

Problematization and conceptualization of “entrepreneurial SME Management” as a field of research: overcoming the size-based approach

Hermann Frank · Dietmar Roessl

Received: 20 January 2013 / Accepted: 26 September 2014 / Published online: 3 January 2015
© Springer-Verlag Berlin Heidelberg 2014

Abstract The aim of this paper is to position the field of small-and-medium-sized-enterprise Management (SME Management). For this purpose, we define a core principle that provides the identity of the field of SME Management and delineates it from other disciplines. In developing this principle, we apply a prescriptive approach which delineates an object of cognition with its native problems by defining an identity principle. This involves the claim to be able to generate statements that apply to all companies of this type on the one hand, but not to all types of SMEs on the other. This makes it possible to effectively achieve progress in knowledge within the meaning of gradual conceptual convergence in SME Management Research. The resulting conceptualization turns SME Management into “entrepreneurial SME Management”: Within the field of entrepreneurial SME Management, decisions and processes in companies regardless of their size and age are of interest as long as they have not become routine yet. These innovative development processes involve qualitative change and require developmental competences (e.g. dynamic capabilities), namely an organizational entrepreneurial mindset, organizational learning competences and organizational implementation competences. This conceptualization of an entrepreneurial SME Management also helps reconnect SME Management and Entrepreneurship and make overlapping areas visible.

Keywords SME Management · Entrepreneurship · Field of research · Academic discipline · Development process · Qualitative change · Innovation

H. Frank (✉) · D. Roessl

Institute for Small Business Management and Entrepreneurship, Vienna University of Economics and Business, Welthandelsplatz 1, Bldg D1, 1020 Vienna, Austria
e-mail: hermann.frank@wu.ac.at

D. Roessl

e-mail: dietmar.roessl@wu.ac.at

Mathematics Subject Classification L25 · L26 · M10 · M20**1 Setting the stage**

Due to the enormous heterogeneity of small and medium-sized enterprises (SME), it is not possible to derive statements that hold true for all SMEs—and as soon as they claim general validity, they are exposed to the risk of being superficial and platitudes. There are two basic strategies to deal with this issue: The first one is a descriptive approach aiming at the development of a typology which makes it possible to overcome the problem of heterogeneity and form more homogenous subgroups of SMEs. Thus, the phenomenon of SMEs is to be broken down into types completely and without any overlaps, with the claim of each type implying specific management statements. The findings available in this regard, while showing interesting insights into the heterogeneity of SMEs (see STRATOS-project, Gazelles, born globals, high tech SMEs, etc. Froehlich and Pichler 1988; Nightingale and Coad 2013), have not had a long-term effect in SME research. The second one is a prescriptive approach: A certain type is defined along an identity principle which is used to delineate native problems. This prescriptively defined type involves the claim to be able to generate statements that apply to all companies of this type on the one hand, but not to all types of SMEs on the other. This makes it possible to effectively achieve progress in knowledge within the meaning of gradual conceptual convergence in SME Management Research and turn SME Management Research into a “normal science” in which all the findings made for this type can be accumulated (Kuhn 1996; Grégoire et al. 2006). At the same time, this entails that SMEs or types of SMEs not covered by this identity principle and problems corresponding to such SMEs are excluded from observation and left to other research fields. This paper follows the prescriptive approach.

Our analysis starts from the numerous definitions of SMEs based on economic policy considerations leading to statistical delineations (e.g. definition of the European Union, the American Small Business Administration, for an overview of various definitions see Mugler 1998). Those definitions, however, are not based on any theoretical reflections.

Statistical definitions are unlikely to result in a homogenous group (Torrès and Julien 2005). Therefore it is argued that the definition of SMEs should be matched with the underlying research question (Curran and Blackburn 2001). Unfortunately, little progress has been made in this regard and the currently used definitions implicitly have legitimized a heterogeneous and fragmented research. However, employing these definitions in academic business research has not been sufficiently reflected so far. Rather, the scope of the field has emerged by pragmatic decisions of researchers on the areas to be researched. This resulted in a field of research that oscillates between arbitrary quantitative definitions of SMEs (e.g. number of employees) and attempts of combining quantitative with qualitative criteria (Brooksbank 1991; Storey 1994), but that is still lacking a clear-cut identity principle. Most empirical contributions claiming to cover issues of SME

management just use size as a sampling criterion, without providing a case for the specificity of companies of this size. Whereas there is consensus among SME researchers that “a small business is not a little big business” (Dandridge 1979; Welsh and White 1981; Curran and Blackburn 2001), it remains unanswered what differentiates small from big businesses apart from differences in size (Brooksbank 1991). Thus, the questions of what is the core of the field and how this field should be conceptualized have not yet been discussed in depth.

