting structure	○	● (orange)	●	●	●
Planning	● (orange)	● (orange)	●	●	●
Coordination & comms	No data	● (orange)	●	●	●
Systems & processes	● (orange)	● (orange)	●	●	●

Legend (Life cycle)
● Experience significant pressure
◐ Experience less pressure
○ Experience no pressure

Legend (Industry)
● Experience significant pressure
◐ Experience less pressure
○ Experience no pressure

5.6.4   Orchestrating resources to achieve a position of optimal distinctiveness

The second part of the third research question aimed to understand how the various internal resources, i.e. physical resources, human capital resources and organisational capital resources, are orchestrated to achieve an optimal strategic position that is different enough to avoid competition, but also similar enough to be recognised by various stakeholders.

Many of the interviewees explained the need to manage the organisation's internal resources to achieve meaningful organisational outcomes. For example, one director stated that they need to manage "the current resources that are available to [them]", whilst another explained that it takes a big effort to manage their resources and get them to scale. A CEO explained that she is currently operating in an environment where "things change from day to day", and she needs to make sure she stays on top of all the moving parts to be in a position to identify new and emerging risks. Upon further probing, she simply indicated that it is her responsibility to "manage" all of that. Although participants mostly referred to the word "manage" to describe this process, others did use different phrases. For example, one individual referred to it as "running of the business", whilst another indicated that she does "anything that

has to do with the business". Another CEO referred to her role as balancing the various parts of the business.

Almost all of the interviewees highlighted the need to be different in the market, given the high levels of competition. One CEO said that in order to achieve their meaningful outcomes and be successful, "[they] have to do things differently", whilst another CEO indicated that they need to constantly challenge themselves and ask: "how can [they] do things differently?". Finally, a new entrant also explained that they are successful because "[they] are also the least conservative and least afraid of doing things that are different". However, others emphasised the need to be similar to the rest of the industry in order to achieve meaningful outcomes. A director explained that "[his] sense of it is that initially [they have] got to walk like a duck and quack like a duck, and so on, [he's] got to do that". Another director agreed and explained further that "there isn't space for doing something differently", and continued by saying that "[they] have to look exactly like what [the clients are] used to…the governance structures, etcetera, otherwise [they] will not get the [business]". He closed off his point by explaining that his organisation is now in the process of revising their operations in order to tick the boxes that clients are used to seeing.

Interestingly, a CEO explained that he is able to differentiate in most of his service offerings as he was able to acquire office space in the Johannesburg Stock Exchange building. He explained that the office location gives his organisations the necessary credibility with clients. He added that he builds the trust with the clients by inviting them to the office in order for them to see the workspace. Another CEO agreed with this strategy. He suggested that his organisation conforms in a lot of areas, such as regulation, but that he also differentiates in other significant areas. Lastly, he said that he is able to do this as he leverages the industry reputation.

Moreover, other interviewees also shared the need to be seen as credible and trusted by clients and explained that the right to be different must first be earned. A director explained that they expanded their value proposition by entering an industry that was unfamiliar and not known to his organisation. He continued to explain that they first had to build trust and credibility in order to be recognised by clients in that industry. He explained that "[they] invested heavily in building solutions, digital solutions focused on real transformation in specific industries…retail specific…retail was building up that credibility". He stated that his organisation is now being "recognised" by clients as credible advisors in that industry. A CEO from a new entrant felt that time is a critical factor to build credibility and trust with clients. He explained that "[he has] to build trust and go through the industry over a number of

years and then once you get that, then you can start deploying" differentiated products.

Participants also explained that it is not just about either being different or similar to achieve meaningful outcomes. They explained that their organisation requires both a differentiated factor, as well as the accompanying trust and credibility. A director explained that "[he] think[s] the challenges are the complexity". Participants also shared the vast complexity to achieve a strategic position that is both differentiated and credible. For example, a CEO in the insurance industry shared that he is able to differentiate his organisation from the market by going completely digital, as there is confidence and trust in the South African insurance and finance industries. He further stated that "people don't realise it, [when] you go and operate in Nigeria, no one trusts financial services in Nigeria, so you need to build your brand whilst building the confidence of the financial services organisation, [they] have that advantage here. So, so that's a big advantage". This allows his organisation to be a lot more differentiated, as clients already trust the insurance and finance industries. However, another CEO also from the insurance industry was less positive. She stated that "[she] think[s] that [it] is difficult and there's a lack of trust, [she] think[s] from the market to the insurers".

A comparison between the three industries indicated that participants from the consulting industry were more willing to differentiate their products or services. A senior executive in the consulting industry passionately explained that her organisation needs to send "a very clear message how [they] differentiate from other consulting companies". However, participants in the finance and insurance industries were less adventurous and explained that they are only able to differentiate to some extent or not at all.

A comparison between new entrants and established organisations revealed that new entrants were more in favour of leveraging a differentiated strategy. Participants from new entrants explained passionately during the interviews that they have to be different, as if they have no other choice. For example, a CEO from a new entrant explained that "[they] literally are trying to break away from everyone else and it's because [they've] got to differentiate [themselves]". On the other hand, participants from established organisations preferred a strategy of conformity. During the interviews, the participants from established organisations explained that they need to be very careful with introducing products and services that are foreign to clients. They explained further that it could have dire consequences for their organisation as some of the clients might reject a service or product that is unfamiliar to them.

This was understood when a senior executive from an established organisation stated that "to be distinctive in [their] world is actually really difficult".

In summary, this section highlighted the following key findings:

- Participates highlighted the need to manage a wide array of resources.
- Participants revealed that they have to be different from other organisations to achieve meaningful outcomes, although they also suggested they need to conform in certain areas.
- Participants indicated that they need to build credibility and trust with clients.
- Participants from new entrants were a lot more open to implement a differentiated strategy, whilst established organisations were more open to conform.

5.6.5   Realising superior performance

The third part of the third research question aimed to identify what superior performance is being achieved by organisations operating in a complex environment. In addition, the question aimed to identify the stakeholders for whom this superior performance is being achieved.

During the interviews, participants highlighted a wide range of meaningful outcomes they are trying to achieve for various stakeholders. Some participants shared that it is important to realise shareholder value by increasing profit for the organisations. Other participants shared that their organisation actively pursues the achievement of value that goes beyond shareholder profit. For example, a CEO from the insurance industry highlighted that she is trying to "add value to stakeholders", and she suggested that the term stakeholders is "not clients specifically because stakeholders is partly [their] clients but then it's also [their] shareholders, it is playing a big role in society and then also the insurance market".

The interviewees constantly referred to two groups of stakeholders, who are the recipients of the meaningful outcomes they are trying to achieve. Firstly, stakeholders that are internal to their organisation and secondly, those that are external to their organisation. Further investigation revealed two stakeholders in each of the groups. Internal stakeholders consist of shareholders and employees, whilst external stakeholders consist of the clients and the community.

Each of the stakeholders, together with what the organisations are trying to achieve when pursuing superior performance, is discussed below with a summary given in Figure 17.
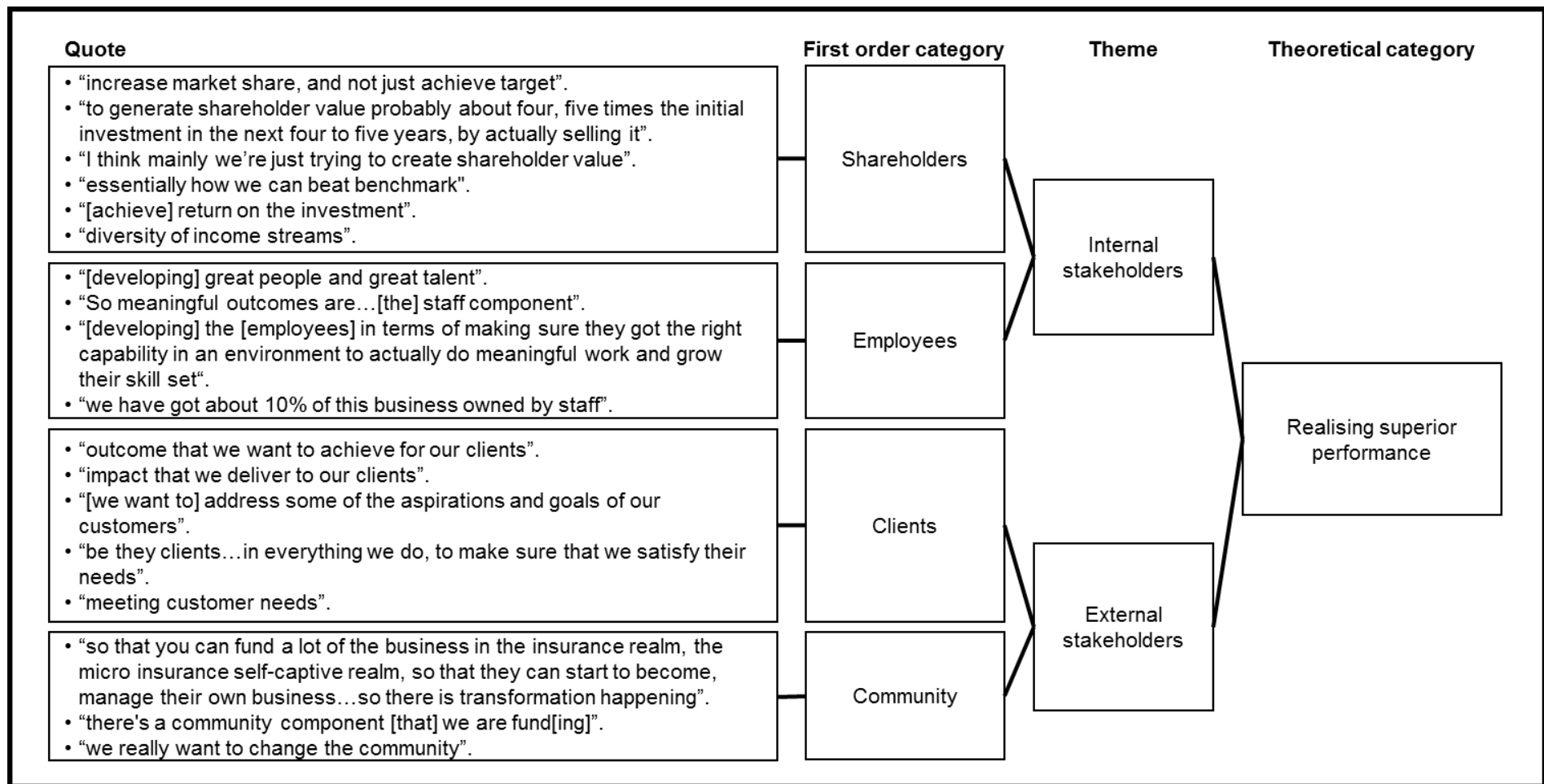
Figure 17: Realising superior performance

5.6.5.1 Internal: Shareholders

All participants highlighted the need to generate a financial return for the shareholders with some referring to it as achieving "double digits". However, some participants did not want to directly acknowledge this meaningful outcome and would use somewhat softer language to answer the interview questions. For example, upon asking a CEO what he is trying to achieve, he responded by highlighting other areas but then added that "money is obviously an engine room", whilst another senior executive referred to it as to "stay on top".

A comparison between the industries revealed that participants from all three industry highlighted the need to increase shareholder value.

A comparison between new entrants and established organisations revealed that new entrants were a lot more vocal about the need to increase shareholder value. In fact, the participants from new entrants highlighted the need for an increase in shareholder value almost twice as much as did the participants from established organisations. The increase in shareholder value also topped the three other stakeholders for new entrants. In addition, new entrants were much more concerned about meeting monthly financial targets and increasing market share. For example, one director from a new entrant shared that "[he] think[s] mainly [they are] just trying to create shareholder value; that's the main thing [they are] trying to do", whilst another director, also from a new entrant, stated that he wants "to generate shareholder value, probably about four, five times the initial investment in the next four to five years". Another director, also from a new entrant, made it clear that their purpose is to generate money as meaningful outcomes. He said his main purpose is "to make as much as possible money for the business itself".

Participants from established organisations also shared the constant pressure from shareholders. This was understood when a senior executive from an established organisation stated that "[they] have to make sure [they] deliver the results from a shareholder's point of view…[meeting] the projected profit numbers that [they have] promised the shareholders". Another CEO, also from an established organisation, provided additional clarity in terms of the meaningful outcomes he is trying to achieve. He stated that he is running his organisation "in a way that is profitable and sustainable in order to deliver long term shareholder growth and ultimately long term shareholder growth is defined in terms of [their] ability to generate meaningful cash profits that can be paid out as dividends".

However, one participant from a new entrant criticised other organisations because there is a constant pursuit towards profits for shareholders, while his organisation would rather focus on making a difference in society. He stated that "others [are] about the numbers. It's okay for those who want to do the numbers but for [them] it's about making an impact in the society". Although he acknowledged the importance of money in an organisation, he stated that he prioritises non-monetary guiding principles.

5.6.5.2 Internal: Employees

It was evident from the interviews that some organisations take an active interest to improve the lives of their employees. The improvement areas range from ensuring job security, promoting skills development, and allowing staff members to own shares in the organisation.

A comparison between the three industries suggested that the consulting industry is a lot more focused on development and coaching of staff as part of the meaningful outcomes they are trying to achieve.

