
STRATEGIC POSTURE AND PERFORMANCE: HOW SPACE MATRIX LENS CAN ASSESS INDUSTRY DYNAMISM – A SYSTEMIC VIEW

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Abstract: Contemporary era is characterized by heightened competition and market turbulence, understanding the strategic posture of organizations is essential for sustaining competitive advantage and long-term performance. Study employs the SPACE matrix framework, an analytical lens to assess the dynamicity of industries and their impact on strategic positioning. Through a systemic view, the research integrates multiple cases design to examine how internal strengths, financial stability, environmental volatility, and competitive pressure shapes organizational strategic stance—whether quadrate of posturation such as: aggressivity, conservativity, defensivity or competitiveness. Data were gathered from multiple sectors characterized by varying scale of environmental uncertainty, dynamism of cross-industrial comparison and reliability of the SPACE lens diagnostic power. Findings, revealate strategic posture alignment with environmental systemic behaviority significantly that enhances organizational adaptability, resilience, and performativity. This contributes to see more clearness the market as wholeness and openness to interact via lenses in order to make longevity decisions under complex environments.

Keywords: Strategic posture, SPACE lens, industry dynamism, strategic fit and systemic approach.

1. INTRODUCTION

In today's global environment characterized by instability and uncertain interactions, organizations are constantly facing challenges to align their strategic stance and decision-making with the dynamics of a rapidly evolving industry (Elezaj & Kuqi, 2023). The acceleration of technological innovation, the globalization of markets, and the unpredictability of socio-economic factors have intensified the need for capable and consistent strategic frameworks and planning to integrate both internal competencies and external environmental challenges (Grant, 2019; Teece, 2018). Strategic stance—the overall orientation of an organization toward its competitive environment—serves as a critical determinant of long-term performance and sustainability (Miles, Snow, Meyer, & Coleman, 1978; Elezaj & Kuqi, 2023). However, conventional strategic assessment tools often focus narrowly on internal or external variables, thus limiting their ability to capture the systemic interdependencies that characterize contemporary-postmodern industries. The Strategic Position and Action Assessment Matrix, synonymously SPACE, provides a comprehensive framework to bridge this analytical and evaluative gap. According to Elezaj, Sejdiija & Kuqi, (2023) as a multidimensional tool for determining the strategic focus of an organization or multiple organizations taken as case studies, the SPACE model assesses four key dimensions—financial strength, competitive advantage, industry strength, and environmental stability—to position firms within one of four strategic quadrants: aggressive, competitive, conservative, or defensive (Rowe, Mason, Dickel, Mann, & Mockler, 1994). This positioning not only reflects the firm's current strategic orientation and direction, but also provides guidance on appropriate strategic responses to environmental challenges. While expanding beyond firm-level analysis, the SPACE model can serve as an analytical lens for assessing industry dynamism, revealing how systemic changes in environmental stability, technological trajectories, and competitive pressures influence collective strategic behavior (Webster, Reif & Bracker, 1989). Viewing the SPACE model through a systems thinking perspective allows for a richer interpretation of industry evolution as a dynamic, self-organizing process driven by feedback loops and interdependencies among actors (Sterman, 2000; Senge, 1990). This systemic integration enhances the explanatory power of the SPACE framework, strategically positioning it not as a static state, but as an adaptive response to complex environmental changes. As a result, the SPACE Matrix can be reconceptualized as a diagnostic, investigative, and predictive tool—capable of linking strategic orientation to performance outcomes within dynamic industry contexts (Radder & Louw, 1998). The paper advances the argument that the SPACE matrix, when applied through a systemic lens, provides a powerful mechanism for assessing industry dynamism and its implications for strategic posture and organizational performance (Krasniqi & Elezaj, 2023; Morina & Elezaj, 2025; Elezaj & Kuqi, 2023). By synthesizing insights from strategic management theory (Clark, 1997) systems thinking, and performance analysis, this study aims to contribute to a more holistic understanding of how firms and industries co-evolve within turbulent environments.