In order to answer these research questions, the aim of this paper is to scrutinize those approaches to business research on SMEs pursued most often. Furthermore, based on this problematization (Alvesson and Sandberg 2011), we aim at the identification of the core of the field SME Management. In this respect we propose that the field of SME Management should focus on processes in companies regardless of their size and age as long as they have not turned into routine yet. The researched development processes involve innovative decisions. Thus, the proposed conceptualization comprises the following elements constituting the field of SME Management: (1) an organizational entrepreneurial mindset (2) organizational learning competences and (3) organizational implementation competences. We thus present a conceptualization of the field that does justice to the development dynamics of SMEs and so enables research focusing on real challenges. The concept is consistently anchored in the canon of current management studies and hence contributes to the field’s orientation. The conceptualization developed also shows the close connection between SME Management and entrepreneurship—therefore we label this research field “entrepreneurial SME Management”. As a result, SME Management and Entrepreneurship are reconnected and overlapping areas are made visible (see also Kuckertz and Mandl 2014).

The main contributions of this paper are: Firstly, by problematizing the traditional way of defining the field we challenge the common practices in SME research. Secondly, by providing an identity principle as the core of the field we present a new delineation of SME Management. Thirdly, the new delineation may serve as a sound basis for a more consistent SME research overcoming the prevailing fragmentation. Finally, by identifying three interlocking qualitative elements constituting the academic field we offer a conceptualization coherent with the proposed identity principle of entrepreneurial SME Management.

2 Importance of the field of SME Management and correction of common misconceptions

Due to the global dominance of small and medium enterprise structures as the standard form of business, the investigation of small and medium-sized enterprises (SMEs) from a viewpoint of social and economic sciences undoubtedly represents one of the most urgent tasks in university research and teaching (Schulte 2010). Nonetheless, the actual thrust of this university research and teaching is still often founded in the “ideal image” of the large enterprise (Fueglistaller et al. 2008). Neglecting or disrespecting SMEs in (economic) policy and research would not only ignore the dynamics of the development of such enterprises but would also fail to

acknowledge that large corporations in most cases have developed from small companies.

Economic policy takes SME-specific research and teaching programs for granted. It often comes as a surprise to representatives of the field that they still see themselves time and again confronted with the need to justify their work to business academia. Business administration (with its focus on the pragmatic dimension of managing companies) and management studies (with their special focus on the social dimension of controlling organizations) have traditionally used the special case of large corporations as their backdrop of research and teaching. One may hear the argument that management issues manifest themselves more clearly in large companies and can thus be investigated better. Similarly, some people are of the opinion that a trivialized version of business and management studies taking into account the “deficits” of SMEs compared to large corporations would be sufficient to manage SMEs in a successful fashion. But: “A small business is not a little big business” (Welsh and White 1981); therefore, the intended transfer from the special case (the large company) to the standard case (SME) does not work. The reason for this is not only, as often erroneously assumed, size per se, but rather the resulting qualitative peculiarities (Pfohl 2006a). These specifics imply that SME Management cannot simply be a simplified and casual version of the management of large companies (Kirsch 1983). The fact that structures and processes in SMEs tend to be easier to grasp does not mean that management of an SME is trivial. Quite the contrary: as will be shown, the peculiarities imply complex and characteristic requirements that, however, always apply only to a subset of SMEs. This is also reflected in the statement of the long-serving CEO of a large company: “Just because you can manage a large company successfully does not mean you can manage a small company!” (Schenz 2011).

However, SMEs do not constitute a homogenous group; the differentiation between one-person enterprises, micro-enterprises, small and medium-sized enterprises already indicates those differences, but without making them explicit (Schulte 2010). Most newly founded companies are one-person or micro-enterprises; a subset of those foundations is characterized by strong growth, while a significant part fails. Many growing SMEs manage to find stability and successfully operate in the market. Just a few SMEs turn into large companies, but the bulk of the teaching and research capacity at universities is dedicated to these. Due to this heterogeneity generalizations are nearly impossible (Curran and Blackburn 2001). Although numerous SME typologies, all focusing on quite different aspects, have been developed so far, which clearly shows how fragmented the knowledge on SMEs is (see overview in d’Amboise and Muldowney 1988), no conclusive conceptualization of the field has been presented. This gap is probably the reason the discipline has not established itself in business and management studies to the extent its practical relevance would merit.

Against this background, we can define our research question more precisely: “What is the identity-forming principle of a scientific treatment of small and medium-sized enterprises targeted at business issues?” For this purpose, first the traditional characterizations will be critically analyzed for their capacity to describe the field. Here it can be seen that definition attempts in business administration have been insufficient. Therefore, we will try to devise the discipline as a part of

management studies. Building on this, a suitable content focus will be worked out and presented as the core identity, and the resulting conceptualization is presented.

3 SME studies in business administration as a purely institutionally defined field?

Scientific disciplines at universities are distinguished from each other by specifying their teaching and research subjects, which makes it possible to focus on certain content and, where relevant, the respective correlating methods.

Over time, business administration has increasingly developed specializations and a number of institutional and, even more commonly, functional sub-fields of study have been established. This differentiation looks increasingly problematic from a practice-oriented point of view. The area covered by institutional sub-fields of business administration has become more diffuse: for example, finance departments of large companies often resemble banks; services account for a substantial part of revenue in industrial enterprises, and large trading companies regularly spin off their own banks. These developments show that the subject areas of institutional sub-fields of business administration, such as, for instance industry and banking studies in this case, are not clearly separated. Similarly, the borderlines between functional sub-fields of business administration have become more and more blurred. For example, there is the question whether investor relations are to be dealt with in Marketing or Finance.