A comparison between new entrants and established organisations suggested that both organisational types see employees as a stakeholder in the achievement of meaningful outcomes. The responses from new entrants were a lot more focused on providing development opportunities and coaching to enhance employees' skill set, although a CEO from a new entrant did indicate that "about ten percent of this business [is] owned by staff", suggesting that employees are allowed to become shareholders of the organisation. However, participants from established organisations highlighted additional meaningful outcomes that they are trying to achieve for employees. For example, one senior executive from an established organisation referred to the dire economic conditions in South Africa and considering this, it is his responsibility to promote job security as part of the meaningful outcomes he is trying to achieve. The senior executive explained that "from a sales point of view, it's been a challenging year, because of the market out there where consumers are overextended" and continues that "many companies actually retrench quite freely". He passionately explained that it is a priority for his organisation to promote job security. He continued by acknowledging the importance of the breadwinner in the family and the fact that the income earner looks after many more people that do not earn an income. He further stated that he has the burden of "over twenty thousand households" and it is therefore important to him to be "a sustainable employer". He wrapped up his point by stating that "it is a conscious view of [theirs]

to say that [they] are not going to save [themselves] to prosperity by cutting jobs. It is something that [they] are trying very hard to avoid". In addition, a CEO, also from an established organisation, supported this view and added that it is important for him to be "able to, in everything [they] do, to make sure that [they] satisfy [the employees'] needs and in doing that, that [they] are driving toward attainment of the purpose of the business, the over-arching purpose of why [they are] there in the first place". There was a sense from the interviews that established organisations are able to offer these additional meaningful outcomes for employees as they have stronger financial support.

5.6.5.3 External: Clients

Second only to shareholders, participants highlighted clients as a very important stakeholder in their organisation's pursuit towards the achievement of meaningful outcomes. Participants highlighted a wide array of objectives they are trying to achieve for clients. For example, some participants highlighted that they want to meet clients' needs by walking the journey with them, making a difference in their lives and delivering value.

An analysis of the three industries revealed that the consulting sector made reference to clients the most, suggesting this is their most important stakeholder. One director from the consulting industry highlighted that the goal is to achieve "direct and bottom line impact" for the client. Participants in the insurance industry also highlighted clients as an important stakeholder, only after shareholders.

A comparison between new entrants and established organisations revealed that clients are the most important stakeholder for established organisations, and it was mentioned more during their interviews than in those with the new entrants. One director from an established organisation highlighted that his organisation has deliberately positioned itself in the market in order to "work with [their] clients to deliver meaningful bottom line value". He added that "it is not just about doing upfront work, delivering a nice PowerPoint presentation and walking away and hoping that [their] clients have the ability and skills and the capacity to execute". Another director, also from an established organisation, also shared that they aim to help clients "transform and drive the next level of performance". For him, this means that he should help the client to be "globally competitive and achieving growth in a sustainable way". He closed off his point by noting that this would be the "ultimate" achievement for his organisation. During the interviews, participants from new entrants spoke about their clients in a much more personal manner compared to

established organisations. For example, some interviewees became a lot more vocal in the interviews when they referenced their clients. One CEO from a new entrant spoke passionately that his organisation wants to improve the lives of their clients. He stated that "[they] set out to make a meaningful difference in individuals' lives and by individuals [she] mean[s], the mass market customer because that is [their] market place, where [they] service", whilst another director, also from a new entrant, stated that he is trying to "create the magic of financial freedom and making it accessible to everyone". Another CEO, also from a new entrant, emphasised the importance of walking the journey with the client to promote sustainability. She stated that "[they] want to ensure that [they] deliver value but not only value, differentiated value, and also want to deliver sustainable value. Sustainable value comes in when [they] walk the journey with the client".

5.6.5.4 External: Community

The community as a stakeholder was mentioned the least by all participants interviewed. Some participants suggested that the surrounding community plays a vital role in their organisation's achievement of meaningful outcomes.

A comparison between industries revealed that none of the participants in the consulting industry made reference to the community as a stakeholder. However, participants in both the finance and insurance industries did. For example, a CEO from the finance industry shared that he is proud of Africa and wants to grow the continent. He explained that he is trying to set up a business that will "allow Africans to participate in Africa's growth".

A comparison between the responses from new entrants and established organisations indicated that there was a fairly equal reference to the community as a stakeholder between the two types of organisation. In addition, as previously suggested, community as a stakeholder was referenced the least for both new entrants and established organisations. One CEO from a new entrant spoke avidly about making a sustainable difference in the community where his organisation is operating. He said that "4% of this business [is] owned by a trust that is going to help communities". He continued by highlighting the added responsibility of helping the surrounding communities. He stated that "it is therefore important that [they], not only meet the financial requirements because [they] have to pay off debt, but [they] must meet the financial requirements because there are people [t]here whose lives are going to change dramatically by virtue of [them] achieving the financial targets…that is valuable to [him]". Another CEO, but from an established organisation in the

insurance industry, highlighted the importance of helping the wider community to transform the economy. She stated that:

…[she] think[s] the opportunities of transformation [is there]…[they] have access to capital, so that [they] can fund a lot of the business in the insurance realm, the micro insurance self-captive realm, so that they can start to become [more independent], manage their own business, with guidance in capital from the insurer and they can share in their own underwriting profits, which they haven't been able to do, in the past.

Another CEO, also from an established organisation, agreed and added that his organisation is willing to "hold [the community's] hand and be more partnership based. [He will] give [them] the tools, [he will] help [them] and [they] can start to run [their] own business".

In summary, this section highlighted the following key findings:

- Participants revealed two internal stakeholders, i.e. shareholders and employees, and two external stakeholders, i.e. clients and the community, as part of their superior performance.

- Participants highlighted they are trying to achieve double digit growth for shareholders.

- Participants stated that they are trying to ensure job security for employees, as well as to promote skills development, and allow staff members to own shares in the organisation.

- Participants shared that they seek to walk the journey with the clients, to ultimately make a difference in their lives.

- Finally, some participants also shared they are trying to make a meaningful difference in the surrounding communities.

5.7 Conclusion

The results from the seven interview questions have been set out in this chapter. Various constructs emerged from the interviews and were presented for both the industry and life cycle of the organisation. A summary of the findings for both the industry and the life cycle of the organisation is given in Table 18.

The industry comparison from the findings did not yield significant differences between the consulting, finance and insurance industries. Only two areas of difference were noted. Firstly, the new solutions theme in the bargaining power of buyer theoretical category found that organisations in the consulting industry are

under significant pressure to develop new solutions. In contrast, although participants from the finance and insurance industries indicated that they are able to deliver new solutions, they said they are under less pressure to do so as clients prefer solutions that they are used to. The second theme, geographic footprint, found there is significant pressure on consulting industries to have a wide geographic footprint, whilst participants in the finance and insurance industries felt they are under less pressure in this regard. As the findings on the industry comparison were not significant, Chapter 6 does not include a discussion on organisational industry.

The life cycle comparison from the findings yielded various differences between new entrants and established organisations. In fact, the findings indicated that 17 themes had different pressures for new entrants when compared to established organisations and these are highlighted in Table 18 with a red square. As a result, the 17 themes are discussed according to their respective theoretical category in Chapter 6 and compared with the existing literature.

Table 18: Summary of life cycle and industry findings

Legend: ● = Experience significant pressure; ◐ = Experience less pressure; ○ = Experience no pressure. (Life cycle symbols are orange; Industry symbols are black.)

Force	Category	Theme	Life cycle — New entrant	Life cycle — Est. organisation	Industry — Consulting	Industry — Finance	Industry — Insurance
Market forces	Bargaining power of buyers	Turnaround time	●	●	●	●	●
		New solutions	●	●	●	◐	◐
		Client interaction	No data	●	●	●	●
	Rivalry amongst existing firms	High concentration	●	●	●	●	●
		Agile	◐	●	●	●	●
		Price	◐	●	●	●	●
		Talent	●	●	●	No data	No data
	Threat of new entrants	Brand	●	◐	●	●	●
		Capital requirements	●	●	●	●	●
		Economies of scale	●	◐	No data	●	●
		Network	●	○	●	●	●
	Bargaining power of suppliers	Cost	●	◐	●	●	●
		Dependency	●	No data	●	●	●
		Reputation	●	◐	No data	●	No data
	Threat of substitute	Propensity to substitute	●	●	No data	●	No data
Institutional forces	Regulative	Authority	●	●	No data	●	●
		Complexity	●	●	●	●	No data
		Credibility	●	◐	●	●	●
		Differentiation	●	◐	No data	●	●
		Frequency of change	○	◐	No data	●	●
		Consistency	●	●	No data	●	●
		Political	●	◐	●	●	●
		Internal	●	●	●	●	●
	Normative	Accreditation	●	◐	No data	●	●
		Work habits	●	●	●	●	●
		Ethical conduct	●	●	●	●	●
		Values	●	●	●	●	●
		Staff expectation	●	○	●	●	●
		Institutional reputation	●	●	●	●	●
	Cultural-cognitive	Assumptions and beliefs	●	●	●	●	●
		South African culture	●	●	●	●	●
		Competition	●	●	●	●	●
Internal resources	Physical resources	Physical assets	●	●	●	●	●
		Geographic footprint	◐	●	●	◐	◐
		Technology	◐	●	●	●	●
	Human capital resources	Staff acquisition	●	●	●	●	No data
		Training of staff	●	◐	●	●	●
		Experience	●	●	●	●	●
		Capacity	●	●	●	●	●
		Relationships	●	●	●	●	●
	Org. capital resources	Reporting structure	○	●	●	●	●
		Planning	●	●	●	●	●
		Coordination & comms	No data	●	●	●	●
		Systems & processes	●	●	●	●	●

Legend (Life cycle)
- ● Experience significant pressure
- ◐ Experience less pressure
- ○ Experience no pressure

Legend (Industry)
- ● Experience significant pressure
- ◐ Experience less pressure
- ○ Experience no pressure

- ⌐ ¬ (red dashed box) Themes that are discussed in Chapter 6

CHAPTER 6: DISCUSSION OF RESULTS

6.1   Introduction

The chapter discusses the research findings of the study. The findings from the research are compared and contrasted with the concepts and constructs presented in the literature review. The main purpose of this comparison is to answer the three research questions as discussed in Chapter 3. The findings of the research helped to move towards an understanding of how optimal distinctiveness contributes to superior organisational performance by understanding the influence from various market and institutional forces on internal resources in a complex environment.

Chapter 6 is outlined according to the three research questions and is summarised in Figure 18. Firstly, the market forces (see box 1) and how they shape the strategic position of an organisation in a complex environment are discussed. Secondly, the institutional forces (see box 2) are discussed, including specifically how they shape the strategic position of an organisation. Thirdly, the orchestration of internal resources are discussed, specifically in light of achieving optimal distinctiveness in a complex environment (see box 3). Also, superior performance (see box 3), through the achievement of optimal distinctiveness, is discussed. In addition to the discussion for each of the three research questions, the focus of this chapter is on comparing new entrants and established organisations. The details are explored below.
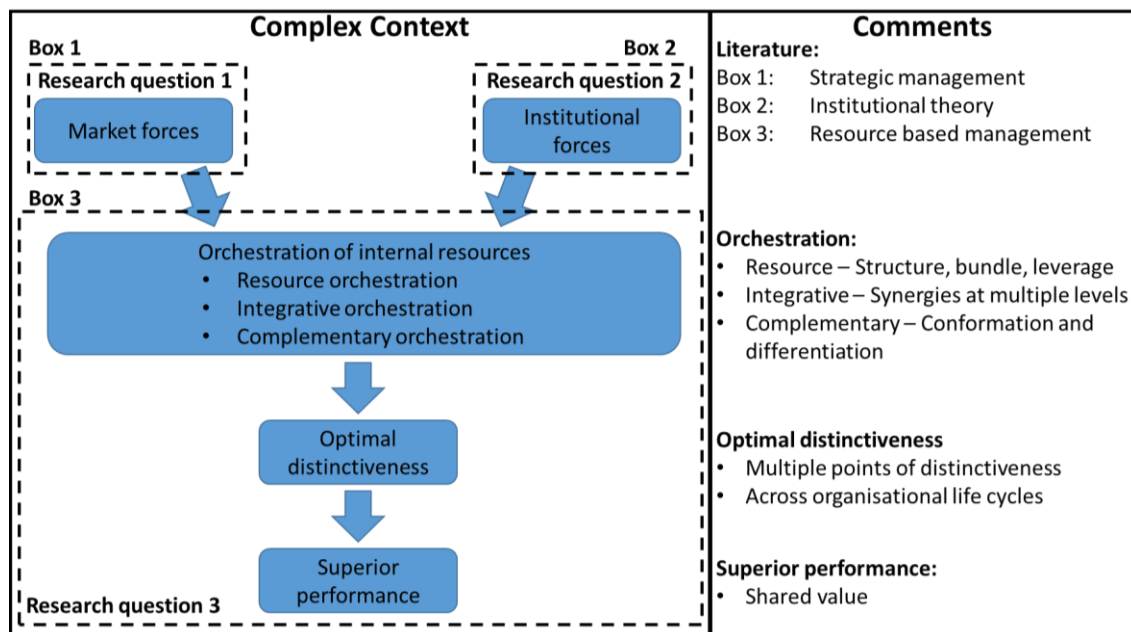
Figure 18: Conceptual framework of the research

Source: Author's own, adapted from Porter (1980, 1985, 2008), Oliver (1997), Sirmon et al. (2011) and Zhao et al. (2017).

6.2 Discussion of results for research question 1: Market forces

Research question 1: How do market forces shape the strategic position of an organisation?

As discussed in Chapter 2, Porter (1980, 1985, 2008) identified five competitive forces that influence an organisation in an industry. The five market forces include the bargaining power of buyers, rivalry among the existing competitors, the threat of new entrants, the bargaining power of suppliers, and the threat of substitutes. The framework has already been used in Chapter 5 to organise the findings and this section now discusses each of the findings with the extant literature and similarities and differences are highlighted.

