Small business and enterprise development: questions about research methodology

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Abstract This paper examines the traditional and contemporary approaches to conducting research into the marketing management activities of entrepreneurial small firms (ESF). It argues that these approaches are inappropriate in that they fail to take adequate account of the nature and characteristics of such enterprises and the individuals who manage them. It is contended that the best approaches are to be found under the auspices of the wider qualitative paradigm. In particular a syncretised qualitative methodology within a multiple reality ontology is offered for consideration.

Importance of entrepreneurial small firms (ESF) to the macro economy
Hodgetts and Kuratko (1995) suggest that small businesses not only create employment but are the economic engine driving the global quality of life (see Hills (1995)). Indeed, Storey (1994) specifically notes that small firms, however they are defined, constitute the bulk of enterprises in all economies in the world. Undoubtedly small firms and entrepreneurship do play a major role in the world economy (Bygrave, 1994; Timmons, 1994).

Growth of research interests in the ESF
As small firms become an increasingly more important part of global economies, then more and more researchers are seeking to understand the practices and activities of these enterprises. This often reflects the interest of government, government agencies and particularly those that are charged with responsibility for enterprise development. Such research has to date been broad in its remit, extending from the traditional functional areas of management to funding, cultural and even research issues.

Over the past 20 years in particular, there has been the steady emergence of a range of academic journals which are focusing specifically on small firms’ research agenda. These include the Journal of Small Business Management, The International Small Business Journal, Entrepreneurship: Theory and Practice, Journal of Business Venturing, Small Business Economics, The Asia Pacific International Management Forum, The Journal of Entrepreneurship and Regional Development and the Journal of Small Business and Enterprise Development. In addition, there is the imminent launch of a new International...
We have had a recent special issue of *The European Journal of Marketing* dedicated to research in this area. In addition, there has been a steady growth in the number of international conferences for the presentation and dissemination of findings from studies into small firms. These include the ICSB, UKEMRA, the Small Business and Enterprise Development Conference, RENT, the Babson Frontiers of International Research, the Special Interest Groups of the UIC/AMA and MEG/UK, the Scandinavian Conferences and the EIASM offerings.

### Conventional approaches

The implication of all of this is that a plethora of research studies has been conducted into almost every aspect of small firms’ activities.

As a parallel to all of this, however, there has been a steady but slowly accelerating change in the research methodologies of management research. As a consequence, traditional research approaches in marketing management have been grounded in predominantly positivist/quantitative methodologies. One can readily speculate as to the reason for the dominance of these particular research traditions. The first, and most obvious, is that many researchers have entered the management arena or have approached management research from a background in the traditional sciences, economics, psychology, sociology, etc. These are disciplines with a historical and evolutionary attachment to positivistic, single reality philosophical orientations manifest in the use of quantitative approaches. Second, these researchers have in turn nurtured student researchers in these traditions and as a consequence the methodological approaches that have predominated have been self-perpetuating from one generation of researchers to the next. What is happening to an extent is mere square pegging from traditional disciplines into the rounder holes of small firm/entrepreneurship research. Third, the self-perpetuation of positivistic/quantitative methodologies is largely being driven by government funding agencies, which seemingly are only placatable when blinded by statistics, tables and colourful graphs all too often generated from statistical packages such as SPSS.

A series of research studies, for example, Sexton (1987), Hills (1987), Churchill and Lewis (1986), Romano and Ratnatunga (1995), Carson and Coviello (1995), note the strong predominance of positivistic methods, the singular most popular method, using the Churchill and Lewis classification system and the Paulin et al. (1987) classification, being the survey method and permutations thereof.

### Alternative approaches

As researchers we should state that we have reservations about such methodologies. This paper, however, is not about damning for eternity quantitative methods or the offerings of the positivist paradigm. Instead we seek to draw attention to an alternative approach. Something which is based on our experiences and indeed the experience of considerable and significant
others, and we feel in need of being given a decent hearing. The questions you might well ask are: What is wrong with existing methodologies? Why the need for an alternative approach? What is the alternative?

A moot starting point is to consider the emerging research trends in marketing management which have been in that “other” paradigm, the qualitative one. In particular, since the late 1980s, there has been a steady emergence of quality articles reflecting this alternative research paradigm.

Before developing these alternative methodological approaches it is necessary to briefly give consideration to some other pertinent issues. Small firms are different. How many times and in how many ways has it been said that small firms are not simply small large firms. In what ways then do we recognise that the small firm is actually different?