The separation of institutional and functional sub-fields of business administration increasingly has its limits, as their empirically observable activities are intertwined: for instance, “International Business”, a functional sub-field of business administration, often uses internationally active companies as points of reference, and Advertising Studies often research retailers of branded goods. At the same time, it can be observed that the institutional sub-field of business administration “Trade” often restricts itself to the function of trade, “Tourism” is reduced to the marketing function, and “Transport” is interpreted as logistics management. This makes clear that institutionally defined sub-fields of business administration implicitly include functional aspects, just like vice versa.

SME Studies in business administration, however, is generally taken to be an institutional sub-field of business administration without any specific functional reference, oriented towards general business administration and defined by the differences between SMEs and large companies (Pfohl 2006c). This lack of functional focus can be made responsible for the fact that no conclusive conceptualization of the field exists.

4 Traditional characterizations of SMEs in business administration

The traditional conceptual framework of SME Studies can be seen in lists of ideal-typical characteristics (Pfohl 2006a). Below, the business processes and structures underlying these characterizations will be extracted in an archetypical manner in order to then discuss their capacity to position the discipline:

- Across all functional areas, SMEs possess less favorable prerequisites to achieve economies of scale and economies of scope. The lack of divisibility of potential factors often results in a situation where SMEs are unable to produce at a level of minimum efficient scale (MES) in all company areas. As sub-processes with their own respective MES are strung together, their coordination poses optimization problems that are almost impossible to solve for SMEs (Stepan 2009).
- Since the relations between areas and forces in organizations are not rigid, a change in company size implies changes in other company areas of a different scale, with the proportions between those area-specific change rates shifting in the course of the development of the company (d'Amboise and Muldowney 1988). This means that a doubling of output does not require a doubling of all sub-processes, but—depending on input size—adaptations of different scales. Thus, changes in company size always result in new sub-optimality.
- Due to their smaller size and thus better transparency, combined with less formality, SMEs boast the advantage of lower organizational costs, which can—in part—offset the deficits resulting from a lack of economies of scale and economies of scope (Ihde 1988).
- The volatility of size, which is significant in view of company size (Storey 1994), raises the issues of step costs and cost inertia. Therefore, any decisions with regard to growth or contraction are particularly risky in an SME against the backdrop of a volatility that is greater in relation to company size (Mugler 1999).
- Know-how that is exclusive to individuals creates high dependencies, as critical situations have to be controlled whenever these persons leave the company (Pfohl 2006a, b).
- Due to the fact that risks can be balanced internally only to a very limited extent, an error in judgment in an SME can spell the difference between success and crisis (Mugler 1998). Therefore, management decisions in an SME are particularly critical and often cannot be based on the expertise of several decision makers.
- Owing to the strong impact of environmental changes on corporate development, SME stakeholders are faced with a higher degree of uncertainty (d'Amboise and Muldowney 1988) with regard to the “liability of smallness” and the “liability of newness” (Stinchcombe 1965), which means that the SME has to make a considerably greater effort in managing its stakeholder relations.
- In external relations, SMEs tend to be confronted with more powerful exchange partners (Berney and Owens 1984). The adage of “too big to fail” clearly shows that large companies are bailed out as a result of the perceived high societal cost of their possible insolvency. An individual SME is not significant in terms of economic policy, which is why SME entrepreneurs need to acknowledge the relevance of trade associations and interest groups of SME.
- The dependence of SMEs on external forces is relatively higher. “Changes in government regulations [...] affect a greater percentage of expenses for small businesses than they do for larger corporations” (Welsh and White 1981).

Therefore, an economic policy that does not take into account company size puts SMEs at a disadvantage (Aiginger and Tichy 1984).

Although this addresses several important business aspects relevant for decision-making, it is still insufficient for conceptualizing the field: due to the obvious randomness of trying to define the subject quantitatively, these lists have tried to define SMEs by means of qualitative characteristics. In reality, however, these characteristics are again based on an implicit understanding of company size. Therefore, such lists of plausible characteristics of SMEs—yet still not generally valid—might rather be considered an attempt to artificially avoid setting arbitrary size limits. These catalogs of characteristics are thus no sufficient basis for the conceptualization of the field of SME Management, as they only indicate how an SME may be detected, but not what it actually is that determines an SME. Empirical studies following this observation, for example, give contradictory results (Schmidt 1995; Schachner et al. 2006) and show the limited capacity of this approach. Identifying an enterprise as an SME in fact does not provide any new insights unless there is an explanation why this is to be a specific object of knowledge or where the specific epistemological interest would be. The conceptualization of the field of SME Management, however, must answer this question clearly in order to break the dependence of the field's identity on a more or less explicit comparison to a large company.

Despite the fact that the characteristics mentioned are not sufficiently appropriate for the conceptualization of the field, they already indicate that an SME permanently faces imbalances between separate areas of operation and that these imbalances keep changing. Over time, an SME has to deal with the challenges arising from the imbalances and has to adapt its business and organizational model accordingly. The typical development from a one-person into a medium-sized company, which involves massive qualitative changes, can only be understood from a dynamic development perspective (e.g. Frank and Lueger 1997; Brunninge et al. 2007). Only such an approach establishes the basis for identifying the real core of the discipline and makes it possible to heuristically derive the requirements from the field of SME Management.