2. MATERIALS AND METHODS

The methodology of this study was based on multiple case studies aligned with a structured interview research design, conducted across various businesses operating in Kosovo. This approach ensured that the collected data were **primary** and **directly informative**, providing an unmediated and authentic representation of the observed

phenomena. Data collection was primarily facilitated through interviews with **managers, leaders, and senior executives** of the participating organizations, who provided detailed insights relevant to the study’s objectives. Their contributions enabled the accumulation of comprehensive, context-specific data essential for understanding the systemic factors influencing industry dynamism. The data analysis process was supported by the use of **SmartPLS** software, which enabled the execution of a series of **Partial Least Squares Structural Equation Modeling (PLS-SEM)** analyses. These analyses were instrumental in identifying and evaluating the various **systemic factors** that contribute to and shape the **dynamism of the industry**. By integrating qualitative insights with quantitative modeling, this methodological framework provided a rigorous and multidimensional foundation for the study’s findings.

3. RESULTS AND DISCUSSIONS

Table 1. Preview of indicators and latents derived by path coefficients, STDEV etc.

Path Coefficients

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Latent Variable 15 -> Latent Variable 1	-0.565	-0.560	0.061	9.221	0.000
Latent Variable 15 -> Latent Variable 10	0.343	0.343	0.085	4.060	0.000
Latent Variable 15 -> Latent Variable 11	0.335	0.335	0.083	4.036	0.000
Latent Variable 15 -> Latent Variable 12	0.232	0.236	0.077	3.010	0.003
Latent Variable 15 -> Latent Variable 13	0.136	0.143	0.093	1.458	0.145
Latent Variable 15 -> Latent Variable 14	0.022	0.012	0.118	0.188	0.851
Latent Variable 15 -> Latent Variable 2	-0.432	-0.428	0.068	6.328	0.000
Latent Variable 15 -> Latent Variable 3	-0.326	-0.321	0.092	3.524	0.000
Latent Variable 15 -> Latent Variable 4	-0.429	-0.425	0.081	5.276	0.000
Latent Variable 15 -> Latent Variable 5	-0.067	-0.066	0.091	0.738	0.461
Latent Variable 15 -> Latent Variable 6	0.567	0.568	0.050	11.333	0.000
Latent Variable 15 -> Latent Variable 7	0.526	0.521	0.073	7.184	0.000
Latent Variable 15 -> Latent Variable 8	0.579	0.576	0.069	8.414	0.000
Latent Variable 15 -> Latent Variable 9	-0.565	-0.560	0.061	9.221	0.000

Source: Author reseach-SEM-PLS

The table above provides a clear presentation of the multiple tests conducted between indicators and latent variables that were taken as the study sample. These variables represent the dynamic environment and a systemic approach composed of these indicators. Table 1 clearly demonstrates a series of repeated tests that are primarily identified through the *p-value*, which indicates statistical significance. Except for three indicators—Latent Variable 13 ($p = 0.145$), Latent Variable 14 ($p = 0.851$), and Latent Variable 5 ($p = 0.461$) - all other relationships with the dependent variable, Organizational Performance, are statistically significant. Considering that all other latent variables show *p-values* at the significance level of 0.000, it can be concluded that these latent constructs are highly influential and exhibit a strong and consistent relationship with the dependent variable, organizational performance. This demonstrates that there are clear interconnections among the variables, reflecting a measurable and moderate influence within the network of relationships tested in the model.

Significant Relationships ($p < 0.05$):

Table 2. Interpretation of the significant latents based on statistical parameters

Path	Coefficient (O)	T-Statistic	P-Value	Interpretation
15 → 1	-0.565	9.221	0.000	Strong negative influence; highly significant.
15 → 10	0.343	4.060	0.000	Moderate positive effect; significant.
15 → 11	0.335	4.036	0.000	Moderate positive effect.
15 → 12	0.232	3.010	0.003	Weak-to-moderate positive effect.
15 → 2	-0.422	6.218	0.000	Strong negative influence.
15 → 3	-0.326	3.524	0.000	Significant negative influence.
15 → 4	-0.425	5.276	0.000	Strong negative effect.
15 → 6	0.567	11.333	0.000	Very strong positive effect.

Path	Coefficient (O)	T-Statistic	P-Value	Interpretation
15 → 7	0.526	7.184	0.000	Strong positive relationship.
15 → 8	-0.579	8.414	0.000	Strong negative effect.
15 → 9	-0.565	9.221	0.000	Strong negative effect.

