

Master thesis (MAN-MTHBAM)

Radboud University

**Change management: constraints and impulses on change and development of organization's
structure at SMEs transitioning to large enterprises.**

An inductive case study.

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Abstract

Small-medium enterprises are overall characterized by their flexibility and adaptability. However, once small-medium enterprises enter the phase of growing towards a large enterprise, a complex and difficult change process unfolds. The increasing size of SMEs eventually tends to chafe with the design of current structure. This implies that the SME has grown operationally, but the internal structure is still behind.

The goal of this study is to identify drivers and constraints that affect the change and development of organizational structure within small-medium enterprises that are growing towards large enterprises. The research question of this study is *“how does the development and change of organizational structure evolve within SMEs transitioning to large firms?”*.

The research is conducted within a SME located in the Netherlands. The organization experienced rapid growth over the past twenty years and is taking steps toward becoming a large enterprise. The research aims at theory building; thus, data collection took place inductively, where theoretical statements got derived from the collected qualitative material.

The change of structure within SMEs is shaped by two concepts. First, the extent to which the organization has a defined and aligned view on its future state, in this study referred to as the *change scope*. Second, the strategy by which the organization intends to approach the future state, referred to as *change strategy*. This study suggests SMEs to validate both concepts to better guarantee establishment of an effective organizational structure, as it increases organization's chances of survival.

Keywords: organizational change, small-medium enterprises, organizational growth, organizational design, structure, change management

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1. Problem statement

1.1 Introduction

Firm growth is a foundational topic in management research (Eide et al., 2021). In organization's haste to grow, crucial development questions are often overseen (Greiner, 1998). The speed of decision-making in growing companies also leads to stress on the organizational structure (Kotter & Sathe, 1978), as an example: change in products, processes or decisions requires a rapid flow of information which the current functional structure is not able to cope with. This could be seen at Blockbuster, a video rental chain that went bankrupt because the infrastructure was not able to process the rapid growth and changes of the digitalization of the industry (Almeida, 2011). Drucker (1999, as cited in Haqua et al., 2016) states that everybody has accepted by now that change is unavoidable. However, Haque et al. (2016) say that the implementation of change is dependent on individuals' attitude towards the change. Kotter and Sathe (1978) state that small- and medium-sized enterprises (SMEs) are better able to tackle this by cross-functional coordination due to their higher degree flexibility. Evans (1991) sees flexibility as the ability to do something that was not originally intended. However, a flexible approach to tackling challenges in times of growth does not indicate thoughtful redesign or restructuring of the organization that is robust for short- and long-term. Also, research by Levy and Powell (1998) demonstrates that SMEs do not conform to the perception that they are particularly flexible or adaptable, and that SME structures are not especially organic and responsive. Initiative has been taken to highlight this statement from a practical perspective. Recently, therefore, a sounding board group was initiated with several SMEs growing towards a large-sized business from various sectors on process change due to growth. The overall conclusion is that organizational change happens at the organizational level, but structure of the organization and its departments is not going with the change.

There thus seems to be a gap between the explanatory capacity of current literature on growing SMEs and reality. That is remarkable, as SMEs are being increasingly recognized as "the life blood of modern economies" (Ghobadian & Gallear, 1996, p. 83). Hölzl (2009) also claims that it is surprising that only little is known about high-growing SMEs but seeks explanation in the fact that it is a temporary phenomenon in the lifespan of the business.

SMEs can be clustered in different size categories with their own strategic orientations (Wincent, 2005). As this research will be performed in the Netherlands, the criteria for distinguishing SMEs and large companies as drawn up by the Dutch government will be adhered to. SMEs are companies where no more than two hundred fifty fulltime equivalents are employed. Once a company employs more than two hundred fifty fulltime equivalents and has a net sale of more than fifty million euros and a

balance sheet total of more than forty-three million euros, a company is identified as a large firm (RVO, 2021). Li and Tan (2004) state that it are the SMEs transforming to large firms that experience a complex, difficult and hostile strategic process. In current literature, little research is conducted on SMEs business strategy on change in the period of growth towards a large company (Li & Tan, 2004). Since this stage in the life cycle of a SMEs involves the most complex process change, and given the gaps in the current literature, this is a field-of-focus where much knowledge remains to be gained. This research will thus focus on existing SMEs transitioning towards large-sized firms, with primary focus at the change and development of organization's structure.

1.2 Research goal and research question

1.2.1 Research goal

The results of this study attempt to identify the drivers and constraints on change and development of organizational structure in the case of organizational growth within SMEs that are making the transition to a large firm, in order to contribute to the current literature by establishing a new theoretical framework that supplements to current knowledge on organizational growth and change.

1.2.2 Research question

The research question of this research is: "how does the development and change of organizational structure evolve within SMEs transitioning to large firms?".

1.3 Relevance and contribution

1.3.1 Theoretical relevance

Research on the effect of size on structure in current literature got great attention (Meyer, 1972). However, difficulty and contribution arises when research moves from the level of generality to a deeper level of specificity (Dalton et al., 1980). Additionally, only a few studies focus on challenges in growth at SMEs with consequently limited insight in the process or patterns (Davidsson et al., 2006; Gupta et al., 2013). This research will therefore deepen on the transition phase from SMEs to large companies with attention to organizational structure. Furthermore, little research has been performed on how the simultaneous process of organizational growth and resulting need for the adaptation of the organizational structure cohere. Pressing questions for survival such as what the critical point is before structural change breaks through, and what the drivers are behind underdevelopment of the structure given a certain growth rate, have hardly been highlighted from a SME perspective. Budhiraja (2019) supports this by concluding that there is an ever-growing emphasis in literature on the importance of change, but only very little evidence is provided in change management strategies adopted by SMEs. Wiesner et al. (2004) determine that majority of published research on

organizational change focuses on large organizations, rather than SMEs. Furthermore, current literature often takes for granted what constitutes change (Quattrone & Hopper, 2001). It thus seems that current literature knows the 'what', but knowledge is lacking on the 'why' and 'how'.

1.3.2 Practical relevance

SMEs are seen as the backbone of an economy (Krasniqi, 2007; Gupta et al., 2013). They are considered to be an essential source of economic growth, flexibility and dynamicity, and represent more than ninety-five percent of all companies (Robu, 2013). Growth in the case of SMEs is a critical precondition for longevity (Helmich, 1974; Pasanen, 2007). Whetten (1999) clarifies that growth allows opportunities for promotion, provide resources necessary to fund the development of new projects, and reduce uncertainty, risk or external control. By providing new insights on drivers and constraints on the development of organization's structure in times of growth, SMEs can optimize their growth transition serving to strengthen the organizational position. This research can help in timely identifying and managing critical aspects of structural development underlying the entire business operation.

2. Theoretical background

2.1 Organizational change

2.1.1 Growth in SMEs

In this research, change will be evaluated in the light of SMEs that are transitioning, and thus growing, towards large enterprises. Entrepreneurship is considered successful when growth is achieved (Gupta et al., 2013). Growing SMEs are seen as companies that have the capability to take advantage of opportunities presented by unpredictable markets (Tan & Smyrniotis, 2013). Wu et al. (2015) define the growth of medium-sized firms maturing towards larger firms as functional growth. In current literature, definition and operationalization of organizational growth is diverse and there is no consensus upon one appropriate way of measuring it (O'Farrell & Hitchens, 1987; Weinzimmer et al., 1998). Scott and Bruce (1987) see growth as a passing through distinctive stages, where the transition from one to the next stage is often accompanied by a crisis due to the different characteristics of each phase. Peng and Heath (1996) approach growth as the expansion of organization size measured by assets, employees or sales, which goes hand-in-hand with generation of new economic functions or more lines of products and services. Starbuck (1965) sees organizational growth as "the change in an organization's size when size is measured by the organization's membership or employment" (p. 451). Firms grow not automatically, but as a response to human decisions (Penrose, 1955). Penrose (1955) and Helmich (1974) further states that any expansion not only involves acquisition of new personnel, but also promotion, replacement and redistribution of the current. According to Street and Meister (2004), growth of SMEs is the evolvement of the organization and comes with incorporating changes to management structure, communication processes and operational planning. It can thus be concluded that firm's growth is a deliberate action which results in the expansion and consequential restructuring of a particular firm in assets, operations and employees. Consequentially, one can suggest that organizational change is a response to growth, or, applied to this research, SME's transition to a large enterprise. Barnett and Carroll (1995) support this: as organizations grow, certain structural transformations should occur. Additionally, Tan et al. (2007) state that organizational change is an essential ingredient of growth.

