The relationship between strategic management and SMEs performance in Morocco: Proposal for an analytical model

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Summary:

Small and Medium Enterprises are the backbone of an economy, especially in developing nations as they provide ample benefits to an economy. Therefore, their success is critical and causes for this success are worth to be studied. Lack of strategic management practices which is identified in literature as a main cause for the failure of SMEs.

This paper is designed to study the relationship between and impact of strategic management factors on performance of SMEs in Morocco.

The study sample consists with 21 SMEs representing differing industries. Data was gathered using semi structured interviews. To realize the research objectives, data was analyzed through the conceptual grouping matrix combined by a thematic analysis. strategic management factors likely to influence Smes business performance were devised into two groups: internal and external factors.

The results obtained allowed us to propose an analytical model of the strategic management / performance relationship.

Key words: Strategic management ; strategic factors ; performance ; SMEs.
La relation entre management stratégique et performance des PME au Maroc : proposition de modèle analytique

Résumé :

Les petites et moyennes entreprises sont l’épine dorsale d’une économie, en particulier dans les pays en développement, car elles offrent de nombreux avantages à une économie. Par conséquent, leur succès est essentiel et les causes de ce succès méritent d’être étudiées. L’absence de pratiques du management stratégique a été identifiée dans la littérature comme l’une des principales causes de l’échec des PME.

Cet article est conçu pour étudier la relation et l’impact des facteurs du management stratégique sur la performance des PME au Maroc.

L’échantillon de l’étude se compose de 21 PME représentant des industries différentes. Les données ont été recueillies à l’aide des entretiens semi-directifs. Pour atteindre les objectifs de la recherche, les données ont été analysées à travers la matrice de regroupement conceptuelle combinée à une analyse thématique. Les facteurs stratégiques susceptibles d’influer sur la performance des PME ont été divisés en deux groupes : les facteurs internes et externes.

Les résultats obtenus nous ont permis de proposer un modèle analytique de la relation management stratégique / performance

Mots-clés : Management stratégique, facteurs stratégiques, performance, PME.
Introduction:

Given its growing importance, the small and medium-sized enterprises performance (SMEs) has been of interest to many researchers, international organizations and decision-makers, at least since the Bolton report (1971), and therefore has been the subject of much debate. Attention to the SME sector has increased due to the globalization of the economy and the increasingly severe competition inherent in this development. More specifically, the researchers showed an interest in the variables associated with business performance. Among these variables, strategic management has been identified as a key factor influencing organizational performance (Sefiani et al., 2018; Echcharqy & Abbar, 2016; El Makrini, 2015; Benyatho & Missaoui 2018).

Strategic management is a complex issue in many companies, greatly affecting their performance. It contributes to performance by generating relevant information, creating a better understanding of the environment and reducing uncertainties (Schwenk and Shrader 2003). According to the literature on organizations, SMEs are considered to be the units most confronted with problems related to management methods.

Following an in-depth review of the scientific literature on the causes of failure of small and medium-sized enterprises, it is clear that the mismanagement of the company is presented as the main cause of its failure, even of its legal bankruptcy. Indeed, “bad” management skills are by far the most frequently cited causes of failure in the literature (Thornhill and Amit, 2003). For example, Stanley and Girth (1971) state that “90% of business failures are due to management errors”, Altman and Hotchkiss (2010) mention that "managerial incompetence is the root cause of business failures. companies”.

According to Imoisili (1978), the most efficient companies were found among companies that maintain consistency in the perception of the environment and management practice. However, the notion of “mismanagement” is relatively vague and broad. It can include a wide variety of managerial issues (Bruno et al., 1987). Centralization of management. The actions undertaken are linked to the manager's will, that is to say his strategic vision, his management philosophy and his managerial practices (Bayad and Nebenhaus, 1998). Generally, the solutions adopted reflect the representations of the leader, while the complexity of the problems that arise requires confronting the representations of the key actors of the organization who constitute its environment.

Addressing the relative paucity of research on the performance of small businesses in the Arab world, our study seeks to gain a better understanding of the main strategic factors likely to influence business performance, as perceived by owners of small and medium enterprises in the world. Morocco.

To do this, we did carry out an exploratory study with Moroccan SMEs managers in the form of a face-to-face interview, the analysis and interpretation of the data resulting from the interviews was made using the conceptual groupings matrix. resulting from Huberman and Miles work (1991).
The results obtained made it possible to confirm our initial propositions, to get hold of the practices and problems of strategic management of SMEs in Morocco and to know the perception that managers have on the main factors influencing performance.

