Compilation of documents for the development of a state of art of the investigation of perdurability
(Compilación de documentos para la realización de un estado del arte de la investigación en perdurabilidad)

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Dissertation
(Tesis de grado)

Administración de Empresas
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State of Art: Investigation of Perdurability
(Estado del Arte de la Investigación en Perdurabilidad)

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TO:

I dedicate this work to all those who stood by my side these 5 years, those incomparable friends I made for life, to my family that always supported me and the divine force that makes things possible.

Camilo Andrés Parra Barrero

This work is dedicated to my parents, the ones I love the most, whose constant support and presence have always given me the strength to accomplish and achieve every goal in my life.

José David Cáceres Andrade
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Camilo Andrés Parra Barrero.

My undergraduate studies come to an end and it would have not been possible without the perfect guidance of my parents, the knowledge of my professors and the presence of my friends who always made of this stage of my life a memorable moment. I sincerely thank God for allowing me to achieve my goals and guiding me through life.

José David Cáceres Andrade
GLOSSARY

- **Innovation**: Action or process of developing new methods, ideas or products.
- **Flexibility**: Willingness to change or compromise.
- **Network**: A group or system of interconnected people or things.
- **Environment**: The surroundings or conditions in which an enterprise operates.
- **Strategy**: A plan or action designed to achieve a long-term or overall aim.
- **Globalization**: The process by which businesses or other organizations develop international influence or start operating on an international scale.
- **Market**: An area or arena in which commercial dealings are conducted.
- **Entrepreneur**: A person who sets up a business or businesses, taking on financial risks in the hope of profit.
- **Organization**: An organized group of people with a particular purpose, such as a business or government department.
- **Sustainability**: Ability to be maintained at a certain rate or level.
ABSTRACT

Through the research of multiple bibliography from different countries written since the late seventies (1970) until today, it has been possible to analyze the academic trend of the investigations about Perdurability along with its multiple synonyms used by the authors. This recompilation of academic studies is a source of information for those who desire a better understanding about the theory behind Perdurability.

Alongside this investigation, the reader will find a group of different authors from different nationalities that have approached the subject of Perdurability in any of its synonyms (longevity, endurance, survivability); what allows a wider vision about the importance of certain studies regarding Perdurability according to their cultural contexts.

It is important to highlight that this is a purely theoretical investigation with the purpose of allowing a better understanding of Perdurability and to facilitate future researches on the subject.

Key Words: Perdurability, Endurance, Longevity, Survivability, Sustainability, Resilience
RESUMEN

A través del estudio y la investigación basados en bibliografía de diversas nacionalidades que data desde la década de los setenta hasta la actualidad, ha sido posible analizar la tendencia académica de las investigaciones acerca la Perdurabilidad. Esta recolección de estudios es una fuente de información para todos aquellos que deseen tener un entendimiento más profundo acerca de la teoría que sostiene el concepto de Perdurabilidad.

A lo largo de esta investigación, el lector encontrará un conjunto de varios autores de distintas nacionalidades que abordaron el tema de la Perdurabilidad bajo alguna de sus concepciones (longevidad, resistencia, supervivencia); lo que permite tener una visión más amplia acerca de la importancia de ciertos estudios de acuerdo a su origen y contexto cultural.

Es importante resaltar que esta investigación es netamente teórica con el propósito de aclarar el concepto de Perdurabilidad y facilitar futuras investigaciones acerca de este tema.

**Palabras clave:** Perdurabilidad, Resistencia, Longevidad, Supervivencia, Sostenibilidad, Resiliencia.
1 INTRODUCTION

Nowadays, the organizational survivability has become one of the main objectives for both academics and entrepreneurs mainly because the strategic actions that were taken in the past decades causing the bankrupt of multiple companies alongside economic sectors not only in a local scale but globally too. In order to have a better understating about perdurability it must have to be defined.

It is necessary to fill the gap in knowledge related to perdurability, because despite being assumed as one of the objectives that companies expect to achieve, the truth is that very little is known about it. Once the theoretical foundations have been formalized the theoretical results can be generalized to broader principles from the information obtained and thus develop future theories.

Therefore, it is vitally important to understand that any organization is framed within a complex dynamic, which depends of the interrelationships of different variables and their internal and external processes. This is why "it is necessary to move from a fragmented, reductionist, mechanical and mono-disciplinary approach of analysis to a holistic, trans-disciplinary, and complex thinking system" (Restrepo2008)
2 ABSTRACTS

Achterbergh2009
Organizations: Social Systems Conducting Experiments.
Author: Jan Achterbergh & Dirk Vriens.

The present book deals with the experimental and social arche (principle) of organizations, the design of its organizational structures and infrastructure that support “rich” sense of survival. Given these topics, the authors follow three lines of investigation:

First, as organizations have a relevant role within society provided they satisfy people’s needs, and if a given society does not meet a set of particular requirements, such organization design (in which the principal purpose is to satisfy the needs of a subject/population) cannot be derived, for example a tailoring company will not survive in an Amish community because of their strong believes.

Second, the designs of organizational structures are only one aspect of the organizational infrastructure, the former are defined as “the division of work in organizations”, while the later is taken as “a condition for regulating and realizing transformations” hence, transformations are the cause of the division of work.

Third, there are design principles for organizational infrastructures that allow for rich survival, thus the existence “poor” and “rich” infrastructures. It is within the companies strategies to construct a “custom made” infrastructure that allows an optimal way to accomplish the goals that were set during the design process.
These three concepts drive the main argument implying that if a company wants to be perdurable, it must have a close relationship with society in terms of welfare and satisfaction. The book was written with the purpose explaining the relation between infrastructure and structure as concepts: one is contained within the other and thus a company cannot expect to build a successful structure without a proper infrastructure.

Key Facts: This book that explains a concept those haves been known since during a long time, that: without a clear structure the organization is weak, like a building; therefore it is relevant to focus first on the process of design followed by the construction of strategies to achieve the goal of the company.

Critical Abstract: The design process of an organization is the primary step towards a perdurable business and it is based upon the understanding of the society that surrounds it. Focusing on the infrastructure in other to develop a better structure is what allows companies to be successful in time

Afuah2009
Strategic Innovation
Author: Allan Afuah
Book Published by “Routledge”, New York 2009

The book focuses on the importance of innovation beyond mere technological advances proceeding to enhance the relevance of finding new models for doing business in the face of change since the dominant theme in the strategy literature has been “strategic innovation” and how information and communication have an impact on commerce and globalization, all this with the purpose of gaining a competitive advantage and “survivability”. The author provides an examination of contemporary strategy from an innovation standpoint with several key advantages:
• Focus on developing strategy in the face of change: a company must be ready to rearrange its strategy if needed.
• Emphasis on the analysis of strategy, not just descriptions of strategies: the former relates to a description of a generic strategy and the latter is to actually understand and apply it.

A detailed, change–inclusive framework for assessing the profitability potential of a strategy or product, the AVAC (activities, value, appropriability, and change) model: strategies are meant to give the company profit, that’s why having a framework that allows the evaluation of a strategy according to its profitability is a must have.

Key Facts: Change is an occurrence that companies must face regardless of their environment thus a better understanding of the strategic planning is an advantage is the key to achieve profits.

Critical Abstract: The Key Advantages described by the author are a recompilation of Porter's generic strategies taken to a current context, which by any means is not very useful. Perdurability in Porter's terms is not specifically or deeply addressed but merely mentioned as a tool for achieving it.

Allen1982
Power, Performance, and Succession in the Large Corporation
Author: Michael Patrick Allen and Sharon K. Panian
Source: Administrative Science Quarterly
Article published by the Johnson Graduate School of Management, Cornell University. 1982

This research examines the relations and effects of managerial power and corporate performance on managerial tenure and “longevity”, along with the probability of managerial succession in 242 large industrial corporations between
1971 and 1980. Also, the power of a chief executive officer is defined in terms of his relationship to any family represented on the board of directors that controls a significant block of the voting stock in the corporation. Managerial power was directly related to both managerial tenure and longevity, even controlling for the effects of corporate performance. Similarly, managerial power was inversely related to the probability of managerial succession during periods of poor corporate performance. These relationships were contingent, however, on the extent of stock ownership by the controlling family.

The author states that CEOs of more profitable firms and those who were members of controlling families usually had longer tenures and were also usually older at the time of their succession than the chief executive officers of less profitable firms and those who were not members of controlling families. Also, CEOs who were members of controlling families were somewhat less likely to experience succession during unprofitable or only marginally profitable years than chief executive officers who were not members of controlling families.

The profitability is not the only goal of the large corporation. In the case of family–controlled corporations, direct control of the firm by a family member, with all of the power and privileges that this control scheme confers on other members of the family, may become a goal in itself. Indeed, controlling families may be willing to sacrifice some degree of corporate profitability in order to retain some degree of direct family control over the corporation.

The key facts related to the main topic are: 1) companies with family members as CEOs or as member of the leading board lived longer than the ones without them. 2) During periods of poor corporate performance companies with controlling families were less likely to change theirs CEOs and their managerial power was stronger. 3) Family firms are willing to sacrifice profit in order to retain some power.
This study leads to believe that family business tend to have some sort of advantage over other companies in terms of longevity specially when they are of considerable size; unfortunately the fact that family members are willing to sacrifice corporate wellbeing to retain power is a weakness.

Antonic2008
Alliances, corporate technological entrepreneurship and firm performance: Testing a model on manufacturing firms
Author: Bostjan Antoncic & Igor Prodan
Source: Technovation
Article published by Elsevier. 2008

The author begins by stating that corporate entrepreneurship can be considered important for organizational performance. The author’s idea is that there is a number of collected findings that proves his initial statement. Inter–organizational relationships in terms of networks and alliances have received inadequate research attention in the context of corporate entrepreneurship in general and in corporate technological entrepreneurship in particular. This study developed and tested a model of alliance–driven corporate technological entrepreneurship activities that impact on organizational performance. The model indicates the value of engagement in strategic alliances for the development of corporate technological entrepreneurship activities and consequential performance improvements. The results showed the value of engagement in strategic alliances for the development of corporate technological entrepreneurship activities and consequential performance improvements. The data collection of this study was limited to the Slovenian economic environment and the national culture traits. Yet, the findings of this study can be generalizable to some extent to other economic contexts because findings based on Slovenian samples were found in past research to be comparable with:
(1) Developed Western countries as evidenced in, for example, past cross–national comparative studies in corporate entrepreneurship and in business ethics.

(2) Other countries of Central and Eastern Europe such as Romania as evidenced, for example, in comparative studies of corporate entrepreneurship and technological innovativeness.

Thus, the findings of this study may be generalizable to some extent to transition economies with a relatively shorter tradition of a market–based economic system, for example, the countries of Central and Eastern Europe which have transitioned from a planned to a market–based system in the past two decades and to developed economies with a long tradition of a market–based economy, such as, for example, the countries of Western Europe and North America.

Key Facts: 1) Companies with improving technological policies have a better performance than the rest. 2) this improvement is characterized as a process not a fact frozen in time and is in itself improved by foreign nourished entrepreneurship. 3) From alliances it emerges a new technological activation that could not be achieved in a timely manner if done in house.

By way of conclusion, is a number of case studies what empirically shows how important alliances are if a company wants to be successful and/or perdurable. Other than that, the article lacks actually theory or academic investigation since it conforms to state the original statement with a few examples and no experimentation or observations from other environments whatsoever.

Barnett1994
An Evolutionary Model of Organizational Performance.
Author: William P. Barnett
Source: Strategic Management Journal
Organizations vary in how well they perform due in part to differences in their strategic positions and to differences in their competitive abilities. The authors propose an evolutionary model in which there is a trade-off between these two sources of advantage with the purpose of increasing companies’ performance.

In a classic evolutionary model, competition triggers both selection and learning, leaving organizations with new capabilities to perform better. However, managers often buffer their organizations from the disciplining forces of selection by seeking out positional advantages in the market. The evolution is related to the changes a company must endure through time.

The authors argue that when firms are buffered using multiunit organizational structures, market position improves but organizational learning is retarded. Consistent with this view, they found that after controlling for selection – the entry and leaving of members–, single–business unit organizations (business focused only on one product or service) benefit today from being exposed historically to competition–evidence of learning, while large, multiunit organizations do not. Multiunit organizations instead benefit from mutual forbearance, a positional advantage mainly because of the limitations regarding communication between the different units. These findings come from a dynamic analysis of takeovers and performance among retail banks in Illinois.

Key Facts: The author proposes a model where a company’s learning process is not only related to competition but also is connected to its strategic plan (single or multi unit business). These units have both advantages a limits both focusing on learning and structure.

Critical Abstract: Once more, the evolution, as the authors say and the learning process are key factors to achieve longevity. The approach of the authors is highly
noticeable around multiunit structured organizations, as a strategic factor which could not help in a 100% with the long-term goals of the company firm.

**Barnett 1996**

**The Red Queen in Organizational Revolution**

**Author:** William P. Barnett & Morten T. Hansen

**Source:** Strategic Management Journal

**Article published by John Wiley & Sons. 1996.**

Organizations’ learning processes are one of the most important factors involved in the competitive success. This learning issue may be different in each organization according to its own ecology. This term is used to describe the inherent properties of each organization and its behavior in front of the uncertain variables of the environment. The authors elaborate the conditions under which this learning process (or continuing adaptation required to maintain a relative fitness among species in an environment), known in the evolutionary theory as the Red Queen Effect, is likely to be adaptive or maladaptive in a mutual excluding manner.

The article makes use of the Red Queen theory, introduced by Van Valen in his work “A new evolutionary law” (1973) which explains the evolution and survival of the species through a group of adaptive changes. This theory highlights the environment as a critical factor to achieve evolution; without the constant changes of the environment there would be no need of adaption in order to survive. On the other hand, the authors introduce two possible outcomes to this evolution: adaptive or maladaptive outcomes. Adaptive changes are known as those who lead to success, while maladaptive changes lead to failure. These maladaptive changes are caused by an organization’s preliminary constraints, derived from previous experiences which unfortunately did not have a positive outcome. Finally, the authors propose an approach to articulate the theory and practice through the use
of managerial techniques in order to develop an organic learning process led by the organizations’ ecology and to be able to face success and failure.

Something really important about this article is the involvement of complex thinking, according to the concepts of the ecology and evolution (herein before mentioned as the Red Queen). The authors state that there is a big influence of the strategic management as a key factor, having an active positive sum over the learning process. Adjectives such adaptive and maladaptive are defined in the consequent concept as: “Adaptive consequences are predicted only for recently experienced learning” meanwhile “We predict maladaptive consequences when organizations face many, varied cohorts of rivals”. There is another important term in the authors’ analysis scope which is ex ante rationality, introduced by March, J. G. and H. A. Simon in their work “Organizations” (1958), which is defined as the understanding before the act. Thus, a relation with the game theory is evident.

Bates 1990
Entrepreneur Human Capital Inputs and Small Business Longevity
Author: Timothy Bates.
Source: The Review of Economics and Statistics
Article published by: The MIT Press 1990

This article is a statistical study over a random sample of male subjects who entered to self–employment activities. It is evident in this article, supported by its empirical research, that there is a prominent rate of success and longevity in the activities performed by the educated entrepreneurs in comparison to those performed by the non–educated ones. The paper also analyzes that the financial investment has a direct relation with these self–employment activities’ survival. The author does not state a clear relation between the financial investment and how the educated entrepreneurs manage it, although it is stated that education provides the
entrepreneurs with the theoretical management tools and the level of financial investment enhances the survival of the enterprise due to the liquidity and profitability factor.

The author does not make use of any theory; instead, he uses empirical results to argue over his hypothesis. The research outcomes state that social conditions such as the educative level, the genre, age and sex, have a high influence over the small businesses’ longevity, as Caucasian and young males are more prone to succeed. As a report and as herein before mentioned, the article shows the outcomes of empirical studies and surveys over a random sample of French small and medium enterprises, in order to reflect the reality of the enterprises’ longevity in France, without any intention to recommend or to provide options to solve the constraining factors, although it does highlight some of the main problems to achieve survival such as the financial investment and the education level. The author argues that having a small funding source leads to failure due to the lack of work capital and the inability to cover the possible odds of the business without any other explanation. On the other hand, the author does not provide any strategies addressed to the non-educated population in order to achieve perdurability but remains as an impartial observer.

Benghozi2009
La pérennité: un lest ou un gyroscope pour l'entreprise?
Author : Pierre-Jean Benghozi
“The Perdurability: a weight or a gyroscope for the enterprise?”

This article establishes the duality between the constant effort of an enterprise to adapt to the environment and the inertia that allows the comprehension of the constant changes. This inertia is understood as the imperceptible process which pushes the organization to learn as an outcome of its experience. In other words,
the author proposes that either the organization must explore systematically the evolutionary changes or it just should capitalize itself around the technique and organizational invariables.