Growth can be differentiated into two types: organic growth and acquisitive growth (Pasanen, 2007; Lockett et al., 2011). Kukko (2013) defines organic growth as "growth that is achieved without buying any existing business beyond the company" (p. 19). Organic growth can thus be seen as internal growth, while acquisitive growth is an external way of growth. According to McKelvie et al. (2006), growth by acquisition is more likely to occur in large firms instead of SMEs, as acquisition requires financial capital and managers' ability to integrate the two firms: both financial capital and managerial

resources are probably greater among large firms. As this research will be conducted within SMEs, the focus will be on the organic growth rather than on acquisition growth.

2.1.2 Drivers on growth in SMEs

It can be concluded that for growing SMEs, change is indispensable. To get a better understanding of change in SMEs that are transitioning to large enterprises, the side of academic literature dedicated on what drives SME's growth must be understood. Growth determinants of SMEs can be classified into three dimensions, relatively individual, organizational and environmental factors (Zhou & De Wit, 2009; Sarwoko & Frisdiantara, 2016). Individual factors are about the personality characteristics of the entrepreneur (Sarwoko & Frisdiantara, 2016) but also managerial capacities (Lockett et al., 2011; Bouazza et al., 2015). This includes aspects as age, gender and family influence, but also education and experience (Sarwoko & Frisdiantara, 2016). In order for organic growth to be successful, managerial ability to efficiently steer internal processes and resources (Kukko, 2013) and managerial growth aspirations (Boeker, 1997; Eide et al., 2021) are required. Bhide (1996) subsequently states that lack of core competences and skills at the top management is one of the main challenges faced by SMEs. O'Farrell and Hitchens (1998) underline that, on expansion, a major check is on the availability of suitable management. Organizational factors are about the effectiveness and capabilities of the resources a company has, such as strategies, resources, structure (Sarwoko & Frisdiantara, 2016), and technology (Maranto-Vargas & Rangel, 2007). Covin and Slevin (1988) support this by their finding that management's entrepreneurial orientation and organizational structure are related to firm performance, and thus growth. Environmental factors on growth are mainly about competition (Sarwoko & Frisdiantara, 2016). Environmental factors can be seen as all the events outside the company that has the potential to affect the company (Indris and Primiana, 2015). These include sectoral trends, the strength of competition, government policies (O'Farrell and Hitchens, 1998), legislations and regulations, and access to finance (Bouazza et al., 2015).

2.1.3 Perspectives on transitioning

One perspective in current research highlights that small firms grow faster than large firms because of their responsive flexibility (Krasniqi, 2007). In contrast, the other perspective suggests that it are the large firms that are better able to grow due to their rich and combinable resources (Lockett et al., 2011). Based on these approximations, one can suggest that SMEs transitioning to large firms seem to fall between the cracks on adaptability and flexibility, and resource-based capacity. The resource-based view supports this by stating that SMEs face restrictions on resources and capabilities, limiting their strategic choices (Wiesner et al., 2004; Fernández-Olmos & Ramírez-Alesón, 2017). Wu et al.

(2015) further add that medium-sized enterprises have more personnel issues to handle than small-sized enterprises but have not the fully developed personnel structure of large firms.

2.1.4 Organizational change

According to Stanleigh (2008), growth drives change. Organizational change is a key topic in change management (Pardo-del-Val & Martinez-Fuentes, 2003), and a pressing sequence when transitioning to a large enterprise. Al-Haddad and Kotnour (2015) state that “change has become the norm for organizations to sustain their success and existence” (p. 234). Moran and Brightman (2000) see change management as the process that continually renews the direction, structure and capabilities of an organization. Kidane and Xuefeng (2022) refer to organizational change as to how a company changes a significant component of its organization, such as the infrastructure it uses to operate, underlying technologies, or its internal processes. Barnett and Carroll (1995) define organizational change as “the transformation of an organization between two points in time” (p. 219). Jones (2013) sees organizational change as the process by which organizations redesign their structures and cultures, aimed at increasing organization’s effectiveness. According to Murphy (2002), organizational change encompasses production processes, management approaches, and external relations. Mustafa et al. (2019) state that there are three main areas of the organization that must be adapted to change: the structure, technology and operations, and the people. Related to growth, Tan et al. (2007) see that change in the areas of technology and human resources in addition to management practices are needed. Benjamin and Morton (1988) and Volkoff et al. (2007) specify technology as information technology (IT). Combining the different definitions and aspects of change steers this research into a socio-technical approach, implying a directed balanced attention to both social and technical factors (Robey et al., 2013). Kuipers et al. (2020) acknowledge this by stating that the functioning of an organization is the result of the combination of the technical subsystem, and the social subsystem.

2.1.5 Types of change

Organizational change is broad and can be divided into different types. One of these types is restructuring and downsizing (Smith, 2002). This type of change covers rearrangement of organizational units and workforce, but also shifts in number of employees (Smith, 2002), which aligns with the scope of this research. Mintzberg and Westley (1992) distinguish two types of change: a change in organization focusing on the state, and a change in strategy aiming at the direction. Structure is part of the state of the organization (Mintzberg & Westley, 1992), which classifies the scope of this research at organizational change rather than strategic change. Concrete levels of this type of change are systems and people. A further distinction can be made on episodic, radical change and incremental, continuous change (Weick & Quinn, 1999). Callan (1993) states that management which pushes for

change in small, predictable steps, results in incremental change, allowing employees to cope. This suggests that incremental change is less stressful than radical change.

Based on current literature, approaching organizational change can be done at two sequential phases: emergence and implementation. Arguably, one can also see post-implementation as a phase (Imran et al., 2016). For the scope of this research, this phase will not be taken into account as focus is on the change process rather than output evaluation. For the emergence phase, elements are staffing (McGahan & Mitchell, 2003; Ján & Veronika, 2017), growth (Stanleigh, 2008), goals, aspirations and strategies (Ján & Veronika, 2017; Eide et al., 2021), individual change initiatives (Niess & Duhamel, 2018), and sense of urgency (Stanleigh, 2007). For the implementation phase, relevant elements are readiness and resistance for change (Haque et al., 2015), planning of the change process (Burnes & Jackson, 2011; Ján & Veronika, 2017), knowledge management (McGahan & Mitchell, 2003; Imran et al., 2016; Ján & Veronika, 2017), structural bureaucracy (Barnett & Carroll, 1995; Ján & Veronika, 2017), process issues (Ján & Veronika, 2017), and competence in those commissioning or managing the change process (Burnes & Jackson, 2011). For this research, the sensitizing concept of organizational change will be 'the emergence and implementation of a renewed state of the organization'.

2.2 Organizational structure

This research aims at structural change in the case of SMEs transitioning to large enterprises. According to Greiner (1998), as organizations grow, they tend to retain their organizational structure even after it has fulfilled its purpose, as the structure serves as the source of their power. The question arises why structure lags behind when organizations grow, given its crucial role in the survival of an organization. Organizations exist to achieve goals (Lunenburg, 2012; Tran & Tian, 2013). To achieve these goals, organizations create relations and internal order among the different organizational parts, which is the organizational structure (Tran & Tian, 2013). Lunenburg (2012) defines organizational structure as "the formal configuration between individuals and groups regarding the allocation of tasks, responsibilities, and authority within the organization" (p. 1). Marasi et al. (2018) see organization's structure as the distinctive characteristics of an organization resulting from the division of elements and responsibilities and their underlying relations to each other. James and Jones (1976) define organizational structure as the "characteristics of an organization reflected by the distribution of units and positions within the organization and their systemic relationships to each other" (p. 76). Ahmady et al. (2016) define structure as the relations between the components of an organized whole. Kuipers et al. (2020) see structure as the grouping and linking of activities. According to Claver-Cortés et al. (2007), organizational structure determines the degree of creation and transferring of information. Jones (2013) adds that organizational structure should adapt a structure that reflects the degree of uncertainty in the environment.