To address our issue, we will first review Smes strategic management and business performance. Secondly, we will present the context of our study as well as the research methodology adopted, finally, we will review the results obtained and the perspectives associated with them.

1- Strategic management specificity in Smes context

Since the 1980s, the SME is no longer considered as a reduced version or a miniature of the large enterprise (Storey 1986; Julien and Marchesnay 1988; Hertz 1982), but rather an entity which has its own identity and its own existence, and consequently its mode of management differs from that of the large company.

Considered as a heterogeneous set, Torres (1998) asserts that SMEs require a specific management system which takes into account their great diversity.

A group of researchers, having examined and explored strategic management in SMEs, concluded that the majority of these units prioritize operational management and are characterized by an implicit and intuitive management.

It should be noted, that a universal definition of SMEs is non-existent as each country has its own criteria for categorizing this type of enterprise (Mukhtar 1998; Scarborough 2012). Nevertheless, common characteristics differentiate them.

- **Size**: Size is the first criterion highlighted in the first works on SMEs Torres (1990). The small size of the company can be an advantage when it comes to specializing and filling niche markets with products. However, size can be a disadvantage in obtaining financing for the business, (Chisasa and Makina 2012; Abor 2007; Beck and Demirguc-Kunt 2006; Carpenter and Petersen 2002).

- **Tacit knowledge**: In SMEs, knowledge is mainly acquired through experience and often assimilated through tacit learning (Chaston et al., 2001; Honig, 2001; Ward, 2004). A review by Thorpe et al. (2005) recognize that in SMEs knowledge is acquired through experience and tacit learning. Unlike the common existence of tacit knowledge in SMEs, some recent research highlights the importance of knowledge sharing in order to explicitly strengthen communication between stakeholders and the organization and gain further competitiveness and profitability. (Reychav and Weisberg, 2009; Darby and Zucker, 2003; Chaston et al., 2001; Honig, 2001; Wong and Radcliffe, 2000; McAdam and Reid, 2001; Pillania, 2008).

- **Centralized management**: The management style of a SME is characterized by strong centralization, in most cases this centralization exclusively concerns the person of the company owner-manager. Torres (1999), referring to this strong centralization, described the SME as an "Egofirm" contrary to the concept of hyperfirm which defines the multinational enterprise. Although it is generally accepted that the level of centralization depends on the
size of the company, the character of the manager and the value of its subordinates, it also depends on the conditions of the company (Kalika, 1984).

- **Intuitive, short-term and barely formalized strategy:** The strategic decision cycle is based on reaction rather than anticipation. SMEs use few management methods and techniques such as forecasting, financial analysis and project management (Torres 2004). The decision-making process of SME managers is considered to be more intuitive, as an “informed guess and less dependent on information and formal models of decision-making” (Billi and Raymond 1998). In SMEs, “the decision-making process generally operates on the intuition-decision-action model. The strategy is above all implicit informal and very flexible” (Julien and Marchesnay 1988; Torres 2004).

- **Simple and informal internal and external information systems:** The internal information systems of SMEs are characterized mainly by simplicity, informalization (Nielson and Thomson 2009) and weak structuring (Fallery 1983). Dialogue and direct (verbal) contact are the operating methods of small organizations unlike their large counterparts where a formal and complete mechanism (in writing) is put in place (Torres 2004).

**External information systems** have the same character and are also very simple given the small size of SME markets, both psychologically and geographically. This is how managers attentive to minor changes in a market can quickly become aware of the evolution of the traditional local or regional market; this can compensate for their limitations in terms of expertise or time for reflection. “(Julien and Marchesnay 1988; Torres 2004).

### 1.2 Smes strategic characteristics influencing their performance

Small and medium-sized enterprises (SMEs) have certain characteristics that significantly differentiate them from large systems with regard to strategic management. In certain situations, these specificities place SMEs in a privileged position. On the other hand, there are many features that limit their performance and make them inferior to large organizations.

- **The SME environment:** The environment of the SME has a specific character and differs greatly from the large company whether at the organizational, operational (activity) or competitive level.

  Organizational environment: organizational culture greatly influences the organizational environment in which SMEs operate. Cameron and Sine (1999) defined three basic types of organizational culture:

  - Hierarchical: Little adopted in SMEs due to their weak structures and informal operating practices (Jennings and Beaver, 1997; Hyvarinen, 1990).
  - Market culture: Its principle is to maintain competitiveness (Storey and Sykes, 1996)
  - Adhocratic: SMEs are best aligned in this strand as they are seen as flat structures with few levels of management, however, their lack of resources may limit their ability to function effectively in an Adhocratic culture (Abdul-Nour et al. al., 2015; Pelham, 1999; Wong, 2005).
The operational (business) environment: The main functional components of the operational environment are production and activities. In small business, sustainability depends exclusively on a single activity which makes it vulnerable and therefore exposed to a decline in its market. Torres (1999).