5 From business studies to management studies

The changes illustrated in chapter 2, together with the demands from practice, have resulted in a redefinition of the specific sub-fields of business administration in line with practical problem areas, such as Innovation Management, Crisis Management, Project Management, Change Management, or International Marketing Management (Schreyoegg 2007). These newly differentiated areas use the term Management! Apparently the new disciplines profess to go beyond the descriptive-systematizing approach of general business administration and assume an orientation towards problems, decisions and behavior (Steinmann and Schreyoegg 2005). This also entails opening up to social phenomena and emergence (Schreyoegg 2008), which resembles much more closely the social, temporal and content-filled complexity of real life and so more easily generates statements acceptable for

practice. Indeed, practitioners are less interested in Marketing than in how to use Marketing and hence in Marketing Management, which includes not only Marketing but the related decisions in other functional areas, such as Personnel, Finance and Organization. Disciplines that make use of the term Management want to extend the narrow view of just the individual functional field.

Successively pushing back institutional sub-fields of business administration and the frequently observed devaluation of general business administration has increasingly resulted in a loss of holistic and generalist thinking in university teaching. Through the shift from functional sub-fields of business administration to a management perspective (e.g. from Financing to Financial Management), however, holistic and generalist thinking has increased again. After all, control problems are practical problems which do not have or need a direct connection to a specific discipline (Ulrich 1985).

In parallel to this change of functional sub-fields of business administration to management studies, an analogous change of institutional sub-fields of business administration into management studies of company types has begun (e.g. from SME studies as a sub-field of business administration to SME management, from Banking Studies to Bank Management). In order to achieve the increased focus—described above—conducive to gaining new insights, the breadth of the field requires a narrower content of institutional sub-fields of business administration. Institutional sub-fields of Management Studies have to define the focus of their content that correlates to their object of study. This specification of the principle of creating identity for institutional sub-fields of business administration is difficult to describe precisely. Especially the example of SMEs shows that establishing an institutional sub-field of business administration as a discipline that deals with the control problems of the respective object of study does not suffice—such a discipline would cover “everything and nothing”.

6 Core and conceptualization of a field of entrepreneurial SME Management

The traditional characterizations of SMEs listed in chapter 3 are based on an implicit comparison with large companies and therefore predominantly shed a light on the deficits of SME. From the vantage point of this “deficit thesis”, the specific features of SMEs are seen in the lack of use of specialists (Belz and Travella 1999), entrepreneurial know-how which is production rather than management oriented, in the entrepreneur’s limited time budget for management tasks (Carson 1985), in the lack of application of complex planning and management instruments (Smith 1990), in the negligence of the strategic level (Dodge and Robbins 1992) and in a type of decision behavior which aims at solving problems on a day-to-day basis and is determined by current personnel resources and priorities (Scase and Goffee 1980). In this view, the management of SMEs presents itself as the management of unsuitable persons with unsuitable means in a situation of permanent deficiency.

Quite to the contrary, it is the very challenge of SME Management to develop business and organizational models that overcome these constraints, as a result of which these deficits lose their relevance. The essential feature of entrepreneurial

SME Management is therefore not the futile attempt to reduce the deficits and get as close as possible to the supposed ideal of the large company, but the exploitation of the specific context for entrepreneurial purposes. This is corroborated by numerous findings which show that SMEs are much more successful than the supposed deficits would lead us to expect (e.g. Aiginger and Tichy 1984; Albach 1984; Franke and Doemoetoer 2008).

Therefore, as on the one hand—due to the heterogeneity of the object of SMEs—it is not possible to define the discipline by means of generally valid static characteristics of these companies, and on the other hand a static view of SMEs does not do justice to their potential development dynamics, it can be useful for positioning the field of SME Management to take a look at development processes.

6.1 The core of the field of “entrepreneurial SME Management”: development processes

Organizations face the challenge of coping with the paradox of rule-oriented (routine) action and thus the reliability of the organization (stability) on the one hand and the need to break with rules and the implied ability and readiness to adapt the organization (development and innovation) on the other. Since this is a matter of demands on SME, i.e. control problems, this does not mean that SMEs always handle this paradox successfully. Successful SMEs represent prototypical examples of the interplay between stabilization and development. The development of an SME is characterized by innovative entrepreneurial decisions which have to be taken in the company for the first time and for which the SME can therefore not draw on specific routines. Thus, “entrepreneurial SME Management” addresses organizations with a high level of entrepreneurial orientation (Rauch et al. 2009; Frank et al. 2010). Examples of this include the recruitment of the first employee in a one-person enterprise, the decision to introduce cost accounting, the first formalization of organizational structure, the first decision to resize the company, the first decision to change the legal form of the company, the not yet routinized decision to shut down a facility or to make an acquisition, or taking up cross-border business. The central aspect in this context is the non-routine character that usually defines initial decisions but may still apply to later decisions.