As a consequence of the main argument being developed, the author implies that the perdurability (perennité) of an organization can be defined as its ability to maintain performance levels through the pass of time. This perdurability is related with the prevalent adaptive changes and not with the inertia. The reason why constant and adaptive changes are prevalent is given by the constant changing environment; new market conditions and tendencies, social and cultural changes and also natural factors that affect the environment such as the climate and the natural resources. This is why the enterprise needs a two–way communication process, by which it is able to communicate with the environment and as a consequence, develop an active learning process. The aim of this learning process is to project itself among the imminent changes and be able to face the uncertainty given by the environment.

Leaving this process to inertia, creates a bias in the learning process, blocking the incoming information from the environment as the enterprise just adapts according to its inner experiences isolated from the outer reality, due to the market tendencies, customer behavior, external policies and similar events that could affect the development of the business' activity. Enterprises must make efforts to maintain innovation and adapt to the environment and not just let the course of natural actions pass by, assuming that there is an inherent learning. An aspect to highlight in this article is the presence of the evolutionary theory, as in the article of Barnett 1996, the Red Queen (La Reine Rouge); but here, the author states the strong relation to natural adaptive systems and the need to apply this concept to survive and have a correct performance according to the environment.
The analogy of evolutionary changes acting as gyroscopes for the enterprise is represented by the continuous and non-repetitive process that must be undertaken to guarantee survival; just as a gyroscope, the panorama is always different from the former, but the learning process herein before mentioned, as a key factor of an endurance managerial technique, shall always be active to provide the assurance and direction to achieve the organizations’ perdurability.

Complex thinking, although not mentioned in the article is clearly related with its arguments because the author states in an indirect manner that the learning process is guided by the constant study of organic systems fade to the inertia processes also mentioned.

Besluau2008
Management de la continuité d'activité : Assurer la pérennité de l'entreprise : planification, choix techniques et mise en œuvre.
Author: Emmanuel Besluau
Publisher: Eyrolles, 2008, 1, 270

This French book is a compilation of all the strategies that could be used to perform the strategic management addressed to achieve the longevity of an organization. The process it follows is just the application of all the traditional concepts of authors known as the fathers of management. The methodology undertaken by the book includes the environment analysis (and the key factors to take decisions), the analysis of impact, the development of the strategy and a plan of continuity and finally, the methodology of the continuity engineering. Analyzing
these aspects, a strong influence of authors such as Deming (with his cycle of continuous improvement) and techniques such as the strategic scenario planning can be identified.

The book has no original research per se. It’s just a compendium of a number of management techniques taught within the administrative theory which approaches to an a–priori judgment about the inherent concept of perdurability among the administrative thinking. The application and relation of these tools and methods, clearly address to the achievement of the continuity of an enterprise’s activities although it may not be stated as their principal goal.

Bigley2002
New CEOs and Corporate Strategic Refocusing: How Experience as Heir Apparent Influences the Use of Power.
Authors: Gregory A. Bigley and Margarethe F. Wiersema.
Source: Administrative Science Quarterly.
Article published by: Johnson Graduate School of Management, Cornell University 2002.

The power granted to the CEO’s is one of the key factors on the performance of organizations. Some of them address their governance towards maintaining the status quo of the organization while others address their power towards refocusing their firm’s business portfolios. These conditions are derived from the cognitive orientation of the CEO’s, which is intended to build a framework for the success of an organization. The article uses data obtained from a large sample of firms that examine the orientation of their CEO’s and determine whether this orientation is in any way related to the organization success, and to find out if the success comes from the conception that the CEO is not only the architect of corporate strategies, but moreover, how do they decide to wield the power granted to them.
As a first hypothesis of the article, the authors state the CEOs’ power is related in an inverse way to the strategic refocusing of an enterprise (with greater power comes lower strategic refocusing). This power is granted by many factors, previously classified by Finkelstein (1992) herein after mentioned and determines the strategic focus of each CEO. A simple example of this premise is the choice of a successor. The CEO tends to choice a successor in a similar demographic situation trying to maintain the “management of power” in the same status.

On the other hand, the authors state a series of factors that grant the CEO a specific wield of power which guarantees its position in the enterprise and disallows a proper strategic refocusing. These factors are: number of titles (CEO’s studies), compensation, stock ownership, family link to founders, functional expertise, elite education, and number of outside board memberships. These particular factors represent a relatively broad range of power bases which can, on one way, enhance the good development of the CEO in the enterprise (derived from factors such as the number of titles and the elite education), but that also can lead to a position of extreme comfort and power. Therefore so, if the CEO’s power is granted by the family link to founders, it may be likely to avoid refocusing and leading the organization in a correct way.

The clear relation made by the authors between the power of the CEO and the success of the organizations is derived from the social factors inherent to the CEOs. Thus, a CEO who has stock ownership, broad experience and a high education level, will tend to lead the organization’s success. But, if its power is derived from family links and bureaucratic relations, the extreme comfort and power will tend to make of the CEO a non–innovative and strategic director.

**Bloch2009**

Pérennité organisationnelle et transformation, Concilier l’inconciliable?
“Perdurability and transformation of organizations, to agree the irreconcilable?”
Bloch, A. & Nabat, E.
Revue française de gestion, 2009, 192, 113 – 125

In this article the authors establish that continuous changes are the basis of the perdurability. Nevertheless, they argue that these changes or evolutions always involve an inherent risk, so the question is stated as: Which are the managers’ methods to conciliate these risks and the perdurability of the enterprise?

In order to find an argument that could answer this question, the authors classify the different types of evolutions (also known as changes or projects) that an enterprise can adopt in accordance to their technical and relational complexity; moreover, the outcomes of some of the changes are stated. These changes can be technical issues such as the implementation of ERPs, or about innovation such as the conception of R&D projects and the deployment of new products.

Therefore, the outcomes of these changes are related with tangible benefits like increasing the profits or cutting costs, which are not directly related to the perdurability of an enterprise unless they are accompanied by the key factors for perdurability defined by Mignon (Mignon, “Stratégies de pérennité d’entreprise”, Vuibert, Paris, 2001) which will be explained further. But all of these changes have variable complexity levels that make them more prone to success or failure, reason why the authors classify them according to their technical and relational complexity levels and state the importance of a good project development process in order to manage the risks and opportunities of the projects bearing the changes.

This project development process is derived from Weick’s theory (The Collapse of Sensemaking in Organizations: The Mann Gulch Disaster”, Administrative Science Quarterly, vol. 38, 1993, p. 628–652). This theory states the need of two categories
of vision among the development of a project; these are the *operational vision* and the *project vision*. The idea of this division is to state the project objectives in the project vision at the same time that the necessary conditions and desired consequences of the deployment of the project are stated in the operational vision. The actual problem is that enterprises tend to think of the undesired consequences in the operational vision; actually, these undesired consequences are often derived from the biased perception of the human capital which refuses to change.

Indeed, the weickien project development process would result useless without the correct management of the human capital which, as mentioned before, is the main factor that biases the operational vision and limits the correct process development, leading it to its failure. So, in order to correct this fatal error, the authors propose to articulate Weick’s theory with Mignon’s key factors for perdurability. These key factors are: the culture, the tradition, the human values (prudence, modesty, perseverance, in order to guarantee the common welfare), the loyalty of the human resources, the strategic axis that privileges the development of the labor and the financial management that privileges the long-term investment.

As evidenced, six of the seven key factors are directly related with the human capital. Also, even not directly mentioned in the article, there is a strong relation between the strategic thinking tools (such as the TAR; tree of actual reality) derived from the Theory of Constraints (TOC) and the risk management related to the opportunities and consequences of developing a project, in order to eliminate the paradigmatic barriers that the human capital may not allow to change.

As a conclusion, the authors make a clear relation between the correct management of the human resources as the key factor to perdurability on the basis of a clear project development process. They also quote the perdurability’s definition by Mignon (Mignon S., Stratégies de pérennité d’entreprise, Vuibert,
Paris, 2001) : “The perdurability consists in preserving the essence and stimulating the progress. The enterprise must be ready to change everything that belongs to its concerns out of its fundamental convictions; this is, all along its existence”.

Bortoli2009
Le système maison comme déterminant de la pérennité organisationnelle
“The house system as a determinant of the perdurability of organizations”
Bortoli, D. & Palu, P.
Revue française de gestion, 2009, 192, 140–150

In this article, the authors show the results of a study about the perdurability of the functional pastoral systems in the western Pyrenees (the study has been made in a valley of the Basque Country, about the continuity of activities of the same family cores censed on 1387) in order to identify the factors that guaranteed their survival throughout centuries in an hostile environment in which they had to face with natural factors and changes such as the new industrialization models that introduced in Europe. The authors have identified four strategies to achieve perdurability and the relation between two cosmo visions (Germanic and Roman) that articulate these strategies.

Also, they have made use of different kinds of historical documents about the “maisons” (literally translated: houses) in the western Pyrenees to understand how did each family and their agronomical systems evolved through the unconscious use of individual and collective strategies, all derived from the herein–before mentioned cosmo visions that have become an exploit.

The Germanic cosmo vision is inspired on the collective management and its intention is to guarantee the common well–being and to protect the families’ co–properties. On the other hand, the Roman cosmo vision looks forward to protect the heritages and to maintain the paternal authority. Therefore, it can be
understood that both cosmo visions provide the individual and the collective factors that articulate a single adaptive system called the “house system”. It is stated that the resource management is directed by two milestones: the first is the delegation of functions, mainly to the direct heir which will take the lead of its familiar core and the second is the cooperation among families; thus there are many decisions that are taken by two or more families in order to enhance the results of each one.

As a result, this system highlights four strategies to guarantee perdurability:
1. The ability to promote privatization without unprotecting the common welfare.
2. The ability to use the failures of the legal obligations in order to guarantee the continuity of the internal practices.
3. The capacity to include itself in the legal framework.
4. The ability to use all the new structures to preserve the perdurability of power and projects.

As a conclusion, the authors state that the best way to guarantee perdurability is maintaining a structure that guarantee the common welfare under a privatized and independent management and a clear ability of adaption to the environment as well as a continuous learning process. Nevertheless it may be taken into account that this research is correspondent to the study of agronomical and rural families who have survived since 1387 and that it may not apply on other economic and business scopes.

Bricard2009
Pérennité des entreprises ; mesures.
“Perdurability of the enterprises: measures”
This is a technical report about the factors and measures needed to achieve the perdurability of an enterprise. This report was prepared by Agnès Bricard, accountability expert and bookkeeping officer, president of the “Conseil de l'Ordre des Experts–Comptables de Paris Ile–de–France” (Council of Order of Accounting Experts of Paris Ile-de-France) and elected member of the “l'Ordre des Experts–comptables et Présidente du Club Secteur Public” (Order of Accounting Experts and President of the Public Sector Club), The report mentions the legal, financial, individual and collective factors that the organization must implement as the necessary measures to achieve its endurance.

Therefore so, the author classifies these measures as follows:

1. Measures to be undertaken with the aid of the economics intelligence:
   a. Internal professional alerts in order to elaborate a risks’ cartography of the enterprise:
      • Activity sector
      • Centralized or decentralized organization
      • Dependence links
      • Financial structure
   b. Contractual mission supported by the economics intelligence:
      • Adherence to the laws
      • Protection and assurance of the assets
      • Lobbying, strategic influence to preserve the interests of the enterprise

2. Existent measures to be developed with a specific assurance contract:
   a. Legal alerts derived from the laws
   b. Development of these measures with specific assurance terms

Bruining2002
Entrepreneurial orientation in management buy–outs and the contribution of venture capital.

Authors: Hans Bruining and Mike Wright.

Source: Erasmus Research Institute of Management.

Paper published by: Erasmus Universiteit Rotterdam. 2002

This paper analyzes how buy–outs improve their entrepreneurial orientation (EO) following the change in ownership and how venture capital firms (VCs) contribute to this process through the development of post–investment relationships. The paper also sought to validate the EO–model in the context of management buy–outs (MBOs).

VC’s enhancement of EO in MBOs appears more likely in the following post–investment activities. First, in cases where the VCs intervene in top managerial activities for example, integrating the contributions of specialists in top management decision–making, influencing leadership style of the CEO, keeping value added strategy on target; approving bonuses for top management; assisting in new ventures as consortia and/or new acquisitions; and finally, broadening market focus.

Secondly, VCs put effort into reviewing and monitoring the quality of research and developing investment plans, budgets and marketing plans with the purpose of maintaining a solid financial base to sustain strategic plans.

An important characteristic of the CEO–VC relation is the knowledge transfer and learning that takes place, indicating interdependency of the participating parties that enables the companies to act entrepreneurially. The VC must be skilled in developing informal co–operative relationships that stimulate exchange of high quality information, which in turn enables reliable and convincing interventions that enhance EO. Organizational factors such as strategy, resources, leadership styles
and delegation moderate this relationship because the strength of the relationship between EO and performance varies as a function of these factors.

Key Facts: This article is based on case studies that were carried on by the author during 1998 to companies acquired by parent companies such as Cebeco-Handelsraad, a large co-operative firm producing vegetables, flowers, breeding and food, Computer Aided Design and Computer Aided, both companies focused on developing one-stop solutions for the carpet, printed textiles and woven fabrics industries Manufacturing that show that buy-outs occur where entrepreneurial opportunities exist, providing support to the theory that buy-outs do not simply involve improving efficiency in companies in mature sectors. The use of conventions such as EO, VC, MBO is sometimes distracting for the novice reader; the math behind this article is pretty basic and leads to believe there could have been a deeper investigation on the matter.

Critical Abstract:
The conclusion that the author presents that a model that presents a company that improves after a buy-out is an oxymoron since it is the same as saying that in order for a company to survive it must die first. Of course, the company that buys the smaller one shall be considered more robust and thus more likely to survive only because it has absorbed new capital.

Burgelman2007
Let chaos reign, then reign in chaos
Authors: Robert A. Burgelman and Andrew S. Grove.
Source: Erasmus Research Paper Series.
The author states that relatively few companies survive as independent entities for very long periods of time, thus, adaptation at the edge of chaos balances both *desiderata of current functionality* and *potential for future change*. The author says that achieving such a balance by design as compared to evolution is difficult and requires the juggling of opposing tendencies. Lining up potentially diverging strategies and keeping them lined up through the induced strategy process is itself a demanding task.

However, as seen in the case study of Intel Corporation that the author did between 1968 and 2005, the company must prepare for the next big opportunity by allowing the middle management to experiment with, and then select new strategic initiatives through an autonomous process. After that, those initiatives are converted into a discipline of the induced process.

The appropriate balance of induced and autonomous strategy processes at different times in a company’s evolution may be thought of in terms of linear combinations of the two kind of processes, with varying weights on each of them over time, but with none of the weights ever becoming zero. Finding the right weights for each time period is the supreme challenge of top management. The process of changing these weights can be characterized by the exhortation that during times of nonlinear change, management should let chaos reign, then reign in chaos — but, as we have learned, never quite completely.

**Key Facts:** A company unwilling to change in other to achieve new opportunities has less change to survive than one that accepts the unpredictability of market, and learns how to be prepared as it is part of a successful business strategy.

**Critical Abstract:** It is a valid strategy to be prepared for future changes since it is an unavoidable event of the market, nonetheless being able to quickly adapt is what allows companies to sustain for prolonged periods of time.
This paper constitutes a good example of a research used to demonstrate a commonly accepted fact: Just a few companies survive for a long period of time. Combining multiple fields of research and executive experience the authors manage to illustrate a reality until then just perceived. It has a good amount of case studies and bibliography combined to get a solid article.

Chand2011
National culture, networks and ethnic entrepreneurship: a comparison of the Indian and Chinese immigrants in the US
Authors: Masud Chand and, Majid Ghorbani.
Source: International Business Review
Article published by: Elseiver 2011

This paper uses a combination of national cultural frameworks as ethnicity and social capital theory to explain the formation and management of entrepreneurial ventures among immigrant communities as society members cooperate among them in order to get collective or economic results.

The varying rates of venture formation and performance among different ethnic groups points to the role that the different dimensions of culture play in how immigrants use their social networks to start such firms. The author uses the specific example of the Indian and Chinese communities in the US to demonstrate this effect and explain how businesses created by members of these communities may have potentially different ways of starting and operating that can be directly traced to the differences in cultural orientation of their owners.

Three main concepts can be determined: (1) different immigrant communities have different ways of accumulating and using social capital in starting and managing their ethnic ventures; (2) these dissimilarities manifest in different, motives
encouraging the formation of these ventures, also the in the motives for forming these ventures, people that participate and termination rates of the venture; and (3) these variations can partly be explained by the differences in their respective national cultures

Key Facts: the article states that there are cultural characteristics that boost the ability to create successful business, these are related to the values of a community itself, and eventually these characteristics are incorporated to their company.

Conclusion: The paper can be related to the study of perdurability as it highlights an important element of business that is the society and its support; without it is unlikely that a company can last. It also relevant that the case of study focuses on certain minorities that share an strong sense of community and thus explaining their long term success in other countries.

A well–written and supported academic article, it truly feels like a thesis of some sort. It’s based upon the immigrations of Chinese and Indian people to the US and how certain cultural characteristic became the catalyst to an economic development. On the other hand, it is extremely convoluted and hard of understand at first sight.