The competitive environment: SMEs cannot fully control their competitive position; this is due to the fact that they have only a limited overview of the markets in which they operate (Wiklund 1999; Huang and Brown, 1999; Pelham, 1999). Being in most of the times reactive and not proactive in their strategies (Fuller, 1996; Sexton and Van Auken, 1982), SMEs are incapable of leading the market, and must on the other hand respond to changes and changes relating to this market without necessarily be able to influence it (Storey and Sykes, 1996; Hyvarinen, 1990; Miller and Whitney 1999; Smith and Smith 2006).

• Manager personality: The management of the SME tends to be centred on the manager himself, which can lead to considering the outside world only according to the interest that the manager brings to him, the business of the company is primarily and above all a personal matter Torres (2004).

Several authors such as Robinson and Pearce (1984) and Curtis (1983) suggest that small business managers rely on their knowledge and experience to make strategic decisions and that people other than the owner have little involvement in making them. strategic decisions in small firms, which generally results in a management style based on command and control (Ates and Bititci, 2011).

Management in a small business is closely linked to the skills and characteristics of its owner. The entrepreneur’s educational and family background will likely affect the management style of a small business owner-manager. Other factors such as the aspirations of the owner-manager, whether or not he wants the business to grow, also have an impact on management (Chell 2001).

• Management practice: Many researchers point out that SMEs invest less in management training and development than large companies (Mangham and Silver, 1986; Curran et al., 1996), they are characterized by a personalized management style.

Usually, SME managers focus a lot on day-to-day management and therefore neglect strategic management issues (Fuller-Love, 2006). Entrepreneurs rarely develop their business beyond the point where they can manage everything themselves personally (Gray, 2002) and the lack of managerial skills hinders the growth of the business and contributes to its bankruptcy.

• Limited resources: The resources of SMEs are considered limited both in human, technical, financial and even time, they are generally overloaded with short-term problems (Savioz and Blum 2002; Qian and Li 2003, Martine, 2003; Smith and Smith, 2006). Often, SMEs do not have the resources to analyze the environmental aspects of their business (Alon 2004; Burke and Gaughran 2006). As a result, the scarcity of resources limits the capacity of SMEs for external orientation. The deployment of a management system is proportionately more expensive in SMEs than in large companies. (Hudson et al., 2001).
2. Strategic management process and performance in the SME sector

Supra, we have highlighted the different specificities and strategic features of SMEs that may positively or negatively influence their performance. In the following, this performance will be examined and analyzed through 3 aspects (Figure 1) considered fundamental for our research:

Figure 1: Strategic management process

2.1 Strategic planification

Strategic planning: formal strategic planning improves business performance (Wang et al., 2007; Majama et al., 2017), it is a crucial element for any business success Theodoros (2015).

Several researchers have identified and explained strategic planning importance, both as a process and as a performance predictor (Dutton and Duncan, 1987; Dyson and Foster, 1982; Greenley, 1994; Ramanujam and Venkatraman, 1987; Sinha 1990; Greenley & Foxall 1997; Hang 2005; Sandada 2015).

According to Fraser and Stupak (2002) and Sandada (2015), strategic planning makes clear organizational objectives and their communication to all stakeholders which consequently improves the company performance, these authors confirm that strategic planning allows the organization to balance its functioning with its environment demands. Along the same lines, Kraus et al. (2006) suggest that strategic planning allows SMEs to protect themselves against the instability of unstable environments and subsequently ensure sustainable growth.

The SME has always been considered as a company that does not practice formal strategic planning (Stoner, 1983; Shrader et al., 1989; Dess et al., 1984; Masurel and Smit, 2000; Abosede et al., 2016) or at least its practice is done in a sporadic and inconsistent manner (Sexton & Aullen, 1985; Lobontiu 2002, Goy and Paturel, 2004; Balasundaram 2009; Kaoutar & Khadija, 2018).

However, SMEs that attempt to plan strategically only do so in an informal, irregular and unstructured manner, and this planning is marked by a lack of information that is found to be ineffective and obtained from informal sources (Gibb and Scott, 1985; Flavel, 1991; Abosede et al., 2016; Chak 1998; Estrada et al., 2009 cited by Lema et al., 2012).