Table 19: Categories and themes discussed in research question 1

Force	Category	Theme	Life cycle	
			New entrant	Est. organisation
		Themes that are discussed in Chapter 6		
Market forces	Bargaining power of buyers	Turnaround time	Experience significant pressure	Experience significant pressure
		New solutions	Experience significant pressure	Experience significant pressure
		Client interaction	No data	Experience significant pressure
	(1) Rivalry amongst existing firms	High concentration	Experience significant pressure	Experience significant pressure
		Agile	Experience less pressure	Experience significant pressure
		Price	Experience less pressure	Experience significant pressure
		Talent	Experience significant pressure	Experience less pressure
	(2) Threat of new entrants	Brand	Experience significant pressure	Experience less pressure
		Capital requirements	Experience significant pressure	Experience significant pressure
		Economies of scale	Experience significant pressure	Experience less pressure
		Network	Experience significant pressure	Experience less pressure
	(3) Bargaining power of suppliers	Cost	Experience significant pressure	Experience less pressure
		Dependency	Experience significant pressure	No data
		Reputation	Experience significant pressure	Experience less pressure
	Threat of substitute	Propensity to substitute	Experience significant pressure	Experience significant pressure

Legend (Life cycle)
- Experience significant pressure
- Experience less pressure
- Experience no pressure

As mentioned in the conclusion of Chapter 5, a comparison was only completed for the themes where differences were observed between new entrants and established organisations. Therefore, in this section, rivalry among the existing competitors, the threat of new entrants and the bargaining power of suppliers are discussed as part of category 1, 2 and 3 respectively, which is indicated in Table 19 above.

6.2.1 Category 1: Rivalry amongst existing firms

The data from the interviews revealed four themes with regards to the high levels of market concentration; however, only the agile, price and talent themes are discussed as differences in the findings were observed between new entrants and established organisations. Each of the three themes is discussed below in the context of shaping the strategic position of an organisation, followed by a comparison between new entrants and established organisations.

6.2.1.1 Shaping strategic position: Agile, price and talent

Firstly, participants shared that they experience a significant amount of pressure from other organisations in the industry to show agility and be faster to market. The findings suggested that if organisations cannot be agile, they will not be able to compete with other organisations, although some also indicated the need for strong governance, which might hinder organisational agility. Comparing this finding to the literature, it was noted that competitiveness in an industry can take up many forms, which include price, products and marketing techniques (Porter, 2008). However, the author made no mention of the need for organisations to be agile in order to compete with competitors and the findings indicated that being agile allows the organisations to adapt quickly, unlocking potential opportunities before competitors are able to. Therefore, the findings in this study appear to contribute to the current body of knowledge by suggesting that organisational agility be considered as a factor for rivalry amongst existing firms.

In addition, the findings in this study suggested that organisations, through their resource management, place pressure on competitors through market forces, i.e. being agile. Porter (2008) stated that organisations are able to influence competitors through market forces, but did not refer to the use of organisational resources to exert this pressure. Therefore, this finding in the study suggests a possible extension of the extant literature, where organisational resources are used to influence market forces, which subsequently puts pressure on competitors. This does suggest a revision to the conceptual framework indicated in Figure 18, where resource management from the organisation also influences the market forces.

Secondly, the findings indicated that organisations are conscious of prices charged by rivals as this influences their ability to attract new and existing customers. The findings further suggested that organisations would monitor the prices being charged by competitors, in order for them to price their service competitively compared to rivals. Similarly, pricing is a key issue discussed in the literature and it poses a

challenge to organisations as lower prices erode profitability as a lower price means that customers can hold onto some of the profits (Porter, 2008). In addition, price cuts are easy for competitors to notice and implement, which makes this action by rivals likely. A continuous spiral of price cuts between rivals could result in customers becoming less sensitive to organisational-specific product of service attributes (Porter, 2008), which means the continuous price wars between rivals also makes it more difficult for organisations to differentiate. The findings on price therefore reflect the issues already considered in the extant literature.

Thirdly, the findings indicated the pressure being exerted on their organisations due to the ongoing war for talent and acquiring the best skills. Porter (2008) did not make reference to talent in organisational competitiveness; however, this research found that organisations in the service sector experience significant pressure from competitors as there is constant competition to acquire the best talent. Therefore, the findings in this research could potentially expand the discussion on the nature of rivalry in the five forces model.

6.2.1.2 Life cycle comparison: New entrants and established organisations

A comparison between new entrants and established organisations revealed that organisations in different life cycles experience the market forces differently in three areas and these are now discussed in relation to the existing literature.

On the one hand, the findings showed that participants from new entrants experienced less pressure from rivals on the need to be agile. This compares with Zhao et al. (2017), who concluded that established organisations often have various inefficiencies and a lack of adaptability, which subsequently helps explain why new entrants felt they are under less pressure when it comes to agility. Furthermore, the findings indicated that new entrants also experience less pressure from rivals when it comes to pricing their product or service competitively due to fewer employees and a lower fixed cost structure. This contradicts the literature, as Porter (2008) suggested that established organisations have a cost advantage compared to rivals and that established organisations are likely to reduce prices where fixed cost is high in order to fill up spare capacity. The findings in this study appear to challenge the research by Porter (2008), in that new entrants could have a cost advantage compared to established organisations.

On the other hand, established organisations explained they experience less pressure to obtain the right talent as they are able to attract the skilled employees much easier than new entrants. According to McKnight and Zietsma (2018), new

entrants have not had the time to establish a brand or reputation for themselves, whilst established organisations are able to leverage this to attract talent. Established organisations are therefore able to reduce the pressure they experience by leveraging institutional legacies, such as their reputation (Madsen & Walker, 2017), to attract resources (McKnight & Zietsma, 2018; Zhao et al., 2017). The finding in this study is therefore consistent with the current body of knowledge.

6.2.2 Category 2: Threat of new entrants

The data from the interviews revealed four themes with regards to the threat of new entrants; however, only the brand, economies of scale and network themes are discussed as differences in the findings were observed between new entrants and established organisations. Entry into an industry is dependent on the entry barriers. High entry barriers, such as economies of scale and capital requirements, make it difficult for new entrants to enter an industry, whilst it would be advantageous to established organisations as a lower number of new entrants will enter the industry, resulting in less competition (Porter, 2008). In contrast, lower entry barriers increase the risk to established organisations as more new entrants aim to enter the market. The findings suggested that the barriers for entry in the services sector are high, given the lack of product differentiation. Each of the three themes is discussed below in the context of shaping the strategic position of an organisation, followed by a comparison between new entrants and established organisations.

6.2.2.1 Shaping strategic position: Brand, economies of scale and networks

Firstly, the findings highlighted that organisational brand is important in order for organisations to be recognisable and credible. Participants from both new entrants and established organisations explained the importance of having a strong brand in the services sector. This is consistent with previous research, which argues the importance of brand and reputation for organisations (Greenwood et al., 2017). Although Porter (2008) did not make mention of brand as an entry barrier, research by Porter (1985) did, and the findings in this study are therefore consistent with the extant literature.

The benefit of economies of scale was highlighted by the findings as a second theme and is consistent with the five forces model as proposed by Porter (2008). Porter asserted that organisations that have invested might be able to benefit from economies of scale due to the lower cost per unit as fixed costs are spread across the organisation.

The findings further indicated the need for a strong network as a barrier to entry. Participants in the services sector explained that the importance of relationships and not having access to key stakeholders puts an organisation at a disadvantage. Again, the findings in the research potentially extend the model as proposed by Porter (2008) to include network as a factor to the threat of new entrants.

6.2.2.2 Life cycle comparison: New entrants and established organisations

A comparison between new entrants and established organisations indicated that established organisations were experiencing less pressure on brand, economies of scale and network.

It is evident from the findings that new entrants experience more pressure with regards to brand as established organisations have built up their brand over a longer time. This point is also dealt with in the literature and Madsen and Walker (2017) discussed how new entrants are required to build a brand and reputation from scratch. New entrants are required to invest a lot more time and effort to build a brand for their organisation, compared to established organisations. Likewise, McKnight and Zietsma (2018) explained that established organisations have also had more time than new entrants to form relationships that would naturally expand their networks. The authors further stated that established organisations are able to leverage their stronger networks to gain easier access to opportunities. Lastly, established organisations have also employed a lot more capital than new entrants to build scale and benefit from economies of scale (Greenwood et al., 2008). The findings in this study are therefore consistent with the extant literature.

The findings also revealed that new entrants indicated that established organisations employ deliberate tactics to raise the barriers to entry to prevent competition by deterring new entrants from entering the industry. Established organisations leverage their strong networks to lobby key stakeholders in the industry to dictate which solutions to sanction. Similarly, Bamiatzi et al. (2016) discussed how established organisations employ these tactics to generate higher market share, leading to superior performance. Established organisations are therefore able to prevent other players from entering the market by making the strategic decision to increase the barriers for entry.

In conclusion, the discussion in this section shows that the findings align with the extant literature.

6.2.3   Category 3: Bargaining power of supplier

The data from the interviews revealed three themes with regards to the bargaining power of suppliers; however, only the cost and reputation themes are discussed as differences in the findings were observed between new entrants and established organisations. The cost and reputation themes are discussed below in the context of shaping the strategic position of an organisation, followed by a comparison between new entrants and established organisations.

6.2.3.1 *Shaping strategic position: Cost and reputation*

Firstly, the findings indicated that suppliers are able to elevate the cost of the product or service provided to organisations, which makes the latter less competitive as they would often have to pass on the cost to the consumer, or absorb the cost through reduced profit. In the context of the services sector, Porter (2008) considered the employees of the organisations to be suppliers as they would provide a service to the organisation. He concluded that suppliers have high levels of power over an organisation which they supply, if they are able to demonstrate that a large part of what the organisation sells to a client is due to their contribution. The findings in this study support the research conclusions of Porter (2008), which affirms the behaviour of suppliers increasing the cost of products or services.

As part of the second theme, the findings noted that companies experience pressure from various stakeholders to utilise supplier products and services that are known in the industry. For example, the findings from some organisations indicated that they are forced to use selected brand names to operate their business to be seen as credible and trustworthy by clients, which often comes at inflated prices. In a similar way to the research of Dacin et al. (2007), new entrants partnered with specific organisations in order to gain the necessary legitimacy to attract other stakeholders. According to Porter (2008), this dependency elevates the supplier's power over an organisation and increases the pressure exerted on organisations. Therefore, by making a strategic decision to use specific supplier brands, organisations are able to elevate their legitimacy and attract stakeholders, although Porter (2008) suggested this might come at a higher cost. Porter (2008) did not refer to the power of suppliers in the context of brand affinity or reputation and this research therefore identifies a potential extension to the theory.

6.2.3.2 Life cycle comparison: New entrants and established organisations

A comparison in the findings between new entrants and established organisations revealed that established organisations experienced less pressure regarding the cost and reputation themes.

The findings showed that new entrants are more prone to cost pressure from suppliers, where suppliers were interpreted as the staff of these service organisations as well as the suppliers of products and services. The literature indicates that new entrants need to build a reputation from scratch and lack institutional legacies that will help them minimise the force (Madsen & Walker, 2017). The findings also indicated that size is an issue for new entrants, and they are not as important to suppliers when compared to larger, more established organisations. Porter (2008) suggested that suppliers are powerful if they do not rely heavily on revenues from a specific source. This allows the suppliers the freedom to charge elevated prices, making new entrants less competitive. The findings in this study are therefore aligned to the current body of knowledge.

Another finding was that new entrants experience a significant amount of pressure from various stakeholders to use products and services from known suppliers. According to McKnight and Zietsma (2018), new entrants do not have a history of legitimacy and have not had the time to build trust and credibility with stakeholders, such as the regulator, investors and clients. The authors suggested that new entrants can gain legitimacy by conforming to stakeholder expectations, i.e. the products and services from known suppliers. This further elevates the cost of these products and services due to the high power of suppliers (Porter, 2008). In contrast, established organisations benefit from institutional legacies (Zhao et al., 2017), such as political influence and reputation (Chang & Wu, 2014), and can invest less time on seeking legitimacy (Madsen & Walker, 2017). Therefore, the findings in this study are consistent with the current extant literature.

6.2.4 Conclusive findings on research question 1

The conceptual framework of the research, as presented in Figure 18, illustrated that market forces put pressure on organisations. The research findings in this study concluded that market forces are present and that pressures, to various degrees, are exerted on organisations. However, the findings also suggested that organisations, through resource management, influence the market forces, and suggest a revision to Figure 18. The market forces were presented using the five forces model (Porter, 1980, 1985, 2008), which include the bargaining power of buyers, rivalry among the

existing competitors, the threat of new entrants, the bargaining power of suppliers, and the threat of substitutes.

From the discussion of the findings and the literature, a number of conclusions are proposed. There are four areas in which this study may potentially extend the previous work done by Porter (2008). These include the following:

- Agility as a factor of rivalry among the existing competitors;
- Talent as a factor of rivalry among the existing competitors;
- Network as a factor of the threat of new entrants; and
- Supplier reputation as a factor of the power of suppliers.

Each of the conclusions mentioned above is briefly discussed below.

Firstly, the discussion revealed that agility is needed for organisations to achieve meaningful outcomes, by leveraging market opportunities before the competition is able to do so. This increases the pressure exerted on other organisations through the rivalry among the existing competitors force. Secondly, the discussion found evidence of talent wars amongst the services sector and the need to acquire better talent than competitors in order to achieve a competitive advantage and exert pressure on competitors. This appears to go beyond the claims in the existing literature. Thirdly, the discussion revealed another factor that appears to be a potential addition. This is that existing networks may be seen as an entry barrier, especially in the services sector. Finally, the discussion highlighted the need by some organisations to adopt brands from reputable suppliers in order to meet stakeholder expectations. Again, this appears to be an extension of the existing debate on the power of suppliers.

The discussion concluded that the market forces are influencing the strategic position of organisations, as the findings indicated that organisations are constantly required to adjust and manage these forces in order to achieve their meaningful outcomes.

