

Identifying the Components of Small and Medium Sized Enterprises (SMEs) During the Years of 2003 to 2013 (The Conducted Studies in Iran through the Method of Content Analysis)

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Abstract

The present research is an applied and documental review of the literature through meta-analysis. The statistical population was selected from the field of entrepreneurial performance in small and medium sized enterprises during 2003 to 2013 in which the internal/external effective factors for small/medium incorporates were quantitatively investigated. The findings of frequency distribution Table indicated that only (4) percent of the conducted studies focused on external factors while (96) percent of which were conducted in the internal factors domain. In addition, most of the studies were devoted to the two issues of human resources and research and development which were (26) percent. Moreover, there was no research related to the incorporate size and the status of consultative research-oriented unions and incorporates.

Keywords: Small/medium sized enterprise; Entrepreneurship; Content analysis

Introduction

The concept of small/medium sized enterprises is well-known for entrepreneurship scholars. The concepts of entrepreneurship have remarkable capabilities and capacities due to special characteristics such as smallness and simplicity in organizational structure, high level of flexibility against changes, acceptable pace in the process of operation, and competitive strength in the outside environment for improving the performance and achieving the planned goals through using the available resources. Since SMEs play a key role in supporting and setting up the entrepreneurial environment and economic development of the society, appropriate identification and application of the effective factors on the small/medium incorporates' performance is, in fact, like a powerful weapon supporting SMEs during sudden environmental changes.

Given the changes and evolutions in this field in national and international level, studies on the entrepreneurial performances of SMEs as economic environments are effective. Thus, the purpose of the current study is to identify the conducted studies in field of entrepreneurial performance of SMEs during 2003 to 2013 in order to provide a guidance for future decisions and improving the performance of such incorporates in different areas such as small and large management, human resources, organizational structure, organizational size, organizational systems and production, operation and financial resources of the organizations.

A review of the theoretical literature and background and the changing process of entrepreneurship

The concept of entrepreneurship has been in societies ever since the emergence of human being in the world (around 11000 years ago) [1].

The concept of entrepreneur was adapted from the French word *Entreprendre* in 1475 which means "commitment" or "accountability".

In 1847, John Stewart Mill translated the concept of *Entrepreneur* into English. He considered the function of entrepreneur as guiding, monitoring, controlling and risk taking. The concept of entrepreneurship is a human act reflected in economic environment. However, economic scholars claim that entrepreneurship is a meta-

economics phenomenon. In other words, some phenomena that have significant effect on economic environment do not have economic nature [2].

The concept of entrepreneurship is considered a one of the important social and economic dimensions which requires a combination of talents, beliefs and capacities and there are various definitions for it [3].

Schumpeter, known as the father of entrepreneurship in 1934, presented a quite comprehensive definition of entrepreneurship claiming that entrepreneurship occurs when "any procedure in an incorporate lead to a new product, method, market and resource". He also believed that the main characteristic of entrepreneurship is innovation as the integral part of an entrepreneur's attempt. He maintained that development occurs in economics when entrepreneur uses innovation.

Peter Drucker noted that "entrepreneurship is a behavior rather than an attribute in an entrepreneur's personality". He considered entrepreneurship as the function of management techniques concepts. In other sense, Drucker considered the entrepreneur as a person who has the maximum use of opportunities [1].

Histrich and Peters regarded entrepreneurship as the process of creating a new and valuable phenomenon which is integrated with spending time, making efforts and financial, psychological and social risk taking, receiving financial rewards, self-satisfaction and independence. Similarly, Parade believed that no definition of entrepreneurship could

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be comprehensive and satisfactory. He suggested that the definition of entrepreneurship would include 1) business, 2) construction, deals and services, 3) single owner (a part of a small group) [4].

On the other hand, given the context in which entrepreneurship emerges, it may be proposed individually or through the teamwork (Samad Aqaii, 1999). Samad Aqaii named three types of entrepreneurial activity including 1) Independent Entrepreneurship, 2) Intreprenurship and 3) Corporate Entrepreneurship [4].

