



JÖNKÖPING UNIVERSITY

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***The connection between entrepreneurship and
strategic management on the account of SMEs in
Sweden***

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Abstract

In SMEs, the entrepreneurs play roles in the innovation growth and overall progress. Innovation is a core of SMEs for its productivity – this makes entrepreneurship important for the SMEs. The report of OECD (2019) presented that SMEs in Sweden witness challenges in the form of decreasing interest rates, low rate speed, and elevating business lending. Many SMEs in Sweden are facing issues in sustaining their business and survive in challenging business environments. Under these circumstances, it becomes more imperative to analyze how SMEs in Sweden can apply the EO approach to mitigate the strategic management issues. The aim of the research was analyzing the relationship between strategic management and entrepreneurship by considering the case study of SMEs in Sweden. The proposed study grounded the literature on the *Entrepreneur Orientation Theory* and focused on factors like innovativeness, proactiveness and risk management. The selected research method for this study is qualitative research method. The information intends to be collected through semi-structure interview method comprised of open-ended questions. The interviews would be conducted through 6 SMEs owner in Sweden through Zoom. The information would be analyzed using the thematic analysis technique. This research and the findings of this study confirmed that competition, crisis, globalization and insufficient skilled-workforce are the issues that SMEs in Sweden are facing. Many participants supported R&D because of its cost-effectiveness as doing experiment after experiment would be costly and would not be in the favor of SMEs with minimal resources. Entrepreneurs are also involved in the strategic management of SMEs in Sweden. The research considered strategic management in terms of goal-setting, mitigating risks, and flexibility in business practices. The research concluded that entrepreneurs can assist SMEs to gain a competitive edge by making a team of employees who are innovative, experts, and have a relevant skill-set.

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Chapter 1: Introduction

1.0: Introduction

This chapter of the research provides useful and relevant introductory and background information related to the relationship between entrepreneurship and strategic management on the account of SMEs in Sweden. Followed by the aims, objectives and research question of the research. Also, the research discusses the research problem and adds the rationale and significance of the research findings.

1.1: Phenomenon

Entrepreneurial Orientation (EO) concept have been adopted by multiple authors including Lumpkin and Dess (2015) and Anderson et al. (2015) to understand how it can strategically manage the businesses in the current competitive environment. Entrepreneurship was earlier compared with self-employed workers – this leads the researchers to include the dimension of risk-taking. The term entrepreneurship was initially and formally used by Cantillon in 1755. Thus, entrepreneurs are those entities who can work in uncertainty and who can take risks, unlike the self-employed workers. In SMEs, the entrepreneurs play roles in the innovation growth and overall progress (Lumpkin and Dess, 2015). Innovation is a core of SMEs for its productivity – this makes entrepreneurship important for the SMEs. Under these circumstances, it becomes more imperative to analyze how SMEs in Sweden can apply the EO approach to mitigate the strategic management issues. Strategic management in this research means the process of goal-setting and procedure-making in the SMEs to increase productivity and profitability along with gaining competitive edge. Schumpeter (1934) was the first researcher who had highlighted the significance of business innovation by referring to the creative destruction phenomenon. With the development of the new asset, advanced production methods, and opening of a new market; the significance of business innovation has been enhanced. The central aspect of this activity cycle was entrepreneurship which is known for findings innovative solutions to business issues and leading to the economy's dynamic evolution. This innovation has become an imperative factor for characterizing entrepreneurship (Sulistyo, 2016). Entrepreneurship is a considerable organizational process, which plays an

integral role in the enhanced performance and improved survival of firms (Emmanuel, 2017). Such entrepreneurial attitudes and spirits are essential for SMEs to ensure their prosperity and competition. There are multiple factors that could impact the entrepreneurship adoption in SMEs such as motivation of SMEs owner and attitude towards entrepreneurship. The aim of the research is to explore the relationship between entrepreneurship and strategic management by considering the SMEs in Sweden. Geographically, the proposed study is specific to Sweden. It presents the perspectives of entrepreneurs to deal with business challenges. It investigates the relationship between entrepreneurship and strategic management practices such as locus of planning, controls, analysis and flexibility by considering the SMEs in Sweden. In this research, EO theory has been employed because studies indicated that this theory drives internal processes of business by allowing managers of small businesses to be creative for gaining market advantage (Isichei et al. 2020). Hence, this study aims to analyze the relationship of entrepreneurship with strategic management of Swedish SMEs, it is appropriate to use this theory as a foundation for this study as SMEs in Sweden also requires innovation to gain competitive advantage.

1.2: What we know and do not know:

The exact gap in the literature is the role of corporate entrepreneurs in SMEs. Corporate entrepreneurship is considered in this research as an employed phenomenon to develop new business inside contemporary SMEs so that value can be created while revenue growth can be generated with the help of strategic entrepreneurial actions and thoughts. Boukamcha (2019) has found the influence of different leadership on corporate entrepreneurship considering the case study of SMEs. Jahanshahi et al. (2018) have analyzed the effectiveness of corporate entrepreneurship strategy for the SMEs top management teams. Multiple studies have defended the greater positive impacts of entrepreneurship on SMEs and the selection of appropriate strategic approaches (Eunice Abdul, 2018). Unfortunately, the existing literature has failed to analyze corporate entrepreneurship and the roles it plays in managing the challenges of SMEs strategically. For instance, Barringer and Bluedorn (1999) have indicated that entrepreneurship and strategic management are interconnected but their findings are outdated and have not focused on SMEs. Carton and Hofer (2006) measured organizational performance

by considering the relationship between entrepreneurship and strategic management; however, the findings of the study were not specific to a region or a firm. It is not applicable in different settings as it focused metrics of entrepreneurship and organizational financial performance. There is no information on how an SME with aggressive competition and increased demands of innovation can survive and mitigate challenges with the help of entrepreneurs. Sweden is an innovation hub wherein only those SMEs can survive who can innovate consistently, the findings of Carton and Hofer (2006) have merely given a general perspective that is not applicable in Sweden business environment. Previous studies have indicated the usefulness of entrepreneurship for SMEs but have not explained comprehensively how corporate entrepreneurship can manage the issues. Some of the studies related to corporate entrepreneurship are outdated; consequently, the results of the previous studies (Barringer and Bluedorn, 1999) are not applicable to the current business scenario while the data is not sufficient to explain how different strategic management methods can be employed by entrepreneurs for running a business in Sweden. There are insufficient studies related to the application of entrepreneur orientation in the case of SMEs to improve profitability. Because of insufficient, unclear and inconsistent data on the topic, there is minimal understanding regarding the contributions of corporate entrepreneurship on managing SMEs strategically. Thus, the factors have created a gap in research findings and academic knowledge. Under these circumstances, it is imperative to conduct a comprehensive and primary-based relationship to explore the relationship between entrepreneurship and strategic management in the SMEs of Sweden.

1.3: Theoretical Framework and its Implication, and Research Methods

The proposed study grounded the literature on the *Entrepreneur Orientation Theory* and focusing on its factors like innovativeness, proactiveness and risk management. The selected research method for this study is qualitative research method. The information intends to be collected through semi-structure interview method comprised of open-ended questions. The interviews would be conducted through 10 SMEs owner in Sweden through Zoom. The information would be analyzed using thematic analysis technique. In this research, EO theory practically applies to the case study of Sweden SMEs - this would be useful to get more focused

findings. The EO theory revolves around three factors innovativeness, proactiveness, and risks-taking. This research practically connects the three factors with the strategic management of SMEs from the lens of entrepreneurs. For instance, it would how entrepreneurs strategically manage the risks faced by SMEs and how it is imperative for entrepreneurs to take risks in SMEs with minimal resources. It explains the involvement of entrepreneurs in making business plans for SMEs in Sweden in accordance to the risks. In consideration with proactiveness, this research identifies the entrepreneurs roles in availing opportunities, the value of flexibility for entrepreneurs managing SMEs' business processes, and how they must react to the current threats or opportunities. For innovativeness, the research expands the theory in terms of how innovation is possible for SMEs in Sweden having minimal resources and the relationship between innovation and by entrepreneurs and profitability. All these factors would provide unique insights to the theory.

1.4 Significance for the existing Literature

The significance of the research are that it has merely focused on SMEs in Sweden as there are thousands of SMEs in Sweden that are facing issues in managing their business approaches strategically. The research further explains how different business challenges can be mitigated by adopting corporate entrepreneurship – this is another significance of the research. The findings of the research would only be applicable to SMEs in Sweden other than any other country. The reason for selecting SMEs in Sweden is because the country is a Silicon Valley as the country has technology infrastructure and modern business environment. There is a higher chance that start-ups and SMEs achieve great success if they apply the right strategy. There is a competition of innovation that is possible through corporate entrepreneurship. Also, in Sweden, macro initiatives are able to create opportunities for entrepreneurs (as innovators) to flourish. The uniqueness about Sweden SMEs is the aggressive competition leading to the use of innovative strategies. The increasing competition makes it highly difficult for SMEs in Sweden that how they can elevate the business lending, mitigate risks proactively through their innovative strategies. It is challenging to generate more profitability in Sweden without adopting innovativeness and proactiveness.

The significance of the study is that it presents valuable information about the entrepreneurship ability of SMEs in Sweden to overcome the research gaps. It highlights the factors that are responsible for the failure of SMEs along with comprehensively explaining the entrepreneurship required for performing successful business in the country. Exploring the relationship between strategic management and entrepreneurship from the context of SMEs is highly valuable for increasing the firm's ability to increase its entrepreneurship spirit to improve business functions and manage the crisis. This stream of research is extremely valuable to understand how a firm's ability to increase its entrepreneurship and strategic management ability. It applies different entrepreneurship theories to evaluate how these theories are applicable to the SMEs of Sweden and its strategic management. With respect to SMEs, several studies have suggested that innovation can be used for ensuring effective business practices as it allows SMEs to gain a competitive edge. Thus, it is important to identify how it works for SMEs in Sweden and how it can boost their business outcomes by taking appropriate decisions to compete in the competitive market.

1.5: Research problem:

Several SMEs in Sweden witness a number of challenges to survive in this competitive business environment. The report of OECD (2019) presented that SMEs in Sweden witness challenges in the form of decreasing interest rates, low rate speed, and elevating business lending. Many SMEs in Sweden are facing issues to sustain their business and survive in challenging business environments. One of the reasons for the failure of Sweden SMEs is the lack of strategic management approaches. Many entrepreneurs do not have a managerial ability that pressures them to have adverse implications as well as results in the poor performance of entrepreneurs. Consequently, the failure of the companies resulted (Altuntas, 2014). As per the identification of Lee (2014), innovation is a key to become competitive for Swedish SMEs. However, the SMEs in the Sweden are less proactive to manage risks that make the application of Entrepreneur Orientation theory daunting.

1.6: Research Questions

RQ: How the entrepreneurship and SMEs performance in terms of profitability and productivity are interrelated?

1.7: Key terms definitions

1.7.1: Entrepreneurship

In the following research, the main focus would be commercial entrepreneurship and orientation entrepreneurship. Both of them are further described below.

1.7.2: Corporate Entrepreneurship

For this study, corporate entrepreneurship is explained as an employed phenomenon to develop new business inside contemporary SMEs so that value can be created while revenue growth can be generated with the help of strategic entrepreneurial actions and thoughts.

1.7.3: Entrepreneurial Orientation (EO)

Applying this approach in regards to SMEs, EO in SMEs means adopting risk-taking, innovative, and proactive behaviour in strategic management approaches to deal with the challenges and to enhance the SME's overall performance.

1.7.4: Small and medium-sized enterprises (SMEs)

Particularly, the following research mainly presented the findings related to firms that have less than 250 employees and who annually make a turnover of around 50 million euros in Sweden.

Chapter 2: Literature Review

2.0: Introduction

In order to understand the general interconnection between strategic management and entrepreneurship, a comprehensive and critical literature review has been performed. It evaluates all the business issues and challenges faced by SMEs that hinder their business performance and are considerable barriers in performing business operations based on the findings and results of previous studies. It highlights the gaps in previous literature and evaluates the differences in the findings.

2.1: Challenges faced by SMEs

A small and medium-sized enterprise (SME) is a commercial enterprises segment that falls between micro-enterprises and large corporations. Although the segment is extremely clear there are significant differences in the enterprise-scale, which is regarded to be an SME. For instance, multilateral institutions, that are involved in the development, are at odds with one another over what makes an SME (Poole, 2018). Enabling such variations to understand SMEs would lead to increase confusion. In 1996, the European Commission has presented a single definition of SMEs for every member country including Sweden. This definition was further be revised in 2003 after considering the financial changes. As per the current definition of SMEs, it is defined as forms that have less than 250 employees while its yearly turnover should be 50 million Euros (Lukacs, 2005). The reason for defining SMEs is to make sure that the large organisations would not enjoy the allocated benefits of the SMEs. This ensures that the support measures allocated for SMEs would only be granted to genuine enterprises who require them.

SMEs (small and medium sized enterprises) contribute significantly to the development and success of a country. As per Statista report (2021), there are more than 180,000 Swedish SMEs that operated in the country. This means that firms can allow the country to make a considerable amount for the development of the country. Due to significant positive aspects of SMEs and their economic benefits on countries, previous studies have indicated multiple challenges experienced by these SMEs (Egger, 2020). It has been identified that lack of

professional capabilities, finance and other resources and insufficient knowledge about strategic management (Arzeni, 2008).

2.1.1: Insufficient Finance

The most obvious challenge for SMEs is financial issues. As per Egger (2020), a lack of funding and investment does not allow them to generate more revenues. Likewise, Al Amri et al., (2018) confirmed that SMEs have stricter investment policies making it hard to generate finance. The World Bank (2015) found that lack of access to finance is a major barrier to growth for more than 50% of SMEs. Several studies (Duarte et al., 2018, Lisboa 2017, and Balios et al. 2016) indicated that the SMEs' financial indicators such as profitability, creditworthiness, leverage, asset structure, debt ratio and liquidity have been negative changes during any small crisis.

Kudlyak and Sanchez (2008) noted that there is huge difference between the financial issues have by large and small organisations. SerrasqueiroLeitão and Smallbone (2018) have further noticed a huge financial impact on new SMEs than the older ones. Briozzo and Cardone-Riportella (2016) resulted that these financial impacts differ from country to country. For instance, SMEs in developing countries suffer more than SMEs in developed countries. The study by Noshad et al. (2019) showed that insufficient finance resists SMEs to be innovative. Supporting this, Kremer (2020) identified that innovation requires a series of experimentation and a huge investment in Research & Development (R&D). One of the barriers to innovation for SMEs is its unstable financial condition (McAdam et al. 2004).

Some studies have found the insufficient finance of SMEs in terms of liability of smallness. Liability of smallness and insufficient financial resources are somehow the similar things; however, the difference is that liability of smallness concerned with limited resources in terms of finance, material and workforce while financial resources mere include economic resources. However, Pathak and Ahmed (2018) added that SMEs get sufficient assistance in the form of funding particularly, during the crisis. A similar claim has been supported by Zvikaramba et al. (2020) who stated that SMEs are more likely to receive financial benefits from local government and financial institutions. According to Martinsuo and Luomaranta (2018), the

majority of SMEs witness a liability of smallness (limited resources) as a considerable issue as it resists them to manage the risks appropriately. Earlier, it has been supported in the study of Freeman et al. (1983); however, it is extremely old to apply in the current business environment. Nonetheless, Freeman et al. (1983) explained that smaller firms have a lack of resources for typically controlling the business issues. As a result of which, they are more prone to any internal and external influences. In support of the lack of liability of smallness, Bilal and Al Mqbali (2015) further added that the lack of material resources encourages employees to quit this job as they are unable to provide rewards to employees. Many skilled workers want to work in big firms as they provide more facilities. Similarly, it has been noted by Paul et al. (2017) that SMEs have limited financing options and their demand are reduced because of the competitors entering the market. The smallness of liability leads to a lack of resources that further results in a lack of skilled and experienced workers. Therefore, the ability to compete with larger organisations is reduced (Sukarmijan and Sapong, 2014; Majoni et al. 2016).