In addition to the above, the discussion indicated that organisations in different life cycles, i.e. new entrants and established organisations, experience some of these market forces in different ways. Different forces exerted on new entrants and established organisations were found in three of the five forces from the five forces model (Porter, 2008), which include rivalry among the existing competitors, the threat of new entrants, and the bargaining power of suppliers. However, the majority of the findings in this study aligned to the current body of knowledge. The only exception was from the findings on pricing as a factor of rivalry amongst existing firms. The findings in this study suggested that new entrants experience less pressure than

established organisations due to the fact that new entrants have less employees and fixed costs. The findings further suggested that new entrants are able to price their product or service more competitively than the established organisations due to a cost advantage. However, Porter (2008) explained that established organisations have a cost advantage, which was not the case in the findings of this study.

In conclusion, given the presence of market forces, and the fact that these market forces exert pressure differently on new entrants and established organisations, it is concluded that the strategic position of new entrants and established organisations is influenced in different ways.

6.3 Discussion of results for research question 2

Research question 2: How do institutional forces shape the strategic position of an organisation?

As discussed in Chapter 2, Scott (1995, 2013) and Peters (2019) proposed the three pillars of institutions, i.e. regulative, normative and cognitive-cultural pressures. Regulative or coercive pressure refers to a force from an institution with authority that puts in place rules that can result in consequences. Normative pressure refers to acceptable social behaviour or out of moral obligation and cognitive-cultural or mimetic pressure, which refers to one institution copying another (Scott, 2013).

The framework as proposed by Scott (1995, 2013) and Peters (2019) has already been used in Chapter 5 to organise the findings and this section now discusses each of the findings with the extant literature and similarities and differences are highlighted. As mentioned in the conclusion of Chapter 5, a comparison will only be completed for the themes where differences were observed between new entrants and established organisations. Therefore, regulative pressure and normative pressure are discussed as part of categories 1 and 2 respectively, which is indicated in Table 20.

Table 20: Categories and themes discussed in research question 2

Force	Category	Theme	Life cycle	
			New entrant	Est. organisation
	[ ] Themes that are discussed in Chapter 6			
Institutional forces	① Regulative	Authority	●	●
		Complexity	●	●
		Credibility	●	◐
		Differentiation	●	●
		Frequency of change	◐	●
		Consistency	●	●
		Political	●	◐
		Internal	●	●
	② Normative	Accreditation	●	◐
		Work habits	●	●
		Ethical conduct	●	●
		Values	●	●
		Staff expectation	●	○
		Institutional reputation	●	●
	Cultural-cognitive	Assumptions and beliefs	●	●
		South African culture	●	●
		Competition	●	●

Legend (Life cycle)

● Experience significant pressure   ◐ Experience less pressure   ○ Experience no pressure

6.3.1   Category 1: Regulative pressure

Eight themes emerged from the analysis of the data. Seven external themes of regulative pressure were identified, which include authority of the regulator, complexity of the regulation, finding credibility through regulation, lack of differentiation, frequency of change, consistency of application, and political interference. One internal theme was also identified, which includes the internal pressure from shareholders. However, only the credibility, frequency of change, and political themes are discussed as differences in the findings were observed between new entrants and established organisations. Each of the three themes is discussed below in the context of shaping the strategic position of an organisation, followed by a comparison between new entrants and established organisations.

6.3.1.1 Shaping strategic position: Credibility, frequency of change and political

Firstly, the findings indicated that adherence to regulations and the communication of adherence to stakeholders provide organisations with credibility. The findings further showed that organisations would deliberately target adherence to certain regulations as this adherence would present them with further business opportunities as they would gain credibility with stakeholders. Comparing this finding to the literature, organisations want to be seen as credible by their stakeholders as this will allow the organisation to be recognised as legitimate, which will lead to better performance (Deephouse et al., 2017). Scott (2013, p. 61) acknowledged the perception that regulation is constraining, however he further suggested that "regulation enable[s] and empower[s]". Although the findings on credibility with regards to regulative pressure are consistent with the extant literature, the findings do contribute towards the current body of knowledge by explaining a clear link between adherence to regulation, and the gaining of legitimacy in the eyes of various stakeholders.

Secondly, the findings in the study also indicated that organisations face pressure due to the high frequency of regulatory change. The findings further suggested that the high frequency of regulatory change places organisations under pressure that are not able to quickly adapt to this changing environment. As a result, the findings indicated that these organisations are at a disadvantage against faster, more agile organisations. A comprehensive review of the extant literature did not reveal any prior research on the frequency of regulatory change, and as a result, could suggest that the findings in this research extend the current body of knowledge on the pressures exerted due to regulatory change.

Thirdly, the findings in the study also explained that the political landscape in South Africa is affecting organisations. In addition, the findings indicated that organisations with limited products and services, which are exposed to political influence, are at risk due to the possibility that negative political comments can adversely affect their performance. These findings further suggested that organisations seek product and service diversification in order to lower the risk to the organisations. Battilana et al. (2017) suggested it is critical to understand the political influence, as it drives institutional change. The authors further explained that politics demand organisations to adopt certain structures or practices, which, if not followed, could result in sanctions. Again, the comparison between the finding in this study and the literature indicates that the finding is consistent with the current debates in the

literature; however, the findings do expand our understanding of how organisations can successfully deal with institutional forces, i.e. political influence, through product and service diversification.

6.3.1.2 Life cycle comparison: New entrants and established organisations

A comparison between new entrants and established organisations revealed that organisations in different life cycles experience regulative pressure differently in three areas and these are now discussed in relation to the existing literature.

Firstly, the findings from the study indicated that new entrants leverage regulation far more than established organisations to gain legitimacy from various stakeholders. Tolbert et al. (2011) found in their research that new entrants align their structures, practices and behaviour to that of established organisations who are perceived as legitimate in their environment. In addition, research by McKnight and Zietsma (2018) found that new entrants have less time to establish legitimacy. Therefore, the findings in this study suggest that new entrants are able to acquire legitimacy quicker by adhering to regulation and add to current debates on organisational legitimacy.

Secondly, the findings indicated that established organisations are hindered due to the high frequency of regulatory change, as it requires a significant organisational effort to re-align processes, systems and employees. The findings further suggested that established organisations are then at a disadvantage against other organisations that are able to adjust faster to regulatory change. Madsen and Walker (2017) noted in their research that CEOs of established organisations were shocked at the difficulty in adjusting to new regulations and that they often incorrectly anticipate change in regulation. In addition, research by Zhao et al. (2017) indicated that new entrants have better market adaptability than established organisations have. Therefore, the findings in this study are consistent with the extant literature.

Finally, the findings from the study also indicated that a negative political influence have a significant adverse effect on new entrants given their lack of product and service diversity. A comprehensive review of the current literature did not reveal any prior research on political influence for new entrants and established organisations. Therefore, this suggests a possible extension in the current literature on political influence on new entrants and established organisations.

6.3.2 Category 2: Normative pressure

Six themes emerged from the analysis of the data on normative pressure, which include the need for accreditation from professional bodies, work habits, ethical conduct, organisational values, staff expectations and the reputation of the industry. However, only accreditation and staff expectation are discussed as differences in the findings were observed between new entrants and established organisations. Each of the two themes is discussed below in the context of shaping the strategic position of an organisation, followed by a comparison between new entrants and established organisations.

6.3.2.1 Shaping strategic position: Accreditation and staff expectation

Firstly, the findings in the study indicated that organisations seek accreditation with industry bodies to promote the trustworthiness or legitimacy of the organisation. Deephouse et al. (2017) suggested in their research that organisations seek accreditation to gain legitimacy. Moreover, the authors also linked legitimacy and organisational performance, which leads to the conclusion that organisations seeking accreditation could enhance their ability to achieve performance. Therefore, the finding in this study is consistent with the current body of knowledge.

Secondly, the findings in the study also indicated that organisations experience pressure from their employees based on expectations created in the industry. The findings included expectations of high salaries and the association with established organisations, rather than new entrants. Scott (2013) and Peters (2019) described how normative expectations get created through social obligation. They continued to explain that these expectations become internalised in individuals. Therefore, the discussion on staff expectation shows that the findings align with the extant literature.

In addition, the findings in the study suggest that organisations, through resource management, influence institutional forces, i.e. staff expectation. This is consistent with Scott (2013), although it seems as though he did not refer to the use of organisational resources to influence institutional forces. Therefore, this finding in the study suggests a possible extension of the extant literature, where organisational resources are used to influence institutional forces, which subsequently puts pressure on competitors. This does suggest a revision to the conceptual framework indicated in Figure 18, where resource management from the organisation also influences the institutional forces.

6.3.2.2 Life cycle comparison: New entrants and established organisations

A comparison between new entrants and established organisations showed that new entrants and established organisations are strategically shaped in a different way for two themes.

Firstly, the findings indicated a need, by new entrants, for accreditation to help these organisations gain credibility and as a result, these organisations experience a greater pressure compared to established organisations. The findings further suggested that new entrants do not necessarily have the trust with customers, as is the case with some established organisations. Various authors found that accreditation with legitimised professional bodies yields positive selection (Greenwood et al., 2008; Scott, 1995, 2013). Sine et al. (2007) found that start-ups can overcome various obstacles to initiate operations through formal certification. Likewise, Armanios et al. (2017) demonstrated how entrepreneurs in China use certification to obtain funding. Therefore, this finding in this study is consistent with the literature where new entrants experience greater pressure than established organisations to seek accreditation in order to gain legitimacy.

The second force that was found to differ was staff expectations. The findings from the study indicated that new entrants are often subjected to pressure from staff members concerning their salary expectations set by, amongst others, established organisations. This finding is consistent with Scott (2013), who stated that norms get created in business and explained how things should be done. In addition, the findings suggested that new entrant employees would rather want to be affiliated with established organisations. Research by Chang and Wu (2014), Madsen and Walker (2017), Oliver (1997), and Zhao et al. (2017) indicated that institutional legacies assist established organisations to gain resources. These institutional legacies could include a strong reputation (Madsen & Walker, 2017). Again, the findings in this research are consistent with the extant literature.

6.3.3   Conclusive findings on research question 2

The conceptual framework of the research, as presented in Figure 18, illustrated that institutional forces put pressure on organisations. The research findings in this study concluded that institutional forces are present and that organisations experience pressure from these forces over varying degrees. However, the findings also suggested that organisations, through resource management, influence the institutional forces, which suggests a revision to Figure 18. The institutional forces

were presented using the model as proposed by Scott (1995, 2013), which include the regulative, normative and cognitive-cultural pressures.

From the discussion of the findings and the literature, the following three conclusions are proposed:

- Adherence to regulation can allow organisations to gain legitimacy.
- Frequency of regulatory change seems to give faster, more agile organisations an advantage.
- Organisations can limit the effect of institutional forces, i.e. political influence, through product and service diversification.

Each of the conclusions mentioned above is briefly discussed below.

Firstly, the discussion revealed organisations seek legitimacy by conforming to regulation. The discussion suggested that stakeholders of these organisations perceive this action of regulatory compliance as building trust, thereby allowing the organisation to be recognised as legitimate. This finding in the study seems to expand the current body of knowledge by explaining a link between adherence to regulation and legitimacy gain. Secondly, the discussion extended the current body of literature on the pressure exerted onto organisations due to the frequency of regulatory change and suggests that faster, more agile organisations can leverage this pressure to achieve an advantage. This finding appears to expand the current body of research. Thirdly, the discussion also expanded the understanding of regulative pressure with regards to political influence. The discussion suggested that organisations are able to successfully navigate adverse political influence through product and service diversification, which again appears to contribute to the current body of knowledge.

The discussion concluded that the institutional forces are influencing the strategic position of organisations, as the findings indicated that organisations are constantly required to adjust and manage these forces in order to achieve their meaningful outcomes.

In addition to the above, the discussion indicated that organisations in different life cycles, i.e. new entrants and established organisations, experience some of these institutional forces in different ways. Different forces exerted on new entrants and established organisations were found in two of the three pillars of the model as proposed by Scott (1995, 2013), which include regulative and normative pressures. The majority of the findings between new entrants and established organisations align to the current literature debates; however, two exceptions were concluded.

Firstly, new entrants are able to gain legitimacy quicker by adhering to regulation and communicating it to stakeholders. This finding in the study appears to contribute to the current body of knowledge. Secondly, new entrants are more vulnerable to negative political influence compared to established organisations, due to their lack of product and service diversity. Again, this finding in the research seems to extend the current body of knowledge.

6.4 Discussion of results for research question 3

Research question 3: Given the market and institutional forces, how do organisations orchestrate internal resources to achieve a strategic position of optimal distinctiveness, leading to superior performance?

The internal resources of an organisation should be used to gain a competitive advantage that allows an organisation to achieve superior performance (Barney, 1991; Garcia-Castro & Aguilera, 2015), although many authors have raised concern on the lack of research on how organisations manage the resources to create value (Sirmon et al., 2007). Barney (1991) classified internal resources into three categories, i.e. physical capital resources (Williamson, 1975), human capital resources (Becker, 1964) and organisational capital resources (Tomer, 1987), which were used to categorise the themes for each of the resources. The framework has already been used in Chapter 5 to organise the findings and this section now discusses each of the findings with the extant literature and similarities and differences are highlighted. All three categories are discussed as each category contained a theme where differences were observed between new entrants and established organisations. This is illustrated in Table 21.

This research question aimed to explore how organisations use their internal resources. However, this is done in the context of optimal distinctiveness, where resources have to be managed to achieve simultaneous conformity and differentiation in order to achieve a strategic position of optimal distinctiveness. In seeking superior performance, the research question further explored what organisations pursue when they are trying to achieve superior performance as well as for whom they are trying to achieve it. Therefore, this section covers the following three areas, each discussed below:

- Internal resources, which includes physical capital resources, human capital resources and organisational capital resources;
- Orchestration of internal resource to achieve optimal distinctiveness; and
- Superior performance.

