ABSTRACT

Exploring the Change Patterns and Characteristics of Small and Medium-Sized Enterprises

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The purpose of this dissertation is to explore change in small and medium-sized enterprises (SMEs) operating in small, English speaking developing economies; to understand how they change, why they change, and to identify any general change patterns and characteristics. The study uses in-depth interview data from 50 Jamaican based SMEs in the distribution and retail sector. Ex post coding, descriptive statistics, Spearman’s rank correlation, and cross tabulations were used to analyse the data. The results show that the organization life cycle theory does not provide an explanation of change in SMEs operating in small English speaking developing economies. The observed changes did not follow a predictable path. They were mainly reactionary and related to strategic (marketing, cost management) and contextual (infrastructural capacity, human capacity) activities; structural changes were limited. Change was driven by internal and external situations, evident in the form of profitability concerns market conditions and externally driven costs. The findings are based on a data set from the distribution and retail sector; hence, the results may not be applicable to other sectors. This study provides an understanding of how and why SMEs change and presents managers with improved insights into critical organizational transitions. It allows policymakers to craft coherent and interventional policies relevant to the operating environment. Prior research on change in SMEs was conducted primarily in stable westernized environments, and highlighted a predictable path to change. The phenomenon remains underresearched in small, developing economies. From a scholarly perspective, the study contributes to the identification of critical change variables that will aid the development of frameworks for empirically validating and improving theoretical understandings of change in these economies.

Keywords: Winsome A. Halliman; SMEs; organization change; small developing economies; transformation; business life cycle.