Chen1991
The Construction of Leadership Images in the Popular Press
Authors: Chao C. Chen and James R. Meindl.
Source: Administrative Science Quarterly.
Article published by: Johnson Graduate School of Management, Cornell University 1991
The article is set to explore the social construction of the concept of leadership through the study of the rise and fall of Donald Burr and People Express, one of the most important business management and entrepreneurial spirit of the nineties. The authors examine the image Donald Burr projected by the popular press throughout the change of People Express Airlines, the company Burr helped to found in 1981. Different analysis of images descriptions and metaphors revealed that the icon Burr represented was reconstructed over time as a direct consequence of the dramatic performance failure of the company, but in a way that also maintained consistency with previous constructions; despite the fact his own company was receiving terrible publicity people still believed that Donald Burr was an extraordinary man. Various forces that converge to affect image reconstructions are considered, and the implications for understanding press organizations, organizations in general, and leadership are discussed.

Key Facts: The author uses an example where the media can manipulate what the masses believe in, even the image of a public leader, this concept gains as much strategic value as any other trait of successful businessmen; despite of being manipulative, controlling the media to ensure a good public image and allows a manager to make the masses believe in the company’s intentions

Conclusion: The influence of the media over the image of businesses cannot be ignored as it both an opportunity to survive as it is a risk of disappearing, because of this companies understand that the public image is an asset that must protect as it is a valid strategy to survive environmental changes.

Although the article makes little sense nowadays, mainly because Donald Burr has practically disappeared from the business world, the idea of the usage of the media as a tool to build or destroy the image of a leader through hard times of the company it leads is fascinating. The article is a chronological analysis of the rise and fall of an entrepreneur.
The article is bound to briefly summarize the continuity of business entrepreneurship until the decade of the sixties, showing a distinct rise of economical activity in the market over the years. Reasons for and significance of this trend such as the emergence of the term “good will”, the change in the perspective of businessmen after the big depression eve the usage of publicity regarding the survival of a company for a certain period of time are examined.

Key Facts: The author explains that after the depression it become a trend that companies with a strong financial state can endure difficulties more easily than others based upon the review of managerial literature of the time, during the decade of the fifties, when only a handful of companies were still able to sustain their operation, having the assets that supported a possible failure was an advantage. Nonetheless it is also stated than companies that managed to survive the depression became less preoccupied with the environmental change around them and decided to maintain their operations unchanged, according to the literature post depression this decision caused the bankrupt of companies during the late sixties.

Conclusion: Even back at the sixties the question of “Why some firms survive and other do not” was relevant in the academic world. Unfortunately the lack of proper ways to determine companies’ survival factor leads to very simplistic theories such as the “strong financial state” that gain popularity after the depression; later work would prove false this statement using a better understanding of the economic
situation; but during the late sixties the only support available were the opinions and analysis of past experts.

Despite the fact that it is an old article it could be used as a preliminary approach to the idea that perdurability is not a concept that was recently brought to the scene of the academic world and, in fact, it has been a matter of study for almost 40 years.

**Collins1994**

**Built to last**

**Authors: James C. Collins & Jerry I. Porras.**

**Book published by Harper Business – 1994**

This book is a close look to the characteristic and habits of successful leaders of healthy businesses based on a case study of companies with an average of 100 years of existence.

Visionary company founders take an architectural approach to build their companies, concentrating first on the systems and values and later on the products. These companies have a permanent drive for progress that changes the business, strategy, operations and products over time while they keep their core ideology intact. This drive should be internal. Visionary companies do not wait for the external world to tell or force them to change, they make their best moves by experimentation, trial and error, opportunism and sometimes by accident, focus on ‘doing better tomorrow than today’, invest heavily in the future, spend more money than other companies on new property, plant, equipment and pay less dividend because they opt to reinvest the money, also spend more money on human capital creating ‘universities’ and education centers and bring in new technologies, management tools and industry innovations.

Key Facts:
This is clearly an abstract of the original text which couldn’t be found, and even if it enlightens the subject analyzed, its academic value is doubtful.

Daly 1998
Entrepreneurship and business culture in Japan and the U.S.
Author: George G. Daly.
Source: Japan and the World Economy.
Article published by: Elsevier 1998

The article states the differences between the entrepreneurship's path in the US and Japan due their cultural contexts. It emphasizes on the social key factors, being one of the most important, the lifetime employment relationships that would be present within the existing and “old” firms rather than in the new ones. This happens mainly because new companies in Japan believe that the business model of America can be applied anywhere not taking into consideration the cultural history of Japan. While in America price and product is what makes a customer take the decision of choosing certain product, stores in Japan focuses in forging a bond seller-costumer that ensures a good quality in the service and this gaining loyalty. The author introduces the term “intrapreneurship” as a new factor that runs according the social role of each culture, because of the importance of freedom and individuality being an employee that proposes new ideas without fear of risking his job is easier than an a Japanese employee that deeply respects his/her superiors and will not share his ideas because of the risk of failing.

What can be seen here is the influence of the cultural context in the different ways of achieving the perdurability of an organization. The main idea relies on the social and cultural context as an economic resource, as seen in Japan where regardless of the lack of natural resources companies gain global importance because of the
ideology of its people, furthermore is the people itself and the way they perceive life and the manner they build up long time relations.

Key Facts: This article gives a better understanding of the cultural influence as a factor and has direct consequences over the economic development of a company and eventually becoming a relevant factor in the growth of a country as they allow new companies to be created following both a cultural pattern and international influence.

Conclusion: Culture has a direct influence over a company’s present and future success, whereas it sets a patter than facilitates the economic growth of the market or limits the flexibility and levels of creativity, it cannot be overlooked. If a business wants to survive it must adapt its strategies to take advantage of the cultural resource.

Destatte2010
Foresight: A major tool in tackling sustainable development
Author: Philippe Destatte.
Article published by: Elsevier

This article highlights the fundamental relationship that exists between strategic foresight and sustainability. The concept of sustainability has been present in the mind of politicians and businessmen alike, since it addresses not as a means but as an end; that is to say, a general desirable aim, viewed as being possible to achieve over the long-term and that we will attempt to translate into strategic axes.
That is the reason why nowadays, the initiatives presented for political or economical purposes must be assessed on the criterion of sustainability.

Nonetheless, the author states that efforts made to create reliable methods of building sustainable strategies seem rather weak. Even the futurists have been blamed of underestimating the relationship between sustainable development and foresight, forgetting that the later could be a major tool in tackling sustainability, as well as one of the best methods of preparing sustainable strategies and policies.

One of the biggest problems in sustainability policy development approaches is the way used to define the concept, limiting its fields of action: economy, social questions, and environment.

The article proposes a Foresight process of 7 stages: Preparation of the foresight, where it is defined the motivation and objectives of the exercise). Foresight diagnosis provides in-depth knowledge of the various characteristics of the situation, by taking into account both the reality of the indicators and the mental representations and perceptions it induces. Identification of long–term issues, in this phase the author uses the knowledge acquired in phase 1 constituted to construct the basis for the identification of the main determining issues for the long-term evolution. Construction of the common vision, where a vision that consisted of defining common values and ultimate aims is formulated. Definition of the key strategic areas, during this phase key strategic areas that are likely to help the region achieve the described vision of its desirable future by the chosen horizon are described. Implementation of concrete actions consists of concrete actions within the scope of a strategic defined environment, Evaluation, during this final phase an accompanying evaluation informs the actors, during each sequence, whether or not the objectives have been achieved.
These phases were designed with the purpose of ensuring a more reliable vision of the future and its sustainability.

Key Facts: As the author states, being able to predict future trends allows companies to be prepared, despite of how difficult this might be there are some tools that make it easier to predict the near future thus the relevance of the Foresight process. Using this knowledge a company might adapt its current strategic planning in order to have a future advantage over the competence and so ensuring a profitable future for an extended period of time.

Critical Abstract: Describing a possible formula to acquire perdurability might the most interesting aspect of the paper as it is based upon a basic argument: Knowing what is going to happen in the future allows a company to adapt and be prepared for change. The main problem with this thesis relays on the inherent difficult to successfully predict the future, even if the author’s tools facilitates the prediction there are variables highly unlikely to foresee. Because of this, the phases described by the author are more of a guide than a set of rules to achieve perdurability.

Being more a scientific approach to the sustainability issue than a recipe for an enduring and successful company –which makes it much more interesting–the model presented in the article seems to be basic and lacks of arguments to convince that it’s the key to sustainability in multiple scenarios such as the society and the business world.

**Dougherty1990**

**Understanding New Markets for New Products**

**Author:** Deborah Dougherty.

**Source:** Strategic Management Journal, Vol. 11, Special Issue: Corporate Entrepreneurship (Summer, 1990), pp. 59–78.

**Published by:** John Wiley & Sons 1990.
The article is based on a study in which an empirical theory was tested: It's difficult for an innovator in large firms to understand new markets. The findings suggest that organizational factors have an effect on the development of the market understanding. Also, three distinct cycles of market knowledge creation are found to operate at the departmental, interdepartmental, and project–to–firm levels. Each one generates a unique understanding of the market whilst limiting (or enhancing) the information used by previous cycles and the comprehension of the market itself; these limitations or enhancements are caused by organizational factors and the way decisions and strategies are planned.

The grounded theory describes each cycle's contribution to market understanding, clarifies the structures and processes which facilitate or inhibit that understanding through the organization of given knowledge, the author described this a layer (an initial idea that can contain more if studied in deep), and explains how new markets relate to existing strategies. Implications for theory and practice are discussed.

The three types of cycles are the departmental, the interdepartmental and the organizational (also known as the project to firm cycle). The departmental cycle creates an in-depth appreciation of parts of the complex array of issues. The interdepartmental cycle creates a whole from these separate insights. The project-to-firm cycle creates a firm-specific market from the generic market opportunity. All three cycles appear necessary. However, reliance on established procedures impedes the effective development of new market understanding; this makes the creative possesses less efficient and thus reinforces the separation of knowledge blocking the ability to develop new markets.

Key Facts: Different actors within a company interact among themselves, transferring information between each other, the quality of this knowledge may be affected by certain restriction such as previous layers that do not relate to the
source of new ideas; this aspect is particularly relevant during the marketing presses where different actors of each cycle have difficulties to understand ideas that might come from other cycles. Without an organizational structure represented in the company’s process that facilitates the knowledge flow among multiple areas, the ability to quickly react to environmental changes makes it more difficult for a business to sustain itself.

At a glance, the article has nothing or little to do with business perdurability, but regardless of this, a very superficial conclusion is that a company that doesn’t understand the changes of the market cannot survive.

Driel2004
Longevity in services: the case of the Dutch warehousing companies 1600–2000
Authors: Hugo van Driel, Henk Volberda and Sjoerd Eikelboom.
Source: Erasmus Research Institute of Management,
Published by: Erasmus Universiteit Rotterdam, 2004

The paper explores the factors that determine the longevity of a number of firms’ based on a case–study of “Royal Pakhoed” a Dutch company, founded around the sixtieth century originally dedicated to the business of storage but latter becoming leader of the logistic industry in Dutchland

This study concluded in five central factors that were conclusive to enhance longevity in the case of this company: (1) position in the supply chain, (2) the nature of the technology used, (3) organizational structure, (4) culture, and (5) financial policy. All five factors contributed to the longevity of Pakhoed, but to a different degree. The dependence position in the supply chain is the main cause of Pakhoed’s longevity because it led to a high capacity to absorb other companies
By forming vemen or weigh-porters cooperatives, these companies met the merchants’ need for mutual differentiation as vemen was not only warehouses where the goods were stored but also offered a service of transportation. When groups of weigh-house porters went to work permanently for particular merchants as vemen, this meant that the work was distributed less arbitrarily than by dicing for orders which was customary among the weigh-house porters in the sixteenth century. The Vereenigde Oost-Indische Compagnie (the Dutch East Indies Company) or VOC was the largest customer of the vemen. The VOC let the vemen work for them according to a tour-de-role system. After the VOC was discontinued in 1799, some of its employees called the ‘pakhuismeesteren’ (masters of the warehouse) would found private warehouse companies in both Amsterdam and Rotterdam in 1818. One and a half century later, The Rotterdam ‘Pakhuismeesteren van de Thee’ would merge with the remaining veem, Blauwhoed, into Pakhoed.

Regarding the technology level of this kind of companies, the author states that originally companies used “low tech” and were heavily dependent of human labor and were focused in one warehouse, Pakhoed took this characteristic in the marked and decided to invest in new machinery to replace the human labor eventually; some basic but useful instruments were vehicles designated to transport heavy equipment and connect different warehouse easily.

Also, with flexible technological capability and an organizational structure characterized by both, centralized and decentralized features, the company ended up with a solid, well prepared for change infrastructure: instead of having a single hub of operations each warehouse is capable of taking its own decision that could satisfy its needs and help the company as a whole.

Pakhoed’s open culture, in which the strategy is not focused in being especially good in one aspect but are willing to explore new ones, has allowed these changes
to help the company grow, but it restricted the diversification beyond storage and warehousing since this aspect was what made the company gain its importance during the seventeenth century. Oddly enough, the financial policy of avoiding economic ricks helped one of Pakhoed’s main predecessors to survive throughout the Great Depression since it helped the company to build a financial robustness, but after the Second World War this factor lose its importance as the company focused on acquiring new warehouses and better technology to gain a quick competitive advantage over the other companies, nonetheless this change did not interfere with the endurance of Pakhoed.

Key Facts: The information described by the author, despite of being insightful, should not be taken as rule since the longevity of Pakhoed was in great part influenced by the history of Europe and Deutschland. What can be said in this case it that a flexible structure that makes changing an strategy possible allows a company to stay ahead of the competence.

Critical Abstract: The author uses a chronological analysis of the warehouse market focusing on structure, technology and supply chain of Pakhoed since its origins in the sixtieth century to study the evolution of the sector as a whole eventually making emphasis on the ability of Pakhoed to quickly adapt its decentralized structure to absorb other companies and grow.

It is a great paper with a solid historical support. The usage of a case–study of a long lived company to illustrate both internal and external key characteristics of business endurance was perfect, giving a clear insight of a European storage company. The fact that it manages to define factors that contribute to longevity is outstanding. Definitively a very important article.
In this article, the author establishes the definition of “perdurability” as a paradox due to the factors that (1) there are clearly no eternal companies and (2) there is no guarantee that an organization that survives is the same organization it was before. This last factor refers to the core activities structures and functions inside the organization.

The author’s arguments are based on the premise that evidently, every company always ends up dying. It is of little importance whether the organization is conceived as perdurable; it will have a slow or brutal death. On the other hand, the author argues that an organization that lasts probably will not be the same organization. But how to know that it is the same organization? What are the patterns that define that an organization is the same? The author makes use of Aristotle’s metaphor about the river (a river or a fountain are not always the same because the water is not always the same) along with his own definition of a National State perdurability, which is accomplished if and only if its constitution is not changed.

It is evidenced that the author’s conception of perdurability is very strict and to conceive an organization as perdurable, it must be exactly the same; its structure, constitution, strategic direction, etc. It is not only about the essence of the organization, but also about its form. According to this point of view, the author clarifies that the only organizational aspect that survives is its name, since organizations are constantly changing and evolving and therefore, they are not the same although its name is the same.
Another situation made clear by the author is the relation between perdurability and performance: an organization is perdurable if it has a good performance; but studies cited by the author have put on evidence the existence of “permanently failing organizations” which would fit the author’s definition of perdurability if and only if their constitution doesn’t change. The concept of “permanently failing organizations” relies on organizations that are not sustainable by their selves and need a constant external funding source, such as many countries with their continuous foreign debts and some industries of defense.

As conclusion, Dumez’ notion of perdurability is strictly formal; it can be inferred that it is derived from the concepts of form and essence, e.g.: If a blade is reforged, it is not perdurable anymore, although its function and essence are the same, but its form and basic elements have been changed. In this article, the author does not try to approach to any solution or way to achieve perdurability, but focuses on its definition.

**Dupuy2009**

_Pérennité organisationnelle et contrôle de gestion._

“Perdurability of organizations and control management”

**Author:** Yves Dupuy

_Revue française de gestion, 2009, 192, 168–176_

The achievement of the perdurability of an organization has been the milestone of the control management. In this sense, every management teams’ processes and efforts shall be addressed to control all the factors that could guarantee or threaten the organization’s survival. Nevertheless, there is a bias on the tendency that the actual management teams use to control these factors and impede the correct organization’s performance and lead finally to its failure.
The main reason of this bias is the executives’ manner to control the information flow and the company situations. The information used relates to balances, reports and researches. This kind of information is very useful indeed, but, according to the author, it lacks of important external factors such as the political, economic and social situation, which gives a better framework to understand the possible interactions of the organization with its environment.

On the other hand, the results of this kind of documents are always being controlled as periodic data or accountability outcomes. This situation results in a partial diagnosis and not in an overall and correlated one, necessary to make more adequate decisions and guarantee a good performance enhancing the perdurability of the organization.

