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INSTITIÚID TEICNEOLAÍOCHTA PHORT LÁIRGE

**Making growth-focused small service firms in
Ireland more viable through strategic learning
plans**

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Professor Denis Harrington**

PhD

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Declaration

The author hereby declares that, except where duly acknowledged and referenced, this research study is entirely her own work and has not been submitted for any degree or other qualification in Waterford Institute of Technology or any other third level institution in Ireland or internationally.

Monica Murphy,

June 2016

Dedication

This thesis and every hour of work that went into it is dedicated to the staff of the AdamsMcConnell ward in Beaumont hospital, Dublin. On waking from six-and-a-half hour brain surgery I vowed that I would never again take my brain and its capacity to learn for granted. I owe my continued good health to Professor Jack Phillips and his team who removed an astrocytoma from my occipital lobe on November 21st, 2002. Professor Phillips worked at the Beaumont hospital as a Neurosurgeon from August 1980 to April 2007. I thank him for his dedication to medicine which allowed him to perform such life-changing operations. To demonstrate to him that I have made a full recovery, I hereby dedicate this PhD. thesis to him and his wonderful successors who continue to monitor my health.

Thank you for your part in my journey thus far.

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Abstract

Learning in a small firm setting is based around contextualized social experiences; wherein the owner/ manager (OM) is the medium through which much of the learning success relies. While prior studies established a link between learning, performance and growth in small service firms, empirical evidence on the subject is scant and the relationship between small firm growth orientation and learning activity is worthy of exploration. The small service firm sector is the largest in Ireland, accounting for almost 48 per cent of all enterprises and 42 per cent of the labour population employed (CSO, 2011). Small firms are also commonly referred to as an important source of innovation, economic growth and employment streams (Action Plan for Jobs, 2016, Kenny, 2015; CSO, 2011; GEM, 2014; Forfás, 2013), and according to GEM (2014, ‘established businesses are the core of the economic canvas of any country’ (p.46) A review of the extant literature yields limited research that explores the effects of learning on small service firm business growth. While there are conceptual frameworks available that explore learning in an organisation (Crossan *et al.*, 1997; Nonaka, 1994), many assume deployment in a large organisation complete with the necessary resources (human, capital and time) to implement such a framework. This project seeks to *investigate the perceived impact of a strategic learning plan intervention on growth-focused small service firms’ viability in the Irish context* and present an initial strategic learning plan framework for use in growth-focused small service firms. This research adopts a social learning theory view as the optimum lens through which to understand the dynamism of small firm learning and an adapted strategic learning plan framework that might be used to facilitate owner/manager learning and in turn, facilitate enterprise growth. Applying an action research (AR) methodology, findings present valuable insights into the ways in which small service firms who wish to grow can be facilitated to learn strategically. These findings have implications for future studies of the link between learning and small firm growth.

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List of Acronyms

AR	Action Research
CSO	Central Statistics Office
DJEI	Department of Jobs, Enterprise and Innovation in Ireland
EO	Entrepreneurial Orientation
EU	European Union
GEM	Global Entrepreneurship Monitor
GVA	Gross Value Add
HR	Human Resource
IT	Information Technology
LO	Learning Orientation
OECD	Organisation for Economic Cooperation and Development
OM	Owner/ Manager
RBV	Resource Based View
SLT	Situational Learning Theory
SME	Small to Medium sized Enterprise
UK	United Kingdom
US	United States (of America)
VAT	Value Added Tax

Glossary of Terms

Customer analysis: This is an activity that may be performed by a business in order to create a business or marketing plan. It serves to identify target customers, the needs of these customers, and then specifies how the services of the business can satisfy such needs.

Emergent strategy: The emergent strategy is a set of certain actions that form an unintended pattern that was not anticipated or intended in the initial phases of the business. Adopting an emergent strategy might allow a business to be adaptable and flexible to the practicalities of changing market conditions.

Entrepreneur: An entrepreneur is a person who takes advantage of a business opportunity by undertaking the financial, material and psychological aversions of starting and running a business (Hatten, 2006).

Environmental analysis: Environmental analysis is the process by which management observes what is going on within the industry that could affect their business either from within the business, or outside of it (Lasher, 1999).

Forfás: Ireland's policy advisory board for enterprise, trade, science, technology and innovation. In addition to producing its own reports, Forfás provides research and administrative support to independent advisory groups.

Formal strategy: This is considered to be the degree of formality to which an organisation has plans, uses strategic tools, processes and procedures that are written down and committed to (Daft, 2001).

Goal setting: Involves the development of an action plan designed to motivate and guide a person or group. Mintzberg *et al.*, (2005) definition of goal setting is suggestive that organisations exist to achieve goals; goals are broken down into tasks as the basis for roles.

Growth: The process of improving some measure of a company's success (Daft, 2001).

Human capital: The availability of skills, talent, and know-how within the organisation (Kaplan and Norton, 2004).

Informal strategy: The strategy that is spontaneously established in an organisation without the use of strategic tools and without record (Buchanan and Huczynski, 2004).

Learning: Learning is defined by Buchanan and Huczynski (2004) as: ‘the process of acquiring knowledge through experience which leads to an enduring change in behaviour’ (p.110). For the purposes of this study, learning is embedded in social learning theory, and believed to occur as a result of experience and environment and through a process of social participation (Barker, 1997). In the small firm setting, learning is considered to be embedded in everyday practice (Hamilton and Langhorne, 2011).

Mission statement: The organisation’s statement explaining its reason for existence (Daft, 2001).

New firm start-ups: A startup firm that is an entrepreneurial venture, in the form of a company, a partnership or temporary organisation designed to search for a repeatable and scalable business model (Fitzsimons and O’Gorman, 2011).

Organisational goals: Formally or informally stated set of outcomes that the organisation is trying to achieve (Daft, 2001).

Organisational objectives: A desired state of being that the organisation attempts to reach (Daft, 2001).

Owner/ manager (OM): those people who have set up a business that they have continued to own and manage and which has paid wages or salaries for more than forty-two months (Fitzsimons and O’Gorman, 2011; Global Entrepreneurship Monitor report, 2014).

Resource based view (RBV): The RBV in terms of the small firm views the enterprise as a bundle of resources and capabilities; it refers to the manner in which internal

resources can contribute toward the small firm achieving a sustainable market advantage (Barney and Arikan, 2001; Barney, 2001; Merrilees *et al.*, 2011).

Scenario planning: Where a company might engage in multi-scenario evaluation (Schoemaker, 1995) in favour of a single point forecast.

Service industry: An industry made up of companies that primarily earn revenue through the provision of intangible products and services (Buchanan and Huczynski, 2004).

Social learning theory (SLT): The process through which individual behaviours, values, attitudes and motives are influenced to conform to those as seen as desirable in a given social or organisational setting (Buchanan and Huczynski, 2004).

Small firm: Small firms are those businesses who employ between 10 and 50 employees (European Union, 2011).

Small service firm: High-knowledge small firm that provides services to businesses (Theodorakopoulos and Figueira, 2012).

Small firm learning: Small firm learning is defined by Gibb (1997) as the small firm in which the people within it are continually discovering how they create their reality, and how they can change it.

Small to medium sized enterprise (SME): The category of micro, small and medium-sized enterprises (SMEs) comprised of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro and/or an annual balance sheet total not exceeding 43 million euro (European Union, 2011).

Strategy: The current set of plans, decisions, and objectives that have been adopted to achieve the organisation's goals (Daft, 2001).

Strategic intent: takes cognisance of the ambivalent nature which precludes planning to any detailed extent and so strategy is primarily concerned with establishing broad

boundaries for the development of the enterprise such as a vision and clarity of direction (Grant, 2003).

Strategic learning: Suggested as learning that improves the strategic capability of the organisation (Kuwada, 1998).

Strategic plan: ‘The determination of basic long-term goals and objectives of an enterprise and the adoption of courses of action and the allocation of resources necessary for carrying out these goals’ (Chandler 1962, in Peel and Bridge, (1998), p. 849).

Strategic learning plan: The literature is lacking in a specific definition of a strategic learning plan that is not in reference to the formal education sector. However, the author contends that a strategic learning plan combines the principles of strategic learning and strategic plans. As such, it determines ‘basic long-term goals and objectives’ (Chandler, 1962 in Peel and Bridge, (1998), p. 849) of learning that seeks to ‘improve the strategic capability of the organisation’ (Kuwada, 1998) and then adopts ‘courses of action and the allocation of resources necessary for carrying out these goals’ (Chandler, 1962 cited in Peel and Bridge, 1998, p. 849).

Strategic thinking: Involves the generation and application of unique business insights and cognitive effort intended to create competitive advantage for a firm (Buchanan and Huczynski, 2004).

Strategy learning plan: ‘The planned and guided learning experiences and intended outcomes, formulated through the systematic reconstruction of knowledge and experiences, for the learner’s continuous and willful growth in personal-social outcomes’ (Tanner and Tanner, 1980 in Stark *et al.* 1980, p.53).

1.0 Introduction

This research seeks to *investigate the perceived impact of a strategic learning plan intervention on growth-focused small service firms' viability in the Irish context*. This chapter serves as an introduction to the small firm as a unique business entity and includes the researcher's background and catalyst for the study alongside the rationale for this research. The first section gives an overview of the research catalyst, founded in the researcher's passion for this topic. The rationale and the gaps as identified in the literature follow and the chapter continues with a definition of the small service firm and background to the research topic. The specific aims and objectives of the research are also set out as well as some discussion on the selection of the small service firm as the unit of study. The chapter concludes with the over-arching outline and structure of the thesis and notes its potential contribution and relevance of the work.

For the purposes of this study, small firms are defined as those businesses that employ between 10 and 50 employees while micro-firms employ up to 10 and medium-sized enterprises employ between 50 and 250 employees (European Union, 2011). Applying the term small to medium-sized enterprises (SMEs) to this cluster of firms, the literature suggests that the small firm is the most common size of enterprise in the World with large businesses in Europe comprising just 0.2 per cent of all enterprises (Storey and Greene, 2010). From a global economic perspective, it is estimated that SMEs account for 95% of enterprises worldwide (Ayyagari *et al.*, 2011) and although precise data is difficult to obtain, they employ approximately 60% of private sector employees globally (Ayyagari *et al.*, 2011).

SME contribution to national economies account for 80% of global economic growth (Jutla *et al.*, 2002; OECD, 2012), and it is generally accepted that a healthy economy depends on a strong, dynamic SME sector (GEM, 2014; Deakins and Freel, 1998; Fitzsimons and O'Gorman, 2011). Birchall and Giambona (2007) go further to propose that small firms have a significant role to play in the growth of national, European and global economies. Of note is that Blanchflower (2004) has indicated that only certain economies such as the United Kingdom, Australia, New Zealand, Mexico and Ireland

have witnessed a steady increase in self-employment rates in the last 50 years; suggesting that the ethos of creating and running small firms as a career choice is more prevalent in these economies, resulting in greater sustainable economic development in these countries.

The small service firm sector is the largest in Ireland, accounting for almost 48 per cent of all enterprises and 42 per cent of the labour population employed (CSO, 2011). The sector represents the majority of business activity in Ireland, where the turnover for services and distribution as a percentage of total business economy is 62.4 percent (CSO, 2014). Of these service industries, over 80% are small firms equating to a significant contribution to the Irish economy. Despite new venture growth performance being studied comprehensively, there has been less research on the complex strategic choices through which small firm growth is facilitated and attained (Chen *et al.*, 2009). As the service sector is the dominant force in Ireland's economic development, this is the proposed research context. Thus, the perceived impact of strategic learning plans on growth-focused small service firms is the primary focus of this study.

As a practitioner-researcher, I am the research instrument in this study and therefore refer to myself in the first person throughout this document.

1.1 Research catalyst

The choice of research topic is affected by many things (McNeill, 1990), some of which are to do with my interests and values as researcher-practitioner, which are often interrelated. The catalyst for considering this research topic evolved as I was immersed in industry in my capacity as service practitioner and observed strategic learning patterns and recurrences in small service firms with a growth-focus that I believed should be studied in pursuit of improvement.

This ambition is rooted in my passion for facilitating improvement through contextualised training and learning interventions for those service firms who have growth aspirations. Having worked in the professional services industry for sixteen years, I have been responsible for the research, design, delivery and evaluation of learning interventions that might improve small service firm learning and development. As such, I am deeply familiar with the challenges of embedding learning in the small service firm and the criticisms that can be levelled at practitioners in this area.

My work to date led me to question the impact of training and learning interventions and further, the potential for continued growth in the small service firm. Further, there remains much Government support for the small and growing firm in Ireland through the provision of subsidised training and grants. As a practitioner in this field, these thoughts encouraged me to question the return on investment that these interventions should and do provide. This reflective approach to my professional practice led me to early-stage desk research to explore the use of any existing frameworks for embedding learning into the strategy of the small service firm, so that I might use them in practice. Despite the expanse of small firm literature, there were no available conceptual frameworks that reflected the design of a strategic learning plan; one which factored in the dynamism and flexibility of the small service firm.

This practitioner-based curiosity was coupled with the deep-set value I place on education and learning, which in turn led to the commencement of this research study. As an action-oriented person, I decided that I might be well-placed to conduct such a project. From here, a comprehensive literature review in the small firm and strategic learning domain helped me to decipher what had been investigated in the past, which distilled to a

research aim. This process is aligned with the emergent conceptual framework for this research (Chapter Five, Figure 5.4), such that an optimised intervention could be designed in light of the literary findings. This approach is coupled with the deep understanding that I, as action researcher and small service firm owner/ manager (OM) have for small service firms and the challenges they face from a practitioner viewpoint, having worked with small service firms in my capacity as a training consultant for sixteen years.

1.2 Research rationale

Although theories and models for management learning often emphasise the link between learning and the managerial work environment in the small firm (for example; Carlson *et al.*, 2006; Kelliher and Henderson, 2006; Gibb, 1997; Macpherson and Holt, 2007; Reid *et al.*, 1993), there is scant empirical evidence on the subject (Tell and Gabrielsson, 2013; North *et al.*, 2016). When considering the approach to learning in a small firm setting, writers have varying perspectives. Carlson *et al.* (2006) found that learning and development, maintaining morale, competitive compensation and other such practices were more important for growth companies than non-growth ones. Reid *et al.* (1993) suggest that learning occurs naturally in the course of everyday life but that random learning is somewhat unpredictable, can be slow when seeking performance and might even be counter-productive. Thus, while many small firm owners learn from experience (Florén, 2003; Lawless *et al.*, 2000; Kelliher and Henderson, 2006), this can be an expensive approach where key accounts may be lost or neglected and key staff may leave for a more learning oriented environment. This view can be set beside that of the Chinese philosopher, Confucius (551BC-479BC) who surmised:

‘By three methods we may learn wisdom: First by reflection which is noblest; second, by imitation, which is easiest; and third by experience, which is the bitterest’

In contrast, a planned approach to learning can address the risks associated with a purely experiential approach and provide small firms with a focused learning strategy (Mintzberg, 1994; Kraus *et al.*, 2006; Mazzarol *et al.*, 2009; Emerald Insight, 2014). Despite evidence endorsing this planned approach to learning as a means of developing dynamic growth capabilities in small firms (North *et al.*, 2016), investigations into the relationship between learning and growth is lacking (Mishina *et al.*, 2004; North *et al.*, 2016).

With reference to relevant prior research, Tocher *et al.* (2007) express surprise that little research exists that aims to discern the employment, learning and small firm performance relationship. Johnson *et al.* (1998) demonstrate a relationship between growth orientation and the propensity to look for and use external business support services, and state that ‘the relationship between growth orientation and training/ learning activity would seem to be a fruitful area for future research’ (p. 288). In MacPherson and Holt’s (2007) systematic review of the evidence relating to knowledge, learning and small firm growth, they state that;

‘It would be instructive...to gain a better understanding of the tensions and situated nature of ...learning activity in small firms’ and that ‘such an analysis may provide a more holistic understanding of the nature of small firm growth and provide practitioners, educators, support agencies and policy makers with a more meaningful categorization of small firms’ (p. 186).

However, small firm literature has yet to respond to the alternate perspectives on learning and small firm growth as advocated by these and other writers. This provides an indication that learning-growth relationships have yet to be explored fully in the small firm setting. Finally, a review of the extant literature yields that there has been limited research conducted that explores the effects of learning on small firm performance (Chinomona and Cheng, 2013), and its potential impact on growth (Carlson *et al.*, 2006; MacPherson and Holt, 2007; North *et al.*, 2016). Based on the identified research gaps, this study seeks to *investigate the perceived impact of a strategic learning plan intervention on growth-focused small service firms’ viability in the Irish context.*

1.3 Defining the small firm

Considering the small firm focus, it is important to define the entity for the purposes of clarity. There are some notable differences among the definitions of a small firm in various countries, where criteria include size (Lange *et al.*, 2000), number of employees (Greenbank, 2000), structure and financial turnover per annum (European Union, 2011). In spite of such variances in criteria, definitions are usually based on employment (Lange *et al.*, 2000), with Scarborough *et al.* (2009) stating that a common measure is a business entity which employs less than 100 employees. This is not a global measure however, as the definition of a small firm differs from country to country. In the United States (US), for example, small firm size is dependent on the industry within which they operate (SBA, 2014), but in general terms, a small firm in the US has fewer than 250 employees for a manufacturing business and less than US\$7 million in receipts for non-manufacturing businesses. In Hong Kong, small manufacturing enterprises are those with less than 100 employees while non-manufacturing enterprises are those with fewer than 50 employees (Carter and Jones-Evans, 2006). In Australia, a small firm is defined as one with less than 15 employees. This study will rely on the category of small enterprise as set out by the European Union (2011); that is an enterprise which employs fewer than 50 persons (and greater than 10 persons) and whose annual turnover does not exceed EUR€10 million. Of note in this study is that exact cut-offs regarding numbers of employees are only used as general bands for research purposes rather than exclusive limits (McAdam, 2002).

1.3.1 Differentiating between an entrepreneur and a small firm owner

It is difficult to review the literature on small firms without observing the concept of entrepreneurs which appear synonymous with the roots of small firms. The importance of the entrepreneur, and the comparatively recent attention paid to their economic contribution (Deakins and Freel, 2003; Stokes and Wilson, 2010; Carter and Jones-Evans, 2006; Lechner and Vidar Gudmundsson, 2014; Wolff *et al.*, 2015) has caused a focus on the importance of the small firm sector for job creation and economic development. It is for that reason that the entrepreneur is briefly defined here before shifting the focus onto the small firm as a unit of analysis. Key to this discussion is that the entrepreneur is a person whilst the small firm is a business (Storey and Greene, 2010).

According to Hatten (2006) an entrepreneur is a person who takes advantage of a business opportunity by undertaking the financial, material and psychological aversions of starting and running a business. Fitzsimons and O’Gorman (2011) define the entrepreneur as someone who owns and manages a business that is between four and forty-two months old and has not paid salaries for longer than this period. The term owner/ manager (OM) is more fitting in this research because it is described by Fitzsimons and O’Gorman (2011) and in the Global Entrepreneurship Monitor report (2014) as those people who have set up a business that they have continued to own and manage and which has paid wages or salaries for more than forty-two months. This research will engage with growth-focused small service firms that have been in existence for more than forty-two months (Fitzsimons and O’Gorman, 2011) as its core group and so owner/ managers as opposed to entrepreneurs are considered the appropriate cohort within this study.

1.4 Background to the research topic

I am immersed in many small service firms as a practitioner and a learning expert and am acutely aware of the importance of learning to the OM, who makes the initial investment in terms of money and time to enhance their strategic learning capabilities. As an owner/manager of a learning firm myself, the opportunity to pursue a strategic learning plan framework that might encourage and promote learning to facilitate growth in the small service firm setting is one that I could align naturally with my professional work. Following immersion in the small firm, strategy and learning literature, I note that this work might serve to extend existing knowledge in the area. This study should also inform practitioners in the area who, like me, have a passion for ensuring sustained learning, and to highlight any emerging methodological nuances that would enhance action research as a choice for the small service firm scholar-practitioner (Coghlan, 2012).

It was established in section 1.2 of this chapter that a significant number of small firms are established globally each year. High business birth rates may look impressive, but they hide the fact that some of the new start-ups will not survive beyond the first year of operation, and many will not survive beyond the first three years (Deakins and Freel, 2009; Fitzpatrick, 2001). Of the 16,700 new enterprises in Ireland in 2006, 27% did not survive to three years in business and 48% did not survive to five years in business (CSO, 2013). In 2011, more than twice the number of OMs closed their businesses than those in the previous year (Fitzsimons and O’Gorman, 2011; CSO, 2013), although this statistic may have been affected by the then global financial crisis (2008-12) and well-reported restrictions on small firm credit in Ireland over this period (O’ Donohoe *et al.*, 2008; Forbes *et al.*, 2015).

Of relevance to this study is the fact that in the past, policy makers have been more preoccupied with quantifiable numbers of new firm start-ups and have shown insufficient concern with the quality of business start-ups (Deakins and Freel, 2009) and their longevity. The gradual realisation that policy makers should be more concerned about the *quality* of new firm start-ups has led to greater focus on small firm start-ups that have the potential to grow (Deakins and Freel, 2009; Wolff *et al.*, 2015). Interestingly, when examined relative to other countries, small firm OMs in Ireland have higher growth aspirations for their enterprise than their international counterparts and have plans to export their products and services (Fitzsimons and O’Gorman, 2011). The gap between

such growth aspirations and the potential realisation of those aspirations through the implementation of a strategic learning plan is core to this research undertaking.

1.5 Thesis aim and objectives

Research in the area of small firm risk by Storey and Cressey (1996) advocates that the role of human capital is critical to the performance of a small firm and found that those small firms with less human resources were less likely to grow. With reference to small firm stakeholder engagement, Gibb (1997) argues that the specific frameworks necessary to analyse and evaluate the learning relationships between small firms and their stakeholders is an area that has not been explored to any depth in the literature. There is little evidence in the literature that this research gap has filled in the interim (Ryan, 2013). Zupic and Drnovsek (2013) analysed the research and intellectual structure of small firm growth in order to identify future research avenues for small firms. They found that two streams of intellectual structure dominated the databases; one was the theme of the resource based view as put forth by Penrose (1959) and the other was grounded in economics. They concluded that certain themes such as learning and training had been placed under the umbrella of Human Resource Management and evidence as to the potential for these interventions to effect growth was lacking. More recent studies advocate deliberate learning as a basis through which growth can be pursued in the small firm setting (North *et al.*, 2016; Wolff *et al.*, 2015), views that are built on the principles of dynamic capabilities development.

The preceding literature advocates one common theme; that small firms should address any existing skills shortage in order to grow their business, by not only sourcing people with the right skills, but also by training existing employees to fill certain roles (Ryan, 2013). Hannon *et al.* (2000) and Kelliher and Henderson (2006) recognise the worth of tacit knowledge based on experience among small firm employees, acknowledging the potential to leverage this experience in pursuit of increased performance. Furthermore, small firms that must initiate and develop critical relationships with a diverse range of stakeholders in order to grow can be held back by the lack of appropriate support and guidelines that could help them in the assessment of existing competencies and the identification of opportunities for improvement (Hannon *et al.*, 2000; Chinomona and Cheng, 2013). Based on previous research, this arena lacks a comprehensive strategy of critical learning aspects to a small firm. In context, small firm learning is defined by Gibb (1997) as the small firm in which the people within it are continually discovering how they create their reality, and how they can change it, while strategic learning is suggested as learning that improves the strategic capability of the organisation (Kuwada, 1998). The

literature is lacking in a specific definition of a strategic learning plan that is not in reference to the formal education sector. However, the author contends that a strategic learning plan combines the principles of strategic learning and strategic plans. As such, it determines ‘basic long-term goals and objectives’ (Chandler, 1962 in Peel and Bridge, 1998, p. 849) of learning that seeks to ‘improve the strategic capability of the organisation’ (Kuwada, 1998) and then adopts ‘courses of action and the allocation of resources necessary for carrying out these goals’ (Chandler, 1962 in Peel and Bridge, 1998, p. 849). Finally, growth is considered as a process of improving some measure of a company’s success (Daft, 2001).

Drawing from the foregoing observations, this study seeks to address the research aim to:

Investigate the perceived impact of a strategic learning plan intervention on growth-focused small service firms’ viability in the Irish context.

The research objectives are:

- a. To design and develop a small firm strategic learning plan;
- b. To study the implementation of a strategic learning plan within small service firms;
- c. To evaluate owner/ manager perceptions of the likely impact on growth of a strategic learning plan;
- d. To pursue a strategic learning plan framework for use in growth-focused small service firms.

1.6 The small-service firm enterprise

This research will focus on small service-oriented firms operating in Ireland. The decision to focus on small service firms is supported by the fact that the services sector is the largest sector in terms of active enterprises in Ireland, accounting for almost forty-eight per cent of all enterprises and with forty-two per cent of the labour population employed (CSO, 2013). Despite its importance, this sector has traditionally been under-researched in comparison to manufacturing (Miles and Snow, 2007; Leiponen, 2012).

The service industry is made up of companies that primarily earn revenue through the provision of intangible products and services (Buchanan and Huczynski, 2004). Small service firms are run by OMs with varying degrees of business acumen and operate in an environment with rich opportunities for learning (Tell and Gabrielsson, 2013); such individual factors must be considered when developing policies to promote growth (Emerald Insight, 2014). To date, a myriad of targeted reports, recommendations and initiatives have been implemented to support specific cohorts such as high-tech(nology), life sciences and medical devices (Report of the Entrepreneurship Forum, 2014); however, the OECD (2011) has called for any policies and actions to improve growth to be extended to all ventures across all business sectors. Growth, according to the OECD (2011) is not a characteristic of a specific subset of firms such as those in high-tech sectors, or those active in international markets. Thus, while the primary concern of this research is to explore the potential relationship between adoption of a strategic learning plan and growth, it is also hoped that it will make a contribution to the literature on the small firm service sector.

1.7 Thesis outline and structure

This thesis presents the following research chronology in content;

Chapter One serves as the introduction to the research and provides a background to the catalyst and rationale for study of the area. It outlines the research aim and objectives and explains the choice of subject under study; the small growth-focused service firm. Critically, Chapter One presents the potential contribution and relevance of the research in terms of adding to an existing body of knowledge.

In Chapter Two, the theory of learning is reviewed, as it has a pivotal place in subsequent chapters. I explore the various approaches to learning theory with the aim of identifying the optimum approach to be used in the pursuit of the research aim and objectives as set out in Chapter One.

Chapter Three reviews the small service firm learning environment and its perceived influence on strategy planning. It explores what literary insights are provided on the approaches to strategy planning in the small firm and the associated themes in relation to learning. This chapter looks at the role of the OM in the small firm as they are a central subject in this research. The chapter draws to a close with a review of growth perspectives in the small firm, the impact of deliberate learning on growth in this setting as well as barriers to growth.

Chapter Four delves deeper into the literature and the various facets of strategic learning plans in the small service firm environment. Key themes and tools from strategic planning are examined from the small service firm perspective and challenges that emerge therein.

In Chapter Five, the literature review continues with the development of a strategic learning plan framework for small service firms, based on and adapted from existing conceptual frameworks available, in light of reviewed literature. This process involves examining the patterns, trends, preferences and barriers to learning in the small service firm. The chapter concludes with some suggestions on how those barriers can be overcome and a submission for a conceptual framework that might be used in this research and ultimately, in the small service firm.

Chapter Six is the research methodology chapter and it reviews the diverse set of research methods and concepts of knowledge in light of the research aim and objectives. A rationale around the selected action research method is provided and the various constructs within are examined prior to commencement of the current study.

Chapter Seven presents the research findings from the action research project. It reviews both the research process and identifies the key literary themes.

In Chapter Eight, the findings are discussed in light of the reviewed literature and the author examines how these findings have addressed the research aim and objectives. There is an examination of the key insights, exposed through an iterative cycle of data analysis and various interactions with the research participants, research supervisors, conference and colloquia presentations and feedback from practitioner and academic peers. I revisit the conceptual framework presented in Chapter Five in light of this analysis and offers a refined framework based on this evaluation.

Having discussed the research findings with respect to the theoretical issues highlighted as important in the literature review, the final chapter, Chapter Nine, summarises the research outcomes in terms of key contributions to knowledge. The chapter reflects on the conclusions emanating from the research findings and discussions of those findings. It puts forth the contributions to theory, practice, policy and methods that have been made. Finally, this chapter presents the limitations of this doctoral study and recommendations for future research.

1.8 Contribution and Relevance

In the first instance, the potential contribution of this research is to help small service firms in Ireland pursue their growth aspirations through the application of focused strategic learning plans. The research also aims to make a literary contribution through addressing some of the research gaps as outlined above by studying the potential for a strategic learning plan to impact growth of a small service firm. A core objective is to create a conceptual framework to help identify, analyse and evaluate the small service firm learning environment in pursuit of a deliberate learning strategy. This is an area that has not been explored to any depth in the literature to date. While the primary concern of this research is to *investigate the perceived impact of a strategic learning plan intervention on growth-focused small service firms' viability in the Irish context*, it is also hoped that it will make a contribution to the literature on learning and growth in the small firm service sector.

On a practical level, the research findings will seek to support small firm OM's who wish to grow their business. Fitzsimons and O'Gorman (2011) summarised some fundamental recommendations in a government-commissioned report which includes the development of entrepreneurs and OM skills, while the Management Development Council (2010) recommends a national system for management development so that best practice can be designed explicitly to meet the needs of an enterprise and in supporting small firm OM's. Based on the foregoing policy and recommendations by the Report of the Entrepreneurship Forum (2014), the OECD report on 'High Growth Enterprises – What Governments can do to make a difference' (2010) and the GEM report (2014) on 'Entrepreneurship in Ireland' as well as a white paper titled 'Ireland's Competitive Scorecard' (2014), it is anticipated that this research has the potential to be useful as a practical example of what and how that support might be given to encourage a small service firm to learn strategically in order to grow to its potential. A further contribution is possible for practitioners in this area involved in the design, delivery, implementation and evaluation of learning interventions in the small service firm. There may be value in looking at the types of learning initiatives offered and to consider their refinement in view of the propensity for social learning and accountability of implementation thereof. The small service firm OM may also benefit from increased self-awareness and self confidence when it comes to planning and executing a growth strategy. There is also

potential to gain insight into return for any investment made in the development of a learning strategy for their business.

The pursued framework of strategic learning plans in growth-focused small service firms seeks to provide a platform which allows small service firms to learn, grow and leverage strategic position. Such a framework does not exist for the small service firm and given the often dynamic and sometimes precarious environment that the small service firm OM operates in, it could offer a process for learning that effects growth.

From a policy perspective, recommendations from Power (2009), who wrote about the lessons to be learned in the lead up to the economic crash [2008-2012], included the need for a periodic review of the achievement of value-for-money in public expenditure:

‘National economic strategy requires continuous review to identify and up-date key economic growth sectors, public and private, in which Ireland possesses relative economic advantages’ (Power, 2009, p.255).

Considering the contribution that the service sector makes to Ireland and the fact that small firms represent the vast majority of organisations operating in this country (see sections 1.3 and 1.5 for details), this research seeks to contribute to Power’s (2009) vision for the national economic strategy. Specifically, as growth is not a characteristic of a specific subset of firms such as those in high-tech sectors, or those active in international markets (OECD, 2011), small service firms may very well be considered a key economic growth sector in the future. A report from the Global Entrepreneurship Monitor in 2014 goes as far as to suggest that balancing the dynamics of early stage entrepreneurial activity with the successful transition towards established growth should be one of the key concerns for any government and others responsible for the well-being of citizens. In that vein, there may be potential to advise Government policy to the extent that those small service firms receiving training supports could be founded on the conceptual framework resulting from this study, which may help to appraise the potential impact of those training and learning initiatives on small service firm learning and growth.

1.9 Conclusion

It has been established that small firms are important to ensure the stability of the global and national economy, and that they are responsible for the majority of enterprise-based employment throughout the World. It is in this vein that there is a legitimate case for ensuring the growth of such enterprises. The literature has further revealed that there are some deficiencies in the area of small firm and strategic learning research, which in turn may restrict growth potential. As such, this research will aim to address a specific area by exploring the perceived impact of a strategic learning plan on the growth-focused small service firm.

In considering this research topic, it is my intention to interact with small firm owners to promote action and with their engagement, establish a framework of strategic learning plans in growth-focused small service firms. In doing so, other small firms may see the approach to take and the benefit of a strategic learning plan on the small firm's growth aspirations and in doing so, may adopt a more forward thinking deliberate approach to learning as a result.

2.0 Introduction

This chapter examines learning theory and the specific approaches available to a researcher when engaging with it as a basis for this research. The alternative learning approaches are: behaviourist, cognitivist, humanist and social, each of which is reviewed within the chapter in order to identify the most fitting approach for this research. The chapter concludes with the rationale for the choice of learning approach taken in this study.

2.1 Learning theories in the workplace context

While there are a myriad of definitions offered throughout relevant literature, learning is defined by Buchanan and Huczynski (2004, p.110) as:

‘The process through which individual behaviours, values, attitudes and motives are influenced to conform to those as seen as desirable in a given social or organisational setting’.

This definition will be used for the purposes of this study.

Beneath this overriding definition of learning, there is a value in considering learning in particular contexts, in this case workplace learning. Solomon (1999) claims that while learning has always been a feature of working, learning at work has a new status in contemporary workforce discourse. Workplace learning becomes a cultural practice that is affirmed through the development of a mission and values statement, an identification of workers with corporate aims and the conceptualisation of the organisation as a site on on-going learning (Keaveney, 2009). Workplace learning has been described as a pedagogical strategy that serves as a bridge between theory and practice (Coll and Zegwaard, 2011), a valuable insight in relation to this study. It offers opportunities for experiential, reflective, action-oriented, discursive, participatory, relational and embodied ways of learning (Higgins *et al*, 2012), such as the learning intervention at the core of this study. In the context of this research, the owner/manager is the studied subject and considered to be the medium through which others in the organisation will learn. As such, learning is conceived of at the OM level, and the strategic learning plan intervention is in interaction with this individual. Senge (1990) suggests that organisations can only learn through individuals who learn, in this case the OM. While individual learning does not guarantee organisational learning, without it, no learning occurs (Keaveney, 2009). Thus, while it is anticipated that the OM may influence employee and organisational learning as a result of the strategic learning plan intervention, this is beyond the current study’s aim and objectives.

When considering learning in the context of the owner/manager, the four main personal orientations towards learning in an organisational environment are: behaviourist, cognitive, humanist (andragogy) and social/ situational (Table 2.1).

Theme	Behaviourist	Cognitive/ cognition	Humanist	Social/ Situational
Definition of learning	Learning occurs as a result of reward and punishment	The acts of perceiving, thinking, knowing and remembering	Learning is sought out in the pursuit of self-fulfilment	Learning occurs as a result of experience and environment
Learning process	Stimulus response	Mental processes	Personal act to fulfil potential	Experience led
Learner approach	Passive	Active	Self-directed (andragogy)	Social participation

Adapted from: Barker (1997)

Table 2.1 Main theories of learning in an organisation

Each of these orientations (Table 2.1) are discussed in the forthcoming sections and are considered in light of the research aim and objectives.

2.1.1 Behaviourist learning theory

Behaviourist or stimulus-response psychology of learning is the viewpoint that mental processes are not observable, and that what we learn are chains of muscle movements (Toates and Slack, 1990). Behaviourists take the view that learning is as a result of experience in that we use our past experience to change our behaviour in the future; and while both behaviourists and cognitive psychologists agree that experience affects behaviour; they disagree over how this happens (Buchanan and Huczynski, 2004). In the context of an organisation, the use of praise and encouragement by managers or the wish to avoid a punishment such as the loss of a bonus could be viewed as the manipulation of instrumental conditioning. The behaviourist account of what happens in learning is under challenge and criticism of the behaviourist learning theory includes that it is restrictive (Buchanan and Huczynski, 2004) and critically, that we may not all respond to a stimulus in the same way (Luthans and Kreitner, 1985).

In the context of learning in the small firm, this criticism holds true in that a small firm does not have the resources that a large firm has (Bretherton and Chaston 2005; Chinomona and Pretorius, 2011; Kelliher and Reinl, 2009; Merrilees *et al.*, 2011; Moyer, 1982; Robinson and Pearce II, 1984) and so may not be able to invest in the stimulus/

response approach to learning. Furthermore, behaviourism assumes that learning occurs when past experience is used to inform future behaviour and the learner is a passive receptacle. In the small firm, the learner (in this case the OM) is very active in the enterprise and relies heavily on networks (Haugen-Gasdal, 2008) and social interaction (Hannon *et al.*, 2000) to inform learning. Therefore, although behaviourist theory supports aspects of OM learning in the small firm environment (Kolb, 1984), the behaviourist style of learning is not the optimum underlying theory in this research.

2.1.2 Cognitivist learning theory

A second perspective on learning theory is known as cognitivist learning theory. Here, learning is a quantitative increase in knowledge, memorising of facts, skills and methods that can be retained and used as necessary (Behlol and Dad, 2010), as learning:

‘... is viewed as making sense or abstracting meaning, relating parts of the subject matter to each other and to the real world, interpreting and understanding reality and comprehending the world by reinterpreting knowledge’ (p.231).

Cognitive learning is associated with the ‘thinking’ part of human learning (Gunnigle *et al.*, 2006) with numerous aspects of knowing (Lloyd *et al.*, 1999) such as perception, memory, imagination, judgement, reasoning and problem solving (Garavan *et al.*, 2003) feeding into the act of learning. It takes the view that our behaviour is purposive, and that we can formulate plans for our purposes (Gunnigle *et al.*, 2006) while the feedback received can be processed, interpreted, given meaning and used in decisions about future behaviours (Piaget, 1896-1980; Vygotsky, 1896-1934; Kolb, 1984). This gives the learner a central role by becoming an active agent in learning as opposed to a reactive or passive one (Lloyd *et al.*, 1999).

The cognitivists work clarifies how similar behaviour learned previously can be prompted to be repeated by the actions of others, but does not explain how a new matching response is acquired observationally in the small firm context. Therefore, the cognitivist approach to learning will not be developed in this study as it does not allow for the origin of any observed events to be identified or how the learner might attach meaning to them. Table 2.1 provides us with a third perspective; the humanist learning theory.

2.1.3 Humanist learning theory

The humanist school of learning theory has been guided by those who believe that adults are motivated to learn and that learning is a personal act to enable the individual to use their maximum potential (Behlol and Dad, 2010; Wampold, 2012). This is in contrast to the behaviourist approach, which strives to cause the individual to learn as opposed to humanism where learning can only be facilitated (Wampold, 2012). Within this perspective, Driscoll (2000) purports learning to be a process of continuous change in human performance or performance potential and is of the opinion that learning must occur as a result of the learner's motivation, experience and interaction with the World around them.

Of note in the small firm arena is that the humanist learner has the capacity to make important personal decisions and choices within the constraints allotted by heredity, personal history and environment (Elias and Merriam, 1980). This is somewhat consistent with the small firm OM, whose personality can impact on the culture of the firm (Kelliher and Reinl, 2009) and who constantly makes choices based on constrained resource in their organisational environment. There are also similarities in Vaill's (1996) definition of learning and the OM's environment, as Vaill asserts that learning is a way of being, an on-going set of attitudes and actions by the individual and groups they deploy to keep abreast of the surprising, new, ambiguous, obtrusive and recurring events. The OM needs to be flexible enough to meet changing market needs and to be open to new opportunities in a changing business environment (Kelliher and Reinl, 2009). Finally, both Driscoll (2000) and Vaill (1996) perspectives are relevant to this research in their emphasis on the element of continuous change in human performance or performance potential and regarding on-going responses to events which are synonymous with the small service firm.

However, the humanist premise of learning theory presents some trials for its selection as a suitable option in context. Humanist learning should focus on practical problem solving in which past experiences should be used (Elias and Merriam, 1980). The learning environment should also permit the learner to progress at a pace suited to the individual according to their mental capacities and interests (Behlol and Dad, 2010). Given the tentative and often unchartered course of small firm inception and potential growth, and because the humanist approach focuses entirely on the development of the individual and

the maximising of that person's potential, and not on that of a community or enterprise; it is considered inconsistent with this current research, albeit with a caveat that the OM has significant influence on the small firm success. A more suitable approach would consist of a learning approach that considers the relationships between people and their environment and herein, there is the school of social or situational psychology, which is the fourth perspective on learning theory (Table 2.1).

2.1.4 Social learning theory

Social or situational learning theory (SLT) argues that we learn the 'correct' behaviours through experience and through the examples or role models that other people provide (Buchanan and Hucznski, 2004) and is considered to be of particular relevance to understanding the dynamism of small firm learning (Deakins and Freel, 2009). SLT is defined as the process through which individual behaviours, values, attitudes and motives are influenced to conform to those as seen as desirable in a given social or organisational setting (Buchanan and Huczynski, 2004). Bandura (1977, 1986) introduced a social dimension to learning theory and presented that much of our experiences are picked up directly or indirectly, through our observations of other people. When compared with cognitivist learning theory, SLT alters the focus from managing knowledge assets to studying knowledge associated processes and in doing so, substitutes the premise of static knowledge with that of dynamic knowing (Chiva and Alegre, 2005). Comparatively, SLT considers that learning and knowledge are not bound to the individual personality of the learner but is made up of social processes (Rae, 2002; Rae and Carswell, 2001; Taylor and Thorpe, 2004).

This social aspect of learning suggests that it is necessary to have a supportive learning environment which might take the form of a supportive leader or manager, work colleagues, family and friends (Gunnigle *et al.*, 2006; Buchanan and Hucznski 2004). This is consistent with the pivotal organisational learning role of the owner/ manager in a small firm environment (Kelliher and Henderson, 2006). Furthermore, Bandura (1977, 1986) posits that new behaviours are learned by observing or copying the behaviour of others, in the absence of any reward or punishments.

The culture of the small firm can be conceived of as an extension of the OM (Sadler-Smith *et al.*, 2001; Barnett and Storey, 2001; Buchanan and Hucznski, 2004) and a small

firm's cultural values are embodied in their learning orientation (Wolff *et al.*, 2015). Thus, it is appropriate to consider the OM's social learning processes in interaction with the small firm team and with the firm's customers, suppliers, networks and wider stakeholder group. Bandura (1977) provides us with a useful insight into what are termed interrelated sub-processes required in order to facilitate social learning:

1. Attentional processes
2. Retentional processes
3. Motor reproduction processes
4. Reinforcement and motivational processes

The theory of social learning is most generally aligned with learning in the small firm. Bandura (1977) points out that social learning theory distinguishes between acquisition and performance because people do not enact everything they learn (p.28), which is of specific relevance to this study when small firms are dependent on the OM and a relatively limited number of employees to enact the learning strategy. Learning from social experiences allows the OM (and one can assume their employees) to identify problems such as uncertainty and complexity of professional firms and to instil an enduring curiosity to question why things are done the way they are, and to develop life-long learning skills (Kemmis, 2012). Learning at work in this manner requires learners to develop their socio-cultural, discursive and relational abilities, such as communication skills, teamwork skills, taking initiative and responding to situations appropriately (Trede and McEwen, 2015). Supportive of this view is Hamilton and Langhorne (2011) who posits that small firm learning is embedded in everyday practice and Tusting (2005), Wolff *et al.* (2015) and Gibb (1997), who each hold the view that learning is an inherently social as well as individual phenomenon, a reality that is anticipated in this study. Applying the social/ situational perspective in this study does not discount entirely the other alternatives (Table 1.1), rather it presents an optimum platform in light of the research aim (Table 2.2).

Theme	Description	Literary Support
Small firms learn primarily through social learning (SL)	Small firms are most suited to learning via SL whereby they conform to behaviours, values and motives perceived as desirable in a similar organisational setting.	Chiva and Alegre, 2005; Rae, 2002; Taylor and Thorpe, 2004; Deakins and Freel, 2009.

Table 2.2 Social learning in a small firm setting

With reference to the link between learning and growth, this is considered by Lloyd *et al.* (1999) to be dependent on the interactions of persons and their environments while Levinthal (1996) stresses the need for an entrepreneur (or in this case, small firm OM) to adapt to their environment as a form of learning. Wolff *et al.* (2015) purport that small firm growth is a function of the firm's learning orientation and that firms who are open to learning may be faster to identify opportunities that facilitate growth. Hannon *et al.* (2000) and North *et al.* (2016) each hold that in order for a small firm to grow, it is necessary to have the ability to learn how to adapt to changing environments and further, that such learning can happen within the day-to-day transactions of the small firm through their enagagment with many stakeholders.

2.4.1.1 Social learning and its impact on organisational power, politics and internal dynamics

The social perspective on organisational learning focuses on the way people make sense of their experiences at work (Easterby-Smith *et al.*, 1999), they may experience learning from explicit information such as financials or from a tacit source such as an intuitive 'feeling'. Taking an intuitive lens, learning is something that emerges from social interactions, normally in the natural work setting (Easterby-Smith *et al.*, 1999). Through these interactions, sociologists have become aware of the central role that learning plays in the internal dynamics and politics of organisational life (Coopey, 1995). A consequence of this is that the research field has become conceptually fragmented and representatives from the various disciplines contend the issue of who has the 'correct' model for organisational learning (Easterby-Smith *at al.*, 1999). One debate which has emerged from the literature is whether theorists should try to move toward a single integrated framework or draw from a multitude of perspectives (Easterby-Smith, 1997). One issue facing the social learning approach is that managers do not necessarily follow the logical information laid before them, they may distort and suppress information for political reasons (Coopey, 1995) or for their own gains. In the case of the small service firm, the OM is the heart of the organisation, such that social interactions between this individual and other members of the firm dictates the internal dynamics of the enterprise.

Organisational learning is thought by some authors as socially constructed, a political process which is implicated in the culture of the organisation. New entrants to an

organisation, for example, will learn the unwritten information about how to perform effectively through informal exchanges with more experienced people through the use of anecdotes and war stories (Orr, 1990). This is particularly true of small firms, where the organisational culture is often an extension of the OM's personality (Kelliher and Reinl, 2009). Similarly, Senge (1990) sees political activity as a potential threat to learning and focuses on the need for dialogue with the OM to ascertain the culture and nature of the organisation (Schein, 1996). This view reinforces the OM's centrality as the organisation's social epicentre.

When contemplating the eradication of politics in an organisational setting, Coopey (1995) posits that it is impossible to eliminate organisational politics because they are a natural feature of any social process, of which work is one. If indeed, learning is socially constructed by individuals and groups, it is inevitable that particular interpretations will suit the interests of some and harm the interests of others (Easterby-Smith *et al.*, 1999) giving rise to conflict. In the small firm setting, decision making is centralised, amplifying the likelihood that the OM interests are pursued above those of employees; while challenging such decisions can be detrimental to employees (Kelliher, 2006).

A further tenet is that of power in the social learning realm. Increasingly, within organisations, the interpretive process is mediated by power relations. Departments, functional groups and project teams will organise themselves to present information internally in a way that suits their purposes. What is needed therefore are conceptions of organisational learning which embrace cultural nuances of the organisation (Easterby-Smith *et al.*, 1999). The trend is strengthening the social perspective on organisational learning and the evolution of methodologies that enable it to be investigated empirically. Thus current study seeks to *investigate the perceived impact of a strategic learning plan intervention on growth-focused small service firms' viability in the Irish context*; underpinned by the social learning perspective. As such, it acknowledges the internal dynamics affiliated to this approach in a small firm setting and in doing so, remains focused on the OM as the central tenet of learning in a small firm setting.

Thus, strategic learning is of value to a small firm, particularly in light of their dependency on a dynamic business environment for sustainable growth. The potential for strategic learning to be linked with small service firm growth is explored more fully in

Chapters Three and Four. When combined with the central ethos of SLT as highlighted above, this learning theory is considered most appropriate in light of the research aim.

2.2 Learning levels in the small service firm setting

In order to assess depth of learning in an organisational setting, it is important to establish the OM's learning level in the context of this research. In pursuit of this goal, Argyris and Schön (1978) differentiate between single-loop, double-loop, and triple-loop learning in the organisational setting:

- a) *Single-loop learning*: Single-loop learning is linked to incremental change, where an organisation tries out new methods and tactics and attempts to get rapid feedback on their consequences in order to be able to make continuous adjustments and adaptations (Easterby-Smith *et al.*, 1999). Many small firms deploy single-loop learning by using existing knowledge and their own experience to improve the efficiency of current operations (Hendry *et al.*, 1995). Specifically, members of the organisation respond to internal and external environmental changes by detecting errors, which they then correct so as to maintain the central organisational features, and therefore, organisational norms remain unchanged (Kelliher, 2006). In essence, a firm's ability to remain stable in a changing context denotes a kind of learning (Kelliher, 2006). Thus, the gratification that comes from problem solving (Romme and Dillen 1997; Tucker *et al.* 2002; and Fiol and Lyles 1985) can contribute to the use of single-loop learning in organisations. From this research perspective, the use of single-loop learning can be associated with the behaviourist orientation of learning (table 2.1 above) whereby the approach is reactive in the main. While this approach has its uses, particularly in the nascent stages of a business, it is ineffective as a long-term approach to learning in the growth-focused firm due to the dynamic and often ambiguous nature of the small service firm and its commercial environment.
- b) *Double-loop learning*: This type of learning requires management to recognise that the existing operations conflicts with the problem solution and must therefore be changed. It is associated with radical changes, which might involve a major change in strategic direction and revision of systems (Easterby-Smith *et al.*, 1999). Double-loop learning responds to errors, which require an organisational learning cycle in which the organisational norms themselves are modified (Simpson, 2001). Its best application is to be

integrated with work on a real time basis, incorporating feedback loops between ideas and actions (Kolb *et al.*, 1986). Chaston *et al.* (2001), Revans (1982) and Stacey (1990) all advocate the need for double-loop learning in small firms to cope with ‘open-ended’ change in a dynamic environment (Dutta and Evrard, 1999; Wyer *et al.*, 2000). From a strategic learning plan perspective, double-loop or second order learning involves the cognitivist approach to learning whereupon the use of existing knowledge assets are used to inform future action. Double-loop learning has a place in the strategic learning plan for the small service firm whereupon the outcomes of any intervention are used to then inform the next potential intervention.

- c) In *triple-loop learning*, the organisation, through the OM, learns how to restructure itself, at regular intervals, so as to exploit the new technologies generated by research and development activity (Kelliher, 2006). This is a familiar concept in the context of organisational learning curves, as OMs reflect on previous learning interventions and discover what they did to facilitate or arrest each preceding learning event. The OM then invents new strategies for learning based on their reflective outcomes and evaluates and generalises what they invent to create strategic learning practice. This is of particular relevance to the current study whereupon it is considered that each organisation can create or at least contribute to its own future growth through the use of a strategic learning plans.

The question remains as to whether learning loops happen autonomously or as an interaction with each other. Foldy and Creed (1999) suggest a chronology; where double-loop learning cannot occur without single-loop learning; and triple-loop learning proceeds from single and double-loop activity. Therefore, based on this appraisal, learning is a dependent progressive action from single-loop to triple-loop learning in the small service firm setting. Thus, the challenge for OMs is when and how to promote learning in order to strategically benefit from learning in pursuit of growth.

4.4.1 Promoting learning depth in a small service firm setting

As highlighted in the preceding section, learning is addressed in terms of progressive learning loops (Argyris & Schön, 1978; Senge, 1990) rather than as a distinct entity to be fulfilled at the start of a strategic learning plan. Underlying this progression is the way in which small firms learn. When approaching basic skill development, training is straightforward and centres on hands-on skill practice, rooted in single-loop problem solving. Higher-level learning is more complex, as the OM and their team adjust to the new organisational roles and new skills required as a result of the strategic learning plan. This involves unlearning traditional business practices, while simultaneously learning new behaviours (Robey et al., 2002). This is an important aspect of the strategic learning plan, as unlearning information gathered in the past is essential so as not to tie the organisation to the past (McGill & Slocum, 1993).

Based on the extant research, the OM will need to embed the learning in their work environment even after formal training ends (Ryan et al., 2002). Consequently, learning is not complete at the end of the initial training delivery, but rather at the establishment of better practice. This requires the OM to ensure that he or she communicates what has been learned and how that learning can be embedded in the work setting. Thus, the assumption is that training, while helpful in getting OMs started, is not sufficient to generate growth in this environment; conceptual and procedural learning must have occurred (Sahay and Robey, 1996) when pursuing this goal. Therefore, a pertinent strategic learning plan should include a continuous learning ethos, incorporating further development of the OMs' knowledge to facilitate learning at all organisation levels following implementation of the strategic learning plan (Ryan et al., 2002, supported by Gomez et al., 2004; Ruiz-Mercader et al., 2006; Ulrich et al., 1993).

2.2. Conclusion

This chapter has provided a review of learning theory and the various alternatives therein. It has been shown that for the purposes of this research the definition of SLT is learning through the observations, relationships, failures, environment and social practices associated with a small service firm. The identified theme is that small firms learn primarily through social learning (Table 2.2) and this SL theory will be further delineated in subsequent chapters.

In the next chapter, the author will review relevant literature along the theme of small service firms and strategic planning, with particular emphasis on the environment of the small service firm and what influence that may have on the firm's approach to strategy and planning.

3.0 Introduction

As highlighted in Chapter One, the importance of the small firm to economic growth has been expressed by a number of authors (Storey and Greene, 2010; Deakins and Freel, 1998; Blanchflower, 2004; GEM 2014). This chapter examines Ireland's small firm environment and how that environment can influence the approach to strategy planning. It starts with a review of the importance of small firms to the Irish economy and what the factors are that might influence the creation and growth of a small firm, followed by a look at the longevity of small firms. The impact of the internal characteristics of a small firm are explored here; as is the topic of strategy planning in the small firm environment. The chapter closes with a review of growth perspectives in the small firm and the relevance of the resource-based view (RBV) when contemplating strategic planning in this setting.