Table 21: Categories and themes discussed in research question 3

Force	Category	Theme	New entrant	Est. organisation
		Themes that are discussed in Chapter 6		
Internal resources	1 Physical resources	Physical assets	Significant pressure	Significant pressure
		Geographic footprint	No pressure	Significant pressure
		Technology	Less pressure	Significant pressure
	2 Human capital resources	Staff acquisition	Significant pressure	Significant pressure
		Training of staff	Significant pressure	Less pressure
		Experience	Significant pressure	Significant pressure
		Capacity	Significant pressure	Significant pressure
		Relationships	Significant pressure	Significant pressure
	3 Org. capital resources	Reporting structure	No pressure	Significant pressure
		Planning	Significant pressure	Significant pressure
		Coordination & comms	No data	Significant pressure
		Systems & processes	Significant pressure	Significant pressure

Legend (Life cycle)

- ● Experience significant pressure
- ◑ Experience less pressure
- ○ Experience no pressure

6.4.1 Category 1: Physical capital resources

The data from the interviews revealed three themes with regards to the physical capital resources; however, only the geographic footprint and technology themes are discussed as differences between new entrants and established organisations were found. Each of these internal resources is discussed below to provide a deeper understanding of how organisations use internal resources to achievement meaningful outcomes.

6.4.1.1 Internal resources: Geographic footprint and technology

Firstly, geographic footprint refers to the breadth of client interaction. The findings from the study indicated that organisations want a wide geographic footprint as it builds trust with stakeholders and they are able to reach these stakeholders to achieve meaningful outcomes. The findings also indicated that a wider geographic footprint, often beyond domestic borders, contributes to building trust with clients as organisations are able to leverage the skills from employees at these locations. Almandoz et al. (2017) and Suchman (1995) suggested that trust with stakeholders is linked to legitimacy. This suggests that organisations can gain legitimacy by structuring internal resources through broader client visibility and utilising international employees. The findings from the study expand the current debate on legitimacy and optimal distinctiveness by providing deeper insights into how

organisations can use their geographic footprint, i.e. physical presence and international employees, to increase the legitimacy of the organisation.

Secondly, the findings from the study strongly indicated that organisations need good technological capabilities. The findings also indicated that organisations need strong technological resources to accommodate the increased need from clients, who are demanding digital platforms. According to Deephouse et al. (2017), digital technology is providing organisations with new opportunities to gain legitimacy. Therefore, the findings in this study are consistent with the current extant literature.

6.4.1.2 Life cycle comparison: New entrants and established organisations

The comparison of physical resources between new entrants and established organisations indicated that organisations across different life cycles experience different pressures.

The findings in the study indicated that new entrants experience less pressure on the need for a wide physical geographic footprint compared to established organisations, although established organisations indicated, once acquired, a wide physical geographic footprint does present an advantage. The findings on new entrants experiencing less pressure is consistent with the research, where Greenwood et al. (2017) suggested that historic organisational behaviour creates expectations for future behaviour. In other words, established organisations have created the expectation of a wide physical presence, and as a result, stakeholders have become accustomed to it. On the other side, the findings in this study indicated that new entrants do not have the capital or time to develop this wide physical presence, and as a result, stakeholders of these organisations do not have the same expectations as is the case with established organisations. However, the findings in this research indicated that new entrants are able to obtain the benefit from a wide physical presence by creating the appearance of a wide geographic footprint through partnering with credible or legitimate stakeholders that will allow legitimacy transfer to happen. The findings further suggested that the transfer of legitimacy to a new entrant allowed these new entrants to gain legitimacy in a shorter space of time, providing new entrants with new opportunities to create value for the organisation. Similarly, Facebook founder, Mark Zuckerberg, achieved this legitimacy transfer when he decided to transition his organisation from a private to a public entity in 2012. According to Fisher et al. (2016), although Zuckerberg continued to wear hoodie sweatshirts, which was interpreted as disrespectful, the mere fact that he accumulated so much legitimacy in the private company allowed legitimacy to be

transferred to the public entity. Similarly, managers of new entrants are able to create a wide geographic footprint by transferring legitimacy from other legitimised stakeholders to their organisation. This finding in the research expands the knowledge by contributing to the discussion that helps explain the link between internal resource management, legitimacy and the creation of value for the organisation.

In addition, new entrants indicated that they experience less pressure than established organisations concerning the need to utilise technology to achieve meaningful outcomes. Zhao et al. (2017) suggested that new entrants rely on technical competence to compete with established organisations, which would often mean that new entrants enter the market with updated technology. Chang and Wu (2014), and Madsen and Walker (2017) suggested that established organisations leverage institutional legacies, such as reputation, to compensate for their lack of technical know-how. Although the findings in this research do suggest that these established organisations are still under significant pressure to keep up with new entrants, it appears that the findings in this study are consistent with the extant literature.

6.4.2   Category 2: Human capital resources

The findings from the study revealed five themes with regards to human capital resources; however, only the training of staff is discussed as this was the only theme that indicated a difference between new entrants and established organisations.

6.4.2.1 Internal resources: Training of staff

The findings from the study indicated that most organisations felt strongly about the need to train employees as this contributes towards the achievement of meaningful outcomes. In addition, the findings in this research suggested that organisations believed that the training of employees leads to a skilled workforce. Porter and Kramer (2019) suggested in their research that employee skills can lead to positive productivity improvement in an organisation. Therefore, this finding in the research is consistent with the current literature debates, but further explains how organisations are able to use their internal resource, i.e. the training of staff, to achieve meaningful outcomes.

6.4.2.2 Life cycle comparison: New entrants and established organisations

A comparison between new entrants and established organisations indicated that established organisations were experiencing less pressure on the training of staff. The findings further suggested that there is a perception that established organisations have better coaching and training opportunities. Madsen and Walker (2017) made reference to institutional legacy in their research, with established organisation leveraging these institutional legacies to compensate for inefficiencies or their lack of agility. The findings in this study expand the current body of knowledge on institutional legacies by suggesting that institutional legacies could also include coaching and training capabilities.

6.4.3 Category 3: Organisational capital resources

The data from the interviews revealed four themes with regards to organisational capital resources; however, only the reporting structure theme is discussed as it revealed differences between new entrants and established organisations.

6.4.3.1 Internal resources: Reporting structure

The reporting structure theme refers to the hierarchy present in the organisation. The findings in this study suggested that the organisation's reporting structure is either contributing towards the achievement of meaningful outcomes or hindering it. The findings further suggested that organisations must have efficient decision-making capabilities in order to fight off rivals and accommodate the customers' demand for quick turnaround times. A thorough review of the literature did not indicate any research on reporting structure in the context of internal resources and suggests that this finding in the research could possibly extend the current research.

6.4.3.2 Life cycle comparison: New entrants and established organisations

The findings in the study indicated that new entrants and established organisations experience different pressures on reporting structure. The findings in the study indicated that new entrants felt no pressure with regards to their reporting, while established organisations felt significant pressure due to their many layers of management and their lack of flexibility. However, the findings further suggested that established organisations use their reputation and brand to compensate for the slower decision making when compared to new entrants. According to Zhao et al. (2017), new entrants often have less bureaucracy than established organisations. The authors also explained that established organisations use institutional legacies to compensate for their lack of flexibility, which provides them comfort to survive

threats from new entrants. Therefore, the findings in this study are consistent with the current extant literature.

The discussion of research question 3 so far has addressed internal resources. The next two sections discuss orchestration and superior performance respectively.

6.4.4 Orchestrating towards a position of optimal distinctiveness

As discussed in Chapter 2, orchestration is defined as harmonising various internal resources in an organisation to achieve synergy that leads to the best performance (Kor & Mesko, 2013). Optimal distinctiveness can be achieved by being "as different as legitimately possible" (Deephouse, 1999, p. 147), whereas other scholars defined optimal distinctiveness as an organisation's ability to achieve favourable stakeholder perceptions, whilst being different enough from other organisations to avoid competition, thus achieving a competitive advantage (Haans, 2018; Zhao et al., 2017). Therefore, organisations should orchestrate internal resources towards superior performance by finding harmony between being different enough to avoid competition, and being similar enough to be recognised as legitimate through stakeholder acceptance.

The resource-based view suggests that organisations can create value by achieving a competitive advantage through having valuable, rare and inimitable resources (Barney, 1991, 2018). However, merely possessing these resources does not necessarily result in a value creation (Alexy et al., 2018; Barney & Arikan, 2001). Organisations must be able to "structure, bundle and leverage" the internal resources (Sirmon et al., 2011, p. 1390). The majority of the findings in this study support the research that suggested that internal resources must be structured, bundled and leveraged to ensure the achievement of performance. It is noted that, in the study, the vast majority of the participants still referred to this concept as managing internal resources, although others used concepts such as running the business and balancing the various parts.

The second part of research question 3 aimed to gain a deeper understanding of how the internal resources, as mentioned in Sections 5.6.1, 5.6.2 and 5.6.3, are orchestrated to achieve a strategic position that is optimally distinct. This is discussed in the next section.

6.4.4.1 Orchestrating resources

The findings in this study indicated that organisations need to source various resources, such as buildings, employees and technology as part of their pursuit towards meaningful outcomes. However, the findings also suggested that organisations do not only acquire resources, but have to coordinate how these resources interact. Furthermore, the coordinated resources must subsequently be rolled out in order for the organisation to extract value that will help them achieve their meaningful outcomes. Kor and Mesko (2013) suggested that managers need to continuously orchestrate the internal resources of the organisations to promote the achievement of superior performance. In addition, Sirmon et al. (2011, p. 1392) suggested that resource orchestration requires the "structuring, bundling, and leveraging" of internal resources. The findings in this research on how organisations "manage" internal resources are consistent with the definition on orchestration by Kor and Mesko (2013) and Sirmon et al. (2011).

However, the findings in this study also indicated that organisations need to manage resources outside of the organisation. As an example, a CEO from the study indicated that she would set up a contract with an organisation to sell products on her organisation's behalf. Her organisation would subsequently support, train, and monitor these resources of the contracted organisation, which are external to her organisation, as it affects her organisation's performance. As a result, this requires the orchestration of both internal and external resources. Therefore, the finding appears to extend the definition on orchestration as proposed by Kor and Mesko (2013), as well as the resource orchestration framework, as proposed by Sirmon et al. (2011), by suggesting that orchestration of internal, as well as external resources, is required.

Haans (2018) and Zhao et al. (2017) suggested that organisations are required to conform and differentiate, which will lead to a strategic position that is optimally distinct as this will lead to superior performance. This position of simultaneous conformity and differentiation is discussed in Section 6.4.4.2 below, followed by a discussion on conformity and differentiation in the context of new entrants (Section 6.4.4.3), established organisations (Section 6.4.4.4) and beyond the organisations (Section 6.4.4.5). A conclusion on resource orchestration then follows in Section 6.4.4.6.

6.4.4.2 Orchestrating resources: Conform or differentiate

The findings in the study indicated that organisations need to manage a wide array of internal and external resources in order to conform and differentiate in the market. Furthermore, the findings also suggested that their environments, both internal and external, are complex and indicated that the internal resources are subjected to market and institutional forces. Adding further complexity to the environment, the findings also revealed that new entrants and established organisations experience these market and institutional forces in different ways. Greenwood et al. (2017), and Zhao and Lounsbury (2016) suggested in their research that the operational environment of organisations is complex, subjected to various market (Porter, 2008) and institutional forces (Greenwood et al., 2017; Oliver, 1997). Therefore, the findings in this research are consistent with the current debates around organisational complexity.

The findings in the study also suggested that organisations need to be able to differentiate in the market they operate in, due to the high levels of competition. However, the findings suggested that organisations cannot differentiate indefinitely as clients would perceive this as unacceptable and not sanction the behaviour. Finally, the findings indicated that organisations need to find the right amount of sameness to complement their differentiation to gain stakeholder acceptance, whilst minimising competition. These findings in the study are consistent with a number of authors who indicated that a core paradox at the intersection of strategic management and institutional theory is how organisations successfully manage the competing pressures of simultaneous sameness and differentiation (Deephouse, 1999; Haans, 2018; McKnight & Zietsma, 2018). Zhao et al. (2017) took this further and indicated that the competing pressures should be orchestrated. This led McKnight and Zietsma (2018) to their critical question of how much distinctiveness an organisation should pursue in order to achieve superior performance.

The findings suggested that the achievement of optimal distinctiveness by organisations is dependent on a wide array of variables and how these variables are managed simultaneously. These include the various market forces, such as the bargaining power of buyers and the bargaining power of suppliers (Porter, 1985, 2008), and institutional forces, such as the requirements from the regulator (Greenwood et al., 2017). Harmonising these variables require organisations to go beyond the managing of resources towards the orchestration of resources (Kor & Mesko, 2013).

One example from the findings in the study is that managers in organisations need to simultaneously manage market forces where customers put pressure on the organisation to deliver new, innovative and digital solutions in an agile manner. In conjunction with this, the findings also indicated that industry bodies might enforce strict regulatory laws that require proper governance structures. The internal resources, such as the reporting structure of the organisations must subsequently be managed in such a way that synergy is achieved between the market forces, institutional forces and the internal resources, which suggests that orchestration is required to achieve harmony between these, sometimes conflicting demands. Therefore, the study further indicated that the internal and external resources must be orchestrated to allow the achievement of a strategic position that is optimally distinct. Given that the findings in the study suggested that organisations experience different market and institutional forces, and that orchestration is required of internal and external resources that are subjected to these forces, it does appear that optimal distinctiveness is context dependent and will change over time. The finding that optimal distinctiveness is context dependent and might change over time might help explain the mixed findings in the literature for new entrants and established organisations, as discussed in Chapter 2. Therefore, the finding in this study contributes to the current body of knowledge and contributes to Deephouse's (1999, p. 159) request for further research when he concluded that "precise identification of the strategic balance point requires a better understanding of the underlying relationships among similarity, competition, legitimation, and performance".

The orchestration of resources for new entrants and established organisations is discussed in the next two sections.