The functioning of an organization is, as already stated, the result of the combination of the technical and social subsystem, known as the socio-technical approach. Applied to structure, the technical subsystem includes the hard systems such as planning, logistics and finance (Kuipers et al., 2020). The social subsystem entails the work roles, reporting structure, relationship between management and employees, and culture (Kuipers et al., 2020). Ahmady et al. (2016) distinguish two types of structures: physical and social structures. Where the social structure covers relations between social elements as people, positions and organizational units, the physical structure entails the relations between physical elements of the organization such as buildings and places where work is done (Ahmady et al., 2016).

The sensitizing concept of organizational structure that will be adhered to in this research is ‘the configuration of the organization’s social system covering tasks, responsibilities and authorities among the different individuals and organizational units, resulting in relations and internal order, supported by physical resources which are part of the technical system’. This research thus, unlike the most common purely social research approach on organizational structure, sees value in including the underlying technical structure as well, in order to understand and capture structural change as broadly as possible.

2.3 Conceptual model

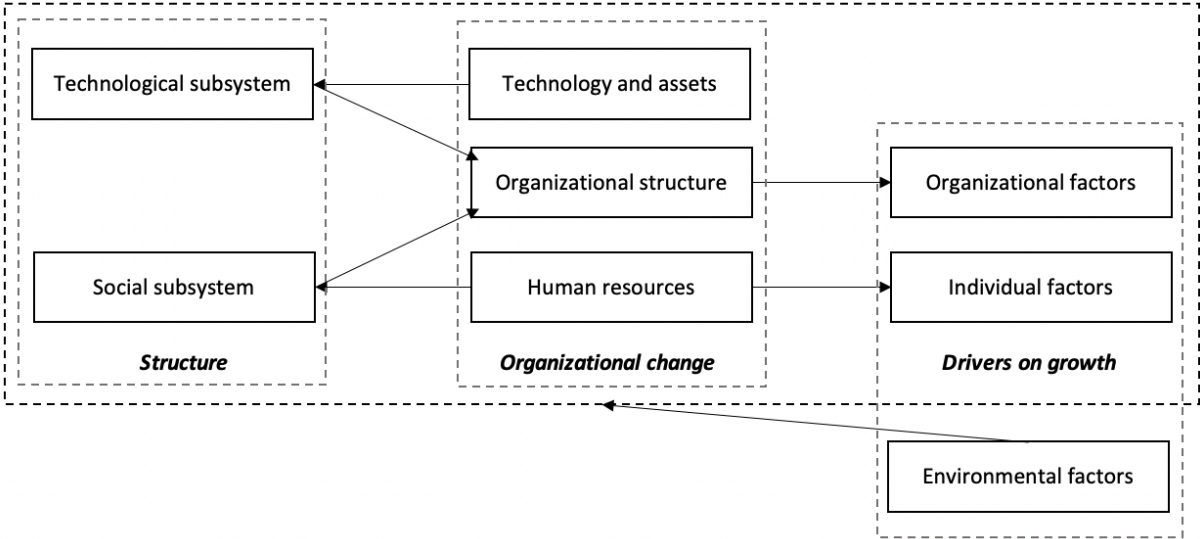


Figure 1: *Conceptual model.*

3. Research methodology

3.1 Research design

To answer the research question “*how does the development and change of organizational structure evolve within SMEs transitioning to large firms?*”, a qualitative research strategy will be used. Qualitative research aims at the collection and interpretation of linguistic material. Based on this material, statements are made about a (social) phenomenon of reality (Bleijenbergh, 2015). Myers (2013) adds that qualitative research is ideal for studying social and cultural aspects of people and organizations. To understand the determinants on how and when organizational structure evolves in the case of SMEs transitioning towards large enterprises, there lies great importance in going in depth into the underlying thoughts, drivers, and motivating factors that shape structural change into its true form. Thus, in this research both social as contextual aspects require attention. Garcia and Gluesing (2013) state that qualitative research methods provide an ideal approach in understanding new work contexts within organization studies to organizational change, including considerations of how work practices and organizational structures and cultures evolve. In contrast, numerical data, and thus a quantitative approach, is less able to deliver knowledge on how a person experiences a situation and about the context of the phenomenon that is central (Bleijenbergh, 2015). On top of that, many social and cultural aspects of organizations are lost or treated superficially in a quantitative approach (Myers, 2013). This supports the decision to go with a qualitative strategy given the research objective.

The research takes an inductive approach. In an inductive approach, theoretical statements are derived from empirical material (Bleijenbergh, 2015). Inductive reasoning starts bottom-up: first, data is collected about the topic. After analysis, potentially patterns emerge which lead to one or more propositions, resulting into a more general theory (Myers, 2013). Inductive research is thus characterized by taking observations and look for patterns in the data. The conducted literature review has shown that existing theories and frameworks on structural change in transitioning SMEs are limited. By using an inductive approach, potential new relevant theories to the context can be build. Its counterpart is a deductive approach. A deductive approach aims at the confirmation of existing theories (Myers, 2013). Given the limited research on change in transitioning SMEs and the observed gap between the explanatory capacity of current literature on growing SMEs and reality, the scientific contribution and thus the usefulness of a deductive approach is arguably limited.

Qualitative research in studies on organizational change is usable for theory development (Garcia & Gluesing, 2013), making an inductive approach justifiable given the chosen qualitative research strategy. The inductive approach combined with the qualitative research strategy, steers this research towards *case study* as research method. Case studies can be used for theory testing, but also for theory

building (Myers, 2013), which is in line with the inductive approach of this research. As the focus of this research will be on theory building, this case study is exploratory in character rather than explanatory. Myers (2013) adds that case studies are particularly useful in the early stages of research on a new topic, and thus on the theory building (Myers, 2013), which supports the use of a case study approach.

More specific, this research will be conducted as a *single case study*. Myers (2013) states that in the case of a case study, generalizing one case into theory is effective, as adding more cases won't significantly increase the confidence of the findings. This is because of the fact that sample size will always remain too small, and a truly random sample will not be achieved. Gustafsson (2017) adds that single case studies produce extra and better theory as a more careful study is made, resulting in a deeper understanding of the subject. According to Yin (2013), empirical foundation for generalizations derives from in-depth study of a specific case, which limits the number of cases that can be studied. It is thus arguable that for the theory-building purpose of this study, a single case study is effective and efficient.

The first step is case selection. The case for this research is a SME located in the Netherlands, which has experienced rapid growth over the past twenty years. Currently, the organization is taking steps toward becoming a large company. Contact was obtained through pre-existing connections with the organization and key figures in management. As suggested by Bleijenbergh (2015), approaching the organization to express interest in conducting this research with them was done face-to-face. Case selection has been done based on the principle of theory-based sampling (Suri, 2011). This type of sampling involves the selection of a case which represent important theoretical constructs about the phenomenon of interest (Suri, 2011), and is guided by emerging theory (Draucker et al., 2007). Within the selected case, the concepts of a transition to a large enterprise as well as change in organizational structure are found. Based on theoretical sampling, it can be concluded that the selected case is contributing, relevant and serves the purpose of the study.

The second step is understanding the concepts of the case. The case organization is one of the national leaders within the leisure industry and knows more than hundred-eighty full-time equivalents. These contracted full-time equivalent hours are spread among about one hundred permanent employees, and more than four hundred on-call employees. Operational hours which are not filled by in-house employees are filled by temporary workers up to a certain ratio. Thus, the workforce has a permanent core, surrounded by a large, flexible workforce pool. In total, the company consists of fifteen business units. The business units differentiate themselves on a range from operational, tactical to strategic level. The research can therefore be conducted at various levels of the organization: from the

operational level to decision-making. The collectible data within the selected case, and with that the information density, is thus diverse and presumably adequately covering.