3.1 Relevance of small firms to the Irish economy

While Ireland enjoys a reputation as being one of the World's most globalised economies, almost half (47%) of workers are employed by indigenous small firms (Action Plan for Jobs, 2013). Over 97% of businesses operating in Ireland are small based on the EU (2011) definition; they equate to a quarter of a million businesses and employ approximately 770,000 people (Report of the Small Business Forum, 2011; CSO, 2013). These firms span a wide array of sectors such as software, medical devices, food production, digital content, tourism, professional and personal services. These firms generate significant employment (DJEI, 2011; Report of the Small Business Forum, 2011; CSO, 2013) and contribute 37.9% to Gross Value Added (GVA) in the Irish economy (CSO, 2013).

Small Irish firms are also commonly referred to as an important source of innovation and economic growth (CSO, 2013; GEM, 2013; Forfás, 2014; Bolton Report, 1971; Government of Ireland, 2008) and are thought of as one of the critical factors of economic regeneration (European Centre for the Development of Vocational Training, 1989; Government of Ireland, 2008). Specifically, it is believed that small firms play a critical role in helping Ireland to return to economic growth (DJEI, 2003; Government of Ireland, 2008; Action Plan for Jobs, 2016) following the global recession (2008-2012). Further, the establishment of a positive environment for starting and growing a business is imperative for the sustained generation of employment and development of the future economy (Government of Ireland, 2008).

Of note is that there is a paradigm shift away from industrial, production based companies towards knowledge based and information based ones (Scarborough *et al.*, 2009). In 2007, some €432 million of investment capital was used to create 210 high potential start-ups companies (Government of Ireland, 2008) under a knowledge economy initiative. The small firm service sector in particular, is emerging as a key contributor to economic wellbeing (Kenny, 2015; Government of Ireland, 2015; Duffy *et al.*, 2016), a growing sector archetypal of high-knowledge-content services (Theodorakopoulos and Figueira, 2012). Firms operating in this sector are considered to carry socioeconomic significance, as they influence productivity and allow small firms to compete more effectively with large firms (EITO, 2006; Leiponen, 2012). These are among the reasons that the small service firm has been selected as the focus of attention

for this study.

There is also a qualitative value of small firms to a national economy worthy of note. Small firms are geographically dispersed nationwide (OECD, 2006; Government of Ireland, 2008) and add value through personal relationships and superior knowledge of their customer (Scarborough *et al.*, 2009). Small firm OMs are often among the most respected and trusted people in their communities as they realise the importance of the small firm to the local and national economy (DJEI, 2011; Macken-Walsh, 2009; Scarborough *et al.*, 2009). Thus, small firms have potential to address the peril of economic exclusion that rural business communities can face (Anderson, 2000) such as access to employment and job opportunities, which makes the importance of small firms particularly relevant in rural and regional areas (Barrett *et al.*, 2004; Drda-Kühn and Wiegand, 2010). In sum, both the macro and micro literary evidence highlights the importance of balanced domestic demand for employment and this means creating and growing small firms throughout an economy. Thus, it is pertinent at this point to include the significance of the rural small firm and how business establishment in a rural area is considered to be based on the creation of new employment opportunities for rural dwellers (Stathopoulou *et al.*, 2004).

Notably, the conventional aims of small firm OMs often come late in the agenda of objectives due to the reality that establishing a new enterprise may be the only way of providing employment to the owner and their family (Greenbank, 2001). While business owners can be more concerned with creating employment for their family members and how they are perceived in their community than they are with economic factors (Cross *et al.*, 2013); the positive contribution in terms of employment and innovation to economic development both at a local and national level is accepted by authors such as Smallbone *et al.* (2000); Byrom *et al.* (2002); Robertson (2003) and Chen *et al.* (2009).

3.2 Catalysts for small firm creation

A range of factors have led to an increase in small firm ownership in Ireland. Given the critical role small firms play in the Irish economy (see section 3.1), it is unsurprising that there is a renewed focus on the supports in place for small firms which include: tax reform, new funding streams, local enterprise offices and upskilling opportunities (Action Plan for Jobs, 2013). According to a report from the World Bank (2016), Ireland ranks as seventeenth out of 189 countries as a place to do business, the twenty-fifth easiest place to establish a business in the World, and the seventh best location for ease of start-up regulation in Europe. Another factor is the increase in the level of education afforded to Irish inhabitants (Fitzsimons and O’Gorman, 2011) through which a growing number of graduates see owning their own business as a viable career option (Scarborough *et al.*, 2009). Others have worked as employees in their prior career and after being made redundant or deciding to move into ownership, may set up a business (Fitzsimons and O’Gorman, 2011; Storey, 1994).

While business owners may have been employed elsewhere prior to establishing their own business or may open a business as their first career choice following formal education, Carter and Jones-Evans (2006) consider that there are a percentage of those who have entered self-employment now who were previously unemployed. This perspective correlates with evidence from the literature which shows that the average age of a person who starts a business is between the ages of 25 and 44 (Fitzsimons and O’Gorman, 2011) which is the age bracket of the majority of unemployed people in Europe today. Of note is that this cohort is less likely to succeed in their small firm venture due to a lack of skills and attributes required for success (GEM, 2014; Carter and Jones-Evans, 2006).

3.2.1 New business support structures

Ireland has a strong network of public agencies designed to support the small firm sector. There are also some favourable tax regimes in place for these firms; for example, the environment for start-ups includes exemption from corporate tax for the first three years of operation (Government of Ireland, 2008). Advances in technology and e-commerce has also had a positive impact on the numbers of entrepreneurs opening businesses, as remote technology makes it easier for a small firm OM to run the business successfully

from their home initially (Scarborough *et al.*, 2009). This is of particular advantage in the service sector where a small firm OM may not require physical production or commercial facilities. Finally, a growing number of business owners may choose the rural option for their small firm operation so that they may follow a particular lifestyle, one which also allows them to make a living and derive personal satisfaction from their business (Stathopoulou *et al.*, 2004).

Despite the favourable supports for small firm formation and their unquestionable importance to the economy, the high rate of small firm failure (Watson and Everett, 1996) and lack of growth among the majority of small firms arouses interest, and in particular, highlights the potential that strategic learning might have on reversing this trend. The government of Ireland recognises the requirement to reduce the administrative burden that exists in small service businesses whilst attempting to navigate the plethora of available supports for early stage and growth-focused businesses (Action Plan for Jobs, 2016). Other challenges presenting in this milieu include; the availability of skills, enhanced firm productivity, cost of doing business, innovation challenges and sourcing funding for growth initiatives (McGrath and O'Toole, 2014; OECD, 2012; Management Development in Ireland, 2010; Action Plan for Jobs, 2016).

3.2.2 Survival rates of small service firms

Despite the benchmarking studies that Ireland undertakes and participates in regarding trends in the small firm sector, value added tax (VAT)¹ registrations remains the primary source of data on company births and deaths and it is difficult to acquire recent data from the literature in this area. It is evident that employment in small service firms decreased from 2008 to 2011 (CSO, 2013), during the height of the global economic crisis. Economic shocks aside, DTI (1997) found that less than fifty-five per cent of new VAT registrations survive for longer than three years and less than forty per cent survive longer than five years. Presently, it is difficult to find any more recent statistics on the survival rates of new enterprises and this is a recognised deficit according to Goodbody (2002) who recommend that the Central Statistics Office and Revenue Commissioners (Ireland) explore ways that such information can be made available to stakeholders who

¹ VAT is Value-Added Tax (VAT) is a tax on consumer spending. VAT-registered traders collect it on their supplies of goods and services effected within the Irish state, for consideration, to their customers (Revenue Commissioners 2016).

analyse the area as they advocate that an understanding of the reasons around births, deaths and growth of small firms is critical to the evolution of the sector and to the economy at large.

The DTI (1997) statistics are reinforced in international studies, where it was found that only thirty per cent of new firms survive beyond six years (Cressy and Storey, 1996), and firm survival is lowest when the firm is small and young (Lechner and Vidar Gudmundsson, 2014). It is worth noting the difference between (i) business termination, and (ii) business failure as defined by Hatten (2006) - business failure means that a business closes with a financial loss to a creditor and business termination is when a business ceases to exist for whatever reason (a buy-out for example). More recently, Stokes and Wilson (2010) expressed the view that despite the growth in numbers of business entities, small firms continue to be an unsettled part of the economy due to the large numbers entering and exiting each year.

Of note is the fact that the number of OMs in Ireland is eight per cent of the working population or approximately 262,000 people (CSO, 2013) which is a decrease from nine per cent in 2008 (Fitzsimons and O’Gorman, 2011). Thus, in remaining cognisant of the difference between a small firm failing and merely ceasing to exist due, perhaps, to being bought out, Fitzpatrick (2001) reminds us that a distinction is required between internal factors (those unique to the enterprise) and external factors (factors within the trading environment of the enterprise, for example, the recent global financial crisis, subsequent recession and return to growth), each of which are discussed in the forthcoming sections.

3.3 Impact of internal characteristics on small firm growth

It is generally agreed in the literature that one of the most helpful ways to categorise the internal characteristics of a small firm comes from the Bolton report (1971) whereupon three essential characteristics of a small firm can be summarised: (1) a small firm is managed by its owner in a personalised way; (2) it has a relatively small share of the market in economic terms; and (3) it is independent in the sense that it does not form part of a larger enterprise and its ownership is relatively free from outside control in its principal decisions. There is however some debate regarding the accuracy of Bolton's perspective. While Hatten (2006) broadly accepts Bolton's (1971) criteria, stating that a small firm is generally considered small if it is independently owned, operated and financed; has fewer than 100 employees and has relatively little impact on its industry; Storey (1994) is somewhat critical of Bolton's (1971) definition because he does not consider it to be obvious when the focus of management shifts from OM to functional or hierarchical structure in a growing business.

Of note in this study is that small firm research reflects the fact that internal factors are more influential than external ones in a small firm (Fitzpatrick, 2001; Kelliher and Henderson, 2006; Wolff *et al.*, 2015). Poor advertising and marketing (Fitzpatrick, 2001), lack of financial and strategic planning (Lechner and Vidar Gudmundsson, 2014), inadequate liquidity and a lack of knowledge of the market (Wolff *et al.*, 2015) are some of the most common causes of internal challenges for a small firm, particularly when decisions are confined to the OM. The first of these, small firm strategy planning, is considered in the forthcoming sub-section.

3.4 Approaches to strategic planning in the small firm

Business strategy is the means by which a firm competes and attempts to achieve its goal within the industry (Miles *et al.*, 2000). Brush and Chaganiti (1999) advise that it is the arrangement of the small firm's internal resources and capabilities that allow it to pursue any growth objectives and will often be an indicator of its strategy (Shelton, 2005) and that these arrangements will feature in growth decisions (Chandler and Hanks, 1994). As discussed earlier, OM's who launch businesses may not achieve full potential because they have not considered, designed and created a workable strategy that sets them apart from their competition (Stokes and Wilson, 2010; Zimmerer *et al.*, 2008; Lechner and Vidar Gudmundsson, 2014). A quantitative study completed by Gupta and Golec (2012) on the question of how customer metrics might be used by investors to value a growing firm, concludes that growth service firms tend to disclose customer metrics more frequently than non-growth ones, thereby reducing uncertainty and suggesting the use of an underlying strategy from within the business. Because small firm owners are usually action-oriented people (Stokes and Wilson, 2010), the tendency is for OM's to start a business, try a number of approaches and 'see what works' (Deakins and Freel, 1998) rather than formally setting out a strategic plan. However, as firm survival is low when firms are small, it is generally accepted that the development of effective business strategies is critical for the continuity of the small firm (Hussey, 2001; Beal, 2000; Thornhill and Amit, 2003; Lechner and Vidar Gudmundsson, 2014).

For those who do pursue strategic planning from a small firm perspective, defining it can be a challenging but critical task (O'Regan and Ghobadian, 2002) as there are common themes associated with strategy planning in the small firm context (Table 3.1):

Theme	Small firm context	Authors
Level of formality	Tend to be informal	Mintzberg, 1994
Challenges	Effectiveness and efficiency	Drucker, 1977
Goal setting	OM may lack skills	Mazzarol <i>et al.</i> , 2009
Resource-dependent	Resources constrained or unavailable	Stokes and Wilson, 2010
Planning capabilities	Deliberate learning as a means of developing small firm capabilities	Kelliher and Henderson, 2006; North <i>et al.</i> , 2016
Entrepreneurial orientation (EO) toward strategic planning	EO dimensions influence the relationship between competitive strategy and firm performance	Lechner and Vidar Gudmundsson, 2014; Pelham, 1999

Table 3.1 Strategic planning themes

Mintzberg (1994) purports that planning sits toward the formal end of the continuum of organisational behaviour and in later literature, Mintzberg (1998) describes strategic planning as a pattern and observed consistency in behaviour. In perhaps more practicable terms, Drucker (1977) simplified strategic planning into two core challenges: efficiency and effectiveness. Efficiency is defined as ‘doing things right’ such as day-to-day operations, and effectiveness is defined as ‘doing the right things’ such as focusing on the correct tasks and priorities. For the purposes of clarity, the definition of strategic planning in the small firm context, as defined by Chandler (1962) and referred to by Peel and Bridge (1998) is:

‘The determination of basic long-term goals and objectives of an enterprise and the adoption of courses of action and the allocation of resources necessary for carrying out these goals’ (p. 849).

This definition is supported by a number of writers. Ackoff (1974) states that formal strategic planning is about having long range objectives and the pursuit of them and how that affects the entire organisation. Stokes and Wilson (2010) found that planning provides the necessary direction to appoint resources to the enterprise in a viable way and it is ‘the guiding process used to identify the direction of the business’ (Hatten, 2009, p.67); while O'Regan and Ghobadian (2002), having assessed that strategic planning is any effort to differentiate a company's strength from its competitors in the most efficient and effective way, conclude that strategic planning aims to increase performance by placing the direction of the organisation as the centre of attention.

In contrast, Grant (2003), in an exploration of how the strategic planning practices of companies have adapted to a world of rapid, unpredictable change, offers that those elements that impact a company from the outside or external environment are challenging the case for formal strategic planning. External instability (Wilson, 1997) and complexity (Kukalis, 2009) led to greater informality in the strategic planning process such as less documentation and pliable schedules (Grant, 2003). This perspective is more attuned to the small firm environment.

3.4.1 Level of planning formality

Many small firms do have some form of planning focus (Grant, 2003; Kraus and Schwarz, 2006) however, few apply such formal planning tools as a vision statement, mission statement, business plan and/ or organisational strategy (Mazzarol *et al.*, 2009, Kelliher and Reinl, 2009). This informal approach is influenced in part by the lack of certainty faced by OM's and/ or their lack of managerial expertise (Mazzarol *et al.*, 2009). Kelliher and Reinl (2009) and North *et al.* (2016) reinforce this view, stating that limited internal expertise curtails planning activities in small firms, particularly in non-growth firms (Skrt and Antoncic, 2004). Of note is that those small firms who have a formal documented strategic plan enjoy stronger support networks, formal quality assurance and the capability to lead change among employees (Reinl and Kelliher, 2010; Honig *et al.*, 2012; Kraus and Schwarz, 2006; French *et al.*, 2004; Berry, 1998; Berman *et al.*, 1997; Mazzarol *et al.*, 2009).

Of particular note is the finding that the more formal the plans and the more planning instruments that are used for strategic planning activities, the more successful a small firm is likely to be (Stonehouse and Pemberton, 2002). Formality in strategic planning relates to fixed timescales, reliance on documentation and written reports (Grant, 2003). Strategic planning also plays an important part in improving performance (Peel and Bridge, 1998; Kraus and Schwarz, 2006; Lechner and Vidar Gudmundsson, 2014), and specifically in small firms where there is a significant relationship between planning and net profit (French *et al.*, 2004). Furthermore, growth firms use strategic planning practices to a higher extent than non-growth firms (Skrt and Antoncic, 2004; Lechner and Vidar Gudmundsson, 2014), offering evidence that planning positively influences growth in small firms. Notably, if an OM then implements growth strategies based on these plans, research on the efficacy of growth oriented small firms indicates that they will survive at twice the rate of non-growing firms (Phillips and Kirchoff, 1989).

Given that many small firm OM's may not have the skillset to engage in formal strategic planning (Mazzarol *et al.*, 2009; Chinomona and Cheng, 2013), Moyer's (1982) strategic planning steps offer insight into the planning process for the OM which include: business definition, environmental analysis, goal setting and customer analysis. While this list is comprehensive and inclusive, it assumes that a small firm will have the time, capabilities and resources required to carry out and document each step within the business setting,

which is not always the case due to inherent resource constraints in this domain (Bretherton and Chaston 2005; Kelliher and Reinl, 2009; Moyer, 1982; Robinson and Pearce II, 1984; Stanworth and Gray, 1991).

3.4.2 Strategic planning: a resource-based view

The resource-based view of strategic planning perceives the firm as a unique bundle of resources and capabilities where the key task of the OM is to maximise the value through the most appropriate use of resources (Grant, 1997) in order to achieve sustainable competitive advantage (Barney, 1986). Providing support from Rice and Hamilton (1979) and Cohn and Lindberg (1972), Robinson and Pearce II (1984) contributed four reasons for the lack of strategic planning in small firms:

1. *Lack of time*; OMs cite time as a key constraint as they struggle to plan while in the face of day-to-day operational tasks;
2. *Getting started*; OMs are unfamiliar with planning information sources and know-how;
3. *Broad Expertise*; OMs are usually generalists and lack planning expertise;
4. *Lack of trust and openness*; OMs are often guarded about their business and hesitant to share plans with outside consultants.

These reasons concur with the views of Walsh and White (1981), McAdam (2002), Kelliher and Henderson (2006), among others who hold the view that many models, frameworks, tools and business improvement techniques originate in large private sector organisations and are then applied to and/ or used by small and medium-sized enterprises (SMEs) without consideration of their unique business configuration. This approach is fundamentally flawed because such tools and techniques are not addressing the unique characteristics, capabilities and resource constraints of the small firm as they assume the same human and financial resource that is available in larger firms. Of particular relevance to this proposal is the finding by McAdam (2002) and supported by Robinson and Pearce II (1984), Thong (1999) and Chinomona and Cheng, (2013) that training content and associated examples are based on large organisations and do not address the resource constraints and unique capabilities of smaller firms.

3.4.3 Strategic thinking in the small firm setting

While encouraging a rethink of strategic planning in the face of an uncertain external environment as is typical of the small service firm environment, Grant (2003) submits that scenario planning as well as strategic intent might serve them better when in pursuit of sustainable business activity. *Scenario planning* is where a company might engage in multi-scenario evaluation (Schoemaker, 1995) in favour of a single point forecast and *strategic intent* takes cognisance of the ambivalent nature which precludes planning to any detailed extent and so strategy is primarily concerned with establishing broad boundaries for the development of the enterprise such as a vision and clarity of direction (Grant, 2003);

‘The key contribution of scenario planning might not be so much the creation of strategic plans so much as establishing a process for strategic thinking and learning’ (Grant, 2003, p.493).

When contemplating the future for an organisation it is useful to carry out strategic thinking, encapsulating three areas: i) the things we know, ii) the things we know we don’t know, and iii) the things we don’t know we don’t know (Schoemaker, 1995).

McAdam’s (2002) results are supported by Stonehouse and Pemberton (2002); who found that while there is evidence of business planning in small firms, there is less evidence of strategic thinking. Strategic thinking is derived from mainstream strategic management literature and comprises three parts - strategy content, process and context (De Wit and Meyer, 2004). Strategic thinking exists in small firms, it concentrates on internal financial analysis, while the application of recognised tools of classic strategic planning is less obvious (Kenny, 2015; Brinckmann *et al.*, 2010; Stonehouse and Pemberton, 2002).

When considering the means by which strategic thinking can be encouraged in these business settings, Kraus and Schwarz’s (2006) suggestion that the business plan should be approached as a management and learning tool as opposed to being written solely as a method of producing funding in these firms is noteworthy. These authors revealed a positive correlation between the length of time spent on strategic planning and the success of a small firm, a findings consistent with Peel and Bridge (1998) and French *et al.* (2004). Each of these authors point to the need for formal strategic planning but do not explicitly clarify its value or purpose in the small firm setting, nor do they set out criteria for strategic thinking and ultimately learning. This is despite the finding that a restricted

learning environment can impede a small firm's capabilities, and over time, erode their competitiveness (Kelliher and Reintl, 2009; North *et al.*, 2016). This insight into strategic planning and its impact on small firm strategic thinking and small firm learning contributes to this research by considering whether or not a strategic learning plan may impact growth in small service firms.

3.4.4 Strategic learning plan

A diverse set of definitions abound for a strategic learning plan and most are anchored in the context of formal education (Stark *et al.*, 1980), with Eisner, (1979) defining a learning plan as a series of planned events that are intended to have educational results. Perhaps the most fitting in the context of this research comes from Tanner and Tanner (1980) in Stark *et al.* (1980, p.53):

‘The planned and guided learning experiences and intended outcomes, formulated through the systematic reconstruction of knowledge and experiences, for the learner’s continuous and wilful growth in personal-social outcomes’.

Such a plan might include the specification of what knowledge, skills and attitudes are to be learned; the selection of subject matter or content within which learning experiences are embedded; a design or structure intended to lead to a specific outcome for learners of different types; the processes by which learning can be achieved; the materials to be used in the learning process; evaluation strategies to determine if skills, knowledge and attitudes have changed and a feedback loop that facilitates and fosters adjustments in the plan to increase learning (Stark *et al.*, 1980).

The OM is central to the learning orientation of the small firm (North *et al.*, 2016) and to whether a formal or informal strategy is pursued within the small firm setting. Accordingly, the role of the small firm OM is critical in the potential facilitation of any strategic learning.

3.5 The role of the small firm owner/ manager in facilitating strategic learning

In the small firm environment, the OM's influence reaches beyond organisational structures and into the cultural make-up of the organisation (Sadler-Smith *et al.*, 2001; Barnett and Storey, 2001; Wolff *et al.*, 2015), suggesting that the primary source of small firm values are the views of the original founder (Schein, 1983; Robbins, 2003). Daft (2001) concurs:

‘Though ideas that become part of culture can come from anywhere in the organisation, an organisation's culture generally begins with a founder or early leader who articulates and implements particular ideas and values as a vision, philosophy or business strategy’ (p. 314).

In contribution, Buchanan and Hucznski (2004) foster the opinion that the founder has an idea for a company and brings in other people which create a core group. This core group share the vision and values of the founder and transmit it from one generation of employees to the next (Daft, 2001; Buchanan and Hucznski, 2004; Garavan *et al.*, 2003) due to the fact that they were selected by the founder. The literature further yields that the identity of the OM, the small firm and the available social and business networks are the source through which the accumulation and application of knowledge is achieved (MacPherson and Holt, 2007).

A common feature of this ‘owner led culture’ is what Fitzpatrick (2001) refers to as the ‘one person’ problem whereby oftentimes all of the enterprise responsibility is invested in one person (Miles *et al.*, 1978) who may not have the appropriate range of competencies (e.g. knowledge, skills and attitude) or may not have the time to apply them. For example, Rowe *et al.* (2004) found that the OM might have good technical skills but may lack managerial and other transferable skills. Unfortunately, technical skills alone are no longer sufficient as cognitive and social dispositions are increasingly regarded as critical ingredients of successful market performance (Linehan, 2008). Indeed, Chinomona and Cheng (2013) suggest that OMs should be encouraged to acquire management expertise as well as facilitate their own and their employees’ skills development through learning interventions in their small firm. North *et al.* (2016) add to this debate, stating that small firms should draw on deliberate learning as a means of developing growth capabilities, while Wolff *et al.* (2015) purport that those small firms who value learning translate this learning orientation into growth adoption behaviours by the owner and their employees.

In small firms, employees are expected to be more flexible, have a wider range of skills and be prepared to take on responsibilities that would once have been reserved for managers (Linehan, 2008). Furthermore, while the OM's prior experience is a crucial factor at start-up phase (Brush and Chaganti, 1999), their ability to disseminate key messages through the use of systems is critical for growth (Barringer and Greening, 1998). OMs interested in growing their small firm should therefore be cognisant of the requirement to develop their dynamic growth capabilities (North *et al.*, 2016), organisational structure, learning orientation (Wolff *et al.*, 2015) and to seek functional experts if they are to grow (Goodbody, 2002). Patton and Marlow (2002) identify that such systems may be adopted by the small firm through formal training interventions to develop and emphasise elements of culture in employees (Garavan *et al.*, 2003). In this case, training offers the small firm a means of extending learning beyond the OM, who through the deployment of systems will reap benefits (MacPherson and Holt, 2007). The literature yields that training in small firms is often provided for the employers and not for employees (Lange *et al.*, 2000; Smallbone *et al.*, 2000; Addis, 2003), creating a potential void in skill development at this level of the organisation. This may be partially caused by the culture of the organisation, particularly its OM's attitude towards training provision and the value given to it within the firm.

Thus, while the requirement to improve competencies (knowledge, skills and attitudes) of potential and existing OMs of small firms is well documented (European Centre for the Development of Vocational Training, 1989; Government of Ireland, 2008), there is a dependence on the OM to accede to implementing plans, processes and systems in order to facilitate learning (Choueke and Armstrong, 1998; Chinomona and Cheng, 2013). This helps to narrow the area of focus, as small firms found making early investments into the concept and control of culture were later in a position to capitalise on formal administration systems (Baron *et al.*, 1999). The relevance of a 'culture' of learning is abridged helpfully by MacPherson and Holt (2007) in the summary that the ability of the OM to foster organisational systems and activities to support learning is a precedent to growth, a view supported by Mazzarol (2005), Phillips and Kirchoff (1989), Wolff *et al.* (2015), among others.

It is worth pointing out that not all small firm OMs want to grow their business. For instance, according to the results of a Norwegian survey on 242 firms, nearly 40 percent of the interviewed OMs did not want their firms to grow at all (Kolvereid, 1992).

According to studies by Lesko (2011, 2014) and Goodbody (2002) some of the factors that entice a person to become an owner/ manager are the very ones that may prevent growth: a need to be in control (which in turn creates a lack of delegation and) and the preference for freedom and lifestyle choice being two examples. Further evidence from Chinomona and Cheng (2013) points out that some small firm OM's deliberately fail to invest in their employees through learning interventions because of the fear that they might threaten or challenge the way that the OM runs their business or that the employee might decide to leave after they have acquired learning (Westhead and Storey, 1996). While it is true that small firms cannot be forced to grow, they can be supported through engaging with the growth process by providing access to relevant and timely training and expert support (Goodbody, 2002). Consequently, a key focus for this research will be on 'growth-focused small service firms', although the research outcomes may benefit the wider small firm community.

3.6 The drive towards and value of growth in the small service firm

Growth, according to Shelton (2005) is the means of prevailing over resource deficiencies that a new small firm is liable to experience and pertains to an increase in sales or profits over time (Daft, 2001). Despite Goodbody's (2002) assertion that Irish small firms may not be reaching their full growth potential, while a slightly higher number of OMs in Ireland do not predict that they will become employers, a greater number have significant growth aspirations (Fitzsimons and O'Gorman, 2011). Thus, pursuant to the challenge that little is known about the learning and growth process in SMEs (Deakins and Freel, 2009; North *et al.*, 2016) is the contention that defining knowledge, learning and growth is beleaguered with problems because growth may be defined in the relatively narrow terms of sales, employees or profit (MacPherson and Holt, 2007). The GEM (2014) report has highlighted a lack of education and training as being one of the core reasons that growth is suppressed in the small firm, which is a specific consideration in this study.

Given the importance of the small firm sector to the economy (Kenny, 2015; DKM, 2006; Greenbank, 2009; Gibb, 1997; Chaston *et al.*, 1999; Scarborough *et al.*, 2009), there is a value in understanding how learning may be created, captured and transferred in order to stimulate and support growth (MacPherson and Holt, 2007). Taking a wider definition of small firm growth (MacPherson and Holt, 2007), Kaplan and Norton (2004) consider the elements of learning and growth to be worth measuring as intangible assets and a source of sustainable value to an enterprise; indeed they go so far as to suggest that learning and growth improvement measures are key indicators for internal processes such as customer and financial performance.

3.6.1 Growth perspectives in the small firm

From a small firm perspective, Chen *et al.* (2009) refer to organic growth as that which occurs internally, often focusses on the provision of new services and which relies on the firm's own resources to expand. Buederal *et al.* (1992) proffer that growth contributes to a higher chance of small firm survival as it helps them to surmount the challenges of simply being new, while Penrose (1959) views growth as being dependent on the employment of entrepreneurial and managerial knowledge organised as resources. North *et al.* (2016) draw on the perspective that deliberate learning can act as a means of developing dynamic growth capabilities in a small firm, thereby contributing to its

sustainability in the longer term. Each of these perspectives contribute to the reality that growth is a complex process (Deakins and Freel, 1998) and can be illustrated by small firms in different ways and at varying stages of maturity.

The subject of growth arouses a myriad of contesting views in the literature with some authors (for example; Burns, 1989; Shelton, 2005; MacPherson and Holt, 2007) suggesting that firms grow in their early years and then level off while others posit that firms will go through life-cycles of growth (Churchill and Lewis, 1983; Mazzarol *et al.*, 2005). This view is in turn criticised as too simplistic by O'Farrell and Hitchens (1988), their view being that growth can happen in a series of disconnected jumps or growth spurts. Adding to this debate is the fact that employee retention is a significant factor in organisational growth, and particularly so for small firms who rely on their employees for contribution (Jones, 1991). Thus, it is fair to assume that small firms should try to retain such employees and provide suitable training, learning and development opportunities that can maximise their contribution (Jayawarna *et al.*, 2007; Nikandrou *et al.*, 2009) when pursuing the potential to grow.

3.6.2 Measuring growth in a small firm setting

There are a number of ways to consider growth of an enterprise such as turnover, which is the total amount invoiced by an enterprise in a given reference period (CSO, 2013). The Gross Value Add (GVA) is the gross income from operating activities and is the balance available to an enterprise to pay employees and realise any return on investment (CSO, 2013). Profit is the surplus balance available to an enterprise which allows it to provide a return to shareholders and to finance investment and is expressed as a percentage of turnover (CSO, 2013). A study on small growing firms by Olson *et al.* (1993) revealed that while sales growth was the most often cited goal during start up, profit was the preferred measure during growth. Organisations are in their growth stage when they have growth rates in both sales and employees (Kazanjian, 1988). However, financial reporting systems provide no mechanism for measuring and managing growth created by enhancing the capability of an organisations intangible assets (Kaplan and Norton, 2004).

For the purposes of this research, any impact from a strategic learning plan on small firms will be measured using elements of the balanced scorecard approach. The approach from

Kaplan and Norton (2004) recommends that while enterprises should continue to measure financial performance, they should balance this with nonfinancial measures in three additional perspectives: customer value, internal processes and intangible assets. This perspective is supported by North *et al.*'s (2016) research in the SME context, where they found that alignment of SME learning interventions with business challenges can create measures through which short and medium term results can be assessed. The framework set out for the establishment and measurement of any strategic learning plans will be presented and developed in the Chapter Five of this thesis.

3.7 Barriers to growth

As has been outlined earlier in this chapter, the importance of external influencers is less than that of internal characteristics when considering small firm strategic planning (Fitzpatrick, 2001). Nevertheless, it is important to acknowledge the role external factors play in the positioning of the small firm's growth strategy. Specifically, studies by French *et al.* (2004), Nicholls-Nixon *et al.* (2000), Power (2009) and Lechner and Vidar-Gudmundsson (2014) found that the paramount influence on growth is the ability to perceive and adapt to environmental changes and MacPherson and Holt (2007) suggest that small firms run the risk of stagnation if they are not poised for learning and growth, based in part on uneven market dynamics (Kelliher, 2007).

While it is acknowledged that management and technical expertise are important to the small firm, creativity and flexibility are core to initiating the experiences necessary to seek and explore new opportunities that might facilitate growth (Smith and Miner, 1983; Wolff *et al.*, 2015), suggesting a resource challenge for these firms as creativity and flexibility benefit from resource slack. The term resource slack has its origins in the discipline of project management, and is defined by Cyert and March (1963) as the difference between total resources and total necessary payments. The term as it relates to small firms has been developed in the interim (Bretherton and Chaston 2005; Chinomona and Pretorius, 2011; Kelliher and Reinl, 2009; Merrilees *et al.*, 2011; Moyer, 1982; Robinson and Pearce II, 1984) and when absent, it can create barriers to growth in a small firm based on the Resource Based View (RBV).

3.7.1 Resource-based view - impact on growth

The resource-based view (RBV) is defined as the ability of the organisation to obtain scarce and valued resources and to successfully integrate and manage them (Daft, 2001). Resources can be physical capital resources, organisational capital resources and human capital resources (Merrilees *et al.*, 2011). The RBV in terms of the small firm was first introduced by Wernerfelt (1984) and views the enterprise as a bundle of resources and capabilities; it refers to the manner in which internal resources can contribute toward the small firm achieving a sustainable market advantage (Barney and Arikan, 2001; Barney, 2001; Merrilees *et al.*, 2011). Priem and Butler (2001) put forth the view that together, resources and capabilities constitute the base for the formation of sustainable growth and

competitive advantage. MacPherson and Holt (2007) conclude that growth in the small firm is dependent on the application of entrepreneurial and managerial capabilities configured as resources. Capabilities can be defined as the skills a firm needs to take full advantage of any opportunities while competencies can be described as a set of observable performance dimensions such as individual knowledge, skills, attributes, behaviours as well as process and organisational capabilities (Way, 2002; Progoulaki and Theotokas, 2010). Of note is the recently published research by North *et al.* (2016) that deliberate learning can be used as a means of developing dynamic growth capabilities in a small firm setting.

Relating RBV to this study submits that when fully exploited, resources can offer the small firm the ability and potential to grow (Chinomona and Pretorius 2011). Notwithstanding the value of planning to a small firm as reviewed earlier (Stonehouse and Pemberton, 2002; Kraus and Schwarz, 2006; Skrt and Antoncic, 2004) the reality is that many small firms simply do not have the required resources, internal capability and organisational competencies to carry out this activity (Bretherton and Chaston 2005; Kelliher and Reinl, 2009; Moyer, 1982; Robinson and Pearce II, 1984). Bretherton and Chaston (2005) point out that adequate capital must also be available and that it must allow for ownership and control of key resources and capabilities. Referring to limited financial resources, Moyer (1982) purports that only those firms who are financially strong can justify the planning costs implied in much of the strategic planning literature. Kelliher and Reinl (2009) agree that resource constraints can place the emphasis for small firms on operational needs as opposed to new learning, while Robinson and Pearce II (1984) conclude that resources are limited and that the strategic operations of small firms are simplistic and narrow as a result.

For the business to grow, the small firm OM might need to relinquish control and learn to depend on the skills of others to achieve results, core aspects of the flexibility discussed earlier (Smith and Miner, 1983) that will in turn contribute to growth prospects. When contemplating the facilitation of a flexible work environment, leadership becomes a critical factor in the growth of a small firm (Scarborough *et al.*, 2009). Thus, while much effort has gone into the identification of small firm characteristics, it may have caused attention to be drawn away from key growth criteria such as the OM's ability to learn from problem solving and to gain from their and others' experience. Indeed, the literature

on small firm yields that the lack of OM expertise is one of the main obstacles to their growth (Chinomona and Pretorius, 2011).

From a learning perspective Easterby-Smith *et al.* (2004) highlighted a lack of understanding of learning practices of the small firm, while Kelliher and Henderson (2006) found that learning in this setting has not been fully explored. When considering growth-focused activities, Deakins and Freel (2003) suggest that the learning process in small firm enterprise development is poorly understood and that many interventions to this effect are task oriented and explicit in nature as a result:

‘They were built around particular tasks and skills in terms of business planning; for example, on bookkeeping or financial skills, on liquidity or controlling debt’ (Deakins and Freel, 2003, p.21).

Higgins and Aspinall (2011) suggest that there has been little progression in the academic debate surrounding small firm learning and the research that has been carried out has not gone beyond the theme that learning is important to a small firm, although North *et al.*’s (2016) deliberate learning position is moving in the right direction. Zupic and Drnovsek (2013) point to a lack of learning as a theme when they surveyed the research structures available on small firm growth. Thus, as more employees come on board and the firm begins to grow, the small firm requires a more formal approach to procedures and processes and the choice of a growth strategy is a difficult one due to the absence of certain resources (Penrose, 1959). One deficiency in a small firm is the absence of a strategic learning and/ or a development plan for the business. This is due in part to the inherent lack of resources associated with small firms, but may also be impacted by the OM ethos and approach to learning, strategic planning and business development. Therefore, any such strategic learning plan for potential growth as a result of this research should, as suggested by Goodbody (2002), recognise the importance of skills development for business growth because the availability of development tools can help to improve effectiveness and productivity, leading to growth opportunities.

3.8 Small firm environment and its influence on strategic planning: Summary

Table 3.2 below represents the key themes yielded by the literature on the topic of growth-focused small firm characteristics and the impact of strategic planning on growth aspirations among this cohort.

Theme	Description	Literary Support
Small firm environment	<ul style="list-style-type: none"> • High failure rates • Improved survival rates with formal planning, growth-focus • Deliberate learning as a means of developing growth capabilities 	Scarborough <i>et al.</i> , 2009; Cressy and Storey, 1996; DTI, 1997; Stokes and Wilson, 2010; North <i>et al.</i> , 2016; Wolff <i>et al.</i> , 2015; Lechner and Vidar Gudmundsson, 2014.
OM planning skills and barriers to growth	<ul style="list-style-type: none"> • Engage in informal planning - often iterative and reactive • Those who do engage in formal planning are more likely to enjoy success. 	Kraus <i>et al.</i> , 2006; Mazzarol <i>et al.</i> , 2009; Stonehouse and Pemberton, 2002; Peel and Bridge, 1998; Kraus and Schwarz, 2006; French <i>et al.</i> , 2004; Lechner and Vidar Gudmundsson, 2014.
Strategic planning approach	<ul style="list-style-type: none"> • Primarily lack time and/ or skills to carry out formal planning • Attitude of the owner toward formal strategic planning 	Kelliher and Reinl, 2009; Mazzarol <i>et al.</i> , 2009; Kraus and Schwarz, 2006; French <i>et al.</i> , 2004; Wolff <i>et al.</i> , 2015.
Learning in a small service firm	<ul style="list-style-type: none"> • Limited time, money and labour impact formal strategic planning • Attitude of the owner toward learning 	Bretherton and Chaston, 2005; Kelliher and Reinl, 2009; Moyer, 1982; Robinson and Pearce II, 1984; Wolff <i>et al.</i> , 2015.

Table 3.2 Growth-focused small service firm themes

As highlighted in this chapter, the literature on the small firm environment strongly suggests that formal strategic planning is not evident in these firms (Kraus *et al.*, 2006; Mazzarol *et al.*, 2009; Stonehouse and Pemberton, 2002; Peel and Bridge, 1998; Lechner and Vidar Gudmundsson, 2014). This is unfortunate, as there is potential for growth to be nurtured through the process and culture of formal strategic planning among small firms (Kraus and Schwarz, 2006; French *et al.*, 2004; Wolff *et al.*, 2015). Therefore, the next chapter explores the tools of strategic planning and how they may apply in the small firm milieu.

4.0 Introduction

As established in Chapter Three, OM's who launch businesses may not achieve full growth potential because they have not considered, designed and created a workable strategy that sets them apart from their competition (Stokes and Wilson, 2010; Zimmerer *et al.*, 2008; Lechner and Vidar Gudmundsson, 2014). In accepting that any small firm that has plans to grow should also have a strategy to do so (Penrose, 1959; Kaplan and Norton, 2004), this chapter seeks to appraise the types of formal strategic planning tools as well as informal strategic planning options in pursuit of strategic learning plans in small service firms. The chapter will then progress to consider strategic learning plans and their relevance to the small service firm. The literature on the available planning tools (both formal and informal) and resultant strategic learning plans will be of critical importance to inform the ideology of a conceptual framework for strategic learning plans in a small service firm.

4.1 Strategic planning tools

Strategic planning tools are a method of describing the strategy of the firm, so that any objectives as set can be measured and managed (Kaplan and Norton, 2004). Stokes and Wilson (2010) and Mintzberg (1978, 1987) differentiate between realised (formal) and unrealised (informal) strategies. The core difference between formal and informal strategic planning appears to be distilled down to two criteria: formal strategic planning employs the use of planning tools and that such plans are committed to paper or recorded in some formal way. The literature is resoundingly concurrent in the exploration of the steps and tools that should be used in the formal strategic planning process and these are outlined in the following sub-sections.

4.1.1 Vision and mission statements

The formal planning approach specifies the design and inclusion of a vision and mission statement for the firm (Martin, 2014). A vision is the result of the small firm OM's dream of something that does not yet exist and yet they have the ability to conceptualise an image of that for themselves and others (Zimmerer *et al.*, 2008). The vision statement provides clarity and direction and ideally, motivates people based on the values of the OM (Stokes and Wilson, 2010). Of note is that this process reinforces the owner-led culture discussed in Chapter Three. A mission statement is a description of why an organisation exists (Daft, 2001, 2011; Zimmerer *et al.*, 2008; Hatten, 2009) and thus provides a framework (Sawyer, 1986; Martin, 2014) specific enough to tell the reader something about the business and how it functions. Lasher (1999) contests that a mission statement is (in some ways) easier to develop in a small firm than in a larger firm as larger firms are more likely to have greater resource, a more complex structure and diversified operations. The presence or absence of a vision and/or mission statement in the small service firm will help to inform the context of the small service firm growth orientation as part of the strategic learning plan.

4.1.2 Environmental analysis

Environmental analysis is the process by which management observes what is going on within the industry that could affect their business either from within the business, or outside of it (Lasher, 1999; Hatten, 2009). Miles *et al.* (2000) consider that environmental dynamism is a manifestation of the degree of instability or turbulence concerns such as

market and industry conditions. Small firms must operate in constantly changing environments (Moyer, 1982; Hatten, 2009; Kelliher, 2007) and the agility of a small firm to adapt and respond to change is a key determinant of success or failure (Carter and Jones-Evans, 2006). Supportive of this attribute of the small firm are O’Gorman (2006), Hatten (2009) and Lechner and Vidar Gudmundsson (2014) who assert that small firms are well poised to adapt to their environment as a result of their speed, flexibility and sensitivity to customer preferences. Ultimately, small firms must have the capability to modify their strategy quickly to accommodate changes in their environment (Pelham, 1999).

Firms created in a rapidly changing environment have greater opportunities to adopt an innovative approach (Honig *et al.*, 2012) as they are closer to the environment and flexible enough in their structure and operation to quickly respond to changes in their business environment (Kelliher, 2007). However, the process of environmental analysis is of paramount importance to the small firm because they have fewer resources at their disposal (Hatten, 2009) and therefore need to be assured that they are directing the limited resources in the right way (Kenny, 2015). It is also worth noting that a small firm might also be more affected by negative changes in the environment than a larger enterprise that could possibly absorb any losses more easily (Hatten, 2009).

Lastly, opportunities are defined as positive alternatives that might be picked as helpful to the small company’s mission statement (Storey and Greene, 2010) and Hatten (2009) reminds us that it is impossible for a small firm to pursue every opportunity so environmental analysis assists in choosing the most optimal path for the business in terms of growth prospects. In context, the ability of the OM to remain cognisant of the general business environment or lack thereof, will be scoped out in the design of any strategic learning plan and subsequent intervention that is required.

4.1.3 Internal and external analysis

As mentioned in Chapter Three, while internal factors are more influential than external ones in a small firm, both must be considered for growth (Fitzpatrick, 2001). Internal analysis is the assessment of the strengths and weaknesses of the company and its purpose is two-fold; it allows for an objective view to be taken of the business and for a matching of business opportunities with enterprise strengths (Hatten, 2009). The small

firm can face challenges with this step in strategic planning because as Lynch (1996) and Hatten (2009) agree, it is difficult to match opportunities that are still being revealed with resources that are still being acquired.

Zimmerer *et al.* (2008) point out some of the most common internal challenges for a small company as being a lack of resources (Stonehouse and Pemberton, 2002; Kraus and Schwarz, 2006; Skrt and Antoncic, 2004), a shortage of skilled workers (Kelliher and Reinl, 2009), the inability to maximise the use of technology and a less than optimal location. Remaining consistent with the resource based view as explained in Chapter Three, a small firm may also be presented with opportunities because of its lack of resources (Chinomona and Pretorius, 2011) in that the expertise of the OM has acquired should allow the business to perform particularly well in a niche domain (Reuber and Fischer, 1997; Lechner and Vidar Gudmundsson, 2014). Specifically, the small firm may well be more flexible and adaptable to the needs of their target market and have the ability to mobilise any resources they do have quickly and can respond faster to customer requests (Deakins and Freel, 2003) and in doing so can convert opportunities into growth prospects within their market.

External analysis is an assessment of the factors outside of the business over which management usually has no control (Stokes and Wilson, 2010; Hatten, 2009); examples include an increase in taxes and charges, new government regulations or a competitor's new product (Buchanan and Huczinski, 2004). Zimmerer *et al.* (2008) view the external analysis through a more informed lens in their advice to pay close attention to the market by answering questions such as:

- Are competitors overlooking a niche area?
- Is there a better way to reach customers?
- Can we develop new products that offer better value?
- What opportunities is the industry creating?

These are questions that can be used to investigate the process of social learning in this research so that the OM is encouraged to learn from and through others; as well as facilitating regular reflection.

In externally analysing their environment, small firm OM's will often engage in a process known as effectuation defined by Stokes and Wilson (2010) as focusing on the means rather than the ends and they note that the OM will often aim to control the future as opposed to predict it. Causation is where a particular effect is chosen and the focus is on the selection between means to create that effect; effectuation is where a set of means is given and the focus is on the selection between possible effects that can be created with that means (Sarasvathy, 2001). The process of effectuation enables the OM to create one or more possible effects, irrespective of the generalised end-goal which they may have started. This process allows the realisation of several possible effects and allows the decision maker to change their goals and to even construct them over time as they use contingencies as they arise (Sarasvathy, 2001). By pursuing external analysis in this way, the OM has the potential to contemplate a number of avenues of response, depending on the outcome of interim competitive analysis.

4.1.4 Competitive analysis

Small firm OM's report that they are operating in a highly competitive environment and that the level of competition is increasing as a result of e-commerce and the Internet (Bell *et al.*, 2004; Zimmerer *et al.*, 2008). Yet, Chen and Hambrick (1995) make the point that small firm may be less risk adverse and more likely to respond to rather than initiate competitive actions. Competitive analysis is considered by authors to be the facet of a business where a firm seeks to do better than all of its competitors (O'Gorman, 2006; Zimmerer *et al.*, 2008; Hatten, 2009). In carrying out competitive analysis, a small firm should aim to identify competitive weaknesses. The areas that could be used to compare competition include: image, location, layout, atmosphere, products, and services, pricing, advertising and sales methods. Lasher (1999) asserts that in the case of the small firm, strengths could be considered as patents, connections and knowledge rather than core abilities. In particular, connections in the form of small firm networks can provide interim access to knowledge that may not be available within the small firm (Reinl and Kelliher, 2010). To this end, the task of competitive analysis does not mean an expensive research project given the resource constraints of the small firm (Hatten, 2009), rather it presents a basis for small firm goal selection in interaction with the competitive environment. Lechner and Vidar Gudmundsson (2014) investigated the role of individual Entrepreneurial Orientation (EO) dimensions on competitive strategy and reinforce extant literature to suggest that having a competitive strategy is critical to small firm

performance (Borch *et al.*, 1999). Specifically, the competitive analysis as a tool can be used to assess the knowledge of the OM and then to incorporate an element of learning on this topic into the strategic learning plan.

4.1.5 Goal setting in a small firm

There is well established research relating to goals and objectives, therefore the difference between the two terms is worthy of mention. Goals are the broad, long-range position a business seeks to accomplish; they can be general and abstract, while objectives are more specific targets of performance that address areas such as profitability, growth and turnover (Lasher, 1999; Zimmerer *et al.*, 2008). Any goals set must be anchored to the mission statement (Hatten, 2009) and in the case of the small firm they tend to reside with the OM (Schein, 1983; Robbins, 2003).

The advice for small firms from Hatten (2009) and earlier from Moyer (1982) is that, even if one person is solely responsible for sales, marketing, finance, human resource management and operations, there are a number of critical goals that must be set namely: the mission statement; business level goals and functional level goals. Once the broad goals have been agreed (Grant, 2004), an enterprise can transfer its strategy into tangible measures that all employees can work towards by developing objectives and measures for those goals (Kaplan and Norton, 2004). The critical conduit between strategy and execution is granularity so that specific actions and processes are agreed and implemented. In this regard, the strategic learning plan can capture the essence of aims of the small service firm as identified in their vision and mission statements as well as the actionable objectives that need to happen throughout the organisation with the OM as the catalyst.

4.2 Small firm strategic planning approach

Strategic posture, according to Miles *et al.* (2000) is demonstrated by the extent to which managers are included to take business-related risks, to favour change and innovation in order to obtain a competitive advantage for their firm, and strategic posture can vary depending on the extent of environmental dynamism. Because small firm management is often fundamentally different from large firm management (O'Regan *et al.*, 2006; Cohn and Lindberg, 1972), small firm planning will normally reside somewhere between planned, deliberate strategies or frequently unplanned (Pelham, 1999), unstructured approaches (Stokes and Wilson, 2010). Kraus and Schwarz (2006) reveal that small firms do actually engage in planning, but they rarely do so using the supporting structures of the above outlined planning instruments, preferring instead to adopt an informal approach (Mazzarol *et al.*, 2009, Kelliher and Reinl, 2009). Specifically, there is much evidence to support this theory that the formal tools outlined in section 4.1 above are rarely used in small firms (Madu and Bakari, 2016; Beal, 2000; Robinson and Pearce II, 1984; O'Gorman, 2006; Gibbons and O'Connor, 2005). Work by Martin (2014) on the challenge of strategic planning points out that while many OM's know the importance of strategy, many find it scary because it makes them think about a future they can only guess at.

Cohn and Lindberg (1972) suggest that the planning process in small firms is informal, sporadic and unstructured, a view reinforced in the interim literature (Mazzarol *et al.*, 2009, Kelliher and Reinl, 2009). This is a key challenge considering research by Schwenk and Shrader (1993) finds that formal, strategic planning has a definite positive association with the financial performance of the small firm, a view supported by Stokes and Wilson (2010), Hatten (2009) and O'Regan and Ghobadian (2002). Furthermore, a common theme in the literature is that some type of planning is regarded as crucial to the survival of small firms (Lasher, 1999; Jones, 1991; Kinsella *et al.*, 1993; Hisrich and Peters, 1992). This sentiment is echoed in Perry's (2001) assessment that despite the incidence of formal strategic planning being low among small firms, those that were successful had engaged in more formal strategic planning than that of failed firms. The strategic postures of small firms in dynamic environments are more entrepreneurial than those of small firms in a stable environment (Miles *et al.*, 2000) and environmental dynamism does not generally preclude small firms from achieving high performance. Of note is that the core parts to successful planning in a small firm may be distilled down

into more informal planning tools which are relevant and achievable for OMs (O’Gorman, 2006), as discussed in the following sub-section.

4.2.1 Informal strategic planning tools

The need for research into informal strategic planning in the small firm setting is supported by authors as early as Robinson and Pearce II (1984) and as recent as Kraus *et al.* (2006) and North *et al.* (2016). We can draw parallels between informal strategic planning and what Mintzberg (1994) refers to as an emergent strategy in the literature. An emergent strategy is defined by Lynch (2006) as:

‘A strategy whose final objective is unclear and whose elements are developed through the course of its life as the strategy proceeds’ (p.43)

For a small service firm, this may mean that actions were taken, one by one and subsequently converged into a consistency or pattern (Mintzberg, 1994). Another helpful perspective from Mintzberg (1994) is that an organisation can plan, i.e. consider the future without actually engaging in the formal act of planning i.e. written formal procedure; conversely, an organisation can engage in formal planning yet, neglect to plan, i.e. consider its future. Yet, research has found that very few small firms plan rationally (Lasher, 1999) and of those that do, the strategic planning process in a small firm is highly informal and ad hoc (O’Gorman, 2006; Quinn, 1978; Mintzberg, 1978).

O’Gorman (2006) assumes informal strategic planning in small firm to have two purposes: as a communication device with stakeholders such as banks and customers and as a control device to warn the OM of any threat to the business finances. In his review, Mintzberg (1994) argues that all real-world strategies need to consider a mix of approaches so as to attempt to control outcomes without neglecting the learning that is borne from the emergent or informal approach. Moyer (1982) suggests that it should be a simple matter of the scale of planning that is the difference between small firms and larger firms and not the process, the discipline and the development of plans. Taking this perspective, the small firm might be wary of becoming preoccupied with detailed formal planning documents or with an extensive reporting system (Moyer, 1982); rather they should embrace planning activities in order to embed the planning ethos within the small firm culture.