There are various interpretations and perspectives of entrepreneurship definitions; however, there are common points in all of the definitions such as the necessity of risk taking, creativity, independence and perseverance [3].

The important concept of entrepreneurship is regarded as one of the critical factors in stable economic development and growth, economic development, welfare and social security, facilitating the process of development and growth in a country, increase in investment, profit and capital, creating new opportunities and effective methods for creating productive and stable jobs, causing change in values and nature, creating new values, providing suitable conditions for producing goods and markets and emerging new products, services, methods, policies, thoughts and ways in solving problems, strengthening and evolving the domestic industries, creating competitive context for international industries, increasing the level of export and receiving currency for the country, encouraging competition, strengthening domestic industries and enhancing the quality of products.

Forming and developing small and medium enterprises requires developing the essential infrastructures for lowering their risk levels during their activity and growth.

In Colin Gray's view entrepreneurship perspective incorporates four cardinal conditions for paving the way for entrepreneurial activities. Entrepreneurship, the importance of development, communicating and sharing values among member reminds us of the senior management key role in self-altering the organization. He also emphasized the processes that lead to innovation [5].

Despite the important role of entrepreneurship in economic growth, four types of studies have been conducted in the area of entrepreneurship including A) studies on entrepreneurs' characteristics, B) studies on procedures for setting up startup corporates, C) studies on the entrepreneurs' communications with the society, and D) studies on education, research methodology and the role of states in entrepreneurship.

It is one of the main causes of appropriate distribution of income, reduction of stress in the society, utilization of resources, activation for development in the country, improvement of life quality, identification of needs and the invention and development of new products and services while the decrease in entrepreneurship activities will lead to increase in unemployment rate.

The definition of SMEs

Precise measurement of SMEs is difficult. However, defining these characteristics and distinguishing the small and large corporates are much more difficult tasks. Entrepreneurship is a widely-used term which is usually related to small/medium businesses containing identification of opportunities and development of new capitals. However, entrepreneurs work in a large continuum of areas such as large corporate and governmental organizations. SMEs are dependent on the industries in which they are active and their members and ideals (Stocks and Wilson, 2010: 9).

There is a wide literature and background on SMEs. The definitions are different in many countries based on their level of development. Therefore, it is not possible to suggest single definition since each country proposes a definition based on its specific situation (Table 1). Most of the definitions are based on quantitative criteria such as the number of staff, and the financial turnover [6].

The concept of Small/Medium sized enterprise is known as SME. Corporates have particular and also common characteristics in management making them distinct from each other. SMEs incorporate all of the small and medium sized enterprises such as industrial, service, commercial and agricultural ones and are divided into Micro, Small and Medium enterprises based on factors such as employed number of human resources. Due to their particular characteristics, SMEs have exclusive functions such as creating job opportunities, distribution of wealth in the society, development of rural areas, providing the necessary products and training human forces for industries [7].

Today, states have drawn their attention to small and medium businesses due to particular characteristics such as flexibility, training skilled labor force, cost-effectiveness in using capital, the possibility for employment of the young, elderly and women, part-time jobs, job opportunities even for the handicapped individuals, lack of dependence on foreign products and saving the currency. In other words, these special economic units are not homogenous with regard to their nature and size and play a significantly in/direct role in national production, creating job opportunities and employment.

Today, in addition to their previous functions, small and medium institutes have changed into the center of attention for technological development and obviating the complicated and advanced needs of countries while they are supported by governmental and public institutes [7].

Given the previous studies, a lot of attention was drawn toward entrepreneurship concept among future scholars [6]. That is why some argue that entrepreneurs are the original cause of production and survival of small and medium enterprises [8] However, economic scholars claim that they are static and only Schumpeter and Nights' views are dynamic. In his research tried to analyze the role of small and medium industries in economic development and found that there was a positively significant correlation between environmental factors and international preparation. Maleki-Nejad considered the environmental factors (internal and external) as the motif of corporates for dealing with activities in international level.