6.4.4.3 Orchestrating resources: New entrants

The findings in this study indicated that new entrants implement three different approaches to achieve a position of optimal distinctiveness, which gives further support to the claim that organisations are able to access multiple points of distinctiveness (Zhao et al., 2017). The three approaches are discussed below.

The first approach by new entrants consisted of these organisations implementing a strategy that is different from that of competitors in the market, but combining the level of differentiation with legitimacy that is sourced from another stakeholder. One organisation explained that they were new in the market and followed a completely digital strategy. The findings suggested that this approach was new to the industry and different to all other players in the market, and could have been interpreted as

unacceptable by customers. However, this level of differentiation was combined with the strategic selection of legitimate shareholders, allowing this new entrant to achieve simultaneous conformity and differentiation, thereby a position of optimal distinctiveness. Madsen and Walker (2007) found in their research that new entrants would favour differentiation by using technical efficiencies, while McKnight and Zietsma (2018), and Thornhill and Amit (2003) explained how new entrants do not have a history and therefore lack a track record and legitimacy. The findings in this study expand the literature on optimal distinctiveness for new entrants by bringing together these two fields of the literature to help explain how new entrants are able to successfully differentiate in the market by partnering with legitimate stakeholders.

The second approach from the findings of the study was where new entrants conform in certain areas of the business operation, which stakeholders perceive as non-negotiable, whilst differentiating in other areas where stakeholders are less sensitive to actions that are outside the norm. The example of the CEO that acquired office space in the Johannesburg Stock Exchange building supports this claim. Stakeholders of this new entrant perceived the building as an important artefact that provides comfort to these stakeholders that the organisation can be trusted. This allowed the organisation to obtain the necessary legitimacy, and still differentiate in other areas. The evidence from this study supports the suggestion by Zhao et al. (2017) on integrative orchestration. Organisations conform to key areas as perceived by stakeholders, but are able to deviate in other areas.

As discussed in Chapter 2, resource orchestration (Sirmon et al., 2011, p. 1390) requires the "structure, bundle, and leverage" of internal resources. Again, the findings in this study expand this framework on resource orchestration where orchestration of resources is not limited to the organisation, but is also required outside of the organisation. Structuring resources requires the acquisition or disposal of resources (Sirmon et al., 2011); however, as found in this study with the Johannesburg Stock Exchange building, organisations are able to "structure, bundle and leverage" resources beyond their organisation, which allows them to benefit through legitimacy transfer. Although the findings suggested that this new entrant acquired the building, various other external resources, such as the reputation of the Johannesburg Stock Exchange building, had to be orchestrated by the organisation to achieve harmony. This example in the findings further supports the claim that the resource orchestration framework should be extended to include both internal and external resources. In addition, the evidence from this study also suggests that

resource orchestration (Sirmon et al., 2011) should be combined with integrative orchestration as it unlocks further opportunities for new entrants.

The third approach refers to compensatory orchestration (Zhao et al., 2017). Various examples were found in this study that support compensatory orchestration. The findings indicated that it is very difficult for organisations in the services sector to differentiate on products given the strong regulatory environment. One example from the study is in the finance industry where loans are offered. The findings further suggested that the National Credit Act dictates the rules of engagement, such as the maximum loan amount and the interest rates. The findings in this study indicated that many organisations would implement a strategy of unique customer service to help the organisation to differentiate in a market that is undifferentiated. This allows these organisations to conform to certain strategic dimensions, whilst differentiating on other strategic dimensions towards a position that is optimally distinct. These findings are in line with compensatory orchestration as proposed by Zhao et al. (2017), which allows organisations to differentiate on one strategic dimension as stakeholders assess the organisation holistically. Again, evidence from this study suggests combining resource orchestration (Sirmon et al., 2011) with compensatory orchestration.

6.4.4.4 Orchestrating resources: Established organisations

The findings in this study confirm that established organisations follow a different route towards optimal distinctiveness when compared to new entrants. The findings in the study suggested that established organisations are more conservative and followed an approach of prioritising legitimacy before seeking opportunities to be different. In addition, the findings indicated that established organisations emphasised the need to be similar to the expectations of the industry. This is consistent with prior research by Madsen and Walker (2007, 2017), Chang and Wu (2014), and Zhao et al. (2017), who found that established organisations favour conformity to fight off new entrants, bringing a differentiated value proposition, by leveraging institutional legacies, such as a strong reputation, to accommodate their lack of efficiency and agility. Therefore, the findings in this study are consistent with extant literature.

In addition, similar to new entrants, evidence in this research was found where established organisations implement an approach of both integrative and compensatory orchestration as proposed by Zhao et al. (2017).

6.4.4.5 Orchestrating resources: Beyond the organisation

The findings suggested that organisations are influenced by market and institutional forces. This is consistent with the current body of knowledge (Greenwood et al., 2017; Oliver, 1997; Porter, 2008). However, the findings in the study also suggested that the reputation of the industry influences the organisations. On the one hand, the findings indicated that organisations are positively affected by the industry reputation. For example, an organisation in the insurance industry explained the strong confidence in the brand of insurance in South Africa, which allows their organisations to benefit by feeding off of the credibility of the industry, which unlocks opportunities for differentiation at an organisational level.

However, on the other hand, the findings in the study found that these connections can, at times, be a significant hindrance for organisations, both new entrants and established organisations. The consulting industry in South Africa has recently experienced damage to the institutional reputation due to various reports of corruption and fraudulent activities, and the findings in the study indicated that consulting organisations are having difficulty building trust with clients, even if the organisation itself is itself seen as legitimate. In other words, even with a strong reputation and legitimacy at an organisational level, participants explained that the institutional reputation is negatively influencing their ability to achieve meaningful outcomes. Following a detailed review of the literature, the researcher could find no evidence of prior research that has made reference to institutional reputation and the fact that this can have both a positive impact, allowing organisations to gain legitimacy, or a negative impact, where organisations lose legitimacy, which suggests a contribution towards the current body of knowledge. The findings in the study suggested that in order for organisations to achieve optimal distinctiveness, orchestration of resources, as well as market and institutional forces is required. Furthermore, the findings from the study also suggested that the situation of institutional reputation is improving, which supports the earlier claim that legitimacy is dependent on time and context as the market and institutional forces change. This further expands the research on optimal distinctiveness, although the positive and negative impact of institutional reputation warrants further investigation, which is beyond the scope of this study.

6.4.4.6 *Orchestrating resources: Conclusion*

The findings in the study on resource orchestration support the framework of "structuring, bundling and leveraging" as proposed by Sirmon et al. (2011, p. 1392). From the discussion of the findings and the literature on orchestration, the following five additional conclusions are proposed:

- The resource orchestration framework should go beyond internal resources to also include external resources.
- Optimal distinctiveness is context dependent and could change over time.
- New entrants are able to successfully differentiate in the market by partnering with legitimised stakeholders.
- The presence of integrative and compensatory orchestration was found.
- Institutional reputation can positively or negatively impact organisational legitimacy.

Each of the conclusions mentioned above is briefly discussed below.

Firstly, according to Sirmon et al. (2011, p. 1392), the resource orchestration framework suggests that organisations should "structure, bundle and leverage" internal resources. In addition, research by Kor and Mesko (2013) suggested the orchestration of internal resources to achieve performance. However, the discussion found evidence to suggest that organisations should also orchestrate external resources. This appears to be an extension of the current debate on orchestration. Secondly, the discussion found evidence that a strategic position of optimal distinctiveness is context dependent and could change over time. Again, this seems to be an extension of the current literature and helps explains the mixed findings in the research on the achievement of optimal distinctiveness for new entrants and established organisations. Thirdly, the discussion on the findings provide evidence to suggest how new entrants are able to gain legitimacy by partnering with legitimised stakeholders and this also contributes to the existing body of knowledge. Fourthly, the discussion revealed that both new entrants and established organisations employ integrative and complementary orchestration, which contributes to the existing body of knowledge. In addition, the discussion on the findings suggested that organisations combine resource orchestration, and integrative and complementary orchestration as it appears to unlock further opportunities for organisations. Lastly, the discussion on the findings with regards to institutional reputation appear to suggest that organisations can either gain or lose legitimacy based on the reputation

of the institution or industry. This appears to be an extension of the existing debate on organisational legitimacy.

The final part of the conceptual framework as illustrated in Figure 18 suggests that optimal distinctiveness could lead to superior performance. This is discussed in the final section of this chapter.

6.4.5   Orchestrating superior performance

The findings from the study indicated that organisations seek different variations of superior performance. The findings also indicated that some organisations are trying to increase shareholder value, i.e. economic value, whilst other organisations explained that superior performance should go beyond economic profit.

As mentioned in Chapter 2, there is a growing call for research to move beyond the economic value and consider a stakeholder perspective (Barney, 2018). In addition, this study is situated in a complex environment, which Greenwood et al. (2017, 2011) defined as an environment with contradicting beliefs and practices from multiple stakeholders. As a result, this section only discusses the findings on superior performance in the context of various stakeholders as highlighted by the participants in the study. This is discussed in the next section.

6.4.5.1 Superior performance as value for stakeholders

The findings from the study revealed that organisations are trying to achieve value for four types of stakeholders. This includes shareholders, employees, clients and the community. Shareholders were mentioned the most in the findings, followed by clients and employees. The community as a stakeholder was highlighted by only a few organisations.

The findings in this study suggested that organisations, both new entrants and established organisations, are under severe pressure to deliver economic value to shareholders. The findings further indicated that organisations see shareholders as the most important stakeholder. Furthermore, the findings also indicated that some organisations prioritise short-term financial return above everything else. According to Porter and Kramer (2019), the prioritisation of short-term financial benefits, above wider value creation opportunities is fuelling the perception that organisations are benefitting at the expense of the broader community. This has resulted in the legitimacy of organisations reaching an unprecedented level of decline (Porter & Kramer, 2019). As a result, it would appear from the findings of this study that the

unacceptable practices of some organisations are contributing towards the decline in overall business legitimacy.

The findings in the study also indicated the definition of superior performance in the context of shareholders, i.e. economic performance, differed across the organisations. Some organisations saw superior economic performance as exceeding shareholder expectations or double-digit growth, whilst other organisations interpreted it as being above everyone else. All the definitions highlighted by the participants are consistent with the early definition of business success, where Porter (1991) defined it as sustainable financial performance.

However, additional findings from the study indicated that organisations also seek performance for stakeholders beyond shareholders. This is consistent with Barney (2018), where he suggested that non-shareholder stakeholders also have a claim to profits. Although the findings revealed that all organisations prioritised financial returns, some organisations also highlighted that it must be in conjunction with a benefit to other stakeholders. The findings indicated that only two organisations referred to all four stakeholders. Again, little agreement was reached between organisations on what superior performance means in the context of these stakeholders.

The findings in the study indicated that organisations referred to superior performance in the context of employees through training and coaching to grow their skills set, whilst other organisations felt the employee must own a piece of the business. Porter and Kramer (2019) referred to employees in the context of shared value as providing living wages, improving the safety and wellness of workers, and providing training and opportunity for growth. This finding in the study is therefore consistent with the extant literature. In the context of clients, the findings also provided a wide range of definitions. Some organisations felt that superior performance meant that they help their clients achieve impact, whilst others referred to it as helping their clients achieve their goals by meeting and satisfying their needs. Porter and Kramer (2019) did not refer to clients directly in the construct of shared value, but rather referred to clients as part of the community surrounding the organisations. Although the findings in this study referred to clients separately, it does appear as if they are consistent with Porter and Kramer (2019). Again, little agreement was found on superior performance in the context of the community. Some organisations felt that superior performance meant bringing prosperity to the community, whilst others referred to it as positive change or providing the community with a financial stake in the organisation. Porter and Kramer (2019, p. 6) suggested

that at the root of shared value is the health of the surrounding community, which they refer to as a "supportive environment". Therefore, the findings in the study on community as a stakeholder are consistent with the current body of knowledge. In conclusion, although the majority of the findings align to the extant literature, the findings in the study do appear to extend the current body of knowledge on superior performance in the context of clients as a stakeholder of the organisations.

Finally, the notion of shared value found in this study does however differ from the definition of shared value as proposed by Porter and Kramer (2019). They suggested that economic value to shareholders must be created through the value creation of the broader society. In other words, this appears to mean that the value of the broader society is prioritised, and economic value is extracted from this. However, the findings in this study were more towards the prioritisation of economic value to shareholders, with value creation for the broader community following that. This is more in line with Porter and Kramer's (2006) previous work that stated that corporate social responsibility is a means to achieve a competitive advantage.

6.4.6   Conclusive findings on research question 3

The conceptual framework of the research, as presented in Figure 18, illustrated that the internal resources of an organisation are constantly exerted to market and institutional pressures. In addition, the conceptual framework suggested that internal resources should be orchestrated to achieve a strategic position that is optimally distinct, which could lead to superior performance.

From the discussion on the findings and the literature, the following conclusions are proposed:

- Organisations can increase legitimacy through wider geographic footprint.
- Deeper insights were found on how internal resources, i.e. training of staff and reporting structure, are used to achieve meaningful outcomes.
- Institutional legacies could also include coaching and training capabilities.
- Deeper insights were found on what organisations deem as superior performance.

Each of the conclusions mentioned above is briefly discussed below.

Firstly, the discussion on the findings revealed that organisations can use their geographic footprint to gain legitimacy with stakeholders. This expands the current debate on optimal distinctiveness by suggesting how organisations can utilise their internal resources, i.e. physical presence, to gain legitimacy. Secondly, the

discussion on the findings for the training of staff is consistent with the current literature; however, the study appears to provide greater insights into how organisations can use internal resources to achieve meaningful outcomes. Although no literature was found, the discussion on the findings of this study on reporting structure further contributes to the literature on how organisations can use internal resources to achieve meaningful outcomes. Thirdly, the discussion suggested that coaching and training of employees are institutional legacies. These findings expand the current body of knowledge on institutional legacies, which established organisations could leverage to compete with new entrants. Lastly, the research also expands the current body of knowledge on what organisations in a complex environment deem as superior performance.