Several studies (Barreyre, 1977; Gasse, 1979; Roobinson, 1980; Waalewijn and Segaar, 1993) have revealed that SMEs struggle to plan for the long term and their planning is rather reactive and cyclical (Still, 1974 and Julien, 1997). This finding was empirically supported by (Calori et al., 1997), his study found that only 30 of SMEs use strategic planning through organized and structured processes.
2.2 Environmental scan

Environmental scanning: The success of SMEs in turbulent markets largely depends on their ability to conduct environmental scanning activities in order to understand external stakeholder behavior and trends (Beal, 2000; Qiu, 2008).

Externally, all external elements likely to influence the SME are considered to be environmental factors; the latter exercises only limited control over this environment and must therefore remain vigilant and aware of its impact; this by taking it into account in the development of its strategy. (Williams 2001; Brezinova and Prusova 2014).

As for the internal environment, these are the internal strategic factors that are found within the SME and which have direct and specific implications on it, according to (Pearce and Robinson, 2013; Thomson and Strickland 2010; Indris and Primiana 2015) the internal environment of the company includes the resources, capacities and competences held.

Environmental scanning and strategic planning affect the ability of SMEs to meet the demands of a competitive environment (Jennings and Beaver, 1997; Joyce et al., 1990; Marlow and Patton, 1993; Wiesner et Millet 2012). The performance of SMEs can be improved by increasing internal and external analysis (Indris and Primiana (2015).

2.2 Strategic orientation

The choice of a company's strategic orientation should be seen in the light of the effects of the environment, as it will ultimately affect the performance of SMEs. SMEs must continually strive to align their strategy with the changing environment. However, the choice of a strategy, no matter how noble, is doomed to failure without taking into account the main stakeholders (Chak 1998). Esteve et al. (2008) et Todorov (2014) confirmed in their studies the relationship between strategic direction and SME performance. In the same perspective, Watanabé and Pushpakmari (2010) asserted that the choice of strategic orientation significantly impacts performance and that performance differs depending on this choice.

The scan of the literature on strategic management revealed that orientation in SMEs is very different (Todorov 2014), likewise strategic orientation has been studied according to several dimensions. The strategic orientation in SMEs is always dictated by the personality and characteristics of the entrepreneur, his attitude towards the functioning of the company and his vision of the company will ultimately influence the strategic choice, the direction and the overall performance of the company.

3. Methodology of the exploratory qualitative study

3.1 Methodological choice

The objective of this survey is to explore the practices and factors of strategic management in the context of the SME and to make the link with performance. Being a subject little explored in Morocco, we chose to conduct this survey using the in-depth interview method, our choice is
explained by the fact that in a situation where we need to know the reactions of an individual to a particular problem: understanding the how and the why, or we need to work with precisely identified categories of people (Demazière and Dubar 1997 cited by Pierret 2004), the in-depth interview remains the best suited (Boyce et Neal., 2006).

The in-depth individual interview is a real investigative tool (Pierret 2004) and makes it possible to construct reality through the dialogue of the interviewer and the interviewee, it has advantages (Gubrium and Holstein 2001) such as:

→ Opportunity to acquire a fundamental understanding of a specific subject;
→ Possibility to compare the interviews with each other;
→ Possibility of collecting as much authentic information as opinions.

3.2 Determination of the sample

The method of constituting the sample depends on the pre-established research objectives, in general, in the methods of qualitative research, statistical representativeness is not sought. However, the use of stratified samples may be suitable for the purposes of the study (Da Silva G 2001; EL Yachioui 2018).

The Moroccan SME constitutes our research object, at the Moroccan level, the SME represent 95% of the productive fabric and it is divided into 3 sub-types of company (table 1), according to Maroc PME: Considered as an SME any company whose turnover does not exceed 175MDH

<table>
<thead>
<tr>
<th>Type</th>
<th>Numbre</th>
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<tbody>
<tr>
<td>VSE</td>
<td>8</td>
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<tr>
<td>SE</td>
<td>3</td>
</tr>
<tr>
<td>ME</td>
<td>11</td>
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Table 1: SME type

<table>
<thead>
<tr>
<th>Type</th>
<th>Numbre</th>
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<tbody>
<tr>
<td>Very small business</td>
<td>8</td>
</tr>
<tr>
<td>Small business</td>
<td>3</td>
</tr>
<tr>
<td>Medium business</td>
<td>11</td>
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</table>

Source: designed based on the definition of ANPME

Based on the principle of stratification, we subdivided our population into identifiable subsets and a random sample was carried out within each group. This method takes into account the subgroups and facilitates comparisons.