Yadollahi [9] presented effective strategic factors on small and medium functions in a new model. In the research, human resources and management factors were regarded as the center of SMEs performances. The parts of the conceptual framework have mutual effects on each other and finally change the level of performance in small and medium corporates. That is, they have significant effect on improving their performance.

Thus, identifying the effective factors on the performance of SMEs is the first step in order to improve their performance. 11 major variables have been identified and studied in this domain which includes: managerial factors, marketing and sales, production and operation, research and development, financial, information technology, human resources, organizational structure, corporate size, strategy and organizational system. The owners of small and medium corporates (entrepreneurs) could increase the effectiveness of corporates through identifying each of the variables and their forming dimensions and by applying them in corporates [10]. Monitoring and guiding each of the

aw	area	Sub-categories	Components
1	Internal factors	Research and development	Lee, kim & Kim, 2007; Dickson, Weaver & Hoy, 2006; Devenport, 2005; Bradford & Florin, 2003; Qian, 2003; Vassie & Cox, 1998; Peel & Bridge, 1998.
2		Managerial factors-knowledge management	Goldo et al. pattern, 2001; Lin and Lee, 2005; and Tarsova et al., 2006.
3		Operation and production	Yapp & Fairman, 2006; Qian, 2003; Andres & Irabien, 2002.
4		Marketing and sales	Wang & Lin, 2008; Lee, kim & Kim, 2007; Pansiri, 2007; erger & Udell, 2006; Dickson, Weaver & Hoy, 2006; Wilkinson & Brouthers, 2006; Andersen & Foss, 2005; Bernroider, 2002; Peel & Bridge, 1998
5		Financial	Sohn, Kim & Moon, 2007; Pansiri, 2007
6		Corporate size	Wang & Lin, 2008; Dickson, Weaver & Hoy, 2006; Wilkinson & Brouthers, 2006; Iohrke, Kreiser & Weaver, 2006; Qian, 2003; Vassie & Cox, 1998.
7		Information technology	Wang & Lin, 2008; Sohn, Kim & Moon, 2007; Marant-Vagas & Rangel, 2007; Morgan, Colebourne & Thomas, 2006; Iohrke, Kreiser & Weaver, 2006; Berger & Udell, 2006; Lin & Zhang, 2005; Andersen & Foss, 2005; Sun, Yazdani & Overend, 2005; Lehmann & Gallupe, 2005
8		Organization structure	Lee, kim & Kim, 2007; Lin & Zhang, 2005; Bradford & Florin, 2003.
9		Organizational systems	Pansiri, 2007; Dickson, Weaver & Hoy, 2006; king & Burgess, 2006; Andersen & Foss, 2005; Sun, Yazdani & Overend 2005; Dietsch & Petey, 2004; Qian, 2003; Greenhalgh, 2000.
10		Strategy	Lee, kim & Kim, 2007; Yapp & Fairman, 2006; Bradford & Florin, 2003; Bernroider, 2002; Hoffmann & Schlosser, 2001; Knight, 2001.
11		Human resources	

Table 1: The literature on the effective internal variables on small and medium sized corporates' performance.

factors against quick environmental and technological changes could lead to higher capabilities in innovation and utilization.

Theoretical framework

The review of the literature shows that in the modern world, a lot of attention has been given to the issue of entrepreneurship along with the increasing changes by economists, politicians, and other people (Maleki-Nejad). Entrepreneurs, known as the most important factors in development in developing countries, can practically pave the way for the development of small and medium enterprises through development centers.

Yadollahi et al. presented effective strategic factors on small and medium functions in a new model. In the research, human resources and management factors were regarded as the center of SMEs performances. The parts of the conceptual framework have mutual effects on each other and finally change the level of performance in small and medium corporates [11-15]. That is, the Thus, identifying the effective factors on the performance of SMEs is the first step in order to improve their performance. 11 major variables have been identified and studied in this domain which includes: managerial factors, marketing and sales, production and operation, research and development, financial, information technology, human resources, organizational structure, corporate size, strategy and organizational system. The owners of small and medium corporates (entrepreneurs) could increase the effectiveness of corporates through identifying each of the variables and their forming dimensions and by applying them in corporates. Monitoring and guiding each of the factors against quick environmental and technological changes could lead to higher capabilities in innovation and utilization.

