Strategy and professional identity of VSE owner-managers

Gregory Reyes
Institute of Business Administration of Poitiers,
University of Poitiers,
20, road Guillaume VIII le Troubadour,
TSA 61116, 86073 Poitiers Cedex 9, France
Email: greyes@poitiers.iae-france.fr

Abstract: This study shows how the professional identity of owner-managers of VSEs guides their strategy and enterprise growth. The literature on VSEs considers that owner-managers play an important role in the strategic orientation of their enterprise. While we join this stream of literature, our article highlights the role of this rarely analysed factor. We studied several cases in order to illustrate the effects of the owner-manager’s professional identity. The two VSEs studied are pharmacies – an activity sector that is atypical and unstable. The analysis of these contrasting cases shows they adopt different strategies that depend on whether they attach more importance to the ‘health professional’ or ‘retailer’ dimension of their job. By combining professional identity with ‘owner-managers’, this research illustrates the importance of conceptions of ‘the job’ on strategic behaviour.

Keywords: owner-manager; professional identity; very small enterprise; VSE; pharmacist; strategy; growth.


Biographical notes: Gregory Reyes is a Lecturer at the Institute of Business Administration of Poitiers. His research work is devoted to the study of the owner-manager of small business on strategic and organisational design issues. He is particularly interested in the evolution of French pharmacy and the consequences this has on its management.

1 Introduction

Very small enterprises (VSEs or micro firms) and small enterprises (SEs) have a significant weight in a country’s economy (Fassin et al., 2015; Jaouen and Lasch, 2015). For example, in France, these enterprises accounted for 98% of firms according to INSEE in 2012. SEs, (defined as having between 50 and 10 employees) and especially VSEs (defined as having fewer than ten employees) are often characterised by intuitive strategy, short-term vision, proximity with partners and an information system that is relatively little formalised (Jaouen and Nakara, 2015; Törres and Julien, 2005). This
Strategy and professional identity of VSE owner-managers

being the case, research on VSEs or SEs used to focus on the problem of these companies’ growth and development (Perren, 1999; Morrison et al., 2003; Andersson and Tell, 2009; King et al., 2014). Studies have shown that the development, growth and practices of VSEs depend largely on the characteristics of the owner-manager (Reijonen and Komppula, 2007; Anderson and Tell, 2009; Higgins et al., 2013; Garavan et al., 2015; Jaouen and Lasch, 2015). Perren (1999) in particular shows that the owner-manager’s motivation is particularly determinant. This is even more significant in VSEs where the personal objectives of the owner and those of the business are truly held in common, making the interaction between actor and organisation extremely strong (Fonrouge, 2002; Brigham et al., 2007). This form of proximity (in the sense of Torrès and Julien, 2005) or dialogism (in the sense of Fonrouge, 2002) results in the business and its owner-manager being one and the same. Among elements that influence the owner-manager’s strategic behaviour, several authors have identified cognitive style, social capital, values and vision (Jaouen and Lasch, 2015; Fassin et al., 2011, 2015; Garavan et al., 2015; Cyr et al., 2011; Jaouen, 2010; Jones et al., 2010; Brigham et al., 2007). However, the role of professional identity has not yet been analysed. The construction of a professional identity is a socialisation process of the individual at work that is based both on the person’s life experience (biography) and his/her relationships within the firm (Dubar, 1991, 2007, 2010). Dubar (2010) insists on the importance of the relationship with ‘others’ in constructing a professional identity. The intention the relationship is based on is essential in creating this identity. This intention presupposes a projection of the self into the future; it goes beyond the everyday context of work to become part of a broader career path that is combined with professional practice [Dubar, (1991), p.121]. According to this perspective, the definition of professional identity seems to perfectly fit with the strategic orientation and development of the firm of owner-directors. This article uses the concept of professional identity to enhance our understanding of how the SE/VSE owner-manager constructs his/her strategy. Does the VSE owner/director’s professional identity guide this strategy? To respond to this question, we studied two owner-managers of two French pharmacies. The pharmacist is an interesting example in so far as this profession has a hybrid status at a point where healthcare professional and retail commerce meet (Debarge, 2011). Pharmacists must both fulfil their role as health professionals with duty to public service, and earn their living as economic actors responsible for a business. Unlike other health professionals such as doctors and self-employed nurses, the pharmacist receives little financial reward as ‘dispenser’; pharmacists mainly earn their living from selling products. However, in the context of a rationalisation of the French health system, pharmacists are currently undergoing important contextual changes (Tabuteau, 2013). In an effort to reduce the health insurance deficit, the public authorities implement countless reforms. This results in much uncertainty on the market’s evolution. Thus, our choice of researching owner-manager pharmacists (licensed pharmacists) presents the interest of studying a profession that is caught between a toughening of its environment and changes in the job itself. There seem to be many incidences of strategic orientation and development of pharmacy-VSEs. This study aims to show the impact (the structuring role) of licensed pharmacists professional identity on their strategic orientations.