Extending the discussion of liability of smallness or insufficient finance, Freeman et al., (1983) pointed out that the issue mostly intersects with the liability of newness i.e. innovativeness. With respect to Yoshino and Taghizadeh-Hesary (2019); Ocloo et al., (2014) and Yener et al. (2014), SMEs that are new are more vulnerable to suffer a higher level of failure risks as compared to older organisations due to the lack of well-established and well-organised business models (Ramukumba, 2014). All these factors make the business environment of SMEs more challenging.

In contrast, Muriithi (2017) and Razak et al. (2018) noticed that the smallness of SMEs often provides them relief during the crisis enabling them to manage the risks. Explaining this, a similar study confirmed that being a smaller sized firm, they have more flexibility to avail themselves of the opportunities and deal with the threats. Likewise, Egger et al. (2012) have pointed out another benefit of smallness, according to which, SMEs are more prone to failure because of their poor decision-making skills rather than insufficient resources. The study supported that taking the appropriate decision at the appropriate time is the key to success. Although many pay close attention to the development of their SME sector, the growth rate of SMEs is still not improving compared to their efforts (Ramukumba, 2014). Causes may include

lack of investment, research, misinformation and differences in macro-environmental factors, which ultimately increase recovery risks (Hisrich et al. 2013).

2.1.2: Competition faced by SMEs

Among other factors, poor sales and competition are considered as the main threats to the success of SMEs because they somehow reduce profits while a monopoly helps SMEs make a profit (Hisrich et al. 2013). Samuelson and Nordhaus (2009) explained that this is also evident in economic theory, which explains the relationship between the SMEs marginal income and changes in competition. With the increasing globalization and digitalization, the SMEs are facing intensified competition (Masroor & Asim, 2019). Focusing particularly on SMEs, Muriithi (2017) demonstrated that competition becomes more intense for the SMEs as they are competing with large multinational companies having considerable resources and finance. It has been justified from the findings of Masroor & Asim (2019) demonstrating that the large and multinational firms take away local market share from local SMEs and put them on the verge of bankruptcy.

The economies of the developed countries are based on companies that gain market share and expand to other countries in the form of multinational corporations (Masroor and Asim, 2019). According to Ketchen and Craighead (2020), global SMEs are facing competition due to the worldwide market and operations along with the instant development in technology. It is highly a need of time to identify the business and entrepreneurship strategies that could improve the business outcomes of the SMEs in Sweden. Utami and Lantu (2014) noticed that effective strategies can be employed by entrepreneurs to increase more sales and expand their enterprise. Kremer (2020) identified that SMEs are unable to compete with other firms in terms of innovation and expenditure in R&D. Another study (Leckel et al. 2020) revealed that SMEs have lack on entrepreneurial zeal, information and abilities to survive in the global market. As per Oduro (2020), SMEs are less likely to compete with others in terms of information technology (IT). Collectively, Noshad et al. (2019) revealed that lack of competing abilities resist SMEs to become productive and profitable.

2.2: The connection between entrepreneurship and strategic management process in SMEs

Entrepreneurs are defined as individuals who form create viable advanced commercial enterprises. Thus, entrepreneurship can be defined as a phenomenon through which such enterprises are formed (Poole, 2018). However, there is some vague sense in the term that leads to compromising the meaning of entrepreneurship with respect to SMEs. The concept of entrepreneurship varies from one type of entrepreneurship to another. The same applies in the context of SMEs. Several authors have defined corporate entrepreneurship as a process of an organization that play considerable roles in the survival and better performance of SMEs (Kuratko et al., 2014). Moreover, the relationship between strategic management and entrepreneurship is defined as a process of fostering new business from an already existing business.

The following study aims to use the process of strategic management in the form of different attributes like opportunity analysis, business planning, and flexibility. The selection was based on the significance of the practice for impacting the entrepreneurial behavior along with the overall entrepreneurial intensity of the SMEs challenges in Sweden such as financial constraints and competitions. With respect to strategic management, studies have persistently evaluated that entrepreneurial firms are more engaged in management practices as compared to conservative firms (Murimbika and Urban, 2014). However, its relationship with other entrepreneurial behavior can be understood by analyzing the management practices into different categories.

2.2.1: Opportunistic Identification

The analysis is defined as those managerial practices of learning related to trends and events in the firms' environment (Hambrick, 1981). According to Jenkins and Williamson (2015), analysis enabled a manager of SMEs to have information related to any business trends for facilitating opportunity identification. Contrary, Grube et al. (2017) defined analysis as an uncertainty absorption method for reducing all the uncertainties of SMEs that may result in a false security sense in managers – this makes it convenient for managers to avoid signals from the environment.

Based on the views of Miller (1983), there is a greater extent of analysis that is congruent with the process of entrepreneurs. For instance, entrepreneurial small and medium-sized organizations are innovative that require a greater generation of useful information and their critical analysis for the execution and maintenance of successful innovative strategies. Along with this, Mustafa and Yaakub (2018) further believed that analysis also enables the proactiveness and risk-taking aspects of entrepreneurial behaviour in SMEs. Extending the discussion on the partial uncertainty absorption, Franco et al. (2014) further identified that analysis may lower the risk perception attached with the entrepreneurial venture. A similar study further mentioned that it is a useful approach for increasing the chances that the organization would involve in the venture.

The connection between entrepreneurship and strategic management can be further understood through the study of Yadollahi Farsi and Toghraee (2014). As per the findings, entrepreneurial managers of SMEs understand how analysis can be helpful in bridging to remain competitive. Supporting this, Rahman et al. (2021) acknowledged that organisations operate in a turbulent situation bound to be innovative to remain ahead of their competitors. As this innovation demands comprehended analysis for identifying and exploiting changes in the business environment, an analysis can become a key approach for SMEs. Considering the above-detailed discussion, the following study analysis how SMEs in Sweden involve analysis practices and how this analysis could facilitate them to become innovative and remain competitive.

2.2.2: Flexibility

Schneider and Spieth (2014) defined flexibility as an ability to modify easily. In the business perspective, flexibility can be taken as an ability of changing strategic plan, strategies or process of an organization in the wake of emerging threats. This ability turns threats into opportunities (Schneider and Spieth, 2014). KuKalis (1989) was the first scholar who has suggested the term flexibility and analyze how the organizational characteristics and environmental factors can influence the design of strategic planning and business process. Based on the theory of Kukalis, organizations operate in a complicated environmental setting wherein the adoption of flexible planning systems can enhance performance. Extending the

discussion on flexibility in business process and strategies, the author further demonstrated that organizations must adjust to the strategic business process instantly for pursuing opportunities along with aligning with the changes in the environment. Bock et al. (2012) suggested to ensure flexibility in the business process to adapt to the new business environment. It has been supported by Tan and Lim (2019) who demonstrated that successful businesses adapt to changes keenly by making necessary changes in their overall business processes. It has been further added by Ademi et al. (2021) that flexibility becomes a key of surviving and embarking on new paths.

In addition to this, several studies have appreciated the flexibility approach for business success. Etuk et al. (2014) believed that a concerted endeavour towards flexibility can facilitate a greater degree of entrepreneurship for multiple reasons. (1) A flexible system that is combined with intensive scanning of the environment enables an organisation to make an effective and appropriate strategic plan and business process to remain updated. This allows an organisation to take planned entrepreneurial initiatives. Contrary to this, Dewsnap et al. (2020) presented that entrepreneurial behaviour is not much effective in terms of flexibility practices because flexibility requires accelerated approaches whereas keeps changing business environment does not allow the entrepreneurs to align with such consistent changes. It has been rejected by Miroshnychenko et al. (2021) who believed that entrepreneurial behaviour is known for accelerating the speed of the management process and making them more flexible due to the entrepreneurial essence that capitalises on environmental changes. (2) Entrepreneurial organisations do not enjoy complete freedom from inertia despite the fact that this process keeps any organisation in line with environmental change. Referring to this aspect, Islam and Abd Wahab (2021) noted that placing a business process in a flexible place may eliminate a substantial barrier for changing whenever it is required.

In line with the above studies, Amorpinayo, (2018) that recruited entrepreneurial organisation confirmed that such firms were extremely flexible in their planning and strategies execution phases. It has been further been supported by Abaho (2016) who suggested that successful entrepreneurial firms have the capacity for managing a greater level of organisational modifications that is a key for greater growth. On the contrary note, Rahman et al. (2021)

provided useful information regarding strategic planning and its management in high technology firms. Highlighting the success criteria for these firms, Sabuhari and Irawanto (2020) further demonstrated that these organisations apply a formal planning system as well as make strategic planning and business process by incorporating different elements so that they can remain flexible. This flexibility further enables them to deal with the competition requirements in complicated environments. Notably, flexibility in crisis is not a challenge for SMEs but an opportunity to switch to existing plans to another for mitigating the issue. Considering the overall discussion, the proposed study analyzes how entrepreneurship may help SMEs in Sweden for becoming flexible in their strategic planning.

2.2.3: Planning

Locus of planning is defined as a comprehensive involvement of employees in the strategic planning and activities of firms (Mahrous and Genedy, 2019). Organisations may have a deep or a shallow locus of planning. For instance, firms that have a deep locus of planning enjoy a greater level of engagement of employees in the process of planning. According to Cobb-Clark et al. (2016), employees from each level are engaged and involved in the planning. In contrast of it, Khudair et al. (2019) claimed that a shallow locus of planning deals with the fairly and exclusive process of planning that involves the top management of organisations.

To under the locus of planning, some studies have compared the organisational culture of Japan and China. The comparative study of Murimbika and Urban (2014) explained that Japanese planning styles have deep grounds in the cultures of Japan; however, this business model served American firms that have attempted for making their system of planning more participative. Following a similar stance, Kusa et al. (2021) noticed that multiple factors validated that deep locus of planning increases the potential of entrepreneurship intensity. The prominent factor is the involvement of employees to a greater level in planning phases to bring relevant entities closest to the consumers into the process of planning. According to Direr (2020), the participation of employees in the planning phase may facilitate the identification of opportunities. It has been also confirmed by ENGİNOĞLU and ARIKAN (2016) that a deep locus of planning has an ability for legitimizing the active managers' participation actively who are working at every level. In contrast, DHAMERIA et al. (2021) argued that it is not an effective

approach for having effective ideas because innovative ideas are often overlooked or underestimated.

In addition, a deep locus of planning is helpful in facilitating the process of entrepreneurship by multiplying the diversity of perspectives that are considered while formulating strategic plans. Rejecting this, Bal and Izak (2021) argued that the restricted organisational environment limits the diversity of perspectives that further lead to constrain the activities of entrepreneurs. The study has demonstrated an adverse relationship between innovation and the homogeneity of the team. Linking this strategic management approach with entrepreneurship, Zhai et al. (2018) explained that the process of entrepreneurial decision-making is participative. Notably, entrepreneurial organisations are less likely to penalise managers at the time of the failure of risky products; thus, shared participation can ensure objective-based performance.

As per the recommendation of Prahalad and Doz (2017), structured decision-making strategies for fostering team guarantee information sharing along with delegating decision making. Based on the above findings from different studies, the proposed research analyses how entrepreneurial orientation facilitates locus of planning to SMEs in Sweden.

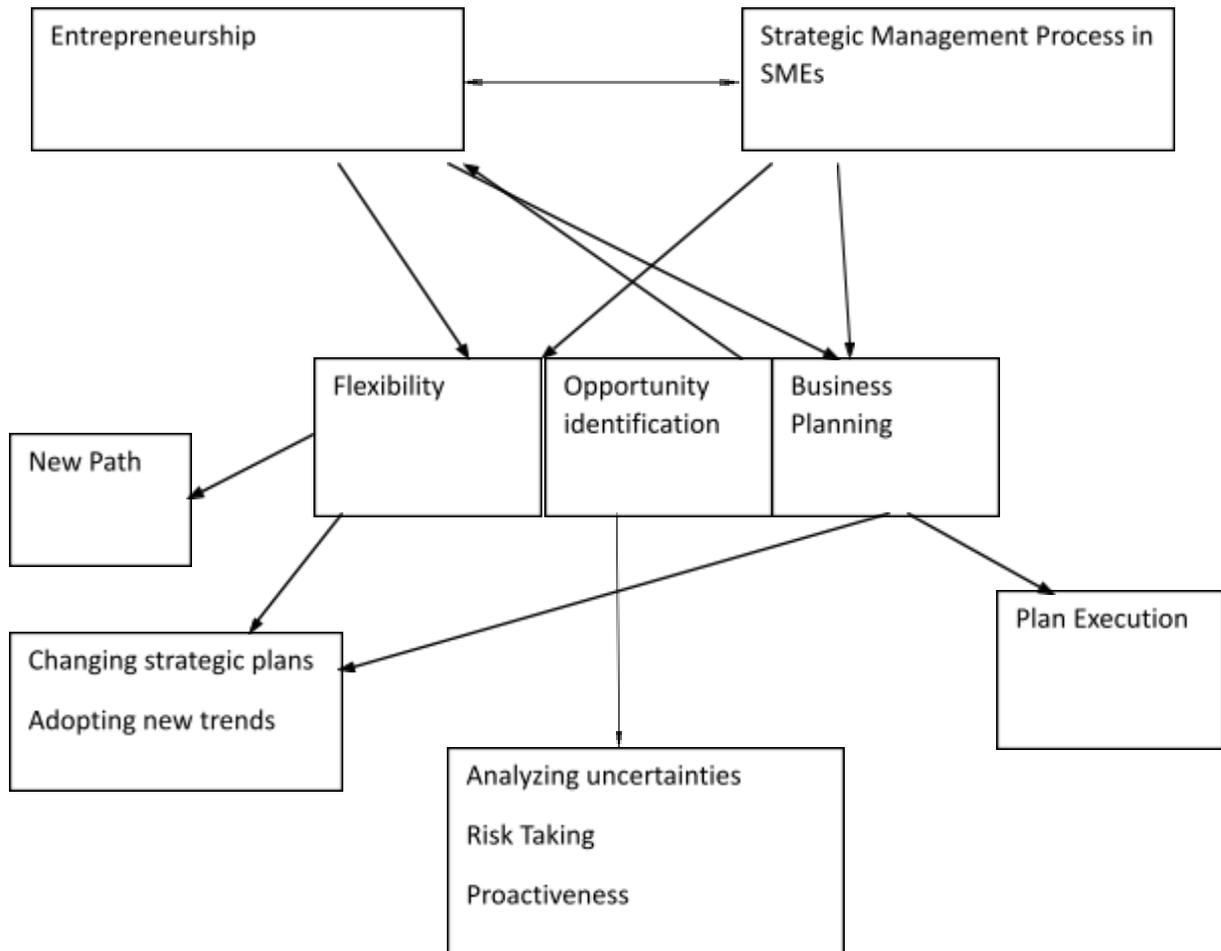
It has been further analyzed in terms of a planning horizon in some studies. Locus of planning refers to the extent to which the lower managerial levels involve in strategic planning of the SMEs while planning horizon means the extent to which SMEs put short or long-term plans. Theoretically, both are the part of strategic planning. People at the lower managerial levels involve in making short and long term plans in a horizontal manner (Rodríguez et al. 2021). However, both of them are interconnected concepts; thus, both have been analyzed in this research as planning methods in SMEs.