We used the principle of saturation in setting the number of interviews, after 21 interviews, we noticed a similarity in the responses of the interviewees and agreement on the themes and problems was reached. We have subdivided our sample of 22 SMEs from all sectors (table 2) into sub-groups, in particular:

<table>
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<tr>
<th>Type</th>
<th>Numbre</th>
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<tbody>
<tr>
<td>VSE</td>
<td>8</td>
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<tr>
<td>SE</td>
<td>3</td>
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<tr>
<td>ME</td>
<td>11</td>
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</table>
3.3 Data collection

We relied on an abductive method which is characterized by going back and forth between the field and the theory, the interviews were carried out using an interview guide composed of 11 questions around two themes resulting from the literature.

The interviews were conducted face to face with SME managers, being a semi-structured interview, the themes were addressed to guide the conversation and over the course of the interview the questions followed one another.

The survey took place during the month of February and March 2019, our field is made up of SMEs in the Kenitra-Casablanca (Table 3) horizon with the exception of an SME located in Marrakech where the interview took place by phone for distance constraint.

<table>
<thead>
<tr>
<th>City</th>
<th>Number</th>
</tr>
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<tbody>
<tr>
<td>Rabat</td>
<td>6</td>
</tr>
<tr>
<td>Kenitra</td>
<td>2</td>
</tr>
<tr>
<td>Casablanca</td>
<td>12</td>
</tr>
<tr>
<td>Marrakech</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>22</td>
</tr>
</tbody>
</table>

### Table 3: breakdown of SMEs by city

<table>
<thead>
<tr>
<th>Sector</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Architecture and decoration</td>
<td>2</td>
</tr>
<tr>
<td>Sustainable mobility</td>
<td>1</td>
</tr>
<tr>
<td>Finance</td>
<td>2</td>
</tr>
<tr>
<td>Market research</td>
<td>2</td>
</tr>
<tr>
<td>Consulting</td>
<td>4</td>
</tr>
<tr>
<td>Car service</td>
<td>1</td>
</tr>
<tr>
<td>hardware and scientific material</td>
<td>2</td>
</tr>
</tbody>
</table>

### Table 4: Breakdown of SMEs by sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Event</td>
<td>1</td>
</tr>
<tr>
<td>Engineering</td>
<td>1</td>
</tr>
<tr>
<td>New technologies</td>
<td>1</td>
</tr>
<tr>
<td>renewable energy</td>
<td>1</td>
</tr>
<tr>
<td>Water treatment</td>
<td>1</td>
</tr>
<tr>
<td>Logistic</td>
<td>1</td>
</tr>
<tr>
<td>Touristic</td>
<td>2</td>
</tr>
</tbody>
</table>

3.4 Data analysis method

Data analysis and interpretation are made through the conceptual grouping matrix resulting from Huberman and Miles work (1991), this matrix (Appendix 1) presents the results in an organized way that helps to describe and explain the why and the how things, it allows a conceptual coherence and an analysis of content by topic. The construction of the matrix can contain two or more dimensions, each research question can be the subject of a series of matrixes.

Our interview guide contains 7 questions that we have grouped into 2 themes:
- Strategic management: style, practices and problems;
- Performance within the SME: evolution and measures.

Before we chose to design a matrix encompassing the two research themes, these terms contain sub-axes summarizing the questions asked and will be the subject of the matrix row.

For confidentiality reasons, the column relating to respondents will not contain the names of the companies but will be replaced by sub-groups of SMEs.
3.5. Analysis of the matrix data

Reading it column by column allows to get a brief idea of each SME type and to check the relationship between the answers to the different questions for the first time. A line-by-line reading makes it possible on the one hand to make comparisons between the same SMEs profile on their managerial practices and their perception of performance evolution, and on the other hand to compare the different profiles of SMEs selected.

This part is devoted to the presentation of the results of the analysis of the conceptual grouping matrix developed over all 21 interviews. The purpose of these interviews was to provide a qualitative answer to two main categories of questions that should allow us to better understand our research subject: the main strategic management practices, the influence of strategic factors on performance.

In what follows, we present the results of our analysis by attempting to answer these various questions. For each theme, the analysis was carried out by structuring the progressive interpretation of the results according to a comparison between the literature review respondents’ comments.

The analysis was carried out by column according to the matrix themes.

→ Strategic management:

In our research, two opening questions were initially considered:
- Tell me about management / strategy in your company?
- What management style do you adopt?