**Understanding the entrepreneurial small firm (ESF) and the significance of the individual entrepreneur**

In order to understand how the ESF is different we first need to consider the key issue of entrepreneurship. There is, however, no agreed definition or clear understanding in view of the large literature that exists of who the entrepreneur is or what it is they do. Entrepreneurship is probably best understood as a process, the constituents of which are the entrepreneur, their persistent search for opportunities, usually grounded in the marketplace, and their efforts to marshal the resources needed to exploit those opportunities. Innovation and change, the risks people take and the roles they play to bring change about, appear to be core themes in understanding the entrepreneurial process. Central to it, however, is the individual entrepreneur who is the driving force behind the process. Without that individual's commitment, determination, vision, energy, tolerance of risk, and ambition, to mention but a few of the key personality and behavioural attributes of an entrepreneur, the process would not happen.

Any enterprise, therefore, will be entrepreneurial only because its management is consistently so. The enterprise in terms of its character and culture reflects the individual personality and behaviour of its management. The degree to which that individual will remain entrepreneurial will depend on a commitment to and ability to manage the entrepreneurial process and the impact of success in doing so on the enterprise.

As the individual entrepreneur strives to obtain and maintain a fit between the elements of this dynamic process, decision making will be characterised as largely confused, chaotic, unstructured, certainly non-linear and definitely time-compressed. Such individuals and the enterprises that they develop cannot meaningfully be amassed as one homogeneous group. The ESF defines a unique enterprise. The reflection of the individual personality of the founding entrepreneur in what occurs in their enterprise recognises that person's unique contribution to its development. The individual is the product of all manner of complex antecedent variables and ongoing influences which define a personality and behaviour, determining their own unique view of the world.
There is a need therefore for approaches to research the ESF which reflect its individual and unique characteristics and circumstances in addition to taking account of the personalities active within it (Hofer and Bygrave, 1992; Chell and Haworth, 1992; Stewart, 1991; Gibb, 1990; Bygrave, 1989). It is simply too difficult to capture every aspect of the many and diffuse issues reflected by these characteristics and circumstances. To fully comprehend these issues and the relationships between them which are peculiar to the individual ESF it is imperative to embark on an in-depth research programme which not only is qualitative but also manifests much of the ethnographic tradition.

On account of the above it is contended that marketing management activity in small firms is different (Carson et al., 1996). As a consequence of this difference we are merely asserting that a new approach is required. What then is this new approach and what are the philosophical orientations and underpinnings of such an approach? Our first consideration therefore needs to be the selection of an appropriate research paradigm.

**Selecting a suitable paradigm**

Paradigms in the human and social sciences help us to understand phenomena (Creswell, 1994). The concept of the paradigm was initially brought to the fore by Kuhn (1962), who in the structure of scientific revolution made the powerful assertion which has shaped conventional thinking on the role of paradigms in developing research methodology. That is that different paradigms are incommensurable. They picture the world in incompatible ways, so that the data are interpreted differently by those working in different paradigms. We adopt Gummesson’s (1991) definition of a paradigm here, however, which defines a paradigm as a world view representing people's value judgements, norms, standards, frames of reference, perspectives, ideologies, myths, theories, and so forth. Anything in fact that governs their thinking and action.

The paradigm advocated here is the qualitative one. Others describe this paradigm variously as the constructivist approach (Lincoln and Guba, 1985), the interpretivist approach (Smith, 1989), or the post-positivist approach (Carson and Coviello, 1995) or the postmodern paradigm (Brown, 1995).

The qualitative paradigm advocated here (see Figure 1) is based on several important assumptions. The first of these being what academic researchers refer to as the ontological issue. This simply means how do people view their world, what do they see as reality? We recognise that everyone, just like the people reading this paper, views the world differently, each according to his or her own paradigm. We are suggesting that the only reality is that actually constructed by individuals involved in any research situation. Thus multiple realities exist in any given situation. These are those of the researcher, those individuals being investigated and the reader or audience interpreting a study (Creswell, 1994).

In respect of small firms, however, we strongly advocate that much more research be conducted under the auspices of the qualitative paradigm, referred to as constructivism. A useful definition of constructivism here would be that of
Eisner (1991), who says that it is important for researchers to recognise the individuality, personality and attributes of the individual involved in the research process. He argues strongly for recognition of the value and role of people to research. Eisner (1985) also recognises, however, that it is probably also true to state that many researchers from both the qualitative and quantitative traditions pay little attention to such philosophical issues, concentrating instead on the quality of their own empirical investigations.