The first part of this article proposes a literature review about owner-managers, showing that the literature attributes an important role to owner-managers’ personal characteristics using the concept of professional identity to better explain deciders’
strategic behaviour. The second part presents the methodology and justifies our use of a comparative case study to examine this subject. The third part presents the results of the research and shows how the tenured pharmacists’ professional identity structures their strategic behaviour. Finally, the fourth part proposes several points for further discussion.

2 Owner-managers of VSEs

In dealing with VSE strategy, several studies have insisted on the role of the owner-manager (Jaouen and Lasch, 2015; Fassin et al., 2015; Garavan et al., 2015; Cyr et al., 2011; Jaouen, 2010; Brigham and Sorenson, 2008; Brigham et al., 2007; Cossette, 2001). In this type of business, given its size and the proximity of the personnel (Torrès and Julien, 2005), the manager is the main actor behind the firm’s performance (Reijonen and Komppula, 2007). In these conditions, the firm’s future relies essentially on the owner-manager’s strategic capacities and perception of the environment (Jaouen and Lasch, 2015; Garavan et al., 2015; McGee and Sawyerr, 2003) and his/her character traits influence company policy. Several characteristics are retained. Cognitive style, that is how information is perceived, collected analysis and processed, is one determinant of decision-making behaviour (Jaouen and Lasch, 2015; Garavan et al., 2015; Brigham et al., 2007). Some authors consider that the owner-manager’s behaviour is essentially influenced by his/her values, ethical standpoint (Fassin et al., 2015, 2011) or social capital (Jones et al., 2010). On the other hand, others think that this behaviour corresponds to a form of pragmatism and simple reason. Cyr et al. (2011) look at VSE owners’ rationality. According to this ‘practical’ reasoning, they show that owners’ behaviour is very little disturbed by values or beliefs; on the contrary, it is highly coherent according with their motives for action and personal choices. Jaouen and Nakara (2015) make the same observation in their study of the implementation of an information system in a VSE. The manager’s choice is based on a sort of organisational ‘make do’ that means combining whatever resources are available to create new opportunities. This implies a certain amount of improvisation, a mixture of organisation and spontaneity. The concept of the owner-manager’s strategic vision combines both the cognitive aspect and the rational principal. Vision is the image an individual projects into the future (Filion, 1991; Carrière, 1990), thus the owner’s vision and perception of reality shape his/her strategy and action. Cossette (2001) explains that strategic vision is a cognitive production that comprises a set of perceptions and expectations for the business’ future.

The individual’s interpretation of events, and his/her decisions for action are guided by a system of explanation (causes and means) and consequences (effects and results). This vision will depend on owner-managers’ personal values and aspirations, their representations of a sector, a profession and an activity that concern them as deciders (Jaouen and Lasch, 2015; Jaouen, 2010).

The above analyses reveal the scientific community’s desire to understand the strategic behaviour of owner-managers of small and very small enterprises. If in general all these studies show that strategic orientation in a VSE relies on the behaviour of the owner-manager, and in particular on his/her personality, few of them integrate the professional environment (the actual job), as an important characteristic of this choice. However, these analyses contain a significant gap: the absence of the importance of the profession and the sector of activity as an explanation of the owner-manager’s character traits, notably in terms of cognitive style. However, Brigham et al. (2007, p.45) conclude
their study by stating that it could be useful to examine the interaction between working style, working environment and other aspects of the entrepreneur’s environment (such as his/her job), to better explore the relationship between owner-managers and the development of their organisations. This implies that professional identity should shed significant light on these points. However, studies of directors’ personality, vision and representations, rarely evoke their ‘identity’ relative to the actual profession they practice or the sector they inhabit. Nevertheless, the concept of identity seen in an interactionist perspective refers precisely to the relationship between an individual and others, suggested by certain studies mentioned above.

