

Analysis of competitiveness in Colombian family businesses

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Abstract

Purpose: Building on the resource-based view and the configuration theory, the purpose of this study uses a systemic and multidimensional competitiveness index (CI) i.e. that incorporates system constraints among the 10 competitive pillars that form the index to assess the competitiveness level and the connection between competitiveness and economic performance [return on assets (ROA)] in family businesses (FBs).

Design/methodology/approach: For the empirical application, the use a unique primary data set drawn from the global competitiveness project (www.gcp.org) that includes information for 77 Colombian FBs for 2017.

Cluster analysis is used to evaluate the potential relationship between competitiveness, the configuration of competitive pillars and economic performance (ROA). **Findings:**

The results for the CI show that the main competitive strengths of the analysed firms are related to the introduction of product innovations and networks (suppliers and customers), while the limited use of technologies in their operations and the low online presence are the main competitive weaknesses of these firms. Additionally, the findings of the cluster analysis reveal that different configurations of competitiveness pillars are associated with different performance levels. Therefore, the results contribute to identifying how specific strategies aimed at improving different resources or capabilities contribute to enhance business competitiveness, and ultimately, performance. **Originality/value:** By using an index number that takes into account the multiple interactions between resources and capabilities, the proposed analysis not only sheds light on the drivers of competitiveness i.e. resources and capabilities, and its connection to performance but also contributes to understanding the boundaries of the businesses' competitiveness system, as well as the strategies that can potentially enhance competitiveness, and subsequently, business performance.

Keywords

System dynamics, Competitiveness, Resource-based view, Family business