We offer, therefore, an approach to researching a small firm which is constructivist (in its ontological orientation). It is an approach which embraces the notion of multiple realities and accepts that each individual constructs their own reality as they interpret and perceive their world. To represent this world, therefore, means that the researcher must represent or reconstruct the world as seen by others.

The second philosophical issue which we must consider surrounds the epistemological question which simply describes the nature of the relationship between the researcher and the subject(s) of the research. Given our stated understanding of the small firm and the impact of small firm and entrepreneurial characteristics on the marketing management activities of such enterprises, the epistemological stance that we advocate necessitates researcher immersion in the ESF. The researcher will interact closely with the subjects of
the study, in this case the individual entrepreneur. In essence there will be a
minimisation of distance between the researcher and the subjects of the
research. What we mean is getting in close, which is at variance with the
positivist viewpoint.

The epistemological issue raised by this research approach has clear
implications for the axiological issue, in other words the role of values. This
research approach by its very nature admits, recognises and embraces the
value-laden nature of the constructivist paradigm and multiple reality ontology
therein. Therefore, it is important that the ESF researcher reports their own
values and biases in addition to the information actually gathered. We hasten to
add therefore that the language of the research analysis and reporting can of
course quite comfortably be first person and personal.

Characteristics of this research approach
From the point of view of this research it is important to make several key
points. First, this research recognises the diversity of disciplines and
concomitant characteristics that constitute the field of research at the
marketing/entrepreneurship interface. Second, experience from literature,
research and practice suggests that existing approaches for researching in
small firms are inappropriate. Third, to research entrepreneurial small firms
and to research the lead entrepreneurs in such enterprises suggests an
epistemological approach which dictates a minimisation of distance between
the researcher and the entrepreneur. Most prior research into small firms has its
roots in positivist thinking. Without devaluing such prior research it is
contended here that such approaches do not yield a rich understanding of the
key issues which actually affect and may even determine the small firms’
potential for enterprise development. We deal with the importance of the value
of understanding later in this paper.

Methods and approaches for qualitative research
Given that this research is operating within the qualitative paradigm the
selection of methods and approaches offers numerous traditions. These range
from case studies (Yin, 1994; Stake, 1994; Gummesson, 1991), action research
(Gummesson, 1991), grounded theory (Glaser and Strauss, 1967; Strauss and
Corbin, 1990). Indeed Tesch (1990, 1994) goes as far as offering as many as 20
types of qualitative methods and Creswell (1994) offers ethnography, grounded
theory, case study and phenomenological studies. Quinn-Patton (1987) also
presents various methods for consideration. In other words, the array of methods
available within the qualitative paradigm is extensive (see Martello, 1997).

Method
However, we suggest that, while each of these methodologies has substantial
value and indeed could arguably stand alone in a research project, no one is
particularly suitable on its own. What we offer here therefore is a research
approach which borrows from the full menu of possibilities as and when
required. This does not mean that incommensurability of paradigms is being advocated. It simply means that a syncretised methodology within a constructivist view of the world is proposed. The ontological stance of this proposed approach to conducting research at the marketing/entrepreneurship interface is firmly rooted in the acceptance of multiple realities and in an epistemological approach which recognises the importance of the minimisation of distance between the researcher and the small firm entrepreneur. It also suggests an axiology which recognises the value-laden nature of research into micro dimensions of small firm entrepreneurship.

The net result of this is that we advocate the adoption of qualitative methodologies which we suggest will lead to enhanced understanding as opposed to the limited understanding offered by single reality ontologies and concomitant methodologies. This proposed methodology is simply referred to in this instance as “a syncretised qualitative methodology for research into SMEs”.

As described in Figure 2, and in line with our argument thus far, the research methodology offered for consideration borrows from various qualitative research traditions many of which are more readily associated with ethnography. These include observation, participant observation, ethnographic interviewing and archival data (where available), in-depth interviewing, grounded theory approaches and the case study.
This approach, therefore, requires a researcher to spend a great deal of time in a few, even one, entrepreneurial small firms collecting primarily observational data (Wallen and Fraenkel, 1991). Creswell (1994) citing Grant and Fine (1992) suggests that this research approach is flexible and typically evolves contextually in response to experiences in the research setting.