CHAPTER 7: CONCLUSION AND RECOMMENDATIONS

7.1 Introduction

The final chapter concludes with the contributions made in this research. This includes a discussion on the principal conclusions of the research, followed by the research contribution, the implications for management and other stakeholders. Thereafter, the limitations of the research are discussed, followed by various suggestions where future research should venture in order to further enrich the literature on this topic.

7.2 Principal conclusions

This section outlines the various parts of the research that ultimately contribute towards the development of the 'optimal distinctiveness framework'. The conclusions from each of the research questions are consolidated and presented in the 'optimal distinctiveness framework', which is shown in Figure 19. Also, the conclusions on new entrants and established organisations are also presented.

7.2.1 Market forces

The research concluded that the market forces are influencing the strategic position of organisations, which suggests a possible extension to Porter's (2008) industry level model. Moreover, the research also concluded the following:

- Agility and talent are factors of rivalry among the existing competitors.
- Network is a factor of the threat of new entrants.
- Supplier reputation is a factor of the power of suppliers.

The research further concluded that organisational resources also influence market forces, and suggests that pressure is exerted on the organisational resources by the market force, but also that pressure is exerted on the market force by the organisational resources. This is illustrated in Figure 19 with bi-directional arrows to indicate that pressure is exerted in both directions.

7.2.2 Institutional forces

The research concluded that the institutional forces are influencing the strategic position of organisations due to the pressure on organisational resources, which suggests some possible extensions to Scott (2013).

The conclusions of the study include the following:

- Adherence to regulation can allow organisations to gain legitimacy.
- Frequency of regulatory change seems to give faster, more agile organisations an advantage.
- Organisations can limit the effect of institutional forces, i.e. political influence, through product and service diversification.

The research further concludes that organisational resources also influence institutional forces, which is similar to market forces. Therefore, the conclusions for institutional forces indicate that pressure is exerted in both directions, which is illustrated in Figure 19.

7.2.3   Orchestration to achieve optimal distinctiveness

This research used the resource-based view (Barney, 1991, 2018) to obtain a deeper understanding of how organisations orchestrate their resources (Sirmon et al., 2011; Zhao et al., 2017) to achieve a strategic position that is optimally distinct.

The research concludes the following on orchestration:

- Organisations operating in a complex environment are required to orchestrate organisational resources, through "structuring, bundling and leveraging" (Sirmon et al., 2011, p. 1392).
- Organisations are also undertaking integrative and complementary orchestration of resources, as suggested by Zhao et al. (2017).

Therefore, this research concludes that organisations need to conduct resource orchestration (Sirmon et al., 2011), as well as integrative and complementary orchestration (Zhao et al., 2017) in order to reach a strategic position that is optimally distinct – different enough to avoid competition and similar enough to be recognised by stakeholders. This can enable the organisation to achieve superior performance. This conclusion in the research contributes to the orchestration literature by combining the research areas of resource orchestration, and integrative and complementary orchestration. In addition, it further contributes by combining the orchestration literature with the optimal distinctiveness literature. The research further concluded that resource orchestration is not limited to the internal resources, as suggested by Kor and Mesko (2013), and Sirmon et al. (2011), but that orchestration of external resources is also required. This further expands the literature on resource orchestration. The conceptual framework illustrates the orchestration of internal and external resources, as shown in Figure 19.

However, as market and institutional forces change, the research concluded that optimal distinctiveness is context dependent, and that this strategic position can change over time. This means that optimal distinctiveness is not a static strategic position, and organisations are constantly required to orchestrate the various market forces, institutional forces, and internal and external resources towards an optimal distinctiveness position. This contribution to the literature on optimal distinctiveness helps explain the mixed findings in the research. Figure 19 shows the continuous need for orchestration of resources with circular arrows. In addition, the research concluded that organisations orchestrate differently towards an optimal distinctiveness position. In other words, combining the orchestration of resources in organisations, i.e. resource orchestration, and integrative and complementary orchestration, varies across organisations. This supports the literature that optimal distinctiveness in a complex environment is multi-layered (Zhao et al., 2017), allowing organisations to access various optimal distinctiveness positions, and further, this moves research beyond the single point of convergence as discussed in strategic balance theory (Deephouse, 1999). Again, circular arrows are used in Figure 19 to show that optimal distinctiveness is dynamic.

7.2.4   Superior performance

The organisations that took part in this research acknowledged that they continuously strive towards superior performance in their respective industries. To achieve superior performance, organisations are required to develop a strategy that achieves simultaneous conformity and differentiation (Haans, 2018; Zuckerman, 2016), which was also concluded in this research.

The research further concluded that organisations aim to achieve superior performance for various stakeholders. These stakeholders include shareholders, employees, clients and the community. However, the research concluded that these organisations, operating in a complex environment, define superior performance differently, as they seek to satisfy stakeholders to varying degrees.

The research also concluded that organisations define superior performance differently and thus the research contributes to the literature by providing deeper insights into what organisations define as superior performance in a complex environment.

7.2.5 Research contribution: Optimal distinctiveness framework

The final framework contributes to the literature and moves towards an understanding of how optimal distinctiveness contributes to the achievement of superior performance. The framework is illustrated in Figure 19. The 'optimal distinctiveness framework' explains how market and institutional forces exert pressure on internal and external resources of an organisation. In order to achieve superior performance, organisations need to orchestrate these internal and external resources towards a strategic positon that is optimally distinct – simultaneous achievement of differentiation and conformity.

Figure 19 consists of three sections. Firstly, 'optimal distinctiveness framework' outlines the framework. The orange areas inside the framework refer to contributions made in this research from the conceptual framework developed from the literature. The second section of Figure 19 summarises the current theory, whilst the third section provides a summary of the extensions to the theory.
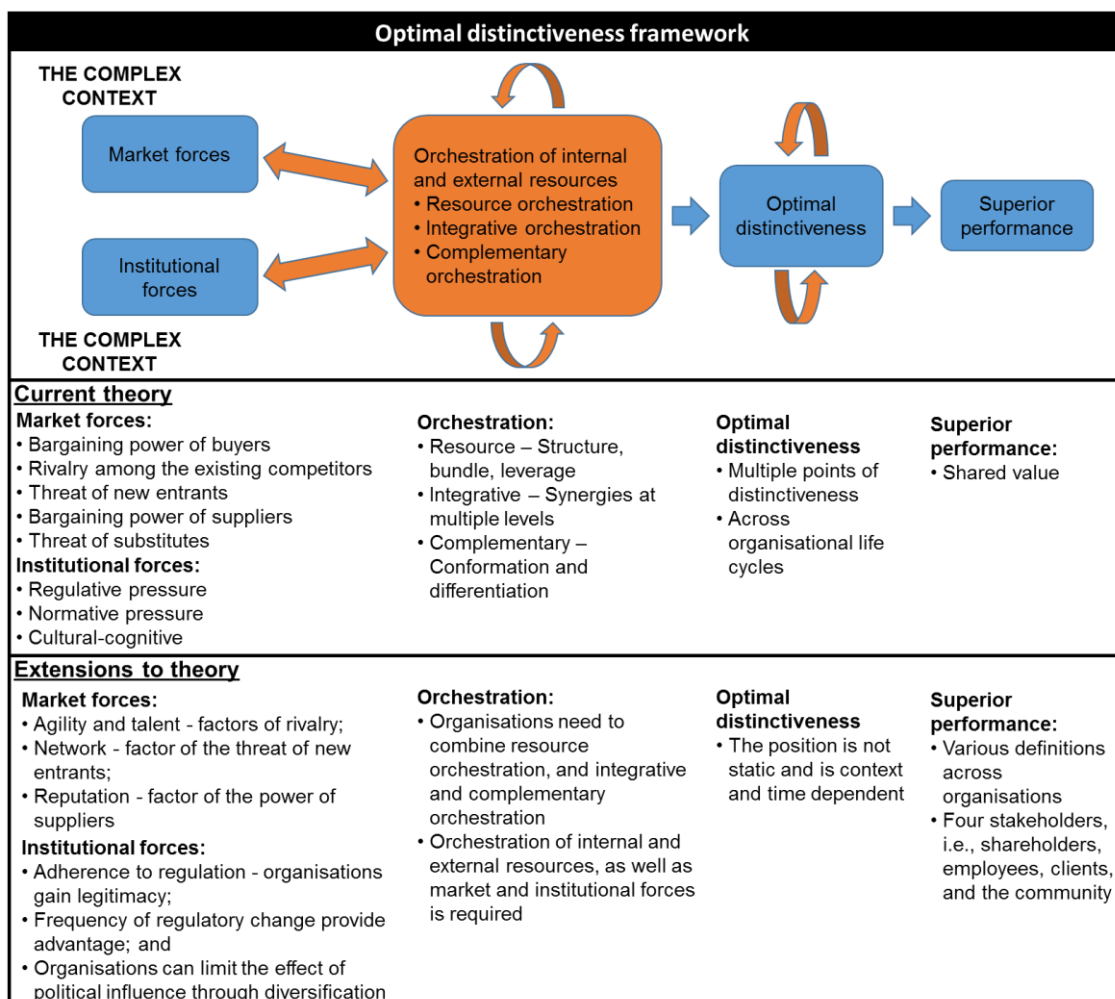
Figure 19: Optimal distinctiveness framework in a complex context

7.2.6   New entrants and established organisations: Comparison

The research completed a comparison between new entrants and established organisations. Various differences were concluded between the different organisations' life cycles and each of the components of Figure 19, i.e. market forces, institutional forces, resource orchestration, optimal distinctiveness and superior performance, are briefly highlighted below.

The research concluded that new entrants and established organisations experience different market forces. Moreover, the research concluded that new entrants experience less pressure than established organisations to price their product or service competitively. This conclusion appears to challenge Porter (2008), and expands the current literature.

Similarly, the research also concluded that new entrants and established organisations experience different institutional forces. Furthermore, the research concluded that new entrants can expedite legitimacy gain by leveraging the adherence to regulation. Moreover, new entrants are more affected by adverse political pressure, due to their lack of product and service diversity. This can be mitigated through an increase in product and service diversity.

The research reached the following two conclusions with regards to the orchestration of resources towards an optimal strategic position:

- New entrants implement a differentiated strategy, but offset this differentiation with legitimacy gain sourced from other legitimate stakeholders; whilst established organisations prioritised conformity.
- Both new entrants and established organisations implemented integrative and compensatory orchestration.

Therefore, the conceptual framework proposed in Figure 19 is relevant for both new entrants and established organisations, albeit with different forces being exerted at varying degrees. The resource orchestration is also different between new entrants and established organisations. Given that the market and institutional forces might differ, as well as the orchestration of resources, and organisations operate in a complex environment, the research concludes that new entrants and established organisations are able to achieve a position that is optimally distinct in the same market, enabling both organisations to achieve superior performance.

7.3   Research contribution

The research contributes towards the strategic management and institutional theory literature through various contributions and extensions.

The research contributes towards the strategic management literature on optimal distinctiveness in the following areas, which is also indicated in Figure 19:

- Resource orchestration should be combined with integrative and complementary orchestration to help explain how organisations orchestrate, both internal and external resources, towards a strategic position that is optimally distinct.
- Optimal distinctiveness is multi-dimensional, and various combinations of resource orchestration, and integrative and complementary orchestration exist that enable organisations to achieve this position.
- Superior performance in a complex context involves multiple stakeholders.

In addition, the research contributes to the strategic management and institutional theory literature through various extensions and refinements, as suggested in Figure 19.

Finally, the research also contributes to the above-mentioned literature by considering the life cycle of an organisation, i.e. new entrants and established organisations. Again, various contributions have been made to the literature.

7.4   Implications for management and other relevant stakeholders

The conceptual framework developed in Figure 19 provides managers of organisations with deeper knowledge on how to achieve a strategic position that is optimally distinct and thus enable their organisation to achieve superior performance. More specifically, managers of organisations should consider the following recommendations.

- Carefully define superior performance in the organisation by understanding the various stakeholders. This, together with the internal and external factors, will influence how resources are orchestrated towards optimal distinctiveness.
- Understand the resources of the organisations, both internal and external, collectively and how they interact. To achieve superior performance, these resources should not only be managed, but orchestrated by combining resources to achieve synergy.

- Organisations should pursue a strategic position of optimal distinctiveness that allows the organisations to achieve simultaneous conformity and differentiation. This can be achieved through a combination of resource orchestration, and integrative (where conformity is achieved in salient areas, but differently configured) and complementary orchestration (where differentiation is complemented with legitimacy gain from another area).

- Be aware that the organisation's optimal strategic position will constantly evolve, as the market and institutional forces, and the orchestration of resources change. This suggests that strategy development for organisations should be done continuously, in order to account for the complex context.

- For new entrants, offset a strategy of differentiation by partnering with legitimised stakeholders. This will promote legitimacy gain from stakeholders, allowing greater acceptance of the areas of strategy differentiation.

- For established organisations, leverage institutional legacies, such as the organisation's training and coaching ability, to compete with new entrants by drawing, amongst others, skilled resources towards their organisations.

7.5   Limitations of the research

The limitations of the research from a methodology perspective have been discussed in Section 4.11. However, the following general limitations of the research have been identified and are briefly discussed below.

- The need to orchestrate external resources to achieve optimal distinctiveness was concluded from this research. However, given the broader research questions of this study, the interaction between internal and external resource orchestration was not explored in detail.

- The interactions between resource orchestration, and integrative and complementary orchestration were not explored in detail in this study. The interaction between the various types of orchestration could potentially add an additional level of complexity.

- The research only focused on new entrants and established organisations and as a result, other organisations with a different life cycle were not included. These organisations could include established organisations that enter a completely new market where they could be seen as new entrants in that market.

- The research focused on three industries (consulting, finance and insurance) in the services sector.