In response to these questions, two trends should be retained in the discourse of the interviewees:
- A category of respondents addressed the practices of strategic management, in particular the setting of long, medium and short-term objectives, action plans, the development of strategic visions and possibly indicators for measuring and monitoring objectives;
- This same category which opts for the style of participatory management based on meetings, staff empowerment, sharing.

For the second category, only four respondents adopt authoritarian and directive management, the interviewees tend to practice day-to-day management and judge the design of a strategy or the adoption of a strategic management is very sophisticated for a small structure, they even go to say, that there is no room for strategic planning but resort to intuition:
- “Planning takes place second after day-to-day management, it is day-to-day management that saves money on the spot, we have no planning, no means to achieve the visions, we are always in the daily life and survival ”
- "Strategic management takes a lot of time to the detriment of day-to-day management"
- "No strategy, no goal setting, we know what we need and what we need to shoot, "

→
For the other two questions relating to strategic management, they were as follows:
- Based on your outlook, what are the main strategic management problems you encounter in your role as a leader?
- Can you give an example of how you manage, or solve a problem with a stakeholder or a management problem?

The 3 SME profiles suffered almost from the same difficulties or problems, the human resources problems and everything that goes with it presented a real handicap for these SMEs:
- "The most complicated thing is HRM, it is the most complicated thing, human";
- "We have a real problem, the Shortage of resources and skills";
- "The culture of this company is rather quick in its decision-making, quick in execution, A lot of agility".

The respondent’s majority say they are overwhelmed by day-to-day management and by the overload of work caused by the centralization of tasks.

An executive of a Very Small Business said: "As a very small company, we have a lot of things at the same time, work overload, the manager is also a management controller, HR administration, financial management, all of this is concentrated with the manager, manager with multitasking".

Many managers claimed to have problems with stakeholders especially at the communication and engagement level: "Essentially, people are unprofessional (unprofessional) (poor quality of their work), it is essentially Lack of involvement of Stakeholders / non-respect of commitment by stakeholders".

Then there are the problems related to the external environment such as technological evolution, rapid change of the environment, market instability, competition:
- "Rapid change; in my opinion the main problem for me that it is for most of the companies that I have supported is the rapid change"
- "The context changes quickly, this change is needed, a new era,"
- “among our major issues: market fluctuation”
- "The context changes quickly, this change is imposed, a new era, the problem we have is updating people”
- "we have to be up to date, positioning ourselves poorly can risk losing everything"

When it comes to financial issues, the majority of leaders addressed payment delays, customer insolvency or very expensive land prices.

When to the way in which the leaders treat or solve their problems, many of them resort to communication and dialogue, to recurring meetings: "To sit face to face and discuss, communicate, see what the problem is, clarify, because sometimes problems are just illusions"
**Finding 1:** SMEs which tend to adopt a participatory management style allow them to be more open to their internal environment, something which is reflected in their behavior vis-à-vis the problems faced and therefore on their success.

**Finding 2:** SMEs suffer from many problems linked to day-to-day management, which prevent them from setting up a long-term strategic vision and from practicing strategic management in the right sense of the term.

**Finding 3:** many strategic factors come into play when it comes to the implementation of a strategic management process that greatly influences the success and sustainability of the company.

→ **Performance:**

- **Performance evolution**

Is there a performance evolution in your business? If yes, to what practice is it due?

Reading the matrix allowed us to go through all the answers of the 3 SME profiles, as a result we noticed that almost all the companies in our sample attest to having an evolution of performance, apart from 3 companies attesting to a stagnation of performance.

Among the reasons cited, we find the involvement of stakeholders, environmental mapping, the participatory approach, strategy implementation:

- "You need to understand what the expectations are, how your PD evolves, how they move, what their reactions are, how they make their decisions, how not to create disruptions with these interactions that could damage your business, mapping of stakeholders is essential to be able to evolve";
- "Good rules and governance, the involvement of the whole team and especially the main stakeholders;
- “Transparency and respect for rules, respect for mutual obligations”;
- "It is due to the participatory approach, they are aware that they are responsible for defining their objectives, 90% of them are the ones who define their objectives, and therefore are more committed to achieving them";
- “It is due to a mix of managerial practice, more listening, more monitoring, for two years we have been in digital, a focus on digital, regular publications on the site, the implementation of Web surveys, a revamped site, we are listening to this, it brings us back customers, we are modernizing”;
- “It is first of all in the projection exercise (the vision), a projection which is rather clear, then the quality of the people who work in this company (people of very good quality) relationship between these people which is excellent which allows trust.”
• Performance measure

How do you measure your performance?
A dominance of financial measures has been noted, however, medium-sized enterprises tend to use measures other than financial ones, to quote:
  - “Financial indicators: turnover, net income, Growth indicators: customers, number of points of sale, Non-financial indicators: market share”;
  - “Secondary indicators: our Notoriety, HR indicators: satisfaction (quantification; do we have difficulty recruiting) making it easier to recruit means that we have a good image. HR satisfaction questionnaire by the HR department”;
  - “From these results emerges our fourth observation”.