The key reasons for our advocacy of methods from the ethnographic tradition is that such approaches facilitate the emergence of a holistic aspect to research at the interface. The “holistic” dimension is particularly appropriate in small firms research in that it enables the construction of a “holistic” picture of the small firm entrepreneurs and how they make competent marketing management decisions. A “holistic” dimension within an ethnographic approach would facilitate such a construction to occur in the context of the entrepreneurial small firms.

It is important to note, nonetheless, that in spite of our advocacy of what is broadly an ethnographic method our approach need not be at all confined in its specific embrace of the ethnographic tradition. We clearly recognise the strictures of pure ethnographic method and indeed the constraints and difficulties that pure ethnography would impose on management and academic researchers, particularly part-time researchers working at the interface. Therefore, in the methodological approach offered here we counter these constraints by suggesting the adoption of those dimensions of qualitative methods which are deemed appropriate for researching specific areas of interest at the interface.

The proposed research can comfortably accommodate substantial in-depth interviewing of the small firm entrepreneurs with perhaps the application of an adapted grounded theory approach and case study methodology to manage the qualitative data amassed. Such an adapted grounded theory approach would involve the induction of research categories and frameworks from the initial interviews, and the subsequent refinement of these categories and frameworks until an informative comparative theory about small firm/entrepreneurial decision making emerges from the data. In particular we would point researchers to “intrinsic” case study descriptions as per Stake (1994).

**Data collection methods (multiple) to be used here**

We propose that data collection should be longitudinal. In essence this means gathering sufficient data until patterns begin to emerge. This would probably entail frequent tape-recorded interviews with entrepreneurs, maybe an unspecified series of interviews with secondary informants and, ideally, observation of daily activities, meetings, and analysis of company documents if available. We would suggest that “analysis as I go” and “post”-data criteria for analysis will indicate when few new data are being yielded or when data gathering in respect of entrepreneurial marketing management decision making reaches saturation point.
During the data collection phase a field log should ideally be kept. This would provide a detailed account of planning for time to be spent in the small firms, setting aside time for transcription and analysis.

**Data analysis procedures and reporting of findings**

Like the methodology, the analysis, interpretation and reporting of findings generated from our approach should not be confined to any one mode of analysis. We offer instead a “pot pourri” of possibilities. (see Figure 3).

The approach to analysis of empirical observations will be as stated, “analysis as I go”. This approach entails the generation of frameworks for analysis for imposition on the data. As already stated; the frameworks and criteria for analysis will emerge and evolve throughout the study; hence their predominantly “post”-data nature. A adapted grounded theory, for example, will result in emergent data categories and a comparative method which will also form the basis of data analysis criteria. Indeed there is wide support in the existing literature for such approaches and in respect of the proposed research approach, that is, considering the ethnographic dimensions, it can be justifiably contended that data collection and data analysis should be a simultaneous process (see Creswell, 1994; Marshall and Rossman, 1989; Kirk and Miller, 1986; Spradley, 1979; Fetterman, 1989; Hammersley and Atkinson, 1995).
In essence, therefore, the only frameworks for analysis that can be offered are those frameworks that have emerged inductively from early research stages, perhaps. The process of data analysis itself is of course eclectic (Creswell, 1994). Tesch (1990) suggests that there is no right way and that metaphors and analogies are as appropriate as open-ended questions.

In addition, this research might also usefully adopt the process advocated by Marshall and Rossman (1989) in respect of the case study dimension. Such analysis would be based on “reduction” and “interpretation”. Tesch (1990) refers to this as the process of “decontextualisation” and “recontextualisation”, the final goal of this research being the emergence of a larger consolidated, rich, descriptive case (Tesch, 1990; 1994). Finally, the narrative style should predominate with the data analysis/interpretation/description rich in metaphors, and particularly rich in those “cultural metaphors” of entrepreneurship.

What is being offered here is unashamedly a naturalistic study within the constructivist paradigm. Much “in-dwelling” is anticipated in such a methodological approach; therefore the results might be presented in descriptive narrative form rather than as a scientific report. The vehicle for communicating a holistic picture of the marketing experiences of small firm entrepreneurs must, therefore, be partly “thick” description (Hill, 1993; Reeves Sanday, 1979; Schwandt, 1994; Fetterman, 1989). The final outcome of such a research approach will, therefore, be to a large degree a construction of the individual entrepreneur’s experiences and the meanings he/she attaches to them. Not only does this allow for the development of typologies of awareness contexts but it enables the researcher to vicariously experience the challenges small-firm entrepreneurs encounter in relation to marketing decision making, therefore providing a lens through which to view the world of the small-firm entrepreneur.