3.2 Plan of data collection

3.2.1 Units of observation

The data collection methods that will be used for this case study are interviews, observations and documents, which is in line with the principle of triangulation as multiple data gathering techniques will be used (Thurmond, 2001; Myers, 2013; Bleijenbergh, 2015). Consequently, more confirmatory evidence can be found (Thurmond, 2001), and the internal validity of the research will be improved (Devers, 1999). The interviews will be semi-structured. Semi-structured interviews use pre-formulated questions, but there is no strict adherence to them. During the interview, new questions might emerge (Myers, 2013). There is thus flexibility to dive into more depth on certain themes, but also opportunity to explore completely new topics or aspects. Schweiger et al. (2018) support this: participants can help to capture different viewpoints and offer as many ideas as possible. As the purpose of this research is to inductively develop new theories, it is to be assumed that discovering and exploring new perspectives by semi-structured interviews supports this process. In addition, an observation will be carried out and documents will be analyzed. Prior to this study, familiarity with the inner functioning of the research unit has already been established. These observations were not coded but provide important background information for the analysis. The final coding tree is included in section 9.3 (appendix C).

3.2.2 Sampling for units of observation

Sampling size for units of observation in qualitative research depends on aspects as the scope of the study, quality of the data, and the amount of useful information obtained from each participant (Morse, 2015). It can be argued that the sample size is big enough once sufficient quality data is collected to answer the research question. This can be assessed based on the concept of data saturation: when no new information is obtained from interviews or other data collection methods, saturation is reached (Gill, 2020). Suri (2011) states that the likelihood of reaching saturation is highest when data collection is purposeful. As sampling strategy for units of observation, this research will therefore use purposeful sampling. This strategy is useful when one wants to focus in depth on a small set of samples (Nikolopoulou, 2022). The purposeful sampling technique that will be used in this research is snowball sampling. Snowball sampling involves connection with key informants who have information about information-rich units of observation (Suri, 2011). As connection has been established with a key informant which can function as access point, snowball sampling is an appropriate and effective sampling technique for this research.

3.3 Data analysis

This research focuses on theory building; thus, data analysis will be performed bottom-up (Myers, 2013). For all the conducted interviews, verbatim transcripts will be compiled. Recording of observations is done by keeping detailed observation memo's. Analysis of the qualitative material will be performed according to the inductive coding technique. In contrast to the deductive coding technique, the inductive coding technique stays close to the empirical material (Bleijenbergh, 2015). The terms and concepts used by the respondents form the basis of the coding process. The steps are respectively open coding, axial coding, and selective coding (Bleijenbergh, 2015). The coding process ultimately helps to recognize patterns in the social phenomenon.

3.4 Validity and reliability

The philosophical perspective of this research, and thus the basis on which assumptions of this research will be based, is the positivist paradigm. Positivist research assumes that reality is objective and can be described by measurable properties, independently from the observer and the used instruments (Myers, 2013). Positivist studies generally test a theory, but the approach is also usable for theory-building (Myers, 2013). In assessing qualitative research within an organization, internal validity is the most important criterium (Bleijenbergh, 2015). This criterium is about whether the research actually measures what it wants to measure. To guarantee validity in this inductive research, consensus coding with selected members from the organization will be performed. Additionally, data collection is performed according to the research triangulation principle. The process of triangulation intends to positively affect the validity of this research (Lauri, 2011). The principle of data saturation in the sampling for the units of observations helps in achieving reliability. To further stimulate reliability, this research pursues a high degree of transparency in describing and supporting decision making on data collection, analysis and inference.

3.5 Research ethics

Denscombe (2012) sees research ethics as the setting of standards to ensure that embarking in the conducted research could not end up in doing harm (Denscombe, 2012). Meyers (2013, p.82) defines research ethics for qualitative researchers as "a moral stance that involves respect and protection for the people actively consenting to be studied". Ethical considerations not only focus on the methods of data collection, but also on issues as the subject, the purpose of doing the research, and the final use of the findings (Denscombe, 2012). It can thus be concluded that research ethics guard that the research serves an overly justifiable purpose, and that the research units can participate safely, meaning without potential risks or threats.

Maintaining privacy is one of the main ethical issues to consider in writing a research project (Myers, 2013). As a result, all respondents as well as the organization participating in the research will be fully anonymized. This avoids harm to those participating in the research, which is one of the critical principles of research ethics (Denscombe, 2012). At the start of each data collection method such as the conductible interviews the interviewee(s) will be fully informed upfront about the way the information will be processed and how long possible recordings are preserved before they will be permanently destroyed. On top of that, permission of publishment is a critical ethical issue (Myers, 2013). Result wise, any participant will be fully informed who can view the research after completion, after which consent to this will be sought. It must be guaranteed that participation in this research is fully voluntary without any external force or threat (Denscombe, 2012). At any point in time, each participant has the right to step out of the research or withdrawal shared information. According to Myers (2013), this is in line with the ethical principle of informed consent. Denscombe (2012) sees this as a careful and ethical approach on ownership of the data.

To ensure scientific integrity, the research objective is in line with the research experience and skills of the researcher. This avoids unwanted harm to participants by, for example, usage of choosing methods based on best availability rather than best fit with the research objective or incorrect data analysis and interpretation (Denscombe, 2012). Additionally, this guarantees fulfillment on the ethical issue of correct representation of the data (Myers, 2013).

4. Analyses

This chapter contains the findings of the conducted research. The contextual information driving the analysis below is the scenario in which a small-medium enterprise grows towards a large organization. The analysis in this section attempts to identify drivers and constraints on change of organizational structure within this scenario, which are ultimately brought together in a theoretical model. The study found six concepts that help to explain effective change of structure within growing SMEs. For a structural approach, the first section will explain the concepts using their relative dimensions. The second section of the chapter will present the theoretical model and discuss the relationships between the different concepts.

4.1 Concepts

4.1.1 Structural change

Structural change is the concept emerged from the research which represents the actual development and change of the organizational structure. The concept is represented by the dimension **effective change of structure**. As derived from the conducted research, effective change of structure within the growing SME can be characterized as organization-wide aligned, requires no to limited rigor restructuring, and is well adapted to the future state.

“I think that over the past few years..., that we've made choices, that when we look back now, 'that's really not practical'.”

“If you look one year ahead, we go to the right, because that fits into to here and now. If you say left again next year, you have change management twice.”

4.1.2 Structural stress

Structural stress refers to what degree SME's structure is burdened with additional or inefficient tasks, and to what extent the structure is resilient to dynamic developments. To understand the role of structural stress in growing SMEs, the first key observation is that the stress on current structure within growing SMEs is high. A high stress level on current structure within growing SMEs manifests itself in reaching the upper limit of the scalability of the current processes, the outgrowth of physical resources, and predominantly short-term operational activities. Within this research, stress is indicated by two dimensions, relatively *operational scalability*, and *self-directedness*.

Operational scalability. The operational scalability is grounded in how efficiently operations are set up, and what resources can support the processes. Growing SMEs note how current processes may be just sufficiently scalable for the here-and-now, but not for continuous growth, as it will further increase

pressure on the structure. The inability to further stretch current processes thus inherently reflects a higher degree of structural stress.

“That process takes now around twenty minutes. [...] Say, in a few years, ‘we have more demand’, then that’s a time commitment that you can’t put in for that anymore.”

Self-directedness. Structural stress is also echoed by the degree of self-directedness. Much knowledge is not documented, leaving employees reliant on no or insufficient reference resources. Knowledge must therefore be provided by intervention from higher up in the organization, indicating dependence and limited autonomy. This implies additional demand on the structure elsewhere in the organization.

“I get pulled into operations on certain facets because employees themselves don’t know the answer to the question. Even supervisors don’t.”

