

RESEARCH on SMEs

CAPTURING THE UNKNOWN INFORMATION

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Abstract

Getting in the path of scientific knowledge is a challenge, even more in social sciences like economics and its disciplines like management. Young researches have to face the incredible reality that the observed phenomenon has a wide range of information that sometimes is even unknown for the individuals of the sample. This paper summarizes the difficulties to make a quantitative research in management, especially in SMEs and family business, when the owners of the information are not even aware of the value information they might have for researches, do not see any value added to be part on an academic research or simply it is not possible to include them in the sample due terminology heterogeneity. The authors present two approaches used in two particular researches in order to reduce the impact of this situation. One research is about organisational structure and the other is about research on Family Businesses. The authors aim that this paper will become some sort of inspiration or guide for future young researches who might be facing similar situations.

Key words: Management Research, Organisational Structure, Family Business.

JEL Code: M20, L22, L26.

Introduction

On the path of the scientific research, it is known that social sciences have been considered as an outsider, and sometimes, not even considered as sciences. Management, as a business discipline in the frame of the social science of economics, might be a good example of this.

The specifics of the social phenomena determine a set of considerations that should be taken into account from the beginning of the research, such as, epistemological or ontological considerations. It is important to bring to mind that the collected data for a natural sciences research “does not “mean” anything to the molecules, atoms or electrons” (Schütz, 1982, 5) involved on it, neither its conclusions will have some meaning for them. Contrary, in social sciences, the data obtained is highly influenced by the characteristics of the actors involved.

The data provided by the actors of the phenomenon might varied from the data obtain by an observer. In addition to, there might be a difference between the data collected by an internal observer and the data collected by an external observer. Additionally, as remarked by Professor Pstružina at his Philosophy and Scientific Method lecture for PhD students at the University of Economics in Prague (Pstružina, K., FIL901, October 15, 2009), publishing social research conclusions might influence a variation in the original collected data.

Despite the large discussions that these considerations might create while defining the research; researchers need to obtain value data in order to get a conclusion enough valid for the widest audience possible under the frame of the problem and hypothesis. And getting the data brings some issues. In one side, the issue might be to get enough amounts of data to satisfy and fulfil statistic criteria, but with enough detail to actually describe the researched phenomenon. The quantitative approach ensures the generalization of the data from a distance point of view of the researcher and the qualitative approach looks for detailed description of the phenomenon (Bryman and Bell, 2007, 426).

The following experiences aim to introduce the application of these approaches under high data uncertainty due data value perception or undefined terminology. The first experience compares the value of the data obtained from both approaches. The second experience refers to data incompatibility, detail data and sensitivity data.

1 Look for the Organisational Structure

The structure of the organisation it might be consider a theory issue then a daily practical reality. Daft argues (2007, 11) that “organisations are social entities that are goal-directed, are designed as deliberately structured and coordinated activity systems, and are linked to the external environment”. Therefore, as far as minimum two persons are willing to get certain aim (ex. go out for a walk) there is a structure that facilitates the performance of the activities to achieve that goal (ex. one person walk on the right and the other on the left). However, being so basic, so real and always present, it is often overlooked especially for start-ups and some SMEs.

The organisational structure of the firm might be the result of a strategic management process or the natural arrangement of the parts of the business while performing its activities. In both cases, the people involved in the design have the information about the procedure used to get the new structure. However, people involved feel they have little to contribute to research, mainly because, these procedures are usually performed under the frame of a project

or task (ex. Six Sigma project, Quality improvement project, New product launch, Start up processes, etc), so they think that there is not much to say for a research about the phenomenon of the procedure to setup the organisational structure. Nevertheless, the organisation doesn't know about the procedure used to get its current structure; the people do. And usually, managers are the ones that might have the information about the path that the organisation took in order to get the current structure.

Under this scenario, the research must take in consideration the strategies to capture value data. Usually some large corporations have written documents or articles published in magazines about the research issue. In this case, those documents become a secondary source that will support the primary source; people. However, the majority of organisations, especially SMEs, have a lack of documentation about these procedures. Therefore, the only available source of information is the managers that took part in the procedure.

1.1 Getting Enough Amounts of Data

Selecting the quantitative research strategy, might bring statistical weigh for the research conclusions. Therefore, in this research experience, a survey was designed based on 3 restrictions: Quantity, Quality and Answer Time.