Source: Author reseach-SEM-PLS

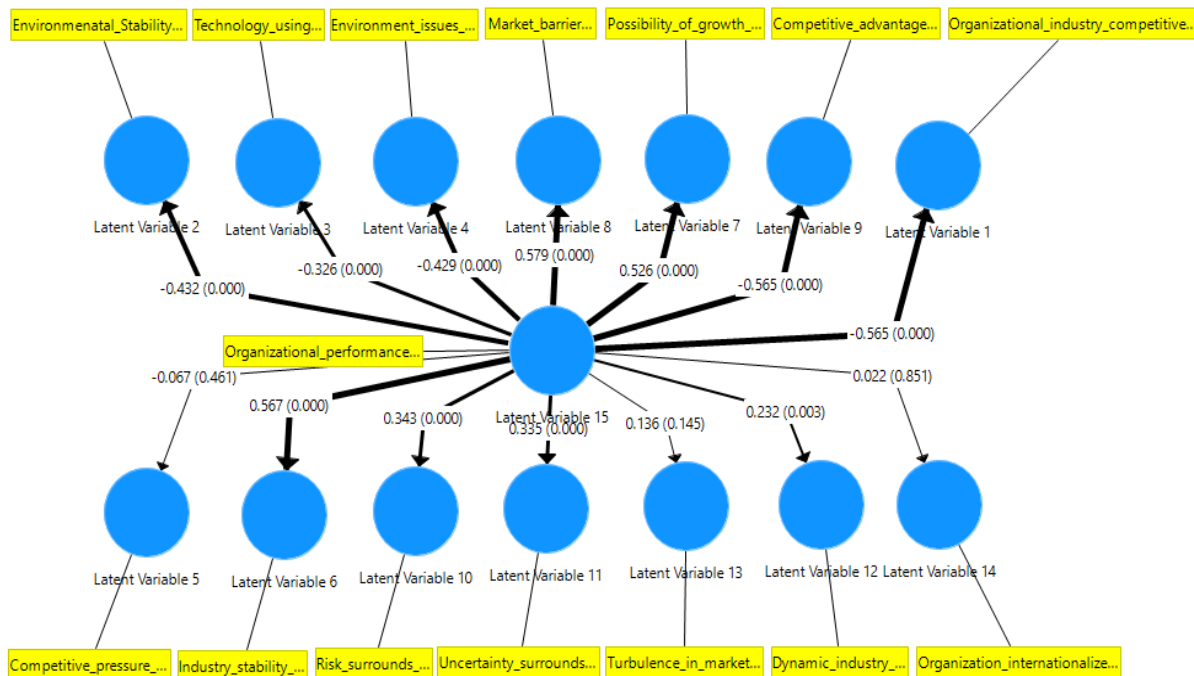
Table 3. Interpretation of the non-significant latents based on statistical parameters

Hence, Non-Significant Relationships ($p > 0.05$):

Path	Coefficient (O)	T-Statistic	P-Value	Interpretation
15 → 13	0.143	1.458	0.145	Not significant; weak positive direction.
15 → 14	0.018	0.188	0.851	No meaningful relationship.
15 → 5	-0.067	0.738	0.461	Not significant.

Source: Author reseach-SEM-PLS

Graphic 1. Preview of indicators and latents via Structural Equation Modeling-SmartPLS



Source: Author reseach-SEM-PLS

The analysis indicates that Organizational Performance exerts a statistically significant influence on the majority of the examined constructs ($p < 0.05$). Specifically:

- A strong negative effect was observed on Organizational Industry Competitiveness (LT1) ($\beta = -0.565$, $t = 9.221$, $p = 0.000$), Environmental Stability (LT2) ($\beta = -0.432$, $t = 6.218$, $p = 0.000$), Technology Usage (LT3) ($\beta = -0.326$, $t = 3.524$, $p = 0.000$), and Environmental Issues (LT4) ($\beta = -0.429$, $t = 5.276$, $p = 0.000$).

This suggests that higher organizational performance may be associated with reduced environmental and technological constraints, or alternatively, that firms emphasizing performance may downplay these stabilizing factors.