The findings of frequency distribution table (Table 2) indicated that only 4 percent of the conducted studies focused on external factors while 96 percent of which were conducted in the internal factors domain. In addition, most of the studies were devoted to the two issues of human resources and research and development which were 26 percent. Moreover, there was no research related to the incorporate size and the status of consultative research-oriented unions and incorporates.

Research methodology

The research method was based on applied objective. According to documental data collection, there is little content analysis. In the present research, systematic random sampling was used and the statistical population incorporates all of the studies done in the field of entrepreneurial performance during 2003 and 2013. The information was related to the recent 10 years and was based on Post Data Analyze (PDA) which examined 60 articles in Persian journals on management information databases (Magiran) [16].

Data collection was conducted through content analysis and informative table in which topic, method and the purpose of the study was quantitatively and qualitatively examined. In the following, the obtained results of the 10 during last 10 years were presented (Figure 1).

Data analysis

The analysis of articles was done through reviewing the studies in entrepreneurial performance are for SMEs/ conducted studies during 2003 to 2013.

The findings of the studies during 2003 and 2013 indicated that the title of articles dealt with internal and external factors. Internal factors include managerial factors (15) percent (Figure 2), marketing and sales (6.6) percent, production and operation (1.6) percent, research and development (26.6) percent, financial (1.6) percent technology and information (6.6) percent, human resources in three branches of religious beliefs (11.66) percent, personality characteristics (10) percent, training staff (5) percent, organizational structure (3.33) percent, corporate size (0) percent, strategy (3.3) percent, organizational system (1.6) percent and external factors such as rules and regulations (3.3) percent (Figure 3), political and economic conditions (3.3) percent, the situation of unions and consultative corporates (0) percent [17-19].

It should be noted that the internal factors included managerial factors (17) percent, marketing and sales (7) percent, production and operation (1) percent, research and development (30) percent, financial (1) percent, technology and information (7) percent, human resources (30) percent (three branches of religious beliefs 11.66 percent, personal characteristics 10 percent and training staff 5 percent). Moreover,

Type of topic based on rows			Frequency	Frequency percentage	PF %	CF	PCF	PCF %	
A. Internal factors	1	Managerial factors	9	0/15	15	9	0/15	15	
	2	Marketing and sales	4	0/06	6/6	13	0/21	21/6	
	3	Production and operation	1	0/01	1/6	14	0/23	23/23	
	4	Research and development	16	0/26	26/6	30	0/5	50	
	5	financial	1	0/01	1/6	31	0/51	51/66	
	6	Information technology	4	0/06	6/6	35	0/58	58/33	
	7	Human resource	Religious beliefs	7	0/11	11/66	42	0/7	70
	8		Personality characteristics	6	0/1	10	48	0/8	80
	9		Training staff	3	0/05	55	51	0/85	85
		Human resources in sum		16	0/26	26/6	51	0/85	85
	10	Organizational structure	2	0/03	3/33	53	0/88	88/33	
	11	Corporate size	0	0	0	53	0/88	88/33	
	12	Stragegy	1	0/03	3/3	55	0/91	91/66	
13	Organizational system	1	0/01	1/6	56	0/93	93/33		
B. External factors	14	Rules and regulations	2	0/03	3/3	58	0/96	96/66	
	15	Political and economic conditions	2	0/03	3/3	60	1	100	
	16	The situation of unions and consultative corporates	0	0	0	60		100	
Total (N)			60	-					

Table 2: Frequency distribution.