3 The professional identity

The matter of professional identity does not seem to resonate very deeply with scholars exploring company management. Works on SME and entrepreneurship have not looked much into the professional identity of the owner-manager. Studies that have dealt with this have focused on the identity of entrepreneurs (Nielsen and Lassen, 2012; Farmer et al., 2009; Vesala et al., 2007), focusing above all on the dynamic of the director as entrepreneur, especially when the company is being created.

In sociology, a few French studies have contributed to the concept of the professional identity. From an interactionist perspective, identity can be considered as a dynamic process of self-construction that plays out in a specific social space (Osty, 2002). This conceptual framework has been used in order to better identify the various situations of interaction that produce the dynamics of job identity (Dubar, 1991, 2007, 2010). According to the interactionist approach, mutual recognition and distinction develop through everyday exchanges among the members of a firm and through their way of communicating and going about the job. Professional identity should not be confused with social identity. The first is studied in a work relationship linked to economic activity (Dubar, 1991). The second corresponds to a social status based on the way in which individuals define themselves within an organisational or group context (Cornelissen et al., 2007). This second approach corresponds to socialisation for work whereas the first corresponds to socialisation through work. It is precisely with regard to this socialisation through work that human behaviours and their interactions with the organisation and the environment are studied [Cohen-Scali, (2003), p.247]. This process of socialisation can be divided into two aspects: a relational process and a biographical one (Dubar, 1991, 2007, 2010; Sainsaulieu, 1985).

Identity is built up through a dual process of self-identity (the biographical process) and identity for others (the relational process). The biographical process (self-identity) hinges on life experience so far and its projection into the future. It is based on the individual’s personal ‘journey’, experience acquired through socialisation in instances such as university, family and corporations (Osty, 2002; Dubar, 1991, 2010). The identity for others is based on the subject’s being recognised in places that lend legitimacy to his/her knowledge and skills [workplace for Sainsaulieu (1985) and institutional recognition for Dubar (1991)].

Identity for others results from transactions between the self and others in various social contexts of concrete relationships of power or exchange (Sainsaulieu, 1985). It is through these interactions with others that the individual builds up an identity. In the context of this relationship at work, certain authors have examined the relationships
between certain professions and their ‘clients’ (public officials, doctors etc.). The relational experience undertaken with the client, or user, builds a feeling of belonging and is part of the identity construction process (Osty, 2002; Piotet, 2002). From this point onwards, the social images conveyed by users participate in the construction of the identity for others (Osty, 2002). Socialisation relies on two complementary processes, one centring on ways incorporating a group’s cultural attributes (the biographical process), and the other being part of the experience acquired in interacting at work (the relational process).

Thus this research favours the study of interactions with others developed by Dubar (1991, 2007, 2010) in work relationships, to analyse the construction of identity. In VSEs this approach makes it possible to study the relationship of the manager with his/her organisation, particularly with regard to its development, given the fusional relationship that such managers have with their firms (Fonrouge, 2002; Torrès and Julien, 2005; Brigham et al., 2007; Jaouen, 2010; Jaouen and Lasch, 2015).

4 Methodology

This research aims to study the impact of professional identity on the strategy of owner-managers. It analyses human and organisational behaviours in context, with the meanings that people attribute to things and to their actions (Hlady-Rispal, 2002). A case study seems to be the best suited method for an exploratory approach to this subject. Nevertheless, in order to identify the effects of various professional identities on strategy, we thought it would be interesting to compare two cases in a multi-site study (Eisenhardt, 1989; Miles and Huberman, 1994). The small number of cases studies is compensated by their richness, their contrast and the robustness of their analysis (Yin, 2008).

