Small and Medium Enterprise Development: An Introduction

OBJECTIVE OF THE BOOK

This book puts together original and cutting-edge contributions aimed at illuminating the broader field of enterprise development and, very importantly, charting new directions to inform research, teaching, practice and policy making. It is intended as a compendium of critical resources which should be able to:

- Help readers to develop a coherent understanding of enterprise processes in SMEs/fast growth entrepreneurial firms.
- Provide readers with an understanding of strategies adopted in successful contexts and how lessons learned might be transferred to new situations.

Contributions

The contributors explore how the processes of enterprise development lead to shaping, re-shaping or reconstitution of entrepreneurial identities, critical competencies, market turnaround, social networks and relationships, challenges of technology, globalization and sustainable consumption, amongst others.

Following this introductory chapter is an exploration of the role of business model in knowledge acquisition of firms. The authors argue that incorporating the cognitive and reified activity-based view of business model into the knowledge-based view and absorptive capacity of the firms, the role of business model can be better appreciated.

Chapter three considers the role of institutions in fostering SMEs performance and economic development. The authors argue that to better understand this phenomenon, the transaction cost theory offers only a limited insight, however, a combination of the resource based theory with an institutions based approach offer a more robust foundation for constructing a more practical and empirical oriented analytical framework.

In chapter four, the phenomenon of diaspora entrepreneurs and the degree to which they have internationalized their businesses is explored. The authors reveal that analysis on the micro, meso, and mega levels is better suited for in-depth understanding of the phenomenon of diaspora entrepreneurship. Moreover, diaspora entrepreneurs are able to leverage personal, ethnic, and structural resources that allow them to concurrently engage in social and business activities in both countries.

Human resource management in SMEs is the focus of chapter five in this volume. By focusing particularly on the characteristics of SMEs, the authors draw a conceptual framework that is capable of helping managers of this kind of organizations to implement HRM practices consistently and adjusted to organizational objectives.
The next chapter focuses on the role of early consultancy intervention in securing sustainable development of SMEs. It does this by analyzing SME growth strategies with respect to the interface with consultants. Using the ‘embedded case study’ approach, the paper provides a fresh perspective on the nature of consultancy, strategic options open to SMEs, entrepreneurial competences and characteristics, in the SME sector.

Chapter seven evaluates knowledge sharing in SMEs and factors that influence SMEs’ employees’ attitude towards knowledge sharing. The authors found that trust among employees, formalization, knowledge technology, motivation, reward system and empowering leadership are crucial in shaping a favourable knowledge sharing attitude.

The issue of sustainability for SMEs is addressed in chapter eight. The chapter discusses the need for sustainability, how sustainability is a strategic issue and what it means, the benefits of sustainability, basic steps for implementation, and identification of a series of performance indicators for SMEs to follow.

Chapter nine examines the influence of succession planning on Thai family-owned businesses. For Thai family business owners, the successor’s gender, age, education, a positive parent-child relationship with the founder and harmonious relationship with other family members are attributes that determine the success of the business. Moreover, there exists a higher degree of success between FOBs that have succession plan and those that do not.

Chapter ten argues that while entrepreneurs and small business owners rely upon networking as an important source of sales, they lack marketing competencies, including personal selling skills and knowledge of what is involved in the sales process to close sales deals and build relationships. As such, even with innovative products and services, they often find it difficult to persuade potential buyers of the merits of their offerings because, because they lack sufficient selling skills.

Chapter eleven deals with the issue of green supply chain management and its implications for SMEs. It explores in particular, the supply chain environmental management (SCEM) programme in the Korean context. The SCEM programme is based upon the relationship between buyers and suppliers. The chapter argues that by utilising this relationship, general improvement in the environmental performance of suppliers can be achieved, and supports this proposition with a case study of Hyundai Motors Co. (HMC).

In chapter twelve the authors propose the concept of technology orientation (TECHOR). It argues that TECHOR is comprised of three sets of technology-oriented activities: the allocation of technology resources, the development of technology competence, and the ability to sense and respond to technology opportunities that influence technology adoption and utilization. The antecedents and consequences of TECHOR are discussed as well.

Chapter thirteen examines perceived benefits and barriers of Internet-based ICT adoption among SMEs in Malaysia. Questionnaire was used to collect data from 406 managers/owners of SMEs in Malaysia. Analysis reveals the composite ICT benefits and barriers to ICT adoption. The most important benefit is that ICT enables SMEs to seek new business opportunities. Adoption is negatively correlated with unsuitability for business.

The next chapter attempts to develop a framework of an environmental marketing system that is propositioned to lead to customer satisfaction. The authors reason that the success of an environmental marketing system would be impacted by some important factors like environmental education of customers and entrepreneurial traits such as eco-innovation, risk-taking, and perseverance. The chapter winds up with a case study of green innovations at WALMART, which shows how the key concepts in the paper have been applied by WALMART.
Chapter fifteen suggests a model for SMEs economic and environmental sustainable development. It identifies seven stages in the process which SMEs can adopt to improve their manufacturing process.

Chapter sixteen tries to establish the need for apprenticeship in a sub-Saharan West African nation. It argues that apprenticeship can help labour acquire marketable skills and encourage enterprise development for job creation in economies with high unemployment rates.

The next chapter on perspectives on glass ceiling explores the various individual and organizational influences which serve to constrain the progress of women to positions of power and influence in corporate organizations. It tries to explain why a small proportion of top level managerial positions in corporate organizations in India are occupied by women.

Chapter eighteen outlines a preliminary survey into access to finance, as experienced by micro enterprises in Nigeria. It also provides insight into the financing behaviour of ME enterprise owner/managers, and factors that constrain access and create a lack of co-operation between firms and banks.

Chapters nineteen and twenty respectively presents an exploration of risk management in SMEs and a simplified approach to SME risk assessment and operational risk mitigation, and students’ attitudes towards enterprise as a career pathway and general perspectives on enterprise and entrepreneurial activities.

Chapter twenty-one evaluates two strategies firms have adopted in trying to build lasting relationship with customers, namely respect and rapport and their effect on customer loyalty. It argues that rapid growth of the service sector and servitization of the manufacturing sector have both contributed to rising competition and have forced managers to differentiate their services based customer respect and rapport.

In chapter twenty-two, the authors focus on the application of service-dominant (S-D) logic and supply network management in business to improve performance. They show through their conceptual analysis, the significance of the two concepts in improving business efficiency and maximizing returns on stakeholders’ investments.

The objective of this penultimate chapter is to investigate the relationship between ownership structure and voluntary disclosure of intellectual capital (IC). Using content analysis, a longitudinal study was carried out from years 2006 to 2008 on 162 top companies listed in Bursa Malaysia.

The concluding chapter explores the question of legitimacy acquisition by social enterprises founded and managed by social entrepreneurs. The article presents three cases of social enterprise in India, which serve in agriculture, healthcare and housing, and discusses the implications for legitimacy and sustainability of social enterprise.

The chapters deal with a gamut of issues and developments in the small and medium enterprise sector in many countries in Africa, Asia, Australia, Europe, and America. The book is a very important resource for teachers in the fields of SME, entrepreneurship, family business, finance and marketing, as well as researchers, practitioners and government policy makers.

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