As a result, entrepreneurial SME Management deals with the issue of the development process of companies which progresses from imbalance to imbalance and thus finds its application in research and teaching wherever such processes manifest themselves. In this context, quantitative changes such as growth show a higher volatility in SME, which generally engenders more profound qualitative changes.

If the quantitative changes do not require qualitative changes, they are not in the focus of the field of entrepreneurial SME Management. Therefore, hiring an additional employee—in contrast to recruiting the first employee—does not touch upon the core identity of the field of entrepreneurial SME Management unless this involves a qualitative change. In case, however, there are qualitative changes, for example if new departments are created within the company, the ‘why’ and ‘how’ of this decision are at the core of the field.

The field of entrepreneurial SME Management thus focuses on any development in ventures as long as the company has established no sufficient routines regarding this development. The assessment of these routines' sufficiency depends on the context and can be decided by the company itself. For instance, a company with 800 employees may see itself as a large company in its sales market, but does not have established routines in place for trading on commodities exchanges. This means handling commodities exchanges is within the focus of the discipline entrepreneurial SME Management whereas other aspects of the company are not in the focus of this discipline as routines have been established there. Likewise, the financial reporting of a company with a headcount of ten is not in the focus of the discipline entrepreneurial SME Management if it has developed a routinized reporting system e.g. for the venture capital fund. This conceptualization of the field implies that young and small ventures are typically in the focus of entrepreneurial SME Management as the lack of routines usually correlates with size and age. However, small companies may have developed fully hierarchical and functional structures and routines, while large firms have not necessarily developed standard routines in all fields (Torrès and Julien 2005).

In order to be able to understand these development processes, it is necessary to take into account the relevant specific context prevailing at the outset and its historical conditionality. This also includes phases of stabilization—which also represent development processes—and stability.

The field of entrepreneurial SME Management is therefore an institutional type of management studies with a—thus functional—orientation towards qualitative organizational development processes and the related innovative entrepreneurial decisions and their results. In tackling the aspects outlined above, entrepreneurial SME Management is not limited with regard to either methodology or a disciplinary approach (for a similar approach to entrepreneurship research see Sorenson and Stuart 2008).

6.2 The conceptualization of the field of “entrepreneurial SME Management”

As has been shown above, the core of the field of “entrepreneurial SME Management” lies in the handling of innovative decisions along development processes, taking into consideration change between stability and development. In order to be able to grasp these processes and subsequently explain and handle them, the SME has to have developmental competences (e.g. dynamic capabilities, Teece 2012) comprised of the following three interlocking analytical dimensions which make up the ability of the firm to handle these challenges of change:

- Organizational entrepreneurial mindset

SMEs show varying degrees of prerequisites to recognize opportunities and threats and the related possibilities and needs to change. The management in SMEs is thus characterized by different degrees of entrepreneurialism; from a “managed SME” to an “entrepreneurial venture” (Wales et al. 2013; Frank et al. 2010; Rauch et al. 2009; Froehlich and Pichler 1988; Pleitner 1984).

The entrepreneurial mindset determines the ability of the company to recognize and/or create internal as well as external opportunities, deal with contradictions (ambiguity tolerance), and—despite insufficient resources—to make decisions with regard to the expectation of a timely and adequate supply of resources (bootstrapping). This puts management in a position to take advantage of the momentum arising from the tension between the vision and the current situation for the purposes of company development.

It is therefore the central task of entrepreneurial SME Management to develop a feeling for potential opportunities and threats and, based on this, to create visions and exploit the inherent energies.

- Organizational learning competences

In development processes, SMEs are faced with learning requirements they deal with to a varying extent. Within the company, the organizational requirements to deal with learning in innovative change processes and to make use of personal competences are generated. Management in SMEs is thus the management of organizational and the connected personal learning. The result of these learning processes is knowledge which makes it possible to react to changes flexibly or design these proactively, and to provide the resources needed. Even if flexibility is generally easier to maintain in SME, this is not a characteristic which per se results from company size, but rather a demand of the company. It is the central task of entrepreneurial SME Management to build the learning competences relevant against the backdrop of the vision and ideas of innovation in all potentially affected company areas. Since it is not possible to fully anticipate either the occurrence of changes or the complexity of innovation projects, it is essential to permanently maintain flexibility as an organizational competence (Frank et al. 2013; Murray 2003; Chaston et al. 2001; Wyer and Theodorakopoulos 2000).

- Organizational implementation competences

In the course of the firm's development, the ideas inherent in the vision are transformed into innovations to varying degrees. The management in SMEs is thus a management of organizational innovations.

In order to handle the difficult coordination tasks and adaptation processes which occur between company divisions in the course of innovation projects effectively and efficiently, SMEs are constantly faced with the question as to whether sub-processes should be performed either in the company itself or as part of a cooperation, or whether they should be outsourced to partners in the market. It is the central task of entrepreneurial SME Management to outline the path from the existing situation leading up to the realization of the vision and to design as well as implement the required change processes, i.e. to tackle the implementation problem (Frank et al. 2013; Varis and Littunen 2010; Murray 2003). As these change processes irritate the organization they provoke resistances and conflicts, which may result in blocking, delaying and

circumventing organizational innovations (Hauschildt and Salomo 2011). The implementation process strongly depends on barriers of knowledge deficits—thus linking this dimension with organizational learning competences—and on barriers of willingness to innovate—thus linking this dimension with the organizational entrepreneurial mindset (Humphreys et al. 2005). The strength of these barriers depends on the degree of innovativeness and the power of the opposing actors in the implementation process (Nijssen et al. 2005).