Nonetheless, as per Jamel et al. (2018), several firms coincide this period with the time length that is essential for executing the routine strategies of firms. A similar study explained that the planning horizon should be sufficiently lengthy for permitting planning to ensure expected strategic changes as well as yet be short sufficiently for making reasonable but a

detailed plan. Analysing its connection with entrepreneurial firms, a plan of less than 5-years might be substantial for entrepreneurial firms.

In regards to Moro et al. (2016), the organisations compete in the business environment, which is classified by life cycles of shirt product/service. On a contradictory note, Ramkumar (2020) claimed the adoption of a lengthy planning horizon that is not tenable for entrepreneurship. A dependency on a prolonged planning horizon probably engenders reluctance for deviating from prolonged perspectives of the future. Contrary, the environmental changes, that are short-term, run counter to the entrepreneur process proactively (Wong et al. 2015). Based on the above results, the research focuses on the application of horizon strategic management for entrepreneurship.

2.2.4: Theoretical Framework for entrepreneurship and strategic management



2.3: Entrepreneurship and opportunities for SMEs

As per some previous scholars and business researchers, SMEs can utilise the abilities and characteristics of entrepreneurship to improve their business productivity and profitability. Entrepreneurship spirit can be a significant factor for SMEs for their business growth and for gaining competitive advantages (Eunice Abdul, 2018). Any SME cannot come into existence but it requires a supply of entrepreneurs who can use their expertise to establish it. For instance, they have sufficient knowledge about how to compete in the market in crisis. Supporting this, Poole (2018) identified that different characteristics of entrepreneurs such as motives, innovative mindset, and sufficient knowledge of strategic management are required for the successful development of SMEs and its sustainability (Poole, 2018). According to Sulisty and Ayuni (2020), entrepreneurial behaviours, spirits and attitudes are vital for companies of different sizes for prospering and flourishing in a competitive atmosphere. Sulisty (2016) noticed that because of the accelerating sentiments, a number of literature has been emerged for assisting companies to assist the company to understand the process of organisation and facilitate entrepreneurial behaviour.

Previous research suggested that the challenges and issues of SMEs can be elevated with the help of applying Entrepreneurial orientation (EO). This can be a key approach for enhancing the SME's performance (Anderson et al. 2015). Considering the relationship between entrepreneurship and strategic management, it has been accepted as a key for ensuring business survival and growth. It has been analysed that several SMEs have failed to understand how entrepreneurial behaviour can facilitate their business processes. The research analyses how SMEs in Sweden can adopt EO to enhance its compatibility for managing business practice strategically. For instance, the management practices believed that entrepreneurial behaviour improves the strategic entrepreneurial behaviour of organisations (Miller, 1983). In light of these challenges, it is imperative to conduct primary-based research to evaluate how they can mitigate the business issues and avail the opportunities.

2.3.1: Effectiveness of EO

Entrepreneurial Orientation (EO) refers to a firm-level strategic orientation that attracts a strategy-making practice of organisations as well as managerial philosophies and behaviours of

organisations, which are entrepreneurial in nature (Anderson et al., 2015). The concept of EO revolves around dimensions like risk-taking, proactiveness, and innovativeness (Lumpkin and Dess, 2015). In the proposed study, the focus is on the perspective of Miller related to EO, according to which, EO is a combination of risk-taking, proactiveness and innovativeness. It considers those persons present entrepreneurial behaviour when they engage in product-market innovation, acts proactively, and take risks and challenges (Miller, 1983).

There are some studies that have explained some of the opportunities available for SMEs. Most importantly, Simon-Moya et al. (2016) identified that organisations based on opportunities of the market have a better chance of surviving at the challenging time as compared to those who have just begun out of necessity. Discussing the effectiveness of entrepreneurial orientation (EO), Covin and Lumpkin (2011) that the EO consists of the dimensions like proactiveness and innovativeness that encourage SMEs to take risks. In support of this, Soininen et al. (2012) validated that SMEs with greater EO has more survival chances to mitigate the issues like financial issues and competition. In contrast, Piperopoulos (2016) claimed that the effectiveness of EO varies from country to country. Also, it requires the right circumstances for the effective management of the practices.

With reference to the study of Lekmat and Chelliah (2011), EO has the ability for transforming an organisation positively and enabling them to deal with competition and challenges because of its potential in ensuring effective operations and processes that could improve the overall business performance. Many studies have recognised the different benefits of EO. The benefits include the diversification effects (Pal et al., 2012), restructuring and outsourcing (Vrecko and Sirec, 2013), and transformational initiatives (Edvardsson and Teitsdóttir, 2015).

Several studies based on meta-analysis have presented the positive side of EO for enhancing the overall performance of firms including SMEs (Emmanuel, 2017). On a contradictory note, Samsir (2018) strongly disagreed with the effectiveness of EO for improving firms' performance and believed that it requires several terms and conditions as well as the right approaches for its successful implementation. Following a similar negative note, Khudair et

al. (2019) added that the EO proves to be more disadvantageous for some firms because the situations of that firms were not suitable for the application of EO. Here, the situation is defined as internal conditions like strategy and structure that were not fit well with the EO implementations.

2.3.2: Innovativeness

Innovativeness imposes a positive impact on the performance of SMEs (Soininen et al. 2012). Different studies (Le Nguyen and Kock, 2011; Hong et al., 2012; and Dias et al. 2020) showed positive performance impacts of proactive or innovative postures, or an integration of both to mitigate the challenges faced by SMEs. The earlier studies identified that lack of innovativeness is a considerable issue of SMEs resist them to compete. On the other hand, a study by Marino et al. (2008) highlighted that greater levels of uncommitted resources assist in stimulating innovations to deal with the challenges and organisational issues particularly faced by SMEs.

2.3.3: Proactiveness

Proactiveness is one of the management approaches that stimulated firms to act proactively for seeking out new opportunities and dealing with all the emerging threats (Wales et al. 2016). According to Mircevska (2015), any business would be successful if it adopts changes. Firms that are proactive is more likely to plan effectively and build the expected future instead of considering the directions of external forces (Covin and Slevin, 1989). In the competitive business environment, there is considerable chaos; thus, businesses must be ready to deal with these turmoils. In consideration of this, Lumsdaine and Binks (2007) explained that proactive entrepreneurial firms have more ability to mitigate risks and then turn threats or changes into opportunities. Roux and Bengesi (2014) supported this and claimed that such innovative organisations fill the market gap and gratify their demands by introducing innovative products. Firms that are adapted to these innovations can easily compete with their competitors. The emphasis of the proactive firms is on planning a forward-thinking strategy for dealing with business issues and availing all the opportunities (Zahra and Covin, 1995). A similar study explains that through proactiveness, firms can avail advantages, manage problems and

approach better business opportunities. BAMBANG et al. (2021) further supported that proactivity has the potential to achieve a greater level of performance for businesses. Proactivity concerns taking the initiative and availing new opportunities for participating in the emerging markets. Penrose (1959) further highlighted the third characteristic of EO for SME growth by providing a vision and imagination essential for carrying out an opportunist expansion. According to Anderson et al., (2015), it is the best approach for attaining sustainable competitive benefits for generating high profit for SMEs. In the current competitive market a changing technology, the managers or owners of SMEs are bound to adopt entrepreneurship at the time when their formulating strategies become apparent because there is always a need for innovation.

2.3.3: Risk-taking

Risks refer to the possibility of any negative outcomes like loss or failure while pursuing any activity. SMEs witness an extremely competitive and risky business atmosphere and it is expected from them to consider calculated risks for proceeding in an advanced market. With the help of their insufficient resources in the competitive atmosphere acknowledging that the investment may fail to generate any return. There are also more chance of facing loss (Covin and Slevin, 1989). Risk-taking has adverse impacts on the performance of SMEs (Soininen et al. 2012). SMEs that have smallness of liability must take risks to survive in the market; however, entrepreneurs help them to identify them the suitable areas where SMEs must invest and where not (Anderson et al., 2015). Extending this, Wang et al. (2015) argued that interprets risk-taking leads to increase dependency on financial investors as well as it does not tie it to proactive moves and innovative moves.

Altinay and Wang (2011) related risk-bearing with entrepreneurship. Supporting this, Kirby (2004) claimed that entrepreneurs take risks while a higher level of taking risk related with entrepreneurial activities (Luthje and Franke, 2003). Entrepreneurial firms that take risks can easily differentiate themselves from their competitors (Wang, 2016). Keh et al. (2007) added that risk-taking entrepreneurs can lead the market.

2.4: Summary

The following section has identified the challenge faced by the SMEs. The previous literature identified that the most prominent challenges that generally SMEs are experiencing include lack of resources, increased competitions, and natural crisis. The studies supported that these issues have made the survival of the SMEs challenging. Extending to this, the section critically reviewed the connection between entrepreneurship and strategic management. There are multiple studies that have supported that entrepreneurship has become the best way for helping SMEs in the process of business management like identification of opportunities, making plans, and ensuring flexibility. The previous studies also supported that entrepreneurship is extremely opportunistic for SMEs to allow them to improve their profitability and gain competitive edge. It has also been identified that SMEs must have an innovative mindset for its development.

Aftermath, the chapter has added theoretical framework selected for this study i.e. entrepreneur orientation theory that ensures the strategic-making practices of organizations. Applying the theory in case of SMEs, the literature review has analyzed factors like innovativeness, proactiveness, risk management, market orientation and entrepreneurs' expertise. Notably, the literature review found that some studies presented the relationship between entrepreneurship and strategic management; however, some of the findings are old and cannot be applied in current business settings that are highly influenced by digitalization and globalization. Also, the findings are not relevant to SMEs of Sweden that require aggressive innovation to ensure profitability and productivity. Therefore, we need another similar research that is the latest and focused on the business environment of Sweden for SMEs.

Chapter 3: Methodology

3.0: Introduction

This chapter of the research outlines the methods, approaches, and tools employed to acquire the aim and objectives of the research. It includes research philosophy, research design, research approaches, and data collection method along with presenting justifications for using a particular method in order to analyze the relationship between entrepreneurship and strategic management in the case of challenges faced by SMEs in Sweden. In addition to this, the research also includes the information related to data analysis technique, sample size, and sampling technique to clarify how the researcher collects information related to entrepreneurship and strategic management. The methodology section also includes all the principles and rules to ensure ethics in the research. Finally, the chapter adds the limitations of the research due to adopting different methods, theories, and research topics.

3.1: Research Method

To gain a comprehensive insight into the research topic, it is imperative to define the philosophical standpoint as it allowed to make well-informed decisions related to different research stages and phenomena in an appropriate manner (Irshaidat, 2019). As per the definition of Saunders et al. (2006), research philosophy is a phenomenon that involves resolving the issues related to the development of knowledge and the nature of the information. This research aims to analyze the relationship between entrepreneurship and strategic management in the context of SMEs in Sweden, interpretivism philosophy has been selected. According to Saunders et al. (2006), interpretivism philosophy in the research states that the social world tends to be interpreted subjectively. Here, there is considerable attention on the understanding of the manners that enable people to experience the social world. The studies wherein the researchers have adopted an interpretivism standpoint performed a particular role to observe the social world (Irshaidat, 2019). The rationale for selecting interpretivism philosophy to identify the relationship between entrepreneurship and strategic management is that the philosophy depends on believing that the reality is complicated and

multi-layered, and a single phenomenon can be interpreted in several ways (Alharahsheh & Pius, 2020). As the following research intends to use entrepreneurship orientation theory that involves factors like proactiveness, innovation, and risk-taking, the selection of the interpretivism paradigm is justified. To analyze the relationship between entrepreneurship and strategic management, the researcher needs to analyze the relationship between the factors of EO (such as innovation, proactiveness, and risk management) and the processes of strategic management (planning, opportunity identification, flexibility, and so on). This allows the participants to provide their true perception related to the strategic management of SMEs in Sweden through Entrepreneurs orientation so that the researcher would have an accurate image of the connection between entrepreneurship and strategic management that the researcher aims to identify (Thomas, 2003). As the researcher of this study has taken a positivist standpoint, it is appropriate to select the inductive approach that is coherent with the qualitative research method. Woiceshyn and Daellenbach (2018) added that the inductive approach is useful as it does not rely on the prior assumptions of the researcher. As a result of which, all findings of this research are mainly based on the perceptions of the recruited participants rather than the biased opinions or personal views of the researcher related to entrepreneurship and strategic management. Extending to this, Liu (2016) claimed that the approach is the best way for maintaining the validity and credibility of the research. This approach can expand the academic knowledge and overcome the research gaps by generating unused information related to entrepreneurship and strategic management using the case study of SMEs in Sweden (Bentahar& Cameron, 2015). With the help of this, the researcher draws a well-informed conclusion and recommends accordingly (Smart et al. 2012). Using the inductive approach, the research commences the study with the consideration of previous theory (i.e. entrepreneur orientation theory) and relevant information about strategic management processes like planning, flexibility, and opportunity identifications. Then, the researcher finds the relevance of the data from the opinions of the recruited participants. As there is a piece of far less information available related to the relationship between entrepreneurship and strategic management in the context of SMEs in Sweden, it is appropriate to select the exploratory method as a research design as it would allow exploring the topic more

comprehensively. Defining the exploratory research design, Syakur (2019) noted that exploratory research design provides greater flexibility to the research at each research process. This means that the exploratory design allows the researcher to either collect information from a small or large sample size. However, as the study has selected the interviews method, the researcher keeps the sample size small. Consequently, the researcher of the study can comprehensively explore the perceptions and beliefs of the SMEs owners related to strategic management through entrepreneurs' orientation to ensure greater profitability and productivity. In addition to this, Hovorka and Lee (2010); Chan et al., (2016) mentioned that the exploratory research design allows the generation as well as interpretation of the recent data. In this way, this study can easily generate information that is well-focused and recent (Mainardes et al. 2010; Donaghy et al. 2019). The proposed research aims to analyze the relationship between entrepreneurship and strategic management considering the case study of SMEs in Sweden, the extraction of data in a quantitative manner would not be helpful to comprehensively understand the research and ultimately achieve the research objectives. In the qualitative type of research method, the data is collected in a non-numeric or text-based manner (Saunders et al. 2006; Watson, 2015). Bryman and Bell (2006), Sun et al. 2020; and Bengtsson (2016) explained qualitative research as a naturalistic inquiry process for seeking a comprehensive understanding of the social phenomenon in the context of the natural setting. The benefit of qualitative research is that the method stresses the 'why' rather than mainly illustrating the 'what' aspect of the social phenomenon (Dwyer, 2007; Arifin, 2018). This means that by adopting this research method in the study, the researcher does not merely illustrate the influence of entrepreneur orientation on strategic management but also provides reasons for such influences; consequently, depth information related to the research topic can be generated. Due to focusing a specific business type (i.e. SMEs), this selection of qualitative method is appropriate as Donaghy et al. (2019) claimed that the method is useful for providing data specific to an industry. In business research, the qualitative method is increasingly being adopted to identify new insights accurately. It allows getting underneath data to drive the more accurate decision-making responses. Therefore, the researcher can use entrepreneur

orientation in the study to make a well-informed decision related to the relationship between entrepreneurship and strategic management.

3.2: Time Horizon

On the basis of time, research are divided into two main sections i.e. cross-sectional studies and longitudinal studies. As per Saunders et al. (2006), the cross-sectional study are those studies that are conducted at a single point in time for examining the relationship between different variables. Contrary to this, longitudinal studies are those wherein the research intends to conduct the similar study using the similar sample over a specified period of time. The researcher of this study has no intention for repeating the similar research; thus, the following study is a cross-sectional study.