In contrast with formal strategic plans, yet in recognition of the view that there should not be a complete absence of formal planning, Mintzberg (1978), Quinn (1978) and O’Gorman (2006) suggest the tools of planning that are of particular use to the small firm as being:

1. *A statement of goals and objectives* - clear identification of goals and objectives will allow potential investors, promoters and staff to have confidence in the small firm.
2. *Efficient use of time* - OM’s will make better use of their scarce time by engaging in even an informal planning process by identifying and monitoring a number of small key success factors.
3. *Consideration of alternatives* - a small firm may engage in the consideration of alternatives for its development, in particular with regard to addressing areas such as succession planning in a family enterprise.
4. *Better internal management and staff development* - the OM should be mindful of the need to develop internal systems and procedures to cater for future managerial requirements.
5. *Better financial management* - in order to plan, the small firm will need a basic financial system that provides for timely information on current performance.

There is evidence to suggest that the small firm may benefit from adopting an adaptive approach to strategy given that a simpler organisation structure, flexibility and speed of response may result in greater ability to address environmental conditions (Pelham, 1999). Another perspective on the topic of strategy in small firms is offered by Covin and Slevin (1989) who assert that the nature of strategic planning in the small firm should take into account the nature of the external environment; specifically, whether it might be what they call hostile:

‘Hostile environments are characterised by precarious industry settings, intense competition, harsh, overwhelming business climates, and the relative lack of exploitable opportunities’ (p.76)

Their findings indicate that an entrepreneurial strategic posture (the extent to which the OM is inclined to take business-related risks, to favour change and innovation) may be more beneficial to a small firm operating in a hostile environment than that of a more conservative strategic posture (Covin and Slevin, 1989). Yet, Pelham (1999) found that the competitive environment had a weak impact on the performance of the small firm, relative to other internal factors such as market orientation. Mintzberg (1994) concludes that while plans and planning serve as important mechanisms, factors such as informal communication, the sharing of norms and cultures and the direct supervision of a single leader can affect organisation co-ordination. Indeed, Dierickx and Cool (1989) argue that those inputs that cannot be bought such as culture have the potential to be more significant in a small firm. This perspective particularly resonates with the small service firm, when one considers the application of informal strategic planning tools within this environment.

4.2.2 Challenges with the application of informal strategic planning tools to small service firms

Mintzberg's (1994) evaluation of the pitfalls of planning includes the notion that sometimes, OMs do not support planning and '...climates conducive to effective planning are sometimes not conducive to effective strategy formation and vice versa' (p. 219). While there is evidence from Bhidé's (1994) observations that start-ups plan more than other small firm entities, the overall level of planning is relatively low. Matthews and Scott (1995) defend this contention suggesting that while entrepreneurial firms undertake more strategic planning than other small firms, the occurrence of planning of any type diminishes as environmental uncertainty increases. Findings by Lechner and Vidar Gudmundsson (2014) suggest that small firms wish to improve their position by strategically acquiring, developing and leveraging resources for opportunity environment exploitation in order to stay competitive. Thus, there are some notable challenges in the application of informal planning tools to small service firms. These include the fact that strategy in the small firm sits with the OM who seeks out and thrives in conditions of uncertainty (Mintzberg, 1998). As there is often a strong link between the OM and the strategy pursued by the small firm (O'Gorman, 2006), the chosen strategy is likely to reflect the personal priorities and goals of the OM (Kisfalvi, 2002).

Furthermore, the study of strategy and strategic tools is often aligned with the trends of large firms; small firms usually have fewer resources and are often organised differently (O’Gorman, 2006). Lynch (2006) reminds us that authors who favour the more formal strategic approach have a number of reservations about the less formal, emergent approach. Such reservations include the possibility that the limited resources of the enterprise need to be allocated and this may prove difficult in the absence of a strategic overview coupled with rational decision making. Furthermore, the limited resources of the small service firm need to be allocated wisely and this is difficult in the absence of some strategic overview and a rational decision making approach.

While Robinson and Pearce II (1984), who at the time reviewed the small firm planning literature since 1950, bemoan the fact that studies on strategic planning in small firms are deficient, they suggest that if, as is offered by much research, planning is beneficial to small firms there is a need to design a planning process that is more appropriate to small firms; one that can and will be used in the workplace. It is interesting that Robinson and Pearce’s work is now over thirty years old, yet the same challenges remain for implementing strategic planning in small firms as it is noted in the literature that the skills that are lacking by the small firm by and large include management skills such as planning, organising and implementing (Brinkmann *et al.*, 2010; Kraus and Schwarz, 2006; O’Regan and Ghobadian, 2002). There is very little mention in much of the literature either from the formal or informal planning perspective (with the exception of Mintzberg’s 1994 work on emergent planning) of an enterprise requiring a *learning and development tool* to form part of the overall strategic plan. Lechner and Vidar Gudmundsson (2014) assert that the performance of small firms is reliant on the dimension of entrepreneurial orientation that may exist within the OM. While there is no agreed definition of a strategic learning plan, the facets of entrepreneurial orientation are considered to be; innovativeness, risk-taking, proactiveness, competitive aggressiveness, ambitious market share goal-setting and autonomy (Lumpkin and Dess, 1996) which may be considered to form part of a strategic learning plan.

4.3 Strategic learning plans

The lack of literature on strategic learning plans is restrictive but perhaps Mintzberg (1998) highlights one of the most often cited reasons for a failure to implement strategic learning: '*People have to learn, but they also have to get on with doing the regular work efficiently*' (p.228). Thus, quite similar to the debate on formal and informal strategic plans, learning systems can be classified according to the way that they come into being in an organisation (Shrivastava, 1983). They may be evolutionary where they emerge naturally without conscious effort or by being formally designed to meet the need for learning in an organisation (Honig *et al.*, 2012). Notably, the learning-based approach has real value in the development of a strategic plan (Lynch, 1996; North *et al.*, 2016). Mintzberg (1998) proposes that deliberate (formal) strategy is concentrated on *control*, in other words, ensuring that managerial intentions are realised in action; while an emergent (informal) strategy places the focus on *learning*.

The literature is replete on the topic of formal strategy but less is available on the topic of the learning strategy (Zupic and Drnovsek, 2013; Chinomona and Cheng, 2013; Tell and Gabrielsson, 2013). The concept of the learning strategy gives recognition to strategic learning because it recognises the firm's capacity to experiment (Mintzberg 1998) and is a means to develop dynamic growth capabilities in a small firm setting (North *et al.*, 2016). In earlier work, Mintzberg (1994) attempts to reveal how strategy can be created without being formally planned. He refers to two specific approaches in this regard and they are i) strategic vision, and ii) strategic learning. Both of these are regarded as being more flexible in an uncertain world, which we know is the world of the small service firm. Other authors who have emphasised the learning approach to strategy are Argyris (1991) and Senge (1990) in that they encourage managers to engage in trial and error to create the optimal strategy. In the small firm setting, the learning process, which eventually emerges as the strategic direction of the organisation (Honig *et al.*, 2012) allows the OM to integrate environmental, organisational, and individual processes into something akin to strategic value (Gartner, 1985 as cited in Honig, 2012). Due to the need for a small firm to adapt to technological change, increased competition, and new legislation, Johnson (2002) suggests that learning activities need to take place in the workplace so as small firm OMs and their employees can learn new skills rather than rely on those they brought into the organisation (Gibb, 1997; Kelliher and Henderson, 2006; Down, 1999, North *et al.*, 2016).

Of note is Mintzberg's (1994) evaluation of the pitfalls of planning, which include the notion that sometimes, OMs do not support planning and '...climates conducive to effective planning are sometimes not conducive to effective strategy formation and vice versa' (p. 219). He goes on to argue that strategic learning is an inductive process and is not possible without the detailed, intimate knowledge of a situation, while Lynch (1996) grants that a learning-based strategic plan:

'...lays heavy emphasis on the context and the process derived from the existing knowledge and experience of the organisation. This essentially involves learning from the past and from the contributions of those involved at present' (p.534).

This view is consistent with that of Mintzberg (1998) when it is explained that an organisation can learn by recognising patterns in their behaviour and can create a deliberate or formal strategy out of one that began as emergent or informal. North *et al.* (2016) compound this view, finding that deliberate learning can enhance an SME's capability to sustain growth. Based on the preceding research, a learning strategy appears to be emergent in nature, whereby the organic application of various planning tools contribute to the level of formality applied to the strategy development process.

4.3.1 Strategic learning plan tools

As noted previously, the ability to adjust existing learning strategies is a critical part of the survival and growth of the small firm (Stokes and Wilson, 2010). Sarasvathy (2001) places the focus on the process of effectuation as an alternative learning strategy as introduced earlier in this chapter. This is often seen as the opposing view to casual learning and as more appropriate to small firms (Honig *et al.*, 2012; Carter *et al.*, 1996; March and Olsen, 1975). The process starts with a given set of means and attempts must be made to combine those means into a coherent strategy (Honig *et al.*, 2012). Such means may include knowledge, traits, abilities and social resources, applied to the inherent learning process.

Having considered this multi-layered learning perspective, Crossan, Lane and White (1997) offer a framework for strategic learning and the process involved at an individual, group and organisational level. When considering the small service business, Mintzberg (1998) considered the levels presented in Crossan *et al.*'s (1997) framework as follows:

'[intuiting is] a subconscious process that occurs at the level of the individual. It is the start of learning and must happen in the mind. Interpreting then picks up on the conscious

elements of this individual learning and shares it at the group level. Integrating follows to change collective understanding at the group level and bridges to the level of the whole organisation. Finally, institutionalising incorporates that learning across the organisation by imbedding it in its systems, structures, routines and practices' (p.212).

From an individual perspective, people intuit in terms of experiences, images and metaphors, while interpreting through language and conversation or dialogue with others. In the small firm setting, learning is therefore restricted if it remains within the OM as interpretation may be stunted, a barrier that can be at least partially overcome through engagement with employees, customers, suppliers, competitors and community stakeholders. This approach to interpretation is embedded in the network ethos discussed in section 3.1 of Chapter Three. Contemplating learner interpretation and subsequent integration (Mintzberg, 1998; Crossan *et al.*, 1997), Lynch (1996) defends this framework in his contention that learning takes place at the personal level and at the group level and ultimately at the organisational level, while Kelliher and Henderson (2006) apply Crossan *et al.*'s (1997) learning framework to a small firm scenario in which the OM leads the organisation's learning culture and therefore influences all four stages of the framework, including institutionalising learning at the organisational level of the small firm. Each author suggests that at the individual level, every employee, regardless of how experienced they are, will need to become familiar with the methods and rules of a company (Hatten, 2006), which in a small firm setting is dominated by the OM's learning orientation (Kelliher and Henderson, 2006; Wolff *et al.*, 2015). Thus, the focus of this study will remain at individual level in terms of interaction with the OM because of the propensity for the OM to link their personal priorities with the learning orientation (Wolff *et al.*, 2015) and strategy of the firm (O'Gorman, 2006; Kisfalvi, 2002).

4.4 Strategic learning plans in small service firms - summary

In Chapter Four, the research focused on literature around the themes of strategic planning as a method of describing the direction of a business (Grant, 2003; DeWit and Meyer, 2004) and then on the continuum of formal and informal strategic planning (Mintzberg, 1998) as well as those formal and informal strategic planning tools that are available to a small firm OM for deploying a strategy (Stokes and Wilson, 2010). The literature yields, however, that the OM may not have the inclination (O’Gorman 2006) the skill (Stokes and Wilson, 2010) and or the resources (Hatten, 2009) to engage in strategic planning. Notwithstanding the emphasis that is placed on planning as a contributory factor to success for the small firm (Brinckmann *et al.*, 2010; Kraus *et al.*, 2006), it is equally noteworthy of the preference of the small firm OM to engage in informal planning (Lynch, 2006; Mintzberg, 1994). While this course of action is not without its challenges (Mintzberg, 1998), there are benefits to designing a strategic plan that will be used (Robinson and Pearce II, 1984). These key themes are summarised in Table 4.1.

Theme	Description	Literary Support
Formal strategic planning encompasses some critical tools used by a business to appoint and manage resources.	Formal strategic plans include tools such as mission and vision statements, environmental analysis, internal analysis, goal setting and control systems.	Mintzberg, 1998; Drucker, 1977; Stokes and Wilson, 2010; Hatten, 2009; Brinckmann, 2010.
There are challenges for a small firm when trying to implement a formal strategic plan.	Because small service firms do not have the same resources at their disposal as larger firms, they struggle to write and implement the tools of formal strategic planning.	Lasher, 1999; O’Gorman, 2006; Mintzberg, 1978; Bhidé, 2000.
There is often a link between the personal priorities of the OM and the strategy pursued by the small firm.	The priorities of the OM is often mirrored by the strategy or lack of strategy in the small service firm.	O’Gorman, 2006; Kisfalvi, 2002; Wolff <i>et al.</i> , 2015.

Table 4.1 Key themes – Strategic learning plans in small service firms

4.5 Conclusion

It is plausible based on the literature review and extracted themes (Table 4.1) to proceed in this current research with a view to giving equal consideration to both formal and informal strategic learning in any conceptual framework, owing to the style and preference of the OMs and the wider culture of a small service firm (O’Gorman, 2006; Kisfalvi, 2002).

This approach allows for exploration of the part that a strategic learning plan might play in an overall strategic plan for the small service firm, as called for by Chinomona and Cheng (2013), Tell and Gabrielsson (2013) and Zupic and Drnovsek (2013), among others and goes some way to emphasise the potential contribution that the current research might make to the body of knowledge.

This consideration is pursued in further depth in the next chapter (Five).

5.0 Introduction

This chapter opens with a review of learning in the small service firm and proceeds with a review of the possible strategic learning approaches that may be applied in the small firm setting, while paying attention to any constraints of the business and the learning preferences of the OM. Subsequently, the chapter reviews barriers to small firm learning and suggestions on how they may be overcome. The impacts of any learning interventions are reviewed and the chapter draws to a close with a review of the potential strategic learning plan frameworks that might be of use in a small service firm before presenting a conceptual framework for strategic learning plans in growth-focused small service firms.

5.1 Learning in the small service firm

There is evidence in the small firm literature that links learning to improvements in productivity, sustained competitive advantage, firm performance and sustainable growth (Litz and Stewart, 2000; Reid and Adams 2001; Pedlar, 2011; North *et al.*, 2016; Wolff *et al.*, 2015), however there is also significant criticism that generic training solutions originally designed for larger organisations fail to address the specific learning needs of small firms (Deakins and Freel, 1998; Gomez *et al.*, 2004; Kelliher *et al.*, 2009). This may be partly due to the reality that learning in a small service firm can take many forms, only one of which is formal training and development interventions (Hatten, 2006). When approached in this formal manner ‘training involves increasing the employee’s knowledge and skills to meet a specific job or company objectives’ (Hatten, 2006 p.45), which assumes a dyadic approach to learning and one that may not optimise uptake in the small firm.

5.1.1 Facilitating strategic learning planning in small firms

The case for learning in the small service firm has much support in the literature. Human capitals refer to processes relating to education, training, and other professional initiatives for increasing the levels of knowledge, skills, abilities, values, and social assets of employees, leading to satisfaction and performance of the employees, and eventually increasing firm performance (Khan, 2015). Marimuthu *et al.*, (2009) expressed that ‘Human Capital’ with increasing globalisation and the saturation of the job market is getting wider attention especially due to the recent downturn in the various world economies. All the countries emphasize on a more human capital development by devoting necessary efforts and time to accelerate the economic growth. It is suggested by a number of authors (Menzies and Gasse, 1999; Ibrahim and Soufani, 2002; Menzies and Paradi, 2003) that learning can embrace small firm employers’ managerial skills and competencies which can help prevent small firm failure and facilitate growth (Lattimore *et al.*, 1998; North *et al.*, 2016). Many firms are looking for organisational learning and adaptation, which is creative, motivating and cost-effective (Pedlar, 2011) within this domain.

When considering the facilitation of strategic learning and planning in small firms, Johnson (2002) suggests that in general, small firms tend to adopt an informal approach to the training and development of staff, an approach that should be considered when offering training support to this business cohort. Of note is that learning initiatives require small firm involvement at each point in the learning process, while the sought after change in capability and behaviour requires learner ownership on the part of the OM (Taylor and Thorpe, 2004; Kelliher and Henderson, 2006; Wolff *et al.*, 2015). Based on the foregoing, it may be more appropriate to contemplate small firm learning interventions as development tools that are:

‘more forward looking, providing the employee with the knowledge, skills and abilities needed to accept a new and more challenging job assignment within the company’ (Hatten, 2006 p.45).

By applying this ethos to small firm learning, it can be argued a trainer/ facilitator can come to realise that *‘any form of training, formal or informal, accredited or non-accredited, which enhances the ability of an SME manager to provide direction, facilitate change, use resources, work with people, achieve results, or manage self and personal skills’* (Management Development Council, 2010 p.6) equates to management development on the part of the OM.

5.1.2 Small firm learning interventions

As discussed previously, the low uptake of small firm training initiatives is partly explained by generic training solutions and partly due to inaccessible training programmes (Deakins and Freel, 1998; Gomez *et al.*, 2004; EC, 2006; Kelliher *et al.*, 2009). Notably, Matthews *et al.* (2001) carried out a study to evaluate delivery methods of learning interventions in small organisations and found that the methods most often used were traditional methods with little evidence of technology being used. The traditional methods included:

1. External short courses;
2. Internal lectures and seminars;
3. Issuing training manuals for self-directed learning;
4. Using training videos;
5. Short demonstrations;
6. Outsourcing of training responsibilities to consultants.

Learning in the small service firm involves decisions in which scarce resources (Chinomona, 2013; Bretherton and Chaston, 2005; Kelliher and Reinl, 2009; Moyer, 1982; Robinson and Pearce II, 1984, Stanworth and Gray, 1991) are allocated between the exploration of new possibilities and the exploitation of old certainties (Sarasvathy, 2001).

Reid and Harris (2002) note in their research that the most successful small firms provide more learning opportunities to employees than average, while Litz and Stewart (2000) found a link between investing in learning for employees and superior performance. Patton *et al.* (2000) consider learning and on-going skill development to be core to the performance and growth of the small firm sector as well as the embracing of information communication and e-commerce. The facilitation of, and orientation towards, learning in the small firm is regarded as a powerful agent to the development of capabilities and to the growth of the business (Cosh and Hughes, 1998; Wolff *et al.*, 2015). Johnson (2002) notes that if policy makers are to succeed in meeting the needs of the economy through the small firm, they need to convince and/ or incentivise small firms along with larger employers to invest in their people while at the same time, persuade individuals to invest in their own learning. Furthermore, productivity and competitiveness, both of which can lead to growth, can be positively influenced by the acquisition of relevant skills by employees (Lange *et al.*, 2000; Addis, 2003) and OMs (North *et al.*, 2016).

Given the steadfast contribution of small firms to the national and global economy (Jutla *et al.*, 2002; OECD, 2012; Ayyagari, 2011; Storey and Greene, 2010) it is unsurprising that some governments have invested considerable resources into programmes aimed at small firm management and employee training (Patton *et al.*, 2000). Yet despite this investment, small firms are regarded as having fewer qualified employees and less engagement with government training schemes (McKenzie-Mohr, 2013; Matlay, 2004), as having inferior training provision and management skills when compared to larger businesses (Jayawarna *et al.*, 2007; Johnson, 2002), are far less likely to have a formal training plan or budget allocated for training (Storey, 2004; Johnson, 2002) and have less work based training (Bacon and Hogue 2005).

Despite these challenges, small firm employers are considered an important source of skills development (McIntosh, 2000) with sixty-seven per cent of workers gaining their

first set of job skills with a small firm (Scarborough *et al.*, 2009). To this end, it is suggested that small companies offer wider, more generic and transferable business training than larger firms, and while the training tends to be in-house, informal and often on the job, small firms teach valuable skills to their employees such as general management and operation competencies, computer literacy and written communications skills (Scarborough *et al.*, 2009).

The view of Johnson (2002) is that while the learning gap between large employers and small firms is not as great as suggested, the gap is most obvious in relation to formal programmes. Perhaps among the reasons for the lack of a formal learning plan is that small firms are less likely to invest in formal learning strategies than larger firms (Brinckmann *et al.*, 2010; Madu and Bakari, 2016; Bracker *et al.*, 1986; Graetz, 2002; Webster *et al.*, 2005) and the suggestion by Storey and Westhead (1997) that the advantages are underestimated by the small firm employer. Findings further contend that the cost of training is thought of as being too high for a small firm to absorb (Storey and Westhead, 1997), although this may be a perceptual bias on the part of the owner, depending on their own attitude towards formal learning mechanisms and supports (Kelliher and Henderson, 2006; Wolff *et al.*, 2015). Gibb (1997) and Kelliher *et al.* (2009) each consider that small firms do not undertake formal training because it is linked to general systems and processes rather than being industry or business specific, reinforcing the view that generic skills training is not valuable in context. The significance of such evidence to this research is the summation by Goffee and Scase (1995) who advocate that a lack of managerial resources or competencies in the small firm might impede the firm's ability to grow, a view reinforced in recent publications (for example; Kelliher and Reinl, 2009; Wolff *et al.*, 2015; North *et al.*, 2016).

Equally significant is the finding by Darch and Lucas (2002) who summarise that training is often viewed by small firm as a cost or loss to the business as opposed to a benefit from which economic good can be derived, and may therefore be undervalued by the OM. Any resultant strategic learning plan framework from this research must therefore ensure that the perceived cost to the small firm is outweighed by the benefit and any potential growth should be measured using elements of the balanced scorecard approach (Kaplan and Norton, 2004). Thus, while the small service firm should measure the strategic learning plan's financial performance, they should balance this with

nonfinancial measures in three additional perspectives: customer value, internal processes and intangible assets (see section 3.6.2, Chapter Three for further details).

5.2 Towards a strategic learning process in the small service firm

Of the four learning theories outlined in this research (Chapter Two, Table 2.1), the small service firm learning process is rooted in social learning theory (Higgins, 2008) and the environment is one where creative, contextually relevant learning is paramount (Gibb, 2002; Rae and Carswell, 2000). Learning in the small service firm means coping with the day-to-day activities as well as with the wider changing environment (Senge, 1990) and as such, the OM must be equipped with the facilities to develop capabilities in order to build and nurture learning (Rae, 2002; Wolff *et al.*, 2015). According to Read and Kliener (1996) the ever-present threat of knowledge obsolescence makes learning necessary not only for organisational growth (and survival) but also for individual growth. While aptitude is considered by Landes (2006) as an intrinsic quality, his work suggests that skills and knowledge are acquired through a variety of learning mechanisms.

It is useful to clarify some such learning mechanisms in context in that present-day thinking acknowledges the importance of learning as much as training to the point where much of the literature refers to ‘learning’ and development as opposed to ‘training’ and development (Thorpe, 2003). Furthermore, it is suggested that the core difference in the shift from ‘training’ to ‘learning’ is that the individual learners themselves must take responsibility for their own learning in the small firm setting (Kelliher *et al.*, 2009) while organisations must facilitate their potential (Thorpe, 2003). Training is more likely to be more critical to small firms than to larger ones because the smaller firms may not be able to recruit employees with the skills they require for their business (Williamson *et al.*, 2002). Of note is that small firms are more likely to participate in programmes such as Information Technology (IT) training, financial management skill development and employment law programmes (Management Development Council, 2010). These findings suggest that many OMs spend much of their time fire-fighting issues that have an immediate impact on their organisation’s wellbeing rather than on focusing in the long term growth of their business. MacPherson and Holt (2007) suggest that any small firm growth is associated with the processes through which knowledge is acquired and applied, thus, the possession of knowledge defines the shape and trajectory of a firm’s growth.

Organisations should provide learning opportunities that are mapped to both employee and organisational goals (Mann, 1997), reinforcing the social learning ethos described in Chapter Two and summarised above. In examination of the learning process of the small firm, Landes (2006) advises that an OM is responsible for completing a thorough review of any gaps in skills and knowledge for each individual and then form a learning and development plan for them. These learning and development plans should be rooted in terms of; i) what the organisation needs from that individual, and ii) what that individual aspires to achieve in the organisation. When adopting this approach, a combination of ‘top down’ and ‘bottom-up’ approaches is likely to be most effective in promoting the benefits and learning to small firms and their employees (Johnson, 2002). Brennan and Shah (2003) suggest that the objective of an individual learning plan is to provide a means by which one can monitor, build and reflect on their development. In the Irish context Forfás² (2013), in a publication on addressing skills for future demand purport that due to increasing fluidity of the labour market, individuals must take greater responsibility for the updating and adapting of their skill base so as to remain employable. Collectively, these perspectives point to a need for small firms to orientate towards deliberate learning (North *et al.*, 2016) in order to drive optimised cultural values that can facilitate growth (Wolff *et al.*, 2015).

5.2.1 Strategic learning interventions in the growth-focused small service firm

In order to appeal to the small firm environment, any strategic learning intervention must be appropriately aligned to the individual small firm if the OMs are to accept them (Power, 2009; McGrath and O’Toole, 2014). Learning or training programmes can have the chance to be successful in a small firm if they are as specific as possible; they avoid irrelevant or inappropriate techniques; they use the correct language; they are administered in small doses and are results-oriented (European Centre for the Development of Vocational Training, 1989).

Sadler-Smith *et al.* (2000) classify the range of training techniques as either ‘hard’ for example, interventions delivered through computing technology and ‘soft’ for those delivered via an instructional approach. A principal issue for small firms is the flexibility

² Forfás is Ireland's policy advisory board for enterprise, trade, science, technology and innovation. In addition to producing its own reports, Forfás provides research and administrative support to independent advisory groups (Forfás 2013).

of delivery whereby technology based learning may present part of the solution (Sadler-Smith *et al.*, 2001). Tocher *et al.* (2007) suggest that a small firm's knowledge is commonly distinguished as either codified and tacit, with codified described as knowing about facts and theories and tacit being acquired through experience (Grant, 1997).

From a small firm perspective, blended learning is an approach to learning design that brings together the best of both online and face-to-face learning strategies (Linehan, 2008), particularly when directed at the small firm's specific learning needs. Despite some successes in blended learning approaches (Moebs and Weibelzahl, 2006), there are many consulting and training firms offering a wide choice of training and workshops on topics such as leadership and management skills, yet many of these are not aimed at employees below supervisory level (Adler *et al.*, 2003). Webster *et al.* (2005) purport that online training is a way small firm can gain value from training and acquire new skills, although this should be tempered with the reality that many small firms do not have/ perceive themselves to have the time for online training. Notwithstanding the aforementioned challenges; in enabling the environment for a small firm to facilitate employees taking such responsibility for their own learning, the potential for firm-wide learning is increased through the application of technology-enabled training tools.

Bearing in mind that the social perspective of learning theory is the one adopted in this research, any strategic learning plan must factor in active engagement for OM's and/ or employees within a small firm (Blackler, 1993). Justification for the social learning approach is embedded in its suitability to engage a changing and emergent process of learning. To this end, learning can be understood as a dynamic activity, which is self-regulated and situational in context (Higgins, 2008). Small firm OM differences in tacit knowledge create the critical capacity for facilitating new combinations of learning interventions and these may create new answers to a collective challenge (Gausdal, 2008). Hatten (2006) submits a number of tools that can be used in the formation of a strategic learning plan that will be useful in the context of this research such as: on the job training, instructor-led learning, conferences, programmed learning and job-rotation; and these are considered within the current research plan. It is worth noting that the nature of any learning intervention that might form part of a strategic learning plan pursued in this research will be dictated by interaction with, and negotiated agreement from, the OM in relation to their specific learning needs.

5.2.2 Barriers to strategic learning plan adoption in the small service firm

While considering the literature for what should be included for consideration in any strategic learning plan and any resulting interventions, it is sensible to examine any barriers to strategic learning plan adoption in the small service firms and to be prepared for them. Barriers to strategic learning in the small service firm includes factors such as limited drivers for training in that OM's may wait until a business or technological need arises (Johnson, 2002); preference for an informal approach to learning and ignorance of available interventions (Linehan, 2008). When one considers that investments in formal learning approaches may not enhance small firm performance (Tocher *et al.*, 2007), the informal approach may be more appropriate in this context.

While OM's in the main agree that training can contribute towards business performance, many find it difficult to identify their own specific training needs and/ or to access resources to carry out the training (Chinomona and Pretorius, 2011; Johnson, 2002). Another possible barrier is the evidence in the literature that learning is a practical process as distinct from cognitive engagement and therefore cannot be simply detached from identity (Higgins, 2008; Reuber and Fischer, 1997). There is further acknowledgement from Rae and Carswell (2000) that OM's of small firms' learn through action oriented processes based on social interactions and much of this interaction is content dependent, reinforcing the value of social learning approaches in this milieu. Small firm employees may also experience practical barriers to development because they may lack the confidence or knowledge to seek the appropriate course (Linehan, 2008; Management Development Council, 2010). The OM respondents to a questionnaire from the European Centre for the Development of Vocational Training (1989), when asked about the programmes aimed at assisting small firms included challenges such as lack of time to learn, the costs associated with learning and a mistrust of academics. In addition, Higgins (2008) points out that due to the contextually-specific nature of the small firm, it is challenging to rationally identify learning processes that would facilitate a learning environment in which the needs of the enterprise could be assessed without engaging directly with each firm prior to implementing the learning programme.

The Management Development Council (2010) found that the issues around delivery and content of the intervention of training programmes raised most frequently by small firm OM's were: inexperienced or poor quality tutors; a lack of applied learning and an over-

reliance on theory and academia and a lack of programmes tailored to the enterprise's stage of development. A small firm usually aims to overcome such barriers by relying exclusively on informal learning (Storey, 1994) because it costs less and is easier to align with the flexible culture as preferred by the small firm (DeKok, 2002). Johnson (2002) provides us with some points that are suggested as worthy of recognition in the area of small firm learning and facilitation which include the role and importance of informal learning and its importance in the small firm, that any attempt to 'preach' to OM's should be avoided, and that any learning initiatives should happen in the context of business support rather than standalone packages. As most OM's cannot spend much time away from their enterprise, learning or training interventions, be they formal or informal, should be run in short inputs, modular sessions in evenings or weekends (Management Development Council, 2010; Kenny, 2015; European Centre for the Development of Vocational Training, 1989). However, relying totally on informal training can cause problems for the small firm such as the threat of passing on poor work habits (Nolan, 2002). It is therefore fitting to review what the literature suggests in terms of overcoming such strategic learning barriers in the small firm setting.

5.2.2.1 Overcoming barriers to strategic learning in the small service firm

A review of the extant literature yields that a major distinguishing factor between growth and non-growth small firms is the education, training and experience of the senior managers or small firm OM's and their employees (Kenny, 2015; Lattimore *et al.*, 1998; MacRae, 1991). For any learning intervention to be effective in the small firm, it must have the dedicated support of management (Motwani *et al.*, 1994). OM's of small firms should recognise that their talent resource will be significantly depleted if they do not help people to fulfil their potential (Thorpe, 2003; Kelliher and Reinl, 2009). Supportive of this suggestion is Landes (2006, p. 28) who points out:

'Every single body in the workplace also comes equipped with a brain. Any organisation that fails to take advantage of both from every individual in a systematic and comprehensive way is sub-optimizing the potential of its employees for exceptional performance'

While small firms put a lot of effort into attracting good people, they are much less effective at equipping those employees to deliver improved performance and motivating them to do their best once employed (Management Development Council, 2010). This is

despite recent research from Forfás (2013) that enterprises should move further towards becoming producers of skills that would include the development of experienced employees through for example, career path plans and graduate programmes. Notably, OMs who attend training and development initiatives are more likely to encourage their staff to engage in training and development as well (Management Development Council, 2010), reinforcing the value of learning orientation in the small firm setting (Madu and Bakari, 2016; Wolff *et al.*, 2015).

It is worth differentiating formal and informal learning insofar as formal learning is considered to be a structured intervention that happens in a classroom environment (Marsick and Volpe, 1999) whereas informal learning takes place on the job and could be recognisable by colleagues helping or advising each other on various tasks (Cheetham and Chivers, 2001). The literature suggests that both formal and informal learning can be beneficial to the small firm (Tocher *et al.*, 2007) with formal learning seeking to serve process-driven learning or specific skill training such as technical training or quality training (Chandler and McEvoy, 2000) and informal learning seeking to increase in employee productivity (Dearden *et al.*, 2000). In terms of the preferred skills of the trainer/ facilitator, they could benefit from having practical experience - increasing the likelihood of their ability to communicate effectively with the learners and to be able to facilitate opportunities for the participants to learn from one another, to help in real problem solving or to analyse their learning needs (McGuinness and Ortiz, 2016; Management Development Council, 2010; European Centre for the Development of Vocational Training, 1989). Learning intervention methods might include project based programmes, action learning groups and problem solving (McGuinness and Ortiz, 2016; Kenny, 2015; McGrath and O'Toole, 2014). Regardless of approach, the literature acknowledges that there is an impact associated with learning interventions in the small service firm (OECD, 2009; Nerys Fuller-Love, 2006).

5.3 The impact of learning interventions in the growth-focused small service firm

The facilitation of learning interventions in a small firm is considered by Tocher *et al.* (2007) to be a means of transforming employees into non-imitable assets. Despite not necessarily retaining employees due to their development initiatives, companies that invest in their people through learning and development do enjoy other benefits such as improved job performance, increased job satisfaction, reduced levels of job related stress and they are considered attractive as an employer for potential staff (Acton and Golden, 2003). Other benefits of investing in training are raising employability and earnings for employees, as employers are a benefactor stakeholder of any skills increase (McIntosh, 2000); increasing productivity and profitability for businesses and improving competitiveness and growth for the economy (Linehan, 2008). Small firm OM's can successfully improve their business performance by investing in employees skills and enhancing their own expertise (Chinomona and Cheng, 2013). Fuller-Love (2006) posits that the skills required by OM's in small firms include leadership, management, developing management systems and team building. The resultant learning orientation can enhance the small firm's ability to identify opportunities that facilitate growth, which in turn translate into action behaviours that positively affect the firm's future performance (Wolff *et al.*, 2015) through the enactment of the strategic learning plan. By drawing on deliberate learning in this way as a means of developing dynamic growth capabilities, the strategic learning plan helps to align learning with business challenges in pursuit of sustainable growth (North *et al.*, 2016).

5.3.1 Measuring learning success in the small service firm

Evaluation is a key phase in any proposed development process (Al-Khayyat and Elgamal, 1997); this research in the context of small service firms is no different, yet despite some investment in learning, organisations often fail to evaluate fully the value or success measure of learning interventions (Mann, 1996). This is considered somewhat perplexing by Tocher *et al.* (2007), as small firms who have scarce resources and potentially suffer opportunity costs associated with the intervention should ideally assess the outcomes of any formal investment closely to help them to decide if they should continue with this investment. Of those companies who do evaluate learning initiatives, the most common method is trainee perceptions (McKenzie, 2010; Nerys Fuller-Love, 2006; Kirkpatrick and Kirkpatrick, 2006; Byrne, 2012; Mann, 1996; Huang, 2001) and

these evaluations are ad-hoc, informal and completed after the intervention instead of being planned for during the design stage (James and Roffe, 2000). This is despite the general advice that such an intervention be measured using elements of the balanced scorecard approach (Kaplan and Norton, 2004).

5.4 Framing the strategic learning plan for a growth-focused small service firm

Miles and Huberman (1994) define a conceptual framework as a visual or written product, one that “explains, either graphically or in narrative form, the main things to be studied, the key factors, concepts or variables and the presumed relationships among them” (p.18). Frameworks, according to Coghlan and Brannick (2012) typically describe the relationships between organisational dynamics, such as purpose, strategy, control systems and information systems, reward systems and culture, and help to organise data into useful categories so as to point out what areas need attention (p.93). At this point, it is worth introducing the insights forthcoming from the literature review in the form of an initial conceptual framework that will be adapted for use in this research. Based on the preceding review, key themes have emerged in relation to small service firm strategic learning plans and embedded interventions (Table 5.1).

Theme	Description	Literary Support
Social learning ethos	Small firms are most suited to learning via social learning whereby they conform to behaviours, values and motives perceived as desirable in a similar organisational setting.	Chiva and Alegre, 2005; Rae, 2002; Taylor and Thorpe, 2004; Deakins and Freel, 2009.
The strategic learning plan must not be too formal and fit the firm’s culture	The culture of a small firm is often informal and linked to the style of the owner. Many OM’s prefer a less formalised culture, a mix of formal and informal learning.	Chandler and McEvoy, 2000; Deakins and Freel, 1998; Dearden <i>et al.</i> , 2000
Any intervention should be delivered flexibly or in modular form with an applied learning focus	Owing to time, geographical and operational constraints, any plan for learning must include provisions for flexibility and modularity.	Fitzpatrick, 2001; MacPherson and Holt, 2007; Chinomona and Cheng, 2013; Storey and Westhead, 1997; O’Gorman, 2006; Kisfalvi, 2002
Interventions should be targeted at the small firm’s industry	A key barrier in learning in small firms is the lack of relevance of general learning interventions.	Folke <i>et al.</i> , 2005; Pahl-Wostl, 2007; Maurel <i>et al.</i> , 2007
The trainer or facilitator should have practical experience	A further barrier was deemed to be the trainer or facilitator having little or no experience in the small firm sector and therefore, unable to relate.	Management Development Council, 2010; Chinomona and Cheng, 2013; Tocher <i>et al.</i> , 2007.
Focus on developing a learning orientation in the small firm	A learning orientation can influence the relationship between competitive strategy and firm performance.	Kelliher and Henderson, 2006; North <i>et al.</i> , 2016.
Measurable impact of learning plan	Deliberate learning as a means of developing small firm capabilities	Lechner and Vidar Gudmundsson, 2014.

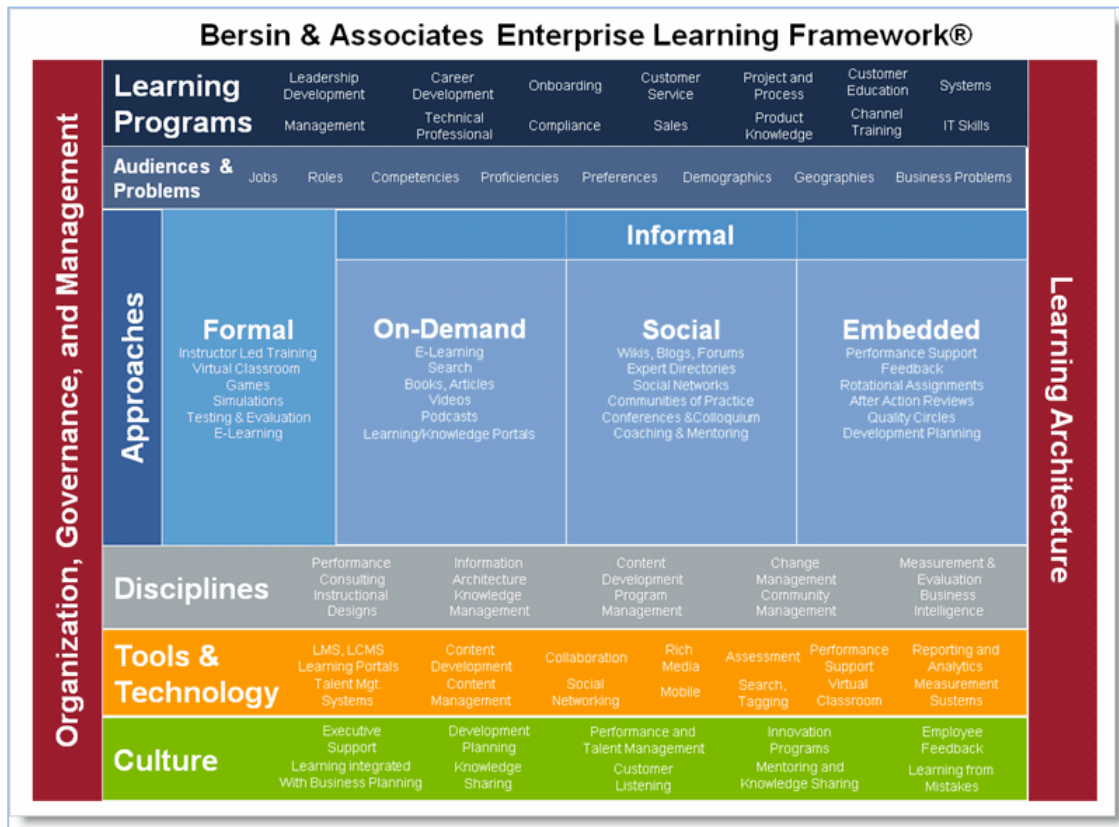
Table 5.1 Key Themes - Strategic learning plan for growth-focused small service firms

In light of the small firm literature that has been catalogued in earlier chapters, a conceptual framework of strategic learning plans in growth-focused small service firms should contain the component parts that have been distilled as being relevant for any resulting strategic learning plan, as summarised in Table 5.2;

Context	Process	Outcome
Owner led culture Fitzpatrick, 2001; MacPherson and Holt, 2007; Chinomona and Cheng, 2013; Storey and Westhead, 1997; O’Gorman, 2006; Kisfalvi, 2002	Formal Learning interventions Marsick and Volpe, 1999; Tocher <i>et al.</i> , 2007; Johnson, 2002; North <i>et al.</i> , 2016	Enterprise Growth Brush and Chaganiti, 1999; DJEI, 2003; Chen <i>et al.</i> , 2009; Deakins and Freel, 2009; Chinomona and Cheng, 2013; Fitzsimons and O’Gorman, 2011
Resource availability Cyert and March, 1963; Daft, 2001; Merrilees <i>et al.</i> , 2011; Chinomona and Pretorius, 2011; Kelliher and Reinl, 2009	Informal learning interventions Chandler and McEvoy, 2000; Dearden <i>et al.</i> , 2000; Deakins and Freel, 1998	Enterprise Effectiveness Drucker, 1977; Goodbody, 2002; Peel and Bridge, 1998
Organisation learning needs (as an extension of the OM), propelled by OM learning engagement Senge, 2006; Daft, 2001; Landes, 2006; Forfás, 2013; Brennan and Shah, 2003; Wolff <i>et al.</i> , 2015	Relational Practices Folke <i>et al.</i> , 2005; Pahl-Wostl, 2007; Maurel <i>et al.</i> , 2007	Employee Productivity Goodbody, 2002; Litz and Stewart, 2000; Reid and Adams, 2001; Lange <i>et al.</i> , 2000; Addis, 2003

Table 5.2 Small firm literary themes contributing to the conceptual framework

Following the identification of the key themes underpinning the development of a strategic learning plan for growth-focused small service firms (Tables 5.1 and 5.2); three established strategic learning plan frameworks were considered for this research study. The first was the Bersin (2010) framework as shown below in Figure 5.1;

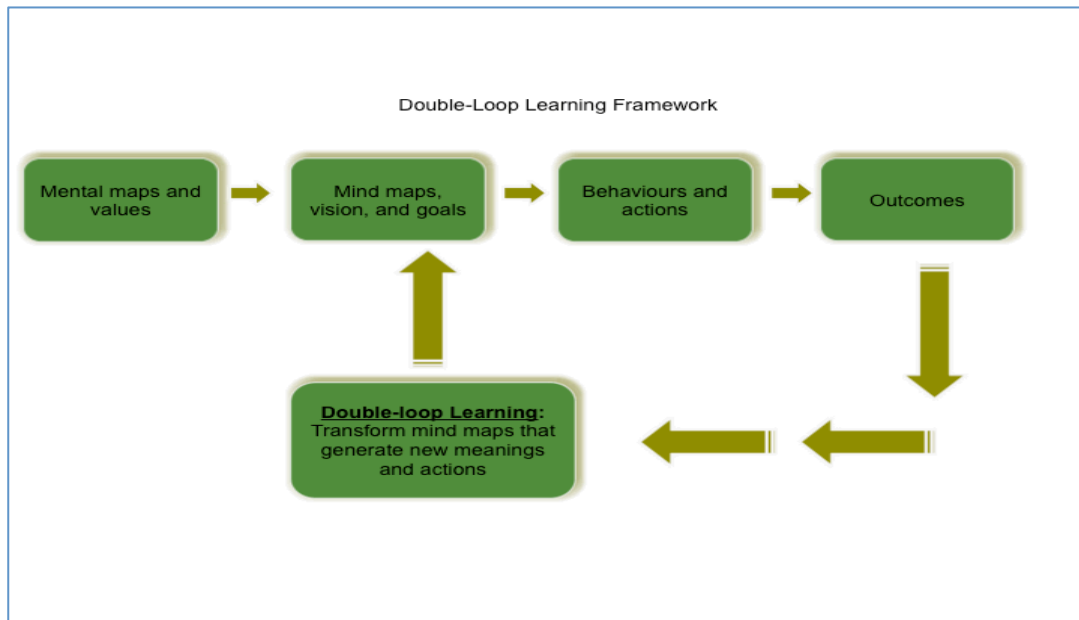


Source: Bersin (2010)

Figure 5.1 The Bersin Conceptual Framework

Bersin's (2010) framework (Figure 5.1) adopts formal and informal learning approaches that facilitate engagement with various organisational audiences and problems. Within the framework, tools and techniques are identified in light of each learning discipline and the culture of the organisation is acknowledged as a baseline from which to adapt the optimum learning programme. While the Bersin framework encompasses many of the facets of small firm strategic learning plan interventions as identified in Table 5.1, such as; the underlying culture of the firm, the formal and informal approaches to learning and the inclusion of social learning as a baseline theory, on reflection it was felt that the framework was rather commercial in its orientation and relied on both the mechanisms and the resources that are more affiliated to a large organisation. In consideration of the resource constraints associated with small service firm operations, this framework was deemed inappropriate in this research setting.

The second framework considered was that of the double-loop learning framework (Stein, 2009) as presented in Figure 5.2;

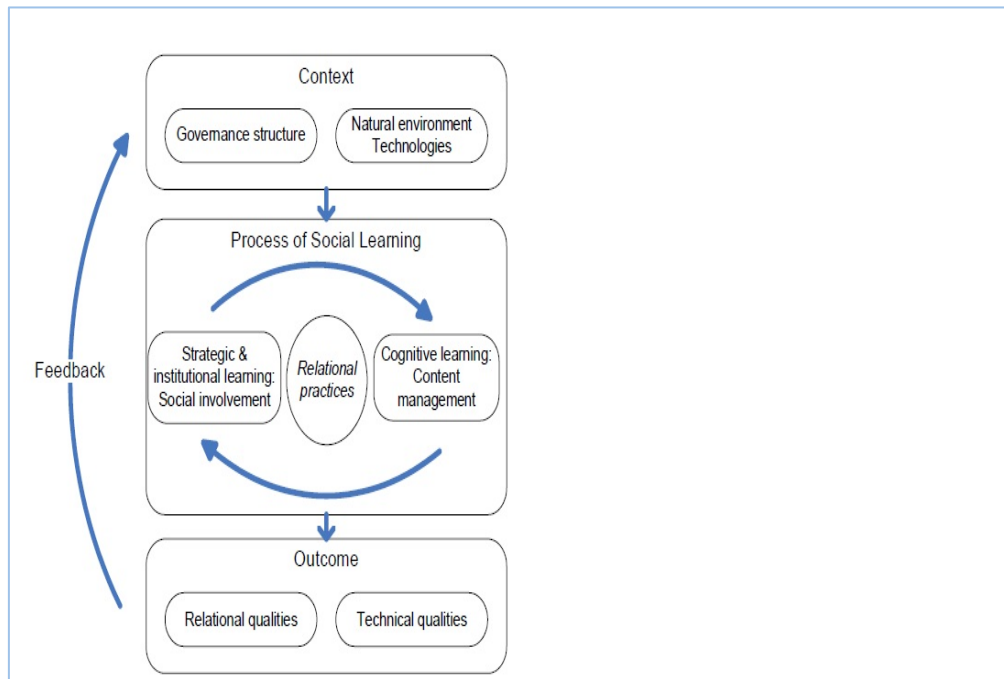


Source: Stein (2009)

Figure 5.2 Double Loop Learning Framework

Stein's double loop learning framework (Figure 5.2) is primarily focused on the intuiting aspect of organisational learning (Crossan *et al.*, 1997), commencing with the individual who develops mental maps and values that then generate visions and goals to promote specific behaviours and actions in pursuit of guidelines that generate new meaning and actions in light of new learning. While elements of this framework are relevant to the small service firm, such as the OM possessing personal mental maps, it was discounted due to the assumption that visions, goals and values in a firm are generated solely from the OM and are easily interpreted and institutionised in this setting, which may not be the case in a small service firm based on the reviewed literature. Furthermore, there is no accounting for owner led culture within the small service firm; specifically that formal vision, goals and values will be generated by the OM and then consciously converted to specific behaviours and actions.

The third conceptual strategic learning framework studied for the purposes of this research is the conceptual framework for social learning in resources management (Pahl-Wostl 2006; Pahl-Wostl *et al.* 2007). This framework is arranged into context, process of social learning and outcomes as well as incorporating a feedback loop in virtue of the possible change in a cyclical and iterative learning process (Figure 5.3).



Source: Pahl-Wostl (2006); Pahl-Wostl *et al.* (2007)

Figure 5.3 Conceptual framework for social learning in resources management

This framework (Figure 5.3) acknowledges the context in which social learning occurs and contemplates the organisational structure and surrounding environment in which the learner presides. The process of social learning is cyclical in nature, encompassing the relational practices that occur in an organisational setting, requiring social involvement to ensure institutionisation of the learning. The outcome is measured in both relational and technical terms, thereby embracing the balanced scorecard perspective (Kaplan and Norton, 2004). Pahl-Wostl *et al.*'s (2006, 2007) framework was selected over the preceding frameworks (Figures 5.1 and 5.2) due to its inclusion of social learning theory at its core and the influence of limited resources on the execution of the framework, reflecting the small service firm environment. Social learning theory and resources are key terms that the literature review has yielded in the research of small service firms, learning and growth collectively (see Table 2.2 in Chapter Two, Table 3.2 in Chapter Three, Table 4.2 in Chapter Four and Tables 5.1 and 5.2 above).

5.5 Proposed framework for social learning in the growth-focused small service firm

The conceptual framework for social learning in resources management (Figure 5.3) has its origins in the study by Pahl-Wostl *et al.* (2007) of water resource management. Previously, the management of water and other such natural resources concentrated on well-defined challenges that became increasingly urgent as urban populations increased in population and industrial and agricultural production heightened. In the short term, solutions to these challenges came in the form of technological solutions proving to be efficient in the face of problems such as hygiene and pollution. Yet, such problems were often solved in isolation and any potentially long-term damaging effects beyond immediate technical restrictions were not considered. As populations increased, technical solutions alone could not facilitate the long-term supply of clean water as it is a finite resource. Consequently, managing natural resources has required a shift in both strategic thinking and management practices to a more integrated and adaptive style of problem solving through a framework of social learning.

The context in Figure 5.3 refers to the governance structure and the natural environment in a river basin (the studied environment); and the underlying goal to improve the state of the environment implies a change in governance structure in practice (Pahl-Wostl *et al.*, 2007). The ‘process’ refers to multiparty interactions in formal or informal negotiations and has two elements: the social/ relational issues relate to the processing of factual information while the problem/ task is concerned with the framing of a problem and how frames may be derived from the culture, social values, and scientific disciplines. A distinct feature of the framework is the relational processes, which accounts for the fact that any information used in the strategic approach to water provision is always embedded in a context of negotiated meaning. Finally, the outcomes represent the success achieved through selecting and activating the process as appropriate given the context (Pahl-Wostl *et al.*, 2007).

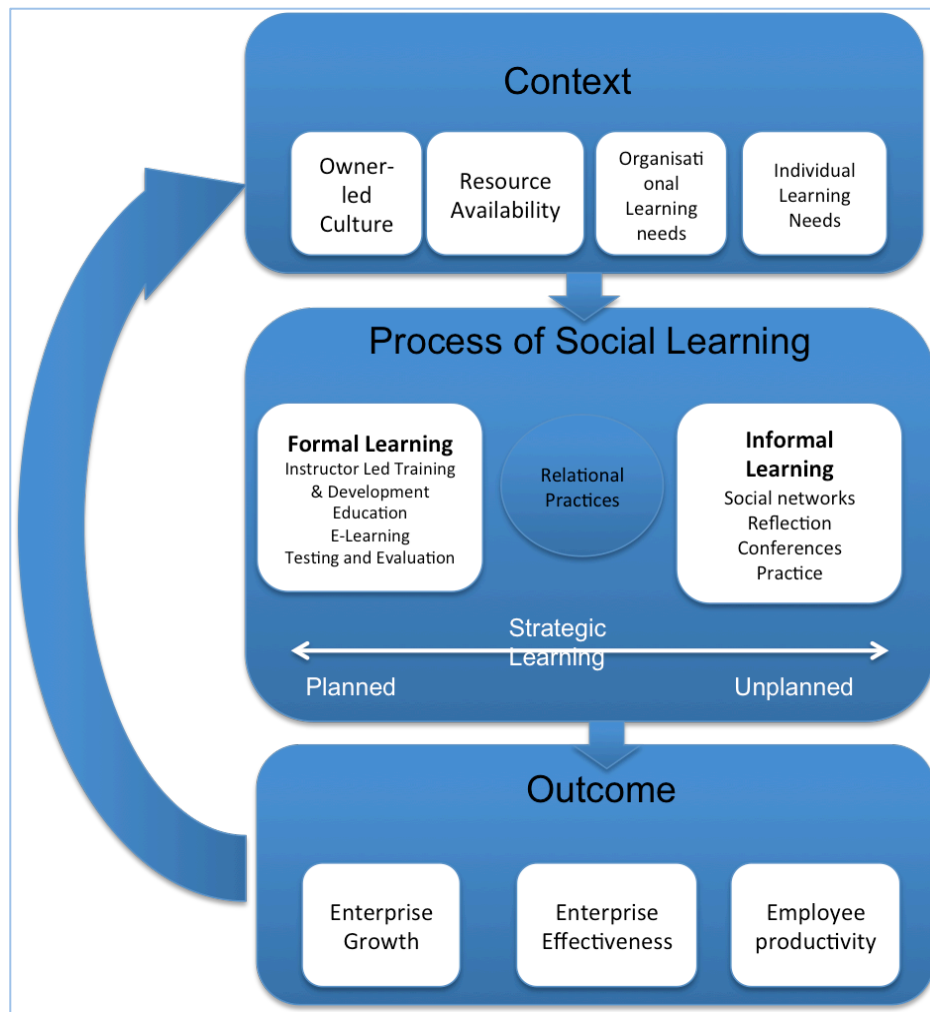
The framework as devised by Pahl-Wostl and Craps (2007) can serve this current research well because it integrates the complexity and unpredictability of social learning in an unpredictable environment. Figure 5.3 encompasses concepts such as resilience, vulnerability, adaptive management and governance and it can help to express the results of exploratory analysis involving complex adaptive systems (Pahl-Wostl *et al.*, 2007). These terms are all familiar to the small service firm OM and the literature has suggested

that small service firms need to be resilient (Deakins and Freel, 2003), may be vulnerable to their environment (Moyer, 1982; Kelliher, 2007) and require management of an adaptive or flexible nature (Shrivastava, 1983; Kelliher and Henderson, 2006). Adaptive management is best known due to its application in the field of ecosystem management (Holling, 1997; Walters, 1986; Lee and Sablinski, 1999), where resources do not meet demand but there are similarities with it and the limitations in resources as evidenced in the small firm (Lasher, 1999; O’Gorman, 2006; Mintzberg, 1978; Bhidé, 2000). Consequently, OMs must include the ability to learn in order to facilitate growth in their business environment (Wolff *et al.*, 2015; North *et al.*, 2016).