These dimensions have to be developed and coordinated in such a manner that they mutually promote each other synergetically and do not hinder one another (Mugler 1998; Harms et al. 2009). The interdependencies between the three dimensions may show in such a way that the decision for an innovation takes into account existing learning competences, or that an innovation can only be developed or implemented on the basis of a specific competence, or that competences are developed against the background of planned innovations, or that successful innovations can create a vision for the company and vice versa. It needs to be pointed out in this context that every innovation does not necessarily require the development of new competence and is thus not necessarily associated with qualitative change.

The three dimensions represent analytical categories within the meaning of a reference framework. Organizational entrepreneurial mindset, organizational learning competence and organizational implementation competence are the three constituting elements of the field of entrepreneurial SME Management whose selective interplay in and with each development phase of an SME forms a specific configuration. It must clearly be stated here that the three developmental competences incorporated in these three dimensions are themselves subject to change (even dynamic capabilities undergo a cycle of life, Zollo and Winter 2002). Such change is initiated by new opportunities or challenges recognized by the entrepreneurial mindset in the form of irritations—if they are taken up, the result may be organizational learning processes yielding implementation skills. Practising these implementation skills leads to the emergence of operating routines, and a new irritation can initiate the process afresh.

7 Conclusion

We can summarize: The field of entrepreneurial SME Management deals with organizational development processes and their inherent decisions innovative for the respective enterprise. This comprises the active management of the selective interdependencies between the organizational entrepreneurial mindset, the formation and expansion of organizational learning competences, and the design and implementation of organizational innovations. On the basis of this conceptualization, it is possible—on the basis of various theories and methods—to generate scientific statements. Within the field of entrepreneurial SME Management, decisions and processes in this type of company are of interest as long as they have not turned into routine yet.

SMEs are manifestations of development processes that start with the firm's foundation and whose management requires entrepreneurial competences. Creating something new, or further developing something that already exists, on the one hand, and stabilizing whatever new element has been created on the other, requires the interplay of entrepreneurial and managerial acting (Stevenson and Jarillo 1990). The object of study relevant for the field of entrepreneurial SME Management vanishes when the company has developed appropriate routines—when that is the case, one could assume that it no longer sees itself as a medium-sized but a large company. What makes an SME is therefore not left to any definition that is a-theoretical or at the most driven by economic motives or subsidy policies, but it itself becomes the subject of research. However, even big businesses with thousands of employees can be confronted with decisions and processes which have not been routinized yet and thus are within the focus of entrepreneurial SME Management. Although this might seem counter-intuitive, using the established label 'entrepreneurial SME Management' highlights two facts. Firstly, with fewer and less elaborately developed routines, such decisions and processes are more likely to arise in smaller businesses. Secondly, even if not routinized decisions and processes come up in big businesses they are embedded in a context of well-established general management routines which provide a framework for working them off in a more or less suitable way. Thus, the field of entrepreneurial SME Management does not focus on businesses of a specific size but on specific management challenges more likely to occur in smaller businesses—therefore it is reasonable to stick to the label 'entrepreneurial SME Management'.

The conceptualization of the field of entrepreneurial SME Management presented here transcends the distinction between institutional and functional approach, as the discipline can at the same time be seen as an institutional sub-field of management studies with a functional element, or as a functional sub-field of management studies against the backdrop of the SME.

Based on this positioning, this article offers an alternative to the "deficit thesis". In place of the attempt—which is doomed to fail—to reduce such deficits and thus approximate the supposed ideal case of the large company as best possible, the concept presented here puts the management of innovative development processes at the center. The focus on innovative development processes at the same time shows that "entrepreneurship" is an integrative element of entrepreneurial SME Management as conceptualized here.

Acknowledgment The authors would like to thank professors Rainer Harms, Reinhard Schulte, Gerhard Speckbacher, Peter Witt and Michael Woywode for their valuable input during a workshop on SME Management.

References

- Aiginger K, Tichy G (1984) Die Groesse der Kleinen Die ueberraschenden Erfolge kleiner und mittlerer Unternehmungen in den achtziger Jahren. Signum, Wien
- Albach H (1984) Die Innovationsdynamik der mittelstaendischen Industrie. In: Albach H, Held TH (eds) Betriebswirtschaftslehre mittelstaendischer Unter-nehmen. Schaeffer-Poeschel, Stuttgart, pp 35–50