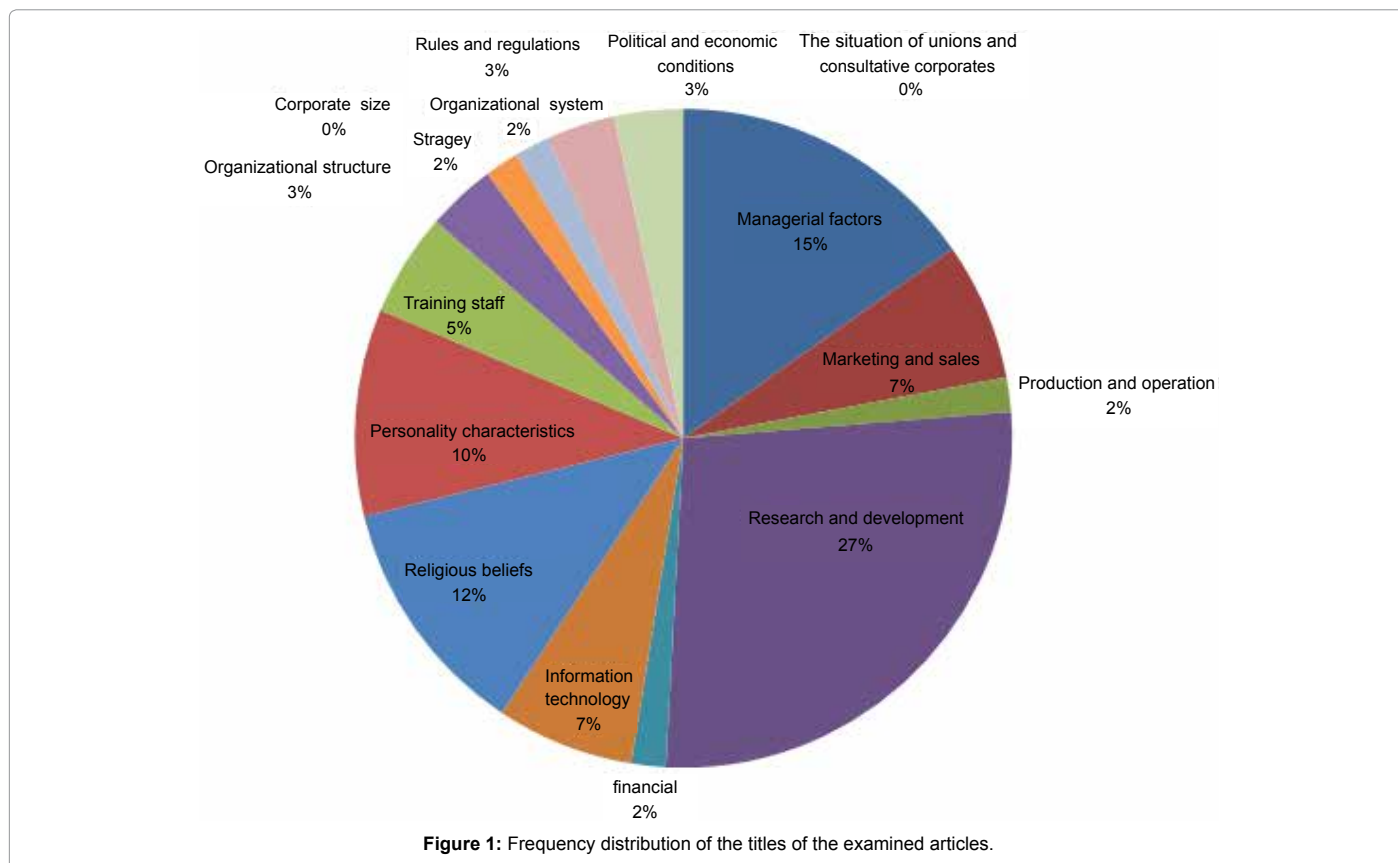


Figure 1: Frequency distribution of the titles of the examined articles.

organizational structures (3) percent, corporate size (0) percent, strategy (3) percent and organizational system (1) percent (Figure 4).

The external factors include rules and regulations (50) percent, political and economic conditions (50) percent, the situation of unions and consultative corporates (0) percent [20,21].

According to the investigation made in the study for 60 articles

during 2003 to 2013, it was found that in 3 studies done in 2003, 2 of them were related to internal factors and only one of them was about external factors which were totally (0.05) percent. In 2006, only one study was related to internal factors (0.01); in 2005, out of 4 studies, half of them were devoted to external and the other half was for internal factors (0.06). In 2006, two studies were done and one of them was related to internal and the other one to external factors (0.03 percent).