The good performance and perdurability is the main goal of each organization but in order to guarantee them, the way the organizations are controlled must be re-evaluated. Actually there is a focus on the short–term and isolated outcomes; what the author proposes is a better correlation of factors, information and outcomes to provide a global framework to understand the real situation of the organization and exercise a better control over it.

Freeman1983
The Liability of Newness: Age Dependence in Organizational Death Rates.
Author: John Freeman, Glenn R. Carroll, Michael T. Hannan.
Source: American Sociological Review.
Article published by: American Sociological Association 1983

This study was conducted using data from three types of organizations: national labor unions, semiconductor electronics manufacturers, and newspaper publishing companies. The authors begins by stating that there is a liability of newness – the
natural risk of dying that new companies have during the early stages of their existence— in each of these populations (national labor unions, semiconductor electronics manufacturers, and newspaper publishing companies) but it changes depending on whether death occurs through dissolution or by absorption through merger. Liabilities of smallness and bigness – risk of dying for being too small or too big– are also identified but controlling for them does not eliminate age dependence.

The result of the study shows the Age-Dependence Issue, where mortality is age dependent for each kind of organization; Comparison of Dissolution and Absorption through Merger, given the age of an organization its easier for it to merge with another one than disappear being the former option a way to avoid bankrupt as the latter is related to the inability of survive; Size as a factor that affects the death rates of the organization as some of them (such as unions) gain strength as the number of member grow while newspaper or manufacturer depend more of external factors such as environmental grow,

Key Facts: As the author mentions, the empirical results of previous case studies were useful as those result were the base to a deeper analysis from which data could be used to obtain useful information about three different types of organization.

Critical Abstract: The article is a good combination of case study and scientific research; it has both methodical analysis and good usage of theory; because of this the information presented helped to understand the relationship of three types of organization that share perdurable factors such as size, age, attractiveness (from the point of view of a company that wants to merge with them). This is also one of the first articles that defines that a company no longer exists when is absorbed by other making a precedent of what is needed for a company to continue existing in the market.
In this article, the author proposes that the human factor is an essential factor for the perdurability of a company. More than a source of inertia, the human capital is the factor that provides the possibility of change, adaption and learning. The culture of the enterprise determines whether it is possible to articulate new strategies or not depending on the way they staff perceives the company and how the environment affects it.

A capacitated staff is more likely to undertake decisions that lead to change, aiding to the evolution of the company, meanwhile a non–capacitated one does not have the appropriate tools to evaluate risks and outcomes and prefer to stay in the current situation.

However, when the staff is trained in the collectivism and not in the individualism, the distribution of tasks results in a better exercise at work (avoiding human capital exploitation and non–deserved privileges) and the opportunities of common learning are enhanced, which results in a competitive advantage for the company due to the ability to learn and improve, what is a main factor for perdurability and it is achieved only by the human capital and not by balances, reports or assets.

In relation with Mignon (Mignon2000) , the author states that the most important factor of an company to achieve its perdurability is the correct management of the organization culture and the way its human capital is trained to confront the changes the organization may have.
This article is based on a study of Spanish newspapers over 27 years (1966–93). It shows that firm performance and risk inherent to the business are stronger when the CEO has family ties within the directive board; oddly enough the consequences of his/her dismissal are more favorable to the company. The study also shows that executives operating under weakly relational (less ambiguous) contracts are more valuable for firm performance and business risk outcomes, even under nonfamily contracting.

The conclusion in this study is that increased CEO monitoring was associated with improved firm performance when monitoring was low but not when monitoring was high, thus helping to the firm’s survival as it keeps track of the decision making process; this information can later be used in strategic ways for the board.

Key Fact: it’s true that when the CEO of a firm has family ties with members of the board the performance of given company improves, so does the risk; because of this finding has a more negative impact in the company’s performance the dismissal of a non familiar CEO that one with blood ties with it.

Critical Abstract:

Given this is a study from Spain, it is arguable that some cultural aspect could have been taken into consideration for the study, but due the complexity of the information as it is presented, some variables such as innovational trends, market evolution, historical experiences or business/government relations could have been of relevance were overlooked; nonetheless it’s an absolutely brilliant article that redefines (in a certain way) what academics believe of family business.
This article describes perfectly what perdurability is all about. It starts by explaining resilience as the ability to dynamically reinvent business models and strategies as circumstances change.

The main obstacles that any company must address in order to become resilient are (taken directly from the article):

First of all, the Cognitive Challenge: A company must become entirely free of denial, nostalgia, and arrogance. It must be deeply conscious of what’s changing and perpetually willing to consider how those changes are likely to affect its current success. Secondly, the Strategic Challenge: Resilience requires alternatives as well as awareness—the ability to create a plethora of new options as compelling alternatives to dying strategies; Thirdly, the Political Challenge: An organization must be able to divert resources from yesterday’s products and programs to tomorrows. This doesn’t mean funding flights of fancy; it means building an ability to support a broad portfolio of breakout experiments with the necessary capital and talent. Next is the Ideological Challenge: Few organizations question the doctrine of optimization. But optimizing a business model that is slowly becoming irrelevant can’t secure a company’s future.

The author also points out the main threat to companies’ survival as the Strategy Decay, this phenomenon occurs because regular strategies suffer one (or more) of these symptoms: replication, supplantation, exhaustion or evisceration.
Key Facts: The article criticizes the ideal of optimization of organizational processes since it lacks a valuable factor: its ability to quickly react to its environment, thus, the key to resilience is how well can a firm adapt to the changes surrounding it. “Any companies that can make sense of its environment, generate strategic options, and realign its resources faster than its rivals will enjoy a decisive advantage. This is the essence of resilience. And it will prove to be the ultimate competitive advantage in the age of turbulence—when companies are being challenged to change more profoundly, and more rapidly, than ever before.”

The most interesting article so far, this is the pinnacle of what perdurability is. Everything it says has something to do with the main subject. What can be said about the article is that it says something that most businessmen know: change is the key. Although, it clarifies the fact that even though people know about change, they’d rather keep doing what they are used to (optimization).

Harris2009
Ethics and entrepreneurship
Authors: Jared D. Harris, Harry J. Sapienza, Norman E. Bowie.
Source: Journal of Business Venturing
Article published by Elsevier 2009

The purpose of the article is to determinate how entrepreneurship and ethics are related to each other from an academic point of view. It focuses on three board themes:

1. Entrepreneurial Ethics: it begins clarifying the main similarities and differences between a businessman and a regular man (more specifically, a non–entrepreneurial man) from an ethic point of view. On one hand, academics such as Buchholz and Rosenthal (2005), Dunham et al., 2008, Teal and Carroll, 1999 and Rosenthal, Dunham, Teal and Carroll (among others) state that
entrepreneurial characteristics such as creativity, novelty and sensibility are part of an ethic choice making processes with a sense of fairness. On the other hand there are academics like Bhide, 1996, Longenecker et al., 2006, Kuratko, 2007, Osborne 1991 and others that state that the essence of entrepreneurship is one of taking advantages and breaking rules to achieve profit.

2. Social entrepreneurship: this kind of social venturing focuses on organization and business with the goal of helping the society (therefore the name). It could be defined as encompassing a wide range of activities: enterprising individuals devoted to making a difference; social purpose business ventures dedicated to adding for-profit motivations to the nonprofit sector; new types of philanthropists supporting venture capital–like ‘investment’ portfolios; and nonprofit organizations that are reinventing themselves by drawing on lessons learned from the business world. First decade of XXI century ‘social entrepreneurship’ has made a popular name for itself on the global scene as a ‘new phenomenon’ that is reshaping the way we think about social value creation 

3. Entrepreneurship and Society: The third area of inquiry according to the article takes a macro view of entrepreneurship, exploring the role of new ventures on the connections between entrepreneurship, economic development, and social welfare.

Key Facts: For the author business people have a different thought process than regular men that, given the opportunity, may interfere with his/her ethic values because of their desire of achieving profitable goals for the company or themselves; this causes a Social entrepreneurship that combines both ethics and capitalism.

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Critical Abstract: the author states that the understanding of ethics and entrepreneurship is an important endeavor for the academic world. It shall be important to figure out why companies and businessmen around the world act as they do. But regardless of the importance of the study its relationship with the state of art is limited to the interpretations the reader can give. From a logical assumption it can be stated that without a proper ethic lead a company would disappear in a given period of time depending of the environment where it was operating. As to how this paper relates to the concept of perdurability it is important to focus both on the relation between the environment and the company and the company with the manager as the actions of the later have a detect impact on the company’s surroundings which not only affects the stability of the business in the long term but also determinates how it will be affect in the future. Thus, without a considerate decision making process a manager can lead a company to its demise

**Hitt1990**

**Mergers and Acquisitions and Managerial Commitment to Innovation in M–Form Firms**

**Authors: Michael A. Hitt, Robert E. Hoskisson, R. Duane Ireland**

**Source: Strategic Management Journal,**

**Article published by John Wiley & Sons 1990.**

This paper tries to show a direct relationship between growth by acquisition and managerial commitment to innovation. The authors describe a process where the acquisition process affects managerial commitment to innovation to the point where acquisitions serve as a substitute for innovation. Energy and attention required during negotiations, increased use of leverage, increased size, and greater diversification may affect the managers’ time and risk orientations. Because of these effects, managers may reduce their commitment to innovation. –
Key Facts:
The author states that Research and Development is the first step towards an improvement of the organization as in a preliminary state it improves business, additionally acquisitions facilitate the diversification of strategies and the organization itself as it leads to a quick expansion both geographically and structural. This happens mainly because companies that acquire considerable portions of assets of other companies tend to reduce their R&D investment level and increase the acquisitions of other business as it becomes more complicated to re–arrange the structure of a company after a financial problem.

In this case the article relationship with perdurability is not quite clear; although, when R&D is involved, the subsequent thought is that companies that do not invest to innovate and only focus on growing through acquisitions won’t be as successful as their counterparts this happens because acquiring other business and growing in size means that the grow not only involves capital but also structure that might not work together with others increasing difficulty to communicate a proper strategy through the organization.

Hoanga2003
Network–based research in entrepreneurship
Authors: Ha Hoanga, Bostjan Antoncic
Source: Journal of Business Venturing.
Article published by Elsevier 2003

The paper is an academic research about networks, and their importance in the entrepreneurial field. Network analysis focused on entrepreneurial studies can be divided into three subjects; the authors write an integrative and critical article aimed to the broadest audience. The three essential network components described through the article are: (1) the content of the relationships; (2) the governance of
these relationships; and (3) the structure or pattern that emerges from the crosscutting ties. These components emerge as key elements when trying to explain the process of network development during entrepreneurial activity and the impact of networks on entrepreneurial outcomes.

The content of the relationships is viewed as “the media through which actors gain access to a variety of resources held by other actors” (Hoanga 2003). In other words an important benefit of networks for the entrepreneurial process is the access they provide to information and advice needed to make choices, to solve problems and to reduce risks, among others.

The governance of these relationships can be characterized by the reliance on “implicit and open-ended contracts” such as social mechanisms rather than legal enforcement. These elements of network governance can create cost advantages in comparison to coordination through market or bureaucratic mechanisms.

The structure or patterns of relationships that are created from the direct and indirect interaction between actors have an important impact on the entrepreneurial outcome. This pattern can be used to comprehend the different positions of entrepreneurs in networks. In addition, whereas network size centrality delimits the amount of resources that an actor can access, the presence of structural holes in the network challenges the ability of actors to gain access to a diversity of resources. These structural holes are understood as weaknesses of the structure left during the design state.

Key Facts: For the author it is importer that knowing the network grants the entrepreneur with vital information such as market patterns, business opportunities and possible alliances helps the organization to survive. Since networks have pattern particular to each other it becomes important for the company to critically
analyze both current and future network to choose whether it is a positive contribution or if it will actually generate conflict with the pre existing networks.

Critical Abstract:
An interesting view on what so far has been an academic reading from the managerial point of view. In this case, a “network” is constructed as the organization creates a structure to achieve a particular goal and sustain it, and so there is a relation with perdurability. If a company does not know what it is happening around it is at risk of being left behind because of lack of innovation; having a functional network facilitates the flow of information and grants the organization a better understanding of the event that happens both internally and to the market.

Jansen2005
Managing potential and realized absorptive capacity: How do organizational antecedents matter?
Authors: Justin J. P. Jansen, Frans a. J. Van den Bosch, Henk w. Volberda
Source: Academy of Management Journal
Article published by Erasmus University 2005.

The article is an empirical study meant to explore the differing effects of organizational antecedents on a unit’s potential capability to grow through time, being unit an area within the company, and its absorptive capacity.

This study addresses potential and realized antecedents, absorptive capacity and links between specific organizational mechanisms such as the coordination capabilities that enhance knowledge exchange across disciplinary and hierarchical boundaries; some features of this mechanism are cross-functional interfaces, participation in decision making, and job rotation
The combinative capabilities that increases the amount of information absorbed from the environment are related to the human recourse as it can work properly in different areas of the organization as well it can interact with others, furthermore this recourse it is not limited by its characteristics to stay in a certain area or do a particular list of activities, in fact it can do multiple tasks over time.

Within a company, units that have a transversal layout and the ability decision making units that share job rotations will have both, an improved acquisition and assimilation way of absorbing new external knowledge and the ability to transform and explore new knowledge. In order to achieve external knowledge a particular unit must have an antecedent of job rotations with different areas of the company this guarantying that the experience shared by the individual can be transferred to the unit.

Besides units with similarities There are also other activities that grant only one benefit such as formalization of rules, routinization, density of linkages and socialization. These activities make difficult the acquisition of new knowledge whilst allowing an easier transformation of it.

In conclusion, having a better understating of how an organization is structured (the units and their relations) is a key to predict how much information is actually acquiring from the environment and determinates if this information can be used to improve the company’s performance.

The main hypothesis regardless the investigation can be summarized like “there are different factors that have a positive or negative relation with the ability of absorbing and transforming knowledge”
Critical Abstract: The main hypothesis regardless the investigation can be summarized like “there are different factors that have a positive or negative relation with the ability of absorbing and transforming knowledge” even if this sole ability does not improve significantly the perdurability index it does prevent a company of going to bankrupt.

Even if a certain factor affects negatively the knowledge absorbance of a particular unit it does not mean that there should be less of them. Having a combination of them is what makes an organization different from others; in order to select the proper units that guaranty the company’s best performance a proper strategic analysis should take place, without a solid foundation that can support the relation and interaction between units information needed to maintain the business operation will not be useful, thus the relevance to perdurability.

**Javalgi2010**

**Entrepreneurship, muddling through, and Indian Internet–enabled SMEs.**

**Authors:** Rajshekhar (Raj) G. Javalgi, Patricia R. Todd, Wesley J. Johnston, Elad Granot

**Source:** Journal of Business Research.

**Article published by Elsevier 2010**

The article describes how SMEs (Small and Medium Enterprises) which have become an essential part of an emerging country such as India because of their ability to identify and seize opportunities; and to focus on innovation, while remaining flexible enough to efficiently utilize limited resources so that operating in a changing market is to their advantage; this particular development within developing countries’ economy structure is possible because of their usage of information technologies that allows a local company to compete with global industries.
The first part of the article sets the theory needed to understand the cases of prominent Indian companies. Firstly, important characteristics of entrepreneurship are creativity, innovation and the ability to see things differently. Those allow companies to identify new and profitable business opportunities without wasting resources; also, these traits facilitate the understanding of crucial information about customers, technology, the market trends and industry changes that later could be use not only to anticipate an opportunity but to create new ones.

Secondly, the article is based on the decision making progress described by Charles Edward Lindblom in his book “The science of muddling through” called Incremental Approach where “the successive–limited comparisons or the branch method, decision makers proceed step–by–step in small increments. This significantly reduces the number of decision factors and alternatives available.” (Javalgi2010). This significantly reduces the number of decision factors and alternatives available. This method relies heavily on the theoretical underpinnings. In the incremental approach, the reliance on theory is greatly reduced. Hence, the test of a “good policy” is that analysts find themselves agreeing on the policy, without agreeing that it is the most desirable means to an agreed objective.

The combination of IT, innovation and an efficient decision making processes are what the authors believe is the Indian technological business’ key to success. Because of this, the final part of the investigation is a compilation of case studies of three Indian companies that rapidly grew into successful business.

Key Facts:
For the author, having an unique method for analyzing information in order to seize possible opportunities grants you an advantage over companies that focus on following a trend an exploit it. Because of this, the strategic presses becomes more important as it set the basic foundation for future decisions, this eventually lead to
have a strategy that makes finding profitable opportunities or create successful hallmarks a possibility. Critical Abstract:
The article gives an empirical support to the analysis of perdurability, mainly because if defines a series of, characteristics such as the ability to foresee profitable opportunities that help the organization to achieve success and because of a proper decision making progress it can maintain the leadership in the market.

Kaplan 1991
The Staying Power of Leveraged Buyouts.
Authors: Steven N. Kaplan.

This study documents the organizational situation over time of 183 large leveraged buyouts (LBOs) between 1979 and 1986 and how their ownership changed from public to private and back to public during this period of time.