The first restriction is Quantity. A fast look of statistics sampling determinates that the valid amount of data or sample size for infinite population with confident index of 95% and 5% of margin of error will be 385 records (Srivastava, 2011,11.10). This amount of records should be easier to obtain using current internet technologies that allows researchers to get high amount of data with a relative small budget in short period of time. However, taking in consideration the response rate (Bryman and Bell, 2007, 196) the number of managers to contact might be get up to 1000. Moreover, it was decided to make the survey online to capture the biggest amount of respondents possible including the non-responses within a PhD research budget.

Quality is the second restriction. The information to capture should describe the procedure that these managers are using. The terminology of the research has multiple interpretations across managers. Terms such as structure, organisation, strategy, people, motivation, etc, have several definitions, approaches and assumptions. Then, some managers exclude themselves from the researches based on terms misunderstanding and relevance for the business. Therefore, questions were tested several times in several backgrounds to increase the probability of understanding the terms under similar point of view. Besides, it might happen that the online survey will be answered by a subordinate of the manager due

time or just because the manager has lack of empathy with these online technologies (older generation of managers, usually with more experience).

The third restriction is related with mainly with Time that the managers are gently to offer in order to fill up an online interview. Usually managers have high time restrictions, so 10 minute online survey was set as the maximum time.

The resulted online survey had 3 pages. The first page has 4 multiple choice questions. The second part included 20 factors to be evaluated in 5 categories. The third page has two multiple choice questions, one open question (observations) and a last regarded to demographics. Pre-pilot and pilot surveys were published. Each of them has a pre-selected database of 30 managers. All managers in the database were direct contacted by email. In both cases, any manager with more than 45 years answered the survey. In both cases, during the first 48 hours, 12 respondents fully completed the survey and additional 3 answered 2 of 3 the parts. It was necessary to contact these 2 managers again to teach them how to finish the survey. Additionally, it was necessary to send once again the survey invitation for the rest of the database with just one additional respondent. In any case, the online survey captures a wide range of respondents in a short time period.

Moreover, the lack of understanding of the terms and the high variations in the description of the procedures to setup the structure of each organisation were difficult to capture in a self-completion questionnaire. This situation the qualitative approach had to be considered.

1.2 Getting Content Richer Data

The experience with the online survey determinates 3 parts to consider for the personal interviews with managers. First, the manager should have experience in setting up the organisational structure of the firm. This is something that can be revised based on the manager's curriculum and the details while explaining the phenomenon in the organisation. The next part is the information about the organisation that actually went through the procedure and finally, the procedure itself.

The value of information got in the first interview was much higher that the value from the amount of data across all records in the quantitative research. However, the researcher must filter, compile and even align the data to describe the phenomenon on each case and then try to find similarities across cases.

Despite the value of data gotten on each individual interview, the time processing the information is totally opposite than in the online survey. For each 30min of interview (tape

recorded) it is necessary between 6 to 8 hours of work to make the transcripts. Then, if this part of the research should satisfy and fulfil statistic criteria, it will be necessary to work 385 days in order to complete just the transcripts.

The time restriction of managers to be part of the research it is also an issue in qualitative research. Moreover, find one hour to talk about its own experience with facts is something that enhances their manager work. A 10 minute online survey does not have this effect.

A clear advantage of the interview is the tape record that can be listening anytime as well as, the transcripts that are also campaigned by a summary. These two instruments are excellent support when some facts must be proven with secondary resource documents or other managers in the same organisation.

The value of the data obtained from both approaches is complementary. The secondary source information from books and other documents and the restrictions in qualitative approach created the first online survey. The pre-pilot and pilot processes gave the qualitative research a frame of action to get more specific data. Finally, crossing the findings from both approaches are defining a new structured online survey that should enhance the verification of the research hypothesis with the highest statistics validity possible.

2 Research on family business

The experience gotten by doing family business researches in the Czech Republic highlight two main problems among them. As in the previous chapter, there are also problems in obtaining valuable data for qualitative research. However, the basic problem, which is perceived in the research of family business, is to ensure data comparability. Since there are many different definitions and concepts of the term “family business”, the question arises whether it is possible to compare the results across researches.