Also, given the still immature size of growing SMEs, self-directedness plays a role in the fact that the back office is mostly single staffed on certain specialties. As a result, a manager often has a span of control that stretches across several specialties as smaller specialty sub-departments is at this size still perceived to be impractical. These specialists still have to depend a lot on management about various individual issues. Consequentially, the operational steering process takes on an important share of manager’s work, which increases the stress on the other management tasks.

“What you do notice is the fact that I am solely responsible for thirteen specialists. This does take up a lot of my time, because they come to me with many individual issues.”

4.1.3 Resource constraints

Resource constraints refers to the inadequate resources that a growing SME appears to have available relative to its growth ambitions. This manifests itself in three dimensions, relatively *workforce capacity* of the internal organization, *process persistence* from the organization and its employees, and *information architecture* which should provide the organization with relevant performance and management information.

Workforce capacity. In regard to SME’s growth, latitude within the workforce seems to be an important determinant in the adequacy of human capital as a resource. Workforce capacity within growing SMEs is often not at the optimal level relative to the current size of the organization. As a result, it is perceived that this lower latitude increasing pressure of the structure causing the operations to be mainly contemporary, rather than growth oriented. Consequentially, workforce capacity is seen as an important resource within growing organizations.

“I think it [revision of processes] has a lot to do with our occupation, because there are functions now that think about the future so to speak, but at the same time they are very busy with the

here-and-now. [...] There are often times you are too late if you focus too much on the here-and-now."

Process persistence. The internal organization of the SME often does not let go or maximizes the adaptation of old processes, in such a way that they are just sufficiently adequate. Many processes have grown incrementally with the organization through continuous adaptation to the new state, without new or evolutionarily alterations. As a result, SMEs note that these non-optimal processes further constraint the use of physical and human resources.

Information architecture. Information is acquiring an increasingly vital, acknowledged role as a resource for effective management of processes and structure as the SME grows. Internal information systems within the SME are often not yet capable of handling and analyzing new challenges, or challenges that were previously minor enough to solve by feel. Also, the information systems for use in everyday operations often do not sufficiently support the processes in efficiency or insight.

"It should no longer be that we have to retype forms, which come in through our own website, into another system, and do that again in another system."

"[...] ...so that we can see everything immediately, instead of having to open up five different systems to get the information we need."

"A lot of people, a lot of different people, were steering, without having any of the information to do so."

4.1.4 Insightful leadership

Insightful leadership is the change in leadership profile the SME seems to tend toward once it is in calmer waters, and thus can look forward. In this transition, the organization concedes that the dominant operational leadership needs to be balanced with strategic leadership, given the future growth, and hence the necessity of understanding and shaping processes. The need for strategic insightful leadership expresses itself in SME's desire to steer by analysis, to understand processes, and to design sophisticated development steps. The two related dimensions are *analytical understanding* and *specialized expertise*.

Analytical understanding. Various factors affect the organization's current output. Analytical understanding is about the capability to understand what plays, and what exactly drives output. SMEs note how they have limited information and insight into the underlying drivers that cause certain performance.

“We know what hospitality [operations] is. [...] But, I think, if I start asking around here 'what are our touch points in our customers', or 'what are our moments of truth'..., it's going to be searching for the answers.”

Specialized expertise. Given the current and future size of growing SMEs, there is increasing awareness of the need to have expertise onboard in certain areas of the organization on which is currently missing. Within SMEs, lack of expertise is often found on identification and implementation of trends and developments, defining strategy, and design of organization and structure. Leadership with specialized expertise on these areas should supplement deficient understanding of the future and the consequential design of the organization.

“We already experience difficulties to come up with a blueprint of how to organize our support department.”

Where *analytical understanding* thus fulfills the seemingly need of understanding the present, *specialized expertise* focuses on applying this and new knowledge to design the future system.

4.1.5 External uncertainty

External certainty is the extent to which the growing SME is dependent on factors outside of the organization which are difficult or not possible to control, and therefore unpredictable in their developments. External uncertainty for SMEs can be reflected in two dimensions, respectively *financial dependency* and *future ambiguity*.

Financial dependency. SMEs often know a degree of dependency on external capital, causing reliance on investors and banks, and with that uncertainty in regard to corporate expansions and investments. Also, the cash flow of growing SMEs is often insufficiently stabilized and subject to fluctuations, reflecting further uncertainty.

“Because we are growing so fast and have very big ambitions, there is also a lot of uncertainty. That investments just can't go through, until there is enough money. And how quick that money comes, that is impossible to say.”

Future ambiguity. At a more generic level, the organization has to deal with influences from the external environment. These developments require the SME to act creatively on the short term, as they have often not been considered in policy design. External uncertainty manifests itself in the unpredictability of these occurrences.

“The world around you changes. You have certain predictions of 'this is how things are going to go', and yet things go differently. Who would have thought that we would be facing a war, with gas prices skyrocketing, [...] and products that are nearly unavailable. [...] These are of

course facets that, quite honestly, if we had a five-year roadmap three years ago, we wouldn't have taken these facets into account anyway."

4.1.6 Change scope

Change scope entails the determination of what change the SME is going to make, when this change is going to happen, and knowing why this is most convenient for the SME to do so at that point in time. Thus, change scope should provide direction for where the change, and with that the organization, is heading. This is independent from the eventual trajectory of effecting and achieving the change. The related dimensions to change scope are *prospective exploration* and *prospective alignment*.

Prospective exploration. The extent to which the SME is able to orient to the future, and thus the establishment of the desired state post change, can be seen as the basis component for attaining scope for change. SMEs and the internal business units see exploration as essential part in identifying direction for change. In order to accomplish effective exploration of scope, capacity in human capital and time is considered a prerequisite.

"There is not enough capacity to really think, 'what happens within three years?' [...] There is no one who has time to really work that much ahead."

"Maybe we should try to look a little further ahead. I think we're still very practically, hands-on organized. [...] We should develop just a bit more of a long-term vision, and then take it step-by-step to implementation."

Prospective alignment. Within growing SMEs, need is observed to communicate, align, and merge prospect expectations for the purpose of shaping clarity on future direction and with that scope of change. However, within growing SMEs, alignment seems to be hampered, indicated by the absence of a shared growth path, deficit of collective goals, and unfamiliarity with the expected future state.

"I think there are surely departments that are looking a little further ahead. But I think there are also departments, in particular operational, that have no idea of what will happen in four years."

"Together you don't have a straight goal in mind. [...] If only you can look a year or two years ahead, it already gives you a better path you're all working toward."

4.1.7 Change strategy

Change strategy can be captured in the dimension **strategic orientation** as it is concerned about the to be followed trajectory in order to achieve the desired future state. The strategy on change determines through which consequential steps and developments the scope can be accomplished, and what that means for the design of the organization. SMEs acknowledge that strategy in change is

needed as it is attentive to drivers of behavior, helps to increase the thoroughness of change plans, and ensures better robustness in the future. The need for a strategic approach seems to emerge organically as the organization ages. In growing SMEs, there is acknowledgement that a clear strategic path for change is still lacking.

“Something had to change, but there was no adjusting. You just saw that there was no adjustment plan.”

“We need to properly formulate a strategy on how we want the organization to mature on the back as well.”

4.2 Theoretical model

The findings of the research are summarized in figure two and outline the causal effects between the concepts which were discussed in the previous section. The explanation on what drives change of structure within growing SMEs starts at the right side of the model, where is it observed that *change scope* and *change strategy* have a direct effect. With *change scope* and *change strategy* as direct affecters on structural change, the following two sub-sections are split up in these two concepts. Both sub-sections will first discuss the direct effect of the concept on effective change. Then, the effects with and between the underlying concepts are explained for the purpose of understanding the entire model.