A LBO is a company with multiple owners that decided to invest part of their capital through a partnership or alliance. This type of acquisition is common when a business have cash flow problems thus the sudden injection of working assets from different sources is key to solve the short term issue.

The article goes through different financial characteristics and advantages of a LBO whereas it is a public to private transaction or the other way around. At the end the conclusion is simple, during the decades of 80’s the economic trend for LBOs was that none of them would disappear during their first year and the average life span of these companies was of 6.7 years when there was a public to private. After that time, those companies returned to public domain the same way they left. This change does not represent the bankrupt of a company; therefore the
article concludes that LBOs have a long life span, becoming perdurable in time despite the multiple ownership.

The paper uses empirical proof in order to support the statement that a company does not “die” just because its ownership changes, also it helps to understand that a radical change within the company allows it to continue through time. As an example of this change, LBOs studied between the decade of the eighties and the nineties went from public ownership to private and back to public in less than 2.7 years, yet their operation continue.

The article also shows that “perdurability” isn’t a modern or recent topic, in fact, articles like this can be found since the late eighties in works such as “The statistical analysis of failure time data” by John and Ross Prentice, published in 1980, but have been overlooked because each author referred to the term as a consequence of what was happening to the marking at a time, examples of this can be found on the different bibliography published at the time “Hostile takeovers in the 1980s: “The return to corporate specialization” by Sanjay Bhagat (1990) or “Agency costs of free cash flow, corporate finance and takeover” by Michael Jensen (1990).

Kelley2009
Intra–organizational networking for innovation–based corporate entrepreneurship.
Authors: Donna J. Kelley, Lois Peters, Gina Colarelli O’Connor.
Article published by Elsevier 2009.

This article deals with the theoretical approach of networking within an organization and, through multiple interviews, summarizes the importance of innovation–based
corporate entrepreneurship (ICE) in the short and long term. The ICE is a managerial approach to the constant need of change, thus it is vital for corporations to fully understand its possibilities as a way to grow in the market.

Within the business context, an ICE is a temporary and short lived network with only one purpose in the short term. Nonetheless, its development has relevant repercussions in the long term, not only because of its contribution through innovation but also because it leaves behind basic information that future networks can use to grow, develop new connections among them, or generate new networks.

The article makes a comparison between the corporative importance of pre-existing networks and new objective oriented networks, giving the later a much higher grade of importance mainly because of their contributions to the future of the company in the long term (information and new connections).

In conclusion, if an organization wants to be successful in the long term they have to invest in creating networks focused on innovative entrepreneurship because of its benefits in terms of uniqueness and the quality of the information these networks leave to the business.

Key Facts:
According to the author, the value of information among networks plays an important role in the future of a company; because of this it is important to invest in maintaining current networks and invest in innovation which can be applied to future networks, this does not mean this inversion is an imperative to be successful. Lastly, even if a network disappears, its legacy has an important value to the company regarding the network connections and information accumulated.
Critical Abstract:
The principal components of a network according to the author are (1) objectives focused on rejuvenating or purposefully redefining organizations, markets and industries to create or sustain a position of competitive superiority, and (2) innovation as the premier mechanism for meeting these objectives; this components are related to each other through the members of the organization, this determinates the straight of the connection.
This is a very analytic and academic article. It doesn’t mention the word “Perdurability” per se; it is the job of the reader to understand the relationship between “innovation” and “long term success” which can be translated to “endurance”.

Kreft2003
Public Policy, Entrepreneurship, and Economic Growth.
Authors: Steven F. Kreft, Russell S. Sobel.
Article published by West Virginia University. 2003.

In this paper the authors test the relation between venture capital and entrepreneurial activity and find that in fact, it is the presence of entrepreneurial activity that draws inversion to an area, and not vice versa.
Being said that, it is logical that enacting policies consistent with economic freedom (or without political boundaries), with the purpose of developing a good environment for attracting or helping individual entrepreneurs, are the appropriate economic development policies. With the proper environment, an entrepreneur can safely develop his/her business strategy thus incentivizing venture inversion.

The basic principle behind this article is that a continuous growth of an economy is affected by an entrepreneurial activity, supported by venture capital. Thus, the
government must facilitate the creation of policies that encourage individuals and companies alike to develop such activities. This principle is supported by the authors through a comparative table showing the relative growth of US’ GDP versus the increment of entrepreneurial activity, proving that the entrepreneur comes first and the venture capital come later.

In conclusion, the conduit between economic freedom (given by flexible policies) and economic growth is entrepreneurial activity. Thus, underlying economic freedoms generate growth because they promote underlying entrepreneurial activity.

Key Facts:
For the author, venture capital is attracted by entrepreneurial activity which is linked to national politics; because of this governments must create policies that incentivize such activities whereas it is in the form of a company or an individual that wants to start his own business.

Critical Abstract:
This article is inspired by the neo–liberalism, mainly because it puts the government to the services of the economy and the economy only. Such aggressive approach could be counterproductive since eventually it affects not only the perdurability of a company but also the country itself, which is something the opposite of what the article tries to demonstrate by showing numbers that support their cause.

Kuratko1990
Developing an Intrapreneurial Assessment Instrument for an Effective Corporate Entrepreneurial Environment
Authors: Donald F. Kuratko, Ray V. Montagno, Jeffrey S. Hornsby
The article is a scientific report of an empirical investigation about the influence of an internal entrepreneurial environment and its relation to the success of a company. The authors define Intrapreneurialship as a company attempt to transform regular employees into entrepreneurs with the purpose of developing new ideas and creating new corporative ventures such as new strategic directions, initiative from all levels of the company or autonomous business creation.

The ideal of achieving an Intrapreneurialship arise from finding innovative solutions to various possible issues within the company: “(1) required changes, innovations, and improvements in the marketplace to avoid stagnation and decline (2) perceived weaknesses in the traditional methods of corporate management (Hayes and Abernathy, 1980); and (3) the turnover of innovative–minded employees who are disenchanted with bureaucratic organizations” (Kuratko1990).

The overview of the method can be described as a quasi–experimental design set in a Fortune 500 firm in the Midwest from 1990. Some of the results were the implementation of an instrument used by managers that facilitates the Intrapreneurialship processes and consists of 5 steps:

1. Review of management and organizational behavior concepts.

2. Stimulation of personal creativity.

3. Review of the literature of intrapreneuring.

4. Assessment of current culture.
5. The explanation of the intrapreneurial business planning.

6. Participants worked in teams and created action plans.

The conclusion of the experiment was the definition of three main factors that contribute to the development intrapreneurial activities which are: management support for intrapreneurship, organizational structure, and resource availability. Without these characteristics it is less likely that a company would develop an Intrapreneurialship.

Key Facts:
For the author, the innovation of process within the company allow it to maintain a sustained growth, although this is not the only factor; people, culture and strategy planning are also relevant; because of this the benefits of Intrapreneurialship allow the company to be sustainable through time.

An interesting article and experiment that takes a different approach on the innovation subject making it more practical and giving the company the tools to develop unique strategies thanks to their own employees, its connection with innovation , because without a proper focus on innovation the company would die.

Kwee2007
Authors: Zenlin Kwee, Frans A.J. Van Den Bosch and Henk W. Volberda
Source: Erim Report Series Research in Management
Article published by Erasmus Research Institute of Management 2007

This article focuses on the relation between the internal characteristics of an organization and the environmental changes around them, and how this relation
has a direct effect over the longevity of a company, or how the authors call it: sustained strategic renewal.

This corporate longevity or sustained strategic renewal is defined as: A strong sense of identity, a decentralized organization or a tolerant management style, sensitivity towards the environment and conservative financing policy. Nonetheless, the authors stipulate that these are only characteristics related to the inside of a business and do not take into consideration the outside variables of the environment.

Furthermore, the point of analysis lies in how firms change and deal with environmental developments such as technological innovation and regulation, over time and what kinds of competences are required for self–renewal in terms of strategy, also known as coevolutionary competence. This kind of competence combines both internal and external factors.

Some facts regarding the longevity of organizations are given by the article are:

- The average life expectancy of Fortune 500 firms, from birth to death, is only forty to fifty years. Their first ten years are a period of high corporate ‘infant mortality’. In addition, a full one–third of the 1970 Fortune 500 companies had been acquired or broken into segments, or had merged with other companies by 1983.

- In the past two decades, of the twenty largest US companies’ bankruptcies, ten occurred in the last two years.

- Among the companies on the original Forbes 100 list in 1917, eighteen remained in the top hundred by 1987 and sixty one had ceased to exist.
• The average life expectancy of all firms investigated, regardless of size, in Japan and much of Europe, is only 12.5 years.

• In the case of family companies, between first and second generations only, about one-third of family businesses survive and, of those survivors, only twelve percent reach a third generation. An exclusive three to four percent of third generation survivors make it to a fourth.

With this information the authors define the origin of a business as its date of founding and its death as the dissolution of the organization. The complete cycle could be described as: (1) Birth/survive phase, where the company is either created or has gone through a renewal process, (2) Growth or business developments; (3) stability or when the company reaches its maturity; (d) Decline or when the growth begins to slow because of a crisis. If the company manages to stay alive after this stage it begins again in (4) and the cycle of self renewal continues.

Since environment changes have a direct effect over organizations, different theories have emerged to explain in detail this effect, one of the is the “Red Queen” of Van Valen (1973) that states: "For an evolutionary system, continuing development is needed just in order to maintain its fitness relative to the systems it is co–evolving with". These two systems are the company and the environment itself.

For a company to achieve this kind of co–evolutionary competence, it must be: dynamic, systemic, cognitive and holistic. These characteristics construct the framework that allows the development of the flexibility needed to be able to respond to the dynamic nature of an organization’s external environment and of its own internal processes. Additionally, the author makes reference towards three principles that lead to longevity: Firstly the principle of managing internal rates of
change, secondly the principle of optimizing self-organization and thirdly the principle of synchronizing concurrent exploration and exploitation (Volberda and Lewin, 2003)

In conclusion, there are no simple answers to what makes a company sustainable through time; it's a combination of internal factors, principles and competences that allows a company to quickly respond to the changes of the environment, evolving with it.

Key Facts:
The author states that what can be determined as the end of the company occur when it is dissolute. In order to avoid this, a company must evolve with its environment coordinating both internal factors and competences to quickly adapt to its surroundings; this ability determinates how well a company would do over time.

Critical Abstract:
In general, a great article, directly related to the term of perdurability and to other articles in this state of art. It sets firm bases that help to define what Longevity/Perdurability really is, and how to understand it. The usage of the term evolution through the paper is interesting as it combines a biology term with management; it also uses a “magical” formula to achieve perdurability: innovation; which, if applied properly, can benefit the company for a long period of time.

Kwee2009
Investigating Three Key Principles of Sustained Strategic Renewal
Authors: Zenlin Kwee
Source: Erasmus University of Rotterdam.
Book published by Erasmus University 2009
In this book, the author defines three key principles in order to achieve perdurability thought the study of empirical information: (1) Aligning the internal rate of change of a firm with the external rate of change of the firm’s environment positively influences sustained strategic renewal. (2) Self-organization positively influences a firm’s sustained strategic renewal. (3) Balancing exploitation and exploration concurrently over time positively influences sustained strategic renewal.

Companies’ long existence in society lies in their strategic ability to renew themselves over time. Organizational perdurability can be studied as a firm’s strategic capacity to sustain strategic renewal over time. This is because the coevolutionary perspective takes into account both internal characteristics of organizations to strategically enhance its survivability as well as the forces in their environments that set limits on organizational discretion (kwee2007).

The author incorporate both selection and adaptation perspectives into the theory of the three principles: Firstly the principle of managing internal rates of change, next the principle of optimizing self-organization and lastly the principle of synchronizing concurrent exploration and exploitation (Volberda and Lewin, 2003).

In order to understand a firm’s performance respect to their sustained strategic renewal, this study deepens in the dynamic relationships between a firm and its environment in the context of sustained strategic renewal by developing a conceptual framework and propositions by conducting a longitudinal and comparative case study of large incumbent long–lived firms such as Shell, BP, Exxon, Chevron and other companies of the oil market.

In conclusion, the three key principles are considered as the key prerequisites of sustained strategic renewal. After that, a series of factors and competences allow a company to successfully become perdurable in the long term. Such relations (dynamic, systemic, cognitive and holistic) are described in a previous article written by kwee in 2007.
Key Facts:
For the author, the three key principles are considered prerequisites of sustained strategic renewal, being this quality needed in order to maintain a company running for a prolonged period of time. This conclusion determinates that perdurability is related to innovation and change; understanding this factors is key to survive.

For a long book, its main purpose was to empirically prove the importance of the 3 key principles, and by doing so proving that there are different characteristics that a company must have in order to become perdurable.

**Lane1998**

**Relative Absorptive Capacity and Interorganizational Learning.**

**Authors:** Peter J. Lane and Michael Lubatkin.

**Source:** Strategic Management Journal.

**Article published by John Wiley & Sons 1998.**

This article is based on prior research on interorganizational learning and the role of a firm’s ability to value, assimilate, and utilize new external knowledge (absorptive capacity). However, the author states that it is not true that a firm has an equal capacity to learn from all other organizations since firms have a relative absorptive capacity given by dyad–level learning dyad–level.

One firm’s ability to learn from another firm depends on the similarity of both firms’ (1) knowledge bases, (2) organizational structures and compensation policies, and (3) dominant logics. Moreover, the similarity of the partners’ basic knowledge, lower management formalization, research centralization, compensation practices, and research communities are positively related to interorganizational learning. The relative absorptive capacity measures are also shown to have greater
explanatory power than the established measure of absorptive capacity and R&D spending.

In conclusion, a company boosts its own learning capacities by absorbing similar business, thus growing bigger and acquiring new traits that allow it to survive different situations in the future.

Key Facts:
Companies absorb each other with the purpose of acquiring new knowledge in order to grow and develop new characteristics that allow them to face future issue and survive; in order to make the correct choice regarding the absorption of a company, the first step that must be takning is the analysis of similarities between both companies since it facilitate and increases the results of the absorption; the company that was absorbed dies but allows the other to survive.

Critical Abstract:
In general, this is an interesting article that can be related to the evolutionary theory of organizations from the point of view of biology: a company devours other in order to acquire greater abilities in order to survive for a longer period of time. Nonetheless, it is unclear whereas the company that was absorbed was perdurable or just become part of a new one.

Lane2001
Absorptive Capacity, Learning, and Performance in International Joint Ventures.
Authors: Peter J. Lane, Jane E. Salk and Marjorie A. Lyles
Source: Strategic Management Journal.
This paper’s aim is to test the model of International Joint Venture (IJV) in which this companies can create competitive advantage by internalizing and adapting partner skills and capabilities in order to improve the learning and performance capacities originally proposed by Cohen and Levintha in “Absorptive capacity: a new perspective on learning and innovation” 1990; the theory behind this model is that segments the absorptive capacity into three components:

First, two factors are suggested to influence an IJV’s ability to understand new knowledge held by foreign parents: trust between parents and the IJV’s relative absorptive capacity. This capacity is described as a “teacher/student” relationship where the former would be the foreign company transferring knowledge to the local one. This transfer is unlikely to happen unless the teacher is confident that the student will fulfill their obligations, although, trust regulates the exchange and quality of knowledge and serves a risk reducing method.

For this transfer to happen, parent companies must be (1) willing to take the risk of becoming vulnerable by sharing their information with others and (2) confident that the partner will not use this knowledge against them, without confidence an IJV will not occur.

Second, IJV’s learning structures and processes are proposed to influence its ability to assimilate new knowledge from those parents. This ability can be influenced by the company’s capacity to learn from itself when problems occur; a company with experience in solving issues is more likely to have developed an inner absorptive ability. An IJV’s absorptive capacity relative to its foreign parents will be positively influenced by its learning ability from the parents or limited by external factors such as culture, language and nationality.

Third, the IJV’s strategy and training competence are suggested to shape its ability to apply the assimilated knowledge. In other words, in order to facilitate the IJV
learning process both companies must have certain characteristics such as: flexible structure and adaptability, formal goals (companies do not need to have the same goals as long as they share the ones that created the IJV) and specialization of roles

Key Facts: The authors conclude that there are three main dimensions that influence the success of an IJV which are: First, understanding external knowledge, second, assimilating that knowledge, and third, commercially applying the assimilated knowledge; without the proper recognition of these dimensions chances are the IJV will fail.

Critical Abstract:
This paper can be related to the subject of perdurability through the analysis of IJVs since they are companies characteristics related to the survive of an organization being one of them the “temporal” factor because by definition a joint venture is a business agreement for a finite time yet the benefits it generates beneficiates the organizations involved.

Lant1990
Managing Discontinuous Change: A Simulation Study of Organizational Learning and Entrepreneurship.
Authors: Theresa K. Lant and Stephen J. Mezias
Source: Strategic Management Journal,
Article published by John Wiley & Sons 1990

This article, through a simulation methodology, is aimed to prove that there are different managerial strategies that a company can use to survive an environmental change. In order to make the simulation work, the authors state that organizations can be “characterized by high and low levels of entrepreneurial activity” this way they define the three types of entrepreneurial strategies:
1. Fixed: Given the liability of change, an organization might be willing to keep its strategy intact and focus its efforts in keeping it that way, instead of searching for new information in order to learn from the environment. Such a strategy is clearly not innovative, since no search activity takes place, activity that would allow the discovery of new strategies (Lant1990).