The cases studied are two pharmacies. Indeed, the pharmacy sector has undergone huge transformations generating changes for owner-managers of this type of VSE. We have therefore purposely chosen two highly contrasting cases in order to show the impact of the owner-managers’ professional identities on their strategic choices. The owner-managers of these VSE have a rather particular status, that of hybrid between health professional and retailer (Debarge, 2011). They thus experience strong identity conflict that makes them hesitate as to their professional identity. Some pharmacists in this situation see themselves more as health professionals, and others more as businessmen. These different identities enable the researcher to see the impact of professional identity on the strategy of the owner-managers of these VSEs. Moreover, this situation is amplified by the fact that the health market is undergoing huge changes requiring these deciders to affirm their strategic orientations.

In fact, in France (as is still the case in a few other EU states), the channel of distribution for medicine relies largely on the role of the pharmacist whose dispensary is the final link in the distribution chain. The pharmacist benefits from a monopoly to dispense medicines that creates a captive market (Reyes, 2011). However, over the past few years, French pharmacies have undergone important changes (Reyes, 2012). The most striking of these are government reforms (non-reimbursement or lowering the margins of certain products etc.), resulting in a reduction of the business’ overall profitability; there is also competition from chain outlets and supermarkets as well as online sales, all of which only increase the feeling of uncertainty. We qualified the
companies in the study in terms of their main strategic orientation: Health dispensary (HD) and distribution dispensary (DD). This was done to facilitate identification during analysis and to guarantee anonymity.

The HD is situated in a village of about 1,200 inhabitants just next door to the local doctor; it therefore has a close relationship with its clients. However, the pharmacy is also highly dependent on this doctor’s surgery: should this close, the result would be catastrophic for business. The pharmacy comprises four people including the two owners (husband and wife). Its turnover is average (1.5 million euros) for a rural situation.

The DD is situated in an urban area of about 300,000 inhabitants. The pharmacy is inside the shopping centre of the region’s largest hypermarket. It therefore benefits from a high rate of passing trade, but at the same time, it suffers competition from the drugstore that is inside the hypermarket. The pharmacy comprises 22 people including the two owners (mother and son). It has a high turnover (6.5 million euros) because it is the region’s biggest pharmacy.

In order to analyse these two cases, several investigations were necessary. Semi-directive interviews were carried out in the two pharmacies with their members (pharmacists and employees) on several occasions (20 interviews in the DD and 11 in the HD). Moreover, to ensure a thorough familiarity with the context, in both of the cases, regular visits were also made throughout the study allowing for the observation of the premises and the relationships with clients and employees; accounting and statistical documents were also collected for a posteriori triangulation of information (Yin, 2008).

Interview responses were processed according to the principles of qualitative analysis (Miles and Huberman, 1994). This method is used in management sciences especially when seeking to identify and compare directors’ attitudes, intentions, practices and beliefs. Qualitative analysis generally follows a three-step protocol.

Firstly, pre-analysis – this is a diagonal reading that allows to determine how the data is to be divided up and identify and define relevant categories. We identified several key points such as the perception of the environment, changes to the profession and changes in practice. This phase shed light on the pharmacists’ perceptions throughout the period of analysis. During this phase, we set up heuristic grids (Hladý-Rispal, 2002) to identify the main themes as well as any new ones that had not been anticipated by the interview guides.

These grids can be used to make remarks about elements of the original verbatim. Next, we exploited the material (applying the rules defined in the previous step to the corpus) in order to code, classify and perhaps count it. The grid enabled us to identify the significant characteristics that contribute to constructing tenured pharmacists’ professional identity; in particular, we were able to isolate the role towards users as a determinant criterion of identity construction. Finally, by processing our results with the whole set of data collected during the analysis we were able to make inferences and interpretations about the relationship between identity and strategy.

5 Owner-managers with different strategies revealed by their interactions with users

The directors of the two pharmacies express very different strategic objectives.