The parallels that can be drawn in the current study is that much of the existing literature around learning, development and growth are rooted in larger companies (Mazzarol *et al.*, 2009; Kelliher and Reinl, 2009; North *et al.*, 2016) and is based on well-defined and well-documented challenges where solutions are often short term and isolated; for example, sales are declining so the OM/ small firm reaction is to implement sales training. As a result of traditional classical management theory and its associated tools with which to solve well-defined problems, the knowledge and methods required to address environmental uncertainties and incumbent learning requirements are largely lacking (Pahl-Wostl *et al.*, 2007). In addition, there is often a mutual dependence among elements in managing natural resources such as technical infrastructure, citizen behavior, resource availability and so on (Pahl-Wostl *et al.*, 2007). In a small service firm, there is also mutual dependence among elements such as owner led culture (Sadler-Smith *et al.*, 2001; Stokes and Wilson, 2010), limited resources (Brush and Chaganiti, 2009; Bretherton and Chaston, 2005; Kelliher and Reinl, 2009), strategy (Shelton, 2005; Ackoff, 1974) and growth (Chandler and Hanks, 1994; Shelton, 2005; Goodbody, 2002) which can be enhanced through a focus on deliberate learning in the small firm setting (North *et al.*, 2016).

Based on the parallels identified in Tables 5.1 and 5.2 and discussed above, Pahl-Wostl *et al.*’s (2007) conceptual framework (Figure 5.3) can help to characterise a growth-focused small service firm’s strategic learning plan needs by accounting for the component plan elements, interdependencies and growth potential within this business setting. Thus the conceptual framework of strategic learning plans in growth-focused small service firms is adapted from Pahl-Wostl *et al.*’s (2007) framework and aims to conceptualise the basis

for achieving sustainable growth in the uncertain small service firm environment (Figure 5.4).



Adapted from: Pahl-Wostl (2006) and Pahl Wostl (2007)

Figure 5.4 Conceptual framework of strategic learning plans in growth-focused small service firms

Framework 5.4 retains the steps within the original framework of; context, process of social learning and outcome with an embedded feedback loop that relieves decision makers of the responsibility to deliver one solution but challenges them to explore, experiment and test, rather than defend assumptions (Pahl-Wostl *et al.*, 2007).

The small firm learning *context* (Figure 5.4) embeds the owner-led culture (MacPherson and Holt, 2007; Chinomona and Cheng, 2013; Storey and Westhead, 1997), inherent resource challenges (Cyert and March, 1963; Kelliher and Reinl, 2009; Merrilees *et al.*,

2011) and the interaction between individual and organisational learning needs (Crossan *et al.*, 1997; Mintzberg, 1998; Kelliher and Henderson, 2006) as identified in the literature review. The development of joint (individual and organisational level) interpretations and the implementation of collective action required to integrate tacit knowledge which is not externalized and codified and can thus only be shared through joint activities (Nonaka, 1994) will serve as a foundation for any learning intervention that may form part of a strategic learning plan. Finally the learning needs of the OM will form part of the context for any ensuing strategic learning plan given the influence that they have on the organisation while it is small (Brennan and Shah, 2003; Forfás, 2013; Landes, 2006).

The *Process* aspect of the framework will help to form the practical strategic learning plan interventions while being cognisant of the *context* factors and the literature on the potential deployment of formal learning interventions (Marsick and Volpe, 1999; Tocher *et al.*, 2007; Johnson, 2002) as well as accounting for the interpretation of a learning intervention through relational practices (Folke *et al.*, 2005; Maurel *et al.*, 2007). Thus, when contemplating the process of social learning, both formal and informal learning practices are present; wherein participatory methods such as role-playing are based on relational practices and can thus support social learning (Maurel *et al.*, 2007) in the small service firm setting. Such learning environments are perceived to be crucial for the adaptive governance of socio-ecological systems (Folke *et al.*, 2005), particularly in light of the small firm's minute size within its respective sector (Kelliher, 2007). Finally, multi-element processes are embedded in a structural governance context that has a strong influence and may constrain or facilitate learning processes (Tippett *et al.*, 2005).

Outcomes relate to deliberate learning as a means of developing; dynamic growth capabilities (North *et al.*, 2016), enhanced enterprise effectiveness through strategic learning plan engagement (Kaplan and Norton, 2004), the identification and adoption of opportunities (Wolff *et al.*, 2015) and through the resultant OM and employee increased productivity. This stage of the framework aims to capture any change as a result of the implementation of a strategic learning strategy and such findings will be used as measurements to capture pursuit of enterprise growth (Brush and Chaganiti, 1999; DJEI, 2003; Fitzsimons and O'Gorman, 2011; Chinomona and Cheng, 2013; Chen *et al.*, 2009; Deakins and Freel, 2009). Enterprise effectiveness will also be considered as an output in

terms of any evidence that policies, procedures and processes are put in place to enable the smooth running of the small service firm as a result of a strategic learning plan (Drucker *et al.*, 1977; Goodbody, 2002; Peel and Bridge, 1998). Finally employee productivity will be considered as an output that might occur as a result of the learning intervention (Goodbody, 2002; Litz and Stewart, 2000; Reid and Adams, 2001; Addis, 2003).

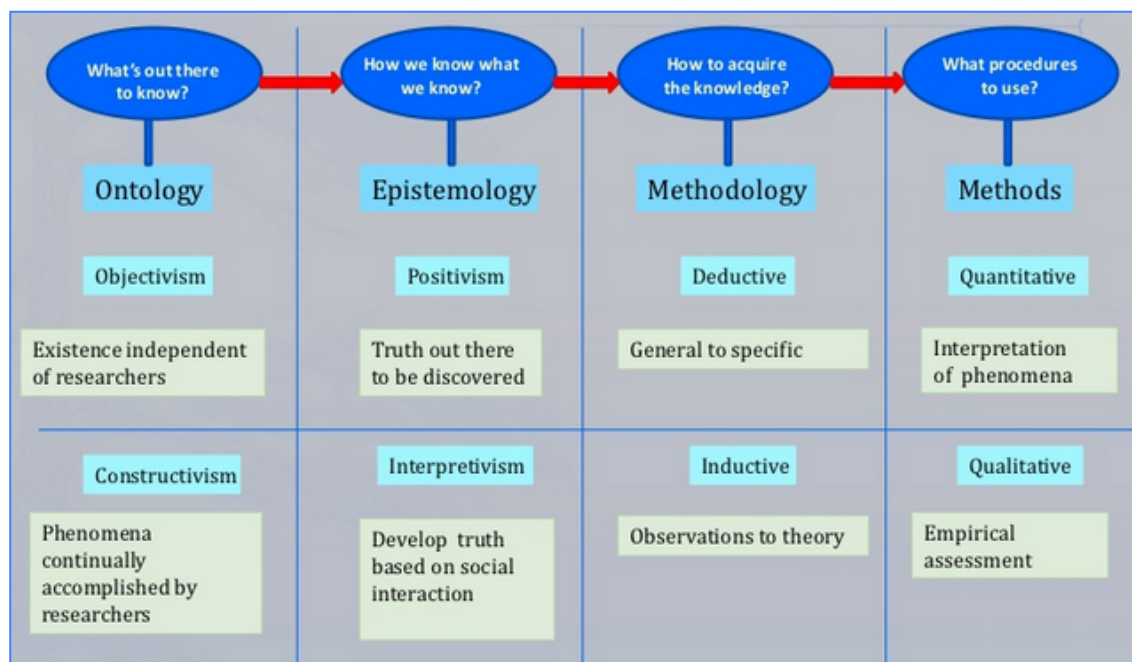
5.6 Conclusion

In this chapter, the literature focus has been on the habits, trends and types of learning interventions that exist in small firms. The seven key themes (social learning ethos, semi-formal plan, flexible learning approach, targeted learning interventions, sector-specific trainer experience, learning orientation and measurable impact) have emerged that will inform the actual strategic learning plan as the research progresses into the empirical study with a view to satisfying the research aim and objectives.

The first conclusion that can be drawn from this chapter is that the strategic learning plan should not be too formal and this comes from the trend that the culture of a small firm is often informal and linked closely to the culture of the owner (Chandler and McEvoy, 2000; Deakins and Freel, 1998; Dearden *et al.*, 2000). This theme may inform some practical support for myself as researcher-practitioner, such as the style of the intervention and the general level of formality that the OM of the small firm displays. The second theme is that any actual learning intervention that emerges as potentially suitable for the small firm under study might be delivered in a more flexible way; to accommodate small teams, time and operational constraints (Fitzpatrick, 2001; MacPherson and Holt, 2007; Chinomona and Cheng, 2013; Storey and Westhead, 1997; O’Gorman, 2006; Kisfalvi, 2002). In this regard, selection of an appropriate methodology is dependent on the method’s ability to facilitate the design, implementation and revision of the strategic learning plan intervention with subsequent iterations. The third key theme suggests that any interventions should be aimed specifically at the industry that the small service firm is operating in arising from the body of knowledge indicating that a key barrier of learning in such firms is the lack of relevant learning content (Folke *et al.*, 2005; Pahl-Wostl, 2007; Maurel *et al.*, 2007). If this theme arises during the primary research, congruence of it will be taken in the choice of learning content that is arranged and proposed. The final theme is that the trainer or facilitator should have practical experience in the sector in which the small service firm is operating (Management Development Council, 2010; Chinomona and Cheng, 2013; Tocher *et al.*, 2007). In cases where I am not the trainer, I will endeavour that any third party trainer or learning professional will have such practical experience to ensure that both the content and the trainer will have the required knowledge and skill to implement a relevant intervention.

6.0 Introduction

A review of the extant literature has exposed certain themes on the topic of small service firms and their potential to grow, pursuant to theories on learning. This chapter will examine the various approaches to research that are available in the context of those themes and the research aim and objectives, and will explain the relevance and suitability of the chosen methodology applied to this research. Methodology is the theoretical study of the logical bias of research, of collecting data and of interpreting and analysing the findings (McNeill, 1990), therefore contenders for methodological philosophies will be explained and approaches to data collection and associated techniques will be rationalised before presenting the approach taken in this study. The chapter will then offer a description of the research sites, the administration of the research and a description of how the data management and analysis will be completed. Figure 6.1 below helpfully illustrates the determinants of knowing according to Dudovskiy (2014) which will be applied in this Chapter.



Source: Dudovskiy (2014)

Figure 6.1 Determinants in the science of knowing.

6.1 Overall aim and objectives of the research

The choice of research topic as asserted by McNeill (1990) is affected by many things, most of which are to do with my interests and values as researcher-practitioner, which are often interrelated. As stated previously, the rationale for considering this research topic evolved as I was immersed in industry as a practitioner and observed some strategic learning patterns and recurrences in small service firms with a growth-focus. This practitioner-based curiosity was coupled with the deep-set value I place on education and learning, which in turn led to the commencement of this research study. From here, a comprehensive literature review in the small firm and strategic learning domain distilled to a research aim.

The overarching aim of this research is to:

Investigate the perceived impact of strategic learning plans on growth-focused small service firms' viability in the Irish context.

On reviewing a blend of academic and industry literature, it became apparent to me that certain research gaps existed in the area of small firm strategic learning and these helped to form a clear statement of the issues that could be investigated as part of this research:

- Research to discern a relationship between learning and small firm performance is lacking (Johnson *et al.*, 1998; MacPherson and Holt, 2007; Tocher *et al.*, 2007).
- Where small firm growth is studied, there has been a lack of focus on the complex strategic choices through which such growth is facilitated and attained (Cressy, 1999; Storey, 1994; Chen *et al.*, 2009).
- The specific frameworks necessary to analyse and evaluate strategic learning within small firms is an area that has not been studied to any depth in the literature (Kelliher and Henderson, 2006; Taylor and Thorpe, 2004; Gibb, 1997).

Based on the above, it was clear that a research gap existed in relation to a possible link between the existence of a strategic learning plan and the level of growth in a small service business. Thus, the research aim was further explored and refined through the

collation of research objectives for study; as objectives, according to Emory and Cooper (1991), provide a clear understanding of the purpose of the study and assist in the direction and investigation of the research. The referent research objectives are as follows:

1. To design and develop a small firm strategic learning plan;
2. To study the implementation of a strategic learning plan within small service firms;
3. To evaluate owner/ manager perceptions of the likely impact on growth of a strategic learning plan;
4. To pursue a strategic learning plan framework for use in growth-focused small service firms.

6.2 Philosophical perspectives

The concept of praxis, originally from Aristotle, refers to the art of acting upon conditions one faces in order to change them (Susman and Evered, 1978 p. 594). As a practitioner-researcher, my philosophical perspective has its origins in this assumption, that change is possible through action and research. Thus, my preference is to focus on real organisational problems rather than issues being addressed specifically for the purposes of research alone. I am also of the view that, where one has the ability, we should endeavour to be the change agent in the work setting. These aspects of my philosophical perspective drove me towards a study that could assist those in a live setting through focused intervention. This section will step through alternative philosophical perspectives and explain how and why action research transpired to be the most suited to both the research aim and to myself as the practitioner-researcher.

When considering social research, the core of philosophical perspective is the question of what is meant by scientific knowledge and how this differs from social or natural knowledge (Coghlan and Brannick, 2010; Brannick and Roche, 1997). All social research is intrinsically linked to the whole process of knowledge generation (Patton and Appelbaum, 2003; Orum *et al.*, 1991; Brannick and Roche, 1997) and is based on the interrelated assumptions that underpin social science (Burrell and Morgan, 1979). These interrelated assumptions regard ontology, epistemology and human nature as philosophical perspectives and refer to the ways in which we perceive and know our social world and the theories concerning what exists (Hamel, 1991; May, 2002). Furthermore, these assumptions determine the research methodology and the methods employed by me. Thus, the task of social research is not just to collect observations on the social world, but to explain these within theoretical frameworks which examine the underlying structures that inform people's actions and prevent their choices from reaching fruition (Willis, 1977). As such, ontological, human nature and epistemological perspectives should be considered when developing the methodological stance of a particular research project.

6.2.1 The ontological perspective

The philosophy of science has produced some principles relating to ontology which can be thought of as the nature of the world (Coghlan and Brannick, 2012). The central principle of orientation with regard to the ontological perspective is the question of

whether social entities can and should be considered objective entities that have a reality external to social actors (Goss, 1991; Burrows and Curran, 1989; Bryman and Bell, 2003). For example, can and should an organisation be thought of in terms of its own objective reality, as distinct from the people within it? Ontology comprises two distinct viewpoints, namely nominalism and realism. Nominalists hold the view that the social world is created by individuals within it while realists advocate that a single reality exists independent of the individuals within it (Burrell and Morgan, 1979). Given the evidence in the literature review toward a preference for social learning amongst small service enterprise (Lave and Wenger, 1991; Higgins, 2008; Theodorakopoulos and Figuerira, 2012), defined as a process through which individual behaviours, values, attitudes and motives are influenced to conform to those as seen as desirable in a given social or organisational setting (Buchanan and Huczynski, 2004); a nominalist ontology is applicable in this research study with respect to the subject matter and research objectives as identified above.

6.2.2 The human nature perspective

Human nature refers to the relationship between human beings and their environment (Burrell and Morgan, 1979) and argues that there is no objective or single knowable external reality. There are two polar standpoints associated with this perspective: determinism which espouses that human beings are products of their environments and that they are conditioned by external circumstances; and voluntarism which advocates that free will features in one's relationship with their external environment (Kelliher, 2006). From the earlier evidence to support the assertion that small firms learn from their complex environment in context (Macpherson and Holt, 2007; Kelliher and Henderson, 2006; Deakins and Freel, 1998; Down, 1998), this debate concerns the assumptions that social theories make about the nature of the social world (Coghlan and Brannick 2012; Grant and Perren, 2002). Furthermore, my human nature perspectives served to legitimise the method chosen to undertake research (Coghlan and Brannick, 2012), which then informed my contribution to knowledge or theory (Peter and Olsen, 1993). In this research, I am an integral part of the research process as opposed to separate from it (Coghlan and Brannick, 2012), suggesting a voluntarist perspective. This perspective is anchored to the work of Down (1998) and Reinl and Kelliher (2014), each of whom purport that small firms do not operate alone but in complex networks of association. Therefore, any research involving small firms and OM strategic learning, such as this

research study does, should consider the context of the wider environment as these organisations are, according to Patton and Appelbaum (2003), systems that are in a constant state of change and continually in contact with their environment.

6.2.3 The epistemological perspective

Epistemology is known as the theory of science and provides the classifications that help to discern different styles of thinking (Emory and Cooper, 1991). The perspective is concerned with what is regarded as acceptable knowledge in a discipline and a central issue is the question of whether the social world can and should be studied according to the same principles, procedures and ethos as the natural sciences (Bryman and Bell, 2003). As epistemology guides the research, opposing views focus on whether knowledge can be acquired (positivism) or if it should be personally experienced (interpretivism). The epistemological choice between interpretivism and positivism is one that is consequential for all researchers and the selection of one is dependent on my underlying philosophy and the research task (Kelliher, 2006). The basic differences between Positivism and Interpretivism are summarised in Table 6.1.

Assumptions	Positivism	Interpretivism
<i>Nature of reality</i>	Objective, tangible, single	Socially constructed, multiple
<i>Goal of research</i>	Explanation, strong prediction	Understanding, weak prediction
<i>Focus of interest</i>	What is general, average and representative	What is specific, unique, and deviant
<i>Knowledge generated</i>	Laws Absolute (time, context, and value free)	Meanings Relative (time, context, culture, value bound)
<i>Subject/Researcher relationship</i>	Rigid separation	Interactive, cooperative, participative
<i>Desired information</i>	How many people think and do a specific thing, or have a specific problem	What some people think and do, what kind of problems they are confronted with, and how they deal with them

Source: Pizam and Mansfield (2009)

Table 6.1 Difference between positivism and interpretivism

6.2.3.1 Positivism

The position that advocates the application of the methods of the natural sciences to the study of social reality (Bryman and Bell, 2003) is associated with an epistemological position known as positivism (Robson, 2002). Positivism's underlying assumption is that there exists an unchanging objective reality which should be measured using objective measures (Reinl, 2008); an example of such reality is that knowledge that is discovered is factual and correct for all times and places and will not change regardless of who discovers it (Coughlan and Coughlan, 2002; McNeill, 1990). Positivism is often labelled empiricism (Dobson, 2002) which presumes that there are facts which we can gather on the social world, independently of how people interpret them (May, 2002). A further assumption is that I am independent of the phenomena under study (Reinl, 2008). Challenges to the positivist approach are that there are critical differences between the subject matter of sociology and that of natural science. Specifically, people are active, conscious beings, aware of social situations and make decisions about how to act, whereas natural phenomena have no meaning for events (McNeill, 1990) or as put by Robson (2002, p. 21):

‘Essentially, positivists look for the existence of a constant relationship between events, or in the language of experimentation, between two variables. This can be relatively straight-forward when dealing with the natural world, however, when people are the focus of the study in a real-world context, the constant conjunction in a strict sense is so rare to be virtually non-existent’.

Given that this research study requires a real-world context (the small service firm), in which ‘people are the focus of the study’ (Robson, 2002, p. 21) and my presence is required to explore the research aim and objectives, it is at odds with the assumptions of positivism, where the ‘emphasis on observed reality results in anything subjective being ignored’ (Kelliher, 2006, p. 135). The contrasting view that the subject matter of social science is different from that of natural science is known as interpretivism.

6.2.3.2 Interpretivism

Interpretivism is a term given to a contrasting epistemology to positivism in that interpretivists are of the view that the subject matter of social science (people and institutions) is fundamentally different from that of the natural sciences (Bryman and

Bell, 2003). Interpretive methods have become more popular with the emergence and growth of the phenomenology philosophy in the 1960s (McNeill, 1990), which is concerned with how individuals make sense of the world around them. The underlying assumption is that social reality is not 'out there' waiting to be experienced but is socially created through social interaction (Goss, 1991; McNeill, 1990; Reinl, 2008) and exists in the shared consciousness of others. Among the principles of the phenomenological perspective is that man is a conscious, active, purposeful social being, rather than being subject to external influences over which he has no control (McNeill, 1990). According to Remenyi *et al.* (1998), Reinl (2008) and Down (1998), context is a key construct in the interpretivist approach. Supportive of the importance of context is Tennant (1999) whereupon it is suggested that: 'It makes no sense to talk of knowledge that is de-contextualized, abstract or general' (p. 77). Thus, context is a key feature of the conceptual framework for this research, because, as outlined by Kelliher (2006, p. 132): 'interpretive researchers interact with people and immerse themselves in the research environment to enable them to see phenomena from the perspective of the subjects involved'.

The research in this instance aims to investigate the perceived impact of strategic learning plan intervention on growth-focused small service firms in Ireland. By placing people in their social contexts in this research study, there is an increased opportunity to understand the perceptions they have of their own activities (Hussey and Hussey, 1997). Accordingly, the epistemological perspective of interpretivism is aligned with this study on small service firms and has influenced the selected methodology. Interpretivism is regularly cited as the preferred epistemology in small firm research (McGrath and O'Toole, 2012; Rae, 2000; Goss, 1991; Perren and Ram, 2004; Holliday, 2002; Burrows and Curran, 1989). Further support for the interpretive approach to research comes from Deakins and Freel (1998), Kelliher and Henderson (2006) and more recently, North *et al.* (2016), each of whom used an interpretive method base to explore learning in a small firm environment, because it allows the investigation of contemporary phenomenon within its real life context.

Of particular relevance in the current study is Macpherson and Holt (2007)'s work. They include in their findings on knowledge, learning and small firm growth that human and social capital as well as structures, systems and dynamic capabilities influence learning

and recommend that a contextually sensitive understanding of human and social capital, knowledge systems and networks and strategic learning might be useful when researching small firm growth. Their suggestion is that epistemological approaches need to be sensitive to such relational practices which the interpretive stance in this research accounts for. Therefore, my decision is informed by the sought for knowledge pertaining to the perceived impact of learning on growth in a particular setting. To this end, interpretivism is the relevant choice because small firms are better understood using the reality of the environment within which they operate (Deakins and Freel, 1998; Kelliher and Henderson, 2006) and it allows me to understand the subject's lived experience by encapsulating their interpretation of events and the world around them (Schwandt, 2000).

6.3 Research Methods

This research aspires to investigate the perceived impact of strategic learning plan intervention on growth-focused small service businesses. Down (1998) makes the point that because learning is context-specific, it is critical to employ a research methodology that can uncover meaning, that is, one that can examine the interpretation of an event, such as a conversation with a supplier. Therefore in the current study, I seek to define reality as a social construction and ultimately fall in line with the philosophical foundations of interpretivism as a basis for the inquiry.

Moving further into the realms of methodology, there are two primary methods of inquiry wherein a structured approach to inquiry is usually classified as quantitative and an unstructured approach is classified as qualitative (Kumar, 2005), each of which represent different ways of thinking about the world (Holliday, 2002). By its nature, positivism advocates the deployment of quantitative data and interpretivism advocates the merit of qualitative data in the pursuit of knowledge (Kelliher, 2006). Quantitative methods emphasise quantification in the collection and analysis of data and use a deductive approach to inquiry to seek objective clarification of an external reality (Bryman and Bell, 2003). In contrast, qualitative methods are concerned with getting to social settings and seeing what is there (Holliday, 2002) and presenting the quality of life described (McNeill, 1990) in the form of words rather than numbers.

Of relevance in this study is that quantitative research is deemed to offer only limited insight into small firm learning due to the complexity and dynamism of the small firm environment (Gibb, 1997; Curran and Burrows, 1987; Burrows and Curran, 1989). Stake (1995) suggests that while quantitative researchers regularly consider the uniqueness of cases as error prone or outside the system of explained science, such a phenomenon could be of critical importance to the qualitative researcher. Notably, a research deficit has been exposed in the literature in that the numbers of small firms entering and exiting the market is well captured [a quantitative exercise] yet the reasons for such trends are less well researched (Deakins and Freel, 2009; Chen *et al.*, 2009). Down (1999) discounts the use of isolated methods such as quantitative questionnaires when considering small firm management activities due to the fact that the type of information to be collected is likely to be personal and subject to change over time. Of particular relevance is the reality that learning is context-specific, thus the meaning placed by the OM on a particular event is

critical to understanding that event (Down, 1999). Accordingly, the approach of quantitative research is considered unsuitable for this study as it does not offer the contextual depth necessary to fully explore the research aim.

Considering the subjective nature of this study, in order to understand small firm learning, one needs to understand the context in which it occurs (Macpherson and Holt, 2007; Kelliher, 2006; Kelliher and Henderson, 2006; Deakins and Freel, 1998; Down, 1999). The small service firm exists in a context that faces unique learning requirements, underpinned by constrained resource. It has also been mentioned that small firms are not isolated from their environment (Down, 1999; Reinl and Kelliher, 2014), wherein they face the challenges and opportunities associated with their minute size (Kelliher, 2007). Thus, I believe the study would be best pursued through the qualitative method in order to gain a full understanding of the learning experience of small service firms in context (Resnik, 2003; Down, 1999). Assuming a qualitative lens, this research is located within the small service firm setting, providing a context for exploring social variables and manageable boundaries (Macpherson and Holt, 2007; Kelliher and Henderson, 2006; Deakins and Freel, 1998; Down, 1999; Goss, 1991).

Down (1999) posits that OM's and their small firms cannot be treated in isolation when referring to how learning takes place. Therefore, I devised a set of procedures to fit the situation - the small service firm as the studied environment and the nature of those within it, specifically the OM. While the unit of analysis will be the OM in this study, the aim is not to try to understand their subjective interpretation of reality but to view actions through a pre-determined conceptual lens as informed by the literature (Perren and Ram, 2004) and articulated in the proposed conceptual framework (Figure 5.4 Chapter Five). Of further relevance is that I will conduct this qualitative study in connection with the small firm OM's everyday work (Holliday, 2002), and by doing so, the natural research of myself as a reflective practitioner will be transformed into more rigorous, accountable activity which characterises formal research.

6.3.1 Methodological and philosophical themes emerging from the literature

Drawing from the foregoing observations, the research approach adopted for the reported study is interpretive in nature and qualitative in its application. There are a number of themes that emerge from the method, small firm and strategic learning literature and the

potential impact if any, of strategic learning on growth in this setting that lead me to this methodological and philosophical research method. These are:

- The suitability of qualitative methods when researching small firms (Goss, 1991; Perren and Ram, 2004; Holliday, 2002; Burrows and Curran, 1989).
- The necessity for my proximity to the OM (Hill and McGowan, 1999) given the critical role that the OM has on small firm learning (Down, 1999; Gibb, 1983; Wolff *et al.*, 2015).
- Social learning is a factor of individual and organisational growth (Lave and Wenger, 1991; Storey and Greene, 2010; Deakins and Freel, 1998; Blanchflower, 2004; Goss, 1991).
- Considering creative exploration makes qualitative research similar to the research we all conduct as part of our daily lives, in which we must continually solve problems and learn how to behave with people in a wide range of settings (Goss, 1991; Holliday, 2002), the proposed social learning theory (SLT) emerged as the most appropriate learning theory for this research.
- Small service firms are run by OMs with varying degrees of business acumen and operate in an environment with rich opportunities for learning (Tell and Gabrielsson, 2013); such individual factors must be considered when developing policies to promote growth (Emerald Insight, 2014).
- Growth in small service firms is linked to planning (Mintzberg, 1998; Hatten, 2009; Kraus and Schwarz, 2006; Mazzarol *et al.*, 2009; Kelliher and Reinl, 2009; Phillips and Kirchoff, 1989) and as has been mentioned above in section 6.2.3.2 (Interpretivism), the underlying assumption is that social reality is not waiting to be experienced but is socially created through social interaction (Goss, 1991; McNeill, 1990; Reinl, 2008) and exists in the shared consciousness of others. This suggests that there may be merit in planning for learning in a strategic way within the small service firm environment.

- Any individual learning opportunities must be linked to employee and organisational goals (Mann, 1997; Landes, 2006; Brennan and Shah, 2003) and this point can be linked to the nominalist ontological perspective as outlined in section 6.2.1; where it is posited by Burrell and Morgan (1979) that the social world is created by individuals within it. There may or may not exist an impact on growth which is aligned with learning opportunities for employees that are linked with organisational goals.

- Learning interventions should be specific, relevant and provide a mix of hard (technical) and soft (interpersonal) tactics and measures (Johnson, 2002; Hatten, 2009; Matthews *et al.*, 2001). The human nature perspective as outlined in section 6.2.2 is relevant to this point as it is assumed that I am an integral part of the research process as opposed to separate from it and that the small service firm is always in a state of flux and change. As a practitioner-researcher, I will be integral to this study.

- Barriers to learning include the reality that OMs may not be aware of their own learning needs; have a preference for informal learning (Johnson, 2002; Tocher *et al.*, 2007; Mintzberg, 1994); find it difficult to identify their own learning needs (Mazzarol *et al.*, 2009); experience a lack of resources in terms of time, money and expertise (Merrilees *et al.*, 2011; Daft, 2001; Chinomona and Pretorius, 2011; Stokes and Wilson, 2010); and are likely to be action-oriented people. The basis of the interpretivist epistemological view outlined earlier in section 6.2.3.2 lends itself to exploring these criteria, as it considers how individuals make sense of the world around them (McNeill, 1990).

6.4 Research methods selection

This research involves small service businesses and is exploratory in nature. Thus, it seeks to extend theory rather than to test it (Bretherton and Chaston, 2005). As put by Bradbury Huang (2010) the purpose, unlike conventional social science, is not primarily to understand the social microcosm but also to effect the desired change as a way of generating knowledge and empowering stakeholders. The literature and context is suggestive of interpretivism as an underlying philosophy for managerial and organisational research in the small firm (Kelliher, 2006; McNeill, 1990; Down, 1999; Taylor and Thorpe, 2004; MacPherson and Holt, 2007; McGrath and O'Toole, 2012). It is the case that this research leans toward the managerial and organisational investigation as one of its key themes is 'strategic learning plans' and from a learning standpoint, it has been established that I need to understand the situation in which the learning occurs (Kelliher, 2006). Referring to the undertaking of research in small firms, Gibb (1997) suggests that the qualitative and ethnographic methods are most congruent to tease out such knowledge as is inherent with the landscape of the small firm, while objective surveys of business needs do not do much to answer questions relating to process. Supportive of this is Crossan *et al.* (1999), who advocate that I am required to observe the actual behaviour of the OMs in order to understand it.

Notably, Perren and Ram (2004) and Curran and Burrows (1987) say that only through qualitative research design is it possible for researchers to understand the policy needs of small firms and furthermore, to express them in a relevant way to owner/ managers. In that respect, it is possible to see why some recommendations to small firms, while sensible in theory, may not work in practice (Holliday, 1995). Specifically, if textual data is quantified while the goal of the research is to understand a phenomenon from the viewpoint of the participants within a specific social and institutional setting, the context is largely lost (Kaplan and Maxell, 1994). Thus, this research lends itself to the use of a qualitative approach and examples of such methods appropriate to social sciences include case study research, ethnographic research and action research.

6.4.1 Case Study Research

A case study involves the in-depth study of a single example of whatever I wish to investigate (McNeill, 1990). The case study is 'a research strategy which focuses on

understanding the dynamics present within a single setting' (Eisenhardt 1989, p. 534) and typically combines data collection methods such as interviews, questionnaires and observations. A case study is considered by Yin (1984, 2003) to be an empirical inquiry that investigates contemporary phenomenon in a real-life context. Of note is the fact that building theory from case study research is most appropriate in the early stages of research on a topic (Eisenhardt, 1989), as is the case in this study. The case study is generally accepted as an appropriate method within the small firm research community (Anderson *et al.*, 1994; Coviello and Munro, 1995; Ennis, 1999; Perren and Ram, 2004) given its suitability to explore a contemporary phenomenon within a real life context (Pettigrew, 1990). Others see the case approach as a fitting method, as it can be used to accomplish various aims such as to test a theory (Pinfield, 1986) or to provide a description (Kidder and Fine, 1982). The choice for the case study approach is based on the decision to treat each OM in this study as an individual case. It is believed that the case study approach is keenly suited to the small service firm as it allows for insight into social dynamics in each small service firm (Borch and Arthur, 1995).

The selection of an appropriate population defines the set of entities from which the research sample is to be drawn (Eisenhardt, 1989). In context, the set of entities for this study are that the organisation is small as per the European Union (2011) definition, is within the service industry and is growth-focused. The case study method attracts some criticism in relation to perceived lack of precision, objectivity and rigour (Kelliher and Henderson, 2006; Patton and Appelbaum, 2003) and according to McNeill (1990) there is no representativeness and the essence of the technique is that each subject studied, whether it be an individual, a group, an event, or an institution, is treated as a unit on its own. However, researchers can offset such criticism by deploying multiple research techniques under the case mantle such as observations, documentary review and interviews with multiple sources. While the case study method has potential in light of the current research aim and objectives, it is not the complete optimum method due to the fact that I will be active in the strategic learning plan intervention in the chosen small service firms.

6.4.2 Ethnography

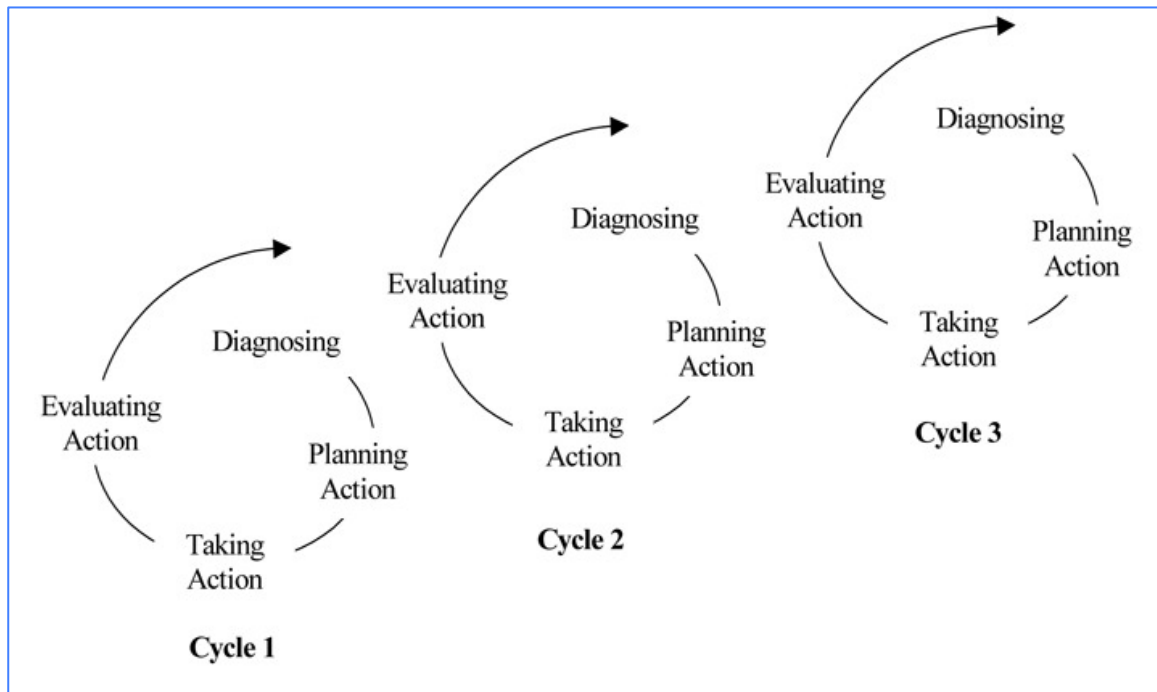
Ethnography means writing about a way of life and in its simplest form it involves me describing the way of life of a group (McNeill, 1990). Holliday (2002) describes it as that

which explores the nature of a specific social phenomenon. Ethnographic approaches to qualitative research usually prescribe the absence of specific theories before conducting fieldwork (Down, 1999) as the core concept of ethnography is to allow conjecture to emerge from the research as it goes along rather than to seek cause and effect (McNeill, 1990). Gummesson (1991) suggests that ethnography is about descriptions of social patterns and participant observations through participation. In relation to small firm research, Down (1999) advocates research styles that reflect ethnographic tradition so that the individuals and unique characteristics of the small firm can be understood. While ethnography was deemed unsuitable as a method for this research in its purest form as it requires prolonged immersion in the study environment, the principles of observation is one such ethnographic technique that will be used in this research design to contextualise dimensions of the learning environment, for example, to enable partial immersion into the culture and context of the small service firm to allow me to study the perceived impact of strategic learning plans (Kelliher, 2006) on growth.

6.4.3 Action Research

The starting point for an action research project is a question that puzzles or the strategic or operational intervention that needs to be taken and from which the imperative for action and research follow (Schein, 1997). The starting point in this study is the requirement for and value of a strategic learning plan and operational intervention on the small service firm poised for growth. AR's distinctive characteristic is that it addresses the twin tasks of bringing about change in organisations and in generating robust, actionable knowledge in an evolving process that is undertaken in the spirit of collaboration and co-inquiry whereby research is constructed with people rather than on or for them. As such, I as action-researcher recognise my role as co-creator of knowledge in this research study.

Action Research (AR) is an approach to knowledge creation that happens in the context of practice and obliges researchers to work with practitioners (Bradbury Huang, 2010). Gummesson (1991) asserts that action research encompasses active intervention, in which I perform a cycle of diagnosis, planning, taking action and evaluating said action (Coghlan and Brannick, 2012). AR can occur over a number of iterative cycles, as illustrated in Figure 6.2.



Source: Coghlan and Brannick p.10 (2012)

Figure 6.2 Spiral of action research cycles

As exhibited in Figure 6.2, in AR, I am actively involved in diagnosis and planning and I introduce some change in policy, using my professional and research expertise. I then take action based on the strategic learning plan co-developed with the OM and subsequently monitor the intervention and possibly evaluate its success (McNeill, 1990). AR has been accepted as a valid research method in fields such as organisational development and education (Baskerville and Myers, 2004), small firm learning (Reinl and Kelliher, 2010) and small firm growth capabilities (North *et al.*, 2016), while also fitting with my own goal, to ‘make a difference’ within these firms.

As I aim to understand the small firm, I believe I must approach the research in such a way that considers the specific characteristics of the small firms and the dimensions of the environment in which they operate (Grant *et al.*, 2001). Assuming that small service firm OMs are interested in the growth of their organisation and given the challenges of uncertainty and resource constraints (Cyert and March, 1963; Daft, 2001; Merrilees *et al.*, 2011; Chinomona and Pretorius, 2011; Kelliher and Reinl, 2009), the growth aspirations are increasingly difficult to attain using current thinking and structures (Pedlar, 2011). In light of such challenges, AR provides a safe place for a small firm to explore self and

work, support, share problems and provide a think tank (Bourner and Frost, 1996) for OMs and their small firms. Ford and Ogilvie (1997) suggest that action research is particularly appropriate in ambiguous circumstances where interpretations of information is evolving and of a qualitative nature. Critically, this method of research has been commended in the context of learning development by Zuber-Skerritt and Perry (2002) and in the domain of small firm learning development by Kelliher *et al.* (2009), Reinl and Kelliher (2010) and North *et al.* (2016).

This current study will employ an AR methodology, as AR is about moving towards practical outcomes, enabling new forms of understanding and with a focus on reflection (Reason and Bradbury, 2001; Bradbury Huang, 2010). While there is no simple definition, AR is considered an emergent inquiry process that involves a number of cycles where I diagnose, plan, take action and evaluate that action (Daft, 2001; Coghlan and Brannick, 2012), as exhibited in Figure 6.2. Historically, AR has been used to investigate practical issues, and has grown in popularity as a research approach in areas such as organisational development, education, health and social care (Denscombe, 1998). Its application in educational settings is relatively widespread (McNeill, 1990; Herr and Anderson, 2005; Reinl and Kelliher, 2010) and has been shown to provide a collaborative path to organisational change (Herr and Anderson, 2005). Somekh (1995) adds that AR directly addresses the knotty problem of the persistent failure of research in the social sciences to make a difference in terms of bringing about actual improvements in practice. It also holds a particular niche among professionals wishing to improve their practices through research (Somekh, 1995), as is the case in this research study. Therefore, the underlying goal of AR is to create knowledge that is relevant, useful, descriptive of a situation and then informative of improvements (Argyris *et al.*, 1985). AR offers reciprocity as advantages are created for each subject under study while contributing to knowledge (McGrath and O'Toole, 2012). It allows the small firm to disengage from the business (Thorpe *et al.*, 2003) and to step away from the daily activities (McGrath and O'Toole, 2012) due to the reflective practice emphasis of the AR method (Schon, 1983).

Action research is a method that involves the feedback from the interventions to help design and implement further improvements (Daft, 2001). In this instance, and in keeping with the views of Somekh (1995) and others, it is the aim of this research to

propose a small firm strategic learning plan framework that can be applied in the pursuit of growth among small service firms. It is also appropriate in that these AR interventions will allow further professional development of small firm OMs through its deployment (Herr and Anderson, 2005). As highlighted earlier in this thesis, small firms are incomparable to larger firms in the context of learning due to the scarcity of necessary resources and resultant over-emphasis on short-term goals. As a result, small service firms require a particular type of support when applying learning tools and when honing their ability to transfer such learning back into the business (Reinl and Kelliher, 2010; North *et al.*, 2016).

Action research, as propounded by Denscombe (1998) should be used to investigate specific kinds of problems and tends to be localised, small scale and within the micro-environment. In this regard, it is a suitable methodology for this particular research as one of the objectives is to distil an applied research offering in the shape of a strategic learning plan to a limited number of small firms involved in the research study that might facilitate their growth. Denscombe (1998) offers three criteria that research aims should aspire to in order for AR to be fit for purpose. The criteria closely align to the research aims in this research study and are;

1. Controls - meaning that I should have identified elements of significance and should subsequently include or exclude them from the situation so that their effect might be understood. Herr and Anderson (2005) supplement this in their understanding of AR as being distinct from qualitative and quantitative research in that the research participants themselves are either in control of the research or are participants in the design and methodology of the research. In this research, the OMs of the small firms being studied will have the opportunity to inform the planned strategic learning framework and to be active participants in the study, and so will enjoy an amount of control.
2. The identification of Causal Factors - meaning that I may introduce or exclude factors to or from the situation which allows me to discern which factor causes the observed outcome. Indeed, I will introduce a customised strategic learning plan to a number of small firms and observe its perceived impact in each organisation on the growth of that enterprise.

3. Observation and Measurement – meaning that experiments depend on exact and in-depth observation of outcomes and changes that occur as a result of this introduction or expulsion. It is of note that Denscombe (1998) views experiments as traditionally associated with purely scientific research while allowing that they are now more commonly used as a research strategy in social research as a tool of observation and measurement. In this study, the research will investigate the perceived impact of a strategic learning plan intervention on the growth of the small firm using criteria that will emerge through the design and implementation of the appropriate intervention with each OM in due course.

Having reflected on both the literature and the array of available research methods, action research is the most suitable methodology for this research due to its applicable and practical nature and the understanding that the work happens in the context of action (Bradbury Huang, 2010). Under this approach, I will be immersed in small service firms and will engage with the practitioners within. As an action-oriented methodology, AR's application mirrors the learning preferences of SMEs (Stewart and Alexander, 2006); in that it is flexible (Van Gils, 2000), context dependent and experimentally based (Rae and Carswell, 2000).

Coghlan (2012) accentuates the significance of the selection of an appropriate action modality for research with the choice dependent on context, researcher/member relationship, the structure of the inquiry and the dual outcomes of action research for practice and knowledge. Given that the primary research aim has now been established and the applicable research method ascertained, the next section will seek to clarify the selection of participants for this study.

6.5 Identification of research participants

By the nature of the research aim and objectives, the required participants for involvement in this study were qualified as ‘small service firms’. I deemed the EU definition (2011) of the small firm to set the criteria for inclusion as being:

- Number of employees is greater than 10 and less than 50;
- Turnover is less than 50 million euro per year;
- In existence for greater than 42 months.

A further requirement is that the participant small service firms is interested in growth as some literature suggests that many small firms may not want to grow for lifestyle reasons (Statopolou *et al.*, 2004; Chinomona and Cheng, 2013; Goodbody, 2002). The firm size and sector are important and have been demonstrated by MacPherson and Holt (2007) to influence the availability and application of knowledge in the learning and growth process. Therefore, the targeted small firms are service-oriented as opposed to those who manufacture products. The selection of small service firms as the unit of analysis is due in part to my professional experience as I am more familiar with the service industry. As stated earlier, it is of pivotal importance that the action researcher possesses a deep understanding of the area in which they are working. Each small firm in this study operates within a separate industrial sector and are therefore not in competition with each other. The reasoning behind this separation is that small firms often fear the exchange of knowledge with competitors (Birchall *et al.*, 2007) and that fear can often be concerned with uncovering inadequacies of the organisation and the blocks to reform (Pedlar 2011).

I then matched the established selection criteria as set out above to the individual enterprise environment in each of the targeted businesses. I sought an initial small firm in which to perform the AR study; therefore this study is not based on random selection but on the value that this and other participating firms could offer in pursuit of the research aim and objectives (Eisenhardt, 1989). This identification process then formed part of the data collection protocol (Appendix 1) for this and subsequent AR participants.

6.5.1 Action Research Access

By its nature, action research is conducted with practitioners and always includes them as partners in the work of knowledge creation (Betherton and Chaston, 2005; Bradbury Huang, 2010). I was cognisant of the fact that access could present difficulties (Down 1999) or that small firms may resist the depth and length of access required. Therefore, I maintained a list of potential enterprises from the early days of the research many of whom I came into contact with in my professional role as a self-employed learning and development consultant. Stringer (1999) advances that an AR method must enable participation, acknowledge people's equality of worth and facilitates levels of active involvement. As a practitioner in the field of learning and development in small firms, access was sought via personal contact with the owner of the small firm in each case well in advance of the study commencing. Details of the approach taken with regard to negotiated access in each case is outlined below.

Initially, I met with each OM at an independent location to discuss the research and establish the scope of involvement of the enterprise in the research. I also explained the broad expectations relating to this study in an effort to reduce any skepticism or anxiety (See Appendix 2 for preliminary meeting outline and terms of reference). There then followed a time of reflection for both myself and the OM to ensure that our expectations were compatible in terms of scope, availability and research requirements since a clear appreciation of the research objectives and the contribution that the research could make was required before the action research could commence. Presently, a 'Terms of Reference' (see Appendix 2) and consent form (Appendix 3) was presented to each business owner complete with a plan of action and relevant boundaries. Once the business owner was in agreement with the terms of reference, the consent form was completed and the research commenced.

While it is true that the process of pre-contemplation on my part through to approach, negotiation and subsequent agreement took up valuable time, it was particularly important to ensure that both parties were satisfied with the research proposal and requirements.

As stated previously, the AR cycles were performed simultaneously in each organisational setting following the initial small firm intervention. The OMs in each

participant firm were motivated to participate in the study as they strive for growth and view this study and its incumbent strategic learning plan intervention as a potential enabler to this growth.

6.6 The methodological research approach

The adopted AR approach takes into consideration the issues that presented from the literature review, the research objectives and the applied data collection methods (section 6.7 below).

Kemmis (2006) differentiates between two forms of AR, namely; Technical and Practical. Technical AR is essentially poised toward functional improvement and problem solving, measured in terms of its success in changing particular outcomes of practices (Kemmis, 2006). This form allows me to conceive the research aim and to design an intervention with or for an individual or group, in this case, the OM. The OM then co-operates with me and is involved in and contributes to a process, which could have positive repercussions for each of us (McGrath and O'Toole, 2012). Practical or iterative AR has aspirations for change while also having the objective of advising the practical decision making of practitioners (Kemmis, 2006). In this situation, the OM and I collaborate together to identify problems, determine solutions and evaluate outcomes (McGrath and O'Toole, 2012). This research study adopted the practical AR approach because, practical AR, according to Holter and Schwartz-Barcott (1993) means that any underlying problems and their causes are understood by the OM and I, working collaboratively and then identifying possible interventions. This process is aligned with the emergent framework for this research (Chapter Five, Figure 5.4) coupled with the deep understanding that I, as action researcher have for small service firms and their challenges from a practitioner viewpoint, having worked with small service firms in my capacity as a training consultant for sixteen years.

The applied AR process draws from Figure 6.2 (Spiral of Action Research Cycles by Coghlan and Brannick 2012) and is built around a detailed data collection protocol (Appendix 1). This AR study comprised of up to three action research cycles in each participant small firm and applied the same data collection and management criteria in each research setting (Appendix 1) until such time as data saturation was reached (Eisenhardt, 1989). Often, the AR focus is an evaluation of some description (Robson, 2002) as is true of this study and it is whereby the outcomes of the action, both planned and unplanned are examined (Coghlan and Brannick, 2012). Thus, each AR cycle pursues a chronology of stages as recommended by Coghlan and Brannick (2012);

Stage 1 – Diagnosis

A thorough literature review was conducted in advance of this study which led me to arrange a conceptual framework of strategic learning plans in growth-focused small service firms (Chapter Five, Figure 5.4) and through an exploration and collation of the various themes that emerged from the small firm domain (Chapters Two to Five). Stage 1 of this research involves diagnosis of the small firm strategic learning plan requirements within the boundaries (Macpherson and Holt, 2007; Deakins and Freel, 1998; Down, 1999; Goss 1991) of the small service enterprise in terms of resource constraints (Merrilees *et al.*, 2011; Daft, 2001; Chinomona and Pretorius, 2011; Stokes and Wilson, 2010) as may be realised in line with the literature findings. Hamel (1991) asserts that all social science studies should start with a theory based on a review of the literature which is related to the subject matter under study and that this theory must then be validated through the study. In this study, social learning theory offers a basis from which to study the small firm OM's interaction with the strategic learning plan approach. Such an approach is recommended by Leavy and Wilson (1994) who suggest that the conceptual framework is normally developed through the literature review and the first stages of fieldwork, as is the case in this research. In each studied firm, I held a pre-research meeting with the OM to discuss the research study. In this meeting, their current work environment as it pertained to the research topic; strategic learning plans was partially exposed, although this required further probing in stage 2 of the AR process. A picture began to appear as to the existing learning environment and the OM's personal and professional approach to learning. From here, each OM exposed aspects of their work environment that offered a basis for participating in the study. It also appeared to trigger an initial 'plan of action' in relation to the strategic learning plan intervention in each context, although this was not fully explored until agreement was reached with each OM who wished to participate in the study.

Stage 2 - Planning the action

Planning involved the collation of a data collection protocol (Appendix 1) which contemplated the pursuit, collection and analyse of data from each of the three small service firms. Subsequently, I developed a preliminary meeting outline and terms of reference to be used in the initial meeting with participating small service firm OM's as a basis for consistent application of the ethical principles of research participation (Appendix 2). Participants were then provided with a consent form (Appendix 3), to

contemplate in their own time in order to alleviate any perceived or actual pressure to participate in the AR process. Only when consent was agreed by signing this form would the AR process begin. I planned to use semi-structured interviews as a primary data collection technique (see Appendix 4 and 5 for pre- and post- measure interview prompts for OM's). These interview templates consisted of semi-structured questions extracted from literary sources to establish the process of social learning as it currently exists in the small service firm before any strategic learning plan intervention occurs (Appendix 4), relating in context to the following elements as they correspond to the relevant aspect of the conceptual framework as shown in Chapter Five, Figure 5.4;

- Owner led Culture
- Resource Availability
- Organizational Learning Needs
- Individual Learning Needs

Thus, the pre-measure interview schedule (Appendix 4) is a series of questions, semi-structured in nature that seek to establish the context, the process of social learning as it currently exists in the firm prior to the intervention of a strategic learning plan and the perceived outcomes and benefits of any learning that might take place from the OM's perspective. The initial AR cycle allowed the OM pre-measure interview schedule and any nuances with the application of the learning intervention to be refined before engaging with the remaining small firm AR cycles.