2. Imitative: According to this strategy there are key firms or industry leaders (Lant1990) with specific entrepreneurial characteristics that are considered successful, because of this, other companies would try to imitate those characteristics if they want to survive. “The imitative strategy is consistent with the notion of imitative entrepreneurship, which consists of imitating achievements of other firms, and thereby learning from the mistakes of others.” (Lant1990)

3. Adaptive: This strategy argues that change is designed to improve performance, because of these, organizations use their recourses to find information about the relationship between their own characteristics and how get a better performance, this strategy enables the discovery and adoption of innovative forms of strategies; thus the authors conclude that this model is consistent with the notion of opportunistic entrepreneurship which entails scanning and surveillance in order to detect and exploit opportunities (Lant1990)

These organizations’ behavior is based upon the assumption of the existence of an organizational learning model. this model not only considers the positive outcomes of a certain strategy but also takes into account the fact that a company can learn from its mistakes. Having said that, the simulation also concludes: First, there are important organizational implications under different levels of ambiguity (The choices a company must face before following a given strategy), for example,
given that a company pursues an economical goal in which profitable operations need to be achieved it has to choose (among other options) whether to develop a new product to increase sales or fire people in order to reduce costs. Second, the lessons learned from past experience can often result in learning traps when the environment changes. Finally, thinking of an organizational managerial strategy based on its level of entrepreneurship provides a theoretically useful description of different outcomes in terms of performance, growth, and the probability of failure.

In conclusion, the three strategies are valid from a managerial point of view, nonetheless they can be arranged by their efficiency as fixed is more important than imitative but not as much as adaptive (Lane1990). Although, the sorting changes when recourses are involved: adaptive < imitative < fixed. this happens because the more a company tries to understand the environment the more they have to invest (monetarily).

Key Facts:
For the author, organizations have different ways of facing an environmental change, because of this, three strategies are proposed: a fixed, imperative or an adaptive strategy; all three strategies (Fixed, imitative and adaptative) have a positive and a negative aspect ; it depends on the situation the company is facing which strategy to take.

Critical Abstract:
The article serves as a theoretical source of strategies a company can take in case of facing a difficult time. Its relationship with perdurability is: not following the correct strategy can guaranty the end of the company. For this end the author has proposed three strategies, each one with its own positive or negative aspects, in order to explain the dynamic aspects of the model.
This paper focuses how to learn to change in a sustainable way in order to create a competitive advantage given that global change accelerating. In order to remain successful, companies need to be agile and flexible; to do that, they need to be able to change at will, quickly and easily.

The only way to ensure that organizations can change that often and that quickly, is to design them for change. Since most organizations are designed to maintain stability but not change they are set to failure when they attempt to implement a single one. Because of this, the authors state that in order to gain a sustainable competitive advantage, a company must focus on developing the ability to change.

There are important traits that make change possible such as organizational identity combined with a relatively stable set of core values, behaviors and beliefs. These traits focus around three areas,: strategizing, designing and creating Value.

Organizations that follow this model know that predicting the future is not possible and trying to do it is only waste of money. Therefore, new companies focus their time, effort and energy on thinking about different possibilities and how to respond to possible changes in the environment; to be prepared to multiple possible scenarios instead of just one.

A that wishes this model to work must first follow a designing "process" to create a structure that facilitates the effectiveness of change, also, learn to analyze the right information, measurement of the effectiveness of a certain decision and decision making processes and, finally, acquire the right talent and manage human capital.
The authors propose that job descriptions do not help the perdurability of a company. Instead of that, the company must learn how to define and describe a person, finding what they can do and encouraging the development of those skills. Also, modifications must be introduced to the way leaders work within a company that accepts the model changes. Instead of having a few leaders that motivates their subordinates, there should be a company made out of leaders focusing in their own development, as they see the need to grow both as individuals and as a organization.

With this model, the key to acquire a competitive advantage lies within the human capital that is able to continually renew itself and lead the organizational changes. Therefore, this human capital must have a strong base of change–related knowledge and skills.

In conclusion this model can be seeing as a recipe for perdurability made out different strategies that, by their own, create a temporally advantage but together allows the company to renew itself.

Key Facts:
(1) A company must have a clear and change–friendly identity that allows the organization to learn and develop through a sophisticated strategizing process focused on the creation of alternative future scenarios may help the company to be prepared. In order to make this happen must invest in the human capital as it sets the foundations of a change–friendly organization and focus on what an employee does best and make it even better.

Critical Abstract:
In general, this book summarizes decades of empirical studies about perdurability and innovation; based on the idea of using multiple strategies that create a competitive advantage and combining them in order to quickly adapt to the environment is what makes this book so interesting. The greatest contribution of this book to the study of perdurability is that it shows that it is possible for a
company to have more than just one global strategy in order to survive, using multiple strategies and tools at the correct time can also help a company achieve perdurability.

**Lebraty2009**

*Externalisation ouverte et pérennité*

“Open externalization and perdurability”

**Authors:** Jean–Fabrice Lebraty

**Revue française de gestion, 2009, 192, 152-164**

**Source:** Lavoisier, Paris.

The article states the importance of external tools such as outsourcing as a risk for the perdurability of a company. Throughout a deep study carried out in France, the author could identify that the outsourcing and crowdsourcing (concept explained further) are not significant in a negative proportion in order to guarantee the perdurability of an enterprise but could be key factors to enhance it under certain conditions.

The outsourcing, understood as the externalization of services such as transport, cleaning and consulting services, lowers the human resources cost. The crowdsourcing, understood as the same externalization but with the use of the Communication and Information Technologies due to the new approach of work–abroad of complete functional areas, being handled from other places worldwide via internet or intranet, lowers the costs of human resources and office staff. Crowdsourcing is opposite to Offshoring which demands a tangible presence of the staff in the plant or offices.

This cost cutting does not represent a main variable to achieve the perdurability of the enterprise if it is not associated with a correct human capital management. In other words, if the employees are working abroad from their homes or are hired by
an outsourcing company, the enterprise must create a pertinence value to relate the personal goals with the company’s goals and enhance the productivity of its outsourced or crowd sourced employees.

With the cost cutting and assimilation of goals factors, there is a low chance to guarantee the enterprise’s perdurability although the author states, there are many other factors that should be undertaken to guarantee the organizations’ survival, although he does not mention any of them.

Levenstein2006
What Determines Cartel Success?
Authors: Margaret C. Levenstein and Valerie Y. Suslow
Source: Journal of Economic Literature,
Published by: American Economic Association. 2006

This article describes the way a cartel is formed and how it can be successful. This line of investigation is relevant for the economist since it represents an interesting field of research where multiple companies have the opportunity to obtain high incomes but do not exploit it.

A cartel is a collusion of different organizations that are joined together by the desire of achieving greater profits by avoiding direct competition and working together to fix the prices of the market, thus changing part of the environment. A different argument comes from other authors as they assume that incentive problems undermine attempts by firms to collude to raise prices and restrict output (Levenstein2006), this happens because each particular company, given the change of obtaining a profitable income, would try to take as much advantage over others as possible.
A few characteristics within the cartel are: (1) Companies within the cartel are part of it because they are willing to sacrifice short term profits in order to achieve long term results; (2) since companies must trust each other, cheating and betrayal are punished; (3) companies must learn as a whole how their actions have an effect over themselves and the environment (4) once the cartel is delimitated by its members, they must raise entry barriers in order to prevent future competition.

A positive or negative influence of these characteristics can result in the end or the continuity of the cartel; cartels break up because of cheating or lack of effective monitoring of their members, but the biggest challenges cartels face are entry and adjustment of the collusive agreement in response to changing economic conditions (Levenstein2006)

Cartels survive because they are located in industries whose extreme features make collusion easier. Also, cartels survive because they learn how to organize themselves to overcome the problems of coordination, cheating, and entry. Cartels must evolve in order to develop organizational structures that allow them the flexibility to respond changes around them, also to develop multipronged strategies to monitor one another to deter cheating and a variety of interventions to increase barriers to entry (Levenstein2006)

Key Facts: (1) Cartels are profitable as long as their members are willing to cooperate and work together to overcome environmental changes. (2) The main cause of Cartel dead is cheating, followed by not creating entry barriers. (3) Successful cartels develop an organizational structure that allows a greater control and flexibility to react.

Something the author forgot to mention is the fact that cartels can also be defined as oligopolies or even monopolies since their purpose is to avoid direct competence by working together to control the market (Sullivan 2003). The main
difference between an oligopoly and a Cartel is that the later is created within a particular economic sector (such as Sugar, Steel, Oil, etc).

Mahoney1992
The Resource–Based View within the Conversation of Strategic Management
Authors: Joseph T. Mahoney and J. Rajendran Pandian
Source: Strategic Management Journal
Published by: John Wiley & Sons 1992

This article discusses the relevance of resource–based (the objective of the organization is to achieve the high profits regulating its resources) view within the company and how it affects its development in the long–term. The usage of the word conversation refers to the academic discussions that have emerged in the last decade regarding the convergence of the resource–based view.

There are three main branches of knowledge related to the resource–based view:

1. Main Stream Strategy: this view focuses on the distinctive competences and internal factors of heterogeneous firms during the strategy making process. During this stage, the availability of resources (i.e. human resources) determinates the strategic future of the company: how to use the available resources in order to achieve the maximum rent (economic revenue), where to find new sources of rent, how to develop a constant growth in time using current and future resources.

2. Economy: this view focuses on the usage of internal factors for the acquisitions of resources in order to maintain stability in the market when it fails. Some of these factors are intangible, thus creating a hard to imitate competence.

3. Industry: this view focuses on the market itself and how companies react in order to acquire resources and more importantly how to keep them. The article
describes a "'isolating mechanisms" or Entry barriers (at the industry level) and
mobility barriers at the strategic group level.

The article concludes that there these three points of view are overlapped and that
the common factor is the resource based view: A company needs a good strategy
to achieve maximum rent, using its internal factors to keep growing with the market
and creating barriers to prolong the usage of a particular rent.

Key Facts:
For the author, If a company wants to survive it needs to find proper ways to find
recourses, once a company finds those resources it needs a good strategy to get
the maximum rent from them and since others companies want those resources to
achieve their own rent, a company needs to create barriers to avoid it.

Critical Abstract:
An interesting article with the purpose of unify multiple theories of different fields
point of view, thus achieving a solid theory other academics can use. Its
relationship with perdurability can be seen in the strategic and economic aspects of
the theory since both points of view focuses on the proper usage of resources to
survive in the long term.

Markman2005
Are perseverance and self–efficacy costless? Assessing entrepreneurs’
regretful thinking.
Authors: Gideon D. Markman, Robert A. Baron and David B. Balkin.
Source: Journal of Organizational Behavior.
Published online in Wiley InterScience 2005.

This article studies the entrepreneur as a regular person with hopes, fears, goals
and failures and tries to difference him/her from a non–entrepreneur as
entrepreneurs’ perseverance and self-efficacy will co-occur with high levels of regretful thinking. The authors’ main focus is based on three aspects: perseverance, self-efficacy and regretful thinking.

The research starts with the analysis of the patent inventors of the medical field during the decade of the nineties and from there tries to explain certain characteristics of the entrepreneurs like:

(1) Entrepreneurs will show a higher level of perceived capacity to control adversity than non-entrepreneurs represented in the following aspects: continue to pursue an objective regardless of the economical difficulties of a company or a market, generating strategies to overcome barriers set by the competence or dealing with unions. (2) Entrepreneurs will perceive a higher level of responsibility for adverse circumstances than non-entrepreneurs since the decision making process affects the company as a whole instead of an individual. (3) Entrepreneurs will have a higher level of self-efficacy than non-entrepreneurs. (4) Entrepreneurs will report a higher number of regrets than non-entrepreneurs, these regrets are more intense than their counterparts

In conclusion, the study’s results show that despite the fact that entrepreneurs and non-entrepreneurs share traits as perseverance, self-efficacy and regretful thinking, their intensity is not the same in both groups since the entrepreneur seems to feel that it is his/her own responsibility whereas a project succeeds or fails (different outcomes affects them greatly). The feeling of controlling random variables, or at least trying, makes the entrepreneur to put a bigger effort on their objectives than a non-entrepreneur; as consequence perseverance is more valuable to entrepreneurs than self-efficacy. Also, entrepreneurs regret opportunities they miss such as business they couldn’t close or products they didn’t invent whereas the non-entrepreneurs regret personal opportunities like education.
Key Facts
For the author the intensity of a situation may change between entrepreneurs and non-entrepreneurs since the level of responsibility both groups have to undergo are different as perseverance is more valuable to entrepreneurs than self-efficacy. Although both entrepreneurs and non--entrepreneurs have regrets, the ones felt by entrepreneurs are business oriented while non--entrepreneurs are personal oriented.

Critical abstract: An interesting article with almost nothing to do with perdurability except for the Perseverance, if a leader doesn’t have the spirit to overcome difficulties changes are the company itself would not last longer.

Meyer1990
Environmental Jolts and Industry Revolutions: Organizational Responses to Discontinuous Change.
Source: Strategic Management Journal,
Published by: John Wiley & Sons 1990.

This article proposes a new model to understand changes for both the company and the industry based of four levels of analysis that go from an small to a bigger level of analysis: First, adaptation on the organizational level and small change, metamorphosis at the organizational level and big change, evolution at the Industrial level and small change, and revolution of the Industrial level and big change. These levels scale and so does their complexity yet then can be applied to any organization since these leves are related to both the organization itself and its environment.
1. Adaptation: focuses on the incremental change within organizations with dependence for resources. The managerial strategies are the guidance of the organization, providing tools for acquiring information to slowly adapt to the environment.

2. Metamorphosis: focuses on a radical change of the organization, also described as life-cycle; during this change, the organization must change its core elements to grow and continue its life.

3. Evolution: focuses on the little changes that an industry undergo during a period of time, because of this only companies that can adapt fast enough to this changes survive; this causes that most surviving companies of the industry develop external similarities.

4. Revolution: focuses on the cataclysmic upheavals that occur to the environmental level; because of its sudden occurrence, not many companies are prepared for this event and those who survive are changed forever.

The revolution change has a remarkable relevance for the study since its occurrence marks the beginning of a new environment in which companies try to survive; knowing an event of a cataclysmic proportions will occur gives the researchers the opportunity to develop practical tools for the survival of a firm. An event of this kind could come from a tsunami that eradicates the fishing industry to an earthquake that eliminates niches of business.

During this change, managers become entrepreneurs that use their strategies to reinvent the industry and organization in order to take advantage of new business opportunities that may be created (Meyer1990).

Key Facts:
The author states that for each type or change there is a way to respond to it, whereas the changes occur inside or outside the company, it is certain that the business itself will be transformed especially when the revolutionary changes happen; but since this event could occur at any time, a company must be prepared to operate regardless of the discontinuousness of the event.; a manager can take advantage of a chaotic situation to transform the environment to its own benefit.

Critical Abstract:
Despite the fact the word perdurability is not hinted through the article, a main topic of it is studied: Change. In order to a company to survive it must embrace change and do not fight taking this as an opportunity to evolve and transform

Mignon2000
La pérennité des entreprises familiales: un modèle alternatif à la création de valeur pour l’actionnaire?
“Perdurability of familiar enterprises: an alternative model of creating value for the investors?”
Authors: Sophie Mignon.
Source: Université de Paris Sud.

The author explains why the familiar companies are most likely to be perdurable and why they can have an added value that may attract investors. The main reason lies over the human capital management that is clearly related with the managers’ perception of pertinence due to their family links. In this article, the familiar conception is established as a determinant factor of the management models and interpersonal links among the organization.

Conceived as a familiar enterprise, exists the conception of self-dependence. Therefore, the decision making processes are undertaken with more flexibility and addressed to achieve the familiar welfare (the familiar welfare is a very strong
objective due to the pertinence value derived from ownership of the managers and family employees). Is this conception of self-dependence the one that guarantees the enhancement of functions due to the relation of the personal goals with the goals of the enterprise; the success of the enterprise is represented by the family core’s success and welfare.

Moreover, the familiar conception also creates and promotes and creates a new lexicon which is adopted by the human capital and therefore creates linguistic codes and patrons that identify them as unique, so the staff feels part of the family.

Nevertheless, there are inherent risks derived from this model that must be properly managed, such as the interpersonal problems caused by an overconfidence status among employees, which could be solved by the outsourcing of a human resources management team if needed.

Apart from the herein–before mentioned risks, there are not any other evident risks under the familiar model management in the human capital functional area, which is presented as the most important area in which relies the enterprise’s perdurability according to the author. As conclusion, it is evidenced that the ownership value associated to the human capital is the main factor in order to guarantee perdurability and therefore, its management is the essential milestone to achieve survival.