- Conversely, Organizational Performance demonstrates a strong positive effect on Industry Stability (LT6) ($\beta = 0.567$, $t = 11.333$, $p = 0.000$) and Possibility of Growth (LT7) ($\beta = 0.526$, $t = 7.184$, $p = 0.000$). This indicates that improved performance substantially enhances growth prospects and stabilizes industry-related factors.
- Significant positive paths also emerge toward Risk Surrounds the Environment (LT10) ($\beta = 0.343$, $t = 4.060$, $p = 0.000$), Uncertainty Surrounds the Environment (LT11) ($\beta = 0.335$, $t = 4.036$, $p = 0.000$), and Dynamic Industry Conditions (LT12) ($\beta = 0.232$, $t = 3.010$, $p = 0.003$). These findings imply that as organizational performance increases, firms are more exposed to or aware of external uncertainties and dynamic conditions — likely due to their greater engagement and responsiveness within competitive markets.
- Furthermore, significant negative relationships were found with Market Barriers (LT8) ($\beta = -0.579$, $t = 8.414$, $p = 0.000$), Competitive Advantage (LT9) ($\beta = -0.565$, $t = 9.221$, $p = 0.000$), and Competitive Pressure (LT4) ($\beta = -0.425$, $t = 5.276$, $p = 0.000$). This suggests that higher-performing organizations may experience fewer market entry barriers and less vulnerability to competitive pressures.

Otherwise we have also the non-significant relationships:

Three paths were found to be statistically insignificant, indicating that Organizational Performance does not exert a meaningful direct effect on these constructs:

- Industry Stability Factors (LT5) ($\beta = -0.067$, $t = 0.738$, $p = 0.461$),
- Turbulence in the Market (LT13) ($\beta = 0.136$, $t = 1.458$, $p = 0.145$),
- Organizational Internationalization (LT14) ($\beta = 0.022$, $t = 0.188$, $p = 0.851$).

The absence of significant relationships here implies that the impact of organizational performance on market turbulence and international expansion may be indirect, or moderated by other latent constructs not captured in this model.

4. CONCLUSIONS

Organizational performance is a central and influential construct within the model, exerting significant effects on most environmental, technological, and market-related factors. The results confirm that performance outcomes are not isolated phenomena, but are closely linked to the broader strategic and operational context of the organization.

- Positive and reinforcing relationships were observed between organizational performance and variables such as industry stability ($\beta = 0.567$, $p = 0.000$), growth opportunity ($\beta = 0.526$, $p = 0.000$), risk environment ($\beta = 0.343$, $p = 0.000$), uncertainty environment ($\beta = 0.335$, $p = 0.000$), and dynamic industry conditions ($\beta = 0.232$, $p = 0.003$). These findings suggest that organizations with higher levels of performance are typically more adaptive, resilient, and able to navigate uncertainty, positioning them favorably in dynamic and competitive environments.
- Negative relationships were identified with environmental stability ($\beta = -0.432$), technology use ($\beta = -0.326$), environmental issues ($\beta = -0.429$), market barriers ($\beta = -0.579$), and competitive advantage ($\beta = -0.565$), all of which were statistically significant ($p < 0.05$). This indicates that while performance drives competitiveness, it may simultaneously reduce dependence on external stabilizing factors or reflect strategic trade-offs where firms prioritize agility and performance efficiency over environmental or technological conservatism.
- Non-significant relationships with industry stability ($\beta = -0.067$, $p = 0.461$), market turbulence ($\beta = 0.136$, $p = 0.145$) and internationalization ($\beta = 0.022$, $p = 0.851$) imply that these factors do not directly depend on performance outcomes. Their impact may occur indirectly through other mediating constructs, such as innovation capacity, leadership or external collaboration networks.

Together, the results highlight that organizational performance is both a result and a driver of strategic and environmental interactions. High-performing organizations not only benefit from favorable industry conditions, but also actively shape these conditions through their capabilities, risk orientation and adaptability. From a strategic management perspective, the findings highlight the importance of balancing internal performance objectives with external environmental and technological alignment. Sustainable organizational performance requires the integration of growth and stability initiatives with environmental awareness and responsiveness to innovation. Finally, the model provides empirical support for the argument that performance-driven organizations operate effectively in

uncertain and dynamic environments, but that excellence in performance should not lead to the neglect of the environmental or technological foundations that support long-term competitiveness.

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