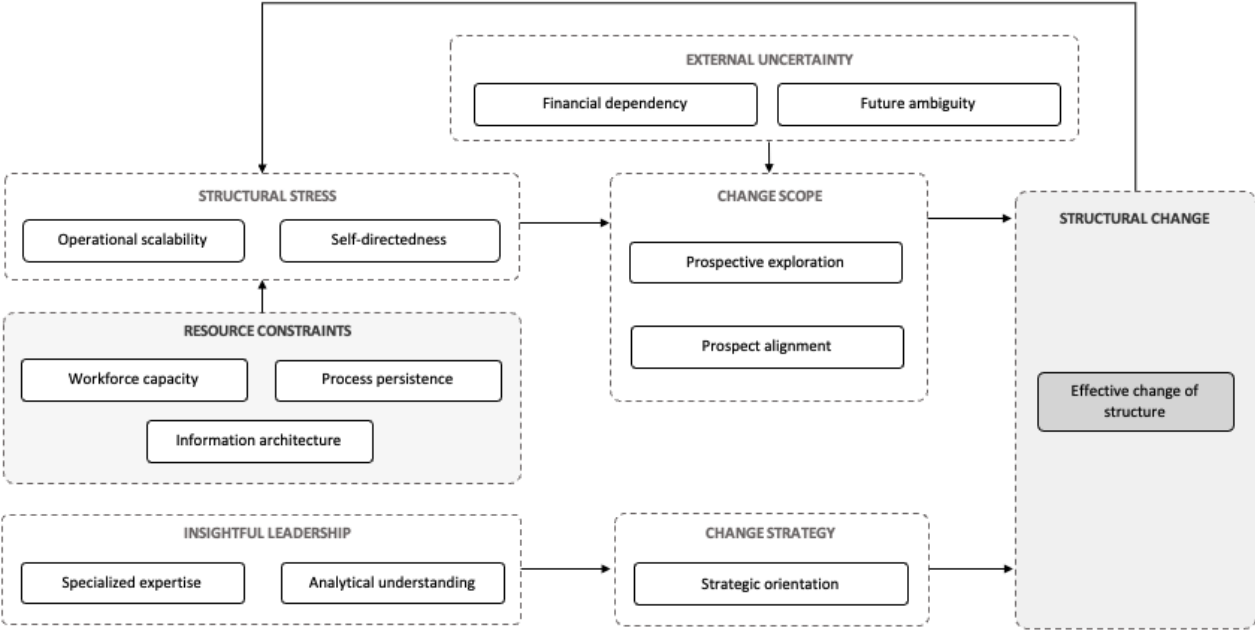


Figure 2: Model on effective change of structure.

4.2.1 Change scope

As indicated, change scope is one of the two determinants in explaining why growing small-medium enterprises do or do not change structure. Business units of growing SMEs experience that they have insufficient knowledge on the growth scope of the organization, and thus on the change path the organization will take. This while managers of these business units acknowledge the essence of communication and coordination about the future in an organization that grows and changes at high pace.

“What is crucial in an organization that is changing so rapidly is to communicate more with each other about the future, and so, stepping out of the here-and-now very consciously.”

Result wise, business units struggle to envision the state of their department in the new, future organization. Direction as well as alignment for change are therefore lacking, driving no or less effective change of structure.

“...you don't know what the future will bring. We know, the upcoming two, three years [...] but after that, it is a black hole, and it can go in any direction.”

“...in three weeks, it had to be realized. Then you start working with the first best thing you come across. [...] Then you then find out that it can't process everything, which all requires manual operations. Totally inefficient. Now, if you had known that two months earlier, that's still very upfront, but at least you'd have a little more breathing space.”

If, with a clear change scope, business units could make better, well thought, and considered changes in structure, it is arguable that these would be more effective.

“We are always busy with improving processes, to optimize them. But if you have a clearer vision of what you're working toward, then you can also better take the right steps.”

To understand the limited existence of, and lack of alignment on, change scope within growing SMEs, two concepts have a direct effect. These concepts are respectively *external uncertainty*, and *structural stress*. The following sub-sections will explain how both concepts effect the inadequate exploration and alignment of change scope within SMEs.

4.2.1.1 External uncertainty on change scope

Within growing SMEs, dependence between the change scope and the external environment is rooted in the influence various external factors have on the actual growth path, affecting current and future change scope. To illustrate, external financial dependence creates reliance on investors and banks. This dependency makes it more complex to state assured assumptions about future growth, causing the actual development path of SMEs to be partially uncertain. As a result, change scope can turn

upside down in an instant. Further, ambiguity about the future causes many unanticipated, dynamic occurrences to happen in the present, which forces the scope of the SME to be on the here-and-now.

“There is just a lot happening in the world. There are quite some challenges we face. Those are challenges that keep you in the here-and-now.”

4.2.1.2 Structural stress on change scope

To grasp how internal stress affects the change scope, it should be reminded that structural stress within growing SMEs is high. Because of this stress, the organization experiences less opportunity to be concerned with exploring the future due to the higher labor intensity needed for keeping up the here-and-now.

“I notice that it [steering and supporting daily processes] takes up a lot of my time, when in fact, I would rather be doing other things: more future oriented. I am now being dragged into certain facets of operations.”

Thus, structural stress affects change scope through the extent to which thought can be given to the future state of structure. As a result, the dominant focus of SMEs is on the short-term. A short-term focus means that the SME keeps falling back into the pattern of not looking beyond the here-and-now, which impedes prospect exploration, with that change scope, and thus also the effective change of structure.

“We are not concerned with the idea of ‘what does our period for the coming next five to ten years look like?’. [...] The moment it is clear what your five-year roadmap is, then, for example, an IT-department also knows what that means for their five-year roadmap.”

To understand why stress on current structure is high, two related drivers have been observed. These are respectively *resource constraints*, and *effective change of structure*, where it should be noted that effective change of structure is again indirectly influenced by structural stress itself.

4.2.1.2.1 Resource constraints on structural stress

First, *resource constraints* affects structural stress through process persistence. SMEs note that design of current operations and resources are outmoded given the size of the organization, causing increased structural stress. To illustrate, current processes are not adequately able to handle peak loads, leading in backlogs of work, or errors that cause additional corrective work. In addition, these patterns and processes also tend to impose more operational workload at management positions, reducing possibility to focus on effective change of structure.

“There is still a lot of micro-management. [...] That all comes from the past. You get stuck in old patterns.”

“There are a lot of processes that make things not scalable. [...] Employees are much more affected by peak loads because you can't manage peaks well. [...] You start working less precisely, so you end up just having more work, because you have to fix those errors.”

The other aspect of *resource constraints* that seems to affect structural stress is workforce capacity. In order to look forward, leeway in the workforce is required. The workforce capacity of growing SMEs seems to be set up to get the here-and-now running, but not to look ahead, indicating absence of leeway. In other words, this means that current workforce is loaded with high stress on operational tasks. Result wise, possibility to execute activities that focus on exploration of the future is limited.

“If you allocate time and money for positions that are also needed, you allow office staff to do their jobs [reducing operational tasks].”

Additionally, *information architecture* plays a role in the degree to which workers can operate autonomously. This self-directedness is associated with structural stress, as it determines the degree of operational involvement for staff higher up in the organization.

4.2.1.2.2 Structural change on structural stress

Third, structural stress is affected by *structural change*. Effective structural change assumably reduces the stress on current structure, as it incorporates changes that have been strategically thought thru, with an eye for the impact of growth on the entire organization.

“It's not just 'expanding' anymore. [...]. Everything has to be able to grow with it. The organization on its own has to grow with it to do all that work. So there has to be a solid approach. And not: 'just add extra staff'.”

Structural change that is less effective likely increases structural stress over time, as it will probably require re-structuring in the future. Furthermore, as the structure of a business unit is ineffectively set-up, and thus not aligned with the current state of the organization, they will likely experience difficulty in coping with the desired developments, resulting in additional stress.

“I think we are always a little bit behind. [...] Because I think you make the choice to grow a department based on what it was then [and thus not effectively with an eye on the future]. [...] ...causing you to fall behind more often than not. And that you actually hope you were further along with certain developments.”