3.3: Data Collection Method

Sari et al., (2021) proposed that the quality of research relies heavily on the selection of the prompt data collection method. The two main methods for collecting data are primary and secondary sources. Primary sources provide first-hand, unused, and the most recent information in order to achieve the research aim. Contrary to this, secondary sources provide used and second-hand information. The prominent secondary sources are websites, magazine, newspapers, article journals, research articles, and books (Woiceshyn & Daellenbach, 2018). Song et al. (2021) stressed that the collection method must be selected by evaluating the availability of the data related to the topic. As previously stated, there is extremely limited information available related to the relationship between entrepreneurship and strategic management, particularly from the perspectives of SMEs in Sweden, the selection of secondary sources would not be appropriate to achieve the research objectives. Under these circumstances, the researcher has selected primary sources to obtain information about the entrepreneurship abilities and characteristics required for dealing with the challenges faced by SMEs in Sweden to increase profitability and productivity. Consequently, the adoption of the primary method allows to overcome the existing gaps in the literature.

Bloomfield & Fisher (2019) highlighted that studies using primary sources enabled the researchers for extracting the most recent information to resolve the business issues. Therefore, the researcher identifies the trait and characteristics required for managing the current issues and challenges faced by SMEs in Sweden. Based on these reasons, the selection of primary sources is justifying.

It has been noticed by Saunders et al. (2006) that there are numerous ways available to the researchers to adopt primary sources for the collection of information. The primary ways for collecting data are questionnaires or surveys, observation, experiments, interviews, and focus groups (Okonkwo et al. 2021). This study intends to use the qualitative research method; therefore, it has selected the interview method to collect comprehensive information about the relationship between entrepreneurship and strategic management considering the case of SMEs in Sweden.

3.3.1: Interviews

Interviews are defined as a conversation method to gather information. In this process, the interviewer asks questions while an interviewee needs to respond accordingly (Kampe et al. 2018). It explains and explores the opinions, experiences, phenomena, and behaviours of the subjects better (Heimann et al. 2020). The rationale for adopting the interview method is comprehensively providing details about the relationship between entrepreneurship and strategic management. The interview method is further divided into three types, namely, structured interview, semi-structured interview, and unstructured interview (Tingaz, 2021). This study has adopted semi-structured interview method.

Hartwell et al. (2019) defined semi-structured interviews are defined as a pattern that has some questions predetermined set. There is an increased reliance on the standardized set of questions for gathering information. The reason for selecting the semi-structured interview method is its simplicity and ease of analyzing the data. For instance, Kampe et al. (2018) added that structured interviews enable the researchers to make equitable comparisons between the responses of the participants. Also, Rahman (2019) mentioned that there is no room for personal biases. Thus, the validity and reliability of the research findings would also be

enhanced. In addition to this, the semi-structured interview method provides objectivity as well as fair standards for ranking answers. Most importantly, the method is adopted because there is less stress for the researchers as some questions are pre-determinant. Accepting the importance of semi-structured interviews, Heimann et al. (2020) believed that semi-structured interviews provides more comprehensive information related to the research findings. Using the structured interview method, the researcher can partially plans the interview in advance. There would be some set of questions that intends to be asked from each recruited participant (Roulin et al. 2019). Hence, using the semi-structured interview method, the researchers can form well-informed and well-researched interview questions using the entrepreneur orientation theory and prior literature.

As per Tingaz (2019), research adopting the qualitative research method stresses extracting information with the help of conversational and open-ended communications. Usually, the researcher adopted the interview method forms open-ended questions. Similarly, the proposed research using structured interviews formed open-ended questions. Heimann et al. (2020) explained open-ended interviews wherein the asked questions may not simply be answered through yes or no rather it requires comprehensive explanations.

There are multiple benefits of **using open-ended questions**. Most importantly, the open-ended questions allow the gathering of thoughts and opinions from respondents (Heimann et al. 2020). There is an increased chance of deeper and more thorough data. This means that the relationship between entrepreneurship and strategic management can be identified comprehensively. Other benefits of open-ended questions are allowing receiving unlimited answers, delivering updated insights, and giving sentiment and opinions in-depth (Kampe et al. 2018).

In this semi-structured interview format, **the open-ended questions** are divided into two sections. The first section includes the age, gender, and experience of the SMEs owners while the second section involves questions related to the research topic (see appendix 1). The interviews intend to be conducted on Zoom. The maximum time for the interview would be 20 minutes. The time and day intend to be selected based on the schedule of the participants. The

researcher would avoid asking any barreled or leading questions that influence the findings of the research.

3.4: Sampling

Sampling refers to the process of subset wherein individuals are selected based on the required characteristics so that they can represent the whole relevant populations (Naoum & Egbu, 2015). However, it is highly useful to understand the entrepreneurship characteristics and traits required for managing the process of SMEs in Sweden strategically; thus, the research intends to collected data from SMEs owners. The sample size for this research is 10 to ensure that the information provided by the participants can be included and analyzed more critically. Thus, the selected sample size is enough for the study aims to identify the relationship between entrepreneurship and strategic management. Besides these, the researcher has also set some inclusion and exclusion criteria for participants. The researcher only recruits those SMEs whose employees are more than 30 and less than 50. SMEs with less than 30 employees and more than 50 employees have been discarded. Only those SMEs are selected that are located in Sweden. SMEs from any other country have been omitted. The respondents must have 5-years of prior experience to run the SME. Based on the participants' age, it has been ensured that the SMEs owners must fall in the age range of 25-50 as they are more likely to own an SME. People of this age range can better provide innovativeness and proactiveness influenced SMEs practices. Thus, SMEs owners who age below 25 and above 50 have also been excluded. The researcher has not set any criteria based on the participants' gender.

Sample	Characteristics
Mutual characteristic	Owners of SMEs
Recruited SMEs	Employees more than 30 and less than 50
Age Range	25-50
Gender	Any gender

Experiences	5 or more than 5
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3.5: Sampling technique

Aithal (2017) stressed that it is highly useful to select the right sample through an appropriate sampling technique. Due to the heavy reliance on the quality of research on the sample, it is imperative to make a well-informed decision at the time of selecting a sampling technique. With respect to Nowell et al. (2017), the sampling techniques are divided into two main parts i.e. probability and non-probability sampling techniques. Differentiating the sampling types, Khaki (2015) noted that non-probability sampling avoids giving an equal chance of being selected to each individual, whereas, probably sampling provides an equal chance of being selected. In this research, it has been intended to stress on merely a single unit, the researcher has selected non-probability sampling.

The non-probability sampling is further be categorized into subtypes such as judgmental sampling, quota sampling, and convenience sampling. However, this research focuses on some specific characteristics of the participants such as SMEs owners with the specific number of employees and having 5 years of experience, the researcher has selected judgmental sampling. As per the definition given by Campbell & Cowton (2015), judgmental sampling (also known as purposive sampling), refers to those sampling ways wherein the researcher selects the samples on the basis of his own judgment or knowledge. The rationale for selecting judgment sampling is its usefulness in approaching the target population (Nowell et al. 2017). In this research, the target audience is SMEs owner with 5-years of experience.

The researcher has also adopted this sampling technique because it provides flexibility and convenience to the researchers to access the relevant participants. Thus, it ultimately saves the time and energy of the researcher (Campbell & Cowton, 2015). Khaki (2015) added that this sampling technique enhances the relevance of the sample to the interested population because merely those individuals who fit specific criteria are selected. Thus, the selection criteria in this

research justify the selection of judgmental sampling. The participants would be accessed through association.

3.6: Data Analysis technique

The data analysis technique is defined as a technique employed to interpret raw data in an understandable manner as per the definition of Fang et al. (2015). As the following research has adopted a qualitative research method, the appropriate analyzing technique is thematic analysis. As per Ryan (2018), thematic analysis is an analyzing technique used to separate the extracted information into different themes and sub-themes making the discussed more focused and comprehensive. The rationale for selecting thematic analysis is its flexibility to interpret the data as well as allowing to have a large data set more conveniently as the information is sorted out into different themes.

As per Braun & Clarke (2021), studies using thematic analysis can easily explain and elaborate the findings in detail into different themes as the research adopted an inductive approach, the researcher has the ability to determine themes. The themes and sub-themes in the research have been driven through analytical strategy. Thus, the themes could be proactiveness, innovation, risk management, opportunity identification, planning, and flexibility. In this research, the connection between these elements has been analyzed to evaluate the ways to become productive and profitable.

With the help of the thematic analysis, there are varieties of analytic options available to researchers to discuss the obtained information (Braun & Clarke, 2021). In addition to this, Castleberry & Nolen (2018) claimed that thematic analysis is usually adopted in research wherein interviews are collected. As the following study aims to conduct interviews, the thematic analysis technique is coherent with it. With reference to Finkelstein et al. (2021), the thematic analysis examines the collected information more closely by recognizing common themes, ideas, and patterns coming up repeatedly. In this research, it is possible that the information of the selected themes may overlap; however, the thematic analysis method sorts the data appropriately to create meanings and integrate related data. Based on the extracted data (i.e. answers of the participants) themes would be formed. In this research, the extracted

data would be closely examined for analysing and recognizing the mutual themes like ideas and different patterns of meaning that come up repeatedly to find the themes.

This adoption of the analysis technique would help to interpret the interviews of the SMEs owners in an understandable manner. Based on these reasons, the thematic analysis method has also appropriately been selected. Applying this technique, the researcher follows the five-step process (Braun & Clarke, 2021); (1) Familiarization, (2) generating themes, (3) Reviewing themes, (4) defining themes, and (5) Analyzing themes.

3.7: Reliability and Validity

It is highly imperative in the primary – based research to ensure the validity and reliability of the research findings. For instance, Arseven (2018) explained that the research quality, as well as the implication of the findings, can be guaranteed by making sure that the findings are reliable and valid. As per Bryman and Bell (2011), reliability refers to measuring consistency. This means that the reliability of this interview-based research can be guaranteed by cross-checking the consistency in the answers of the recruited participants. For instance, the answers of the majority of the respondents would be analyzed to check the extent to which the findings of the research can be termed reliable. The research ensures reliability by comparing the number of SMEs owners in Sweden aspects the effectiveness of entrepreneurship to deal with the challenge faced by the SMEs.

Moreover, validity refers to a concept to examine how a method or technique measures the variable accurately, as per the definition of Bryman and Bell (2011). In addition to this, Saunders et al. (2006) further added that the validity increases when the obtained results correspond with the accurate variables and characteristics. The measurement will be valid in case of high reliability. Presenting the importance of validity, Nemoto et al., (2014) explained that validity assurance requires a logical relationship between a variable and the formulated objective. Thus, this research has adopted the interview method as a data collection technique, the validity of the respondents' answers is judged by comparing the findings with the previous literature. It would be demonstrated whether the obtained relationship between

entrepreneurship and strategic management has been supported or denied by the findings of the previous literature.

3.11: Ethical Consideration

Using the interview method as a data collection approach, the researcher of the study is more obliged to follow the principles of ethics. This research that aims to analyze the relationship between entrepreneurship and strategic management makes the researcher consider all the ethical principles. During the sampling phase, the researcher intends to recruit people who are above 17 and have a mental capacity that is ethically correct. Also, the researcher has considered taking the consent of all the recruited participants through a consent form that is comprised of a brief introduction of the topic, the implication of the research findings, and the expected contribution of the recruited participants. The researcher has ensured that the recruited participants understand the consent form and take part in the research willingly. As per Bryman and Bell (2011), the participants must be free from any risk or harm. Although, the topic of the research is not sensitive, yet, the researcher has that the participants will not be subject to any harm or risk. It becomes possible by ensuring the anonymity and confidentiality of the respondents. In order to safeguard the privacy of the participants, the researcher assigned a particular code to each respondent and has avoided to ask their name. Thus, the anonymity of the participants ensured motivating the participants to answer the interview questions by reflecting on their perceptions and experiences in entrepreneurship.

While conducting the semi-structured interview, the researcher has not pressurised or threatened them for providing answer all the questions. They have been allowed to leave the interview anytime. In these ways, the researcher respected the dignity of the participants so that they can feel freedom. The researcher has also ensured that the interviews do not last more than 20 minutes so the time of participants would not waste. The participants have been motivated to answer the questions politely. Even, at the end of the interview, the researcher has guaranteed the protection of all the participants. For instance, the interviews have been saved privately.

3.12: Limitations

The selection of the particular research method and research topic. As the study aims to focus on SMEs in Sweden, the research findings have geographical boundaries. This means that the application of the research findings to any other country is daunting. Similarly, due to focusing on SMEs, the findings cannot be applied to big firms of Sweden. It is not clear that the research findings can be applied to the entrepreneurship of other countries.

Considering the methodology aspect, it has been noted that the study intends to conduct interviews merely with 5 participants. The sample size is extremely small and may not be sufficient to portray the perceptions and views of the whole population of Sweden. The use of a small sample size questions the generalization of the research findings. Thus, the validity and reliability of the research findings would also be influenced. In addition, the research has used open-ended questions for generating comprehensive information related to the research topic. Positively, this allows the participants to freely answer the questions; however, the findings cannot be statistically measured. It is also possible that the researcher has missed out on crucial information due to a large amount of available information. Another limitation is the selection of judgmental sampling wherein the participants have been selected through the preferences of the researcher. This means that the researcher can produce the desired results by selecting participants of his choice.

In addition to this, this research has merely focused on the perceptions of SMEs owners in Sweden rather than incorporating data related to the perceptions of entrepreneurs. Consequently, the extracted information failed to be supported from the entrepreneurs' perspectives and experiences decreasing the implications of the findings in the real-life situation. The use of thematic analysis also limits the research as it involves the chance of missing nuances in the extracted and analyzed information. Similarly, as this research has employed a semi-structured interview method, the participants are needed to plan more in advance. It may also be possible that the selected questions may not be relevant to each participant.

Chapter 4: Findings

4.0: Introduction

This section of the chapter elaborates the findings of the research extracted from conducting interviews from 10 participants. It merely includes the most important statement of the participants. The findings of this section would further be discussed in the next chapter. However, the themes and its relevant findings have been discussed below comprehensively:

Theme 1: Challenges faced by SMEs and ways to manage these challenges

In the first question, the participants were asked about three challenges, risks and problems faced by SMEs in Sweden. Majority of owners of SMEs have shared their diverse opinion based on their own experiences. Mostly, the participants stressed that increasing competition is one of the considerable challenges for them resisting them to achieve a great profit. The less stress of the participants was on getting the dedicated team. Majority of participants identified is competition. As per P1, *“For me, the risks faced by Swedish SMEs is increasing competition that increased pressure to become innovative, and finding and hiring the time people for the business”*. The participant further added, *“We are operating in a competitive business environment and this competition is very furious in terms of innovation. A talented and expert team is required to manage the competition and innovation demands. However, it is another considerable challenge to SMEs because these talented people want to work in big firms. So, I believe that these challenges are interconnected,”* P1 elaborated. It has been further supported by P9, *“The issue that most of the existing and new Swedish SMEs are facing today is globalization that has been boosted after the pandemic. This globalization is cultivating competitive environment for SMEs as several multinational firms have just landed in the country”*. P2, P8, P10 and P5 have also identified competition as the biggest challenge.

The second most considerable risk is insufficient resources with respect to different participants. According to P8, *“SMEs need to compete with the big brands and our insufficient resources definitely a big big barrier to find innovation in our practices because it does not enable them to do multiple experiment, spend aggressively on advertisements like big firms, and offer competitive benefits and wages to their employees”*. Likewise, P2 added, *“Many SMEs,*

regardless of their size or the industry in which they are engaged, are today at a turning point, with enormous growth potential, but difficulties associated with economic uncertainty and the financing they require to make a leap". It has been further supported by P1, P6, and P9.