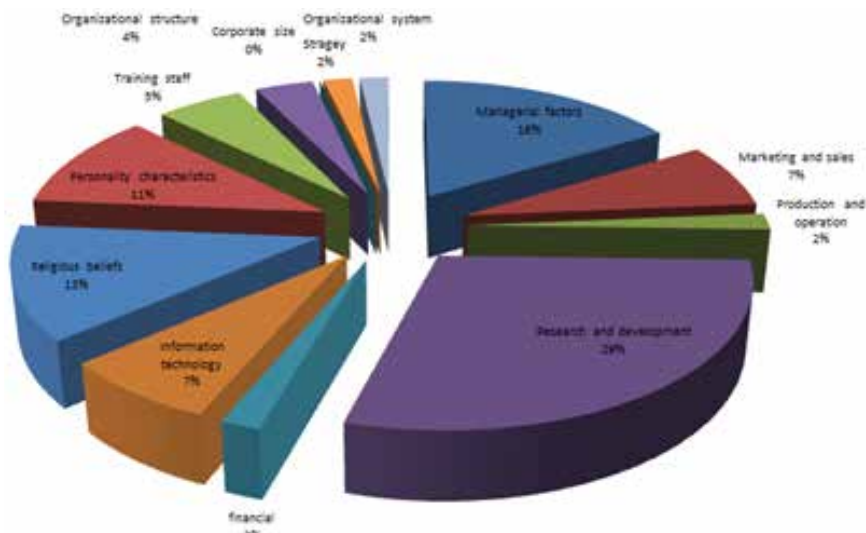


Figure 2: Frequency percentage distribution for internal factors.

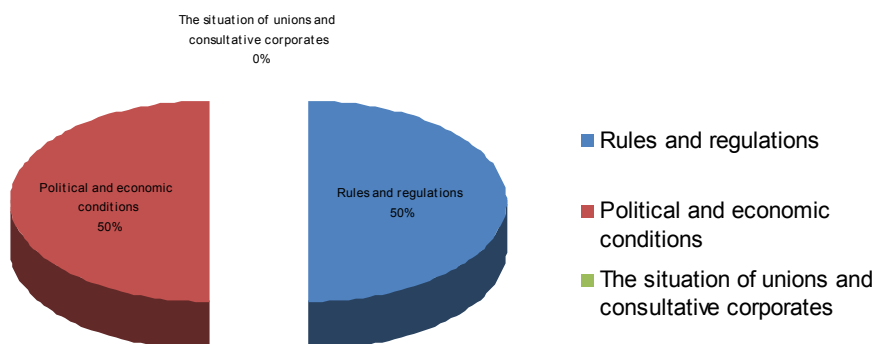


Figure 3: Frequency distribution percentage for external factors.

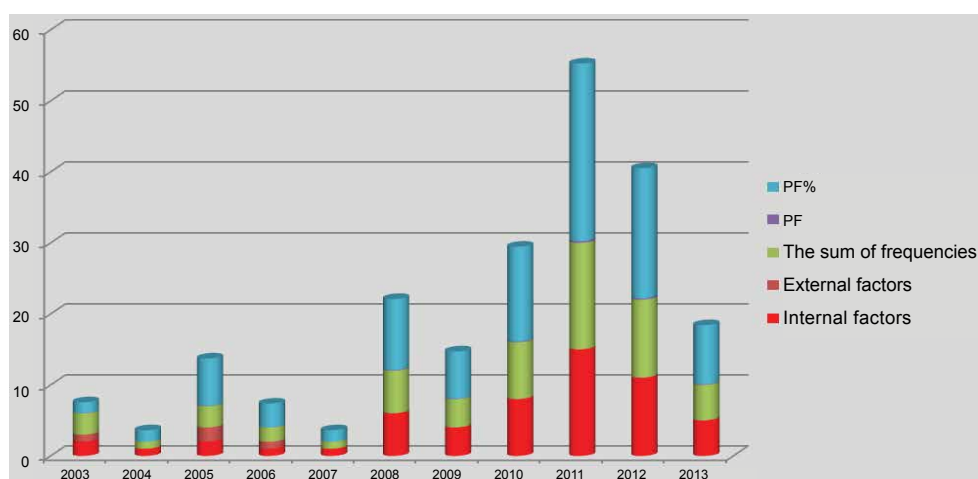


Figure 4: Statistical analysis of the conducted studies according to each year.