Stage 3 – Taking action

During this stage, plans are executed collaboratively (Coghlan and Brannick, 2012). Drawing a parallel between the taking action step (Coghlan and Brannick, 2012) and this study, the research sought to execute the strategic learning plan intervention taking guidance from the conceptual framework (Chapter 5, Figure 5.4) and underlying literature in liaison with the OM as articulated in Stage 2 above. A strategic learning plan was developed and interventions implemented for each studied small service firm in context. For example, with reference to the conceptual framework, it could be that a preference for formal and/ or informal learning (Johnson, 2002; Hatten, 2009; Matthews *et al.*, 2001) impact on relational practices within the firm. I also considered that different entities may respond to certain interventions in different ways, and factored such individuality into a flexible approach to the action stage. The implementation of the

strategic learning plan as an intervention therefore depended on the specific context for each firm and this stage corresponds to the Social Learning Process aspect of the conceptual framework (Figure 5.4). At this point, it was determined if the intervention should take the form of a traditional classroom environment, or whether it is more beneficial to apply the learning intervention ‘on the job’. The optimum approach became clearer once the preliminary data had been gathered from Stage 1 and 2.

Stage 4 – Evaluation

During the evaluation stage, I repeated the set of semi-structured questions to the same individuals after the intervention was complete (Appendix 5: Post-measure interview prompts for OMs) to see if there have been any changes due to the implementation of the strategic learning plan in relation to the learning ethos in each OMs small service firm. This stage enabled evaluation of the perceived impact, if any, of the strategic learning plan on enterprise growth, enterprise effectiveness and employee productivity (Mann, 1996; Tocher *et al.*, 2007; James and Roffe, 2000) and corresponds to the outcome part of the conceptual framework (Figure 5.4, Chapter Five). These measures (both pre and post) have their root in work by Kaplan and Norton (2004) on the balanced scorecard approach to evaluating firm performance. While the key elements of the balanced scorecard (financial perspective, customer perspective, internal perspective and learning and growth perspective) were discussed with each OM, it was left up to the OM themselves to proffer specifics on what aspects they wanted to measure in terms of perceived outcomes, in keeping with the advice by authors such as Coghlan and Brannick (2012) who suggest that action research is appropriate when the research is an unfolding series of actions over time and that action research is characterised by fluidity, dynamism (Dutton *et al.*, 1983) and context (Shani and Pasmore, 1985).

6.6.2 Data Saturation

I sought to add small service firms to the research study until such time as data saturation was reached (Eisenhardt, 1989). I also sought to ensure that each firm was “*investigated to the point where saturation of core categories has been achieved*” (Hamel, 1991: 92). A total of five enterprises were considered initially. This cohort was subsequently revised to an initial three small service firm OMs, given that some of the companies originally considered did not meet the criteria as set out above. Although I was open to adding

further OMs as required, saturation markers were sufficiently evident in small service firm 2 and 3 when compared to the findings of small service firm 1 to deduce that data saturation had been reached in this study through the completion of the AR process in these three firms.

6.7 Action research data collection approach

Having established the research aim, objectives, AR method and design ethos, I prepared for data collection by developing a research protocol for each studied small firm environment, as recommended by Yin (2003). This protocol facilitated the planning for a clear schedule of data collection activities expected to be completed within specified periods of time in each small firm (Appendix 1).

Denscombe (1998) highlights that AR leads to practical outcomes as well as theoretical knowledge contributing to social practice as well as theory development and bringing theory closer to practice. Thus, I sought to complete the AR process in each small firm (section 6.6 above) in liaison with interim OM interviews and other complementary data collection techniques. My time commitments were significant to each small firm OM and it was important to be up-front regarding the expected time required by the OM in return (McGrath and O'Toole, 2012). I agreed to commit approximately three hours every month over a ten-month period to the AR project in each small firm. Combined with the actual intervention, three further interview meetings were conducted over the course of these ten months to analyse context, develop a strategic learning plan and to decide on the execution of these plans with the OMs.

Following agreement to participate in the study and taking the OM as the unit of analysis, pre-measure interviews using the interview protocol (Appendix 4) were used to ascertain context in terms of: owner led culture, resource availability, organisational learning needs and individual learning needs. Actions through interventions and working in co-operation with others in a learning environment require participants to take control of their own learning (Greenbank, 2000; Mezirow, 2000) and to take risks (Kline and Saunders, 1993) in pursuit of growth (Ghobadian *et al.*, 2003; Barnett and Storey, 2000; MacPherson and Holt, 2007).

Thus, the AR interviews and meeting sessions relating to the direct intervention carried out throughout the AR cycles (as detailed in section 6.6 above) were conducted with the OMs in their own work setting as, because of the nature of the research method, they are the people who can immediately make decisions within the company about strategic learning plans and therefore engage with the AR process. Following the strategic learning plan intervention in each organisational setting, each OM was re-interviewed and the

transcripts were evaluated on what could be learned from these interventions in light of the research aim and objectives. These findings and their perceived impact on growth will be discussed in greater detail in Chapter Seven.

The AR design is evolutionary in nature, with iterative cycles refining the design as the study progresses. As such, the research process is not planned completely in advance so that I had scope to explore the environment prior to applying the framework of pre-measure (see Appendix 4), intervention and post-measure (Appendix 5) markers. The practical AR approach as detailed earlier was therefore applied to all three studied firms though the first one will be completed in sequence and not simultaneously. This allowed the interview schedules (Appendix 4 and 5) and any nuances with the application of a learning intervention to be refined before engaging with the remaining two firms, whose AR cycles were carried out simultaneously.

6.7.1 Complementary data collection techniques

A variety of data collection techniques allowed for greater possibility that anomalies in the data might be noted (Davies and Nielsen, 1992), thereby complementing the primary data collection technique of semi-structured interviews in this study. The complementary data collection techniques used for this study were governed by the ontological, epistemological and methodological preferences as described earlier in this chapter. In addition, the research protocol includes my role as the primary instrument of exploration (Trauth, 2001) as well as the development of research aim and objectives, case selection and management criteria relating to each case (see Appendix 1). Because this is an exploratory study, this research sought to understand the dynamics associated with small service firm learning and growth, and as such, employed those complementary research techniques that would most likely complement the overarching research aim.

6.7.1.1 Researcher Observation

Researcher observation is a unique method for investigating the enormously rich, complex, conflictual, problematic, and diverse experiences, thoughts, feelings, and activities of human beings and the meanings of their existence (Jorgensen, 1989). Observational data, according to Tucker *et al.* (2002) may be used as a foundation for new descriptive and theoretical propositions about a phenomenon, because of the ability

to reveal actual practice. Atkinson and Hammersley (1994) suggest that all social research is a form of participant observation. Crossan *et al.* (1997), when considering learning in an organisational setting, state that observation can disclose that which is not included in company manuals. In this study, I closely observed the small firm surroundings, the people within and OM interactions with various stakeholders while at the OM's business premises, and later documented my observations within 72 hours of each visit. The preference was to get as close as possible to the OM's environment and build up trust with them and indeed the wider employee group. In each AR cycle, I noted incidents of interest within the context of pre-defined organisational and individual learning requirements (these are tabled in Chapter Seven, table 7.2). Over time, cumulative observational data offered insight into any advancing or regression of growth potential following the learning intervention with each OM. Verbal and non-verbal exchanges observed between the OM's and their employees as well as other business stakeholders offered insight into the OM's ability to implement what they had learned about a particular strategic learning plan topic, such as the subject of delegation for example.

6.7.1.2 Reflective Diaries

A reflective diary is a tool used to support professional development (Nevalainen *et al.*, 2010), and it is concluded that reflective diaries offer an innovative and flexible approach to learning that enhances critical self-reflection and communication skills (Dummer *et al.*, 2008). The use of reflective diaries has been endorsed by many writers (Stake, 1995; Strauss, 1987; Janesick, 2002) as a rigorous documentary research aid, particularly when applied under the interpretive epistemology mantle (Symon, 1998). The nature of this study is such that it is qualitative in nature, and had no activities, learning events, attitudes or feelings pre-defined, but relied on my subjective perception (Symon, 1998) and was therefore suited to the reflective diary approach.

The use of reflective diaries for each action research cycle allowed me to record subjective perceptions of the OM's, the small service firm environment, the learning interventions and the outcomes, and ultimately constituted a personal journal of the research process. They served as a supplementary research tool in the exploration of reliable research over time and contributed to research legitimacy as documented later in this chapter. Specifically, reflective diary maintenance allowed for the acknowledgement

and identification personal reference perspectives, thus allowing me to guard against the risk of preconceived ideas or prejudice (Gadamer, 1976). The diary was completed within 72 hours of each site visit which allowed for reflection and contemplation of each research cycle and proved useful during data analysis and thesis writing.

6.7.1.3 Internal, public facing and industry documentary evidence

Coghlan and Brannick (2012) assert the opinion that the study of relevant documentation can be an important part of organisational research (p.75) and that the access to documents is often linked to the level of access authorised for research in organisations. Given that the level of access in each small service firm was high in this instance, the research was complemented with perusal of in-house documentation such as induction manuals or presentations, staff handbooks, quality manuals, minutes of staff meetings, procedures, notice-boards and any existing learning/ training documentation. Slack and Rowley (2001) suggest that the more the observer knows about the organisation's context, the more relevant the results. Accordingly, further research was conducted remotely on each small service firm which included exploration of their web page, social media presence, news articles and Internet archives (see Appendix 7). Such documentation and investigation allowed for further analysis of the history, achievements, prospects and culture of each small service firm. With reference to the industry evidence, I reviewed the relevant public documentation available within each service sector, which proved useful due to the diverse nature of each of the three small service firms under study. Reviewing the internal, public facing and industry documentation provided a fuller picture of the small service firm operations and I was in a better position to evaluate the nuances of what may have been documented as the 'ideal' in relation to strategic learning against that which happens in reality.

6.7.1.4 Informal conversations

Informal conversations are used when conducting long-term fieldwork and allow people to express their thoughts and feelings in their own ways and pace (Jamshed, 2014). Informal conversations with the OM in each service firm enhanced and enriched the descriptions given in the conducted interviews, contributing to the creation of 'thick description' over time (Geertz, 1973). Furthermore, informal conversations with the employees while on site allowed for a deeper understanding of the relationships,

motivations and perspectives in order to corroborate the research cycle results in each case. On occasion, I overheard employees in each service firm talking about the business and their own actions and interactions within, and this provided further insight and context into each research cycle.

6.7.2 Summary

Through the use of these data collection techniques (e.g. semi-structured interviews, direct AR interventions, on-site observation, reflective diaries, internal, public facing and industry documentary review and informal conversations gathered over the research duration), I was in a position to view the strategic learning plan capabilities as they emerged during the course of the study. The resultant insights are generated through direct quotes from participants, observations and my own reflections in order to build the thick description (Geertz, 1973).

6.8 Data Management and Analysis

Information and knowledge are of no value unless they are used to help achieve a particular ends (Wiggins, 2012). Data management is the incorporation of data collection, storage and retrieval (Miles and Huberman, 1994) while data analysis is considered to be the process of examining, categorising, tabulating, testing or reconstructing evidence to address the premise of a research study (Yin, 2003). Both processes are familiar to me on account of my in-depth industry experience and work in process improvement, as well as through my academic exposure and the exploratory nature of this research project. Dey (1993) and Eisenhardt (1989) suggest that in the event that I have detailed knowledge with each case as a stand-alone entity (which is true in this instance), the process of data management and analysis may be accelerated. Thus, this project's underlying philosophy and applied AR method dictated an iterative process of data collection and data analysis (as advised by: Dey, 1993; Eisenhardt, 1989) as shown in Figure 6.3.

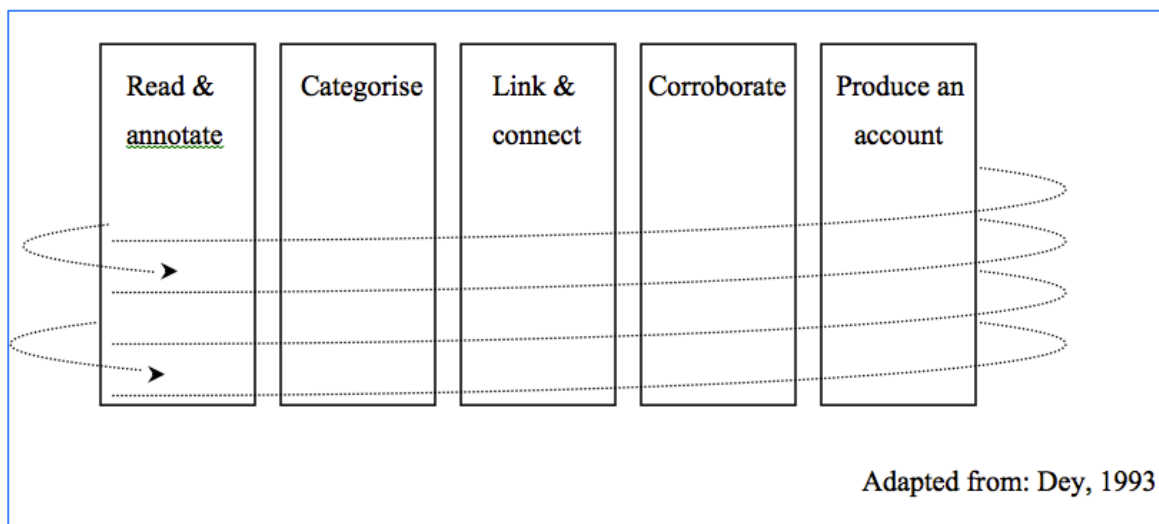


Figure 6.3 The Iterative Process of Data Management

The data was managed thus; semi-structured interviews of approximately three hours' duration each along with the nine action-oriented intervention sessions relating to the design, development and implementation of a strategic learning plan in each small firm were the primary source of data. These took place primarily at the office of the OM within their business premises. This data was complemented with researcher observation, a reflective diary, internal, public facing and industry documentation and informal conversations with the OM and small firm employees in each case. Herein, contextualised organisational information was gathered through the use of note-taking,

pre-agreed recording of our conversations. In the case of recorded interviews, verbatim transcription followed and in the case of informal conversations and reflections, notes were carefully recorded and checked within 72 hours of each intervention meeting or interview.

Next, the learning intervention events with each OM were in essence, the delivery and discussion around a learning topic deemed as required by the OM to be included in their strategic learning plan. Such learning events were not recorded due to the necessity for myself as action researcher to become the learning expert. At the end of each learning event, any agreed implementation actions were recorded. I also recorded the key anticipated outcomes for the purposes of building the questions for the post-implementation interview (Appendix 5). Each learning event was a maximum of four hours in length, as pre-agreed in the research terms of reference (Appendix 2). These events took place away from the OM's office and business premises to allow for maximum concentration and focus without distraction. My own observations and perspectives were captured in my reflective diary, permitting the surrender of new potential lines of investigation from the data.

Subsequently, I conducted a further set of post-intervention semi-structured interviews with each OM to capture the perceived impact of the learning intervention based on the implementation measures as executed. These interviews took place once again, on site at the OM's office premises, which allowed for further observation and informal conversations. The process was repeated three times with each OM (at the end of each AR cycle) and data validation followed the same format for each of the three small service firms. Subsequent site visits were planned according to a three-month schedule in advance so that schedules could be co-ordinated, the OM would be available and I could document the evolution of emerging data.

At certain points during the semi-structured interviews, the discussion led to different aspects of inquiry which while often time-consuming, revealed rich insights into the OM as an individual, a business owner and a learner. This occurrence is termed 'controlled opportunism' by Eisenhardt (1989) insofar as there is diversion from the interview guide.

Owing to the dynamic and fluid nature of the small service firm, I was required at times, to make changes to the planned schedule as so requested by the OM so that they might attend last-minute meetings relating to their work and so on.

After each meeting with each OM, the preliminary observations, categories and any arrangements of pattern, themes were drawn out through cycles of comparative analysis (Figure 6.3), which reduced the data into meaningful statements and taxonomies. Throughout the data analysis process, key themes emerged within each dimension being explored, for example, the construct of time as the scarcest resource presented frequently. Organising the collected data in this manner provided an effective tool for extracting similarities and differences between the individual small service firms, while highlighting patterns and themes (Pettigrew, 1985). Any areas of substance were verified through examination of notes, transcripts and my reflective diary. The purpose was to reduce the data into such themes that subsequently informed the framework for strategic learning plans in growth-focused small service firms as a medium of communicating the ultimate data results as revealed (Patton, 1990). Eisenhardt (1989) posits that a key feature of theory building is a comparison of any emerging concepts with those pre-existing in the literature so the the final stage of analysis was to relate the findings to the research as reviewed in Chapters Two to Five.

While the recording and transcription of interviews provided 'earthy data' (Miles, 1979), collecting data from case participants can be time-consuming (Mumford, 2001) and the nature of action research is such that I am immersed in the process, the project required meticulous planning and organising of data. As such, I set out a system of folders, sub-folders, files and templates for each small service firm OM. These soft and hard copy folders were replicated in two other locations for safety, each password protected to protect both confidentiality and the data integrity.

Thus, each case study was individually read and annotated, categorised and links and connections were made, as illustrated in Figure 6.3 above. These were then assessed and modified through cycles of further data collection and analysis until a prudent and coherent interpretation was reached (as recommended by: Glaser & Strauss, 1967 and Van Maanen, 1988). Discussion by Myers and Avison (2002) point out the potential for challenges in the differentiation between data gathering and data analysis in such a study

as this, as iterations may cause goal drift (Yin, 1982). However, this potential was alleviated as causal assessment was established through depth and time series analysis (Kidder, 1981; Kratochwill, 1978) rather than as a single point in time (Connolly, 1998). Over time, I gathered these “*disparate elements into a coherent whole*” (Dey, 1993: 237), in order to produce a rigorous account from a research perspective as well as being accessible to the reader.

This study’s legitimacy is empowered by the adopted AR approach, design and enactment, while validation is strengthened through the application of the AR cycles in multiple small service firms. This aspect of the research approach is discussed in section 6.9 (research legitimacy).

6.9 Research Legitimacy

Legitimacy is a generalised perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions (Suchman, 1995). Research of a qualitative nature that is rooted in interpretivism can sometimes be accused of lacking in objectivity, validity and reliability (Kelliher, 2005). This section of the thesis details the steps taken to guard against the risk of research illegitimacy and ultimately to minimise errors and biases (Yin, 2005) under each of the criteria for judging qualitative research (Table 6.2).

Traditional criterion	New criterion	Difference
Objectivity	Confirmability	Audit trail/ rigorous methodological argument/ possible use of computer software.
Internal validity	Credibility	Member checking, Heron (1996) argues importance of co creation in enhancing credibility.
External validity	Transferability	Emphasis moves from population to theoretical generalisation. Importance of “rich thick description” (Geertz, 1973) and authenticity (Creswell, 1998) facilitating transfer to similar contexts.
Reliability	Dependability	Move from statistical methods to audit trail/ dependable quality of mind of researcher.

Adapted from Lincoln and Guba, (1985)

Table 6.2 Criteria for judging qualitative research

Lincoln and Guba (1985) put forth the possible characterisation of the criterion that may demonstrate research legitimacy in qualitative research projects and they suggest that such criteria can be clustered as; objectivity (confirmability), internal validity (credibility), external validity (transferability) and reliability (dependability). Table 6.1 captures the criterion as adapted from Lincoln and Guba (1985) that will guide the demonstration of how this research project conforms to legitimacy requirements, while acknowledging that the AR paradigm requires its own quality criteria (Coghlan and Shani, 2014).

Eden and Huxham (2003) provide some characteristics of good action research; including that it should reflect the intentionality of the researcher to change an organisation (as is provided throughout this chapter) and that project has some implications beyond those

directly involved in it, articulated within the research contributions. The project should have a specific aim to elaborate or develop theory as well as be useful to the organisation, as is the case with the proposed conceptual framework of strategic learning plans in a growth-focused small service firm environment. These authors place great emphasis on the enactment of the AR cycles in which systematic method and orderliness is required in reflecting on the outcomes of each cycle and the design of subsequent cycles. This is something that has been carefully enacted in this study, such that I do not fall foul to individual dynamics to the detriment of implementing better practice in these firms.

Action researchers need to show how they engaged in cycles of action and reflection in collaboration with others; how they accessed multiple data sources to provide contradictory or confirming interpretations, what choices were made along the way and how they tested assumptions and interpretations (Coghlan and Shani, 2014). In this study, each stage in the AR cycle has been carefully documented in light of this advice, and the findings and analysis display the cyclical nature of the applied method. Testing my assumptions and interpretations incorporated the techniques of reflective diaries, observations, testing assumptions among peers and with my research supervisors and engaging with the data, context and literature in an iterative manner so as to build a thick description of both the intervention itself and the pertinent outcomes in the environment under study.

6.9.1 Quality in Action Research

AR has not demonstrated much proficiency in addressing issues of quality explicitly (Coghlan and Shani, 2014). While it is difficult to address the question of what constitutes quality in action research due to the broad range of AR approaches that exist in such a diverse array of settings (Reason and Bradbury, 2008), Coghlan and Shani (2014) promote the use of three criteria that action researchers can use to create and deliver a project of sufficient quality to meet the expectations of the practice and research community. These criteria are; rigor, reflection and relevance, each of which is discussed below. I chose to examine my research under these three headings from a quality perspective because they are considered by established AR authors (Pasmore *et al.*, 2008; Coghlan and Shani, 2014) as the most useful from an organisational development approach to AR.

6.9.1.1 Rigor

Rigor in action research typically refers to how data is generated, gathered explored and evaluated (Coghlan and Brannick, 2010). Rigor or dependability is concerned with consistency in the research (McGrath, 2008) and refers to the consistency or stability of a measure (Kelliher, 2005). The suggestion by Denzin (1970) is that the employment of a number of research methods offer greater reliability than that of a single method. Such combination of methods when exploring the same phenomenon in a qualitative inquiry, as is the case in this study, is termed 'crystalisation' (Richardson, 1994). In the current study, crystalisation is used to reinforce qualitative methods in that they combine semi-structured interviews with AR interventions, researcher observation, documentary sources and informal conversations (Hammersley and Atkinson, 1983). In this research, semi-structured interviews were taped and transcribed allowing the interviewer to attend to what the OM was saying and to observe their non-verbal behaviour as opposed to attempting to take copious notes. As such, I was in a better position to observe closely and to probe further areas of interest. Transcribed interviews and observation and learning intervention notes were all read and reflected upon over the course of the action research and considered in light of my reflective diary, notes taken from internal and industry documents and informal conversations. Reliability was further enhanced through the use of an open-ended semi-structured interview instrument (appendix 4) and flexibility with the action research sessions. External validity or transferability refers to how applicable the research findings are to another setting or group (Lincoln and Guba, 1985). I achieved transferability in the research design through the in-depth description of the learning events as used and through the use of pre- and post-measure interview protocols (Appendix 4 and 5). The supply of a thick description of each of the three small service firms and any data generated was in turn compared with the extant literature in order to highlight similarities, differences and any anomalies with prior empirical studies. Irrespective of the fact that the three small service firms differed in their industrial area and length of time in business, common themes emerged which provide a base for transferability of findings within the small service firm milieu.

6.9.1.2 Reflection

Engagement in the cycles of action and reflection perform both a practical and philosophical function in its attentiveness and reflexivity as to what is going on at any

given moment and how that attentiveness leads to decisions and purposeful actions (Coghlan and Shani, 2014). Mason (2000) reminds us that qualitative research should involve critical self-scrutiny, or active reflexivity. Action research involves a high level of reflexivity (Bradbury Huang, 2010) and sensitivity to the role of the self in mediating the entire research process (Somekh, 2006, p.7). As such, action researchers must possess a heightened sense of self-awareness in order for the role of researcher and consultant to co-exist and to be able to defend their research accordingly (McGrath and O'Toole, 2012; Bryman and Bell, 2003).

I sought to ensure reflexivity by engaging in frequent systematic analysis of my own theoretical and methodological suppositions (Coghlan and Brannick, 2012), as well as challenging my personal and professional biases. One of the purposes for the maintenance of a reflective diary for the duration of the research project was to allow me to facilitate reflexivity by enabling me to acknowledge any personal or professional criteria which presented as issues or potential issues. The nature of the action research method allowed any issue to be dealt with in an appropriate way as it arose, and all such events were fully recorded in my reflective diary. In qualitative research, a realistic aim is for me to remain impartial; that is, to be impartial to the outcome of the research, to acknowledge their own preconceptions and to operate in as unbiased and value-free way as possible.

Lincoln and Guba (1985) offer guidance in relation to the confirmability of the research, specifically that I provide a research audit trail (see Appendix 1 – Data Collection Protocol), underpinned by a rigorous methodological argument, with the possible use of computer software. In this study, the underlying theoretical argument is exemplified in the conceptual framework (Figure 5.4 Chapter 5) while I maintained a questioning and sound mind in liaison with my reflective diary, my professional and research peers and my research supervisors. I planned time to reflect on each research cycle to strike a balance between my work as a learning expert and my role as an action researcher. Additionally, I kept an audit trail of the intervention events as they occurred.

Three small service firms were used in this research, which, despite the work required to collect and analyse data, provided a sound perspective from which to allow confirmability to occur (Lincoln and Guba, 1985). Furthermore, the fact that I conducted three AR cycles in each small service firm enhanced the objectivity of this research.

Cyclical-sequential phases may be identified that capture the movements of collaboration through planning and actions to evaluation to theory generation (Coghlan and Shani, 2014).

6.9.1.3 Relevance

When assessing the relevance of AR studies, then the empirical observation and logical reconstruction of organisational activities alone is not sufficient to legitimise action research (Susman and Evered, 1978, p. 585). As such, it is my responsibility as an action researcher to contemplate the various veins of relevance forthcoming from the current study. Under the mantle of relevance, validity is to do with showing the authenticity of the evidence base, explaining the standards of judgement used and demonstrating the reasonableness of the claim (Whitehead and McNiff, 2006). In this study, careful attention is given to the description of intervention activities and learning outcomes within and across the AR cycles in each studied small service firm such that there is visibility of each within the data and analysis. Internal validity or credibility is concerned with the establishment of a phenomenon in a credible way (Lincoln and Guba, 1985). In this respect, I clearly set out my rationale for the placing of this project within the interpretive paradigm due to its ontological, epistemological and methodological stance earlier in Chapter Six. Social learning theory was chosen as the theoretical anchor to explore the constructs of the small service firm and justification for this approach is provided in Chapter Two. In the process of collecting data and analysing it, the adoption of multiple complementary techniques, data sources and strategies were all put in place (section 6.6 above), each yielding accordant results. Member checking was accommodated through the iterative nature of design, development and implementation of the strategic learning plans with the OM at the core of this activity in each firm and within each AR cycle, reinforcing Heron's (1996) perspective that co-creation enhances credibility. Each layer offered insight into the evaluation of actions and whether said actions produce intended consequences (Susman and Evered, 1978). Through this iterative cycle (Dey, 1993), the layers of relevance are contemplated in 'creating settings for learning' and in the pursuit of the research objectives, including the refinement of the proposed framework of strategic learning plans for growth-focused small service firms.

6.10 Ethics and role duality in Action Research

Ethics refers to the appropriateness of my behaviour in relation to the rights of people who are the subject of research or those who are affected by research (Saunders *et al.*, 1998). In action research, ethics is concerned with the establishing authentic relationships between the action researcher and the members of the client system (Coghlan and Brannick, 2012). Trochim (2006) suggests that ethical standards require that researchers do not put participants in a situation where they might be at risk of harm as a result of their participation in a research project. Given the evolving nature of action research as applied in this study, I could not predict the entire description of learning events, plans and methods, however, the nature and background to the study were fully articulated to the potential participants prior to consent (Appendix 2 and 3), the conventional and historic methods were also explained and a timetable of progress was provided to each OM. I took steps to ensure that the ethical nature of this study was not threatened by ensuring that voluntary, informed consent was sought from each OM (Appendix 3) and that confidentiality was sworn at the outset of each meeting and in any interaction with classified internal documentation. My dual role of practitioner-researcher in the AR project was outlined and explained in terms of the nature of action research and the requirement for role duality. In summary, no themes featuring connotations were forthcoming in this project.

6.12 Conclusion

In this chapter, the theoretical and conceptual factors that influenced the research design were explained. The chapter outlined available philosophical perspectives and methodologies before narrowing the focus to explain the rationale of the choice of research method selected. Further justification was given to illustrate the alignment between the completed literature review and the implemented methodology. Finally, issues in context pertaining to data collection, management, legitimacy and the ethical nature of the applied action research study were discussed; along with the unique dual role criteria and reflexive nature of this approach. Multiple data collection methods were selected and applied to glean data from three small service firm under an action research mantle. The findings of that work are explored and presented in the next chapter.

7.0 Introduction

This chapter profiles the findings from the action research project and examines how these findings have addressed the research aim and objectives. It opens with a review of the research process and an explanation of the naming convention that protects the identity of the studied small service firms. In the main sections of the chapter, the findings under each of the six literary themes are presented; beginning with small service firm operation and management, then on to the influence of the small service firm on strategy formulation, through to challenges of strategic planning to small service firms. The chapter continues with the findings in relation to the theme of strategic learning plans in small service firms; the drive towards and value of growth in the small service firm and the final theme is strategic learning in the small service firm. The chapter concludes with a summary of the findings and a look ahead to the discussion chapter.

7.1 Research Process

Three small service firms were studied in this action research (AR) study; each completing three AR cycles. The data collection was achieved by firstly identifying three small service firm owner/ managers (OMs) whose enterprise matched the requirements of the small service firm definition according to the European Union (2011); specifically, that it employs greater than 10 and fewer than 50 people, and annual turnover does not exceed ten million Euro. For the purposes of clarity and to protect the identity of the OMs under study, they will be referred to as follows:

- OM1: Owner/ manager of the small service firm (SF1) specialising in distribution and delivery;
- OM2: Owner/ manager of the small service firm (SF2) operating in the restaurant sector;
- OM3: Owner/ manager of the small service firm (SF3) engaged in the Information Communications Technology (ICT) sector.

The AR process comprised of three research cycles (RC) in each studied firm, and these will be referred to as RC1, RC2, and RC3. The first and second task of the AR cycle (diagnosis and planning) are linked to research objective (a): To design and develop a small firm strategic learning plan. This in turn corresponds to the first two steps in the four-step AR cycle as identified by Coghlan and Brannick (2012). The final two steps of the AR process (acting and evaluating) are used as guiding tools to work with the OMs in the three studied small service firms. As an action researcher, I also maintained a reflective diary throughout the research process and diary entries are included in the forthcoming findings where relevant. The research cycles were carried out from November 2014 to October 2015 as follows (Table 7.1):

Research Cycle (RC)	Small Firm (SF) 1	SF2	SF3
RC1	November 2014 to March 2015	December 2014 to February 2015	December 2014 to February 2015
RC2	April 2015 to July 2015	April 2015 to July 2015	April 2015 to July 2015
RC3	August 2015 to October 2015	August 2015 to October 2015	August 2015 to October 2015

Table 7.1 Research cycle schedule

Once the OM's had agreed to take part in the research project, I developed a schedule of meetings for them. The first meetings took place in November 2014 and this was followed by an average of one meeting once per month per OM up to October 2015, totalling twenty-seven meetings over the three case organisations. The meetings were based on a cyclical process to reflect the action research methodology of: understanding the context and the learning need; delivering the learning intervention and then meeting to discuss the perceived outcome or impact of the strategic learning plan. Based on the initial context meetings, each OM chose three strategic learning topics, which they wished to learn more about (Table 7.2).

Service Firm	Topic 1	Topic 2	Topic 3
SF1	Strategic planning & preparation	Leadership skills	Delegation skills
SF2	Strategic planning & preparation	Networking skills	Team building skills
SF3	Strategic planning & preparation	Organisation skills	Delegation skills

Table 7.2 Small service firms strategic learning topics

These strategic learning topics (Table 7.2) offered a basis from which to build each firm's strategic learning plan. The subsequent meetings, usually of two hours in length, often meant that I was placed in the small service firm environment and that facilitated the supplementing of my action research with observations, culture clues from the enterprise as well as informal conversations with the employees. Accordingly, the findings are presented from data collected in my dual role as a learning consultant and action researcher. They are as a result of direct observation, reflective diaries, internal and industry documentary evidence, and informal conversations and participant feedback through semi-structured in-depth interviews.

To address the research aim and objectives, it was necessary for me as researcher to gain a contextualised understanding of each studied small service firm. Using a conceptual framework developed through interaction with the relevant literature (Figure 5.4, Chapter Five) as a flexible research guide, the subsequent application of an AR approach allowed for the achievement of such contextual understanding. I, as researcher-practitioner interacted with each OM as we diagnosed, planned, acted on and developed a learning intervention in each organisation. I then studied the learning intervention in each case and

reflected on the resultant effect. The adopted AR approach also allowed me to *investigate the perceived impact of a strategic learning plan intervention on growth-focused small service firms' viability in the Irish context*. In seeking to explore the research aim and objectives, the findings chapter is presented according to the literary themes as identified in the literature; specifically the unique nature of small service firms, their informal approach to both planning and learning, the application of planning tools in this environment, and their approach to growth.

7.2 Literary Theme 1: Growth-Focused small service firm operation and management

As detailed in section 7.1 above, OM1 runs a small service firm (SF1) specialising in distribution and delivery, OM2 operates in the restaurant sector (SF2) and OM3 is engaged in the Information Communications Technology (ICT) sector (SF3). All three are growth-focused and an overview of each firm's internal operations and management structures is provided below.

7.2.1 Small Service Firm 1

SF1 is a service firm that specialises in importing and exporting goods. The company was founded over 20 years ago as a family business when they saw the opportunity to provide a service as a distributor of produce in the Irish Market. They now provide a gateway to Europe for the sourcing of international products and specialise in importing and exporting through their distribution network. The mission of the business, according to OM1, is to *“create partnerships with local and global producers so that we can bring the best of stock into Ireland at a competitive price”*. They aim to do this by sourcing ethically sound producers and by simplifying the path from producer to consumer.

The business has two offices - one in Co. Waterford and one in Co. Meath. There are a total of 22 staff members across both offices and they work across the departments of warehousing, sales and marketing, office administration and drivers. The staff members, according to OM1, are often disengaged and resort to open conflict; with shouting and bad language among staff as a normal part of the working day, an opinion borne out by observed activities while on site. OM1 believes that turmoil in his own personal life led him to perceive this behaviour as 'normal' and as such engaged with staff in this way; it is only recently (2014) he has begun to address it. OM1 expresses genuine surprise at the longevity of the business and the success that it has enjoyed given the conflict that has endured. OM1 acknowledges that there is no investment in staff members in terms of learning or training for new skills: *“I do not think of [my] staff as a ‘team’ and that needs to change so that they can respect one another and work together”*. With two offices and no real order in terms of reporting structure, OM1 thinks that this may be part of the problem. He decided to appoint a manager in January 2015 to oversee the day-to-day running of the business, to look after staff needs, hiring and recruiting and day-to-day

customer queries. This has proven successful and allows OM1 time to focus on his role as a leader rather than a manager.

OM1 wants to grow his business and wants to enjoy it more: *“my personal life has finally become more stable and I have the energy and time now to focus on building the business”*. Business growth means securing partnerships with other companies and expanding into new markets for distribution. While the business has a *“healthy turnover and profit figures”*, OM1 would like his existing enterprise to be more effective with standard operating procedures in place and clear objectives for his team. He sees the need for a Customer Relationship Management (CRM) system to track and record communication with customers, as although the company enjoys the support of long-standing customers, *“we do little to encourage long-term customer relations”* (OM1).

7.2.2 Small Service Firm 2

SF2 is a restaurant in the South East of Ireland with another establishment in the South West of Ireland. The company was founded 26 years ago and while the original founder is still very much involved in the business, OM2 is the founder's daughter who has since taken over the main duties and responsibilities of the company. The company has a number of seasonal workers and staff numbers can fluctuate from 25 core members to 35 total staff during the year, across both premises. Some employees have clearly identified roles that they perform on a regular basis and others attend to whatever tasks are deemed necessary by OM2. While the business is operating successfully, it is in significant debt resulting from overhanging loans, amplified by the Irish recession (2008-2012) and stiff competition.

The culture of the organisation is mixed – for some core employees, who have worked in SF2 for many years, it is steady and predictable employment; for others who are seasonal employees, it is perceived to be *“chaotic and lacks focus”*. The founder's personal style is reflected in the culture as someone who has little interest in strategy and planning, however OM2 (the founder's daughter) believes in the ideation of strategy and planning and there is often a struggle between them both (father and daughter) when contemplating strategic planning:

“I’m trying to make it more organised, to make things run more fluidly so that there is not a panic and I don’t have to constantly check things – it’s just part of an agreed plan” (OM2).

Notably, the founder will sometimes over-rule OM2 on key decisions, a tactic that is visible to the employees:

“We used to have staff appraisals once every three months, the manager would sit down with his shift runners and go through each staff member, how is this going and how is that going. They just fell by the wayside though. I tried to bring them back because they were good for communication but for some reason, Dad was against it” (OM2).

While OM2 holds a degree, she has had no formal business training or education and this is something that she is conscious of as a business owner, reinforced by the interim power struggle with the founder. There is the added dimension of the original founder having hired some of the longer serving staff members who would see him as the ultimate decision maker and would not take direction from the founder’s daughter. Some of the more recent members of staff see OM2 as their boss and get conflicting directions from both the founder and OM2. As a result, employees are often left, “*confused and bewildered*” (OM2), due to mixed messages. There has also been an employee dispute resulting in labour court proceedings and a serious case of an employee stealing from the company; events that OM2 believes “*have held growth back*”. OM2 suggests that issues such as these make it difficult for her to improve team morale, general team spirit and effectiveness due to “*the gossip and rumour about what’s going on and why we are in court*”. My general impression as taken from my reflective diary is that employees are not engaged or motivated but are in the role because they need the job:

“I spent time in OM2’s business today and observed some of the team at work. Many have headphones in while working and moving about the business. This struck me as the behaviour of someone who might not be fully engaged in their work. I asked OM2 about it and she responded that they do that all the time because they like to listen to music while working. I asked her if she had tried to address this so that team members might interact more frequently and she said she has tried but they refuse to remove headphones. In my dual role of action researcher and learning consultant, it’s my personal view that many of her team are lacking in motivation and engagement.” (Reflective diary entry December 2014)

To date, there is very little obviously happening to create a team spirit or to foster communication within the business (researcher observation). There is no formal training for regularly recruited new/ seasonal hires and much of the training is done ‘on the job’, with new hires shadowed by experienced personnel. OM2 wishes to grow the business and wishes to re-decorate both restaurants and to target an extended market. She would like to improve staff relations and amend some processes and procedures in place to support a friendly and communicative environment. She is willing to work on her interpersonal skills to improve relationships with employees and to encourage two-way

feedback among the team. OM2 readily admits that “*I sometimes fail to communicate and do not see the employees as a team*”. OM2 feels that the business could be more effective and efficient and needs some investment in technology and systems. For example, the company has a Facebook page but has no webpage, limiting access to potential customers through online resources. However, OM2 realises this vision will be difficult to realise given SF2’s current financial status and the founder’s less strategic perspective in terms of future development.

7.2.3 Small Service Firm 3

SF3 is a technology business that was established in 2005 and is now 10 years old. It has grown significantly and staff numbers are currently at 40 (as of December 2014), a number that is expected to increase in the future. The business offerings seek to protect other enterprises from cyber-crime, a rapidly growing sector. They specialise in providing the solution that protects information technology (IT) networks, infrastructure and information and employees are grouped into network operations, front line support, consultancy, finance and human relations (HR). The business won a leading national award and has been listed in the top 50 fastest growing technology companies in Ireland since 2010. SF3 intend to meet their growth objectives through building on their existing team and creating partnerships with other technology companies. The business has their main head office in Dublin with two smaller offices in the United Kingdom.

Creativity and innovation are encouraged and there is a feeling of chaos in the business (researcher observation) - but this is a “*comfortable chaos*” according to OM3. This appears to appeal to the personality of many of the employees who have to be highly technical and rapidly reactive to faults, for example, on a client site. OM3 perceives the staff to be a well-formed team at this stage and he makes a point of having a personal connection with them “*from their onboarding*” (i.e. from when they are hired). OM3 is conscious of motivating the team, and all staff members are given the opportunity to travel to France on an annual skiing trip, which is paid for in full by OM3. Yet, he says SF3 could be doing more on training and development for the employees. While support departments exist, it is obvious that they do not enjoy the same level of respect as the operations area. The OM would question the need for HR and so there is not as much enthusiasm for HR process and procedure and strategy or reflection as may be required as

the business continues to grow. While the business is growing, as an action researcher, I got the feeling that it could be a victim of its own success:

“SF3 has all the hallmarks of a business that is growing fast – maybe too fast. There are lots of new people being hired but no obvious support structures in place for these people. In an informal conversation with the newly appointed HR person, she confided in me that the place is ‘hectic’ and staff turnover is very high. She is a very recent hire and already seems overwhelmed by how much she has to do and how little attention she gets from the OM” (Reflective diary entry, December 2014)

OM3 has grown his business and expresses his appetite for continuous (rapid) growth. He does see the difficulty in balancing a creative and reactive culture with the planning and organisation required to grow successfully. He would like to see increased effectiveness through improved communication and recognises his need to lead the team in terms of strategy and learning. Despite his apparent outward confidence, he appears to lack the confidence to lead by example and to commit to planning, learning and continuous improvement. He frequently refers to the fact that he did not go to college and has little experience in such matters. His leadership style seems to be to micro-manage and to demand immediate results - and he does not take ‘no’ as an answer from his team:

“I demand a lot from the guys... I don’t like the word no. I always prefer to hear that we can do something and how we can solve a problem. I guess they might say I’m too demanding at times...but you know, I would not ask them to do something that I would not be willing to do myself.”

OM3 is eager to learn and wanted to get started straight away with little regard for context and scene setting. He wants to learn how to communicate the ideas that he has for the business to the rest of the team:

“I do have plans and strategies for the business, for myself and for the team but I just have never written them down. I suppose if I did write them down it would be easier to explain them to others and to hold ourselves accountable for them” (OM3).

7.3 Literary Theme 2: Small service firm environment and its influence on strategic planning

The purpose of this aspect of the research project was to gather sufficient information to design and develop a strategic learning plan, specifically for each OM under study in liaison with relevant literature. This was achieved by having two initial meetings with each OM. The first was simply to explain the aims and objectives of the research as well as the possible implications for OMs in a more general context. The purpose of these initial meetings was to set the scene for the research project, give an estimation of the time required and to explain the consent forms (Appendix 1) before they were considered separately and subsequently signed by each OM. These were important first meetings where we exchanged small talk and generally got to know each other through conversation and listening as recommended in the action research approach by Bradbury (2010) and Brannick and Roche (1997).

I felt it necessary to meet each OM a second time to ensure that each participant had fully grasped my intentions and requirements and that they understood that this was a voluntary undertaking once they had had time to reflect on our first meeting and maybe having discussed it with family and key staff members. It also gave me the opportunity to embed the need for commitment to the AR project by both parties. Drawing from my entry into my reflective diary around this time, I suggest:

“I feel it necessary to have a second ‘initial’ meeting with each OM. This will offer farther insight into how they feel about the entire process. All are very eager to get going and I need to get commitment to the entire project as opposed to seeing it as an opportunity for some free training.” (Reflective diary entry, November 2014)

I suggested some rules of engagement at this point to protect the participant, myself as practitioner-researcher and the research process. These included that we would insofar as was possible, stick to the allocated time of two hours (maximum) for each meeting, we would each give sufficient notice if unable to make a meeting, we would respect each other’s time by being on time for each meeting and that a suitable location would be provided/ agreed. Finally, I outlined the provision for the OM should it be necessary for them to withdraw from the research process at any stage.

On reflection, I may have included this second meeting because of the nature of small firm operation; these business owners are extremely busy and, based on the resource literature and my own experience, had the potential to agree to things ‘up front’, that they could not commit to when the research had commenced. Having a second meeting also

allowed me to ask for the OM's thoughts and reflections on what the research was all about and how it might serve to benefit them. It ultimately served to underline each OM's commitment and enthusiasm for participating in this research.

At this second meeting, OM1 in particular was eager to get "*stuck in*" and asked me "*when are we going to start?*" I sensed impatience and in hindsight, I should have explained that our second meeting was not going to be a learning event, but a pre-measure interview (see Appendix 4) on context-specific elements of the business and the AR project. This is not uncommon for OM's to want to 'dive' straight into a project without necessarily understanding the need for planning and preparation; or indeed they may consider planning and preparation unrequired altogether. Once I explained the conceptual framework that I would use as a basis for the study (Chapter Five, Figure 5.4), all three OM's seemed more at ease and understood that there was a need for me to gather information on each company's culture, resources, organisational and individual learning needs before I could design and develop a Strategic Learning Plan customised to the needs of the OM and his/ her small firm. Some specific findings from the OM's in terms of the existing strategic learning perspectives include:

"I suppose I am contradicting myself - I want to get going here and now, without telling you much about the business. If you don't have a fairly good understanding of the business and me then it will be like a lecture and not a learning opportunity... I'm beginning to understand why you need to know who is on the team and what the characteristics of our business are." (OM1)

"Our culture is disorganised and it always has been. I don't know if we can change that to be honest. Maybe I can learn about how to change it first and then try to work on the others. It's going to be hard though when the business has been run in such a way for so long; we are very used to winging it so it will take some time." (OM2)

"I need to learn how to be more organised - I leave things to the last minute so I feel like there is never enough time in the day." (OM3)

I felt justified in having the context meetings as it helped the OM's to slow down a little and think about their business and what growth meant to each of them as well as what they wanted to learn. It also aided in the generation of customised learning plans. After our initial meetings, I wrote up our interactions and noted some common themes as they emerged such as; the observed OM's were "*eager to get going*" and "*start learning immediately*" when presented with an opportunity to develop formal strategic learning plan interventions. Another noteworthy observation was that the OM's freely admitted to needing some form of learning plan and had little hesitation in pointing out areas that they could improve on and would welcome the opportunity to learn about:

“I am aware that I’m not practicing any sort of leadership skills – I need to change my way of thinking to become an effective leader of the company. I also feel that any investment in my ability to plan, delegate, communicate and organise myself would be very welcome as they are a big issue.” (OM1)

“I need to learn to manage better...I tend to micro-manage so I need to learn how to delegate and have faith in the others. I also need to learn more about social media and how to balance everything, so maybe if I learned how to manage my time better and how to communicate more effectively.” (OM2)

“I need to learn how to lead and manage the team and how to delegate more effectively. I tend to get side-tracked by things.” (OM3)

All three OM3s suggested that they required some form of learning intervention for strategic planning and preparation (Table 7.2 above). While all three had variations on strategic planning tools such as Mission, Vision and Values, none had them written down or had shared them with their team members. For OM1, Leadership Skills was a critical area that he wanted to learn more about:

“I have read a lot about leadership over the years but I’ve never really taken the time to put it into practice. I don’t consider myself a leader of people – I do lead the business but see that as an inanimate object. I’m beginning to realise that the people in the business are relying on me to lead not just the business, but them as well. While I am aware of the theory of leadership, I’d like some practical help with using it.” (OM1)

OM1 also included delegation as a topic that he would also like to learn more about:

“I know I should delegate more and to be fair the team are well able. I tend to go as far as explaining what needs to be done and then once the person asks me questions, I would get nervous that it might not be done correctly so I’d end up taking control back again – I know I need to help people learn to delegate as well so that they can concentrate on higher-order tasks so if I was better at it myself, I think it would be very beneficial.” (OM1)

OM2 said that she wants to learn more about networking:

“I have to go to trade shows now that I’m deeply involved in the business and that means making contacts and sharing information. I get really nervous about this aspect of the business. I am well able to talk and chat to people but as soon as it’s business related I start to question what I have to offer because I’m quite young so I tend to stay quiet. I’m determined to become better at it and it would be great to get some tried and trusted techniques.” (OM2)

Teambuilding came up as a topic that OM2 might benefit from as well:

“Things are fairly chaotic in the team... we don’t really consider ourselves a team. That’s my fault and it’s because I don’t really know how to go about changing us into a proper team so I’d love to know more about this and to try it out.” (OM2)

OM3 expressed his need to be more organised as a leader of his business:

“I could probably do with learning to be more organised and to plan more often. Things change quickly around here and we have to react to a certain amount because we are a young company and we do what the clients ask. This has caused us some internal challenges though as there have been some suggestions that we don’t have proper plans in place for the employees.” (OM3)

OM3 mentioned delegation as a topic that he would benefit from including in his strategic learning plan:

“Delegation is a strange one...I don’t do it very well. I either give no direction at all and expect someone to get on with it alone, or I ask someone to do something and I expect it done to such a high standard that I end up taking it back off them again. I know this is frustrating – not only for them but for me because I end up with more than I can do again and I’m back to square one.”(OM3)

A lack of context and relevance of many previous training interventions presented as a barrier to strategic planning, although the participants noted this could be partially their own challenge;

“I go to a lot of courses because I am aware of how much I need to learn. The trouble is that many of them are open courses and don’t offer one-to-one training options. I don’t always learn a huge amount from the open courses because my business is unique and I can’t always apply what is being covered. I usually end up regretting the precious time I have spent on the course and I have very little time to implement anything I did learn.” (OM2)

“I’m always giving out about going on general training courses because they are not relevant to my business and here I am almost asking you to do the same now.” (OM1)

“Most of what I learn is from other people in business who I admire and respect. I don’t tend to do traditional learning, as it hasn’t worked for me in the past. I prefer to learn from observation and by doing. There are some areas of my business though, that I know could benefit from learning, for example, we now have support departments and we need to learn about managing performance and writing policy documents.” (OM3)

All observed OM3s advised that they have no strategy other than “*what’s in my head*” (OM3) and no written plans to speak of. Each OM suggested any learning that happened was less formal and more “*on the job*” (OM2), giving rise to differences in standards and little in the way of standard operating procedures. Finally, the initial interviews yield that the culture of the organisation is closely aligned with the personality of the OM. I used data gathered from these initial meetings as a baseline for the initial draft of a strategic learning plan for each OM.

7.4 Literary Theme 3: Challenges of strategic planning to small service firms

Having spent sufficient time with each OM to glean an understanding of the context of their business and their personal interpretations of learning and growth, the next task was to develop a Strategic Learning Plan for each OM based on the specified problem areas (Table 7.2). This step served to assist in the further achievement of objective a: *To design and develop a small firm strategic learning plan*. Findings in relation to the interpretations of learning within a small service firm included:

“It makes sense that the business will not grow unless we and specifically, I learn how to do that. I suppose the fact is that we have been relatively successful for so long without any structured learning that it has become a way of life to wing it. I’m personally worn out from this way of doing business though and it’s had a lot of negative impacts. Look, I know that learning won’t necessarily solve everything either but it’s surely a good start.” (OM1)

“I’m a big fan of learning – it’s a pity that I did a degree that has nothing at all to do with business. I’m not prepared to go back to college again so learning by doing is my main source of learning now. I make mistakes though – lots of them so I feel that I’m missing out on knowing some of the underlying theory that might help me to short-circuit some mistakes. Any of the really successful business that I admire, I can see the link between the owner/ manager’s approach to learning and how they begin to grow the business.” (OM2)

“Growth has happened very quickly in my business and in some respects we have started to run before walking. This has caused us some challenges – for example, high staff turnover. The learning has not happened as quickly as the growth so it’s long overdue. I don’t want to continue making the same mistakes.” (OM3)

Having taken into consideration the context of each business, some interesting themes emerged, specifically:

7.4.1 Owner – led culture

OM1 described the culture in his business as “*chaotic and full of conflict*”. His personal life had also been quite disrupted having endured frequent conflict in his home life, resulting in recently becoming separated from his wife. I observed open conflict in his business among his staff members with a propensity for shouting at each other, using bad language and in some cases getting physically upset (kicking objects in the office). OM1 did not appear to be able to manage this situation or to stabilise the culture and specifically asked for help in this area.

In the case of OM2, she described the culture in her business as “*chaotic, disorganised and micromanaged*” and suggested this culture evolved from a lack of training and a lack of formal procedures; “*We go by the skin of our teeth; we wing it. If we try something*

and it doesn't work, we will try something else". When I probed this area further, OM2 suggested that there has never been *"anything solid"* in place in terms of planning:

"It's because it's your own business – you go home and you're the owner and manager so you just get on with it in your own way and if you don't do it right, you're the one that has to live with it, no-one is going to come down on top of you for poor performance." (OM2)

When asked questions about the culture in his organisation, OM3 was positive and suggested that it was *"a fun place to work"*. As an apparently cheerful and confident person, it was quite clear that OM3 sought to impress his own personality onto the business culture. He plays rugby and made many analogies to the team effort required to *"win the game"*, for example:

"We work hard and play hard, I have everyone over to my house once a year for a barbeque, and I get to meet their other halves and children; but then I might have to call them out of hours for something and they will always answer – they know the game." (OM3)

Owner led culture is a theme evident in all three small service firms and findings are centered around the potential for the OM's personality to strongly impact the culture of the business.