In addition to, the comparability of research findings also is related with the different evolution of family businesses in the Czech Republic and other countries. Perhaps, and as an exception, a similar trend might be observed in family businesses in Slovak Republic.

2.1 Ensuring comparability of data in research in family business

The first issue to face at the beginning of these researches is the definition of the category “family business”. Many of the definitions are even mutually exclusive. This is both due to

the difficulty of defining “family” and in particular by defining the participation of family members in the organisation. A different approach to definitions of family business is out of the scope of this paper. However, the comparability of data across researches in this area is a major issue to consider. The comparability is necessary to ensure appropriate selection criteria according to which it is possible to define a family business. As a reference, the criteria to defining family business might include:

- Ownership (percentage of the company that owns the family).
- Number of generations involved in the company.
- Number of family members working in business.
- Firm size.
- Level of strategic influence on family business management.
- Intention to maintain the family business for the next generation (Koráb, Hanzelková, Mihalisko, 2008, 11).

There is also a much less quantifiable criteria based on the behaviour of the company as a family.

In this context, it should be noted that there are missing statistics that would give a comprehensive picture of the family business on each country, including the Czech Republic. Lack of statistics and a small number of samples and researches were criticized by IFERA (International Family Enterprise Research Academy), which conducted its own research in 2002.

The lack of clarity and inconsistencies in the definition of the term “family business” causes research abandonment for these businesses. This also led to the impossibility of comparing the results of numerous studies about family businesses (Rödl, Scheffler, Winter, 2008, 4).

Unfortunately, it is not possible to verify the transferability of the results of foreign research in the Czech environment or other cross national approaches. The development of family businesses is also affected by competitive environment of the country in which the company exists. Specifically, there are different legislative conditions and, in particular historical contexts; such as the inability of making business between the post war years to the last decade of the 20th century. This similar context is been shared by post-communist countries; therefore, it would be possible to compare statistics and research among them. Moreover, the development of countries from Central and Eastern Europe since 1990 vary

due to different economic reforms approaches. Consequently, researchers must consider these different business conditions affecting the family business.

During these two decades there has not been unification of terminology. It is unexpected an early clarification or uniform acceptance in the family business terminology. This will continue to manifest in the inability to compare research results.

2.2 Implementation of qualitative research in family business

Every business has its own unique history; everyone develops on more or less different conditions. More than in any other company, the personality of the owner (owners) plays an important role in family business, as well as, the relationships among family members and other owners and managers. Therefore it is necessary to individually approach each family business, and also individually get information for research. Under these conditions, the ideal methods of data collection are interviews and case studies.

The research results cannot be successfully implemented without case studies because it is not possible to overlook the many specifics of each company by carrying out such research through a self-completion questionnaire. It is necessary to ask supplementary questions in order to obtain relevant data.

In addition to, the experience of research in the field of family business shows that owners do not perceive necessary to follow the conclusions neither the findings. Entrepreneurs on personal interviews argue that they do not care how they developed and what influences have other family business, and for sure, they are not following statistics. It is hardly to find an entrepreneur with interest in a case study of another business, unless it is a case study of its direct competitor or business partner. And especially for this reason, quite often entrepreneurs fear to provide some information because they qualify it as “sensitive”.

Moreover, this situation became a clear frame of restrictions where the researcher can find an optimal combination of research strategies to capture the most value information.

Conclusion

These experiences confirm the difficulties to follow a strict scientific approach in management research. The origin of the data is usually people with certain specifics of homogeneity but at the same time with other specifics of heterogeneity. Their participation in the research might change the original data that was aimed to capture at the beginning. This human issue also has influence in the relevance of data, when the participant has lack of

interest in the research, or has influence in getting the data, when this is considered inappropriate to be shared.

The amount of data is as important as the quality of the data. The optimal balance is possible but high resource consuming. A well detailed case, might bring lot information to understand several organisational dynamics, but has lack of power to generalize findings across all the population. In the other hand, well statistical fundamental data might represent the phenomena of small groups of individuals, but with less opportunity to be compared among them even that the groups shared similar historical background.

The challenge in management research is to find out the specifics of the actors on each phenomenon in order to setup a well structured combination of quantitative and qualitative research approaches that increase the amount of data with the adequate quality ensuring the caption of the unknown information.

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