Thus, the DD declares:
“Our operating costs and the weight of our structure oblige us to be highly productive. This was something that pharmacists did not have to do until now. A pharmacy with 100 clients per day used to be able to manage very well. But the problem is that it is not the market that will oblige these pharmacies to change, it’s the government. The more these pharmacies are hamstrung by fixed levels of pricing and reimbursement, the more they will go downhill. We can only grow if we work a lot on drugstore products.” (DD)

Whereas the HD declares:

“We are very close to people with those little details that make people like to come back, because we talk to them and we are interested in their lives. This is a place where life goes on, and that’s what makes the difference. We respect people and they like to come here. We deal with emergencies. We do what we call ‘cuts and grazes’. We have to help people out when they need us. We really have the idea of being a service that is close to local people. That’s what a health professional’s job is.” (HD)

These choices of orientation come partly from the source of competitive advantage that they wish to exploit. The HD plays above all on the role of proximity, carrying out the public health mission to the full. These pharmacists are available to their customers and take the time to talk to them, giving first aid and good advice.

On the other hand, the DD focuses competitive advantage on the availability of products, the waiting time and the price, because their business depends above all on visitors to the shopping centre. Their objective is to grow in order to reach a critical mass that will enable them to face structural charges and absorb market constraints. Thus these two tenured pharmacists seem to have their own specific response to the market.

These accounts show that each of these pharmacies has a different strategy and their strategies are directly linked to their professional identity. The HD pharmacists insist on their job as health professionals with a duty to public health within the distribution channel for medicines, whereas the DD pharmacists encourage sales by advocating sound company management.

5.1 ‘Self identity’ does not reveal any particular strategic behaviour

The analysis of these managers’ ‘self-identity’ does not enable us to identify any striking differences between them. In fact, the biographical process of the four pharmacists concerned shows that when they set up their pharmacy, their professional identity was modelled on that of being health professionals. It is very noticeable for example, that an instance of socialisation such as university only proposes training in the knowledge and delivery of medicines; future pharmacists receive no management training during their university syllabus.

“As we advance in the course, we get absolutely no idea of the management and commercial side. Then you really learn about it on the job.” (HD). “For me, I learned about my future job while I was working in the pharmacy. Before that, it is all incredibly theoretical and mils away from what we do later, because practical work on bacteriology for example, its interesting, but it is not what we do once we have a pharmacy. Once we get there, we have to face the same problems every day.” (DD)

Furthermore, family background is an important part of the construction of this identity. For pharmacists in both case studies, the family background was mainly responsible for creating the vocation for a job as health professional.
“In my family I had one of my uncles who was a pharmacist. I found it an
interesting job. After talking to my uncle, I had the opportunity to see a little bit
what the job was about, the health side of it was something that I found really
attractive.” (HD)

“I got interested in pharmacy because my mother worked there even if
originally I wanted to do research. When she set up in the mall, that’s when I
said to myself: ‘Hey, the dispensary in fact isn’t only behind the counter, its
also all the rest.’ And that’s when I looked into it further”.

It is during the actual practice of the job and the associated relational process that the
pharmacist forges a different identity for others. This is mainly constructed through
interactions with clients.

5.2 Interacting with the users is what determines the strategy

When we analyse the diversity of roles involved in interacting with clients, we can
understand certain choices made by directors in terms of their every day practice and
consequently in the organisation, management and strategy of their pharmacy. Certain
roles direct the pharmacist towards technical skills resulting from their original training
that are indicative of the public service mission (information, care and personal service).
The user is then mostly perceived as a patient or a member of the public, and the
pharmacist as a health professional. Other roles direct the pharmacist toward a retailing
mission and rely on managerial skills (stock management, sales and consulting). The user
is perceived as a client and the pharmacist as the manager of a retail outlet. Both these
identities co-habit within the pharmacy even though one will always take precedent over
the other.

HD pharmacists are more oriented towards technical skills resulting from their
original training for public service (information, care and personal service). They are
aware that proximity is at the heart of their work (close to the doctor and patients).

For these pharmacists, such proximity is an essential characteristic of their work
environment. This is reflected in the very organisation of the client space: there is an area
to greet the customer, a space for children, an orthopedic area out of sight so that people
can try things on etc.

“We do an everyday job. They come to us and they leave with free advice.
People come because it’s always open and we always listen to what they have
to say. There aren’t many places where this service is free. They can talk to a
professional who gives them the right answers.” (HD)

Even if they are aware that they need to develop their managerial skills, medicine and
personal service seem to be at the heart of their preoccupations.