- Alvesson M, Sandberg J (2011) Generating research questions through problematization. *Acad Manage Rev* 36(2):247–271
- Belz C, Travella R (1999) Marketingfaehigkeiten von mittelstaendischen Unternehmen—Studie Deutschland. Universitaet St. Gallen, Ernst & Young, St.Gallen
- Berney RE, Owens E (1984) Small business policy: subsidization, neutrality, or discrimination. *J Small Bus Manag* 22(2):49–58
- Brooksbank R (1991) Defining the small business: a new classification of company size. *Entrepreneurship Reg Dev* 3(1):17–31
- Brunninge O, Nordqvist M, Wiklund J (2007) Corporate governance and strategic change in SMEs: the effects of ownership, board composition and top management teams. *Small Bus Econ* 29(3):295–308
- Carson DJ (1985) The evolution of marketing in small firms. *Eur J Mark* 19(5):7–16
- Chaston I, Badger B, Sadler-Smith E (2001) Organizational learning: An empirical assessment of process in small UK manufacturing firms. *J Small Bus Manag* 39(2):139–151
- Curran J, Blackburn R (2001) *Researching the small enterprise*. Sage, London, Thousand Oaks
- d’Amboise G, Muldowney M (1988) Management theory for small business: attempts and requirements. *Acad Manag Rev* 13(2):226–240
- Dandridge TC (1979) Children are not “little-grown-ups”: small business needs its own organizational theory. *J Small Bus Manag* 17(2):53–57
- Dodge RH, Robbins JE (1992) An empirical investigation of the organisational lifecycle model for small business development and survival. *J Small Bus Manag* 30(1):27–37
- Frank H, Lueger M (1997) Reconstructing development processes: conceptual basis and empirical analysis of setting up a business. *Int Stud Manag Organ* 27(3):34–63
- Frank H, Kessler A, Fink M (2010) Entrepreneurial orientation and business performance—a replication study. *Schmalenbach Bus Rev* 62(2):175–198
- Frank H, Kessler A, Lueger, M, Weismeier-Sammer D (2013) Organizational learning and organizational innovation orientation: a new systems Theory Perspective. In: *Proceedings of 2013 IEEE International Conference on Business Innovation and Technology Management*, IEEE Press, Beijing, pp 42–46
- Franke N, Doemoetoer R (2008) Innovativitaet von Klein- und Mittelbetrieben: Gestaltungsvariablen, Konfigurationen und Erfolgswirkungen. In: Frank H, Neubauer H, Roessl D (eds) *Beitraege zur Betriebswirtschaftslehre der Klein- und Mittelbetriebe*. Duncker & Humblot, Berlin, pp 139–158
- Froehlich E, Pichler HJ (1988) *Werte und Typen mittelstaendischer Unternehmer*. Duncker & Humblot, Berlin
- Fueglistaller U, Gasda MJ, Volery T, Weber W (2008) Gedanken zu einer Betriebswirtschaftslehre der Klein- und Mittelunternehmen vor dem Wirken von Josef Mugler. In: Frank H, Neubauer H, Roessl D (eds) *Beitraege zur Betriebswirtschaftslehre der Klein- und Mittelbetriebe*. Duncker & Humblot, Berlin, pp 15–21
- Grégoire DA, Noël MX, Déry R, Bécharde J-P (2006) Is There Conceptual Convergence In Entrepreneurship Research? A Co-Citation Analysis of Frontiers of Entrepreneurship Research, 1981–2004. *Entrep Theory Pract* 30(3):333–373
- Harms R, Kraus S, Schwarz EJ (2009) The suitability of the configuration approach in entrepreneurship research. *Entre Reg Dev* 21(1):25–49
- Hauschildt J, Salomo S (2011) *Innovations management*, 5th edn. Vahlen, Munich
- Humphreys P, McAdam R, Leckey J (2005) Longitudinal evaluation of innovation implementation in SMEs. *Eur J Innov Manag* 8(3):283–304
- Ihde GB (1988) Die relative Betriebstiefe als strategischer Erfolgsfaktor. *Zeitschrift fuer Betriebswirtschaft* 58(1):13–23
- Kirsch W (1983) Fingerspitzengefuehl und Hemdsärmeligkeit bei der Planung im Mittelstand. In: Kirsch W, Roventa P (eds) *Bausteine eines Strategischen Managements*. Dialoge zwischen Wissenschaft und Praxis, De Gruyter, Berlin, New York, pp 399–421
- Kuckertz A, Mandl Ch (2014) Small Business and Entrepreneurship Research: Disentangling a Complicated Relationship. Paper presented at the ISCB World Conference, Dublin
- Kuhn TS (1996) *The structure of scientific revolutions*, 3rd edn. The University of Chicago Press, Chicago
- Mugler J (1998) *Betriebswirtschaftslehre der Klein- und Mittelbetriebe (Vol. I)*, 3rd edn. Springer, Vienna, New York