7.6 Suggestions for future research

Based on the research conducted, seven areas have been identified for future research.

- Future research should focus on gaining a deeper understanding of resource orchestration, by gaining deeper insights into the relationship between internal and external resources, and how these resources interact towards the achievement of a strategic position that is optimally distinct.

- There is a need to further understand the interactions between resource orchestration, as a linear process, and integrative and complementary orchestration.

- Future research on orchestration should venture further into organisational life cycle. Research should go beyond new entrants and established organisations, by researching how established organisations enter a completely new market to become a new entrant in that market.

- Future research should focus on expanding the current body of knowledge across industries to further the understanding of how organisations orchestrate resources to obtain a strategic position of optimal distinctiveness as well as gain better understanding of whether differences across industries exist.

- There is a need to further develop the current body of knowledge to enhance the understanding on how the optimal strategic position of an organisation changes over time, given the various market and institutional forces.

- Research should further test the 'optimal distinctiveness framework' by gaining deeper understanding of how superior performance is achieved through orchestration, leading to optimal distinctiveness, for new entrants and established organisations.

- Future research in the institutional literature should pursue deeper understanding on how organisations gain or lose legitimacy due to a positive and negative influence from institutional reputation.

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Table 22: Summary of literature review

Strategic management	**Period name**	External focus to achieve competitive advantage	Internal focus to achieve competitive advantage	Shared value to achieve competitive advantage
	Description	• Competitive strategy is driven by industry attractiveness and competitive position of an organisation in the industry	• Managing internal resources and capabilities to achieve a competitive advantage	• Organisations are to use the principle of shared value to craft economic value for shareholders
	Performance	• Gain a competitive advantage by selecting an attractive industry and positioning the organisation through differentiation to achieve superior performance through market share	• Utilise internal resources that are valuable, scarce, inimitable, unsubstitutable to gain competitive advantage to achieve superior performance, although this is also influenced by the operational context	• Creating economic value for shareholders through value creation in society
	Level of analysis	• Industry	• Organisation	• Organisation and industry
	Key topics covered	• Competitive advantage • Five forces model	• Competitive advantage • Resource based view	• Competitive advantage • Shared value
	Assumptions	• Relatively stable market • Organisations are identical in the strategic resources they manage • Resource heterogeneity occurs only in short term	• Internal organisational resources and capabilities could be heterogeneously scattered in the industry and that organisations can hold on to these resources and capabilities for a long time	• Advancement of stakeholder through value creation • Complex and dynamic markets • Organisations view value creation narrowly and in the short term
	Main authors	• Porter	• Barney, Hamel, Prahalad ,Oliver	• Porter, Kramer, Adner, Kapoor
Optimal distinctiveness	**Period name**	No overlap between strategic management and institutional theory	Building an initial bridge between strategic management and institutional theory	The call for a broader interface on optimal distinctiveness
	Description		• Organisations strive for a moderate levels of strategic differentiation to achieve superior performance	• Organisations are heterogeneous, operating in a complex environment with multiple institutional logics. Organizations can achieve optimal distinctiveness by accessing multiple points of conformity and differentiations to achieve superior performance
	Performance		• Performance is achieved by balancing between conformity and differentiation	• Performance is achieved by obtaining synergy between conformity and differentiation
	Level of analysis		• Organisation	• Organization and field
	Key topics covered		• Optimise strategic position by balancing a single dimension	• Orchestration • Stakeholder Multiplicity • Managing Temporality
	Assumptions		• Organisations are assessed on a single, relatively static point of convergence	• Organisations are assessed on multiple strategic dimensions by a wide range of stakeholders • Organisational environments are considered complex and dynamic
	Main authors		• Deephouse	• Zhao, Chang, Wu, Madsen, Walker, Ocasio, Radoynovska
Institutional theory	**Period name**	The foundations of new institutional theory	Establishing new institutional theory	New institutional theory transitions into a complex environment
	Description	• New institutional theory emerged and the main constructs presented. Organisations become isomorphic with their institutional context to gain legitimacy, which provides performance	• Various constructs in new instructional theory were questioned. Research started to focus in the for-profit sector as markets got recognized as institutions	• Research focused on legitimacy in complex environments and rejuvenated the research agenda towards institutional logics where organisations have opposing processes, practices and principles
	Performance	• Organisations must be similar to their institutional context to be recognised by customers and increase their likelihood of survival and achieve performance	• Organisations pursue legitimacy to improve their likelihood of survival and achieve performance	• Organisations are heterogeneous but must aim to be recognised as legitimate by stakeholders to achieve performance, which include accounting profit, increased in stock market value and social acceptance
	Level of analysis	• Organisation and field	• Organisation and field	• Organisation and field, although with revised definition to include issues
	Key topics covered	• Institutions, institutional context, isomorphism	• Theorisation of organisational heterogeneity	• Complex environment, institutional logics, heterogeneity, legitimacy
	Assumptions	• Institutions are highly rigid and constraining • Highly structured organisational fields leads to homogeneity • Organisations that conform gain legitimacy and achieve performance	• Organisations that conform gain legitimacy and achieve performance	• Complex organisations and environment with dynamic markets
	Main authors	• Meyer, Rowan, Scott, DiMaggio and Powell	• Carroll, Fombrun, Oliver, DiMaggio, Powell and Scott	• Greenwood, Suchman, Wooten and Hoffman

Source: Author's own, adapted from Deephouse (1999), Greenwood et al., (2017), Porter (1980, 1985, 1991), Porter and Kramer (2019), Wooten and Hoffman (2017) and Zhao et al. (2017).

APPENDIX 2: INVITATION EMAIL

Dear [Name of Participant]

I hope this email finds you well.

I am in the process of completing my MBA degree at the Gordon Institute of Business Science (GIBS) and with this comes the requirement to complete a research report. My research is titled "Towards an understanding of how optimal distinctiveness contributes to the achievement of superior performance".

The aim of the research is to obtain a better understanding of organisational strategy, and the different market and institutional forces that are considered by organisations operating in a complex business environment to achieve meaningful outcomes. I strongly believe that you have the experience in this area to provide key insights. The research aims to answer the following research questions:

- How do market forces shape the strategic position of an organisation?
- How do institutional forces shape the strategic position of an organisation?
- Given the market and institutional forces, how do organisations orchestrate internal resources to achieve a strategic position of optimal distinctiveness, leading to superior performance?

I would sincerely appreciate your participation in the research on the topic as mentioned above. The interview is semi-structured and the planned duration will be one hour. My intention is to complete the interview during the month of July 2019. Kindly find attached the consent form for your reference. The interviews will be confidential and both yourself and your organisation will be kept anonymous.

Could you kindly indicate if you would be willing to partake in the research as well as your availability during the month of July 2019.

I thank you for taking the time to read my email and look forward to hearing from you.

Regards

Jandre Bezuidenhout
072 125 1238
18379029@mygibs.co.za

APPENDIX 3: CONSENT FORM

Dear [Name of Participant]

I am currently a student at the University of Pretoria's Gordon Institute of Business Science and completing my research in partial fulfilment of an MBA.

I am conducting research on organisational strategy, and I am trying to obtain a deeper understanding of how you direct your organisation to achieve meaningful outcomes. The duration of the interview is approximately one hour, and it will help us understand how strategies are developed in organisations to achieve meaningful outcomes. **Your participation is voluntary, and you can withdraw at any time without penalty.** All data will be reported without identifiers, therefore both you and your organisation will remain anonymous. It will also ensure confidentiality. If you have any concerns, please feel free to contact myself or my supervisor using the details as given below.

I thank you in advance.

Details:

Researcher	Research Supervisor
Name: Jandre Bezuidenhout	Name: Jill Bogie
Email: 18379029@mygibs.co.za	Email: BogieJ@gibs.co.za
Phone: 072 125 1238	Phone: 011 771 4000

Signature of participant: _____

Date: _____

Signature of researcher: _____

Date: _____

APPENDIX 4: INTERVIEW GUIDE FOR SEMI-STRUCTURED INTERVIEWS

<table>
<tr>
<td colspan="5">

Gordon Institute of Business Science
University of Pretoria
</td>
</tr>
<tr>
<td colspan="5">Towards an understanding of how optimal distinctiveness contributes to the achievement of superior performance</td>
</tr>
<tr>
<td>Date</td>
<td colspan="4">[Enterdate]</td>
</tr>
<tr>
<td>Version</td>
<td>V1</td>
<td>Contacts</td>
<td>Jandre Bezuidenhout</td>
<td>Email   18379029@mygibs.co.za</td>
</tr>
</table>

INTRODUCTION AND WELCOME

Explain the background to the research and confirm that the informed consent form still applies**. Give the participant a copy of the signed consent form for their records.**

Preamble:

Thank you for agreeing to participate in this research about getting closer to an understanding of how optimal distinctiveness contributes to the achievement of superior performance.

I am interested in **your experiences**. Where you are able to answer a question by way of an example or story to illustrate your experience that would be very useful.

INTERVIEW QUESTIONS

	Main questions
1	Background The questions specifically reference your experiences around strategy development in organisations to achieve meaningful organisational outcomes. (Note. This question also serves as a test for data credibility) Question 1 Can you tell me about your role in the organisation towards the achievement of meaningful organisational outcomes?
2	Question 2 What meaningful outcomes are you trying to achieve and for whom?

3	Question 3
	Please can you tell me about the factors <u>at an organisation level</u> that are contributing towards the achievement of meaningful outcomes?
	Why do you think these factors had the effect you say they did?
	Probing questions to be used:
	Tell me more about that.
	Could you give me an example to illustrate the point you made.
	Could you give me some more details on that?
	(Note – The participants can also tell stories of events that occurred in the organisations)
4	Question 4
	Please can you tell me about the challenges <u>at an organisation level</u> that are hindering your organisation's achievement of meaningful outcomes?
	Why do you think these challenges had the effect you say they did?
	Probing questions to be used:
	Tell me more about that.
	Could you give me an example to illustrate the point you made.
	Could you give me some more details on that?
	(Note – The participants can also tell stories of events that occurred in the organisations)
5	Question 5
	Please can you tell me about the factors <u>beyond the organisation</u> that are contributing towards the achievement of meaningful outcomes?
	Why do you think these factors contribute like they do?
	Probing questions to be used:
	Tell me more about that.
	Could you give me an example to illustrate the point you made.
	Could you give me some more details on that?
	(Note – The participants can also tell stories of events that occurred in the organisations)
6	Question 6
	Please can you tell me about the challenges <u>beyond the organisation</u> that are hindering your organisation's achievement of meaningful outcomes?
	Why do you think these challenges had the effect you say they did?
	Probing questions to be used:
	Tell me more about that.
	Could you give me an example to illustrate the point you made.
	Could you give me some more details on that?
	(Note – The participants can also tell stories of events that occurred in the organisations)
7	Question 7
	Tell me about what you have learnt from your experience of working on strategies for this organisation.
	How could you use the experience to do things differently in the future to amplify meaningful outcomes for the organisation?

APPENDIX 5: LIST OF CODES

Table 23: List of codes

Code	Code
Buyer_power/Client_interaction	PR/Footprint
Buyer_power/Client_needs	PR/Technology
Buyer_power/Digital	Regulative/Authority
Buyer_power/New_solutions	Regulative/Complexity
Buyer_power/Pragmatic_solutions	Regulative/Credibility
Buyer_power/Turnaround_time	Regulative/Differentiation
Cognitive/Assumptions	Regulative/Frequency_change
Cognitive/Belief	Regulative/Inconsistent
Cognitive/Culture	Regulative/Internal
Cognitive/Historic_belief	Regulative/Political_landscape
Cognitive/Propaganda	Regulative/Promote_business
Cognitive/Replicating_competition	Regulative/Staff_diversification
Competitive_rivalry/Agility	Shared_value
Competitive_rivalry/Concentration	Stakeholders
Competitive_rivalry/cost	Substitutes/Propensity
Competitive_rivalry/Price	Supplier_power/Cost
Competitive_rivalry/Talent	Supplier_power/Dependancy
Complex_environment	Supplier_power/Prioritization
External_challenge/Dynamic_environment	Supplier_power/Reputation
External_challenge/Economy	Threat_of_new_entry/Brand
External_challenge/Reputation	Threat_of_new_entry/ Brand_not_known
HCR/Capacity	Threat_of_new_entry/ Building_a_strong_reputation
HCR/Culture	Threat_of_new_entry/Capital
HCR/Experience	Threat_of_new_entry/Economies_scale
HCR/Relationship	Threat_of_new_entry/Legacy
HCR/Skills	Threat_of_new_entry/Low_barriers
HCR/Staff	Threat_of_new_entry/Networks
HCR/Training	Threat_of_new_entry/Relationships
Managing_in_the_business	Trying_to_achieve/Brand
Normative/Accreditation	Trying_to_achieve/Clients
Normative/Conduct	Trying_to_achieve/Employee
Normative/Institutional_reputation	Trying_to_achieve/Ethics
Normative/Norms	Trying_to_achieve/Leadership

Normative/Staff	Trying_to_achieve/Link_impact
Normative/Values	Trying_to_achieve/Shared_value
Normative/Work_habits	Trying_to_achieve/Shareholder_value
OCR/Bureaucracy	Ways_to_improve/Alignment
OCR/Communication	Ways_to_improve/Better_execution
OCR/Coordination	Ways_to_improve/Communication
OCR/Execution	Ways_to_improve/Diversification
OCR/Foresight	Ways_to_improve/Ethics
OCR/Planning	Ways_to_improve/Networking
OCR/Process	Ways_to_improve/Partnerships
OCR/Reporting_structure	Ways_to_improve/People
OCR/Systems	Ways_to_improve/Relationships
Optimal_Distinctiveness	Ways_to_improve/Reputation
Participant's_role	Ways_to_improve/Resources
Performance	Ways_to_improve/Technology
PR/Assets	Ways_to_improve/Training