Finding 4: a presence of performance evolution at the level of SMEs due mainly to stakeholder-oriented approaches and strategic approaches.

Most companies use turnover as a basic indicator of performance. Other indicators may exist in the case of medium-sized enterprises.

4. Discussions and conclusions

In this article, a study on the strategic management and performance of SMEs in Morocco was presented, we used the in-depth interview method to conduct this survey. The findings resulting from this survey can be confirmed by comparison of new data in future research and thus serve as a starting point to develop new knowledge, methods and strategic techniques allowing the evolution and growth of these entities at the national level.

The results show that the strategic management in Moroccan SMEs is not considered formally, despite many attempts, for lack of the priority of daily management which comes to the detriment of strategic management, we have also observed the awareness of importance of stakeholders in achieving objectives, influence of the leader’s personality on the vision and overall strategy of the company.

These results agree with those of (Jennings and Beaver, 1997 cited by Ates et al., 2013), Although SME managers may have the good intention to set aside time for long-term strategic activities, it is too easy to let them slip away when “pressing” operational issues and customer needs arise. SME leaders immediately focus on responding to these "priorities" seen as the sole determinant of competitive success, while long-term strategic planning is on the to-do list of tomorrow.

Manager personality, firm culture and management style appear to be decisive factors when it comes to the strategic functioning of the company, agreeing with the words of several researchers who have studied the impact of strategic management on performance (Chak 1998, Schwenk and Shrader, 2003; Kraus and Reiche, 2007; Vorzsák and Coros, 2007; Mlanya, 2015; Evina, 2008; Pushpakumari and Watanabe, 2009; Jaoua, 2014, Lazarević et al., 2014; Indris and Primiana, 2015; Sandada, 2015; Theodoros, 2015; Btitci et al., 2015; Njeru, 2015; Majama et al., 2017; Minovic et
al., 2017; Omsa et al., 2018; Gweh, 2018; Agwu, 2018; Ogbari, 2018), we can conclude that these factors related to strategic management impact performance.

The results of our study showed that the SME stakeholders impacts in both directions (- +) the performance of the company, this observation is also in conformity with those examined in the literature (Berman et al., 1999; Greenley & Foxall, 1997a; Hillebrand, 2009;; Hillman et al., 2001; Hillman & Keim, 2001).

Resources scarcity, problems related to human resources, corporate culture, all have been identified in our study and in the literature as factors influencing the strategic success of the company (Garengo et al., 2005; Garengo & Bititci, 2007; Jacobson, 1990; Sadler-Smith et al., 2003; Udayanga, 2020).

When it comes to the external factors that impact performance, our study revealed 3 factors namely:
- The market environment: including its growth and instability;
- Technological change and competitive hostility.

The finding agreed with (Choi & Wang, 2009; Greenley & Foxall, 1997b; Gursoy & Swanger, 2007; Keizer et al., 2002; Kohli & Jaworski 1990; McwilliamS & Siegel, 2000).

Empirical results have shown a preference for corporate financial measures, although new environmental demands, the emergence of new stakeholder groups and the awareness of the importance of social measures have prompted companies to adopted measures at other levels such as commercial and social.

These findings are consistent with those on CSR literature, stakeholder management literature, where social., commercial measures were adopted (Akpinar et al., 2008; Bosse & Sutton, 2019; Evina, 2008; Parker et al., 2015; Preston & Sapienza, 1990; Surroca et al., 2009; Tang & Tang, 2012; Chawki & Aitlemqeddem 2020).

The confrontation of the results and the literature allowed us to detect a relationship between the internal and external strategic factors cited above and performance.

The synthesis of the theoretical and empirical results allowed us to determine that there is a relation of dependence between the strategic factors and the performance, explicitly said: the evolution of the performance depends on the internal and external strategic factors. The link between the two variables can be schematized in the following research model.
The study concluded that factors related to strategic management can influence Moroccan SMES performance and success, main factors were found are related to CEO perceptions and how he manages and perceive his environment, whether internally or externally.