However, there was no article related to external factors after 2007. In 2007 one study (0.01), 2008 six studies (0.01) percent, 2009 four studies (0.06), 2010 eight studies (0.13), 2011 fifteen studies (0.25) 2012 eleven studies (0.18) and 2013 five studies (0.08) were conducted.

Examining the statistical population in the present study from 2003 to 2013 indicated that there was a logical ascending trend up to 2012 and most of the studies were conducted in 2011-2012. However, there was a descending trend in 2013 in the studies (Table 3).

Frequency percentage	Frequency percentage	Frequency			Research based on the years	Row
		The sum of frequencies	External factors	Internal factors		
5	0/05	3	1	2	2003	1
6/1	0/01	1	0	1	2004	2
66/6	0/06	4	2	2	2005	3
33/3	0/03	2	1	1	2006	4
6/1	0/01	1	0	1	2007	5
10	0/1	6	0	6	2008	6
66/6	0/06	4	0	4	2009	7
33/13	0/13	8	0	8	2010	8
25	0/25	15	0	15	2011	9
33/18	0/18	11	0	11	2012	10
33/8	0/08	5	0	5	2013	11
Total	-	60	4	56		-

Table 3: Statistical analysis of the articles findings based on each year.

Conclusion

As mentioned earlier, the current research aimed at examining studies conducted during 2003 to 2013 in the area of SMEs in order to apply the findings in internal and external aspects of organizations for improving the corporates' performance.

According to the findings of the studies during 2003 to 2013, the topics of studies were divided into two categories of internal and external factors. Internal factors included managerial factors (15) percent, marketing and sales (6.6) percent, production and operation (1.6) percent, research and development (26.6) percent, financial (1.6) percent, technology and information (6.6) percent, human resources in three branches of religious beliefs (11.66) percent, personality characteristics (10) percent and training staff (5) percent, organizational structure (3.33) percent, corporate size (0) percent, strategy (3) percent and organizational system (1) percent.

External factors included rules and regulations (3.3) percent, political and economic conditions (3.3) percent, the situation of unions and consultative corporates (0) percent.

It should be noted that in comparison with previous studies, it was indicated that the highest level of tendency in thesis themes was related to internal factors effecting SMEs' performance (93.4) percent which were mainly focused on two issues of research and development and human resources taking (26.6) percent of studies. However, no study has ever been conducted on corporate size. On the other hand, among the studies conducted on external factors effecting SMEs' performance which included (6.6) percent of the studies, no study was found to be related to the area of the situation of unions and consultative corporates.

The analysis of results indicated that only (6.6) percent of studies focused foreign aspects while most of the studies were devoted to domestic factors. Given to the increase in global activities and importance in entrepreneurship in international markets, the weak point in this area may be a deterrent factor for entrepreneurs' contribution in international market since awareness of progress processes in other markets, particularly in international level, could pave the way for knowledge-based active participation and contribution. What is important in the results of the study is that most of the studies were conducted during 2010, 2011 and 2012.

Suggestions

Given the findings, it is suggested that future research for SMEs' performance could be directed toward factors which were overlooked

despite their effects on the corporate performance. Moreover, it is suggested that in order to have more benefit from studies, an information bank should be established in which the results of the studies will be collected. This not only will help future entrepreneurial goals progress, also will prevent overlapping of some topics covering all areas. It should be noted that there is a lack in the literature with regard to examining the status quo of entrepreneurship in domestic and international research. Therefore, it is suggested that attention must be given to international studies in both internal and external factors area.

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