**Generalisation**

Many proponents of the qualitative paradigm suggest radical approaches to generalisation. Eisner (1985) and others suggest that other disciplines, for example the arts, do not have hang-ups about generalisation. This does not mean that generalisation is not possible. The key issue here though is how does one generalise from one or two non-randomly selected cases? Generalisation is possible because of the fairly widely-held belief that the general resides in the particular and because what one learns from a particular applies to other situations subsequently encountered (Eisner (1985)). In addition, he considers literature as the classic example of this by asking the question ... Is Shakespeare’s portrayal of Lady Macbeth simply a tale about a particular Scottish noblewoman who lived in the latter part of the eleventh century? What Shakespeare has done here of course is to illustrate significant common human attributes by the way he has written about particular individuals. Such approaches to research try to locate the general in the particular. They attempt to shed light on what is unique in time and space, while at the same time
conveying insights that exceed the limits of the situation in which they emerge. This of course is precisely what Aristotle meant when he said that “Poetry was truer than history”. Basically what is being said here is that we shape our information pick-up system by what we learn from individual cases.

**Triangulation**

Positivistic criteria for triangulation, for example, internal and external validity, reliability and objectivity, are inappropriate for evaluating research generated through the qualitative paradigm. After all, these criteria derive from the specific metaphysic underlying positivistic science (Hirschmann, 1986). Indeed, Hirschmann (1986) and Guba and Lincoln (1994) offer the alternative criteria of credibility, transferability, dependability and confirmability as the key ways of authenticating the outcomes of qualitative research.

In addition, Denzin (1978), Eisner (1985) and Hammersley and Atkinson (1995) suggest approaches for data triangulation that point to several common criteria. First, there will be respondent triangulation. The inferences drawn from a set of data sources will be checked by collecting data from others. More specifically, data source triangulation will involve the comparison of data relating to the same phenomenon but deriving from different phases of the fieldwork, different points in the temporal cycles occurring in the setting or, as in respondent validation, the accounts of different participants (including the researcher) differently located in the setting.

**The value of understanding**

The qualitative paradigm suggested here seeks, as we stated earlier, to gain a deeper understanding of the numerous and extremely complex research issues and influences at the marketing and entrepreneurship interface. There is great value in pursuing this extremely testing and rigorous approach for the researcher. It provides him/her with deep insights into the “exception to the rule”, addressing the inapplicability of the general data to the individual cases by focusing on the individual.

This proposed approach gives the researcher insights into the impact of contexts and in particular changing or different contexts in which the research is conducted (what is the entrepreneurial process if not an example of a movie of dynamic changes portraying numerous and variable contexts rich in research data?). This approach also provides significant potential for building theories. It allows the researcher to uncover emic views so important for understanding what is going on within a particular social system such as an ESF. This particular alternative research approach embraces the discovery dimensions of inquiry which are so close to the heart of any curious investigator who wants to understand what is really happening in the entrepreneur’s world.

**Conclusion**

What is offered here of course is a reflection of a research methodology firmly committed to the qualitative paradigm. In rejecting other positions we do not
purport to claim superiority or moral high ground over other research positions. On the contrary, in the pluralist world of academic research, variety is the spice of life. We are simply offering an approach to research at the marketing/entrepreneurship interface which we feel better takes account of the peculiar and well-documented characteristics of small entrepreneurial firms. The approach openly espouses and supports humanistic approaches to researching such enterprises.

It champions qualitative methodology grounded in the clear recognition of the existence of multiple realities. It is vital that the academic and management research community recognises that in spite of some of the widely-held reservations about the value of such methods the tide has already started to turn. Even the established bastions of quantitative/positivist/single reality methodologies, e.g. JCR, JMS, are embracing and recognising the valuable contribution that such methodologies are making to academic and management research projects. Government agencies are cautious in their reception of such approaches (the positivist paradigm is so much quicker and cheaper, even if the results are somewhat limited!) but this is changing. Indeed it needs to change or we are all guilty of disregarding our most valuable economic asset, the individual entrepreneur and the enterprise he/she is seeking to develop in his/her own unique way.

References


**Further reading**