The third identified risk is doing innovation. As per P8, *"The first risk that every SME faced in Sweden is how to become innovative as there are already so many innovation in terms of business strategies and products introduction have done. We are still struggling that what can be further done to become more innovative in our service".*

Finally, the participants identified taking opportunities and making the right decision at the right time. P8 noticed, *"The other one challenge is making the right decision at the right time because the owners of SMEs get very concerned while they see an opportunity and remain unclear to them that whether they can achieve the benefits or meet the challenges".* In the current era, adopting technologies and digitalization as a significant opportunity. According to P5, *"New technologies and digitalization has de-routinized the Sweden. Several skilled workers work online for international firms to get more benefits and pay that they can get through local SMEs. The challenges that I am seeing that most of the SMEs are facing here is the ways of incorporating the latest technologies and ensuring the digital transformation. Many SMEs are unable to manage the transformation. It is a great struggle for them to train their workers accordingly and take advantage of the digitalization appropriately."* Connecting this with globalization issue, P9 further claimed, *"Another challenge is to make use of opportunities at the right time and making the right decision. While the final issue that has been increasingly influencing the Sweden SMEs is globalization".* Similarly, P9 added, *"Now, there is very much demand to streamline and to improve the efficiency of business operations. Globalization leads to economic integration and structural changes in Sweden making it hard for SMEs to adapt to these changes".*

After the current pandemic and crisis faced by SMEs, many participants have identified it another considerable issue. P5 stated, *"In an era of changes, new authorities, a constitutional process still in development, and adding the pandemic and the climate crisis that do not give truce at the global level, we need flexible spirits that know how to adapt, flow with the new*

currents, cooperate with high vision and get along with the economic and social growth that we need to consolidate". P10 added, "There were unawareness that what would be going to happen and how this adverse situation would be managed. Many become hopeless while others were forced to shut down their business processes. The main factors that make the disasters challenging is the uncertainty".

There are significant overreaching connections between the themes. Many of the risks are overlapping after analyzing the interviews. One challenge that most of the participants identified in this research was competition. The second most challenge that the participants identified were insufficient resources (both financial and human) due to crisis while the third most identified challenge was innovation. Interestingly, another challenge that hinted by participants is globalization and opportunity analysis.

After identifying the challenges faced by SMEs, the next question was related to the approaches and methods used by entrepreneurs to deal with these challenges. In the question, the participants have identified extremely useful but diverse resolutions for managing each risk. To deal with competition as a risk that has been identified as a considerable issue, P1 noticed, *"Innovation can deal with the competition and this innovation is possible through hiring experts. For hiring experts, SMEs must provide incentives and provide career opportunities to their experts. For instance, they must acknowledge their efforts, provide them all the resources, and give them positive reasons to work in your company. This is high useful for attracting talented individuals and keep them in the firm."* Rejecting this, P8 argued that increasing finance can help to become innovative.

To deal with insufficient resources, P8 claimed, *"SMEs can take loan or financial supports from the government as Sweden government is particularly know for financially supporting businesses so that they can innovate better and do not face the challenge."*

Availing the latest technologies, P8 recommended, *"The biggest tool is social media to increase the visibility of a product/service. Here, the question is everyone is now using this tool but what entrepreneurs can do is making those marketing strategy that could create a hype to attract more and more people towards the product/service"*. In contrast, P5 suggested the ways to avail

opportunity, "Incorporate the technological tools of digital transformation and, if they still do not manage them, worry about training and taking advantage of them to their advantage".

To simultaneously dealing with crisis and availing opportunities, P10 suggested, "*Define the social and economic environment of the business to better understand how to win the market under these circumstances because such information are useful to select the approach that can minimize these risks on time with minimal resources. Information about the market is the power to win business*". In contrast to it, P4 appreciated entrepreneurs for turning risk into challenges. The participant added, "*If we just go a year back, we could see that how the pandemic aroused in the world as a risk but at the same time, many even thousands of entrepreneurs turned this risk into opportunity*". P7 showed, "*I think entrepreneurs can make a better team to deal with the challenges like uncertainty, disasters, competition and innovation. It has been further supported by P10, "To manage the uncertain situation arise from disaster, the entrepreneurs help SMEs to develop multiple plans for different situations. During the Covid-19, the entrepreneurs had a plan that how would they survive in the market if the similar restrictions and precautions sustain for the next 2 to 3 years. The plans altered with each improvement. How the employees engage if they do work from home, what happen if potential employees get ill, how to access the raw material of the restrictions on exported material continuous". During the pandemic, we did not wait for the governmental guidance, we knew we want something innovative to deal with the social distancing. We used risk management in our preparation process giving us low-risk opportunities for testing and iterating with the flexibility needed for our SMEs."*

Presenting another perspective, P2 avoided suggesting any ways to deal with risks claiming that we cannot approach them all in the same way. Yet, the participant added, "*There is something they do share: starting with small teams and a strong dose of flexibility to adapt to the environment and create new solutions, even when conditions are adverse*". Similarly, P7 explained, "*Entrepreneurs are risk takers and understand that without taking the risks, they would be unable achieve better results. To deal with these challenges, the firstly learn to accept uncertainty and then consider different chances to mitigate these risks by making plan A and B*".

Based on the findings of the research, there are different ways to deal with each issue. Mostly participants stressed on innovation for achieving competition. Innovation is possible through hiring experts who can manage the insufficient resources. Some participants also emphasized on digitalization and incorporation of technology. For the management of pandemic and crisis, mostly participants suggested to make multiple plans for different situations.

Theme 2: Roles of entrepreneurs to identify opportunities for Sweden SMEs

All the participants were asked about to share their opinion regarding the roles of entrepreneurs in the identification of opportunities in case of Sweden. There are different roles of entrepreneurs suggested by participants. Majority of participants believed that entrepreneurs play roles in opportunity analyzing by using their knowledge and network. As per P7, *“Entrepreneurs have an utmost knowledge of different social, financial, and technological trends, and they have a wide network. They make use of their network and information to identify opportunities. They play integral roles in finding the needs and gaps in the marketing”*. P2 also quoted the same, *“They can better assist in gaining information about the market. Using such information, entrepreneurs increase the chance for SMEs to develop more useful products and service. After doing this, it becomes highly easier to figure out how their consumers perceive the products of the SMEs after identifying threats to their business”*. Rejecting this, P4 argued, *“The least they can do is giving a meaningful guidance about what can work well in the current era. Many times, a vague and random action has been turned out to be profitable. On the other hand, a strategic and planned action met disastrous results; this sometimes relies on the luck.”*

The second role played by entrepreneurs was proposing ideas. P5 explained, *“Entrepreneurs themselves are opportunities because they play an integral role in proposing ideas related to product and different business strategies.”* Likewise, P7 found, *“All the information allows the identification of opportunities in the form of designing a process or method allowing saving the costs of production. In difficult and challenging period, entrepreneurs provide ideas and approaches to deliver a product or service in a cost-effective manner”*. The same has been quoted by P2, *“I believe that entrepreneurs create opportunities rather than merely recognizing it and this becomes possible by searching for the existing market. Identifying the opportunities,*

entrepreneurs can break the ways things are performed by integrating the existing resources". In contrast to it, P4 added, *"Definitely, it may not resolve the issue because again there is no definite path to tell what are the needed qualities for sure. This issue can be resolved through doing experiment and taking risk".*

Contrary to above stated role of entrepreneurs for identifying opportunities, P1 has presented entire different findings. According to which, *"I only consider those situations as opportunity that increases the chance of becoming profitable. Such profit-making situations are opportunities for SMEs too. Here, the work of entrepreneurs is to identify these profit-making situations that obviously exist can be availed through exploiting the imperfections of the market".* In support of this, P10 claimed, *"Entrepreneurs can help SMEs to identify opportunities by focusing on the creation opportunities rather than discovering opportunities because discovery means identifying opportunities that are already exist."*

Unfortunately, some participants claimed that there is a no way certain way to identify the opportunities. Even, this process is very complex and difficult. According to P1, *"We definitely cannot guarantee that what strategy could be beneficial for us what can be a threat or disaster. Yet, with entrepreneurs, there is a high chance to make a profit by taking the right steps".* Likewise P4 quoted, *"I just want to clarify a misconception that opportunities are certain. Entrepreneurs can merely suggest you that there is a chance of opportunity. This would be nonsensical to assume that entrepreneurs have a magical stick to identify any opportunity."* The similar participant has suggested approaches to resolve this issue. According to P4, *"When there is an opportunity in the form of abstract, there is a chance to turn them into the reality by combining them with the qualities of entrepreneurs."*

Merely one participant (P10) showed a different insight. As per the answer, *"I reaffirm that even the creation of opportunity can be failed many time but this failure is another opportunity for learning that it does not work well for me. You must be thinking that what an SME should exactly do to identify an opportunity so I can suggest that an entrepreneur can merely provide meaningful guidance for a positive action leading to increasing the opportunities",* P10.

Overall, it has been identified that there are several participants P5, P2, and P7 who identified entrepreneurs as a main driver and mechanism for identify opportunities for SMEs. On the other hand, P10 and P4 identified that entrepreneurs can merely guide for ways that can be opportunistic but they cannot be so certain about this. Most of the participants also indicated that the most useful ways for identifying opportunities is to keep an eye on current market to track all factors increasing their profit margin.

Theme 3: Imperative characteristics of entrepreneurs for SMEs in Sweden

The entrepreneurs of different countries and different types of business require unique characteristics and attributes for different purpose. In consideration of these factors, this research asked in the question 4 about the imperative characteristics of entrepreneurs that can help the SMEs in Sweden to become competitive. Many of them identified that the entrepreneurs should be innovative, risk-taking and management, consistency and so on. Majority of the participants believed innovativeness must be the core skills of entrepreneurs for handling SMEs. As per P7, *"I don't consider some entrepreneurs if they are not able to do innovation. Even for SMEs, innovation is backbone for gaining competition. The Innovative entrepreneurs understand that how marketplace responds to the products or servers that are not yet exist. SMEs who consistently deliver their promises of being innovative are able to win the game. Although the process is expensive but is also rewarding and profitable for SMEs."*

Some participants valued decision-making skill of entrepreneurs. P3 added, *"The process can be full of chaos and ultimate success is definitely not possible. So to be competitive, entrepreneurs must be a good decision-maker who must know how to make decision in situation that is challenging. For SMEs of Sweden, entrepreneurs are needed to make a lot of decisions almost daily."*

Another suggested skill for entrepreneurs is risk-taking. As per P3, *"They must be wired for being risk takers. Entrepreneurs must not be afraid of learning from their mistakes. This is really not a big deal for entrepreneurs they are risk averse."*

Another common skill for entrepreneurs is team management skill. P3 claimed, *"Entrepreneurs must be a people developer. In my experience, my biggest learning was going through a process*

of lending in my youth. Many times, I realized that I might not be able to do all these by my own. I need people a solid team, corporative members whom I could lead and influence for becoming a competitive entrepreneur." It can be supported by P7 who claimed, *"Entrepreneurs must know how the art of positioning. This can be an easier and useful approach in the SMEs because it allows positioning yourself as the trusted advisors, expert, specialist and authority. Entrepreneurs can take strategic as well as intentional action to influence their team members"*. The similar theme has been identified in the answer of P3 who stated, *"For SMEs, one of the most useful required capabilities of entrepreneurs is having an ability to delegate tasks. Such entrepreneurs just know how to how assign tasks to employees for performing the task accurately and for growing the business. Either in a big firm or in a SME, the role of entrepreneurs is leading that is only possible when you have trained yourself to delegate duties."*

On the other hand, P6 has identified consistency as more importance than any other characteristics to become competitive because gaining competition is a continuous process and many time plans fail. As per P6, *"Even 10 times a day. If you are consistent in terms of your approaches and actions, and you know the talent of repositioning of your business, you can soon make that SMEs competitive"*. Likewise, P3 added, *"Consistency is not doing one thing over and over until the success is achieved but the consistency is more about being focused on your result but keep changing or experimenting with your strategies until you achieve the success. This can be understood in a sense that many times we make our goal correctly but our plans or strategies to achieve that goal may not be appropriate so we don't require consistency there"*. Learning and researching is another required skill for SMEs entrepreneurs. P6 claimed, *"I also prefer learning from others experiences and other mistakes. It requires a lot of research. This is a valuable asset of successful entrepreneurs because it saves a lot of their time"*.

A great number of participants appreciated flexibility and adaptability. *"The entrepreneurs must be flexible and adapt to latest trends and latest technologies. These are the most crucial in the present times to survive even under the time of volatility and uncertainty. Making changes during the disaster or making changes to adapt to the latest technology guarantee to make*

uncertain time much much easier. This is a key for mitigating risks.” Only a participant claimed that entrepreneurs must be future-oriented.

As per P5, “An entrepreneur with future orientation skill can have a bigger picture of any risk or any opportunity. They look that how a particular step can influence the profits of the SMEs in the future. It is also possible that they can meet some losses in the beginning but future-oriented entrepreneurs know what would work the best for them”.

The analysis of the answers revealed that the skills proposed by participants do not overlap with each other. Different participants have identified different skills of entrepreneurs.

Theme 4: Abilities of entrepreneurs to alter the business practices in SMEs

In order to understand how the entrepreneurs ensure flexibility in the business practices of the SMEs, the research asked participants in question 5 that how entrepreneurs are capable of altering business practices in SMEs. All the participants have accepted the significance of flexibility. As per P9, *“By ensuring flexibility in these manners, there are great possibilities for SMEs for continuing their business practices for a longer period. The key role that entrepreneurs is assessing the business strengths so that they can arrive at the most accurate understanding of the current business market”.* It has been supported by P6, *“The current business world keeps changing because of new advancement. The stiff management practices we followed few years back are not definitely applicable in the current business era”.*

Majority of participants believed that flexibility is possible by making different business practices. According to P4, *“Entrepreneurs make multiple business practices and strategies to execute their business strategy. The entrepreneurs have an ability to see the changes in the circumstances and then change their practices accordingly”.*

Another aspect identified in the answers were ensuring the flexibility of the entire team. P4 revealed, *“SMEs already have few members in their team and they definitely cannot afford they lack of engagement. Here, the role of entrepreneurs is required who can keep up the motivation of employees by providing them some flexibility and benefits. They can be allowed to have some paid leaves, they can be trained to learn the latest technologies that can make their acceptance*

of the changes easy". Similarly, P9 further said, "Under the leadership of entrepreneurs, SMEs can easily change their ways of production for meeting those expectations." P1 also stated, "Entrepreneurs in the SMEs focus on keeping all the entities together either the management or the workforce while changing business practices. The first question in the process is what is going to be change, the second question is how would be affected, and the final question is why is the change required. It is imperative to inform the entities about the change whose business practices need to be changed either the workers belong to production team, human resources, or marketing".

In contrast to the above, P6 has presented the analysis of different opportunities to select the best approach. P6 claimed, *"It is the responsibility of entrepreneurs to consider all the changes, all the options, even the alternative options to understand what option is suitable for that type of SMEs".* P8 explained its flexibility approach, according to which, *"In my SMEs, we use machines and many times these machines do not work so we immediately find its alternative as we need to deliver our work. Simply, even if my PC or laptop got stuck, my next approach is using my cellphone to perform that task and trust me you will get used to it. The business practices are changed and it takes some time to switch to the alternative idea. Everything can be replaced we just need to put some efforts. What is the most important to us is to meet the demand".*

Some participants have noticed some useful aspect while becoming flexible. For instance, P9 stated, *"To change the business practices in SMEs, the idea is looking for each business practice that can be changed without giving much loss because an SME cannot afford much loss and changes of business practice can be a loss of time and financial resources."* Similarly, P6 quoted, *"In SMEs, changing business practices mean interrupting all the business practices for a certain period to formulate the best strategy. In the mean of time, the SME could meet several losses financially. The work of entrepreneurs is that they make different plans and alternative plans in advance to avoid any chaos and hurry".*

Overall, the interviews revealed that P4 and P1 concern more about the flexibility of business practices but they prefer to manage employees or team members through involving them in this change process. On the other hand, P4, P3 and P9 focused on identifying the changes in the

external business environment and then analyze what would work well and what not. Similarly, P6 noted that adapting to the changes is highly required because of the changes in the current technology and arrival of multiple advancements in the business process.