7.4.2 Resource Availability

The theme of resource (or lack of it) seemed to be an over-riding barrier in the seeking out of and then participation in, some form of learning and/ or formal strategic planning. OM1's business has the financial resources but cites a lack of time as a key resource barrier for formation of learning and/ or growth strategies;

"I would say our biggest resource deficit is not money but time. Don't get me wrong, we don't have a bottomless pit of money but there is a challenge with having the time to learn. That's why I need to learn about leadership. It's my job to make time for learning for myself and everyone else." (OM1)

This resource challenge may be as a result of conducting the business in a reactive manner, as the business tends to *"go by the seat of our pants"* and *"wing it"* rather than plan their future path. OM2's business has financial difficulties coupled with time constraints and so struggles to invest in growth plans owing in part to the tendency to *"micro-manage"* and the somewhat chaotic culture; *"Things are fairly chaotic in the team..."*. OM3's business appears to have the most financial resources available out of the three businesses, propelled by rapid growth; but similarly, time and the ability to delegate is a barrier to planning for learning and growth;

"I would appreciate knowing how to plan a bit better and how to delegate. I think this would allow me to step back a bit and to focus on new business areas, partnerships and so on." (OM3)

Contemplating the resource challenges faced by these firms and the approach taken to date as highlighted in the findings, my own reflections encouraged me to consider my dual role in context;

“I’m genuinely surprised at how much success these three businesses have had without any really focus on learning and how it could facilitate growth. I wonder if they were applying any learning strategy how much more successful the business and the people in them could be?” (Reflective diary entry, July 2015)

7.4.3 Organisational Learning Needs

In the case of OM1, perceived organisational learning needs are centred on the need to grow the business in an increasingly competitive environment:

“We have been lucky so far as we have not had a huge amount of competition here in Ireland. That is changing though and we are facing falling prices as well as increased competition so we need to learn how to perform better in all aspects of our business.” (OM1)

In particular, the organisation requires growth in terms of enterprise effectiveness and acquiring market share in new and existing markets. In recent times, the business has been the subject of increased competition from a “*disgruntled*” ex-employee who established a similar business in SF1’s vicinity.

For OM2, the organisational learning needs are “*the same as my own, without sounding weird, the organisation and me are the same person*”. Thus, the organisational needs are aligned with growth; the focus is to refurbish the restaurant in an effort to “*attract a wider target market from teenagers (current market) to those in their twenties and thirties, as they have more spending power*”. OM3 is focused on rapid growth; he would like to double the size of his business in the next 2 to 3 years, to increase staff numbers and to open another office abroad.

One strategic learning topic (Table 7.2) that was common to all three OMs was strategic planning and preparation. From my vantage point, I considered that this was a critical subject to start with, as:

“The language of strategy is not familiar to any of the OMs. Interestingly, none of them (OM1-3) have studied business or a related subject. It is not surprising, therefore, that they do not know what a learning strategy is and how it might be used in business.” (Reflective diary, January 2015)

When investigating the process of learning with OM1, it emerged that he has a preference for formal learning because, by his own admission he:

“Find(s) it difficult to concentrate on reading or learning by myself– I’m always thinking about something else. I’m more likely to focus and concentrate if I’m in a more formal environment and if someone is talking to me directly.” (OM1)

While OM1 does engage in informal learning while travelling, he finds it difficult to implement anything that he learns. He cited the fact that he knows I will be holding him to account as an enabler to his implementation of learning in this AR project. OM2 cited her preference for one-to-one learning as she feels she can connect what she is learning to her own business scenarios more quickly than if she were with others and perhaps distracted by their suggestions;

“I need time to apply the principles of what I learn to scenarios in our business. This is not possible when there are so many competing voices and thoughts in the room. I really like the idea of learning specifically for the business and the industry that I am in.” (OM2)

OM3 said that he learns better from other people so he would like at least one group learning session that is more informal. He admits that he gets easily distracted so while his preference is not one-to-one learning, he recognises the need to learn this way so that he is more likely to pay attention. Having analysed the three small firms (SF 1-3) in context, observed their operations in action, having recorded and then transcribed and reviewed interviews with them, and contemplated relevant reflective diary entries, I mapped out some suggested strategic learning interventions with them as outlined in Table 7.3 below:

Strategic learning topic	OM1	OM2	OM3
Strategic Planning and Preparation	✓ (RC1)	✓ (RC1)	✓ (RC1)
Leadership	✓ (RC2)		✓ (RC2)
Delegation	✓ (RC3)		✓ (RC3)
Team Building		✓ (RC2)	
Networking for business development		✓ (RC3)	

Table 7.3 Learning interventions as agreed with OMs

Once I had attained a deeper knowledge of the environment of the studied small service firm and of its OM, the next phase of the AR cycle was to design a strategic learning plan with each OM to address some of the challenges in their business unearthed in the diagnosis phase, with me as the practitioner-researcher and each OM as the channel for implementation and change.

7.5 Literary Theme 4: Strategic Learning Plans in small service firms

The next step in the research was to plan the learning intervention and to implement it in each small firm in pursuit of research objective *b: study the implementation of a strategic learning plan within small service firms*. This comprised of the planning and acting stage of the AR cycle. In terms of the conceptual framework (Figure 5.4), this remains part of the ‘process of social learning’ ethos. Simply put, it was the point at which the strategic learning plan for each OM had been distilled and the AR learning intervention began.

7.5.1 Small firm 1 – learning intervention

I met with OM1 in the formal setting of a meeting room at a third level institution. I felt it necessary to get away from the more informal setting of a hotel lobby where either OM1 or myself might be distracted by the goings-on around us. We decided against meeting at OM1’s business as well because we had two initial meetings there and OM1 was at times, asked to help out with a query from a staff member. Based on my exploration and subsequent awareness of his preference for formal learning, I adopted delivery of a formal classroom based style of training. OM2 also preferred to meet at the third level institution as opposed to her own office, which she described as “*chaotic*”. Only OM3 wished me to meet him at his office where he could “*keep an eye on things as he learned*”. This was interesting as OM3 has glass walls in his office and continues to watch what was going on outside as we worked.

The first topic in each case, which addressed a core aspect of the strategic learning plan for all 3 OMs, was ‘How to conduct strategic planning and preparation in the context for your business’. As this topic was one that all 3 OMs wished to learn about (see Table 7.2), the training content was amended for their particular business in context but broadly, the topics covered included:

Module	Topic	Method
1	The importance of strategic planning and preparation for a small service business	Discussion, self-reflection
2	The component parts of a strategic learning plan explained	Interactive Exercise – pieces of a puzzle fitting together
3	A practical demonstration of how to perform strategic planning for a small service firm	Role play and scenario planning
4	Discussion on how to set goals to support the strategic plan	Discussion and individual activity on goal setting
5	How to communicate and engage team members with the strategic plan	Discussion, reflection on personal experience as a team member
6	How to monitor performance and evaluate progress as set out	Scenario planning and role play
7	How to identify learning as required by team members to enable them to meet goals and objectives that lead into the Strategic Plan for the business	Explanation of core competencies required, objectives and skills gap analysis

Table 7.4 Strategic planning and preparation content

I concluded this part of the training by seeking thoughts from all 3 OM's about how they might implement this learning within their businesses. They separately made commitments that were broadly similar:

“The subject of strategy is one that I have read and thought a lot about but have never implemented, so I know that any improvement in this has to start with me. Time is going to prove the biggest challenge but I am determined to make it work.” (OM1)

“While I have an idea of strategy for the business in my head, I have never written it down or spoken to any of my team about it. I think this project will help me to do that, as I will be held somewhat accountable. Sometimes, the fact that you, as the business owner are not accountable to anyone else, is what causes complacency.” (OM3)

While OM2 did not commit to implementing a learning strategy in the organisation per se, she acknowledged the disadvantage of “winging it”:

“Over the years there has been talk about mission, values and vision statements for our business but it has never come to anything. The word strategy is not one that we use much to be honest. We just wing it. I know we could continue to wing it but it's just too exhausting” (OM2).

At this point in the AR cycle, I began to focus on the full implementation of the strategic learning plan in each work setting (SF1-SF3).

7.6 Literary Theme 5: The drive towards and value of growth in the small service firm

This theme corresponds to the third stage of the AR cycle; that of acting. This stage allowed me to develop further the conceptual framework (Chapter Five, Figure 5.4) and to delve deeper into the potential for a strategic learning plan to be implemented. It was useful to have a flexible guide in the form of the conceptual framework to refer to while the findings evolved. I enquired about any difficulties or barriers that each OM faced with the plan implementation, if and how they were overcome, what they might change if they were to complete that part of the cycle again. Having given each OM a maximum of four weeks in which to implement key aspects of what they had learned, I met with each to get a sense of any progress that might have been made based on commitments from our previous learning session (see Table 7.5). I also asked each OM about their perception on the usefulness of having a strategic learning plan as an OM.

Small service firm	Learning Topic	Research Cycle	Actions agreed to be implemented by OM	Timeframe to be completed by
1	Strategic Planning and Preparation	1	Revise company strategy and direction with team members.	4 weeks
2	Strategic Planning and Preparation	1	Have a strategy meeting with co-owner. Stop micromanaging, have team meetings.	4 weeks
3	Strategic Planning and Preparation	1	Produce a written plan for the year with the team.	4 weeks

Table 7.5 Strategic learning plan

Each OM responded to the question about whether they had implemented any of the actions as agreed to after learning about how to conduct strategic planning and preparation of same in their respective organisations, (Table 7.5):

“I have taken the time to work on our company strategy as explained and more importantly, I’ve taken input from everyone who works with me. We have committed our strategy to paper and refer to it in our team meetings. It will be interesting to see, with the passage of time, and bad habits being what they are, if we can ensure the continuity of this planned strategy. I’ve had to start with a personal reflection on my role here, the systems I have in place for running the business, the staff numbers and an analysis of overheads.” (OM1)

“Yeah, I got all the guys together and we discussed what we should be focusing on for the year ahead. I think I did ok.” (OM3)

OM2 responded that while she “*really struggled*” with this process, she did try to focus on planning and setting objectives. When I asked for more detail on why she found it difficult, she said:

“Well basically it’s because I have family members in the business who have been doing things a certain way since the business was founded. They would not understand why we might need a strategy so I’ve had to dress it up as an informal chat about where we are headed as a business.... There was some frustration – a key person left the room but did return which was positive. I think the main thing is that people are talking now about what mistakes have been made and how we can just try to create our own future.” (OM2)

When asked if they faced any difficulties in implementing what they had learned, each cited different barriers to implementation:

“Well the thing is we have to do all this planning and execution while operating in an intensely competitive environment, though I no longer fear competition, I see it as a stimulant and something that encourages creative thinking.” (OM1)

“Yes – loads, when the business is run a certain way for so long, it’s very hard to implement new things. We have been winging it for so long and now I’m trying to suggest that we plan and set goals. We have traditionally worked in a reactive rather than proactive style.” (OM2)

“Yes, I did face some difficulty – I should have done it earlier in the year. We still have not got to the end point. The end point for me is that we all come together as a group, the core management team and each of them get to present their strategic objectives for the year and ideally all of these will combine into one plan.” (OM3)

Each responded to the question of whether the OM would change anything were they to repeat the process:

“Very happy with my progress to date – I have scoped out a plan, I’ve assigned an assistant manager to help me manage the day-to-day, I have had a group meeting with my staff to get their views and to share my plans. I’ve set individual goals with them to help achieve the practicalities of the strategic plan for the business.” (OM1)

“I would say something and someone might take it personally; and people will take things to heart especially when this is all new and we’ve never done anything like it before..so I would be much more careful with the language that I use.” (OM2)

“I would have started earlier... it’s going to be March now before we are all agreed on core objectives so, some of them, I need to talk to on a one to one basis and I have already lost 3 months.” (OM3)

At this point in the AR cycle, also began to focus on the third objective – *c: To evaluate owner/ manager perceptions of the likely impact on growth of a strategic learning plan*, and therefore incorporated evaluation triggers in conversation with the various participants. The conceptual framework (Figure 5.4) posits the examination of outputs in terms of learning, and while the nuances of each business are markedly different, the principle is that there may be growth progress in key areas such as enterprise effectiveness, enterprise growth and employee effectiveness. As action-researcher, I was

aware of the importance of the flexibility factor balanced with guidance from the conceptual framework. Accordingly, each OM's perception of the impact that a strategic learning plan implementation had on the effectiveness of the enterprise and on their propensity for growth in context for their business were different:

"... the stimulation from the competition is encouraging me to accelerate plans that I've had for many years but never acted upon. I now feel I have the confidence now from learning about how to implement strategic plans, to put them into place and I expect that the business will grow by 20% in turnover figure in 2015." (OM1)

"They [employees] will see the vision a lot clearer, and see why we are trying to do stuff, it's a big one for us to increase our profit margin at the start of every year because we have recurring revenue and none of them could see why we need to be more productive so that we retain a higher percentage of the margin. They get that now and we have decided to try to get it up to 60% whereas it's at 40% right now." (OM3)

"I have a better idea of the broader picture as opposed to controlling the little things; for example, I have asked for a list of all the people we have sold to in the Munster region and I have received it. That will help me to plan for increased sales to certain customers." (OM2)

"I perceive the effectiveness of the enterprise to be markedly improved due to regular team meetings, proper sales meetings with agendas and actions, as well as a weekly operations meeting. We have also decided to invest in a CRM (Customer Relationship Management) system in order to track customer preferences and patterns." (OM1)

When I enquired about the productivity of the employees, OM2 said she is stepping back a little and not micromanaging as much in order to see the big picture for herself. OM1 perceives that they will continue to improve in their behaviour in that there will be less conflict and bad language. He has appointed an assistant manager who will have regular one-to-ones with staff members to help overcome difficulties and facilitate their growth. Referring to the productivity of the employees, OM2 suggested that:

"People surprise you when you give them a little bit more to do and they realise you are trusting them with something really important; they feel validated and that leads to increased productivity." (OM2)

Referring to the likely impact this learning might have on the productivity of the team, OM1 said that the key impact for him was the reforming in his mind that the employees are a team. He had previously been trying to manage each individual and had not considered him or her as a team member who needed to communicate with colleagues as well as the OM and needed to know each other's priorities. OM2 said that there is 'still a way to go', she still needed to manage and organise effective meetings and basic things such as: "Clear communication between members of the management team, regular team meetings and one to one performance measures in place". OM3 said he was hopeful that the planning approach would have a positive impact on productivity, however: "There are one or two people who will not like change or measurable targets and they might find it difficult at the start."

In reference to any perceived benefits, OM2 said that while she found the implementation of the Strategic Planning and Preparation approach difficult, things have changed for the better. She said that she is aware of the need to be clear with people and being a little more assertive in the face of family members' opinions, and in particular she has become better at making decisions. She said this has resulted in her having increased confidence in the workplace. OM3 said that he could see the potential for benefit having a strategic learning plan so that he has the skills to conduct strategic planning and collaborate with the team to execute a growth desire. OM1 suggested that the most obvious initial benefit of a strategic learning plan was his increased self awareness; "I know that any improvement has to start with me".

7.7 Literary Theme 6: Learning in the small service firm

While the literature is plentiful on the topic of strategic planning tools such as mission, vision and values, less is available on the definition and topic of the learning plan as a strategic tool (Zupic and Drnovsek, 2014; Chinomona, 2013; Tell and Gabrielsson, 2013). This part of the AR project involved posing questions to the OMs around their thoughts on having a strategic learning plan for themselves:

“It’s crucial – many owners have plans in their heads and they don’t actually know how to articulate them to others. This has been an enormous help – something I wish I had done many years ago.” (OM1)

“I would love to have someone who can help me sustain this learning plan and to revise it, work on the future of what I need to know with me. For me, this is something that is missing in the marketplace – a service that is tailored to the needs of the business and the individual small service firm owner. It is not a cost issue – it’s a time issue so I suppose it’s a bit like having a personal trainer except for your business and your brain. It could help to short-circuit a lot of mistakes that I’ve made and will probably continue to make.” (OM2)

“So yes, absolutely, it’s important for owners to have a learning plan as they are growing their business – a lot of them probably think they have it all in their head and never write it down or share it with others. A lot of owners have a power trip going on in their heads so it’s difficult for them to listen to somebody else telling them how they should do stuff. It’s really important to share with your team where your head is at and what you see as the future for the company and making sure you are all going in the one direction.” (OM3)

The OMs shared the challenges of time constraints to execute learning and establish accountability criteria to sustain it. The notion of a strategic learning plan as a concept to facilitate growth was not something OMs had considered as part of the overarching company strategy, yet all three were unanimous in their appreciation for such a tool following the AR intervention.

7.8 Summary of findings in Research Cycle 1

Reflecting on the first research cycle (RC1) some issues presented themselves that were used to shape and refine the second research cycle and to inform the conceptual framework (Figure 5.4). OM1 said that the time that elapsed between the learning and its implementation presented a risk of ‘not doing it at all’ due to a lack of discipline. Knowing that he would be held accountable for progress (by myself as practitioner-researcher) was a motivating factor for him. The propensity for each learning intervention to descend into a ‘chat’ about each business was a risk that I needed to manage and for which I had control measures in place. These measures included setting boundaries around time frames for each session. Broadly, such findings in conjunction with observations in RC1 proved rich and aided the next research cycle (RC2).

7.9 Research Cycle 2

In this second AR cycle (RC2), the OM's had the advantage of knowing what the research process involved. I also had some insight into the culture and operation of each OM's business and the underlying personality and planning approach of each OM. With this experience and knowledge, I chose to make some intentional changes to RC2 in that any actions agreed were recorded and this allowed me to 'check-in' with the OM's during the intervening weeks before our next formal meeting. I made this decision in liaison with the OM's based on the feedback that they appreciated knowing that someone would be holding them accountable for their implementation progress. I also decided to send on any supplementary learning materials that we used to each OM owing to the fact that one in particular wanted to revise our agreed learning topic in his own time and to reflect on his notes. While these were small changes, they were helpful in the undertaking of RC2;

"The various styles and perspectives on learning are emerging from each OM. I have observed that some prefer to read and write notes, while another prefers to try something out in practice, for example, they will interrupt and ask me to work through an example that is happening in their business. While this is tiring for me as a practitioner, it is highly contextualised for them and perhaps the learning is more immediate. I will accommodate these nuances more closely in RC2" (Reflective diary entry, February 2015)

The learning interventions that took place in RC2 (as per Table 7.2) were as follows:

- OM1 – Leadership Techniques
- OM2 – Team-building Techniques
- OM3 – Leadership Techniques

For the purposes of clarity, the specific topics for leadership techniques (OM1 and OM3) were:

Module	Topic	Method
1	Importance of leadership in the small service firm	Discussion, self-reflection
2	The difference between leadership and management	Questioning and paraphrasing, reflection, video
3	Leadership styles and situational awareness	Reflecting on management history, scenario planning, theory
4	The key skills required to lead a small service firm	Individual activity on leadership skills, discussion, scenario planning for the future
5	Engaging in reflective practice and continuous development as a leader	Demonstration, theory, testing.

Table 7.6 Learning topics for leadership techniques

The specific topics for team-building techniques (OM2) were:

Module	Topic	Method
1	Group theory - difference between a group and a team	Discussion, self-reflection
2	Setting common aims and objectives with a team	Questioning and paraphrasing
3	The importance of communication within a team and setting the communication structures in place	Individual reflection, appraisal of current communication structures
4	Planning for the social as well as the task requirements of a team	Theory, scenario planning, video. Practical demonstration through action learning.
5	Understanding various individual personalities and styles of communication	Demonstration, theory, testing
6	Awareness of the potential for conflict within a team and how to work through it	Demonstration, action learning, reflection

Table 7.7 Learning topics for team-building techniques

These topics formed the basis for the contextualised learning written for each OM and served as the ‘planning’ part for this second research cycle. The findings that emerged during this cycle are detailed below within each theme area.

7.9.1 Small Service Firm Environment and its influence on Strategy

An entry into my reflective diary suggests that there is something lacking in the small service firm environment that means the OM's either do not often get the opportunity to talk and/ or are not listened to about their experience as an OM:

"I will have to watch my time with the OM's. All of them want to spend much of our time just talking about their business and explaining challenges that they have. Some of these topics are deeply personal and I do not feel that I'm in a position to reply. I feel sad for the OM's as it's like they crave the attention that I am giving them in a one-to-one capacity and I have to gently remind them of the purpose of our time together." (Reflective diary entry, April 2015)

All three OM's have multiple premises and each spends significant amounts of time travelling to the various locations and are struggling to manage all sites. OM1 had taken some steps to improve strategic co-ordination between the various offices in his business as they were quite disjointed and there was a lack of communication and co-operation. He had appointed a general manager in an effort to reduce the amount of time he was spending in operations and on day-to-day tasks. Because OM1 had not thought of his employees as a team, he did not seek to lead and motivate them collectively, focusing instead on individual interactions. His leadership approach was inclined to vary from autocratic to laissez-faire, depending on the circumstance:

"Once I learned the different styles of leadership through this process, I came away thinking that I surely have a participative approach to leadership. But when I reflected on it back in my operating environment, I realised that my leadership style was split between laissez-faire and autocratic. I realised that I needed to change that because I have some new staff members and it's not fair on them to be relaxed with them - they want and need to know what's expected of them and to what standard. So I started by setting goals with them and explaining to them what I expected them to achieve." (OM1)

In the case of OM2, there is recognition of the contingency aspect of leadership:

"While I was not aware of the specific names of leadership styles, I think I switch between them as needed - so like I would look after the new staff more closely and make sure that they are not left on their own and I would leave the more experienced people to get on with things. I have realised that I need to motivate, or at least provide an environment that is motivating for all different kinds of staff and this is challenging in a small service business" (OM2)

7.9.2 Challenges of strategic planning to small service firms

Aligned closely with the influence of small service firms on strategy was that the culture of the small service firm business is often informal and the OM's were somewhat self-conscious of introducing change to their business:

"OM2 in particular seems to be struggling to implement change (to carry out strategic planning with her team and then conduct a skills gap analysis). My feeling is that it's because she doesn't

feel like the leader or OM. While she has grown up in the business and knows it inside out, she sees older employees as more senior to her.” (Reflective diary entry, May 2015)

The findings suggest a lacking in confidence and ability to implement change so that the small service business can get the balance right between formal and informal strategic planning:

“I know how important it is to write things down in a business, but I don’t always do it. It feels like if it’s not written down then no one can say ‘you didn’t get that done’...I guess it comes down to confidence and feeling that if you don’t try, then you can’t fail.” (OM2)

All OMs suggested that they were more likely to carry out strategic planning and to write down their plans because they knew that I, as a practitioner-researcher would be following up with them:

“I have no doubt that my commitment to examining my own leadership style and attempting to make changes where relevant happened because I knew I would be asked about it in a couple of weeks and I wanted to have tried something – I know I would not have done it if I was left to my own devices. I am the boss after all.” (OM3)

Our regular interactions also gave the OMs the opportunity to build confidence through communicating their thoughts and ideas;

“I am confident that I already do a lot of what I learned about how to go about building a strong team but I lack confidence in myself that it was actually the right thing to be doing. Now that I know that I’m not doing anything wrong when it comes to teambuilding, I’m going to be more confident and will be able to tell you about it when we meet next.” (OM2)

7.9.3 Strategic Learning Plans in small service firms

This theme would seem to be the ripest for development thus far. There is little in the literature that explains what a strategic learning plan is and how it could be used in a small service firm. Most references to it are in the formal education sector and even in that milieu, the literature is not recent. In RC1, the notion of writing a strategic learning plan was new to the OM as was the inclusion of a learning plan in their work environment. By the end of RC2, all agreed that having a strategic learning plan was beneficial for them, but none having ever heard or considered one before;

“I started a business as soon as I left school so would never have thought of having a learning plan for myself – it’s quite nice to know that you can have one that allows you to learn while in your business without having to go to college for years and years. I suppose we are always learning anyway and this just allows you to see your progress and see what results you are getting and is a more logical approach for business owners.” (OM3)

Despite the advantage of having completed one RC previously, the most commonly cited challenge in the implementation of the strategic learning plan area was that of time;

“The main barrier I came up against when trying to put into practice what I had learned about leadership and motivation was the time required to develop principles to facilitate a more

democratic approach - such as goal setting, discussing goals with staff, making time to get to know them and what motivates them. I realise now that I was leading in a very autocratic way and I know that that style will not work for everyone.” (OM1)

OM2 has pinned her strategic learning plan to her desk and refers to it often. She suggests:

“I’ve definitely become more confident since the last research cycle. I know what’s in store now, and more importantly, I know that while the learning plan is there as a guide, how I implement the learning is totally up to me” (OM2)

The fact that the strategic learning plan was written for the OM and in context for their business was appreciated by all of them. Having reviewed the literature as a researcher, I was aware of the importance of contextualised content for the small service firm OM; however, I had not realised the extent to which context is paramount to their motivation for learning and their preference for being held accountable. This is a finding that will be discussed further in Chapter Eight.

7.9.4 The drive towards and value of growth in the small service firm

In RC2, the nuances for growth in each small service firm remained the same as RC1 (enterprise effectiveness, employee productivity and employee productivity). Having participated in the learning intervention in RC2 (as set out in tables 7.6 and 7.7), the agreed actions were recorded as this was a purposeful change made by me between RC1 and RC2. The agreed actions per OM are set out below in Table 7.8.

Small service firm	Learning Topic	Research Cycle	Actions agreed with OM	Timeframe to be completed by
1	Leadership	2	Be more self-aware of default leadership style and adapt this style to suit the situation in context.	4 weeks
2	Teambuilding	2	Have team meetings once a week and share company strategy and objectives from RC1	4 weeks
3	Leadership	2	Motivate the team to improve productivity through appropriate leadership style	4 weeks

Table 7.8 Agreed actions per OM in each small service firm

When discussing the learning topics identified in Table 7.8, the respondents noted the value of the process in terms of building awareness of their own approach to leadership;

“It has taken me a fair bit of time, but yes, I’ve certainly been more aware of how I lead and it’s become clear to me that I need to change my style with certain members of the team. The more senior team members, for example, don’t need their hands held. Within the capacity of the company and the available market and the like, what’s happened is that, for the same cost per sale we are now getting a lower cost per sale due to higher productivity within the team. We are also able to reach into more sectors and we are also able to hold our own in far more areas than before – we are not just in survival mode, we can sit down with significant players and talk at their level. The results from that kind of work doesn’t manifest itself overnight but the fact is that our staff can do their job and develop projects that never existed in the company before.” (OM1)

For OM2, while ‘growth’ means improved enterprise and employee effectiveness, it also means a personal learning journey for her as a competent and confident leader of her business:

“We have never really thought about growth before – it’s been fairly standard in that we have had highs and lows but usually moving in the right direction” (OM2)

In this RC2, growth remains to the forefront of the agenda of OM3 who wants to open offices in more countries and win more business. He also recognises that he has some learning to do as a leader and motivator:

“I think we could achieve the harder growth factor quite easily – for example opening a new office which was previously my core growth focus but the softer growth factors like ensuring everyone is motivated to be productive and efficient is more difficult. This is where I have learned a lot from this process – about theories and methods of motivation. The next challenge is to see if I can continue to apply what I’ve learned and if it will resonate with the team to make a difference.” (OM3)

7.9.5 Learning in the small service firm

Learning in the small service firm is often evolutionary and may occur naturally without a conscious effort. In this second research cycle (RC2), the OMs are aware that they should try to learn from the intervention and then put that into practice. An extract from my reflective diary articulates what I observed during this cycle:

‘It is both encouraging and rewarding to hear that the OMs are, at the very least, trying to practice what they have learned. I have tried to contextualise the material on the topic for their business, personality and learning preference. I can now see why some larger group learning is challenging for both the learners and the tutor. When I am face-to-face with the OMs and speaking to them about their business I feel that the learning transfer is much higher.’ (Reflective diary entry, June 2015)

OM 2 cited the inexperience of the tutor in previous training as a barrier to learning for themselves and within the small service firm: “Sometimes it’s difficult to learn from a tutor or trainer who has not had the practical experience in a similar environment. It’s

easy then to switch off in a course”. OM3 added to this perspective, citing a preference to ‘learn from other people... who have already done something that I want to do’;

“I love learning – that’s why I didn’t go to college! I prefer to learn from other people - people who have already done something that I want to do. They know the pitfalls and they can teach you a lot. I realise the benefit though, of knowing various models and in what situations to apply them. I’m a bit more ready now maybe to learn than I was then and I like the fact that it’s all about my business” (OM3)

OM1 referred to learning as:

“I am absolutely sure that the secret to success is understanding the level of your own ignorance or lack of knowledge, so the ability, at least what I have learned is that learning doesn’t mean that you gain the answer to everything. It’s instead having greater self-awareness and learning what questions to ask. And if you don’t do something to stimulate your ability to refine and analyse your methods you won’t progress and if you do progress it will be a landmine of repeated mistakes.” (OM1)

In the case of OM2 when evaluating the results of her implementation of learning, she points out:

“I suppose I thought that if I had studied business I would have all the answers. Now I know that is not true. I have renewed confidence that I can rely on my own existing knowledge of our market, industry and customers to make decisions. I am also aware that I need to keep learning and to enshrine learning as something that happens in our business for the benefit for everyone. ” (OM2)

7.9.6 Summary of Findings in Research Cycle 2

As the action researcher, by the end of RC2, I was beginning to see a shift in all three OM’s attitude to learning and to observe the value they now placed on strategic learning plans. They were less impatient and willing to allow themselves to reflect on any material or learning occasion. They seemed to be enjoying their part in the research process and were open to learning in a variety of ways and on a variety of topics. Any perceived and/or expressed impact of the learning intervention was positive. All three OM’s appeared to have increased in confidence as a result of having planned and implemented a learning plan that was devised with them personally.

7.10 Research Cycle 3

The learning interventions that took place in RC3 were as follows:

- OM1 – Delegation Skills
- OM2 – Networking for business development
- OM3 – Delegation Skills

The specific topics for delegation skills for OM1 and OM3 are summarised in Table 7.9:

Module	Topic	Method
1	Understanding delegation in the small service business	Discussion, self-reflection
2	Key skills required to delegate effectively	Questioning and paraphrasing, reflection, video
3	Common barriers to delegation in the small service business	Reflecting on management history, scenario planning, theory
4	Evaluating styles of delegation in context	Individual activity on delegation style, discussion, scenario planning for the future
5	Fostering smoother delegation in the small service firm with tools and structures	Demonstration, theory, testing.

Table 7.9 Learning topics for delegation skills

The specific topics for networking for business development for OM2 were:

Module	Topic	Method
1	The value of networking for a small service business	Discussion, self-reflection
2	Skills required to network effectively	Questioning and paraphrasing, reflection, video, action learning
3	Tips for the terrified when networking	Discussion
4	The process of networking and follow-through for business development	Theory explanation, planning, testing through action learning
5	Managing nerves and confidence issues	Demonstration, theory, testing and action learning.

Table 7.10 Learning topics for networking for business development skills

This final research cycle (RC3) took place between August 2015 and October 2015. Each OM was by now, familiar with the rhythm of this action research project and when asked how they felt about starting our final cycle together, they said:

“I am a bit nervous that I won’t continue to make progress by myself. I’ve enjoyed the project and particularly the fact that someone is going to hold me accountable for implementing changes after I learn. I will have to make sure that I hold myself accountable from now on.” (OM1)

“Like I said before, it’s the fact that someone is checking in on me that I have made such progress in the two areas so far. I can only speak for myself but I think the reason that owner/ managers don’t always place an emphasis on learning is not due to a lack of money – it’s due to the fact that they are the boss and no-one can ask them why they are doing things a certain way when there might be a better way.” (OM2)

“I’m looking forward to it – I didn’t think it would be quite so straight forward so far to be honest. You learn something that is delivered with your business and your personality in mind and then you implement the key principles. That’s my understanding anyway but I am a little concerned that without the regular check-ins from yourself that I will not continue to do such learning cycles by myself.” (OM3)

The recurrent suggestion from all 3 OM’s that having someone to hold them accountable was something that I was surprised by:

“As a researcher and as a business owner, I never expected that there would be a market for one-to-one training in context. It makes sense now though – there is one-to-one coaching and mentoring available but not necessarily training or learning events that can be applied directly to the OM’s business. Also, the accountability part was a surprise – all 3 OM’s made reference to their success being due, in part to someone checking in with them and helping them overcome challenges.” (Reflective diary entry, August 2015)

The findings from this third research cycle are presented within each research theme next.

7.10.1 Small service firm environment and its influence on strategy

The topics in RC3 of delegation techniques (for OM1 and 3) and team-building techniques (OM2) as preferred topics in their respective strategic learning plans, related to their small service firm strategy in that:

“We operate in an intense and time-bound service business so rather than delegating small, low-risk projects initially to build confidence, I end up doing everything myself and then getting totally stressed out where I cannot hear people who are right in front of me because of the noise in my head. This is not sustainable if I am going to execute the strategy as agreed in RC1. As such, learning how to delegate is a something I desperately need to learn.” (OM1)

“Part of our strategy as a business is to form partnerships with other similar enterprises so we can complement each other. We need to reach out to the various networks that are available to us and that terrifies me. I don’t mind talking to people who I know but if I have to go to an event where there are other business owners, I just freeze. I don’t know why...like at trade shows I’m fine but if it’s a focused-networking event, I can’t do it.” (OM2)

“I know that I dump stuff on the lads instead of delegating. This causes frustrations because they have to come back and ask loads of questions about clients or solutions and I have to spend fragmented time with them. We’ve agreed a certain strategy now and in order to make sure that happens, I know I need to organise myself a bit better and in turn, to delegate work more effectively.” (OM3)

While it was encouraging to hear the learning that had taken place for each OM as a result of their contextualised strategic learning plan, the theme of potential challenges faced was critical to investigate.

7.10.2 Challenges of strategic planning to small service firms

Having covered the topic of strategic planning and preparation with all three OMs in RC1, I asked them to reflect on the challenges they were facing with this process now that they are six months on in their strategic learning plan cycle. The responses included:

“I chose delegation as the next learning topic because I don’t do it very well. I know this from feedback from team members at our team meetings. At least we do team meetings now, which was part of our overall strategy to improve internal communications. I could not say that time is a challenge here but its more how I communicate what I want done in the time that we have.”(OM1)

“Encouraging a vision building strategy on a recurring basis is a challenge. It’s up to me to lead by example though. So, if part of our strategy is to form partnerships with other businesses to progress our own, then I need to step outside my own comfort zone to engage with more people. To do this, I need everyone on the team doing their bit as well so that I am not micromanaging and firefighting.” (OM2)

“Having set our strategy and got buy-in for it, we are not beginning to execute it. We have a new support department in place and I need to relinquish control over certain tasks, for example, recruitment and hiring. I have typically done this and have made mistakes by hiring random people who I have met out socially. I think our strategy plans have a better chance if I delegate authority as well as responsibility and I have to control the urge to overrule the support departments.”(OM3)

It was encouraging for me as the action researcher, to hear that the OMs were facing challenges in the implementation of a strategic learning plan. This gives rise to the importance of creating a flexible and usable strategic learning plan so that any such challenges could be prepared for and worked into any final strategic learning plan framework as might be recommended for the small but growing service firm. This will be further discussed in the Chapter Seven.

7.10.3 Strategic learning plans in small service firms

At this point, all three OMs were fully supportive of having a strategic learning plan. Broadly, they saw it as a plan that documents what an OM needs to learn in order to successfully execute the small service firm strategy once it has been set out;

“Having a learning plan to supplement a strategy seems like a smart idea to me. Many business owners I know would benefit from this anyway. We are usually so busy working IN the business that the work ON the business gets neglected. I know it’s something I will be seeking again next year.”(OM1)

“I thought it was just our business that doesn’t do strategy, mission, vision, values etc. Now that I know it’s not, I think we could really give our team and our business a competitive edge by learning how to implement our strategy rather than just write it down. Having someone external to hold us accountable for such learning would help.” (OM2)

“Strategy has never been my strong point. I just dive in and see what works...and I guess I’ve been lucky. From this project though, I can understand why it can be useful to take control of the

future of the business by creating that future as much as possible and then ensuring everyone, not just the owner, learns and reflects on learning how to implement the strategy.” (OM3)

While all three OM3s cited positive perceptions for having a strategic learning plan in place, they were conscious of the role the strategic learning plan has in supporting growth. To that end, the findings connected with drive towards and value of growth was sought from each OM.

7.10.4 The drive towards and value of growth in the small service firm

In RC3, the agreed actions based on the preferred learning topics (see tables 7.9 and 7.10) were recorded and are set out below in Table 7.11. Recording agreed actions after each learning event was a change that I made between RC1 and RC2 and, as it served well in RC2, both the OM and myself decided to incorporate it as we felt it would be a useful tool to keep each OM focused on implementation as well as facilitating their preference for accountability:

“The decision to start recording the actions as agreed by the OM3s has proved to be instrumental as they use this as an accountability tool in my absence to keep them focused on implementation of learning. This was a key feature of the chosen methodology of action research, as it allowed me to reflect on potential improvements/ changes, and to discuss them with each OM before the next RC.” (Reflective diary entry, September 2015)

Small service firm	Learning Topic	Research Cycle	Actions agreed with OM3s	Timeframe to be completed by
1	Delegation Skills	3	Choose some repetitive operational tasks and delegate to the assistant manager.	4 weeks
2	Networking for Business Development	3	Identify 3 relevant networking opportunities and attend those with a view to developing business links.	4 weeks
3	Delegation Skills	3	Delegate authority as well as responsibility to the HR support department.	4 weeks

Table 7.11 Agreed actions from RC3

The findings below detail the perception of the impact on growth that putting the actions as outlined in Table 7.11 above may have had on each OM3s growth perspective.

When asked if the intervention in RC3 had any impact on growth, OM1 said:

“I think it’s too early to say. The principles of delegating more effectively will definitely make a big difference if I can continue to use them. I did go on holiday and prior to going on holiday, I delegated tasks to be done while I was away and I followed the process as set out in this project. While I couldn’t define the growth in measurable terms, I did get a significant result by setting clear objectives, having meetings, doing a careful handover plan and for the first time in the history of the company, the company operated at maximum efficiency in my absence so while there was no negative growth anyway and certainly some growth in respect of the efficiency of the team involved.” (OM1)

“Well there is more scope for growth now that I have more confidence through practicing what I have learned. I still have a long way to go but the effectiveness of our business which is a growth factor, depends on us being able to partner and learn from other similar businesses so that’s something I do expect positive growth results from.” (OM2)

“Certainly there has been growth as a result of my learning on this project. I’ve let go of some stuff and handed it over to the new support department. This has meant that our business is now more efficient and that has made room for growth in other areas. Employee productivity has been positive as well because they have more scope now than before.” (OM3)

Similarly to RC2, I was not discouraged by the honesty of the OM’s in their reflections on the potential impact on growth. While OM1 said it ‘*was too early to say*’ if the intervention had had any impact on growth, this suggests a reality to me that any strategic learning plan needs to be regularly reviewed and revised in order for learning in the small firm to be facilitated in a flexible and organic manner.

7.10.5 Learning in the small service firm

As a practitioner and as an action researcher, I began to reflect on the contribution that this action research project may have made to each OM and their business in RC3; in terms of the importance of including a strategic learning plan in the suite of strategy tools for a small service business in my reflective diary:

“While I am pleased with the successful impact that the individual learning plans are having on each individual OM and on their business, I am concerned about the sustainability of learning once the action research project is complete. My perception is that the OM’s might revert to their original ways due to a lack of accountability and follow through. At the moment, they know I am going to be back to ask about what and how they implemented so that keeps them focused. What happens though once the research concludes?” (Reflective diary entry, September, 2015)

My own findings were reinforced in the reflections of the participant OM’s;

“I think business owners who have plans to grow in any capacity need to be learning all the time, given the rapidly evolving nature of business and to do that, you need a strategic learning plan that is ongoing. I don’t agree that a strategic learning plan of a defined period of say, six months or a year is ideal. I think it should be revisited like a business plan every couple of years, so that, for example, currently, in our process we have completed a certain number of learning tasks and objectives. These could be revised and revisited every now and then to proliferate success.” (OM1)

7.10.6 Summary of Findings in Research Cycle 3

Each OM is performing well in their cycles of diagnosing, planning, acting and evaluating using their strategic learning plan as a catalyst for change in their work setting. The context of this plan was critical to each OM because even though some topics were the same or similar, there were specific differences between what each OM wanted to act upon as a result of learning. Further, the evaluation aspect of the AR cycle proved critical to the implementation of these plan actions, due in part to its reflexive impact on the OMs and also due to the accountability that each OM felt based on my follow up as action researcher. This finding may be significant in terms of a contribution to practice in this research.

7.11 Conclusion

This chapter provided a description of the findings, configured around the core themes that emerged from the action research and those that presented from the extant literature as reviewed. From a strategy perspective, it would seem that the OMs do not engage in formal strategic planning. The OM is a key enabler of learning in the business, and the most often cited barrier to learning was that of a lack of time and a lack of an (external) accountability resource.

In the next chapter, the findings will be reviewed further in terms of presenting them in light of the literature review.

8.0 Introduction

This chapter presents a discussion of the findings in the light of the literature review. It begins with an examination of the key insights provided through the review of literature and the emergence of the research aim and objectives. Embedded in social learning theory, learning is believed to occur as a result of experience and environment and through a process of social participation (Barker, 1997), and in the small firm setting, it is embedded in everyday practice (Hamilton and Langhorne, 2011). The theoretical framework (Figure 5.4 as presented in Chapter Five) is therefore set within social learning theory and is used to develop and interpret the findings, guided by the research aim and supported by prior research. The action research approach enabled me to explore the subject of learning strategic planning from the view of an insider in three growth-focused small service firms.

The remainder of the chapter is set out under the literary themes evident in the literature review (Table 3.2, Chapter Three) and considered in light of the emergent themes identified through the data analysis and various interactions with the research participants, my research supervisors, conference and colloquia presentations and feedback from practitioner and academic peers. Consideration is made of the nature of strategic learning plans in a growth-focused small service firm environment in light of the theoretical framework (Figure 5.4, Chapter Five). Finally, the proposed framework is evaluated in light of the discussion, and a refined framework is presented.

8.1 Social learning theory as a catalyst of investigation

As stated previously, small firm (that is those businesses with less than fifty employees) is the most common size of enterprise in the World with large businesses in Europe (e.g. those with over 250 employees) comprising just 0.2 per cent of all enterprises (Storey and Greene, 2010). In Ireland, small service firms account for 48% of all firms (CSO, 2013) and employ 42% of the labour population. In 2011, the service sector surpassed the manufacturing sector as the largest contributing sector in Ireland and accounted for 62.4% of turnover in the total business economy (excluding financial services) for Ireland. There has been an annual increase of 1.2% in the number of people engaged in the services sector in 2012 bringing total employment in the sector to 903,657 (CSO, 2013). These small service firms are often characterised by limited resource availability, owner centered decision-making, a reactive management approach and high failure rates (CSO, 2013; DKM, 2006; Kenny, 2015; Storey and Greene, 2010; Sadler-Smith *et al.*, 2001; Schein, 1983; Daft, 2001).

In order to succeed and ultimately to achieve growth, learning must occur on an ongoing basis within these small service firms (Hamilton and Langhorne, 2011). Bandura (1977) points out that social learning theory distinguishes between acquisition and performance because people do not enact everything they learn (p.28), which is of specific relevance to this study when small firms are dependent on a relatively limited number of employees to enact the learning strategy. Furthermore, deliberate learning is found to be a means of developing dynamic growth capabilities in the SME environment (North *et al.*, 2016). Thus, small firm learning as presented in Chapter Three, is of particular relevance in terms of social learning influence as outlined in Chapter Two. Strategic planning due to the premise of being anchored in dynamic knowing (MacPherson, 2005; Chiva and Alegre, 2005), suits the socially dependent nature of the small service firm OM (Tusting, 2005; Gibb, 1997).

8.2 Research Aims and Objectives

As growth in small service firms is partly dependent on the ability of the OM to plan strategically, particularly in relation to their current and future learning needs, the theme of strategy and strategic learning is of particular relevance to small firm growth. Thus, the aim of this research is to:

Investigate the perceived impact of a strategic learning plan intervention on growth-focused small service firms' viability in the Irish context.

Small service firms are most suited to social learning whereby they conform to behaviours, values and motives perceived to be of value in a similar organisational setting (Rae, 2002; Taylor and Thorpe, 2004; Deakins and Freel, 2009; Buchanan and Hucznski, 2004). Thus, the research cycles within this study guided the experience-led social learning process in which to explore the research objectives;

- a. To design and develop a small firm strategic learning plan;
- b. To study the implementation of a strategic learning plan within small service firms;
- c. To evaluate owner/ manager perceptions of the likely impact on growth of a strategic learning plan;
- d. To pursue a strategic learning plan framework for use in growth-focused small service firms.

The literature-guided conceptual framework (Chapter Five, Figure 5.4) is referred to within the social learning theory (Buchanan and Hucznski, 2004; Deakins and Freel, 2009) and is used as a guide to develop and interpret the findings, as focused by the research aim and supported by prior research. Based on the premise that the specific frameworks necessary to analyse and evaluate the learning relationships between small firms and their stakeholders is an area that has not been explored to any depth in the literature (Gibb, 1997; Ryan, 2013; Zupic and Drnovsek, 2013); this study sought to investigate the perceived impact of a strategic learning plan intervention in small growth-

focused service firms, in pursuit of opportunities for growth (Hannon *et al.*, 2000; Chinomona and Cheng, 2013).

8.3 Emergent Themes

The remaining sections discuss the findings in the light of the inherent literature under a number of thematic headings and draw from a systematic analysis of the data, underpinned by my reflections as action researcher. Themes that emerged from the research as documented in the findings chapter (Chapter Seven) have been compared to those emergent themes exposed through the literature review chapters (Chapters Two to Five) and are summarised in Table 8.1.

Emergent themes	Findings	Literary Support
Small service firm environment	<ul style="list-style-type: none"> Owner led organisational culture; Small service firm business; Small service firm market dynamics; Small service firm autonomy. 	Storey and Greene (2010); Sadler-Smith <i>et al.</i> (2001); Schein (1983); Daft (2001).
OM planning skills & barriers to growth	<ul style="list-style-type: none"> Owner influenced organisational culture; Small service firm market dynamics - resource availability, expert (strategic planning) knowledge; Small service firm autonomy; Measuring growth in a small service firm; Barriers to growth in a small service firm. 	Shelton (2005); Kaplan and Norton (2004); Penrose (1959); Kelliher (2007).
Learning in a small service firm	<ul style="list-style-type: none"> Challenges in identifying, articulating and facilitating learning; The tendency for informal learning in the small service firm; Small service firms most suited to social learning – embedded in every day practice; Barriers exist which hinder embedded learning in a small firm environment. 	Chiva and Alegre (2005); Rae (2002); Taylor and Thorpe (2004); Deakins and Freel (2009); Buchanan and Hucznski (2004); Mintzberg (1994).
Strategic planning approach	<ul style="list-style-type: none"> Lack of formal strategic planning; Resource impact; Lack of expert knowledge; Owner led approach to strategic planning; Lack of formal planning tools. 	Peel and Bridge (1998); Kraus and Schwarz (2006); French et al, (2004), Mazzarol et al. (2009); Kelliher and Reinl (2009); Lasher (1999); O’Gorman (2006); Kraus and Schwarz (2006); Mazzarol et al (2009).

Table 8.1 Emergent themes

These core themes of the research will be discussed in this chapter in conjunction with the related literature and underlying social learning theory and provide a basis for analysis of the research findings.

8.3.1 Theme 1: Small service firm environment

As highlighted in the literature review, the essential characteristics of a small firm can be summarised as; managed by its owner in a personalised way; a relatively small share of the market in economic terms; is independent in the sense that the small firm does not form part of a larger enterprise and its ownership is relatively free from outside control in its principal decisions (Bolton Report, 1971). These core characteristics have been respectively labelled; owner influenced organisational culture, business and market dynamics and autonomy in the forthcoming sections. In addition, a resource lens is applied to the analysis within the business and market dynamics theme and contemplation of the need for greater functional or hierarchical structure in a growing service firm (Storey, 1994) is also incorporated into the discussion.

8.3.1.1 Owner led organisational culture

The concept of the OM having influence beyond the core organisational structures and into the culture of the small service firm (Sadler-Smith *et al.*, 2001; Barnett and Storey, 2001) is well borne out in this research. In all three cases, the findings supported the view that the culture of the small service firm is closely aligned with the personality of the OM (Peel and Bridge, 1998; Kraus and Schwarz, 2006; French *et al.*, 2004; Mazzarol *et al.*, 2009; Kelliher and Reinl, 2009): “...without sounding weird, the organisation and me are the same person” (OM2); “You learn something that is delivered with your business and your personality in mind and then you implement the key principles” (OM3). This finding was particularly strong in the research as I observed the culture of the organisations to be similar to the personalities of the respective OMs and found this to remain the case in all three research cycles. OM3, for example, is observed as an apparently cheerful and confident person, who, when asked about the perceived culture within the small service firm, said that it was “a fun place to work”; reinforcing this personal characteristic in his employees.

Indeed, one of the earliest works of literature on this link between the OM and the small firm culture comes from the Bolton report (1971) whereupon the first characteristic of a small firm was that it is managed by its owner in a very personalised way. One risk with this strong link between the personality of the owner and the culture of the business is that the potential personality flaws of the owner as well as his or her strengths may be brought to bear on their business, as exemplified in SF1; *“our culture is chaotic and full of conflict”* (OM1). Of particular note in the context of the current study is the owner’s willingness to contemplate strategic planning as an aspect of the day-to-day running of their business (Grant, 2003; Schoemaker, 1995); *“...I have read and thought a lot about it [strategy]”* (OM1); *“I have an idea of strategy for the business in my head”* (OM3). While the studied owner’s intentions are good; *“I’m trying to make it more organised... part of an agreed plan”* (OM2); *“I could probably do with learning to be more organised and to plan more often”* (OM3); evidence suggests these OMs benefit from being monitored on an ongoing basis to ensure the emerging planning behaviour is upheld; *“... I am a little concerned that without the regular check-ins from yourself [the action researcher] that I will not continue to do such learning cycles by myself”* (OM3).

A further aspect of the small service firm that was observed and captured in this action research study was the tendency for the small service firm OM to adopt an informal approach to management and strategic planning; *“I have never written it [the strategy] down or spoken to anyone about it”* (OM3); *“[I] have never implemented it [strategy]”* (OM1); *“The word strategy is not one that we use much to be honest. We just wing it”* (OM3). Mainstream strategic literature in the small firm milieu recognises that there are challenges with the practical application of strategic planning given the uncertain environment in which most small service firms operate (Lechner and Vidar Gudmundsson, 2014; Madu and Bakari, 2016; French *et al.*, 2004; Kenny, 2015; Grant, 2003; Schoemaker, 1995; Stonehouse and Pemberton, 2002).

The suggestion to address this informal approach is to encourage strategic thinking in the small service firm OM which, according to DeWit and Meyer (2004) comprises three parts, namely content, processes and context. While strategy content is on a case-by-case basis, the concept of context and process in strategic planning is of relevance to all the OMs in this study as these are key parts of the structure on which the conceptual framework relies. The small service firm context is contemplated under owner

influenced culture, business and market dynamics and autonomy in this thesis while the studied OM considers process as an evolutionary tactic: *“I now feel I have the confidence now from learning about how to implement strategic plans, to put them into place” (OM1)*. By facilitating and encouraging the OM to consider strategy as an important process to grow their business, they would appear to have engaged in strategic thinking; *“I have a better idea of the broader picture as opposed to controlling the little things; for example, I have asked for a list of all the people we have sold to in the Munster region and I have received it” (OM2)*.

8.3.1.2 Small service firm business dynamics

Small firms operating within the services sector are considered to be significant in terms of socioeconomic significance as they influence sector productivity. Of note is that internal factors are more influential than external ones in a small firm (Fitzpatrick, 2001), a finding borne out in the current study. For example, the culture of SF2 was described by OM2 as *“disorganised”* and she said *“maybe I can learn how to change it [the culture] first and then work on the others”*. This internal focus can create challenges for the small firm. Some of the most common internal factors that can inhibit a small service firm, particularly when decisions are confined to the OM include a lack of financial and strategic planning, and a lack of knowledge of the market (Fitzpatrick, 2001), both of which presented in the research findings. Further, there is the suggestion by Mazzarol *et al.* (2009) and Chinomona and Cheng (2013) that many small service firm OM may not have the skillset to engage in strategic planning. This skill deficit came through in my research findings to the extent that strategic planning was a topic that all three OM expressed an interest in learning about, for example, in the case of SF2: *“Over the years there has been talk about mission, values and vision statements for our business but it has never come to anything. The word strategy is not one that we use much to be honest” (OM2)*. Another internal factor that featured in this research is fact that the OM did not have to answer to anyone within their business was a potential barrier to growth: *“...I guess they might say I’m too demanding at times” (OM3)*, which contrasts with a quote from OM2 after a learning intervention, who was referring to giving employees more responsibility based on an agreed strategy: *“people [employees] feel validated and that leads to increased productivity”*. This finding expands the work by Greenbank, (2000) who conducted a qualitative study on the challenges to training approaches experienced by OM of micro-firms. Findings by Greenbank (2000) suggest that despite training has

failed to recognise and account for the way that OM's choose to run their enterprises, and, given their autonomy, this could be problematic for the success of the business.

8.3.1.3 Small service firm market dynamics

As small service firms have little or no influence on their market dynamics (Kelliher, 2007), a formal strategy allows small firms to compete more effectively with large firms in the service sector (Leiponen, 2012). Much has been written about the resource-based view (RBV) when examining small firms (Daft, 2001; Merrilees *et al.*, 2011; Wernerfelt, 1984; Kelliher and Reinl, 2009; Kearney *et al.*, 2014) and the concept has been defined as the ability to obtain scarce resources and to successfully integrate and manage them (Daft, 2001). It is assumed that small firms suffer from resource poverty (Robinson and Pearce II, 1984; Kearney *et al.*, 2014) and thus face business and market dynamics that are different to larger firms (Kelliher, 2007; Walsh and White, 1981). However, this research found that the small service firm did not suffer so much from resource poverty but from a lack of confidence and/ or skill to manage the interaction of available resources in their pursuit of growth. The topic of autonomy also presents as something which can stagnate the OM's attempts to grow their business since, as they are the OM, there is no-one to hold them to account for progress or evaluation of their own learning.