4.2.2 Change strategy

Change strategy is the second concept which has a direct effect on structural change. Without change strategy, it is observed that change in structure occurs uncontrolled and wildly, without direction or plan. As a result, no or inefficient structure changes take place. First, because these changes are made

on limited prior knowledge whether they adequately support the achievement of the organization's scope, and second, because changes are potentially made within the wrong domains.

"It had just been growing. And everyone was just hanging in and doing whatever."

The potential danger is that an inefficient organizational structure may develop, which manifests itself in a slow and rigid organization.

"Big and small decisions had to be discussed by four more people first. That way there were very long meetings. When you think about things with so many people, there are always potential problems to foresee."

To understand the degree to which SMEs adopt a strategic stance towards change, explanation is found in the extent to which the organization possesses insightful leadership.

4.2.2.1 Insightful leadership on change strategy

Currently, growing SMEs notes that the desired level of professionalism in the organization, and with that the seeing through trends and anticipating developments, exceeds the current level of the organization, affecting the strategic and thoughtful implementation of change.

"I was busy with the years to come, and what I wanted, and how I wanted to shape it. [...] But I didn't have any insight on how to do it."

The inclusion of an analytical leadership profile in addition to the predominantly operational style means that process and structure can be designed from a more thorough and sophisticated basis. Insights into drivers among processes, as well as the thorough shaping of change, helps the SME to implement a strategic approach to change in structure.

5. Conclusions

5.1 Conclusions

The research question that is central in this study is “how does the development and change of organizational structure evolve within SMEs transitioning to large firms?”.

The following central findings have been revealed. First, the growth towards a large enterprise precipitated an internal crisis in organization’s ability to define and align the change scope of the organization. Second, organization’s strategy on how this change should be addressed is experiencing barriers due to a discrepancy between the current and desired level of internal insight and knowledge, given the new and future size of the organization. Both have an impact on the change of structure within growing SMEs.

The first concept affecting structural change is change scope, which entails the extent to which the organization has a defined and aligned view on its future state. The absence of a defined and aligned scope of change, and with that the direction toward which the organization is moving, hinders the ability to put a structure in place that is attuned to the future. Absence of this scope is caused by structural stress as well as external uncertainty. Structural stress is the result of the inadequate scalability of current processes and the limited degree of self-directedness. The dynamics that cause stress on structure are on the one hand caused by constraints on resources: limited workforce capacity as well as process persistence limit the scaling up and adapting of current processes, and inadequate information architecture limits autonomy. On the other hand, structural stress is affected by structural change. Effective structural change, which is characterized as organization-wide aligned and future-proof, is adjusted to the current state of the organization. This allows better keeping up with developments and requires limited re-structuring, which reduces structural stress.

Change strategy is the second driver that affects change in structure, which is the strategy by which the organization intends to approach the future state. Barriers on establishing change strategy limits analytical foundation in how to attain the proposed future state of the organization, and with that the insight for the design of an effective, sustaining and robust structure. This is mainly caused in the case of a primary operational leadership profile. The growing need for strategy within growing SMEs can be met by implementing insightful leadership, as this leadership cherishes understanding of what drives output, and thus can make well-considered decisions about the design of structure with consideration of the proposed future state.

5.2 Scientific contribution

In scientific literature, limited research is performed on growing SMEs transitioning towards large enterprises. With that, this study deviates from the dominant research units in published academic work, contributing to an understudied research area. Furthermore, the development of organization's structure within SMEs only received little academic attention, nor can studies be found that state that consensus has been reached upon this theme. The results of this inductive study therefore attempted to uncover an initial explanation of what exactly drives or restricts change of structure within growing SMEs. These insights are new and are consequently an addition to the current scientific knowledge that exists on this field of interest. Also, it further contributes to the general scientific literature on structural change, as the phenomenon has been studied under underexposed conditions.

5.3 Limitations of the study

The data collection of this research has been performed within one organization, located in the Netherlands. Consequently, the results of this study are from one culture, both corporate as national. As the research was conducted entirely within one country and industry, the results of this study may not be representative for SMEs abroad or within a different sector. To increase the generalizability of this study, and thus curb this limitation, this study should be repeated across a more diverse set of small-medium enterprises spread across different industries.

The time frame in which the thesis is written is narrow for setting up a worthy inductive study. Depth in data collection, as well as the analysis and construction of the model, is therefore open to debate as to whether this is sufficient for the construction of a representative inductive model. Continuing the research may further increase the validity and reliability, and possibly lead to additional explanatory value of the theoretical model.

The confrontational and intangible nature of the subject makes gathering information difficult. Discussions about the functioning of the organizational structure as well as its possible approach are characterized as sensitive. Own familiarity within the organization may have caused the interviews to be more open, truthful and transparent than when being an external researcher. However, open dialogue on the functioning of the structure of the organization still rarely happens, and often takes place in private behind closed doors. Doing observations on this subject has therefore not been able to take place sufficiently, which does not adequately support the triangulation principle. Also, the uncoded observations prior to the research were very contributory for interpretation of the material, but these reduce the replicability of the results for external readers.

6. Recommendations

6.1 Practical implications

The crucial role of structure in the ability of survival has been validated by a widespread body of academic literature. Consequently, this research identified a set of underlying mechanisms that affect structure formation within growing SMEs. The research first recommends validating the extent to which the future state of the organization is clear and aligned. Second, this research recommends the SME to reflect on the extent to which achieving and establishing this future state knows a strategic approach. If one or both reflections are insufficient, the organization runs the risk of not being able to establish an effective organizational structure that increases the organization's chances of survival. Consequently, the next recommendation is to use the underlying drivers identified in this research as intervention points to allow improvement of structural effectiveness. The dimensions in each of these concepts provide guidance for targeted intervention. As a result, the survival rate of SMEs growing into large organizations can potentially be improved. The study also notes that in practice, the perceived necessity to align the fit of structure in relation to growth is limited. The insights of this study can help to foster this awareness, and hence stimulate the emergence of an adequate structure. To illustrate, in the organization studied, the main agenda item of the first management meeting after conducting the interviews was about the need for future vision and strategy.

6.2 Future research

Aimed at future research, this study makes three recommendations. First, the relations between the concepts within the current theoretical framework should be tested whether these are significant. This significance is needed to assess the reliability of the current theoretical model. For that, this research suggests conducting a quantitative study. Second, SMEs acknowledge the need for insightful leadership to steer thorough and by insight. However, difficulty arises when determining the actual content of this leadership profile. Further research should reveal why that SMEs recognize that they need expertise, but then cannot clearly define exactly what this expertise needs to meet. Third, this study suggests to conduct additional research aimed at the evaluation and expansion of the current theoretical framework. Given the relatively limited time frame of this study, the research may not have fully explored all constructs. Also, the possibility that there are additional relationships among the existing concepts in the current model is not ruled out.

7. Reflection

The inductive character of this master's thesis made it an intensive process until the last day; however, it suited the research topic well. The data collection brought up many interesting issues that are not yet posed in the literature in this way – as an example, consider the fact that SMEs simply do not have internal expertise and knowledge yet that can actually advise on how to set-up a structure. The iterative nature of the process required continuous adaptation of the findings standing at that moment. From my role as a researcher, this required me to reflect critically on my own decisions.

Furthermore, as a researcher, I had a high interest in ensuring the ethics of research, stimulated in part because it is an organization I am closely involved with. I continuously nurtured this by consistently excluding all job descriptions, personalia, and names of companies, while transcribing. This would prevent occasional traceable information from appearing in the transcripts. Thus, doing research at this company only further reinforced my understanding of the need for research ethics.

I found a lot of challenge in the conducting of interviews – especially due to the inductive character of the research. Anticipating the unknown requires critical listening and being able to distinguish sideshow from main issue in order to reach follow-up questions. I saw my role as a researcher in this to continuously test the answers to these questions in other interviews or data sources to ensure validity of the presented results to the best I can do.

As a master student at the Radboud University, I see the development of my scientific research skills as crucial. Writing this thesis has undoubtedly contributed to that.

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9. Appendices

9.1 Appendix A: Info sheet for respondents

Dit onderzoek richt zich op de ontwikkeling van een **organisatie(structuur)** bij groei.