Theme 5: Contribution of entrepreneurs in business planning

In the question 6, the participants were asked about the opinions related to the contribution of entrepreneurs in the area of business planning. To gain an insight in this regard, the participants were asked about how entrepreneurs involve in the process of goal setting and scheduling to meet that goal. Answering this, the participants have given the following responses. According to P1, "Entrepreneurs contribute by identifying the exact need of SMEs that they must be achieved for accomplishing the successful building of the business. They involve in the complete building process from deciding the human workforce to making the decision to use financial resources. All such information are required to implemental the business plan. In the business startup process of SMEs, these entrepreneurs are able to forecast profit or loss in advance, after making several changes and doing corrections, they are able to identify any weakness of the strategy that may fail them to achieve the business goal on time". Supporting and extending this, P7 noticed, "Entrepreneurs work to make fragmented objectives to achieve that goal. They conduct research about what is being doing by the entrepreneurs and how their strategies. After that, it is analyzed that how to make our strategy superior than others and what we can do that can further resolve the customers need and become a profitable means for us. For instance, an SME's goal is to introduce a product. The first thing that an entrepreneur will do is finding other similar or alternative products, evaluate its prices, and compare their positive and negative. Then they forecast the time when the product should be penetrated in the market. How much cost of the product motivates the customers to purchase that product. Meanwhile, it is ensured that the SME must achieve profit. Another area of SMEs where entrepreneurs involve while goal setting and executing is in the planning or recruiting staff resources. They check what members should be included in the business plan to achieve the best result on time, how must investment is requires. Even each task has been assigned to the most relevant employee and how much each task cost. There is a proper budgeting process and as entrepreneurs have a vast

network and have market information, their contribution in the goal setting and strategy-executing is required to a greater extent.

In similar to above, P10 explained, "*Entrepreneurs involve in the process of setting realistic goals that are really attained in the scheduled period. Small goals are set as per the available resources of the SMEs. If an SME has 30 employees it may require more time to complete a similar task that another SME with employees done. So the role of entrepreneurs here is understanding the stability, size, and resources of SMEs in Sweden to set realistic goals. Without considering these factors, the goals may not be achievable and may lead to chaos. So the goals are set as per the SMEs and entrepreneurs do it based on their experience. So, the comprehensive focus while setting business goals is on the internal conditions of the business*".

Another participant (P3) has added, "The contribution is of the entrepreneurs in scheduling and making goals for the business is done through two ways. First, the entrepreneurs use their ability for making a vision about where they want an SME in the next few years. To achieve that long term goals, entrepreneurs involve in setting up different strategies and steps required for reaching that goal. It becomes possible for them as they have a knowledge and comprehensive understanding of the overall business approaches as well as how to execute a business strategy to reach out the results. Second strategy is making a complete financial data. In the beginning of an SME, the budgeting is relatively higher because there is more possibility that things may not go well as planned".

In contrast to it, some participants have provided extremely different answers and focused more on external factors. According to P5, "Entrepreneurs contribute in making goals by considering the customers. They conduct a comprehensive research on the target customers of the product given by the SME. They understand how much that product is required by customers and what are the customers particularly need in that product. They can roughly make estimate of the entire budget", P5.

Rejecting the above opinions, a participant noted that entrepreneurs do not much involve in making goals for the SMEs. P2 argued, "*I don't think that entrepreneurs are not much involved in*

the goal setting process. Their main contribution is suggesting the ways to implement these goals, finding the appropriate team, and measuring the results".

Overall, 9 out of 10 participants accepted that entrepreneurs involve in the business planning of the SMEs in Sweden. Their contributes are making long and short-terms goals, suggesting ways to execute these goals, finding marketing needs, considering the customers preferences, before making these goals.

Theme 6: Entrepreneurs and profitability of SMEs

One of the interesting question asked to the participants that how the entrepreneurs can improve the profitability of SMEs in question 7. Majority of participants appreciated the value of team management. As per P10, *"I can tell you the most important area where entrepreneurs help is building up a reliable and expert team that is a challenge in Sweden where business is a game and its success relies on its team members. Execution of business plan is everything that becomes possible through recruiting and managing team members. The team must have different skills to follow the instructions, to achieve the target and to work in collaboration"*.

In contrast to it, some participants appreciated innovation for ensuring profitability. In connection with team management and innovation, P7 explained, *"Entrepreneurs ensure profitability in the SMEs through two ways. First by doing innovation and second by driving the teams towards that innovation. Although, innovative business practices are long term and expensive process but can generate more profit if it gets successful. Driving teams towards the innovation means that driving workers of the SMEs to work until the successful innovation is not achieved. Both of these tasks are performed side by side and keep the business alive"*.

Besides, P1 merely focused on innovation. According to the participant, *"As far as Sweden is concerned, I can only say that profitability is possible through innovation because it increase the profitability through multiple ways. Let suppose, we have a small number of employees, entrepreneurs can discover innovative ways to complete the task using these small number of employees either they use technological advancement or they influence the team members in a way that can become a bridge between the SMEs and profitability "*. In contrast with above ways, P4 suggested three ways for profitability. *"First making exceptional business plan,*

managing time, and becoming creative. Entrepreneurs make a detailed business goal that has a higher chance of being succeed. It might be surprising for you that entrepreneurs of SMEs generally hand limited resources so they work in a very fluid way like they do not involve in the process of making draft or a proper plan but they keep the targets in their mind and remain focused that work as a foundation for their business success. They perform other task under this goal like monitoring and proper resources planning". Another different aspect of profitability identified in the answer of P8 who claimed, *"For a small size SMEs, the entrepreneurs achieve profitability through digitalization. They make use of the social media networks increase the customer base and increase awareness about their product".*

However, the answers of the participants have not been overlapping with each other as many of the participants have suggested different ways of becoming profitable. Yet, the common identified areas were team management and innovation.

Theme 7: SMEs and proactiveness of entrepreneurs

The application of entrepreneur orientation theory hinted that entrepreneurs are proactive. In connection with, this research evaluate the relationship between SMEs and proactiveness of entrepreneurs. In the question 8, the participants were asked "How entrepreneurs instantly and timely behave when there is an opportunity or threat?" Majority of participants appreciated P7 found, *"Entrepreneurs have an extensive knowledge and their reliance on the knowledge enables them to respond to any threat or opportunity in a timely manner. They avoid the over reliance on the external information because they just present the current environment or current business trend that is just a temporary or seasonal."* Supporting this, P5 further added, *"Entrepreneurs use their knowledge and experiences as a guideline for their next action. In both of the case either it is an opportunity or a threat, the entrepreneurs the next action is determined by what the SME has, what is sells, how it sells, what it can further do, how it can do, why this opportunity should be availed and why don't or why this threat should be considered and why don't".*

Some participants claimed to manage uncertainties. P10 quoted, *"For opportunities, the entrepreneurs utilize uncertain circumstances and in the similar circumstances, they desire to*

avoid unpleasant and disaster surprises in the forms of threats. So such entrepreneurs treat uncertain circumstances as new opportunity without setting goals and developing plans”.

On the other hand, P4 emphasized that entrepreneurs ask some questions in case of any opportunity or threat, *“The entrepreneurs determine their actions by determining that what they can do and what not. Do their current business situation can afford availing this new opportunity? Or how this threat would influence the business of being ignored. These questions decide the pace of taking actions”.* There were some participants (P1 and P4) who supported the proactiveness of the entrepreneurs by saying, *“Taking instant decision becomes important sometime for SMEs because without responding to the opportunities they may run out of money so it is very important to quickly respond to opportunity. Ignoring threat or underestimating it can also be costly for entrepreneurs if they do not reach to it on time”, P1.*

Some participants rejected the proactive behavior of the entrepreneurs in SMEs. According to some participants, entrepreneurs must value their time. P3 revealed, *“Entrepreneurs in SMEs get all the things done by guaranteeing the routine operations for the team run into a roadblock. It is because a lot of time we become reactive to this formula where any customer or a client gets angry so we put pressure go avoid the similar problem from happening again”.* Similarly, P2 added, *“It must be noted that no entrepreneur wants to be called lazy but they have a patience to wait until they identify the opportunities that can provide them utmost benefits. They can identify which opportunity can provide them high growth. While identifying and using opportunities, entrepreneurs focus on the big picture rather than hopping taking instant action to avail any opportunity”.*

The findings have showed extremely useful findings. Majority of entrepreneurs do not take opportunity and threats instantly but they use their existing knowledge and experience before being proactive. Some entrepreneurs have presented that proactiveness is achieving high growth by taking appropriate decision.

Theme 8: Importance of innovation for SMEs in Sweden

During the interview, the participants were asked to explain whether the innovation is imperative for SMEs in Sweden, if yes, then how SMEs with minimal resources can be

innovative. The participants have given interesting answers. Although, all of them have imposed a great emphasize on the value of becoming innovative for SMEs. According to them, Sweden is an innovation hub requiring SMEs to adopt approaches and do research to ensure creativity in their products or services, and even their marketing strategies must be creative. The significance of the innovation can be illustrated from the opinions of some participants. Every participant accepted the importance of innovation for SMEs in Sweden. According to P4, *"Businesses in Sweden are reputable for their innovation and creativity. There are businesses that spend millions in research and development to make innovation possible. Sweden is a place that is technologically advanced leading to rapid changes in the business. The one solution for SMEs is extensive research before developing new products, before making any marketing strategy - their key should be research to innovate. The process is more time consuming than expensive. Thus, businesses either they have minimal or greater resources, they must be innovative to survive in the market"*. Similarly, P7 added, *"There are a lot of rewards and benefits available for innovative firms. The significance of innovation cannot be denied for any firm including SMEs. But, it is a big question that how to be innovative in minimal resources and frankly there is no simple formula for innovation that can I suggest. The minimal SMEs can do is doing experiment, after experiment to check what works by measuring results. Eventually, you will find that one thing that can give a boost to your business. Until then, remain patient and persistent"*. Furthermore, P2 added, *"I would say innovation gives life to your dead business in Sweden. If your innovative product is liked by the consumers, you can charge more than your competitors and generate a considerable profit, this will definitely expand the chance of being innovative as you become able to supply more"*.

P8 found innovation in terms of using the latest technologies, according to which, *"Innovation is an important and vital part for SMEs irrespective of its size or its available resources because of its effectiveness in competing with other firms working in the similar sector. If we use innovative strategies and approaches, we can easily differentiate ourselves from others and build our unique identity. Social media allows us to do innovation through innovative promotional messages. This will soon create a buzz among the consumers of SMEs"*. It has been supported by P6, *"Today's entrepreneurs and innovators are present in areas as diverse as information*

technology, finance, energy, health, circular economy, e-commerce, water solutions, sustainable tourism, global services, logistics, agriculture and many more."

There were some participants who did not reject the importance of innovation for SMEs in Sweden; however, they have added some concerns in that area. As per P10, *"Innovation is imperative but it is not only one thing for the success. There are some other things required like consumers preferences toward the innovation, ways of executing innovation, and creative team. Until all these things are not covered, the expected success cannot be achieved. Here, SMEs need entrepreneurs to make join all the dots to meet the expected results"*.

Merely few participants have found some condition for innovation in SMEs. As per P5, "The one thing, I must add that the extent to which SMEs could be innovative in Sweden relies on their available resources. Lack of resources means you cannot do much experiments with your strategies and products. The process is long term and requires a long term financial and human resources that may not be possible for nascent SMEs or SMEs that are failing. Rejecting this P9 mentioned, "Innovation can be termed as an easy process but the ways for managing it is a real struggle for SMEs. Everyone knows the latest trends, one can even come up with innovative idea, but turning these ideas into the reality without wasting resources would be termed as successful innovation. If I introduce an innovative product or service but there is no to buy it then it would be a waste of time, resources and efforts".

Overall, the findings demonstrated that the participants of the study were in favor of introducing innovation in their business practices. However, some of them (P10, P5, and P9) were more concerned about the insufficient resources of the SMEs that make the situation risky for doing experiment after experiment to explore the right solution.

Theme 9: Advices to new entrepreneurs willing to handle an SME

In the last and final question (question 10), the participants were asked to advice the new entrepreneurs who want to manage an SME, the participants have given suggestions based on do's and do not do's. Majority of participants explained appreciated being innovative. P1 claimed, "I just want to give a one advice to the new entrepreneurs who want to handle SMEs in Sweden and that is do not follow or copy others. Sweden is extremely an innovative country

where people prefer innovation. Copying will snatch of uniqueness and would be a big doubt on your actual capabilities. Even do not copy other's business strategies because it is not necessary that it would give you the same results like others. But, you can take inspiration from others, you can learn from others mistake. It will be insane if you are entrepreneur and try to copy others so never do that never". Likewise, P2 added, *"Try to deal with this issue through your creative approaches, find ways that can save your expenses. Because many SMEs fail to survive or terminate their operations in the beginning because they run out financially and businesses are not performing as expected"*. P10 further added, *"Be innovative and don't impose things on others. Don't expect that your workers will follow each and everything you say. Try to give people freedom to think how to innovate, involve your team through opening room for suggestion and opinions, and make sure to use innovative and advanced technology"*, P10.

Linking with above, P4 exclaimed, *"Be focused and have some patients as there is no single formula to instantly increase the sales and ensure the business growth. The market is already full with different innovative products, so work on your products to make it demanding,"* P4. Also, P6 extended, *"Try to do something new, something advanced. Always keep an eye to the market and its upcoming trends. And most importantly, build a team that has the similar vision like you"*. The second most identified advice given by participants is learning. P3 said, *"Keep yourself open to learning. Avail every source. You can conduct market research, you can ask for help from your professional network. Just discover the resources for networking, advice and knowledge sharing. This will not only expand your vision but also make you aware of the existing challenges, threats, and opportunities. Knowledge is a wonderful way to get innovative and useful ideas. You can take workshops and online trainings or join different social media groups to learn how entrepreneurs work for SMEs"*. As per P2, *"I advice to never loss hope if you meet failure or if the plans do not work as expected as it is just the beginning, more challenges are in the way. Second, I advice them to prepare themselves for financial challenges because cash flow is the most challenging factor that they may experience soon"*. In contrast, P5 noticed, *"Be ready for the challenges that may arise due to limited resources. And whenever you find there is any opportunity or threat, your first priority should be protecting your venture. Always remember that the first priority of entrepreneurs is not seeking risks but they look for ways to tackle these*

risks so don't work in hassle but stick to saving your SMEs in very situation particularly in the beginning when you have minimal resources", P5.

Only a participant (P6) advice to hire team with the similar vision and mission. According to which, *"Of you hire great team members into the firm, you will have a greater chance to make your SME great and grow soon," P6. On the question of how it is possible, the participant responded, "Through interviews you can easily check whether this person for to your SME and its culture or he shares the same values like you? Always ask a question to yourself that this person is really someone I can trust for my work?"*

4.3: Overall analysis, novel approach, and summary

The previous studies do not identified competition as a risk faced by SMEs. However, the studies confirmed that lack of innovativeness and insufficient finance as risk. Thus, the unique novel insight is finding competition, globalization, and dealing with crisis as new issues faced by SMEs in Sweden. In similar with the previous studies, there were increased emphasized on innovation and team management to deal with the challenges and availing the current opportunities. However, the ways to avail these opportunities have been changed. For instance, there is a great emphasize on social media and incorporation of technology. It has been found that successful entrepreneurs are able to manage team so that they can work together, complement each other, and hold only one focus that is winning through competition. Earlier studies suggested inflexible and authoritative leadership for dealing with employees.