Regarding internal factors, the manager is able to control them if he adopts a management style that allows him to integrate and coordinate with his employees, if he sets a clear strategy and a shared global vision.

For factors related to the external environment, the role of environmental analysis and its tools is essential, according to Imoisili (1978), the most efficient companies were found among companies that maintain consistency in the perception of the environment and management practice.

However, the confirmation or denial of a relationship between these two variables, in this case (strategic factors and performance) requires other more extensive studies, without forgetting to study the moderating effect that may have other variables that come into play such as the economic situation or the state of the country or industry.

Source: author
## Appendix: Conceptual Grouping Matrix

<table>
<thead>
<tr>
<th>VSE</th>
<th>Strategic management</th>
<th>Performance</th>
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|     | 3 management style: participatory, by objective and authority  
- An agile and flexible strategy centred around the manager person with a setting of objectives in SML term with follow-up meetings.  
- Little structure and no top management  
- Recurring internal problems such as HRM, time management, difficulty in structuring the company, work overload, the burden of daily management, lack of resources, lack of communication and stakeholder’s commitment  
At the extrinsic level: instability and fluctuation of the markets, the lack of control over the external environment, the specificity of the Moroccan market, the difficulty of launching a new product | A performance evolution confirmed by almost all respondents mainly due to:  
- professionalism  
- creativity, training  
- learning and strategic thinking  
- implementation of a system  
- Sharing and setting objectives with the stakeholders  
- the right methodology  
- participatory approach and empowerment of staff  
- Commitment and awareness  
- close and clear collaboration and communication  
- R & D and strategic plan  
- flexibility of partners  
Performance measurement is done via the financial indicator: Turnover |

| SE | Management style:  
- participatory, directive with a little delegation  
- lack of a hierarchical system with daily and local management, setting of daily and weekly objectives with the inclusion of a stakeholder system, regular monitoring and evaluation meetings as well as action plans and implementation of methodology and processes  
staff participation, contribution and collaboration  
Internal problems:  
HRM, time management, lack of commitment and communication with certain stakeholders  
- interests interaction  
- extrinsically: Environment instability and markets, evolution and rapid change of technologies, competition, payment delays, access to finance and land | One respondent called for a fixity and constancy of evolution, this is due to the performance of HR and stakeholders  
The others confirm an evolution thanks to:  
- close collaboration and precise communication  
- Market and system monitoring  
- R & D, looking for a better partner.  
- Support the team and seek a better service provider  
- start and raise awareness  
- a good methodology and environmental analysis  
- the proper use of the Media  
- flexibility, efficient management  
Performance measurement is done via the financial indicator: net income |

| ME | management style:  
- Participatory, by objective, collaborative, authoritarian and directive  
A contrast in responses took place especially between (sme) and (gme)  
- a clear fixed identified vision, a well-organized structure, with many levels, no centralization of tasks, setting of smart and quantified objectives at CML term and the means to achieve them with an action plan and a monitoring system and measurement, Compliance with standards with with collegial decisions, work discipline  
- strategic orientation according to the macroeconomic context with close management, flat organization with few hierarchical levels  
- no strategic management, no vision or goal setting,  
- closed management, no empowerment of staff, operation without strategy with daily management and a lot of informal  
Internal problems:  
- Lack of resources and skills, lack of commitment from some PP, HRM, human, employee training, gain the confidence of all PP, centralization of tasks, daily management problems and the non-existence of “a strategy to follow”  
- extrinsically:  
- change in the environment and technological development, competition, payment and financing problems, payment delays | Two respondents declared that they had not changed in terms of performance because of:  
Lack of qualified human resources  
90% of the other responses were favorable thanks to:  
The good relationship with the stakeholders, transparency in the relationship with them, their involvement and mobilizations in the company business  
- respect for rules, good governance and respect for mutual obligations  
- projection (clear vision)  
- Performance committee to monitor achievements and results  
- daily monitoring system, quality of Job  
- Performance measures and indicators  
- issues ownership, partnership  
- commitment and seizing opportunities  
Performance measurement is done via:  
Financial indicators: turnover, Turnover, net income, profit margin, sales and income evolution, return rate  
commercial indicators:  
--- customer satisfaction rate  
- buying from the supplier, market share.  
Growth indicators  
- customers-number of points of sale  
Secondary indicators:  
Notoriety  
HR indicators  
Satisfaction  
the rating of companies by banks (SKIP)  
-the market position |
Bibliography