- Mugler J (1999) Betriebswirtschaftslehre der Klein- und Mittelbetriebe (Vol. II), 3rd edn. Springer, Vienna, New York
- Murray P (2003) Organisational learning, competencies, and firm performance: empirical observations. *Learn Organ* 10(4/5):305–316
- Nightingale P, Coad A (2013) Muppets and gazelles: political and methodological biases in entrepreneurship research. *Ind Corp Change* 23(1):113–143
- Nijssen EJ, Hillebrand B, Vermeulen PAM (2005) Unraveling willingness to cannibalize: a closer look at the barrier to radical innovation. *Technovation* 25(12):1400–1409
- Pfohl HC (2006a) Abgrenzung der Klein- und Mittelbetriebe von Grossbetrieben. In: Pfohl HC (ed) Betriebswirtschaftslehre der Mittel- und Kleinbetriebe—groessen-spezifische Probleme und Moeglichkeiten zu ihrer Loesung, 4th edn. Erich Schmidt, Berlin, pp 1–24
- Pfohl HC (2006b) Unternehmensfuehrung. In: Pfohl HC (ed) Betriebswirtschaftslehre der Mittel- und Kleinbetriebe—groessen-spezifische Probleme und Moeglichkeiten zu ihrer Loesung, 4th edn. Erich Schmidt, Berlin, pp 79–111
- Pfohl HC (2006c) Betriebswirtschaftslehre der Mittel- und Kleinbetriebe—groessenspezifische Probleme und Moeglichkeiten zu ihrer Loesung, 4th edn. Erich Schmidt, Berlin
- Pleitner HJ (1984) Beobachtungen und Ueberlegungen zur Person des mittel-staen-dischen Unternehmers. In: Albach H, Held Th (eds) Betriebswirtschaftslehre mittelstaendischer Unternehmen. Schaeffer-Poeschel, Stuttgart, pp 511–522
- Rauch A, Wiklund J, Lumpkin GT, Frese M (2009) Entrepreneurial orientation and business performance: an assessment of past research and suggestions for the future. *Entrep Theory Pract* 33(3):761–787
- Scase R, Goffee R (1980) The real world of the business owner. Croom Helm, London
- Schachner M, Speckbacher G, Wentges P (2006) Steuerung mittelstaendischer Unternehmen: grosseneffekte und Einfluss der Eigentums- und Fuehrungs-struktur. *Zeitschrift fuer Betriebswirtschaft* 76(6):589–614
- Schenz R (2011) Managementtherausforderung fuer oesterreichische Klein- und Mittel-unternehmen. Key note speech, Vienna
- Schmidt AG (1995) Der Einfluss der Unternehmensgrosse auf die Rentabilitaet von Industrie-unternehmen. Gabler, Wiesbaden
- Schreyoegg G (2007) Unternehmensfuehrung/Management. In: Koehler R, Kuepper HU, Pflingsten A (eds) Handwoerterbuch der Betriebswirtschaft, 6th edn. Schaeffer-Poeschel, Stuttgart, pp 1812–1821
- Schreyoegg G (2008) Organisation. Grundlagen moderner Organisationsgestaltung, 5th edn. Gabler, Wiesbaden
- Schulte R (2010) Wozu KMU-Management? Zur Notwendigkeit spezifischer Management-ansaezte fuer kleine und mittlere Unternehmen. In: Kathan D, Letmathe P, Mark K, Schulte R, Tchouvakhina MV, Wallau F (eds) Wert-schoep-fungs-mana-gement im Mittelstand. Gabler, Wiesbaden, pp VII–XIII
- Smith D (1990) Small is beautiful, but difficult: towards cost-effective research for small business. *J Mark Res Soc* 32(1):37–60
- Sorenson O, Stuart TE (2008) Entrepreneurship: a field of dreams? *Acad Manag Ann* 2(1):517–543
- Steinmann H, Schreyoegg G (2005) Management: Grundlagen der Unternehmens-fuehrung Konzepte—Funktionen—Fallstudien, 6th edn. Gabler, Wiesbaden
- Stepan A (2009) Corporate entrepreneurship, cluster und innovations-mana-gement. In: Frank H (ed) Corporate entre-preneur-ship, 2nd edn. Facultas, Vienna, pp 167–195
- Stevenson HH, Jarillo JC (1990) A paradigm of entrepreneurship: entrepreneurial Management. *Strateg Manag J* 11(4):17–27
- Stinchcombe AL (1965) Social structure and organizations. In: March JG (ed) Hand-book of organizations. Rand McNally, Chicago, pp 142–193
- Storey DJ (1994) Understanding the small business sector. Routledge, London
- Teece DJ (2012) Dynamic capabilities: routines versus entrepreneurship action. *J Manag Stud* 49(8):1395–1401. doi:10.1111/j.1467-6486.2012.01080x
- Torrès O, Julien PA (2005) Specificity and denaturing of small business. *Int Small Bus J* 23(4):355–377
- Ulrich H (1985) Von der Betriebswirtschaftslehre zur systemorientierten Management-lehre. In: Wunderer R (ed) Betriebswirtschaftslehre als Management- und Fuehrungslehre. Schaeffer-Poeschel, Stuttgart, pp 3–32

- Varis M, Littunen H (2010) Types of innovation, sources of information and performance in entrepreneurial SMEs. *Eur J Innov Manag* 13(2):128–154
- Wales WJG, Vishal K, Mousa FT (2013) Empirical research on entrepreneurial orientation: an assessment and suggestions for future research. *Int Small Bus J* 31(4):357–383
- Welsh JA, White JF (1981) A small business is not a little big business. *Harvard Bus Rev* 59(4):18–29
- Wyer PMJ, Theodorakopoulos N (2000) Small business development and the “learning organisation”. *IJEER* 6(4):239–259
- Zollo M, Winter SG (2002) Deliberate learning and the evolution of dynamic capabilities. *Organ Sci* 12(3):339–351