“We should also make our retail section more dynamic, manage the stock etc.
There are certainly things we should do in that direction, but is that really at the
heart of our profession? I don’t think it is, because our job is about medicine
and related activities like prevention or screening.” (HD)

By clearly affirming their role as health professionals with their clients, these pharmacists
wish to develop their business along these lines. This strategy of proximity is coherent
with an enlargement of pharmacists’ domain of competence, especially in terms of
screening and prevention:
“We really have this notion of local service. The dispensing chemist with the evolution of the medical demography in the country, will, I think, have a role that is more and more geared to prevention and screening with regard to clients. We have to affirm our mission of public service.” (HD)

Contrary to the HD, the DD is heading towards retail distribution and relies primarily on managerial skills (stock management, sales and consulting). The user then becomes a client. These pharmacists have organised their company according to this logic (stock, display management, automation of back office, purchasing management etc.) The client thus finds him/herself in a sales area space where each meter of shelf space is perfectly controlled.

“We are a pharmacy dealing with passing trade. People come to get products and compare prices. We have to be attractive and have the products available. We calculated the profitability by product range. We did it for drugstore products, but we also do it for advice on medicines.” (DD)

The size of the organisation coupled with the amount of managerial work obliges these pharmacists to devote themselves to managerial tasks.

“We are in a real perspective of growth. This is essential because in a shopping mall operating costs are huge. Our margins are going down and our costs are going up. The only way to make up for that is to increase the volume and the turnover. This means we have to rationalize our organization and manage things properly.” (DD)

Thus, DD pharmacists want to increase their activity by growing their company. This objective relies on a high volume strategy made possible by a large passing trade.

The above analyses show that tenured pharmacists structure their strategy according to a double professional identity. We identified two different choices. In one, the pharmacist decides to develop the business through a larger structure and broadening the profession by including the distribution of both medicines and non-medical products. A different choice is that of maintaining the business by reinforcing proximity to clients and developing the activities related to public health, in other words, emphasising the aspect of health professional. The mental construction of the future (strategic vision, cognitive style and professional values) that pharmacists’ desire certainly depends on their professional identity. This identity then determines the strategic orientations followed by the owner-managers in the study.

6 Discussion

This research contributes to enrich our knowledge of VSEs and owner-managers by mobilising the concept of professional identity according to an interactionist perspective (Dubar, 1991). By using the literature on the strategy of owner-managers of small businesses, this research highlights several points for discussion. Firstly, our results concerning the identity of the owner-manager confirm the studies that have established this actor’s central role in the company’s performance. Secondly, the concept of identity enriches research on the characteristics of owner-managers.
6.1 Confirmation of the central role of the owner-manager

The results presented above clearly confirm the literature attributing owner-managers a major role in defining the strategy of a VSE. Indeed, this literature considers the owner-manager as the main actor behind the company’s performance (Reijonen and Komppula, 2007; Andersson and Tell, 2009; Jaouen and Lasch, 2015). This role is even more important when it is closely connected with the surrounding elements (actor and market), giving rise to a symbiosis between the company and the owner-manager (Brigham et al., 2007; Torrès and Julien, 2005; Fonrouge, 2002). Our results confirm these studies. The analysis of identity, according to the relational process, makes it possible to isolate the life experience of owner-managers and thus to observe that it is they alone who decide their company’s strategic orientation, giving meaning to their job according to market evolutions. This is the very illustration of the dialogism described by Fonrouge (2002) who considers that the personal objectives of the director and those of the company combine to become one. In fact, depending on their perception of the future of their profession and their relationship to the client, the owners studied showed where they wished their profession to go, and consequently which direction they wanted for their business. The strategic angles are different. The pharmacists owning the ‘healthcare’ dispensary declared their wish to promote a management based on proximity and healthcare. The pharmacists owning the ‘retail outlet’ dispensary relied on effects of volume, rationalising their structure and their declared role as retailers. The owner-manager thus appears to be truly at the heart of how these VSE develop.