8.3.1.4 Small firm autonomy

The OM's need for autonomy is reflected in prior research (Mintzberg, 1998; Kelliher and Reinl, 2009) and is borne out in the current study. For example, OM2 has suggested that while her father founded the business, she has not been inclined to work for any other company due to her preference for autonomy; “...*I am the manager and the owner so if there is nothing structured in place, no one is going to come down on top of me*”. The literature does not reveal anything remarkable about the extent of preference for control of the OM so while the concept of control/ autonomy was not considered in the proposed framework, it emerged as something to incorporate in respect to balancing autonomy with strategy accountability for the small service firm OM in the revised framework. Interestingly, the fact that the OM has ultimate control and autonomy within their business was cited as a challenge towards the end of the research study due to the fact that there was no-one to hold the OM accountable for execution of strategy as planned: “*I am a little concerned that without regular check-ins from yourself that I will not continue*”

to do such learning cycles by myself” (OM3); “...it’s the fact that someone is checking in on me that I have made such progress” (OM2); “...having someone external hold us accountable would help” (OM2).

8.3.2 Theme 2: OM planning skills and barriers to growth

Reports on small firm growth and skill gaps from Kenny, (2015) and McGuinness and Ortiz (2016) respectively, suggest that OMs need to identify the skills required to enable business growth, but while Irish OMs have significant growth aspirations (CSO, 2013; Fitzsimons and O’Gorman, 2011) there is a lack of knowledge about learning and the growth process in small firms (McGuinness and Ortiz, 2016; Deakins and Freel, 2009), which has been attested to in this research project. The learning topics selected by the OMs in this study (see Tables 7.1 to 7.4) were concerned with strategic planning and preparation, leadership, delegation, team building and networking. Of note in the findings is that the OMs did not seem to have considered themselves to have any sort of control over growth: “...*the idea that you can plan for and then move steadily towards whatever growth you want to achieve is perfectly sensible but not something we have done*” (OM2). This is consistent with the literature on perspectives of growth in the small service firm whereby growth is suggested as something that can happen in a series of disconnected jumps (Sadler-Smith *et al.*, 2001; MacPherson and Holt, 2007; Kenny, 2015; OECD, 2010; O’Farrell and Hitchens, 1988) rather than a thing to be pursued through a process of deliberate learning (North *et al.*, 2016). The key themes from the literature review pertaining to factors associated with small firm growth as set out in Chapter Three are reviewed below (Table 8.2) in light of these findings.

Theme	Literary Description	Literary Support	Key Findings
Small firm environment	<ul style="list-style-type: none"> • High failure rates; • Improved survival rates with formal planning, growth-focus. 	Scarborough <i>et al.</i> (2009); Cressy and Storey (1994); Stokes and Wilson (2010)	<ul style="list-style-type: none"> • Owner led organisational culture; • Small service firm market dynamics; • Small service firm autonomy.
Strategic planning approach	<ul style="list-style-type: none"> • Engage in informal planning - often iterative and reactive; • Those who do engage in formal planning are more likely to enjoy success; • Attitude of the owner toward formal strategic planning. 	Kraus <i>et al.</i> (2006); Mazzarol <i>et al.</i> (2009); Stonehouse and Pemberton (2002); Peel and Bridge (1998); Kraus and Schwarz (2006); French <i>et al.</i> (2004).	<ul style="list-style-type: none"> • Lack of awareness of strategic planning concepts; • Lack of formal strategic planning; • Resource impact; • Owner led approach to strategic planning.
OM planning skills	<ul style="list-style-type: none"> • Primarily lack time and/ or skills to carry out formal planning. 	Kelliher and Reinl (2009); Mazzarol <i>et al.</i> (2009); Kraus and Schwarz (2006); French <i>et al.</i> (2004)	<ul style="list-style-type: none"> • Lack of expert knowledge; • Lack of time; • Lack of leadership; • Lack of formal planning tools.
Barriers to growth	<ul style="list-style-type: none"> • Limited time, money and labour impact formal strategic planning; • Attitude of the owner toward learning. 	Bretherton and Chaston (2005); Kelliher and Reinl (2009); Moyer (1982); Robinson and Pearce II (1984); Wolff <i>et al.</i> (2015)	<ul style="list-style-type: none"> • Challenges in identifying, articulating and facilitating learning; • The tendency for informal learning in the small service firm; • Barriers exist which hinder embedded learning in a small firm environment; • Require external triggers to sustain planning ethos.

Table 8.2 Growth-focused small service firm emergent themes (current study)

8.3.2.1 Owner influenced organisational culture

The current findings (Table 8.2, Column 4) resonate with what Fitzpatrick (2001) refers to as the ‘one person’ problem whereby all the enterprise responsibility is invested in one person (Miles, *et al.*, 1978), the owner/ manager. This individual may not have the

appropriate range of skills and/ or the time required to apply the strategic plan approach to promote growth. Aligned with the theme of small firm owner led culture (Peel and Bridge, 1998; Kraus and Schwarz, 2006; French *et al.*, 2004; Mazzarol *et al.*, 2009; Kelliher and Reinl, 2009) is that of the role of the OM in facilitating small firm growth. An interesting point here which was not particularly obvious in the small service firm literature was the lack of willingness, or perhaps awareness, of the importance of the OM being the visible leader to internal employees (Mintzberg, 1985) until highlighted through the AR intervention: *"I need to change my way of thinking and become an effective leader of the company"* (OM1). While this social aspect of learning suggests that it is necessary to have a supportive learning environment, which might take the form of a supportive leader or manager, work colleagues, family and friends (Gunnigle *et al.*, 2006; Buchanan and Hucznski 2004); this was not something the OMs had considered as being important and it caused confusion among team members with OM2 describing the culture in SF2 as *"chaotic and lacking focus"* and OM1 suggesting that the culture within SF1 is *"full of conflict"*.

In order for the business to grow, the small service firm OM may need to relinquish control and come to depend on the skills of others to achieve results (Smith and Miner, 1983). Of note is that there was an unconscious reluctance to relinquish control in the observed firms. My interpretation was that when a business grew quickly (as was the case in SF3); the OM needed more people to deliver increasing orders, but never saw himself as a people manager. In each observed firm, the OM continued to do what they had done when they first established the business, which effectively led to lack of leadership and team structure. It was only when this approach was challenged in the application of the strategic learning plan approach in practice that the OM acknowledged limitations in their current management approach: *"I need to learn how to delegate and have faith in the others"* (OM2).

8.3.2.2 Small service firm market dynamics

Traditionally, small firms operate in a state of flux and require an agility to respond to changes in market conditions and customer preferences (Reuber and Fischer, 1997; Kelliher, 2007; Carter and Jones-Evans, 2006) so the absence of formal strategic plans is not unusual. Small firm growth is further conceived to be dependent on the interactions of persons and their environments (Lloyd *et al.* 1999), a view reinforced in this research.

OM1, for example, was eager to learn about strategy and planning so that he could face increasing competition in his industry: *“we are facing increased competition so we need to perform better in all aspects of our business”*. These findings also uphold Levinthal (1996)’s perspective that OM’s need to adapt to their environment as a form of learning, particularly in light of their resource deficiencies (Shelton, 2005; Daft, 2001). Hannon *et al.* (2000) suggests that in order for a small firm to grow, it is necessary to have the ability to learn how to adapt to changing environments and further, that such learning can happen within the day-to-day transactions of the small firm through their engagement with many stakeholders. Thus, strategic learning is of value to a small firm, particularly in light of their dependency on a dynamic business environment for sustainable growth.

Brush and Chaganiti (1999) advise that it is the arrangement of the small firm’s internal resources and capabilities that allow it to pursue growth objectives. The resources required for the small service business are traditionally termed as time, money and expertise; and when these are fully exploited, they can offer the small firm the ability and potential to grow (Chinomona and Cheng, 2013; Chandler and Hanks, 1994). While each OM did not suffer a financial cost in relation to the training offered in this AR intervention, and each was provided with the expertise from the action researcher at no cost, they had to sacrifice time - not only to engage in learning but also to engage in implementation of learning strategy plans in their organisations. Even when they had two out of the three resources provided, all of the OM’s struggled with managing time and perhaps their inclination to pursue the plan’s intent. A common theme was that the OM’s would engage in the implementation of learning in each action research cycle because they knew that I would be back within a number of weeks to see what they had initiated and to support them through any challenges. As a researcher, I had not anticipated the degree to which each OM would require to be held accountable for implementation of learning to be fully pursued. However, this fact is only partly borne through in the literature, which found that the majority of small firms may not achieve full potential because they have not considered, designed and created a workable strategy that sets them apart from their competition (Stokes and Wilson, 2010; Zimmerer *et al.*, 2008). Of note is the revelation that an interim external motivational catalyst may be required to ensure that plans are executed as intended. This finding indicates the need for an external plan progress feedback loop to be incorporated in relevant learning and development interventions in the future so that this becomes part of the enterprise culture.

8.3.2.3 Small service firm autonomy

Drawing further from growth perspectives in the small service firm as an action researcher, I agree with Penrose (1959), who views growth as being dependent on the employment of managerial knowledge organised as resources, and other writers who have added to the growth debate such as Deakins and Freel (1998); Chen (2009) and Beuderal *et al.* (2009); each of whom contest that growth is a complex process. Such complexity was borne out in that it was challenging to remain aware of what growth meant to each OM (O' Regan and Ghobadian, 2002; Penrose, 1959); *"...I've had to start with a personal reflection on my role here, the systems I have put in place for running the business, the staff numbers and the analysis of overheads"* (OM1), while OM2 took a more team based approach to growth to mean: *"clear communication between members of the management team, regular team meetings and one-to-one performance measures"* in her business. This approach is more formal than predicted by the literature (Grant, 2003); reinforced by OM3 who took a more measured approach to growth and said, *"There are one or two people who will not like change or measurable targets"*. However, despite their unique perspectives on growth, all three OMs had initiated increased communication among their teams in the form of regular group meetings and regular one- to-one sessions with each individual employee once the action research cycle commenced.

8.3.2.4 Measuring growth in a small service firm

The most popular methods of measuring growth in the small service firm appear to be concentrated in the area of turnover, profit, sales and investment amounts (CSO, 2013; Kaplan and Norton, 2004; Olson *et al.*, 1993). In one OM's case, he said in relation to growth: *"we have healthy profit and turnover figures"* (OM1) but clearly has some challenges with high staff turnover and internal staff conflict as he described the culture internally as *"chaotic and full of conflict"* (OM1). While the preference for tangible metrics is considered standard practice in nascent service firms (Olson *et al.*, 1993), firms who have growth aspirations and who rely on the contribution of their employees to achieve such growth which is typical in service firms, would do well to consider growth in terms of learning opportunities that can maximize this contribution (Jayawarna *et al.*, 2007; Nikandrou *et al.*, 2009; Kaplan and Norton, 2004). When OMs included these softer improvement measures, it transpired that the strategic learning plan impact was

more visible in context; *“the effectiveness of the enterprise is markedly improved due to regular team meetings, proper sales meetings and with agendas and actions”* (OM1). Notably, in this research project, where growth was considered around the areas of enterprise effectiveness, enterprise growth and employee effectiveness, the OMs continued to refer to metrics when asked about growth but had a renewed awareness of the propensity for other areas of growth potential following the AR intervention: *“they [the employees] see the vision a lot clearer now, and see why we are trying to do stuff, it’s a big one for us now to increase our profit margin at the start of every year because we have recurring revenue and none of them could see why we need to be more productive so that we retain a higher percentage of the margin”* (OM2).

8.3.2.5 Barriers to growth in a small service firm

Despite these firms having a relatively small market share and little power in the marketplace (Kelliher, 2007), external influencers are considered less important than internal ones when examining the barriers to growth (Fitzpatrick, 2001; Storey and Greene, 2010). This reality is partially reflected in the RBV (Resource Based View) of the small service firm (Chapter Three, section 3.7.1). The internal resources of time and expertise, or a lack of these presented as the most significant barriers to growth in this study. None of the three OMs studied mentioned a challenge with physical, capital or organisational resources (Merrilees *et al.*, 2011) - all of which are identified in the literature as potential barriers to growth. They did however highlight their constraints in terms of time; *“...we operate in an intense and time-bound business”* (OM1); *“...we are usually so busy working in the business that the work on the business gets neglected”* (OM1); although this may also be due to poor self-awareness and/ or a need for external review catalysts as highlighted earlier. Based on the recurrent suggestions from the OMs on the theme of challenges to aspired growth within their business were (i) lack of time, (ii) lack of expertise and (iii) lack of sustained motivation. For example, in the case of SF3; *“It’s important for owners to have a learning plan as they are growing their business; a lot [of us] have it all in their head and never write it down or share it with others [who can help]”* (OM3). This reinforces the view that the organisation strategy resides within the OM, as posited by Schein (1983) and Robbins (2003).

Work by Smith and Miner (1983) posits that for a small firm business to grow, the OM must relinquish control and learn to depend on the skills of others to achieve results, and

that in turn will contribute to growth prospects. The action research interventions aimed to share expertise with each OM on the topics of strategy in the first instance and delegation in the second so that they might achieve the ability to spend time on critical tasks to facilitate growth: *“I have a better idea of the broader picture as opposed to controlling the little things”* (OM2). Ultimately, the OMs in each case identified the necessity to address the internal barriers to growth in order to take advantage of any external opportunities: *“I have taken the time to work on our company strategy as explained and more importantly, I’ve taken input from everyone who works with me.”* (OM1) and *“...the main thing is that people are talking now about what mistakes have been made and how we can just try to create our own future”* (OM2). A further finding in terms of a potential barrier to growth is that of the lack of self-awareness and perhaps self-confidence on the part of the OM. All three OMs at some point in the research project made reference to their lack of awareness that they are the leader of their business and therefore, need to develop leadership skills.

8.3.3 Theme 3: Learning in a small service firm environment

The proposed conceptual framework (Figure 5.4, Chapter Five) considers the process of social learning in terms of formal and informal OM learning preferences. As stated previously, the social aspect of learning suggests that it is necessary to have a learning environment which might take the form of a supportive leader or manager, work colleagues, family and friends (Gunnigle *et al.*, 2006; Buchanan and Hucznski, 2004). This is consistent with the pivotal organisational learning role of the OM in a small firm environment (Kelliher and Henderson, 2006). The findings in this study are consistent with the social learning view, wherein the direction of the OM led the learning focus and plan momentum within each firm, which in turn was embedded in every day practice (Hamilton and Langhorne, 2011; Tusting, 2005; Gibb, 1997). Literature also suggests that the OM waits until a business need arises to invest in learning (Johnson, 2002) which remained unsupported in this research project with OM2 suggesting that she needed to invest in learning about emerging trends in digital marketing in an effort to future-proof her business: *“I need to learn about social media and how to balance everything”*.

8.3.3.1 Challenges in identifying, articulating and facilitating learning needs

In order to create a contextualised strategic learning plan, it was necessary to understand the organisational learning needs. All of the OM's articulated their own learning needs and considered them to be similar to that of the organisation. The suggestion that small service firm OM's may find it difficult to identify and articulate their own specific learning needs (Chinomona and Pretorius, 2011; Linehan, 2008; Johnson, 2002) was not something that presented in this research with each OM readily able to identify priority topics that they needed to learn about. For example, OM2 wanted to learn about networking for business development so that she could form partnerships with complementary businesses. She also sought advice on how to create a team environment within her organisation; *"...I don't really know how to go about changing us into a proper team so I'd love to know more about this and to try it out"*. OM3 did not hesitate to highlight the areas where he needed to improve; specifically around the art of delegation; *"...I either give no direction at all or I expect it done to such a high standard that I take it [the task] back off them again"*. These topics were identified based on the challenges that their businesses were facing and therefore, each OM wanted to be the instrument through which the organisation could learn.

I was pleasantly surprised as action researcher by both the enthusiasm for and ease of identification of, learning topics from the three OM's and found this to be generally at odds with the pre-existing literature on both topics (strategy and learning) when examined from the perspective of the small service firm owner (Chinomona and Pretorius, 2011; Linehan, 2008; Johnson, 2002). This finding will serve as something to be aware of while refining a conceptual framework for use in the small service firm.

8.3.3.2 The tendency for informal learning in a small service firm

Learning in the small service firm is typically of an informal nature (O'Gorman, 2006; Mintzberg, 1994; Bhidé, 1994; Matthews and Scott, 1995) which can be attributed, in part to the preference of the OM who may seek out, and thrive in uncertain conditions (Mintzberg, 1998). This is something that has presented in the findings. OM3 in particular expressed that there is *"comfortable chaos"* in his firm, while any learning that happened was less formal and more *"on the job"* in SF2. Furthermore, the perspective

that strategic planning of any kind is most often conducted informally and the use of strategic planning tools such as a vision and mission statement, environmental analysis and goal setting are rare in the small service firm (Stokes and Wilson, 2010; Sarasvathy, 2001) in borne out in this study. The findings concur with the literature in this sense with all three OMs suggesting a lack of goals or plans in place for their business, despite their determination to grow; “*We don’t have a training manual or plan as yet. We should have. There are too many mistakes being made*” (OM3). Even the simplest form of strategic planning – that of goal setting (Grant, 2004; O’Gorman, 2006) was absent prior to the learning intervention in all three small firms and even when introduced, was informal in its application.

In context for this research project, it is suggested that a strategic learning plan might form part of the generic strategic planning tools as mentioned in Chapter Four, section 4.1 in an effort to facilitate growth. When it comes to the act of learning itself, however, the findings in this research point to a preference for the OMs to learn formally and to be formally monitored in terms of progress, despite the evidence in the literature that suggests otherwise. Johnson (2002) suggest that generally, small firms tend to adopt an informal approach to learning; Nerys Fuller-Love (2006), put forth that small firms are less likely to invest time in formal learning and that the benefits of formal learning may not be understood by the OMs (Management Development Council, 2010). These findings are at odds with the current study.

8.3.3.3 Small service firms most suited to social learning embedded in everyday practice

Although OM3 was comfortable with this current project occurring in a more formal environment, he proffered his preference for “*learning by observation and by doing*”. This approach equates to Bandura (1977, 1986)’s proposition that new behaviours are learned by observing or copying the behaviour of others. However, OM3’s perspective goes beyond Bandura’s view, stating that: “*I get easily distracted in formal learning sessions. I tend to wander off in a world of my own.*”; reinforcing the need for focused interventions in the small service firm setting.

Reid and Harris (2002) found that the most successful small firms provide more learning opportunities than average and there is a link between investing in learning and superior

performance (Litz and Stewart, 2000; North et al., 2016). Because the learning theory based on the social perspective is the one adopted in this research, the conceptual framework presented should factor in active learning engagement for the OMs and should consider their learning preference. OM1 specified a preference for contextualised, formal learning whereupon his attention would be held given the tutor's ability to draw from experience and to help him work through an example for his business. OM2 was also eager to engage in formal learning, albeit in a one-to-one setting so that she learns without getting distracted by the *"so many other voices in the room"*.

8.3.3.4 Barriers exist which hinder embedded learning in the small service firm

Literary findings suggest that the lack of context in generic learning events fails to address the specific learning needs of the small service firm (Thong, 1999; McAdam, 2002; Deakins and Freel, 1998; Gomez *et al.*, 2004), a perspective echoed in the current study; *"I don't always learn a huge amount from the open courses because my business is unique and I can't always apply what is being covered"* (OM2); *"I'm always giving out about going on general training courses because they are not relevant to my business"* (OM1). Of note in this study is that OMs did not lack awareness of the importance of learning (Linehan, 2008) but were put off by the lack of context in generic learning interventions (McAdam, 2002): *"...my business is unique and I can't always apply what is being covered"* (OM2). These findings support research by Kenny, 2015; McGrath and O'Toole, 2014; Mann 1997; which posits that organisations should provide learning opportunities that are mapped to both employee and organisational goals in context. In this study the strategic learning plan was highly contextualised to each OM as individuals and to their business resulting in a cohort who were anxious to try out their new learning resulting from the various AR enabled learning interventions within their own business environment.

It is worth noting that the observed OMs had a general preference for learning from others operating in their own business environment; *"most of what I learn is from other people in business who I admire and respect"* (OM3), suggesting an affiliation to social learning (Tusting, 2005; Gibb, 1997) through a process of social participation (Barker, 1997). This view is reinforced by OM1 who is challenged when trying to learn alone; *"[I] find it difficult to learn by myself as I end up thinking about something else"*. The concepts of dynamic knowing (Chiva and Alegre, 2005) and dynamic learning (North *et*

al., 2016) are also highlighted in these findings: *“I prefer to learn by observation and by doing”* (OM3); in which the participants realise the need for learning, even when unenthused by the idea of training; *“I’m not mad about one-on-one training but I know I’m far more likely to pay attention that way”* (OM3).

These observations are reinforced by small service firm literature, which indicates that much learning is done “on the job” (Cheetham and Chivers, 2001), *“...it’s all on the job apart from the health and safety.”* (OM2); *“Typically, one person will train another in”* (OM3). This can give rise to varying standards of service to clients and customers (Nolan, 2002), a concept that has emerged in the findings: *“They all learn from each other which sometimes mean they pick up the wrong habits”* (OM2).

8.3.4 Theme 4: Strategic planning approach

Combining small service firm characteristics, their impact on potential growth and the small firm approach to learning under the mantle ‘environment’ affords us the capacity to consider environmental influence on strategic planning in a small service firm setting.

Looking specifically at the activity of strategic planning within the small service firm, it is presented that OM3 do not engage in strategic planning, in part, due to their lack of know-how in this area (Mazzarol et al., 2009; Kelliher and Reinl, 2009), and the findings reinforce this with OM1 and OM2 explaining that they were so used to *“winging it”* that they are not sure how to engage in strategic planning. OM3 pointed out that in his business, there has not been a focus on strategic planning because he *“did not go to college”* and prefers to *“learn by doing”*. In the case of OM1, it would seem that he has the know-how to engage in strategic planning because he spends a lot of time thinking and reading about it but said that he never implements anything he learns: *“I do have plans and strategies for the business, for myself and for the team but I just have never written them down”* (OM3). These findings suggest that the conceptual framework should include a strategic learning implementation phase borne out of contextualised learning and perhaps an accountability timeframe, as they could facilitate barrier release in context; *“... if I did write them down it would be easier to explain them to others and to hold ourselves accountable for them”* (OM3). The extant literature does not present much on the importance of accountability for learning within the small service firm as a factor that could serve to help the OM implement their learning and further, could increase the

potential for return on the time invested in learning.

8.3.4.1 Owner led approach to strategic planning

All three OM's wanted to '*dive straight in*' to some form of learning even at our first meetings, which was suggestive of a highly action-oriented environment in each of the three businesses (Stokes and Wilson, 2010). All three OM's asked in the initial meeting about "*when are we going to start*" (OM1) learning and get "*stuck in*" (OM2) as they were "*eager to get going*" (OM3). The findings reinforce the view that many OM's do not necessarily take the time out to plan their learning and to reflect on what they want to achieve from it before leaping into the learning activity (Chandler and McEvoy, 2000; Deakins and Freel, 1998; Dearden et al., 2000). Each participant was willing to skip past the context part of our strategy learning plan programme, which is a critical step in the strategic learning plan framework. Of note here was the OM self awareness, as they acknowledged the fact that while they complained about generic training that was not customized to their own business needs, they sought to skip the planning step when offered focused support; "*I'm always giving out about going on general training courses and here I am almost asking you to do the same now*" (OM1).

Each OM was enthusiastic about learning particularly when the learning was specifically designed for them and their business. This is of note because the literature submits that OM's of small service firms may lack the inclination to engage with strategy (O'Gorman, 2006). There was no evidence of this ethos in this study with OM1 wanting to "*start learning immediately*" once presented with the opportunity to develop strategic plans. While this action-oriented approach was encouraging as a researcher, it also pointed to an area of the literature that highlights the risk to the small service business of rushing in to any project without prior planning and context setting. OM's who launch a business may not achieve full potential because they have not considered, designed and created a workable strategy (Stokes and Wilson, 2010; Zimmerer *et al.*, 2008), as is the case in OM2, although she knows she needs to "*make it more organised... as part of an agreed plan*".

Sometimes, even when there was an agreed strategy, it "*fell by the wayside*", (OM2) highlighting the need for strategy to be a *living* approach rather than a static planning exercise. After the action research cycles, the OM's were less impatient and more willing

to spend time planning. When reflecting on how they had implemented what they had learned OM2 again highlighted the external accountability impact in context: “ *it’s the fact that someone is checking in on me*”. However, this was not to suggest that the OMs were not open to general reflection, rather that they recognised the impact of resource limits on the learning activity: “ *I need time to apply the principles of what I learn to scenarios in our business*” (OM2). The shifting attitude to learning of each OM emerged as more positive in each of the three research cycles: “ *...I’ve enjoyed the project and particularly the fact that someone is going to hold me accountable for implementing changes after I learn*” (OM1).

Somewhat indicative of their action-oriented nature, the observed OMs also appear to prefer to try a number of approaches and see what works (Deakins and Freel, 1998) rather than formally plan a specific approach; “ *Maybe I can learn about how to change it first and then try to work on the others*” (OM2). The theme that recurred here was that they benefitted from having me revisit them and question them on their progress. They appeared to enjoy and indeed require to be held accountable for what they had learned – “ *...I would love to have someone who can help me sustain this learning plan... to continue to provide a service that is tailored to the needs of the business*” (OM1).

8.3.4.2 Resource impact

Drawing from growth perspectives in the small service firm as per the literature, Penrose (1959), views growth as being dependent on the employment of managerial knowledge organised as resources. Notably, recent research identifies a link between learning and growth in the small firm setting (North et al., 2016), pointing to deliberate learning as a means of developing dynamic growth capabilities in this environment. This perspective is echoed in the current study; “ *It makes sense that the business will not grow unless we and specifically, I learn how to do that...Look, I know that learning won’t necessarily solve everything either but it’s surely a good start*” (OM1). While some authors posit that financial resources are another barrier (Walsh and White, 1981; McAdam, 2002), none of the three OMs in this research reported financial reasons for not engaging in strategic planning; “ *It’s not a cost issue, it’s a time issue*” (OM2). This finding is in contrast to work by Moyer (1982) who put forth that only firms that are financially strong could justify the planning costs implied with strategic planning.

As highlighted previously, the most commonly cited scarce resource in the observed small firm environment is time, consistent with the findings of Kelliher and Reindl (2009) and Robinson and Pearce II (1984) in the small firm context. All three OM's identified a lack of time as a key factor in the lack of strategic planning in their small firms; "...our biggest resource deficit is not money but time" (OM1) thereby distancing them from the formal planning process of business definition, environmental analysis, goal setting and customer analysis (O'Regan *et al.*, 2006; Moyer, 1982; Lechner and Vidar Gudmundsson, 2014; Madu and Bakari, 2016). The resource of time therefore, should be factored into the conceptual framework if it is to serve the small service business OM to facilitate learning and growth.

8.3.4.3 Lack of formal strategic planning and the use of planning tools

A further consideration that has emerged in the findings is the importance of maintaining a balance within the conceptual framework between formal and informal planning for the small service firm OM. The literature on the subject of the small service firm environment reveals that formal strategic planning is not evident (Kraus *et al.*, 2006; Mazzarol *et al.*, 2009; Stonehouse and Pemberton, 2002; Peel and Bridge, 1998) a conclusion that continues to be borne out in this research. OM2 said that while he does try to set out plans for the business, it's all kept in his head: "*I do have plans for the business, for myself and the team but I just have never written them down*" and "*we are very used to winging it, we try something and if it doesn't work, we try something else – it's exhausting*" (OM2). Of note is that each OM recognised that they needed to be more organised in the planning approach; "*I'm trying to make it more organised... part of an agreed plan*" (OM2); "*I could probably do with learning to be more organised and to plan more often*" (OM3).

The literature was sparse on the topic of a strategic learning plans and an associated framework for the growth-focused small service business. Most references were concerned with the formal education sector or the bigger corporate environment. Of note is that while there is literature concerning the impact of strategic planning in the small service firm environment, the focus is somewhat narrowed to examine it from a financial perspective. It is difficult to find literature that examines the wider impact of strategy on learning, particularly that which is applied using the balanced scorecard (Kaplan and

Norton, 2004); while learning remains a critical aspect of small service firm success (Pedlar, 2011; Litz and Stewart, 2000; Reid and Adams, 2001).

Authors including Schwenk and Shrader (1993), Stokes and Wilson (2010), Hatten (2009) all agree that the use of formal strategic planning tools has a positive association with the financial performance of the small service firm. Indeed, Perry's (2001) assessment of the theme suggests that despite the incidence of formal strategic planning being low among small service firms, those that had applied such tools in their small firm were more likely to succeed. This research found that the use of traditional strategic planning tools such as a vision statement, mission statement and agreed values were not only absent; but were not understood by the OMs: *"the language of strategy is not familiar to any of the OMs"* (Reflective diary entry, January 2015). This may be due in part, to the supposition that the study of strategy and strategic tools tend to be aligned with the trends of larger firms who have more resources (O'Gorman, 2006). The literature includes calls for rethinking the design of a planning process that is more conducive to the small service firm environment (Brinkmann, et al., 2010, Kraus and Schwarz, 2006; Ghobadian, 2002). Findings in this study support this call: *"..any investment in my ability to plan, delegate, communicate and organise myself would be very welcome"* (OM1).

8.4 Strategic Learning Plan – Intervention Impact

Bandura (1977) points out that social learning theory distinguishes between acquisition and performance because people do not enact everything they learn (p.28), which is of specific relevance to this study when small firms are dependent on a relatively limited number of employees to enact the learning strategy. Higgins and Aspinall (2011) and Kelliher and Henderson (2005) surmise that there has been limited academic debate surrounding knowledge and learning in the small firm setting and it has not progressed beyond the evidence that learning is important to a small firm. Recent research reinforces this view, finding that the dynamics of learning (Kelliher et al., 2014) and its impact on growth in the small firm setting (North et al., 2016) warrants greater attention. There is also a deficit of learning as a theme when the structures available on small firm growth are surveyed in the literature (Zupic and Drnovsek, 2013). In this research, OMs learned about a specific topic, put it into practice and reflected on the impact of the intervention on practice, thereby contributing to the debate as to what actually happens if and when people apply the principles of strategic learning plans in a small service firm setting.

8.4.1 Influence of strategic learning plans on small firm learning

While some learning topics were similar in nature, the way in which that learning plan was applied was different for the OMs. Some followed the full process strictly and others considered that the execution of a single part of the proposed strategic learning plan framework offered sufficient progress given the culture of the business. Of note is the perceived impact of the intervention on the firm's learning. OM2 considered the success of her key management team to just talk about strategy to be significant. OM3 perceived that his deeper self-awareness could help him to mitigate against his tendency to micro-manage and therefore, allow employees to grow in terms of contribution, achievement and increased strategic responsibility.

In the observed firms, the simple but sustained action of increased communication has facilitated the exchange of useful information to and from the OM, *"...we all come together as a group, the core management team and each present their strategic objectives for the year..."* (OM3) in an effort to encourage them to both perceive and adapt to their environment. Each OM believes that their employees are now more aware of what they are expected to achieve and how they are expected to achieve it as observed

by OM2: *“when you give them a little bit more to do and they realise that you are trusting them with something really important; they feel validated and that leads to productivity”*. A common perception from all three studied OMs is that increased recognition that their staff members are part of a team and that this team needs to be led by the OM: *“I perceive the effectiveness of the enterprise to be markedly improved due to regular team meetings”* (OM1). This concept of employee engagement relies on the theory of social learning in which this research project is anchored and so will require fluidity in a conceptual framework of strategic learning plans in a growth-focused small service firm environment.

Social learning was suggested as the most suited theory to underpin this research topic based on an evaluation of learning theory (Chapter Two, section 2.1.4) given the dynamism and the flexibility that is prevalent in the small service business (Deakins and Freel, 2009). Critically, it means that the conceptual framework will serve as a guide for the small service business owner where they can learn through observation or from the example of others (Buchanan and Hucznski, 2004) without constricting them to a prescribed course of action depending on their resources and growth plans. The term growth, for example, will have different meaning for different businesses as has been the case in this research (Shelton, 2005; Kaplan and Norton 2004; Penrose, 1959). The framework should also account for the preference in learning styles of the OMs along a formal and informal continuum; as the research suggests that both may be sought.

Of particular note is the increased levels of self-awareness and reflection among the OMs as a result of the research interventions. They each contemplated the pre-intervention environment when considering its impact; *“...we don’t really consider ourselves a team. That’s my fault and it’s because I don’t really know how to go about changing us into a proper team so I’d love to know more about this and to try it out”* (OM2). None had considered the importance of using a strategic learning plan as part of that toolkit to aid survival and growth (Stokes and Wilson, 2010). Lynch (1996) points out that any learning based strategic plan should be rooted in context and draw from the existing knowledge and experience of the OM, thus these findings point to inclusion of reflective practice in the refined framework.

8.4.2 Impact on firm growth

All three OM3s considered that the AR-enabled learning interventions had impacted growth positively in terms of employee effectiveness; *“they [employees] will see the vision a lot clearer and why we are trying to do stuff”* (OM3). Nicholls-Nixon *et al.* (2000) suggested that the paramount influence on growth is the ability to perceive and adapt to environmental changes both inside and outside their organisation. As previously mentioned, Brush and Chaganiti (1999) purport that it is the firm’s internal resources, such as time, expertise and money in the main, that allow it to pursue any growth objectives. Perhaps the arrangement of these internal resources in SF2 allowed OM2 to suggest; *“...for the first time in the history of the company, the company operated at maximum efficiency in my absence”* and that it resulted in *“ ... some growth in respect of the efficiency of the team involved”*. In this study, it is the resource of expertise (such as expertise to delegate effectively resulting in a more empowered employee) that the focus is on as something that can optimise growth through a strategic tool such as a learning plan. This deliberate learning echoes North *et al.*’s (2016) contention that such practices can lead to the development of dynamic growth capabilities in the small firm.

Each OM perceived that growth had been facilitated as a result of the implementation of their strategic learning plan; *“I now feel I have the confidence from learning about how to implement strategic plans to put them in place and I expect the business will grow by 20% in turnover figure in 2015”* (OM1). Yet, despite such growth aspirations of the OM3s, which are confirmed by authors such as Fitzsimons and O’Gorman (2011) and Goodbody (2002) who posit that OM3s in Ireland have significant growth aspirations; there would seem to be a disconnect or gap between the potential and enthusiasm for growth and the actual growth progress. Deakins and Freel (2009) surmise the reason for this gap is because little is known about the learning and growth process in small service firms, something that was evident in this study among the OM3s and indeed their employees; *“....none of them could see why we need to learn to be be more productive”* (OM3). It was only after the learning interventions resulting in a more formalised approach to strategic planning that *“they (employees) get it now why we have decided to get it [margin] up to 60% whereas is is at 40% right now”* (OM3).

8.4.3 Influence on strategic planning

Once a strategic learning plan had been written and implemented for each OM in context for their learning preference, the findings suggested the participants were open to implementing a more planned and proactive approach to how they run their businesses; *“...this has been an enormous help, something I should have done years ago”* (OM1). The realisation that OMs can use strategic plans to effect positive change was observed as new knowledge. This resonates with work from Mazzoral *et al.* (2009), who attest that small firms with an articulated strategy enjoy the capability to lead change among employees; *“It’s really important to share with the team where your head is at and what you see as the future of the company”* (OM1).

The OMs demonstrated a positive affirmation of having a strategic learning plan as a tool which could facilitate the meeting of planned objectives for growth, with a key suggestion being that it should be re-visited on a regular basis; *“...we are usually so busy working in the business that the work on the business gets neglected. I know it’s [the strategic learning plan] something I will be seeking again next year”* (OM1). Extant literature links learning to improvements in productivity, sustained competitive advantage and to improved firm performance (Pedlar, 2011; Reid and Adams, 2001; Wolff *et al.*, 2015). Further evidence posits that despite considerable investment into programmes aimed at providing training for the OMs of small firms, the OMs are regarded as having less engagement with such training schemes (McKenzie-Mohr, 2013), something that held true for this research, where the benefit of customized engagement with targeted interventions was embraced by the OMs. Indeed, in research cycle three, OM1 explained his nervousness at having to hold himself accountable from that point forward as distinct from being held accountable by me as the action researcher; *“I am a bit nervous that I won’t continue to make progress by myself”* (OM1). This points to a previously unidentified challenge relating to OM autonomy, and reinforces the value of evaluation strategies to determine if skills, knowledge and attitudes have changed and a feedback loop that facilitates and fosters adjustments in the plan to increase learning (Stark *et al.*, 1980).

It was encouraging to witness the sustained positive attitude to learning of each OM in the three research cycles. They were less impatient and more willing to spend time reflecting on how they had implemented what they had learned. The theme that recurred

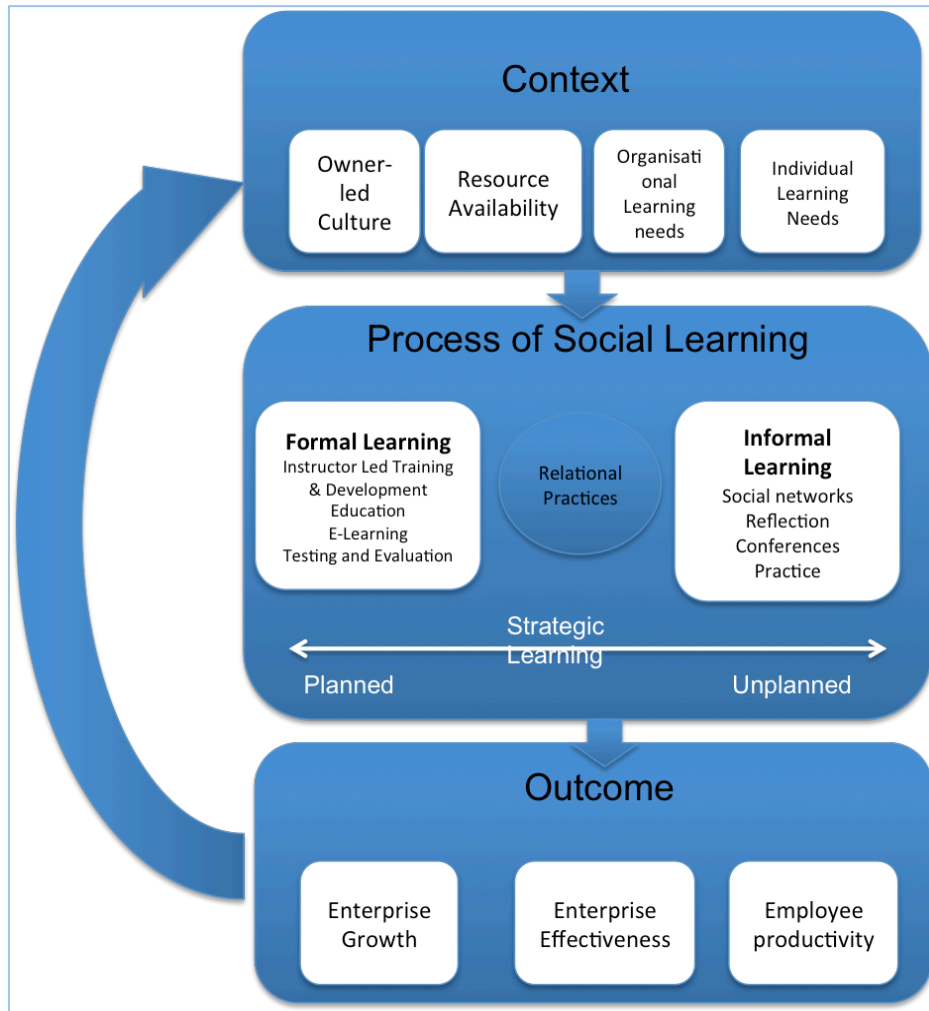
here was that they benefitted from having me revisit them and question them on their progress. They appeared to enjoy and indeed require to be held accountable for what they had learned; “*..I would love to have someone who can help me sustain this learning plan... to continue to provide a service that is tailored to the needs of the business*” (OM2); “*...I’ve enjoyed the project and particularly the fact that someone is going to hold me accountable for implementing changes after I learn*” (OM1); “*it’s the fact that someone is checking in on me*” (OM2). Indeed, in research cycle three, OM1 explained his nervousness at having to hold himself accountable from then on as distinct from being held accountable by me as the action researcher; “*the fact that you are the business owner means you are not accountable to anyone else which is what causes complacency*” (OM3).

8.4.4 Discussion summary

On reflection of both the literature review and the research findings, it appears to me that there is a case for a framework that enables the creation of strategic learning plans to facilitate growth in the small service firm. Support in the literature comes from Pedlar (2011) who is of the opinion that many firms are looking for organisational learning and adaptation which is creative, motivating and cost-effective. Authors such as Lattimore *et al.* (1998), Kenny (2015), McGrath and O’Toole (2014) and McGuinness and Ortiz (2016) support this view and suggest that learning can embrace small firm employers’ managerial skills and competencies that can help prevent small firm failure and facilitate growth. As such, I revisit the proposed conceptual framework of strategic learning plans in growth-focused small service firms (Figure 5.4, Chapter 5) in light of the current research study outcomes.

8.5 Refining the conceptual framework of strategic learning plans in growth-focused small service firms

Having considered existing conceptual social frameworks (outlined in Chapter Five, section 5.4) developed with a view to supporting a small service firm as they navigate through the multiple facets of strategic learning plans, I originally adapted one that was not written for a commercial organisation at all, but for the management of natural resources (Pahl-Wostl *et al.*, 2007). My reasons for this were (i) the existing models and frameworks for organisations were focused on a large organisation and assumed a pre-existence of applied formal strategic tools such as mission, vision and values statement, (ii) an underlying assumption of the availability of resource slack, in particular time, and (iii) the natural resources framework was underpinned by the RBV in social learning theory, as affiliated with the small service firm OM perspective. Other parallels that can be drawn between the natural resources environment and the small firm environment are that the challenges of both are not well-defined and therefore rely on social learning to progress, problems faced by both are often treated in isolation and the long term impacts are not considered (for example, implementing customer service learning once a customer has felt aggrieved enough to take their business elsewhere). As a result, managing resources in both the natural environment and the small service firm environment require a shift in thinking and management practices which may be constrained by formality to a more integrated and adaptive style of problem solving through a framework of social learning. The framework put forth by Pahl-Wostl *et al.* (2007) was therefore adapted for the small service firm based on the literature themes extracted in the current study (as detailed in Chapter Five, section 5.4.1). This framework is re-presented here for ease of reference (Figure 5.4).



Adapted from: Pahl-Wostl (2006) and Pahl Wostl (2007)

Figure 5.4 Conceptual framework of strategic learning plans in growth-focused small service firms

Framework 5.4 incorporated the steps; context, process of social learning and outcome with an embedded feedback loop that relieves decision makers of the responsibility to deliver one solution but challenges them to explore, experiment and test, rather than defend assumptions (Pahl-Wostl *et al.*, 2007).

The small firm learning *context* (Figure 5.4) embeds the owner-led culture (MacPherson and Holt, 2007; Chinomona and Cheng, 2013; Storey and Westhead, 1997), inherent resource challenges (Cyert and March, 1963; Kelliher and Reinl, 2009; Merrilees *et al.*, 2011) and the interaction between individual and organisational learning needs (Crossan *et al.*, 1997; Mintzberg, 1998; Kelliher and Henderson, 2006) as identified in the literature review. The development of joint (individual and organisational level) interpretations and the implementation of collective action required to integrate tacit

knowledge which is not externalized and codified and can thus only be shared through joint activities (Nonaka, 1994). This served as a foundation for the learning interventions that formed part of the strategic learning plans implemented in each small service firm in this AR study. Finally the learning needs of the OM formed part of the context for the ensuing strategic learning plans given the influence that they have on the organisation while it is small (Brennan and Shah, 2003; Forfás, 2013; Landes, 2006).

The *Process* aspect of the framework helped form the practical strategic learning plan interventions while being cognisant of the *context* factors and the literature on the potential deployment of formal learning interventions (Marsick and Volpe, 1999; Tocher *et al.*, 2007; Johnson, 2002) as well as accounting for the interpretation of a learning intervention through relational practices (Folke *et al.*, 2005; Maurel *et al.*, 2007). Thus, when contemplating the process of social learning, both formal and informal learning practices are present; wherein participatory methods such as role-playing are based on relational practices and can thus support social learning (Maurel *et al.*, 2007) in the small service firm setting. Such learning environments are perceived to be crucial for the adaptive governance of socio-ecological systems (Folke *et al.*, 2005), particularly in light of the small firm's minute size within its respective sector (Kelliher, 2007). Finally, multi-element processes were embedded in the structural governance context that has a strong influence and may constrain or facilitate learning processes (Tippett *et al.*, 2005).

Outcomes relate to deliberate learning as a means of developing; dynamic growth capabilities (North *et al.*, 2016), enhanced enterprise effectiveness through strategic learning plan engagement (Kaplan and Norton, 2004), the identification and adoption of opportunities (Wolff *et al.*, 2015) and through the resultant OM and employee increased productivity. This stage of the framework aimed to capture any change as a result of the implementation of a strategic learning strategy and such findings were used as measurements to capture improvements in the pursuit of enterprise growth (Brush and Chaganiti, 1999; DJEI, 2003; Fitzsimons and O'Gorman, 2011; Chinomona and Cheng, 2013; Chen *et al.*, 2009; Deakins and Freel, 2009). Enterprise effectiveness was also considered as an output in terms of any evidence that policies, procedures and processes were put in place to enable the smooth running of the small service firm as a result of the applied strategic learning plan (Drucker *et al.*, 1977; Goodbody, 2002; Peel and Bridge, 1998). Finally employee productivity was considered as an output that might occur as a

result of the learning intervention (Goodbody, 2002; Litz and Stewart, 2000; Reid and Adams, 2001; Addis, 2003). While Figure 5.4 offered significant guidance in the learning interventions applied in this study, hindsight can now offer insight in pursuit of an empirically guided refined framework.

8.5.1 Proposing a refined framework of strategic learning plans in growth-focused small service firms.

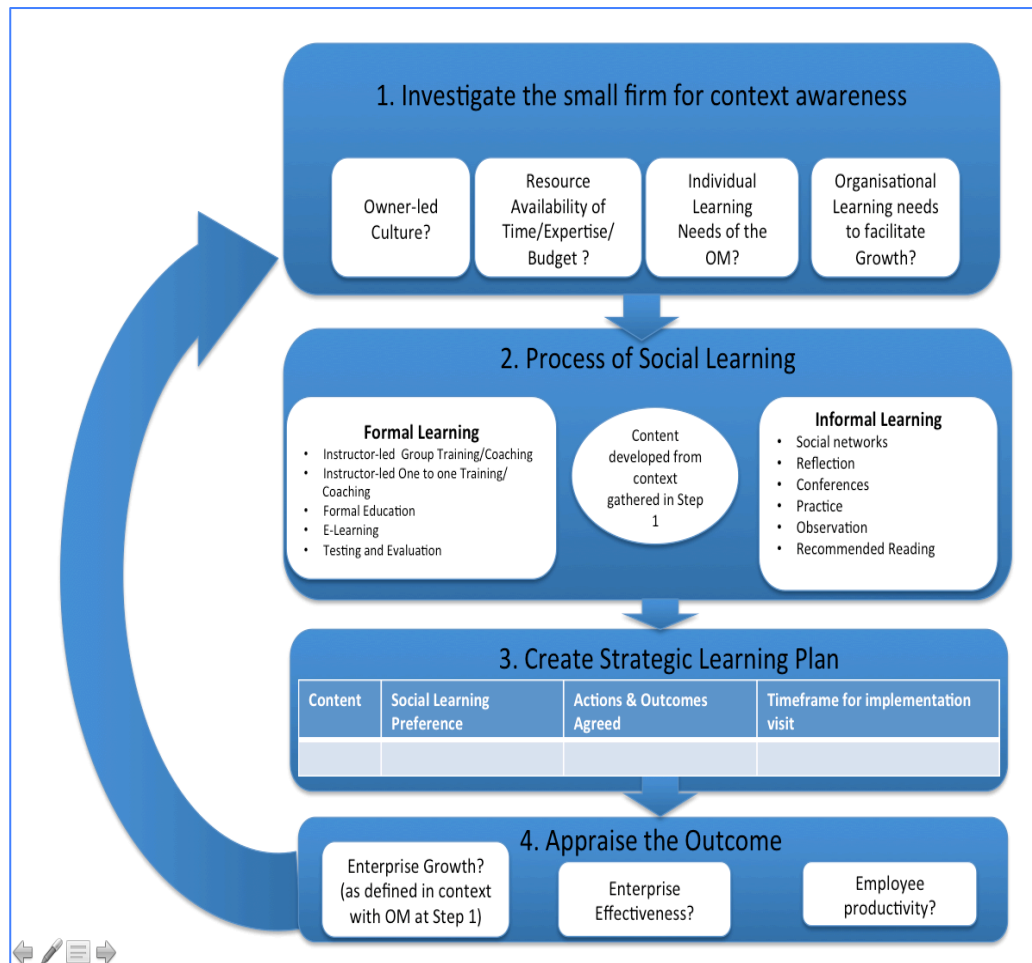
Referring to the literature and in light of the research findings, the considerations to note when proposing a refined conceptual framework are summarised in Table 8.3 below:

Key theme description	Literature Support
Social learning ethos	Chiva and Alegre (2005); Rae (2002); Taylor and Thorpe (2004); Deakins and Freel (2009).
Strategic learning plan must not be too formal	Linehan (2008); Carswell (2000); DeKok (2002); Tocher <i>et al.</i> (2007).
Any intervention should be flexible and/ or modular	Johnson (2002); Matthews <i>et al.</i> (2009); Hatten (2006).
Plans should be targeted at the specific enterprise sector	Gibb (1997); Goffe and Scase (1995).
The facilitator should have practical expertise	Management Development Council (2010).
Plans should be mapped to both organisational and employee needs	Mann (1997); Johnson (2002); Brennan and Shah (2003).
Focus on developing a learning orientation in the small firm	Kelliher and Henderson (2006); North <i>et al.</i> (2016)
Measurable impact of learning plan	Lechner and Vidar Gudmundsson (2014).

Table 8.3 Considerations to note in refinement of conceptual framework

Following the empirical study, I was conscious not to retain residual elements of the proposed framework if they proved to be redundant in the small service firm environment as identified in the AR study. Thus, the first step in refining the conceptual framework (Figure 5.4 above), was to study the framework in light of the key themes extracted from the action research findings in interaction with the original literary themes (Table 8.3).

Thus, the refined framework evolved as a result of this iterative interaction between practice and theory throughout this research study (Figure 8.1).



Adapted from: Pahl-Wostl (2006) and Pahl Wostl (2007)

Figure 8.1 Refined conceptual framework of strategic learning plans in growth-focused small service firms

The refined framework (Figure 8.1) describes the social learning process relevant to a small service firm, and reflects the critical areas of context, preference for social learning and outcome appraisal of a learning process. While the core areas (Context, Process and Outcome) have proved to remain relevant throughout the AR process, I include the step ‘Create a Strategic Learning Plan’ between the process and outcome in the refined framework. Each stage in the refined framework; (1) context awareness, (2) process of social learning, (3) create strategic learning plan as a deliberate learning action and, (4) appraise the outcome is discussed below.

Context Awareness: While owner-led culture, resource availability and individual and organisational needs remain the core criteria in the initial stage of the proposed conceptual framework, each has been further articulated in the refined framework (Figure 8.1) to capture the unique resource criteria relevant to strategic learning plans in the small service firm environment. The resource based view (RBV) was the applied lens through which small firm resource availability can be assessed in the original framework. The AR process, however, revealed that the resources of time and expertise were just as, if not more critical to the small service firm's opportunity to grow than that of budget. In this respect, it was decided to name these three key resources in the refined framework so as to encourage the OM to consider all three resource bands both individually and collectively in context to their business. In doing so, there is the opportunity to recognise and to release any potential barriers to the availability of resources prior to the learning process.

With reference to the individual learning needs of the OM, because the connection between the OM and the organisation has been established as interlinked in the small service firm and the small firm culture is perceived to be an extension of the OM, I chose to include the feature of 'Individual learning needs of the OM' over the original proposed framework wording of 'Organisational learning needs'. The AR process highlighted the need for the OM to explain their own learning needs and to suggest their preference for how to address any learning gaps and thus this individual is central to the learning orientation of the small firm. In the AR study, I encountered that the OMs each had varying perspectives on growth and I found that I needed to encourage them to link the learning needs of both themselves and any members of staff they might have to their growth aspirations. Therefore, individual learning needs (Figure 5.4) have been superceded by the 'organisational learning needs to facilitate growth' in the refined framework (Figure 8.1) to ensure the emphasis on growth is centralised within both the OM and the small service firm.