Miles2003
Modeling corporate entrepreneurship as rent–seeking competition.
Authors: M.P. Miles, C.W. Paul, A. Wilhite.
Source: Technovation.
Article published by Pregamon 2003.
This study seeks to explore corporate entrepreneurship (CE) initiatives as purposeful rent–seeking activities, thus changing the competition from a price point of view to an entrepreneurial one.

The authors start by saying that competition is based on seeking opportunities that generate return in excess of the opportunity costs of all resources used, including capital. For example, rents may arise as a result of a corporation’s ability to recognize and exploit changes in technology (such as e-commerce based new ventures); society (such as the expanding market in home meal replacements); or the economy (such as recent growth of venture capital firms). (Miles2003).

Some sources of Rent (with their respective typology of CE) are:
1. Product Technology: It allows increasing the price of a product because of an added value (sustained regeneration).
2. Market Technology: It allows increasing the quantity of products in the market due to innovative marketing and strategies (domain redefinition).
3. Production Technology: it allows reducing the cost of products due process innovations (strategic renewal).
4. Organizational Technology: it allows reducing fixed cost due to organizational innovations (organizational rejuvenation).

In conclusion, for a company to achieve a considerable rent must first know the sources, and then establish a corporate entrepreneurial strategy in order to beat the competence. Doing so improves the chances to survive in the market.

Key Facts:
For the author having an extended knowledge of the different sources of rent gives the company and advantage over others as it reduces the amount of time a resources need to research new possibilities for rent; therefore know the correct CE and when to use it can be considered a way to gain a competitive advantage
and a way to survive: a sustained regeneration allows a company to maintain a market share for a period of time; investing in new technologies allow a company to expand its boundaries and gain a dominant position in the market; to maintain the advantage of being the leader of the market a company cannot risk producing the same products, it must take its position in the market as an opportunity to renew its strategy and gain an advantageous position over the competence by renewing itself.

Critical Abstract: CE typology grants to the company powerful tools not only to achieve rent but also to be perdurable: they are based on change, sustainability, regeneration, rejuvenation and renewal. One critic to the article is that it does not explain how to implement these typologies; instead they propose a set of sources to achieve the implementations of given typologies.

**Murmann2003**

**Knowledge and Competitive Advantage.**

**Authors: Johann Peter Murmann.**

**Book published by Cambridge University Press 2003 England.**

This book is set to explain how entrepreneurs, managers, and policy makers make decisions about a future that is inherently uncertain. Based on the premise that the only rational guide for the future is the past, analysis of previous episodes in industrial development can be useful predicting what the future will hold.

Trying to find in the past the causal processes that transform industries is vital to the managers that create business policy in the present. With this in mind, the author use the evolutionary theory to support his case study about different companies in the US and UK.
The book identifies differences in educational institutions and patent laws as key reasons for a business leadership in the industry. Successful firms that have developed strong ties between technologies and national institutions have resulted in very different degrees of industrial success among different business within the same environment, causing them to evolve in a conditional way.

In conclusion, companies that learned how do evolve with the environment have higher rates of success than the ones that decide not to change.

Key Facts:
For the author, companies must understand their past situations in order to adapt themselves to future changes of environmental factors that determinate different relationships between firms.
Some firms grow alongside with other, causing them to develop similar traits because of the evolution or co–evolution that took place, this becomes beneficial for a company that learns how to adapt quickly to the changes and since firms within a certain environment are linked to each other, the success or fail of one of them affects the others and in a certain way the market.

Critical Abstract:
This book has some interesting theories about the development of a company within a particular sector given that all the elements are connected to each other in a natural way. Evolution and Perdurability are two elements that can be studied at the same time because of their relationship.

Nafziger1996
Entrepreneurial Human Capital and the Long–Run Survival of Firms in India
Authors: E. Wayne Nafziger and Dek Terrell
Source: World Development.
Article published by Pregamon 1996
This article explains how the human resource has a direct impact on the long term survival of a firm located in a developing country using India as an example.

In order to understand this article it must defined what a less developed country or LDC as the name given to a country which, according to the United Nations, exhibits the lowest indicators of socioeconomic development, with the lowest Human Development Index ratings of all countries in the world. ²

Based upon an survey from 1967 about young Indian companies and comparing them with the results of the same survey made in 1990 the authors discovered that one of the main characteristics related to the survival of a firm is the human capital, moreover, its founder. This study concentrates on the 1971 and 1993 interviews of the entrepreneurs of firms from the 55 indigenous industrial firms in Visakhapatnam (Vizag), Andhra Pradesh, India, that were established during 1958-70, registered with the Industries Department, and employing five or more workers. One entrepreneur would not respond and four interviews had missing observations on key variables leaving a sample of 50.

The empirical results show that companies founded by entrepreneurs are more likely to survive mostly because of the initial decisions he or she had to make; these actions change the course of the company in the future.

Another relevant finding is that older companies had an elevated survival rate because they had more time to establish in the market because their leaders were older entrepreneurs with experience and came from high castes, being the former trait unique to the Indian case.

² Taken from http://www.un.org/en/globalissues/
A third characteristic was found in the study: when a founding entrepreneur develops him/herself through study, the company chances of survival drastically drops, this happens because in an environment where poverty and opportunities are limited, being able to study and opt for a better future makes the entrepreneurial labor to lose its focus on the firm.

After analyzing the data provided by the two surveys the authors conclude that longevity itself improves survival only if the entrepreneur has the experience, the resources and the will to stay in the company; this might not be the case for companies in other countries since the survey takes place in a LDC.

Key Facts:
The author states that organizational survival in developing countries depend on environmental stability, the role of the entrepreneur and its strategic decisions and the knowledge acquired by him/her; this generates experience that can be latter used by other companies when the information is successfully transferred

Critical Survey:
A characteristic found in this paper that can be used in other context is the role of the entrepreneur and its relation with the survival rate of a firm: if a company’s leader is not willing to take important risky decisions, the company will not last long.

**Nelson1982**
*An Evolutionary Theory of Economic Change.*

**Authors:** Richard R. Nelson and Sidney G. Winter.

This study develops an evolutionary theory that explains the capabilities and behavior of companies regardless of the market type. It uses a combination of theory and the construction of an economic model to conclude that both industries and companies can evolve.

Firstly, as stated by the authors, the study explains the differences between an organizational theory based on the industry evolution. The study also has neoclassical and microeconomic point of view because it makes emphasis on the change of politics in order to allow an open commerce. This point of view can be contrasted with the orthodox theory in the following aspects: While the evolutionary theory views firms as motivated by profit, their actions are not assumed to be profit maximizing, as in orthodox theory; as an option the evolutionary theory focuses on the tendency that most profitable firms drive other firms out of business but on the contrary to the orthodox theory, this statement does not concentrate on the state of industry equilibrium;

The author states that the evolutionary theory is related to behavioral theory of organizations since it views firms having certain capabilities and decision rules, as well as participating in various 'search' operations, which determines their behavior; on the other hand, orthodox theory views firm behavior as relying on the use of the usual calculus maximization techniques.

To prove the theory, the author uses different simulation models using Markov processes and analyze selection equilibrium, responses to changing factor prices, economic growth with endogenous technical change, Schumpeterian competition, and Schumpeterian tradeoff between static Pareto–efficiency and innovation.

The study's discussion of search behavior explains that the decision making process in a firm relies as much on past experience as on innovative alternatives to past behavior (Nelson1982). In this case, firms are seen as both passive with
regarding environment, and actively when it comes to seek alternatives that affect their environment. Using this argument, the author simulates a model where companies are equally sized, the results show that firms with high performance and profitability last longer than the ones that don’t; even if it sounds too obvious it is interesting to analyze the fact that industries tend to concentrate in just a few business. However, if a firm focuses its searches on imitating rather than innovative that firm will eventually disappear. At the same time, industries with rapid technological change tend to grow more concentrated than those with slower progress. The author discusses whether industry concentration, with its associated monopoly profits and reduced social welfare, is a necessary cost if societies are to obtain the benefits of technological innovation.

Key Facts: The author states that if Industries can evolve so can do the companies from an evolutionary point of view, companies within a particular industry tend not to focus their resources on maximizing the profit, they focus their resources on trying to change the environment around them; because of this part of a company's behavior is based on their need to search for new information that allows them to achieve their goal. As a consequence companies develop new technologies that bring benefits to society, companies with a higher technological growth survive while other disappear, eventually turning the industry in a monopoly until new companies enter.

Critical Abstract: An interesting article that focuses on the evolution and perdurability of an industry rather than the company itself; the fact that the author can prove using simulated models that the better a company the higher its chances of surviving can be applied to many cases.

Park1997
The Effect of National Culture, Organizational Complementarity, and Economic Motivation on Joint Venture Dissolution

Authors: Seung Ho Park and Gerardo R. Ungson


The article studies the effects of partner nationality, organizational dissimilarity, and economic motivation on the dissolution of joint ventures. A sample of 186 ventures and their historical result has used to test the hypothesis that certain features have an impact on the dissolution of joint ventures.

Two different scenarios were analyzed: Joint ventures created within the US and the ones between US and Japanese companies. Prior to the investigation a couple of variables were defined such as Nationality (values of their particular markets), culture, legal boundaries, political and social environment, organizational structure and workers.

Three main characteristic have been defined as the ones responsible for joint ventures dissolutions:

1. Breadth and scope of strategic activities: Joint ventures between partners of similar strategic scope are less likely to dissolve than those involving partners differing on strategic scope.
2. Size: Joint ventures between partners of similar sizes are less likely to dissolve than those involving partners of different sizes.
3. Age: Joint ventures between partners of similar ages are less likely to dissolve than those between partners of different ages.

Companies decide to form Joint Ventures for multiple reasons, being the reduction of competence but itself is a reason why they dissolve, because when two companies that were the direct competitor of the other, depend of their
technological advantages and also have similar products in the market trust cannot be forged and thus the relationship between the companies grows week and disappear; this events do not happen in cross–countries joint ventures because of the distance, cultural references and geographical competence.

In conclusion Cultural distance in general did not have an effect on dissolution, but U.S.–Japanese joint ventures lasted longer than U.S. – U.S. joint ventures. Prior relationships between partners appeared to negate some complexities arising from cultural differences. Opportunistic threat and rivalry appeared to be a stronger indication of the dissolution of joint ventures than organizational variables.

Key Facts: Joint Ventures dissolve mainly because of lack of trust regarding opportunistic threats that are visible within national joint ventures despite the fact that having cultural, social and organizational similarities improve somewhat the relation between companies in a joint venture, without trust to support the business, these types of companies do not last longer.

Critical Abstract: An interesting article that brings empirical knowledge about the survival of a joint venture, and since these joints are made by organizations the understanding of their perdurability becomes important to the current research.

Parkhe1991
Interfirm Diversity, Organizational Learning, and Longevity in Global Strategic Alliances Author(s): Arvind Parkhe
Source: Journal of International Business Studies, Vol. 22
Article published by Palgrave Macmillan Journals

This paper studies a multilevel typology of inter–firm diversity focusing on organizational learning and adaptation as critical processes with an impact on alliance longevity and effectiveness.
Organizational theorists have correctly argued that the emergence and maintenance of robust cooperation between global strategic alliance partners is related to the diversity in the partners' characteristics. Yet previous research has failed to systematically delineate the important dimensions of inter–firm diversity and integrate the dimensions into a unified framework of analysis.

The Author proposes a model of longevity based upon learning–based management of differences in the properties of different partners in order to improve Global Strategic Alliances (GSAs).

As global firms' technological, financial, and marketing prowess increasingly becomes tied to the development of a good relationship with their partners, the ability to recognize important differences between partners and improve a productive partnership by developing novelty solutions to accommodate the differences is likely to become an imperative.

GSAs through the usage of interorganizational cooperation in the pursuit of global competitive advantage are set to become a tendency among companies. To make this happen it is necessary to understand the multicultural perspectives in joint decision making. However, it is a difficult process because of the perceptual blinders imposed by culture–bound and corporate–bound thinking. In order to overcome this difficulty, companies must take into account the partners' cognition of, and adaptation to, the important dimensions of diversity that is an integral, inescapable part of such alliances.

Key Fact: The article states that longevity is related to the ability to learn from the experiences of others it is because of this than GSAs last, companies do not focus their resources on changing the partner’s characteristics to make similar to it,
rather they accept those differences and use them. Learning how to overcome differences is what makes GSAs relevant.

Critical Abstract: Despite being an article about the longevity of a Global Strategic Alliance it has relevant information about perdurability that can be used in other areas of study. Regarding companies it is clear that a way to survive is to learn how to maintain good relationship with the Allies.

**Pennings1994**

**Organizational Learning and Diversification**

**Author(s):** Johannes M. Pennings, Harry Barkema, Sytse Douma

**Source:** The Academy of Management Journal, Vol. 37

**Article published by The Academy of Management 1994.**

This article presents an empirical study on organizational learning and corporate diversification. Using concepts of lateral and longitudinal learning, the authors studied the case of 462 Dutch firms that dissolved, interpreting the endurance of an expansion as reflecting success.

The authors state that firms that diversify take risks but it can be reduced if they do not venture too far from their own strategic core and retain control over their expansion ventures. Firms that venture with the purpose of being successful are more likely do keep growing in the future if they manage to learn from their acts and keep record of it. Companies that fail to so have a higher chance to be forced to undo ill–chosen ventures, which is often painful and expensive and probably an acknowledgment that investments were ill–chosen.

By shifting the focus from the firm level to the level of expansion moves authors find that the concept of organizational learning can be transferred to an research
on domestic, product, and global diversification itself. This study suggests that research driven by a learning theory can produce interesting and practical insights.

Key Facts: It is a valid strategy to expand in order to be perdurable, to do so a company must understand that each desertion has its consequences, both positive and negative and regardless of the result what it is important is the learning experiences. Because of this If a company fails to learn from its past is likely it will fail in the future.

Critical Abstract: Learning as a survival tool is something that has been seen before in management but that has yet to be applied with success.

Sahlman 1990
The structure and governance of venture–capital organizations.
Authors: William A. Sahlman.
Article published by the Harvard Business School. 1990

In this article, authors focus on the relationship between investors and venture capitalists and between venture–capital firms and the ventures in which they invest making a particular emphasis on the organizational problems and how contracts and operating procedures have evolved in response. Venture–capital organizations are contrasted with large, publicly traded corporations and with leveraged buyout organizations.

The venture–capital firms are involved in an environment characterized by uncertainty about payoffs on individual investments and a high degree of information asymmetry between other firms. In order to overcome the challenges posed by such an environment, organization have developed standard operating procedures and contracts, including the commitment of capital, basing
compensation on value created, and preserving mechanisms to force the 
distribution of capital and profits. These procedures and contracts help sort out the 
skills and intentions of the participants while simultaneously addressing cost and 
taxation issues (Sahlman1990).

The venture–capital organizational form may be applicable in other settings, 
particcularly corporate and project governance. At the corporate level, adopting 
some aspects of the venture–capital organization, such as the compensation 
system and the finite–life form of organization, might solve some of the problems 
that lead to leveraged–buyout transactions in the first place. Then the goals of 
shareholders, monitors, and managers would be better aligned.

Authors also give an important insight to the project level of a venture–firm such as 
establishing project boards of directors, with skills and resources specifically 
tailored to the project. Also, it is stated that implementing value–sensitive 
compensation systems has potential advantages, for projects designed to exploit 
new business opportunities.

In conclusion, it is comparable the functionality of a venture–firm to a regular firm 
from an organizational and structural point of view; this happens because both 
share the same economic goal of profit.

Key Facts: Venture–firms come from regular firms; because of this organizational 
standardization process can be applied to them, also these types of firms are able 
to adapt as good as a non-venture firm.

Critical Abstract: It is difficult to relate this article to perdurability because it does 
not quite uses that word or any synonym. Regardless it does mention adaptation 
as a main characteristic of venture–firms, and without it these types of firms could 
not be perdurable.
Sanchez2004
Understanding competence–based management Identifying and managing five modes of competence
Authors: Ron Sanchez.
Source: Journal of Business Research 57
Paper published by Elsevier 2004

This paper explains a model of five subdivisions of competences that an organization must develop and maintain in its various activities to achieve overall competence. Each competence model is classified by flexibility that it brings to an organization to respond to the changing opportunities and threats in its environment.

1. Competence mode I: cognitive flexibility to imagine alternative strategic logics: It comes from the cognitive flexibility of an organization to think of alternative ways of creating value in markets. It depends on the managers’ ability to perceive future market needs and identify them to determine which services can satisfy those needs and preferences.

2. Competence mode II: cognitive flexibility to imagine alternative management processes: it is another form of flexibility that focuses on the managerial abilities to identify the kinds of resources required to develop certain strategy, to create effective organization designs and motivating the value–creating processes

3. Competence mode III: coordination flexibility to identify, configure and deploy resources: it comes from the ability of an organization to assemble chains of resources needed to carry out the organization’s strategies for creating value through its product offers
4. Competence mode IV: resource flexibility to be used in alternative operations: it comes from the ability of an organization to assemble chains of resources to be used in innovative ways.