In the theory of EO, the innovativeness and proactiveness of the entrepreneurs were found significance for increasing productivity and profitability in the previous studies. The similar has been found in the current studies. However, the study noticed some other useful characteristics of entrepreneurs like availing opportunities, consistency and flexibility in managing team. In has been found that entrepreneurs who cannot make use of existing opportunities can never be competitive. Opportunities mean your own capacity, business financial system, and other

revolving opportunities. With consistency and acceptance of the reality make it easy to learn from mistakes and bad decisions. This practice is done by almost every successful entrepreneur.

Chapter 5: Discussion

5.0: Introduction

This chapter of the research discusses the findings that have been collected through conducting interviews. Using the previous literature and their findings, the extracted information through interviews would be supported or rejected. Based on this, validity of the research findings achieved. The discussion would be made by using themes generated through research questions formulated in this research.

5.1: Challenges faced by SMEs in Sweden

The research found that the business environment of Sweden is highly challenging for SMEs. Most of the participants have accepted that the critical issue is competition that is giving SMEs a tough time to survive in the market because it has become hard to sustain their survival. As per P8, "We need to compete with the big brands and our insufficient resources definitely a big big barrier". The business research report by SNS (2018) confirmed that competition in Sweden has dramatically increased due to increase of globalization. Notably, globalization is one of the issues identified by P9. The result is also aligned with the findings of Christmann (2020) that stated that globalization has increased the pressure of differentiation on SMEs and they face superior competitiveness. Thus, this research validated that competition is one of the barrier influencing the survival of the SMEs in Sweden.

In addition, the participants of the research indicated that the second considerable issue is the economic uncertainty that has triggered after the arrival of current pandemic. As per P2, "Difficulties associated with economic uncertainty and the financing they require to make a leap". It has been further be supported by the statement of P10, "After the current wave of the pandemic, I believe that one of the biggest risks that the SMEs of Sweden faced is natural disaster because of the uncertainty resolves around it." In line with the research, the report of Statista (2020) confirmed that the demand and sales are negatively influenced by the current pandemic. In March 2020, the demands of the products were decreased by 54% (Statista, 2020). Such a huge deduction in the demand definitely adversely influence the SMEs that already have insufficient resources. Hussaini&Mobini (2021) aimed to identify the effect of

covid-19 on the SMEs of Sweden along with specifying the strategies used by these SMEs to deal with such effects. Using the qualitative research method, conducting semi-structured interviews, as well as analyzing multiple research articles, the findings of the research suggested that the SMEs faced considerable challenges like failed projects, financial consequences, challenges in executing new strategies, and temporary closure. However, this research has merely presented that the economic crisis led to uncertainty among them.

The third considerable issue faced by SMEs today is the insufficient resources in the form of both human resources and material resources (Like finance and equipment) that lead to other issues like lack of innovation and recruitment of experts and skilled workers. It has been indicated by participants (P1) that the issues are interconnected. As per the statement, "We are operating in a competitive business environment and this competition is very furious in terms of innovation. A talented and expert team is required to manage the competition and innovation demands." This statement clearly reveals that how one issue leads to other issues. Linking with this, the participants (P8 and P10) have also found that innovation is one of the most critical issues are faced by SMEs in Sweden as many SMEs fail to understand which innovative strategy work the best for them and which does not. It has been supported by Ejerimo and Kander (2009) who resulted that innovation is profitable but it is highly challenging for transforming inventions into innovations. Recently, Bertello et al. (2021) have conducted research on the innovation as a challenge for SMEs by using qualitative data. The research explained that the SMEs face challenges in the execution phase, and control and monitoring phase. Rejecting this, this research has merely focused that the lack of resources does not allow firms to innovate. Notably, the study of Bertello et al. (2021) particularly focused on the technological based SMEs; thus, it cannot validate that how innovation influence the SMEs functionality through previous studies.

Extending the discussion in connection with finding capable workforce as an issue as suggested by P1, P10, and P5. This has further supported by the empirical study by SNS (2018) that further added that the workforce of international organizations are more skilled than SMEs of Sweden. This further confirmed the statement of P1 stating that SMEs in Sweden today find it hard to recruit skilled workforce because of their minimum resources.

Based on the findings of this research and previous studies, it has been analyzed that the most considerable issues in the SMEs of Sweden is competition. Followed by economic uncertainty aroused after the current pandemic while the third identified issue is insufficient resources. Moreover, this research suggested that the challenges and problems faced by SMEs in Sweden are interconnected like globalization is increasing competition while insufficient resource limiting the ability of SMEs to innovate. It is demanding from these firms to drive the changes to systematically finding the best workers for a respected position.

5.2: How entrepreneurs help in surviving in competitive business environment

Another research objective of the study is explaining how strategic management approaches used by SMEs in Sweden to survive in the competitive business environment. Analyzing the interviews, innovation has been found as a way to achieve competitiveness. Majority of participants (P2, P4, P6, P7, P8 and P1) answering to the question 9 supported that innovation is a way to achieve competition. As per P7, "There are a lot of rewards and benefits available for innovative firms." Supporting this, P2 added, "I would say innovation gives life to your dead business in Sweden". This finding has been supported by previous studies. For instance, Ferlin & Korpås (2013) claimed that SMEs in Sweden must go an extra mile to achieve the rewards of innovation. Similarly, Ejermo & Kander (2009) have considered innovation as a key to profitability. Thus, this research strongly supported the significance of innovation for SMEs and encouraged to use their minimal resources to ensure innovation in their business. In contrast, Hoffman et al. (1998) claimed that there is no direct connection between innovation and better performance of the firm. There were some respondents (P5, P10 and P9) claimed that innovation would be ineffective to compete in the market if the SMEs in Sweden do not have creative team who can execute innovative strategies. According to P10, "There are some other things required like consumers preferences toward the innovation, ways of executing innovation, and creative team. Until all these things are not covered, the expected success cannot be achieved." Rejecting this, the study by Mai et al. (2019) explored the long lasting influence of innovation on the profitability of firms and the result showed that innovators firms acquire more profit than non-innovating firms. Thus, this research has concluded the positive effect of innovation on profitability. Thus, the overall findings resulted that innovation alone

cannot lead to the competition in Sweden but it requires some other factors for competing in the market. It has been concluded that innovation is a key to achieve competitive edge.

Further, the similar question (Q9) provided different approaches to ensure innovation for competitiveness. The participants have suggested different ways to innovate that leads to compete in the market. For instance, research and development (R&D) is suggested by P4, experiment and R&D (P7), and use of new and advanced technology (P2 and P8). As per P4, "The one solution for SMEs is extensive research before developing new products, before making any marketing strategy - their key should be research to innovate... businesses either they have minimal or greater resources, they must be innovative to survive in the market". Frank et al. (2019) claimed that R&D provides useful insight related to the market and its trends that lead to the success of the innovation. It ensures long-term sustainability.

The second identified method for innovation is using the latest technologies. As per P2, "The new and latest technologies are expanding chances to do innovation. If we yet just focus traditional ways of doing business, we would be nowhere to scene". This result has been supported by Porter & Kramer (2019) claiming that technology enables innovative approaches within the business that become a source of competition for businesses today as it leads to greater productivity, efficiency and differentiation. In contrast of it, Santamaría et al. (2009) claimed that innovation results in the arrival of technology. Thus, the finding of the study has not been validated. One of the means of technology is the use of social media. As per P8, "Social media allows us to do innovation through innovative promotional messages. This will soon create a buzz among the consumers of SMEs". The exploratory study of Ioanid et al. (2018) discovered that social media impact the development of businesses by only obtaining advantages from different marketing techniques from this platform but extremely few SMEs use it in their innovation process. This is another finding that this research has not supported.

Moreover, to gain the competitive edge, P1 suggested using different strategies (like providing benefits) for hiring talents and competitive employees (referring to question 2). In the study by Wang et al. (2018), it has been found that a firm can become competitive by hiring employees expert in managing relationship with clients while Samnani & Singh (2014) suggested using

compensation practices for increasing the employees productivity leading to become competitor in the market. In contrast to it, McGrath (2013) argued that leadership is more important than the type of team because they better drive the team towards achieving competitive edge. It can be supported by the statement of P9, “Under the leadership of entrepreneurs, SMEs can easily change their ways of production for meeting those expectations” (referring to question 5).

Another way of competing in the Sweden is becoming innovative (referring to question 7). As per P5, “Innovation today is a key to be competitive as it has made the population of Sweden more savvy and demanding.” Similarly, P8 quoted, “The entrepreneurs achieve profitability through digitalization. They make use of the social media networks increase the customer base and increase awareness about their product”.

In addition to this, another way of becoming competitive in Sweden is availing opportunities and identifying threats. Almost all the participants have accepted that entrepreneurs involved in identifying opportunities for SMEs. P5 claimed, “Entrepreneurs themselves are opportunities because they play an integral role in proposing ideas related to product and different business strategies”. These participants have suggested different ways to identify opportunities. As per P7, “[entrepreneurs assist in identifying opportunities as they have] an utmost knowledge of different social, financial, and technological trends, and they have a wide network”. Supporting this, Block & Wagner (2010) added that entrepreneurs work for availing each opportunities; they propose an idea that have a potential financial value and consider only those opportunities that can generate profits. The studies supported that entrepreneurs have a wide range of information related to market, its trends, gaps as well as they have a network of individuals with such information. This makes it possible keep analyzing the opportunities that can be availed. P2 further added, “After doing this [conducting market research], it becomes highly easier to figure out how their consumers perceive the products of the SMEs after identifying threats to their business.” Likewise, Baron (2006) demonstrated that the entrepreneur as a person capable of detecting opportunities and possessing the necessary skills to develop a new business concept; that is, it has the virtue of detecting or managing problems and opportunities by taking advantage of its capabilities and the resources at its disposal, thanks to its self-confidence.

Another participant (P1) added, "... The work of entrepreneurs is to identify these profit-making situations that obviously exists that can be availed through exploiting the imperfections of the market". It has been supported by Riswanto (2016), the entrepreneurs identified the opportunities by proposing innovative ideas and provide complete instructions to execute their business plan. York and Venkataraman (2010) identified that entrepreneurs must identify and take advantage of opportunities that allow him to start a venture, regardless of the resources he has under his control.

Opposing the above, there were some participants who rejected the potential of entrepreneurs for identifying opportunities. According to P4, "It is a misconception that opportunities are certain. I can give you a confirmation that by going this way, you can make your SMEs profitable or you will never meet the loss". Overall, it has been identified that there are several participants P5, P2, and P7 who identify entrepreneurs as a main driver and mechanism for identify opportunities for SMEs. On the other hand, P10 and P4 identified that entrepreneurs can merely guide for ways that can be opportunistic but they cannot be so certain about this. Most of the participants also indicated that the most useful ways for identifying opportunities is to keep an eye on current market to track all factors increasing their profit margin.

5.3: Significance of entrepreneurship abilities and skills for SMEs' productivity and profitability

Every industry and business type requires a different sort of skill-set. Particularly, analyzing the skills, abilities, and characteristics required by the SMEs, this research has asked some questions (Question 4, Question 5 and Question 10). As Riswanto (2016) noted, entrepreneurship is the process of value creation that connects the skills and attitude of entrepreneurs with two types of events: the seizure and/or creation of business opportunities in the external environment, respectively, the exploitation of opportunities identified and evaluated in terms of the resources allocated and the associated risks. Nonetheless, the findings indicated different skills and abilities of entrepreneurs are required. The skills include learning from mistakes (P3 and P1), risk takers (P1, P3, and P9), exceptional team management skill (P3 and P5), innovativeness (P7, P2, and P4), consistency (P6 and P3), time management (P8), and flexibility (P5 and P10). Majority and equal number of participants believed that entrepreneurs must be risk takers and

innovative. For instance, P7 quoted, "The Innovative entrepreneurs understand that how marketplace responds to the products or services that are not yet exist". Rejecting the above analysis, Christmann (2020) argued that the dynamic capabilities of entrepreneurs can contribute directly to the competitiveness and differentiation. In contrast, the findings suggested that the network of entrepreneurs is used for the promotion of the products; thus, there is a lack of entrepreneurs' innovative abilities to ensure profitability and productivity in SMEs in Sweden.

The next imperative capabilities of entrepreneurs based on the participants' answers are learning from mistakes, team management skills, flexibility and consistency. According to P6, "I believe that consistency is more importance than any other characteristics to become competitive because gaining competition is a continuous process and many time plans fail". Likewise, P8 added, "Successful gaining of competitive edge is not possible without consistency".

On the other hand, team management skill of entrepreneurs is found equally imperative to ensure productivity and profitability of SMEs. As per P8, "Such entrepreneurs just know how to how assign tasks to employees for performing the task accurately and for growing the business. Either in a big firm or in a SME, the role of entrepreneurs is leading that is only possible when you have trained yourself to delegate duties". Extremely few participants suggested time management, flexibility and delegation as significant skills required for entrepreneurs.

Beside these, the participants have also suggested that entrepreneurs of SMEs should be flexible in terms of changing business practices. Supporting this, Slater et al. (2014) found that entrepreneurs have significant skills and knowledge to be succeed in` the business world, and one of the most important characteristic is flexibility. The findings of this research suggested that majority of the entrepreneurs in the Sweden take the opportunities of flexibility to ensure their business practices are accurate. A participant noted that entrepreneurs focus on their team members to ensure the flexibility (referring to question 4). Accepting this, in the study of wang (2009), it has been further analyzed that business flexibility is possible through using labor forces appropriately. Similarly, P5 stated in question 4, "I really value advancement and

technology, and I strongly believe that this ability of entrepreneurs can be useful for SMEs of Sweden. The entrepreneurs must be flexible and adapt to latest trends and latest technologies". In line with it, in question 5, P6 claimed, "The work of entrepreneurs is that they make different plans and alternative plans in advance to avoid any chaos and hurry". The similar study further added that the investment of the workers can impose a significant influence on the business ability for remaining viable in the face of change. Entrepreneurs can remain more accurate with their business projects by evaluating that how to function in the future better and when to make changes, and most importantly, keeping the workers in the process to receive the benefits.

In order to further analyze the skills and abilities required for entrepreneurs to manage SMEs in Sweden, the researcher has asked in question 10 to give advice new entrepreneurs. The advice of the participants were varying from each other. Some of the advice include – avoid copying others (P1), management of finance (P2), Increase learning (P2 and P3), be creative and innovative (P3, P4 and P6), research and experiment (P4, P6, and P7), consistency and patience (P2, P4), be ready for challenges due to limited resources (P5), and build team (P6). Some of the skills aligned with the question 4. As majority of participants again stressed on the development of innovative and creativity skills for managing SMEs in Sweden. According to P6, "Try to do something new, something advanced. Always keep an eye to the market and its upcoming trends". In line with it, the participants again claimed that consistency and patience is required from the entrepreneurs who aim to handle SMEs in Sweden. The participants also suggested new entrepreneurs to learn to manage team. As P10 added, "Try to give people freedom to think how to innovate, involve your team through opening room for suggestion and opinions." Thus, the responses of the question align with the responses of the question 4.