6.2 Professional identity as an element that enriches the analysis

Our research question seeks to learn whether the professional identity of VSE owners guides their strategy. In our analysis of four owner-managers of two VSEs, our results show that there is a close link between their professional identity and their development strategy. Nevertheless, the various studies that we presented on the strategy of VSE/SE managers underestimates the importance of the job (through their identity) on managers’ strategic choices. For example, the analysis of cognitive styles is very interesting but the results obtained on professional identity show that it is necessary to go further in the context of managers’ identity construction, taking into consideration interactions with others as revealing strategic behaviour. Cognitive style corresponds to how individuals perceive and organise information and form judgments. Brigham et al. (2007) studied the interaction between the decision-making style of owner-managers, the work environment and their organisation. They observed in particular a close relationship between these three elements that explains the company’s strategic orientations. However, by studying the case of owner-managers of companies in the high-technology sector, they underestimated the importance of the actual job and the sector of activity in this relationship (complex skills, sector norms etc.).

Now, in the context of identity construction, the socialisation process supposes that the individual’s development relies on self identity and identity for others (Osty, 2002). The first gives directors a basis for doing their job and enriching their knowledge in the given domain, notably by learning through experience. However, the process also
depends on the work environment and the type of enterprise for that is where identity for others, essential to complete the process (Dubar, 1991), is constructed (relationships at work). The study of these tenured pharmacists has shown that their strategic choices rely to a large extent on the identity for others in their relations to users (work environment).

According to this approach, the owner-manager’s cognitive style is constructed according to a double process. The inherited identity is not the only determinant of directors’ mental schemas. Their interaction with users (pharmacy clients in this study) also contributes to defining their cognitive style. This is the relational process that corresponds to the director’s desire to construct his/her identity also with regard to the way others see them (identity for others). In this case, this cognitive style will largely depend on the profession and the sector.

It thus becomes clear that all the research into the strategy of VSE managers that highlights only one aspect, such as cognitive style, values, rationality or vision, fails to accord enough importance to the individual’s actual representation of the job, particularly through the relational process (according to Dubar, 1991). Professional identity is however essential as is shown by the case of the licensed pharmacists in the two dispensaries; they had very different strategies, based on the fact that one saw himself primarily as a health professional while the identified with the profession of company manager.

7 Conclusions

This research posed the question of the impact of professional identity on the strategy of owner-managers of VSEs. Considering the director to be at the heart of operating his/her organisation, it seemed that an approach through professional identity would shed new light on the question of directors’ strategic behaviour. This approach has been little used in management literature. By studying the owner-managers of two French pharmacies, this research has shown the impact (a structuring role) of professional identity on their strategic orientations. It thus confirms the major place of the owner-manager in defining his/her VSEs strategy. In an activity sector such as this (distribution chain for medicines), given its uncertainties and particularities, the analysis of these two cases has illustrated the interest of an approach by professional identity to illustrate the different strategic orientations imparted to the company. Indeed, we observed that, in the eyes of owner-managers we studied, the business’ future orientation is determined above all by the relational process.

Their self-representation at work and the way this is projected with regard to others appear to be a central element of owner-managers’ future projections in their mental construction of the desired future. The identity thus constructed then orients their strategy.

This research is a continuation of previous work on the characteristics of owner-managers of small and very small enterprises. It enriches our understanding of directors’ strategy with regard to their professional identity. It also highlights the interest that should be granted to VSEs as a subject for research (Marchesnay, 2011; Jaouen, 2010; Jaouen and Lasch, 2015).

These results should also be seen in the context of the study’s limitations. Although they seem completely valid for the cases studied, their generalisation remains to be established. This analysis must be seen as an exploratory study. This approach was
necessary given the subject, the volume of information and the theme of the research (Eisenhardt, 1989). These initial assertions need to be taken further by multiplying the number of cases studied.

Moreover, this study proposes an analytical framework on the formulation of VSE owner-managers’ strategy by looking at the construction process of their professional identity. By highlighting this double socialisation process (biographical and relational) of the individual at work, we observe that strategic orientations are explained by interactions with clients.

In line with our discussion and to take this reflection further, an interesting research perspective would be to analyse the individual skills of owner-managers during interaction with clients. This would allow us to achieve a clearer definition of the profession of VSE owner-managers and their strategies.

References


**Notes**

1 The French pharmacist’s monopoly is based on three main principles: the pharmacist is the only one who has the power to deliver medicines, only a pharmacist has the right to own the capital of a pharmacy and the geographical distribution of pharmacies in France is controlled by law.