5. Competence mode V: operating flexibility in applying skills and capabilities to available resources: It comes from the ability of an organization to use the flexibilities of its firm–specific and firm–addressable resources effectively and efficiently over a range of operating conditions.

This models work under a resource–based structure, thus the importance of a developing an interrelated and balanced set of success factors that in turn depend on achieving proper balance and alignment among five distinct modes of organizational competence (Sanchez2004).

Key Facts: The description of the different models the author proposes are related to the ability to change certain internal aspects of the company in relation of the resources available in the environment.

Critical Abstract: A fundamental paper on the resource–based studies, its relationship with perdurability is not described within the paper but can be concluded that if a company does not have a proper understanding of its competences it will not be perdurable as it will not be able to acquire enough resources to do so.

Srivastava2005
Predicting order and timing of new product moves: the role of top management in corporate entrepreneurship
Authors: Abhishek Srivastavaa, Hun Lee
Article published by Elsevier 2005.

In this article the authors explain the importance of understanding the products’ lifecycle and how an entrepreneurial model can manage it correctly throughout all the stages of a product’s lifecycle: introduction, growth, maturity and decline, in order to predict and time the product moves.

This theory involves directly three functional areas which are: marketing, commercial and production areas. The way they are involved is derived from the information transfer needed as sales forecasting (commercial area), customer needs and requirements (marketing area) and production capacity and possible stock–outs (production area). The sales forecasting, establish the amount to be produced of each product in each stage of its lifecycle, meanwhile the marketing area determines the characteristics and quality requirements that the customers want to be in the products and finally, the production area takes this information and arranges the production priorities in order to avoid stock–outs which cause ill–will (ill–will represents the inconformity of the customers when the enterprise cannot produce the amount desired of product units).

So, in order to keep the customers’ satisfaction as high as possible, the enterprise must:

- Forecast the sales volume in order to arrange its production levels.
- Predict the replenishment points of each product according to its lifecycle stage, avoiding ill–will and inventory costs.
- Predict when a new product will replace another one when it seems to lose market–share and avoid market absorption by competitors.
- Predict when a new product will enter the market to keep the lead in the market avoiding benchmarking by competitors and standardization of its products.
To conclude, according to the authors, the success of an enterprise is derived from the correct management of the lifecycle of its products to keep customers interested and satisfied, through the articulation of marketing, commercial and production strategies, not allowing competitors to benchmark its products and lowering quality and inventory costs, leveraging its profitability.

**Stevenson1990**

**A Paradigm of Entrepreneurship: Entrepreneurial Management**

**Authors:** Howard H. Stevenson and J. Carlos Jarillo

**Source:** Strategic Management Journal, Vol. 11

**Article published by John Wiley & Sons 1990.**

This article focuses on the role that the entrepreneurial management plays in the market development. The entrepreneurial management concept developed by the authors consists on a model that is able to identify the constant changing and evolving needs of the customers and to adapt the internal factors of the enterprise to meet these needs, through the articulation of all the functional areas, going from the human resources to the financial areas, developing not only an adaption strategy but a forecasting one.

The authors state that the main success determinant factor of this entrepreneurial management model relies on the innovation, which is the essence of the combination of various internal and external factors in order to create new products or services. This model is addressed specifically to understand the customer and conquering the market to achieve a higher market share with each new product or service.

The way which by this model acts, corresponds to the QFD theory which focuses on the understanding of the different requirement levels of the customers according to a specific product and how the functional units, leaded by a proactive
entrepreneur can adapt the internal factors (financial, productive, human and commercial) to satisfy the customer needs.

To conclude, the model proposed by the authors relies specifically on the customer satisfaction enhancement caused by this entrepreneurial management model. Therefore so, the determinant factor to achieve success is to understand and satisfy market needs as a primary condition and goal for any enterprise.

Stocka2001
Absorptive capacity and new product development
Authors: Gregory N. Stocka, Noel P. Greisb, William A. Fischer.
Source: Journal of High Technology Management Research 12

The authors explain the importance of “benchmarking” in order acquire external information of competitors to meet market needs and keep struggling for the appropriate market share according to the enterprises’ strategy. The process of learning from competitors is defined by the authors as absorptive capacity and with the information acquired, the enterprise should not only develop the same product but develop a new one that meets the characteristics of the competitor’s one and offers more aggregated value to the customer than the former product.

The way the absorptive capacity can be carried out relies on the interaction between the functional areas of the enterprise, requiring a high level of investment of research and developments in order to enhance the new technology production and to lower the warranty costs (enhancing the satisfaction of the customer) and a need of an intensive marketing research in order to better understand the market requirements.
The way the functional areas interact to create a new and superior product is related to the QFD theory (not stated by the authors, but it can be inferred) and to the absorptive capacity of intraorganizational units among their selves. This process is established as a key factor to achieve perdurability not just by the authors of this article but by other authors such as Tsai 2001.

Suarez1991
Dominant Designs and the Survival of Firms
Authors: Fernando F. Suarez, James M. Utterback

In this article, the author study why some firms survive and others do not. The reason they identified through empirical and study cases is the existence of “dominant designs" caused by the market regulations and the customer needs. These dominant designs establish the patrons of production and the minimum quality standards and enterprise must achieve to survive in the market, due to the standardization and the great deal of attention each product receives by the customer.

The dominant designs are caused by the parity on technological systems and to the standardization of the customer; the labor of marketing areas is to create and develop needs on the consumers and therefore, they become more standardized and products we the same characteristics are sought. In this order of ideas, an enterprise that can adopt the dominant design is an enterprise that is likely to survive and one that can’t will be likely to perish, unless it focus in other market niches with different needs, standards and quality requirements.

But according to the authors, an enterprise must meet the following factors in order to achieve the adaption to the dominant design:
• Possession of collateral assets
• Industry regulation and government intervention
• Strategic maneuvering at the firm level
• Existence of bandwagon effects or network externalities in the industry

Collateral assets market channels, brand image, and customer switching costs will provide a significant advantage in terms of influence on the customers' mind, enforcing its product as the dominant design. Industry regulation has the power to enforce a standard meanwhile government purchases in the early stages of an industry tilt the balance in favor of the standardization of a product. The strategic maneuvering at the firm level means the ability of evolution and adaption of its products, as for example, the “Betamax” turned into VHS and then into DVD in order to meet the customer standardized needs.

Finally, bandwagon or network externalities in the industry are related to the purchase volume of the goods when they are sought by the consumers; with a higher purchase volume of a specific good, economies of scale and volume scales will tend to appear, enhancing the profit levels of the adapted firm to the dominant level. So, to conclude, according to the authors, the survival of firms depends on how they can use the herein–before factors to meet the standardized needs of the market and how they can adapt their production technologies to meet economies of scale.

Thornhill2003
Learning from failure: Organizational mortality and the resource–based view
Authors: Stewart Thornhill and Raphael Amit.
Source: Analytical Studies Branch research paper series.
In this research paper the authors state that “there are systematic differences between the determinants of firm failure for firms that fail early in life and those that fail after having successfully negotiated the early liabilities of newness and adolescence”, but do not develop any theory about avoiding these determinants of failure but just mention them based on the results from an empirical study carried out in Canada with data from 339 bankruptcies.

According to the authors, the determinants of failure in young firms are different from those that cause older firms failure which are:

- Deficiencies in resources and capabilities. (R&C).
- Deficiencies in general management skills.
- Deficiencies in financial management skills.
- Deficiency in market development skills.

Meanwhile the determinants of older firms’ failure are related to changes in strategic industry factors. Therefore so it can be inferred that the young firms perish due to their lack of skills which are acquired through the experience but, (according to the authors) the failure in older firms depend just on the ability of adaption of its internal structure to meet the industry and market needs.

Moreover, the both kinds of enterprises have different levels of liabilities in which the development of new assets would help to guarantee survival. In young enterprises, the liability of newness makes that the survival of the firm depend on the ability of developing strategic assets before the initial assets are depleted. If there is a correct development of strategic assets, the firm will be able to capture firm and prosper, but if the assets are depleted (known as the liability of ignorance) the firm will fail and perish.

As a conclusion, if a young firm survives its years of adolescence by the aid of the development of strategic assets, it would be more likely to survive in a long period
until it becomes older and don’t have the ability of adaption. Therefore, the main factor for the survival of firms’ according to the authors, rely just on the assets and the way they are turned into strategic assets and guarantee resources and capabilities in the early years of a firm and the way these assets are managed to bear change in the older years of the same firm.

Tsai2001
Knowledge Transfer in Intraorganizational Networks: Effects of Network Position and Absorptive Capacity on Business Unit Innovation and Performance
Authors: Wenpin Tsai
Article by Academy of Management 2001

In this article, the author establishes the importance of the knowledge transfer among the organizations as a clue factor to enhance the reproduction of knowledge, the overall understanding of the environment and the absorptive capacity of each functional unit of the enterprise. “Data from 24 business units in a petrochemical company and 36 business units in a food-manufacturing company show that the interaction between absorptive capacity and network position has significant, positive effects on business unit innovation and performance”.

The author states that the actual situation of the enterprises is the separated performance of each functional unit and therefore so, they don’t accomplish a correct role in the intraorganizational network. This is due to the bias produced by the fact that each unit is working isolated from the others and therefore it just count with the information provided by itself and its perception of reality depends just on its individual situation. What the author propose is to create a space in which all of the functional units of the enterprise can work together and therefore have a better perception of reality and the environment that surrounds them; this is what the
author calls: a central position in the intraorganizational network, by which each unit can produce more innovations and have better performance due to the increase of information available to each one.

With this system, each unit has a complete panorama of the organization's real state through the interaction with other functional units (e.g. the production unit interacts correctly with the marketing and commercial units and therefore, can estimate a better volume of production according to both: market and factory requirements); this is called absorptive capacity: each unit has the ability to assimilate other units' information and can create new operative and tactical knowledge.

To conclude, it can be inferred that this theory can be strongly related with the QFD theory (Quality function deployment theory) in which each functional unit interacts with the other units to meet the requirements of the market and therefore so, guarantee the survival of the enterprise. Under this theory, the absorptive capacity enhances the customer satisfaction and lowers the undesired costs such as the warranty costs.

Unger2011
Human capital and entrepreneurial success: A meta–analytical review.
Authors: Jens M. Unger, Andreas Rauch, Michael Frese, Nina Rosenbusch.
Article published by Elsevier 2011.

In this study based on more than 70 independent samples, the authors found a significant but small relationship between human capital and success. According to the authors, human capital is understood as the investment realized on human resources, varying from recruiting, trainee programs and outdoor and indoor training.
The authors state that the productivity of the human resources doesn't rely only over the investment but over the way this investment is managed; it's to say, that the recruiting and training programs must be undertaken with the help of correct psychological and sociological tools. The way the enterprise makes its employees feel an active part of itself, enhances the productivity and the pertinence feeling, therefore so, the human resources tend to carry out their tasks in a better way than when feeling that they are just working for a retribution.

The function delegation and the equity of tasks is also highlighted because the perception of the employees would be more satisfied if they see they are not being exploited and that there does not exist any preference to any employee. Moreover, the authors also state that the hierarchic classic model of managing the human resources tends to lower the productivity just for the notion of feeling in a lower position by the employees; therefore so, the authors propose a circular model, in which each employee is empowered and has an active role in the decision making process.

To conclude, it can be stated that one of the most important theories for the success of an enterprise involve directly the human resources area, as the main factor that could guarantee the survival of an organization due to its ability of adaption, learning and compromise.

Vecchio2003
Entrepreneurship and leadership: common trends and common threads
Authors: Robert P. Vecchio
Article published by Pergamon 2003.

The author emphasizes on the importance of the leadership in order to guarantee the correct development of the enterprise according to the external factors and the
decisions to be undertaken evaluating risk and opportunities. Although the author does not state any relation between his definition of leadership and perdurability, a summary of this theory will be done in order to have a greater framework of the factors involving leadership and entrepreneurship that could affect the longevity of an enterprise.

The author’s ideal leadership is derived from an entrepreneurship model that identifies and articulates the following factors guarantying the welfare of the enterprise:

- The risk taking propensity: The managerial models that imbibe the risk taking propensity are less likely to succeed because there would be any chance to evolve without taking risks; in fact, every changing process has an inherent risk and the leader must evaluate correctly the relation between risk and profit (the way it could be done is not stated by the author).

- Need for achievement: The leader conceived under this model, is always looking for the achievement of the enterprise’s goals because it has related its personal goals with the enterprise’s ones. As a factor of motivation, this leader knows how to cause the assimilation of the enterprise’s goals with the personal goals of the human capital.

- Need for autonomy and self–efficacy: Under this kind of entrepreneurship, the correct delegation of functions is required and the autonomy of each functional area is guaranteed, enhancing their productive levels but without losing the co–dependence with all the functional areas.

- Locus of control: “Place of control” conceived as a well–oriented leader that manages all the information provided by all the functional areas and the environment in order to take decisions.

**Wright1994a**

**Longevity and the Life–Cycle of Management Buy–Outs**

**Author(s):** Mike Wright, Ken Robbie, Steve Thompson, Ken Starkey
In this article, the authors state that there is a clear relation between the form the buy-outs occur among firms and the longevity they can achieve. Through various study cases upon American and British enterprises, the authors could identify that the buy-outs management could dramatically lead a firm to its longevity or to its sudden death, according on their quantity and the time in which the process of “buying–out” occurs.

The authors define the concept of “buy–out” as: “the full or partial transfer of a firm’s assets, embodied in operational business units, to a new company established for the purpose of running them; second, a comparatively high reliance on debt—of one form or another—in the financial structure of the new company; allowing thirdly, the relative concentration of equity ownership, with managers and some participating institutions typically holding substantial voting blocks.” Therefore so, it can be understood, that this process is clearly related to leverage the profitability of an enterprise, managed from the financial area.

As the buy–outs are held earlier, the enterprise has higher opportunities of a correct development, due to the possibility of a detailed planning on the shares of the enterprise and the estimative process of the relation between equity, assets and pay–offs. Moreover, the earlier these transactions are made, the higher the quantity of buy–outs will be, enhancing the enterprise’s funding capacity guarantying a strong leverage due to the big gap between the enterprise’s share distribution and the profitability it can achieve.

Finally, the authors also establish that the comparative differences between the new stakeholders during the buy–out process will also leverage the enterprise that is being “bought–out” due to the financial stability and market share experience of
the “buying-in” enterprise and the inherent capacity of learning of the “bought-out” enterprise in terms of technology absorption and human resources adaption.
3 RANKING OF PERDURABILITY AUTHORS

The following authors were selected by their contribution to the investigation of Perdurability and so the relevance of their work to the subject.

1. Sophie Mignon. Author of “La pérennité des entreprises familiales: un modèle alternatif à la création de valeur pour l’actionnaire?”

2. William P. Barnett & Morten T. Hansen. Authors of “The Red Queen in Organizational Evolution”

3. Dolores de Bortoli & Pascal Palu. Authors of “Le système maison comme déterminant de la pérennité organisationnelle”

4. Hervé Dumez. Author of “Identité, performance et pérennité organisationnelle”

5. Edward E. Lawler III & Christopher G. Worley. Authors of “Built to Change. How to Achieve Sustained Organizational Effectiveness”

6. Hugo van Driel, Henk Volberda and Sjoerd Eikelboom. Authors of “Longevity in services: the case of the Dutch warehousing companies 1600-2000”

7. Gary Hamel and Liisa Välikangas. Authors of “The Quest for Resilience”

4 CONCLUSION

Through the course of this research it can be concluded that different studies regarding the subject of perdurability have been developed since the decade of the eighties to modern days using multiple models of investigation and focusing on several aspect of the subject.

Firstly, it was found that most studies focused on case studies of companies that share the characteristic of having survived historical events that had considerable consequences on the market but still survived and continued operating for long periods of time both in the United States as Europe.

Secondly, a particular tendency found in multiple research is that the authors occasionally attributed the perdurability of an organization to a particular characteristic or combination of them; some of these characteristics are: innovation, strategic renewal, flexible structure, the role of the entrepreneur, anticipation to environmental changes, adaptability, among others.

Additionally we found that depending on the language and culture, the authors refer to the subject of perdurability in various ways without implying the analysis of different subjects, the principal analyses focus on: Perdurability, Endurance, Longevity, Survivability, Sustainability, and Resilience.
5 RECOMMENDATIONS

Although many paper have been written about the investigation of perdurability, there is still much more to analyze and study, as authors of this compilations it is our responsibility to suggest a couple of recommendations.

Firstly, diverse methods of investigation have been used through the course of time in order to comprehend the perdurability of a given organization(s) or economic sector such as case study, mathematical formulation, theoretical compilation among others. Nonetheless, aside of their efficacy there has not been established which method has a greater contribution than the others. It is a possibility for future investigations than a raking of methods could be published.

Secondly, given the multiple synonyms of the term perdurability used by different authors and contexts an idiomatic study of the terms and their recurrence in papers published in diverse countries through time could become an important tool for further analysis.

Lastly, the compilation of papers and authors should be used for the construction of a state of art of the perdurability since a bigger part of the investigation is already done.
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