USING SYSTEMS CONCEPTS TO EXPLORE THE ISSUE OF GROWTH IN SMALL OWNER-MANAGED FIRMS (SUMMARY)

Paul Donaldson
ESP International, paul@espinternational.eu

Recommended Citation
Donaldson, Paul (2007) "USING SYSTEMS CONCEPTS TO EXPLORE THE ISSUE OF GROWTH IN SMALL OWNER-MANAGED FIRMS (SUMMARY)," Frontiers of Entrepreneurship Research: Vol. 27: Iss. 6, Article 11.
Available at: http://digitalknowledge.babson.edu/fer/vol27/iss6/11
SUMMARY

USING SYSTEMS CONCEPTS TO EXPLORE THE ISSUE OF GROWTH
IN SMALL OWNER-MANAGED FIRMS

Paul Donaldson, ESP International, United Kingdom

Principal Topic

There is considerable unresolved debate in the SME literature regarding the relationship between strategy, competitiveness; growth and entrepreneurial activity (see Bamberger 1989, Gibb & Davies 1992, Storey 1994, Thompson 2006). The issue of growth in particular is contentious and whilst there have been many different “stages of growth” models advocated (Griener1972, Gibb & Scott 1985, Davidson 1991) Perren (1999) suggests that these represent different views of the activities and conditions that are required for growth to occur. This work adopts an original perspective on this matter, and seeks to use Soft Systems Thinking (Checkland 1981, Checkland & Scholes 1999) to holistically explore the correlation between identified significant conditions and their impact on the development of latent growth potential in these specific types of firms.

Method

Five “ideal type” conceptual systems models containing activities relevant to different types of firms and their processes were developed. These were then deconstructed using Template Analysis (King 1994) to determine themes for inclusion in an interview guide with a group of “growth” firms. Key points arising were considered from a teleological perspective to form a “naive” systems model of the activities and processes the firms were considered to have undertaken to achieve their current position. This model was presented and debated in a focus group comprised of the owner-managers who had taken part in the initial interviews. This led to the construction of a more refined conceptual Systems model that considered the additional data that arose during the focus group.

Results and Implications

The empirical data from this research suggests that growth, consolidation and survival are closely related and are concerned with the perceived reality of the owner-manager when considering issues within the environment that can act as “triggers” to initiate action and potentially destabilise the system. Whilst an individual may be considered to inherently exhibit entrepreneurial characteristics (see Chell et al 1991,Gibb 1992) it is the changing mind-set of an individual at any given time that perceives changes in the environment as opportunities or threats, and decides suitable measures of performance in the light of such perception.

The research shows that growth can ultimately be considered to be an “emergent property” of the process of learning, appreciation and developed experience.

CONTACT: Paul Donaldson; paul@espinternational.eu; (T): 01744 732533; ESP International, St Helens, WA10 6BP, United Kingdom.