Waarom?

We weten dat [organisatie] een grote ambitie heeft, wat betekent dat ook [organisatie] gaat groeien in omvang. Een groter wordende organisatie heeft aantoonbaar invloed op het functioneren van onze huidige organisatiestructuur. In dit interview zal gekeken worden naar drijfveren en beperkingen gericht op de verandering en ontwikkeling van deze organisatiestructuur.

De opzet van de vragen

Het onderzoek is gericht op *wat* de ontwikkeling van een organisatiestructuur verhindert of juist stimuleert. De richting van het onderzoek kan omvat worden in vragen als: ‘welke ontwikkelingen zie ik voor mijn afdeling in het nieuwe [organisatie]?’ , en ‘waar gaan we tegenaan lopen als we niks doen?’. Jouw reflectie op het huidige alsook toekomstige functioneren van de organisatiestructuur staat hierbij centraal.

De vragen gaan over het organisatieniveau, alsook het afdelingsniveau. Ik daag je uit om de antwoorden over de organisatiestructuur zoveel mogelijk te koppelen aan het groeiend karakter en de *roadmap* (met bijvoorbeeld [voorbeeld van de organisatie]) van [organisatie]. De organisatiestructuur wordt in dit onderzoek vanuit twee kanten belicht: zowel vanuit de sociale kant (hoe werken we samen, hoe zien onze processen eruit, en hoe richten we onze business units in), alsook de technische kant (welke fysieke middelen hebben we die onze bedrijfsvoering ondersteunen).

Jouw voorbereiding

Het interview vraagt geen voorbereiding. Het is wel mogelijk om voor eigen reflectie alvast na te denken over de volgende punten:

- Hoe voel ik me bij de huidige organisatiestructuur?
- Hoe zie ik het nieuwe [organisatie] (en mijn afdeling) van de toekomst, en hoe gaan we daar komen?

Ethiek van het onderzoek

Om de ethiek van het onderzoek te kunnen bewaken zijn onderstaande opmerkingen van belang om te vermelden:

- ∅ Het onderzoek betreft een afstudeeronderzoek voor de opleiding Business Administration aan de Radboud Universiteit, Nijmegen.
- ∅ Een audio-opname van het interview is wenselijk om een woordelijk transcript op te kunnen stellen voor het uit kunnen voeren van de analyse. Deze opname wordt permanent verwijderd na het opstellen van het transcript.
- ∅ Deelname is volledig anoniem. In het gehele onderzoek worden geen namen of organisaties genoemd. Terugtrekken uit het onderzoek is te allen tijde mogelijk: ook na het interview.
- ∅ Het is een afstudeeronderzoek, en dus niet organisatie-specifiek. Het onderzoek streeft ernaar een algehele theorie te kunnen ontwikkelen over de drijfveren en beperkingen betreft verandering van een organisatiestructuur.

9.2 Appendix B: Interview questions

Afdelingsniveau: reflectie op de huidige staat

- Hoe kijk je naar de huidige staat van je afdeling?
 - o Heb je een anekdote of een voorbeeldverhaal hierbij?
- Welke krachten zie je in de huidige indeling van je afdeling?
 - o Sociaal, maar ook technisch
- Welke zwakkere punten zie je in de huidige indeling van je afdeling?
- Uit het verleden: voorbeelden van kleine veranderingen, grote veranderingen
 - o Wat heeft het veranderingsproces geholpen?
 - o Wat waren struikelpunten in deze veranderingsprocessen?
- Uit het verleden: veranderingen die niet goed zijn uitgekapt
 - o Waarom denk je dat deze niet goed zijn uitgekapt?

Afdelingsniveau: toekomstige staat reflectie met de huidige middelen

- In hoeverre heb je beeld van je afdeling in het toekomstige [organisatie]?
- Hoe zie je je afdeling in het toekomstige [organisatie]?
 - o Sociaal: structuur, taken en rollen; maar ook: } Exploratie?
 - o Technisch: welke middelen ter ondersteuning? } Scenario's?
- Welke aspecten van je huidige afdeling zijn in staat je naar deze toekomstige staat te helpen?
 - o Hoe verwacht je dat deze zich zullen ontwikkelen in de 'nieuwe, toekomstige' afdeling?
 - o Welke voel je dat nog missen?
- Welke aspecten kunnen het bereiken van deze toekomstige staat verhinderen?

Organisatieniveau

- Hoe zie jij het toekomstige [organisatie] voor je? En waarom?
- Hoe denk je dat de organisatie deze toekomstige staat gaat bereiken?
- Wat gaat de organisatie helpen om de toekomstige staat te bereiken?
 - o Hoe denk je dat deze zich ontwikkelen in de 'nieuwe, toekomstige' organisatie?
- Welke aspecten kunnen het bereiken van deze toekomstige staat verhinderen?
 - o Nu aanwezig versus aanwezig in de toekomst
 - o Hoe zie jij de rol van andere afdelingen in het bereiken van deze groeiambitie?

9.3 Appendix C: Coding tree

Open coding	Axial coding	Selective codes
First-order codes	Second-order themes	Theoretical dimensions
		Cluster axial codes
Workforce fit with ambitions Workforce vulnerability Filling of functions	Workforce capacity	Resource constraints
Incremental short-term solutions Effectiveness old processes Aversion to commodification	Process persistence	
Central steering information Documentation of information Information transfer and provision	Information architecture	
Scalability current processes Structural capacity Ambition exceeds process capacity Outgrowth physical resources	Operational scalability	Structural stress
Span of control Staff autonomy	Self-directedness	Change scope
Operational workload Instant gratification Available time capacity	Prospective exploration	
Individualized objectives Future awareness Prioritizing short-term Goal alignment (communication) Clarity of vision	Prospect alignment	
Unpredictability internal growth path Unpredictability external environment Oversee trends and developments	Future ambiguity	External uncertainty
Cost-effectiveness Uncertainty of cash flow Financial vulnerability	Financial dependency	Effective change
Alignment between business units Future-proof change	Effective change of structure	Insightful leadership
Need for specialized skills Operational share Internal (analytical) expertise Desired knowledge for size organization	Specialized expertise	
Operational specialization of business units Drivers on output Steering by analysis	Analytical understanding	Change strategy
Analytical insight Envisaged adjustment Organizational agility	Strategic orientation	

First-order codes	Second-order themes
Workforce fit with ambitions	Workforce capacity
Workforce vulnerability	
Filling of functions	
Incremental short-term solutions	Process persistence
Effectiveness old processes	
Aversion to commodification	
Central steering information	Information architecture
Documentation of information	
Information transfer and provision	
Scalability of current processes	Operational scalability
Structural capacity	
Ambition exceeds process capacity	
Outgrowth physical resources	
Span of control	Self-directedness
Staff autonomy	
Operational workload	Prospective exploration
Instant gratification	
Available time capacity	
Individualized objectives	Prospect alignment
Future awareness	

Prioritizing short-term	
Goal alignment (communication)	
Clarity of vision	
Unpredictability internal growth path	Future ambiguity
Unpredictability external environment	
Oversee trends and developments	
Cost-effectiveness	Financial dependency
Uncertainty of cash flow	
Financial vulnerability	
Alignment between business units	Effective change of structure
Future-proof change	
Need for specialized skills	Specialized expertise
Uncertainty content leadership profile	
Internal (analytical) expertise	
Desired knowledge for size organization	
Operational share	Analytical understanding
Drivers on output	
Steering by analysis	
Analytical insight	Strategic orientation
Envisaged adjustment	
Organizational agility	

Second-order themes	Selective codes
Workforce capacity	Resource constraints
Process persistence	
Information architecture	
Operational scalability	Structural stress
Self-directedness	
Prospective exploration	Change scope
Prospective alignment	
Future ambiguity	External uncertainty
Financial dependency	
Effective change of structure	Effective change
Specialized expertise	Insightful leadership
Analytical understanding	
Strategic orientation	Change strategy

9.3 Appendix D: Theoretical model

