Int. J. Business Environment, Vol. 1, No. 3, 2006

Editorial

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Continuous change is part of the business environment, of organisations and of individuals. Over the past decades, technological sectors faced incremental changes led by continuous innovations. However, most business sectors face these changes by continuously adapting internal innovations to create and develop new competitive advantage. This situation generates reciprocal influences between environments and firms, thus organisational survival depends mainly on flexibility. Managers are concerned with flexibility as a competitive priority applicable to most organisational and strategic matters.

Flexibility is a comprehensive notion that indicates the quality of being adaptable or variable. Teece *et al.* (1997) have suggested that the firm must always stay in a dynamic capability-building mode in which capabilities are retained to renew, augment, and adapt core competencies over time. These dynamic capabilities create the foundations of organisational flexibility. Some authors define flexibility as the organisation's ability to cope with change (Aaker and Mascarenhas, 1984; Sanchez, 1995; Upton, 1994; Rowe and Wright, 1997). Others have defined flexibility as the capability to maintain co-alignment with the environment (Verdú-Jover *et al.*, 2004). In the operations perspective, manufacturing flexibility dimensions which configured the initial manufacturing models of flexibility and have been adapted to the reality of the service sector (Arias-Aranda, 2003) as services, are becoming a crucial sector of flexibility research.

> In the present special issue, the different authors show diverse perspectives of flexibility that help both academics and practitioners to enrich their views about managing flexibility. First, Volberda *et al.* distinguished among operational, structural and operational flexibility and they found out that ownership structure have some implications for flexibility and performance. Focused in retail chains, the main findings show that franchised stores attract more entrepreneurial managers with more flexible capabilities and stronger incentives to align with the business environment. Franchised stores have higher structural flexibility than firm-owned stores. Furthermore, they found that in highly turbulent business environment, franchised stores perform better than firm-owned stores. The fact that ownership structure has some implications for managerial flexibility is interesting for firms that are looking for structures that can cope with change.

Flexibility is not only desirable for firms' structure, but is also desirable both in operational and strategic scopes. Flexible logistics, in which information systems have an important role, improve performance in turbulent environment as shown by the paper by Piranfar and Segbert. Organisations that focus on cooperation with other firms foster strategic flexibility when business environment conditions change, as Ehrengren describes. However, flexibility not only refers to adaptable organisational processes, but also flexibility can be intentional (Evans, 1991) in order to provoke change in the environment. Burt identifies in this issue the role of a 'transitional object' as the key that links the existing managerial practices with the wished ones for the future. This 'transitional object' facilitates the volitional strategic change. This reciprocal influence between management and environment is pointed out in the paper written by Blom *et al.* in a growing economy. The authors studied how management can build a social environment based on trust. Trust can benefit both management and social environment. Trust acts as an essential social capital, and only flexible attitudes from the manager can contribute to a beneficial social climate.

Managers in most business sectors are highly aware of global markets. Domestic markets are threatened by a combination of homogeneity and heterogeneity. Costumers in local markets demand customised goods and services and at the same time, wish for low prices. Low prices are only possible when standardisation is possible, but standardisation needs wide markets. Martínez-López *et al.* show how performance depends on a balance between standardisation and customisation. Successful internet-based electronic firms use a hybrid strategy combining both characteristics. These firms have to be flexible in order to adjust continuously this required balance.

Strategic flexibility is also related with decision-making and is relevant for all functional areas of a firm: marketing, operations, finance and social as described by Tajtáková. However, there are some external signals for external subjects that can help to identify firm strategies and thus, if they are sensitive to change. In the market place, firm strategies are translated to some signals that are relevant for customer decisions. A mature sector like car industry uses multiple factors to show customers the strategies they use. Focacci collected data about prices and technical features of cars and related them with the firms' behaviour. Prices and technical features indicate to some extent the business strategy. Furthermore, changes in the signals perceived by the environment imply strategic changes in the firms. This study therefore, suggests a method to measure strategic flexibility with available information from an external observer.

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