The proposed framework (Figure 5.4) included the *Process of Social Learning* which in the refined framework, will continue to feature the areas of '*Formal Learning*' and '*Informal Learning*' to highlight the preference for social learning in the small service firm as well as some suggestions for specific learning mediums in this milieu. The concept of 'Relational Practices' in the proposed framework, however, has been removed

due to the fact that it did not feature in the observed AR process or in the wider research study. Essentially, it was included in the initial framework (Figure 5.4) to capture the supposition that different people would interpret learning in a different way, even if all hear/ see it at the same time. Because each of the AR learning interventions were conducted in a one-to-one setting and engaged with the OM in each case, the 'relational practices' criterion proved irrelevant. It was replaced with the feature of 'Content developed from context', meaning that regardless of whether a learning event is formal or informal, it is required to be written in context for the small service firm and its OM specifically. Furthermore, the continuum of 'strategic learning' across a planned or unplanned scale was removed from the proposed framework under the heading of Process of Social Learning. My reason for this is that the whole concept of strategic learning is the anchor of this study and therefore denoted a central role in the refined framework. Put simply, whether the preference of the OM was to learn formally or informally, by virtue of the fact that they have a strategic learning plan would suggest that they are taking control of their learning in a planned way. Thus, the informal/ formal preference is somewhat redundant as the OM has the choice within the framework for how they want to receive, contemplate and plan for any noted learning need.

The results of the AR study (if not the literature review) revealed the importance of a strategic learning plan for the OMs of a small service business so it is included in the refined framework to encourage the consideration of; content, social learning preference, any actions or outcomes agreed following the initial intervention, and a timeframe for implementation. Of note is that perhaps the lack of emphasis on the subject of a strategic learning plan for a small service firm in the extant literature led to the initial framework (Figure 5.4). However, strategic learning planning is perceived by the studied OMs as critical for clarification of aspirations for and achievement of, growth in the small service firm setting and therefore, warranted inclusion in the refined framework (Figure 8.1).

The final aspect of the proposed framework was that of '*Outcome*' and this has been renamed in the refined framework to '*Appraise the outcome*'. My reason for this is to clarify the importance of capturing the potential of any strategic learning plan to influence growth measured using the principles of a balanced scorecard lens (Kaplan and Norton, 2004). Within this element of the framework, there are three suggested concepts from which to carry out any such appraisal, namely;

1. Enterprise growth (as defined in context with the OM): suggesting that the OM will share their ideas and aspirations for growth at the investigation of context stage which can then be appraised after any learning intervention is completed. As both the literature and the AR study revealed, the concept of growth is unique to each small service firm, thus it is not advisable to prescribe any further detail in this area in the refined framework.
2. Enterprise effectiveness: this is encouraged as something to appraise after a learning intervention; particularly if the OM has committed to implementing such learning with and through any staff members they may have.
3. Employee productivity: applying the lens of employee productivity allows the learning to be appraised at an individual level, in terms of whether it has allowed either the OM and or the employees to be more productive in their work.

8.5.2 Refined framework summary

The refined framework (Figure 8.1) is assigned into steps for clarity of a chronological approach to strategic learning plans in a small service firm setting with step one being to investigate the small firm for context awareness. This is comprised of four areas; owner-led culture, availability of time, expertise and budget as resource, the individual learning needs of the OM and the organisational learning needs required to facilitate growth. Ideally, the small firm OM reflects on all four criteria and establishes their position on each before proceeding to step two. This approach seeks to address the threat of eager OMs diving in to learning opportunities without first considering the context of what they are learning, why they are learning it, and what they plan to achieve in terms of growth. Of note is the promotion of reflexive practice (Cunliffe, 2004) in this and subsequent stages in the proposed framework.

The second step in the process is to identify the social learning preference of the OM. Specifically, do they prefer a formal or informal learning intervention? Would they prefer group or one-to-one learning events? Should formal learning and informal learning both feature for various topics? The key refinement here is the explicit requirement that any learning content be developed from the context information as gathered in step 1.

The third step in the framework is a new stage that has been informed by this AR study. I felt that the physical process of creating a strategic learning plan was required for the purposes of clarity and linkage to the context and outcomes. This process captures the learning need(s) of the OM, the social learning preference of the OM, the required actions and any planned outcomes as agreed with the OM and a timeframe for when any such actions should be implemented. This serves to address the need that presented in this research as required for each OM to be held (externally) accountable and to be followed up with after the learning event to sustain strategic learning plan momentum in the small firm setting.

The fourth step has been slightly refined to suggest the growth outcomes are not necessarily a given, but those that are achieved need to be appraised. This serves the findings that any framework needs to be consistently flexible in its approach given the nature and environment of the small service firm. In other words, the planned outcomes can be appraised and if there is no progress following the learning intervention, there is support available in terms of perhaps, more time, further learning or direct mentoring in pursuit of set learning objectives. Finally, the arrow pointing back to step one is there to encourage the OM to be constant and consistent in their approach to strategic learning and in their evaluation of their learning plans for growth, thereby embedding OM reflexivity in the small service firm. This means that any strategic learning plan will not be a static document but part of an on-going organic approach to learning in pursuit of sustainable growth in the small service firm.

8.6 Summary of discussion

This chapter presented a discussion of the findings in light of the literature review by presenting the key literary themes alongside results of the action research study. The emergent themes resulting from this process are summarised here:

Small service firm internal characteristics – both existing literature and current research findings support the view that the internal characteristics of the small service firm are critical to any growth aspirations. The submission that the small service firm OM has a strong influence on the culture of the enterprise is well documented in the literature and emerges in the research findings. Of note, is the supposition that all resources are equally limited in the small service firm, which was at odds with the research findings. While there was evidence of resource shortage, it was strongly cited to be of a time and expertise nature moreso than those most often associated with the small service firm such as physical, capital or organisational resources (Merrilees *et al.*, 2011).

Impact of internal characteristics on small firm growth – in this milieu, the literature and findings are consistent in that the research results support the view that OMs need to identify skills required to enable business growth; and that the OM themselves may present a barrier to growth if they are not willing or able to relinquish control and to begin to depend on the skills of others to facilitate growth. The OMs own learning orientation is also reflected in the small firm (Wolff *et al.*, 2015), as the culture of the organisation amounts to an extension of the OM's personal and professional outlook.

Approach to planning - The consideration that the small service firm OM does not engage in formal strategic planning or use the available academic tools for this activity is well documented in the literature and the findings serve to further acknowledge this reality. It was common in all three cases that strategic planning was not something that was happening despite the business being well established. The findings also exposed lack of awareness as one of the barriers to the application of formal strategic planning tools in a small firm setting. Notably, there is no current framework that would serve as a guide for the small service business OM to encourage them to learn how to plan for and manage their internal resources strategically in order to facilitate an aspirational growth.

Learning in a small service firm – The preference within the small service firm for social learning became apparent during this research and serves to strengthen the extant

literature on this topic with the OM's suggesting that they like to learn by observing and talking to others. While the OM's all recounted their inclination to engage in informal learning, I found OM's preferred a more formal environment in this study; for example, they preferred a one-to-one setting over a group setting and an offsite classroom environment over a work setting, so that the material could be absorbed and reflected upon in the context of their own business, but without distraction. Worth noting here is the fact that the literature and findings are at odds with the literature suggesting that the OM of a small service firm would not necessarily have the knowledge to express their learning needs. In this study, each of the three OM's were easily able to articulate their learning needs in order to grow the business. Ultimately, there was a lack of available models or frameworks in the literature that were aimed at the small service firm and their attempt at growth through the design and application of strategic learning plans. While some strategic learning frameworks did exist (see Chapter Five), they were aimed at the larger organisation or the non-commercial state body who would most likely have the resources (time, expertise, budget) and the resource slack required to execute these frameworks. The refined framework (Figure 8.1) proposed in this chapter seeks to bridge this literary gap.

Small firm influence on strategic planning and the application of strategic learning tools – Both the literature and findings are consistent in that the small service firm OM will generally apply informal planning in their business and will usually not commit their plans in writing. While this was the case at the start of this research, the OM's embraced the strategic learning plan concepts, including the articulation and communication of more formal plans to their employees and wider stakeholder cohort. Of interest within this research study is that once the OM had the knowledge relating to planning tools and techniques and had implemented the learning plan within their organisation, they were at risk of failing to make sustained progress due to the fact that they are the ultimate decision maker and had complete autonomy over continued engagement. The findings presented that the OM's believed they would require some sort of accountability process in order to continue to make strategic progress, as each expressed concern that they would 'lapse' in the absence of external coaxing.

8.7 Conclusion

The discussion analysis led to a refinement of the conceptual framework and has shown that acknowledgement of contextual elements of each small service firm is paramount for success in the development of a potential strategic learning plan framework. Such a framework may be used to guide the progress of learning and growth in a small service firm. The elements that have been changed or included from the proposed framework have been explained and illustrated in the refined framework. In the next chapter, the conclusions, recommendations and contributions are presented.

9.0 Introduction

This research sought to investigate the perceived impact of strategic learning plan intervention on growth-focused small service firms in Ireland. Insights have been gained through in-depth action research carried out with three small service firm OM's from various industries in Ireland. The project offered an assessment of both the facilitators of, and barriers to, any link between learning strategy and small firm growth. This work has provided necessary comprehension in order to discern a conceptual framework of strategic learning plans in growth-focused small service firms (Figure 8.1) that exemplifies the component elements of how small service firm growth might be facilitated through strategic learning.

Having discussed the research findings with respect to the theoretical issues highlighted in Chapter Two as important and supported by the literature review on the small firm environment strategic learning plans (Chapters Three to Five), this final chapter summarises the research outcomes in terms of key contributions to knowledge. The chapter will reflect on the conclusions emanating from the research findings and discussions of those findings, as related to the research aim and objectives. It will put forth the contributions to theory, practice, policy and academic literature that have been made. Finally, this chapter presents the limitations of this doctoral study and recommendations for future reference.

9.1 Summary of research outcomes

In order to demonstrate the contribution made by this research, this section provides an overview of the linkages between the literature review (Chapters Two to Five) the methodology used (Chapter Six) and the fieldwork inherent in this AR project (Chapter Seven). This summary is discussed in accordance with the research issues highlighted for investigation purposes in the methodology Chapter.

Established research as identified in the literature review offered encouragement in certain findings, while allowing me the flexibility to assess differences between the conclusions resulting from this research and those resulting from prior research studies. Links to prior literature, whether in agreement or dissension, gives more tenure to these research outcomes.

The primary research findings are thus;

- **Small service firm internal characteristics:** Small service firm's internal characteristics are pivotal in the potential for learning and growth. Specifically, the culture of the firms are beholden to the personality and preferences of the OM. As each OM and each small service firm is unique, understanding and capturing the context of the business is critical when contemplating a learning intervention such as a strategic learning plan. The small service firms studied are constrained by resources, a finding that is well supported in small firm literature. These resources include time, money and expertise; with lack of awareness relating to formal strategic planning tools and techniques a further resource constraint. Despite prevalent literature, the constraint of finance emerged as the least challenging for all firms in this study, while time presented as the rarest and most valuable resource in this setting.
- **Impact of internal characteristics on small firm growth:** the individual OM plays a pivotal role in the potential for strategic learning policy to be adopted in the small service firm. All three of the OMs from the small service firms expressed an ambition for growth, yet none had a clear road map for how such growth would be achieved. This concept of a gap between growth aspirations and execution has emanated through the literature so it is fair to assume that this anomaly may be true for other small service firms.

- **Approach to planning in the small service firm:** There was little evidence of any attempt to engage in formal planning or the use of strategic planning tools in any of the small service firms studied prior to the AR intervention. Of note is that there was some evidence of informal planning, although this tended to remain in the OM's 'head', rather than being communicated to the organisational members. Following the AR intervention, the principles of SLT were replicated in this study.
- **Learning in a small service firm:** OM's studied expressed a preference for social learning in the first instance, preferring to learn 'on the job' and 'from others'. However, while the preference for social learning was echoed within the AR cycles, two of the three OM's specified a preference to engage with the learning intervention in the formal setting of a meeting room away from their work environment in light of likely work-related distractions. Barriers to learning for the small service firm OM's in this study included; a lack of context in content, a lack of access to an expert on certain topics that might facilitate growth and, a lack of time in which to learn about strategic learning plans and subsequently, in order to execute said learning in their work environment. These barriers could be highlighted and subsequently addressed with the use of the strategic learning plan framework (presented in Chapter Five, Figure 5.4 as refined in Chapter Eight, Figure 8.1) which take into account; context awareness, the process of social learning, strategic learning planning and outcomes appraised.
- **Small firm influence on strategy and the application of strategic tools:** When contemplating the implementation of a strategic learning plan in the small service firm environment, OM's highlighted the value of accountability; that is when the OM's knew I was returning to discuss strategic learning plan progress at a pre-defined intervals, this provided a catalyst to ensure the plan implementation was progressed. This finding is not reflected in extant literature and therefore offers further insight into the small firm OM's psyche.

9.2 Pursuit of research aims and objectives

As stated previously, the research aim in this study was to: *investigate the perceived impact of strategic learning plans on growth-focused small service firms' viability in the Irish context*. In pursuit of this aim, the primary focus in this AR study was the examination of strategic learning plans in a small growth-focused service setting, leading to the development of an integrated strategic learning plan framework for the small service firm setting. To focus on this goal, the following research objectives were produced in light of the extant literature;

a. To design and develop a small firm strategic learning plan

The language of strategy in its most traditional sense was not familiar to any of the OMs. The three businesses were well established, progressive and growing, yet none of them had deployed strategic tools such as mission, vision and values statements or any sort of competitive analysis tools. None had considered the inclusion of a learning plan as part of their strategic arsenal. This finding was borne out in the literature; there was a paucity of existing literature on the use of a strategic learning plan in a small service firm (Zupic and Drnovsek 2013; Chinomona and Cheng, 2013; Tell and Gabrielsson, 2013). This encouraged me to investigate this concept in the current study. The question that presented repeatedly was concerned with how well the companies were doing without any form of formal strategic planning, and an acknowledgement of the unstudied question; how much better could the companies do if they did have a strategic learning plan?; not only for the business, but also for the OMs own learning.

Once the OM and I started designing and developing a strategic learning plan in each case, the findings highlighted what such a plan might look like in these and other growth-focused small service firms. Specifically, based on this study, such plans should be highly contextualised, designed and scoped out through close and ongoing engagement with the OM and grounded in the facilitator knowledge of the specific culture, history and growth plans for the future of the business. A final conclusion surrounding the design and development of a strategic learning plan was that the OMs had no hesitation in suggesting topics that they wanted to learn, were enthusiastic about learning in order to grow their business and were very eager to get started. A noted caveat was each OMs inclination to

‘get started’ with the act of implementing prior to fully contemplating and articulating the strategic learning plan, highlighting the action-oriented nature of the small firm setting.

b. To study the implementation of a strategic learning plan within small service firms

This objective was met through the use of action research (AR) consisting of three action research cycles per OM/ small service firm. This allowed for the diagnosis, planning, development, reflection and refinement of the strategic learning plans and the overall conceptual framework (Figure 8.1).

As presented in the findings (Chapter Seven), the strategic learning plan consisted of a table detailing content topic, social learning preference of the OM, actions and outcomes agreed, and timeframe for implementation and reflection. Some conclusions drawn from this piece of the research was that OMs were receptive to the concept of strategic learning plans and in particular, to the one-to-one setting with a dedicated focus on their own work setting. This was something that I, both as a practitioner and researcher, was intrigued by, as offering strategic learning guidance in a one-to-one capacity was not something that I would have previously offered, nor is it widely available in the market. While coaching is available, the actual delivery of contextualised training/ learning events associated with strategic learning plans is not (to the best of my knowledge). All three OMs liked the fact that they were directly involved in the diagnosis and planning of the learning strategy and that the learning material was co-written specifically for their business and with their personality and learning ethos in mind. This was only possible given the information gathering as per objective one, and points to the need for user involvement in and ownership of, the strategic learning plan from inception to completion.

Further, once the learning event had taken place, each OM was tasked with implementing the aspects of the learning plan that were most likely to impact on the small firm growth. The conclusion from this part of the AR process evolved with each research cycle as I learned that all three OMs preferred and indeed required to be given specific tasks, timeframes and a date for follow up in order to sustain plan momentum in their own firm. This was something that surprised me; an apparent reluctance or inability on the part of the OMs to self-manage their resource interactions in pursuit of the pre-set learning goals in the absence of an (outside) monitor. Of note here is each OMs perspective that they

were ‘the boss’ and therefore could not be ‘forced’ to do anything, and as such were required to be internally driven to achieve these goals. This points to a requirement for external motivation triggers on the part of the OM, much like those presented in learning reinforcement theory.

As previously mentioned, time, money and expertise are three key resources in demand in small firms, a view reinforced in this study. During this action research, the OMs had access to expertise (my own) and money did not seem to present a challenge to any of them. However, they were expected to set time (and intellect) aside for the implementation of what they learned and this is something that did challenge all three OMs. All of them admitted that they might only have taken the time to implement learning given that I as researcher would return to see what they had put into practice since our last meeting. By way of contribution, the evidence from this project suggests that follow up/s after any contextualised learning event is critical to the potential for anything to change in practice as a result of the intervention. Indeed, OMs sought out this follow up and each wanted to be held accountable by myself, an outside source. The risk presently is that while OMs can easily point out areas they need to learn about in order to grow their business and they have the financial capacity to generate the advice to do so, it is the lack of accountability for implementation that presents the greatest threat to learning and growth. Therefore, there is an indication that interim availability of expertise including the monitoring role needs to be supported by a facilitator, something that is not evident in the training and development literature and the national and international small firm support documentation. This outcome is in addition to encouraging the small service firm OM to consider the resource interaction perspective in conjunction with the traditional resource based view (RBV).

c. To evaluate the owner/ manager perceptions of the likely impact on growth of a strategic learning plan

In the initial conceptual framework (Figure 5.4, Chapter Five), the implementation of the strategic learning plan amounted to a deliberate learning intervention as a means of developing some or all of the following; dynamic growth capabilities, enhanced enterprise effectiveness through strategic learning plan engagement, the identification and adoption of market opportunities and through OM and/ or employee increased

productivity, efficiency and effectiveness. Initially, the purpose of meeting the OMs sometime after the initial learning event was to evaluate their perception of the likely impact on growth of their strategic learning plan.

During the research cycles, it became obvious that the OMs wished for an accountability event, which subsequently meant that as researcher-practitioner, I met them on further occasions although this was not planned for in the original research protocol. In addition to monitoring progress, I asked what they had implemented from the strategic learning plan and how they did so. I also sought to glean their perception of the plan's impact on growth. In all instances, the OMs' perceptions were positive and affirming of the strategic learning plan as a valuable tool. Speaking about growth in general terms, the OMs noted that financial measures were too narrow to measure the benefits of the learning intervention in their business setting. While finances were improving in their business settings, they had also begun to use additional learning plan skills including delegation; which resulted in greater capacity for strategic decision making within the small firm. They each realised that they needed to identify skills required to enable business growth in themselves and their colleagues and that the OM themselves may present a barrier to growth if they are not willing or able to relinquish control and to begin to depend on the skills of others to facilitate growth. The OMs perceived improvements in articulation of their own requirements resulting in enhanced employee engagement. The OMs also pointed to evidence that policies, procedures and processes were put in place to enable the smooth running of the small service firm as a result of the applied strategic learning. In summary, OMs perceived that enterprise growth could occur due to increased self-awareness and employee engagement resulting in improved efficiency, effectiveness and productivity if they collectively continued to learn about strategy and growth and to implement that learning in the manner described above.

Of note in terms of OM perceptions, there was apprehension that the OM would not continue to learn and to implement learning in my absence as a 'progress monitor' after the research project ended. The conclusion here is that any resources set aside for (facilitated) learning must include an element of follow up and interaction for the OM, who will sacrifice this implementation for some other activity if left solely to themselves. This may also indicate underlying evidence of isolation on the part of the OM, reinforcing the social learning ethos underpinning this study. Despite these misgivings,

all three OM's suggested that a strategic learning plan should form part of an overall strategy for the business so that they are increasingly likely to make time for strategic learning and to implement that learning within their business.

d. To pursue a strategic learning plan framework for use in growth-focused small service firms

The final objective was to put forth a strategic learning plan framework that might be used in growth-focused small service firms. Conclusions that can be drawn in this respect are that due to the historic lack of research in this arena, this is a worthy objective in the small service firm milieu. Secondly, the initial framework as presented in Chapter Five, Figure 5.4 was 'alive' during the entire action research project and was used as an organic learning tool in liaison with the OM's so that the OM's and I could see if the business engaged with the strategic learning plan and through this process, whether the firm's growth prospects were perceived to have improved. Furthermore, the framework was required to be dependable as a recommended process yet flexible in the face of varying small service firm nuances. Finally, the refined strategic learning framework for small service firms (Chapter Eight, Figure 8.1) evolved during the course of this research project to include the actual creation of a strategic learning plan for the OM which was not present in the first instance, as it was considered to be perhaps too prescriptive based on existing literature. The conclusion reached in this study, however, is that OM's do not have any objection to the prescriptive nature of strategic learning so long as they can contribute to all stages of plan evolution and that any information relating to the strategic learning plan is presented in context to them and their business environment. Context awareness, the process of social learning and appraisal of outcomes as the other key stages in the conceptual framework were also refined in light of the research findings.

9.3 Practical contributions

The practical contributions forthcoming from this action research study as presented here are not prescriptive actions that will guarantee learning and/ or growth success in the growth-focused small service firm environment. They are identified as criteria that may help to focus a small service firm's growth potential and strategic learning plan adoption in order to improve the ability of the OM to learn, and in turn, implement that learning which may then accommodate growth plans. In order to do so, I suggest the following criteria be considered in light of this research that form the basis for practical insights;

➤ *Internal characteristics of the small service firm*

Based on this research study, it is recommended that the OM consider the impact of their professional persona, habits and personal preferences on the growth potential of the business, even in the nascent stages of their business whereupon they may not have any employees. Once they have staff members, and in the absence of a dedicated employee manager, it is suggested that the OM view themselves as the business leader and therefore, part of their role will be to build the team through delegation, collaboration, communication and evolving strategy.

➤ *Small service firm planning process*

OMs of a growth-focused small service business would benefit from the consideration, exploration, execution and evaluation of a strategic learning plan process and ultimately, through the articulation of a formal business strategy. This could be achieved through the use of tools of planning that are of particular use to the small firm as recommended by Mintzberg (1978), Quinn (1978) and O'Gorman (2006), such as; devising a set of organisation values, a statement of goals and objectives, promoting the effective use of time by identifying and monitoring a number of small key success factors even if engaged in an informal planning process, consideration of alternatives, planning for enhanced internal management and staff development, competitive analysis and learning analysis for the business in collaboration with any members of staff they may have.

➤ *OM (internal) intervention*

Barriers to growth include a lack of resources such as time and expertise (as budget was not as constrained in this study) and a possible lack of awareness on

the part of the OM as to their underlying learning philosophy and approach. These criteria impact on the importance placed on strategic learning within the small service firm, so it is the responsibility of the OM to identify how this skill and or attitude gap could be addressed (for example, whether through acquisition of capabilities and skills in order to ‘build’ an internal expert or through the use of an external expert). It is recommended that the OM prioritise time for learning and its implementation in the company, as an important strategic asset in pursuit of sustainable growth.

➤ *Motivational benefit of contextualised external intervention*

Expertise and advice provided by external practitioners should be based on investigated context and awareness of the preference for social learning in the small service firm, as well as measured appraisal of the expected and actual intervention outcomes and subsequent reverberations in the firm. This will inform the design of any strategic learning plan content and allow for the measurement of perceived impact of the learning intervention. Furthermore, external stakeholders such as small service firm government support agencies should consider the criticality of the OM having a strategy for growth to include learning and measures that encompass capability development as well as monetary gains; before committing further resources.

➤ *Evolutionary learning in the small service firm*

As learning in the small service firm is predicated on the theory of social learning, all stakeholders (OM, employees, suppliers, customers, other practitioners, educators, government support agencies, the community) should aim to adopt learning and growth frameworks that are anchored in social learning when engaging with these business entities. This should allow for the nuances and intricacies of each growth-focused small service firm to be incorporated into a learning intervention.

9.4 Sustainable learning in the growth-focused small service firm

As with all interventions in a work environment, the challenge is whether the strategic learning plan program pursued in this study can be maintained in each of the small service firms.

In each case, the OM's noted the importance of external accountability as an impetus for sustained learning. While I was present as an external source of accountability for the duration of the project, I no longer act in this role following completion of the research study. Thus, a challenge exists as to whether the OM will sustain learning momentum in the absence of this external presence. While each OM acknowledged the value of focused strategic learning plans to facilitate their growth aspirations, it was also evident based on the research outcomes that each faced specific challenges relating to time.

I am confident that the learning can and will be sustained within the three small service firms due to the fact that two out of the three OM's had, during the course of our work together, hired a personal assistant (SSF3) and an assistant manager (SSF1). This action was due to each OM's realisation that they were required to lead the organisation's learning activities and to perform more value-added tasks such as; strategic planning, co-ordination of departments, team planning, performance management and measurement and progress meetings. While SSF2 had not invested in any such a resource, she had begun to revive some strategic practices in the organisation, such as quarterly employee reviews and supplier reviews.

Even in the event that the progress does not continue at the same pace, I am satisfied that should the OM's need further external support, they will be able to articulate their own learning needs and will expect these to be addressed in a contextualised and impactful manner. This is not always the case with the small service firm OM, who might invest time and money in external interventions without comparing their needs with a conceptual framework. Once the conceptual framework is referred to, the OM will be able to ensure that learning interventions are linked to the overall business strategy or direction as well as checking that there has been some outcome to link back to the learning plan strategy through the medium of social learning.

9.4 Research contributions

A central assumption underpinning this research is that action research seeks to contribute to action through problem solving or through developing a change initiative, in pursuit of the creation of practical knowledge (Coghlan and Shani, 2014). This research has provided a deep description of the factors pertaining to the themes of learning and growth for the small service firm. It has sought to investigate the perceived impact of a strategic learning plan on the growth-focused small service business. Accordingly, it has the potential to make a valuable contribution on three levels, namely; theoretical implications, practical implications and methodological implications. These are explained next.

9.4.1 Theoretical implications

This action research study yields valuable insight into theoretical issues gleaned from the literature review and allows for an exploration of the perceived impact on growth as a result of the design, execution and implementation of a strategic learning plan for the small service firm OM. As suggested in Chapter 1, section 1.7, I set out to make a literary contribution by addressing identified research gaps by studying the potential for a strategic learning plan to impact growth. On a theoretical level, current literature does not adequately explore the relationship or link between learning and growth in the small service firm. This research has responded to calls from Zupic and Drnovsek (2013), Chinomona and Cheng (2013), Tell and Gabrielsson (2013), North *et al.* (2016) and others to use learning as a strategy for growth in the small firm environment. Findings suggest that the small service firm OM does not take time to contemplate and engage in strategy for their firm. There is also an apparent lack of self-awareness and self-confidence, curtailing the OM's perceived ability to implement change within themselves and their enterprise. Further, MacPherson and Holt (2006) point out that while human and social capital influence growth in a small firm, they remain somewhat abstract concepts if they are unaccompanied by learning experiences through which sense is made of them. This research may go some way to closing the loop between current learning activities, growth aspirations, strategic tools and growth whereby the OM has increased self-awareness of their own strengths and weak areas in relation to strategic learning plans.

The literature has yielded a requirement for a robust framework to advance the learning strategies of small firms while Tocher *et al.* (2007), Mishina *et al.* (2004), Johnson *et al.* (1998) and others have suggested the need to explore the potential link between learning and growth to incorporate the resource constraints experienced in the small firm setting. This research sought to address these literature gaps by establishing a framework of strategic learning plans that addresses the unique learning conditions that a growth-focused small service business would require. The proposed framework for strategic learning plans in growth-focused small service firms (Figure 8.1, Chapter Eight) is fortified by building on earlier research that is anchored in social learning theory, specifically that of Pahl-Wostl (2007) and her work on '*social learning and water resource management*', while remaining mindful of the unique dynamics of the small service firm environment. Thus, this research contributes to the body of existing knowledge in the small service firm setting concerning social learning theory, strategic learning and small service firm growth potential (McKenzie and Woodruff, 2013; Kenny, 2015; Johnson, 2002; McGuinness and Ortiz, 2016; OECD, 2010; OJEU, 2009; Fuller-Love, 2006; McGrath and O'Toole, 2014). While the primary concern of this research is to *investigate the perceived impact of strategic learning plan intervention on growth-focused small service firms in Ireland*, it is also hoped that it will make a contribution to the literature on the small firm service sector.

9.4.2 Contribution to methods theory

The value of action research has been proven in the existing literature as it has been used extensively in other small service firm studies (Stewart and Alexander, 2006; Van Gils, 2000; Kelliher and Reinl, 2010; North *et al.*, 2016; Reinl, 2009). In this study, the research method sought to develop a robust base from which to refine a practical and transformative framework for use in growth-focused small service firms in Ireland. The action research method afforded an accurate account of the perceived impact that the strategic learning plan had on each of the three studied firms' growth. The method allows for consideration to be given to the unique and dynamic nature of the small service firm, as well as appealing to the action orientation of the typical small service firm OM. These activities may serve also to generate new knowledge which is fed into the repository of information for other researchers and practitioners thus addressing issues beyond the studied subjects.

Frequently, published accounts of consulting projects have claimed to be action research merely because they were collaborative and followed cycles of action and reflection (Coghlan and Shani, 2014). However, this alone is not sufficient to contribute to the science of organisation (Susman and Evered, 1978). As Shani and Brush (1987) have pointed out, these are useful to practice but have failed to address the intricacies of generating knowledge. In this study, full engagement with and reflection on the individual AR cycles, incorporating the intervention impact and the pursuit of a framework of strategic learning plans applicable to the growth-focused small service firm environment facilitate the leap from documenting an event to contributing to knowledge.

9.4.3 Practical contribution to knowledge

A key feature of AR is to generate practical knowing. AR builds on the past, takes place in the present with a view to shaping the future (Chandler and Torbert, 2003). This research details the experience of three OM's in their small service firms in their effort to grow their business by using a strategic learning plan approach. Accordingly, it research may be of interest to practitioners working in the design, development, delivery and evaluation of learning interventions for small service firms. Given the importance of the small service firm sector to Ireland's economy, the research may also be of interest to government agencies, who strive to protect the survival and growth of small firms generally and who set aside vast sums of money each year to fund training programmes for small firm OM's (Action Plan for Jobs, 2016; OECD 2012; Kenny, 2015; CSO 2013; Duffy, 2016; DKM, 2006) The recommendations outlined in section 9.3 above go some way towards highlighting the practical contributions associated with this study. However, a number of practical contributions are also suggested in terms of the development of future growth policy in the small firm sector;

Owner/ managers: Small service firm OM's who wish to grow their business may consider the use of a conceptual framework as presented in this research, in order to serve as a guide to ensuring that any investment in learning is both contextualised and measured. Simply put, OM's may benefit from examining the types of learning interventions offered and to consider the possibility of engaging in formal training offerings only on the premise that they are delivered in context and with some measure of

follow-up or accountability. Finally, there is potential for the small service firm OM to become more self-aware and grow in self confidence to allow them to design and execute a growth strategy.

Growth policy: Rather than focusing on the traditional resource based view (RBV) of budget, time and expertise as equal barriers to learning for the small service firm, there is evidence to suggest that managing the *interaction* of such resources presents a challenge for the small service firm OM.

Learning practitioners: Learning interventions provided by learning practitioners should be based on investigated context and awareness of the preference for social learning in the small service firm. Furthermore, they should consider and allow for the measurement of the perceived impact of any intervention, applying the principles of a balanced scorecard approach. Based on the current study, it may also be worth embedding the identified monitor role in planned interventions in this business setting.

Government support agencies: Government support agencies and other external stakeholders may benefit from considering the importance of the OM having a strategy for growth which includes learning measures that account for capability development as well as monetary performance.

9.4.4 Strategic learning plan conceptual framework for small service firms

The refined conceptual framework presented in Chapter Eight (Figure 8.1) may offer a contemporary way of explaining the dynamics of how strategic learning plans might be implemented and how the resultant learning might be used to support growth in the small service firm. There are no pre-existing strategic learning plan frameworks that I am aware of, that can offer the multiple stakeholders of the small service business a tool of this nature, or the balance of structure with flexibility as is required when considering the impact of learning strategy on small service firm growth.

9.4.5 Summary

As previously stated, studies on the potential impact of a learning strategy on growth applied to the small service firm environment has traditionally been rare, despite calls for

this gap to be addressed in the extant literature. No studies that I am aware of have been conducted into the small service firm's perceived growth propensivity in conjunction with a learning strategy. The study also offers insight into the author's thoughts and experiences regarding this research as a practitioner-researcher. The observations and conceptualisations presented may also be of merit in their own right and provide the basis for further revisions in the future.

9.5 Research Limitations

As with any doctoral thesis study, this research journey has not been without its limitations. These are:

- As a lone researcher, the action research method featured an intensive workload such as administration of meetings, gathering of data, transcribing of data, synthesising the practical and theoretical discussion and co-ordinating schedules. Extensive interviews were recorded and transcribed as soon as possible after each meeting (Stake 1995). A team of researchers may have yielded further ideas, concepts and information.
- Given the nature of this single-researcher project, this document lays out the results from a relatively small number of studied companies (n=3), albeit at an in-depth level of investigation. More longitudinal action research, in further participant firms would make a valuable contribution to this area of study.
- The author played the role of researcher and observer throughout the research. As such, issues pertaining to confidentiality, access to the business and privacy were discussed with each of the three OMs, as well as my supervisors and academic and practitioner peers in order to establish an appropriate balance.
- It must be recognised that the participant bias may be an issue as the OMs may not always provide accurate accounts of their learning needs and cultural connotations. This may be a conscious, semi-conscious or sub-conscious action in practice. Similarly, my personal values, bias and preconceptions have arisen to a degree, although specific research techniques benefited the identification and analysis of such occurrences. I maintained a reflective diary as advocated by Cunliffe (2004), Stake (1995) and Glasser and Strauss (1967) in an attempt to negate any effects that these instances could have had on the legitimacy of the research if they went unchecked.
- This research was qualitative in nature and as previously stated, did not allow for a quantitative examination of the data. A quantitative approach presents a future prospect for research in the context of the presented research aim and objectives.

- Finally, this research applied a lens to growth-focused small service firms in Ireland. There may be scope for further research on non-growth small service firms, on firms outside of Ireland and perhaps of varying sizes.

9.6 Recommendations for further research

This study explored a wide range of literature in relation to the overall aim of the research and was an extensive learning experience, one that served to raise issues as opposed to providing explicit answers. Thus, the thesis function is partly to identify issues appropriate for further investigation. There were a number of findings that have considerable influence on this research study which would benefit from further development to provide greater insights into the dynamics of the small service firm, learning strategy and growth and as such, it creates numerous opportunities for future research. Below are some observed recommendations for further research;

- One possible direction for future reference could investigate if the phenomena observed in this study apply beyond the small service firm. There is potential to extend the framework to other small firm types and/ or to other sectors as this may be something that will serve to improve growth in these companies as well. Similarly, a comparative study could be conducted on an international basis to determine the applicability of the framework beyond the studied case environment.
- While I re-visited the three businesses to ascertain if there had been an impact or not as a result of the learning intervention, there has been no subsequent follow-up post the research cycle. This is something that could be important for future research in terms of the longer-term impact and longevity of the strategic learning plan in theory and practice.
- The literature is lacking on the death rates of small service firms in Ireland and is unevenly leaning towards the numbers of businesses opening with little to be found on the numbers declining and/ or closing and reasons for such decline/ closure. There is potential here for future research, which might help us understand the core reasons for small service business failure, or indeed constrained growth beyond the lifestyle explanation.
- Finally, the literature is lacking on studies that review learning, learning strategies and planning in the small service firm and any potential link to growth. There is rich opportunity here for further research in this milieu.

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A1.0 Research protocol

Activity	Description	Timing
Action Research duration	Action Research duration was 11 months	3/11/2014 to 30/10/2015
Action Research	Design, development and implementation of a strategic learning plan with three owner/ managers	11/2014 to 10/2015
Selection Process for Action Research project	<p>Environmental Criteria: Small service firms as defined by the European Union.</p> <p>Internal Criteria: an enterprise whose owner is in the pivotal managerial role as primary employee influencer, and has imminent growth intentions for the business.</p>	
Action Research Access	<ul style="list-style-type: none"> - I identified a number of cases fulfilling the criteria outlined in the protocol. - Negotiated full access to the selected enterprises - Met with the case participants in order to establish researcher/employee rapport prior to the implementation of a strategic learning plan. 	<p>06/2014</p> <p>11/2014</p> <p>12/2014</p>
Research Instrument	Action research with myself as researcher-pracitioner as the primary research instrument in the application of research methods	
Research Technique	On-site observation and reflective diaries independently generated by the business owner and researcher, supported by informal conversations, interviews, completion of semi-structured interviews, the perusal of internal documentary evidence over the action research duration.	
Data Management	Audit trail of data, collection methods and process, including control of the research instrument's influence on the studied environment, specifically the balance of observation/ participatory action.	

Adapted from Klein & Myers (1999)

Table A1.1 Research protocol

A1.1 Data collection activities

In addition to the overriding research protocol, the author developed a clear schedule of data collection activities that I expected to be completed within specified periods of time (Table A2.2):

Activity	Description	Time line
Observation	- 11 month study	11/2014 to 10/2015
Literature review	Evolutionary process completed in before, during and again after the action research.	3/2012 to 6/2016
In-depth interviews/ informal conversations	- Owner interviews - Employee conversations -	Every month from 11/2014 to 10/2015
Reflective Diary maintenance	- Researcher reflective diary	3/2012 to 1/2016
Internal document review	Complete review at the end of 2014 and subsequent review at the end of 2015.	11/2014 to 10/2015
Industry review	Complete review in 2014, subsequent review in 2016.	2014/2016
Strategic learning plan impact	<u>Owner/Manager learning:</u> - Initial strategic learning plan semi-structured questionnaire - Observed impact of the strategic learning plan on business operations using a semi-structured questinnaire	11/2014 to 10/2015

Table A1.2 Data collection activities

A1.1.1 Observation Schedule

I agreed an outline schedule of site visits with the owner/ manager, including each visit's likely duration (Table A2.3):

Research Cycle (RC)	Small Firm (SF) 1	SF2	SF3
RC1	November 2014 to March 2015	December 2014 to February 2015	December 2014 to February 2015
RC2	April 2015 to July 2015	April 2015 to July 2015	April 2015 to July 2015
RC3	August 2015 to October 2015	August 2015 to October 2015	August 2015 to October 2015

Table A1.3 Observation schedule

A1.1.2 In-situ communications

Informal conversations between small service firm staff and myself as researcher-practitioner during each site visit supplemented these findings, while conversations between staff members overheard by me during observation sessions also provided valuable data in this context.

A1.1.3 Semi-structured interviews

Personal in-depth interviews were carried out with the owner/ managers within four weeks of the action learning intervention. Each interview lasted for between one and two hours. The interview purpose was to capture the thought processes, frames of reference and feelings about the learning intervention and its implementation, as well as the perceived impact within the small service firm.

A1.1.4 Reflective diary

I also maintained a reflective diary separate to the non-reflective recording of observations throughout the study. This diary narrative was completed by the author following each site visit and proved useful when analysing the case data and writing the thesis.

A2.0 Preliminary Meeting outline:

Step1: Introduce self and build rapport through some small talk

Step 2: Give a brief Overview of Research in terms of the aim and objectives:

- **Aim:**

Investigate the perceived impact of a strategic learning plan intervention on growth-focused small service firms' viability in the Irish context.

- **Objectives:**

1. To design and develop a small firm strategic learning plan;
2. To study the implementation of a strategic learning plan within small service firms;
3. To evaluate owner/ manager perceptions of the likely impact on growth of a strategic learning plan;
4. To pursue a strategic learning plan framework for use in growth-focused small service firms.

Step 3: Explain eventual product and benefits for their perusal: a report on their small service business.

Step 4: Explain consent form and request signature

Request permission to audiotape interviews and that interviews will be semi-structured in nature around a list of concerns. The questions listed below in Appendix 4 are representative of the ones that will be asked but it is expected that other questions will emerge during the course of the interviews.

Because the aim of the research includes the word 'impact' it is necessary to conduct a form of pre and post measure on any specific intervention.

I met with each OM to discuss the proposed case study and relevant logistics prior to research commencement in each studied small service firm. The primary purpose of this preliminary meeting was to elicit owner agreement to participate in this research

(Appendix 2). As an action researcher, complete company access was necessary in order to successfully perform each research cycle. Therefore, I made it clear to each participant as to the anticipated depth and length of the research study during this preliminary meeting.

Following participant agreement, I sent a '**Research Terms of Reference**' document and cover letter to each OM for review, and offered each individual a one-week 'cooling period' to afford them the opportunity to review the 'Research Terms of Reference', and ensure they were satisfied with the proposed timetable and depth of research prior to case commencement.

In the case of the first organisation, these 'Terms of Reference' were organic as can be expected in an exploratory study and therefore evolved throughout the research duration. These evolutions were agreed with the OM at each juncture and the presented 'Research Terms of Reference' are the result.

The 'Research Terms of Reference' are outlined below. For the purposes of participant confidentiality, this table has been sanitised of any direct reference to or about each participant company. Bracketed [...] comments represent the removed references to individual case companies, which are replaced with generic terms for the purposes of confidentiality.

A2.1 Research Terms of Reference as presented to each of the three OMs

Researcher: Monica Murphy, PhD Student, Waterford Institute of Technology

Research aim: Investigate the perceived impact of a strategic learning plan intervention on growth-focused small service firms' *viability in the Irish context*.

Research Method: I will use action research, observation, supported by semi-structured interviews with [*the owner-manager*] at each visit. These techniques will be supported by the learning event intervention sessions and informal conversations with OM's during site visits.

Proposed Action Research Visits: Nine visits over a period of As discussed in [*initial meeting details*], I would like to review relevant internal documentation for verification purposes during these visits.

Report: Shortly after the last visit, I will present the findings in draft form, discuss these with [*owner name*] for final clarification (this may require a further visit / discussion); and will then return with a draft Strategic Learning Plan for the benefit of OM.

Confidentiality: I will respect confidentiality and recognise that incidental events that may be observed during the research period as private. I will not discuss the case details or findings outside of the academic environment without prior agreement with [*OM*]

Document clearance: I will present a draft of the case to be included in the research thesis for review by [*OM*].

As agreed, either party can terminate this relationship should the need arise.

Signed:

Signed:

Monica Murphy

[owner signature in each case study]

Date:

Appendix 3: Consent Form

I am inviting you [OM name] to participate in a research study due to the fact that you own and/or manage a small service business that is growth-oriented. The purpose of this research study This action research study is being conducted as part of my PhD. requirements in Waterford Institute of Technology.

INFORMATION

If, after reviewing this form and the attached terms of reference, you agree to participate please sign below. Results from the study will be shared with you in due course.

RISKS

I do not anticipate any risk associated with the study.

BENEFITS

You will be presented with a strategic learning plan that may enable growth as planned for your business. You will take part in learning interventions delivered by an expert at no cost to you. Further, you may decide what these learning interventions should be. It is hoped that the study will add to the body of knowledge that exists on small service firm strategy, growth and learning links.

CONFIDENTIALITY

I am not collecting any identifiable information and any information supplied will be redacted accordingly if fit for inclusion into the final thesis. All information from the survey will be kept confidential. The information will be kept in a locked filing cabinet accessible only to the researcher.

CONTACT

If you have questions at any time about the study or the procedures you may contact the researcher, Monica Murphy by email at monicapmurphy@gmail.com .

CONSENT

I have read this form and received a copy. I have had all my questions answered to my satisfaction. I agree to to participate in this study.

Owner/Manager Signature _____ Date _____

Section 1: Context Exploration

1. How would you describe the culture of your organisation? How has that culture been created?
2. What resources are available for learning in your organisation?
3. Can you tell me about your organisational strategy?
4. Can you tell me about your plans for organisational growth?
5. What current challenges do you see in your organisation? What are your plans for addressing them?
6. Are organisational learning needs captured and recorded as part of the organisational strategy?
7. Are individual learning needs captured and recorded as part of the organisational strategy?

Section 2: Process of Social Learning

8. How, and to what extent, do your team members collaborate in management? For instance, to what degree do they shape objectives, set milestones, and determine processes and delegation?
9. How, and to what extent, do your team members share information?
10. How productive are your team?
11. What training or learning intervention (s) have they received?
12. How are individual and organisational learning needs aligned?

Section 1: Implementation of a Strategic Learning Plan

The purpose of our meeting today is to study the implementation of a strategic learning plan on the small service business and to evaluate the owner/manager perceptions of the likely impact on growth of a strategic learning plan.

Study the implementation of a strategic learning plan within the small service business:

- a. One of the core subjects that emerged as required in your strategic learning plan was that of [Insert topic]. Having engaged in a learning session on this topic, can you tell me what parts of it you have implemented in your business?
- b. Did you face any difficulties in implementing those parts?
- c. How did you overcome those difficulties?
- d. Would you change anything if you were to implement those learnings again?

Section 2: Evaluate the owner/manager perceptions of the likely impact on growth of a strategic learning plan:

- e. What impact has the strategic learning plan had OR is likely to have on:
 - i. Growth of your Enterprise
 - ii. Effectiveness of your Enterprise
 - iii. Productivity of your employees?
- f. What do you see as your role in ensuring that growth in the above areas happens?
- g. Has having a Strategic Learning plan helped you to conceptualize your role?
- h. What do you perceive to have been the most beneficial aspect of your strategic learning plan thus far?
- i. Do you think that owner/managers should have a strategic learning plan in place as they start to grow their business? Why/Why Not?

Appendix 6: Documentary Sources

A thorough review of all relevant public documentation relating to the small service firm sector in Ireland was completed as part of the industry analysis. An archival search of pertinent Irish Government information was completed in the context of this investigation.

The relevant Government bodies identified during this review are:

- The Department of Jobs, Enterprise and Innovation (<https://www.djei.ie/en/>)
- The Central Statistics Office (<http://www.cso.ie>)
- Enterprise Ireland (<http://www.enterprise-ireland.com>)
- Forfás (<http://www.forfas.ie>)

Specific Government publications include:

- Fitzpatrick Associates (2001) '*Small business failure in Ireland*', Dublin: Report to the Department of Enterprise, Trade and Employment.
- Fitzsimons, P and O'Gorman, C. (2011), 'Entrepreneurship in Ireland 2011'
- Fitzsimons, P., and O'Gorman, C. (2014) 'Entrepreneurship in Ireland 2013'
- Small Business Forum 2006, 'Small Business is Big Business', Dublin:Forfás.
- Report of the Entrepreneurship Forum (2014) 'Strengthening the Start-up Community' Entrepreneurship in Ireland. Government of Ireland. [Internet] Available at: <https://www.djei.ie/en/Publications/Publication-files/Entrepreneurship-Forum-Report-2014.pdf>. Accessed 30/2/2015.
- Report of the Entrepreneurship Forum (2014) 'Strengthening the Start-up Community' Entrepreneurship in Ireland. Government of Ireland. [Internet] Available at: <https://www.djei.ie/en/Publications/Publication-files/Entrepreneurship-Forum-Report-2014.pdf>. Accessed 30/2/2015.
- Government of Ireland. 2008. Building Ireland's Smart Economy: A Framework for Sustainable Economic Renewal, [Internet] Available at www.taoiseach.gov.ie. Accessed 3/5/2013.
- DKM Economic Consultants (2006) 'The Economic Impact of Small Business in Ireland', 9th March. Available at: http://www.Forfas.ie/media/060516sbf_dkm_background_report_webopt.pdf Accessed 9/3/2013.

- DJEI, (2016) 'Action Plan for Jobs' Government of Ireland, Department of Jobs, Enterprise and Innovation. [Internet] Available at: <https://www.djei.ie/en/publications/publication-files/action-plan-for-jobs-2016.pdf> Accessed 8/3/2016.
- DJEI, (2011) 'The Voice of the small business' Government of Ireland, Department of Jobs, Enterprise and Innovation. [Internet] Available at: <https://www.djei.ie/en/Publications/Publication-files/The-Voice-of-Small-Business---A-Plan-for-Action'.pdf> . Accessed 3/3/2013.
- DJEI, (2003) 'Essential Conditions' Government of Ireland, Department of Jobs, Enterprise and Innovation. [Internet] Available at: <https://www.djei.ie/en/Publications/Publication-files/Forfás/Chapter-5-Essential-Conditions.pdf>. Accessed 10/3/2013.
- Action Plan for Jobs (2016), Government of Ireland, Department of Jobs, Enterprise and Innovation. [Internet] Available at: <https://www.djei.ie/en/Publications/Action-Plan-for-Jobs-2016.html>. Accessed 12/4/2016.
- Action Plan for Jobs (2013), Government of Ireland, Department of Jobs, Enterprise and Innovation. [Internet] Available at: <http://www.oireachtas.ie/parliament/media/committees/jobsenterpriseandinnovation/Action-Plan-for-Jobs---Table-of-Actions.pdf>. Accessed 1/4/2014.
- Management Development Council, (2010) 'Management development in Ireland', Government of Ireland Report, Forfás.

The author also identified and studied a number of relevant non-government organisations and publications while reviewing the small service firm sector, specifically:

- Kenny, B. (2015) 'Determinants of firm growth for Irish SMEs' , Certified Public Accountants, [Internet] Available at: <http://www.cpaireland.ie/docs/default-source/media-and-publications/other-publications/cpa-research---determinants-of-firm-growth-for-irish-smes.pdf?sfvrsn=2>. Accessed 30/2/2016.
- Goodbody, Stockbrokers (2002) Economic Report on Entrepreneurship in Ireland, Dublin.
- NCOE - National Commission on Entrepreneurship (2000) 'Building Companies, Building Communities: Entrepreneurs in the New Economy, [Internet] Available at: www.ncoe.org

- SBA (2014) Small Business Association [Internet] Available at: https://www.sba.gov/sites/default/files/aboutsbaarticle/SBA_FY_2014_-_2018_Strategic_Plan-1.pdf. Accessed 15/5/2015.
- A general Internet search (<http://www.google.ie/>) for relevant publications

The author studied applicable European public records, specifically those relating to the appropriate European Union authorities (<http://www.europa.eu.int/>), and the small service firm sector. Identified relevant documents include:

- European Information Technology Observatory [EITO], (2006) [Internet] Available at: <https://eprints.soton.ac.uk/cgi/users/login?target=https%3A%2F%2Feprints.soton.ac.uk%2Fcgi%2Fusers%2Fhome%3Fscreen%3DEPrint%253A%253AView%26eprintid%3D34112>. Accessed 19/2/2013.

In addition, available documentary sources relating to the small service firm from a worldwide perspective were also considered in the context of the Irish community. Specific publications include:

- European Union - European Commission. 2011. Observatory of European SMEs. [Internet] Available at: http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/index_en.html
- Bolton, J., 1971, *Small Firms: Report of the Committee of Inquiry on Small Firms*, HMSO, Shnd 4811, UK.
- European Centre for Development of Vocational Training (1989) '*Annual report for Vocational Training in the European Community*' Cedefop:Germany.
- GEM Global Entrepreneurship Monitor (2013), <http://www.Forfäs.ie/media/24092012-GEM%202011-Publication.pdf> accessed November 2013.
- GEM Global Entrepreneurship Monitor (2014), <https://www.djei.ie/en/Publications/Publication-files/Global-Entrepreneurship-Monitor-GEM---Report-for-Ireland-2014.pdf>.
- OECD Organisation for Economic Co-operation and Development (2006), 'The New Rural Paradigm Policies and Governance', *Official Journal of the European Union Commission Recommendation*, Paris:OECD publishing.
- OECD Organisation for Economic Co-operation and Development (2012) 'Entrepreneurship Skills for Growth-oriented Business, Paris:OECD Publishing

- OECD Organisation for Economic Co-operation and Development (2011), '*Small business, job creation and growth: Facts, Obstacles and Best Practices*', [Internet] Available at: <https://www.oecd.org/cfe/smes/2090740.pdf>
- OECD. (2010), '*High-Growth Enterprises: What Governments Can Do to Make a Difference*', OECD Studies on SMEs and Entrepreneurship, Paris:OECD Publishing.

A review of the popular press in the Irish context, specifically a historic search of the primary daily newspaper and Sunday newspaper archives, offered greater insight into public and industry perception regarding the small service business sector in Ireland.

- Daily Newspapers:
 - The Examiner (<http://www.irisht Examiner.com/>)
 - The Irish Independent (http://www.unison.ie/irish_independent/)
 - The Irish Times (<http://www.ireland.com/newspaper/>)
- Sunday Newspapers:
 - The Independent (http://www.unison.ie/irish_independent/)
 - The Tribune (<http://www.tribune.ie/>)
 - The Times (<http://www.timesonline.co.uk/>)
 - The Sunday Business Post (<http://www.sundaybusinesspost.ie>)

Appendix 7: Internal, public facing and industry documentary evidence

To enhance the action research project, I investigated any internal, public facing and industry documents as available such as:

- Internal documents
 - Company presentations
 - Staff handbooks
 - Quality manuals
 - Minutes of staff meetings
 - Policy and procedure documents
 - Notice boards
 - Learning and training manuals

- Public-facing documents
 - Webpages
 - Social media presence
 - News articles
 - Internet archives

- Industry specific data
 - Irish Exporters Association
 - Bord bia
 - The Freight, Transport, Distribution and Logistical (FTDL) Association of Ireland
 - Chambers Ireland
 - The Restaurants Association of Ireland
 - The Food and Drink Industry of Ireland
 - Information and Communication sector of Ireland
 - The Code Institute of Ireland
 - Irish Business and Employers Confederation (Ibec)