Furthermore, the question 8 has analyzed another quality of entrepreneurs based on the EO theory that is proactiveness. It has been taken as how entrepreneurs should respond if there is any opportunity or threat. Some of the participants (P8, and P1) supported that participants must be proactive. For instance, P1 claimed, "Taking instant decision becomes important sometime for SMEs because without responding to the opportunities they may run out of money so it is very important to quickly respond to opportunity. Ignoring threat or

underestimating it can also be costly for entrepreneurs if they do not reach to it on time". Rest of the participants do not rejected the proactiveness by entrepreneurs but have suggested some imperative things to react to any opportunity or threat. As per P7, "They [Experienced entrepreneurs] avoid the over reliance on the external information because they just present the current environment or current business trend that is just a temporary or seasonal". In support of this, another statement can be quoted, "In both of the case either it is an opportunity or a threat, the entrepreneurs the next action is determined by what the SME has, what it sells, how it sells, what it can further do, how it can do, why this opportunity should be availed and why don't or why this threat should be considered and why don't". The findings clearly reveal that the entrepreneurs must not be much proactive in their strategies. However, they must use their experience and knowledge to understand the entire situation because of the opportunities are seasonal and are not provide long-lasting benefits (Sen et al. 2022). Thus, spending time and energy in these opportunities would be wasted that may not be affordable by SMEs in Sweden. Rejecting this, the research of Peltola (2012) argued that experienced entrepreneurs can a tendency to take instant actions even without meticulous plan, and such entrepreneurs are also able to start a new firm even they have insufficient resources. The issue can be tackle by the statement of P7 in question 3, "The least they can do is giving a meaningful guidance about what can work well in the current era. Many times, a vague and random action has been turned out to be profitable. On the other hand, a strategic and planned action met disastrous results, this is sometimes rely on the luck".

5.4: Strategic management of SMEs by entrepreneurs in Sweden

Majority of the participants in question 6 accepted that entrepreneurs play a significant role in the business planning by setting goals (P7, P5, P10), making budget (P1, P5), recruiting team, allocating resources (P10), making schedule (P8), analyzing the market (P1, P5) and by executing and measuring results (P7, P10, P5). According to P1, "These entrepreneurs are able to forecast profit or loss in advance". Likewise, P10 responded, "The role of entrepreneurs here is understanding the stability, size, and resources of SMEs in Sweden to set realistic goals". On the other hand, there were few respondents (P6 and P2) who have rejected the involvement of entrepreneurs in the strategic management. As P2 claimed, "I don't think that entrepreneurs

are not much involved in the goal setting process. Their main contribution is suggesting the ways to implement these goals, finding the appropriate team, and measuring the results”.

Thus, there is a considerable contradictory found in the opinions of participants related to the contribution of entrepreneurs in the business planning. Some participants P1, P7, and P10 indicated that the entrepreneurs consider the stability and available resources in the form of employees while making goals, whereas, some participant P5 and P8 believed that external factors like the market trends and customer preferences are more considered by entrepreneurs while making business strategies. In the study of Frank et al. (2019), the external factors have been more supported as it has been discovered that entrepreneurs know the customers for helping businesses that there are considerable opportunities as well as a good market for a particular goods or services that would be offered by a business. However, this study has not provided the findings from the perspective of SMEs; thus, it cannot be applicable and findings cannot be validated.

Another process of strategic management of SMEs is the ways of mitigating the risks and challenges. As different participants have presented different risks so they have pointed out different ways for managing these risks. The risk in the form of increasing competition can be managed by entrepreneurs through hiring experts and doing innovation as suggested by P1 (Referring question 2), increasing social media visibility (P8), and gaining information about the market (P10). As per P4, “Entrepreneurs can help SMEs to identify several significant and useful breakthroughs by taking risks and managing them”.

To manage the issue of economic uncertainty resulted after the current pandemic, P8 suggested, “Starting with small teams and a strong dose of flexibility to adapt to the environment and create new solutions, even when conditions are adverse”. Similarly, P7 identified, “To deal with these challenges, the firstly learn to accept uncertainty and then consider different chances to mitigate these risks by making plan A and B”. P10 referred to Covid-19 and explained, “...the entrepreneurs had a plan that how would they survive in the market if the similar restrictions and precautions sustain for the next 2 to 3 years”. Rejecting these findings, Hussaini & Mobini (2021) surveyed different SMEs during the pandemic and

demonstrated that these SMEs are mitigating the pandemic crisis by using different strategies like innovation, digitalization, investment, along with other management practices in order to resolve the challenges of SMEs during the pandemic.

Flexibility is another way of strategic management of the SMEs. Thus, extending the discussion on the contribution of entrepreneurs in ensuring flexibility in business practices of SMEs in Sweden, the findings suggested that entrepreneurs and their flexible abilities assist in changing the business practices as per the needs of the market. The participants illustrated that how entrepreneurs switched to one business practice to another, and one strategy to another in light of changes in the business market after the arrival of digitalization or pandemic. However, the findings of this research have suggested different ways utilized by entrepreneurs to ensure flexibility. Some of the ways include motivating employees to adapt to the changes (P4, P6 and P1), effective leadership (P1, P9 and P5), finding alternatives (P8), and proper planning (P1). Thus, majority of the participants suggested that entrepreneurs ensure flexibility in business practices. Adisa et al. (2021) indicated that flexibility and freedom to employees are two prominent ways to allow them to make a balance between work–family.

The second imperative way to ensure flexibility in SMEs by entrepreneurs as suggested by the participants is effective leadership in strategic business practices. As per P1, “This process of change (changes in business practices) requires appropriate leadership who can provide appropriate guidance that how the changes would be resulted and how it would become possible to adapt to changes.” Supporting this, P9 added, “...Under the leadership of entrepreneurs, SMEs can easily change their ways of production for meeting those expectations”.

5.5: Relationship between Entrepreneurship and strategic management of SMEs

In this research, the theory of EO has been used to find the relationship between entrepreneurship and strategic management. The research has supported a positive relationship between entrepreneurship and strategic management of SMEs. The previous literature suggested that SMEs face insufficient resources as a considerable change. However, this study appreciated the entrepreneurs and their abilities to manage the SMEs strategically.

This study has found that entrepreneurs use their knowledge, experience, and network to avail the best opportunities and deal with the current threats through cost-effective approaches. It has been further found that entrepreneurs are able to grow business through minimal resources. These are some ways that entrepreneurs used to decide to respond to the threat or opportunity as such questions analyze the situation. Their focus is what and how they can achieve with their limited resources.

In the current era, the most important way of managing any business including SMEs is using advanced technologies and innovative means. Thus, the entrepreneurs must learn continuously to adapt to these new technologies. The findings have presented a positive relationship between adaptability of the current trends with persistent growth. It has been claimed that these skills can be helpful in availing bigger opportunities through minimal resources. Under the guidance of entrepreneurs, SMEs can apply innovation in products, they can have more differentiating products that would retain the customers for a longer period opening another door for profitability. Innovation today is a key to be competitive as it has made the population of Sweden more savvy and demanding.

Moreover, the findings presented the importance of goal setting and making strategies for managing SMEs strategically. Using their flexibility and adaptability skills, entrepreneurs make plans and alternative plans in advance to avoid any disruption. They know that it is a risk-taking time and making stiff decisions in the beginning related to business practices would never be in favor so these circumstances encourage them to take actions without making prior plans unless it becomes late because in uncertain circumstances, it is nearly impossible to obtain the well-planned and targeted results because extracting utmost information related to the future is not possible. Thus, overall positive relationship between both factors have been identified.

Chapter 6: Conclusion and Recommendations

6.1: Conclusion

Sweden is an innovative hub that is leading to the surge of competition among SMEs. Previous literature hinted that entrepreneurs can help SMEs to deal with the increasing challenges. Considering this, this research aimed to analyze the relationship between entrepreneurship and strategic management by considering the case study SMEs in Sweden. For this, the researcher has employed corporate entrepreneurship and the theory of entrepreneur orientation (EO). This exploratory research conducted interviews from 10 SMEs owners who were asked 10 open-ended questions.

The research has presented extremely valuable information that explained the relationship between entrepreneurship and strategic management on the account of SMEs in Sweden. This research and the findings of this study confirmed that competition, crisis, globalisation and insufficient skilled-workforce are the issues that SMEs in Sweden are facing. The participants further noticed that the issues are interconnected. Based on the findings of the study, all of these issues are manageable but there is no single formula for dealing with the issue. It sometimes relies on the business type and market situation. Entrepreneurs help SMEs in this regard by providing market analysis and forecasting the results. The overall findings indicated the importance of innovation for SMEs to compete in the competitive business environment of Sweden. For this, many participants supported R&D because of its cost effectiveness as doing experiment after experiment would be costly and would not be in the favor of SMEs with minimal resources. However, the findings also suggested that entrepreneurs cannot predict the future and their analysis is based on their knowledge and experiences. All of these findings have been supported by previous literature.

The research concluded that entrepreneurs can assist SMEs to gain competitive edge by making a team of employees who are innovative, experts, and have a relevant skill-set. Besides, supporting the previous studies, this research has also confirmed that competitive edge can also be gained through innovation and making use of digitalization as the consumers of Sweden are becoming more savvy and more demanding. The findings have also supported that

entrepreneurs can also assist in identifying opportunities because they have extensive information related to the market and a network. Their experience and knowledge enable them to proper ideas to avail profit-making opportunities. The use of market research provides complete instruction to implement business plan. There were extremely few participants who identified that it is extremely difficult to identify opportunities because it is not possible to forecast the profit or loss of the opportunities based on the current knowledge.

Entrepreneurs are also involved in strategic management of SMEs in Sweden. The research considered strategic management in terms of goal-setting, mitigating risks, and flexibility in business practices. Majority of the participants accepted that entrepreneurs involved in the management process by setting goals, and executing and measuring results. Followed by making budget and analyzing the market. Some participants are involved in recruiting team, making schedule and allocating resources. Extremely few participants claimed that the entrepreneurs do not involve in the planning phase of the business of SMEs.

In addition to this, the findings revealed that the most useful and required skills and capabilities required for managing SMEs to ensure their productivity and profitability include innovativeness, consistency and patience, risk taking, flexibility and team management. Most of the participants believed that profitability and productivity of the SMEs is possible through doing innovation in the business in terms of making the products creative and using innovative marketing strategies. It has been also found in this research that entrepreneurs must use their experience and knowledge to understand the current needs of the market. Flexibility in terms of making different alternative plans of a problem is also required to deal with the uncertainty. Moreover, entrepreneurs should not be much proactive because it may leads to poor decision-making and result in loss that may not be afforded by the SMEs.

The research also claimed that the more considerable role of entrepreneurs is mitigating the risks and challenges. It becomes possible through hiring expert employees, using social media visibility and gaining information about the market. All these strategies providing useful information about the market that can be used to tackle the risks and problems like economic uncertainty, crisis, competition, globalization, and insufficient resources. With respect to

ensuring flexibility in business practices, the research supported that entrepreneurs motivated employees to adapt to changes in business practices in wake of the changing business environment. Equal number of participants also claimed that the leadership of entrepreneurs makes it easy for the workers to adapt to the changes. It has been further demonstrated that some entrepreneurs make plans and alternative plans to avoid chaos as SMEs in Sweden cannot afford loss. Thus, it is imperative to make plans in advance. Therefore, the research concluded that there is a strong connection of entrepreneurship and strategic management when it comes to SMEs in Sweden.

6.2: Recommendations

Based on the findings of this research, there is a strong relationship between entrepreneurship and strategic management of SMEs in Sweden. Thus, there is a need of a vision in Sweden that marks as one of its priorities to strengthen the poles of entrepreneurship and innovation, and that grants sufficient economic conditions and certainties so that this sector can continue to operate with some slack and tranquility. In a scenario of great changes and expectations have been resulted; thus, this approach will be key to assess the goals we have achieved and move forward with objectives that facilitate a greater development of the ecosystem. Chong & Teoh (2021) placed entrepreneur at the centre of attention and claimed that entrepreneurs are extremely useful for SMEs as they are increasingly being involved in decision making skills as well as problem-solving approach. The empirical study of Man & Lau (2000) resulted that the best competencies of entrepreneurs for SMEs are being focused and innovative. The similar study further added that these are the major competencies (innovativeness and being focused) that allow to functioning in the competitive business environment.

On the basis of the above findings, there are considerable suggestions for SMEs of Sweden from the perspectives of entrepreneurship. Notably, on one hand, this research has strongly supported innovation, on the other hand, it found it challenging for SMEs. To deal with the issue, many of the participants have suggested to take benefit from research and development (R&D). According to Ferlin and Korpås (2013), R&D is a cost-effective method to understand the latest trends of the world, generate new information, and changing consumers demand. Many of the participants of this research identified that the challenges for SMEs in Sweden is that they

have failed to incorporate technological advancement and remain contrast with their traditional business model, while some identified that advancements and innovation approaches are the useful ways that have been used by successful entrepreneurs to achieve a better result. In line with this, Block and Wagner (2010) recommended that successful entrepreneurs today incorporated different technological tools and techniques of digital transformation.

In addition, the findings suggested that it is highly difficult for SMEs in Sweden to recruit experts in the presence of big firms and multinational firms. For such SMEs, it is recommended to use different strategies to maintain employees' dedication. For instance, providing them flexibility, freedom and make them realize their contribution in the profitability and productivity of the firm to increase their satisfaction (Galinsky et al. 2011). In these ways, it becomes easy to drive the workers towards innovation that ultimately lead to gaining competitive edge.

6.3: Research contribution and Direction for future research

The findings of this research are applicable on the SMEs of Sweden. It can provide useful insights to entrepreneurs who desire to handle an SME or who want to do a startup. The findings can even be used as a guidance for the existing SMEs in Sweden about how they can mitigate the challenges. Moreover, the findings suggested that the effective type of entrepreneur leadership is required for managing SMEs in Sweden.

Notably, there are some weaknesses of the research. Due to using open-ended questions in this research, many of the information are duplicated. Also, sometimes, it became extremely difficult for the researcher to discuss each answer of each participant so the researcher has selected the most relevant and useful responses to support the claims. As there were several questions and detailed answers, there are also chances that some information has been missed by the researcher. The findings of the research were not statistically verified making its implication daunting. Considering all the information stated in this section of theoretical and conceptual context on entrepreneurship, its skills and capabilities, there is a scenario of analysis and reflection to direct decision-making regarding the research done in this area, considering that entrepreneurship has a significant impact on the social development of countries. Therefore, there is a need to have a study like him presented in this article, which allows to

show the bibliometric results that "describes and characterizes the scientific production on entrepreneurship, in order to guide the decision making by entrepreneurs in this line of research, considering its relationship and impact on social development".

In the future, it is suggested to conduct a quantitative research to analyze the relationship between entrepreneurship and strategic management on the account of SMEs in Sweden. Also, it is recommended to conduct research analyzing the importance of innovation for SMEs in Sweden. This would provide more focused results as this has not been validated in this research. Similarly, it is recommended to conduct a survey to find how and what types of technologies are being used by SMEs in Sweden.

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Appendix

Appendix 1 - Interview Questions

Interview questions

Section 1

Age:

Gender:

Experience:

Section 2

Q1: What are the three major risks and problems SMEs face in Sweden?

Q2: How entrepreneurs manage these risks?

Q3: What roles entrepreneurs play to identify opportunities for SMEs?

Q4: What are the three most important characteristics of entrepreneurs that can help the SMEs in Sweden to become competitive?

Q5: How entrepreneurs help in adaptation to changes (Flexibility) in SMEs business process?

Q6: How entrepreneurs contribute in goal-setting and scheduling of business (planning)?

Q7: How entrepreneurs can improve the profitability of SMEs?

Q8: How entrepreneurs react to if there is an opportunity or threat?

Q9: How innovativeness is used by entrepreneurs for the profitability of the SMEs in Sweden?

Q10: What advice would you give to upcoming entrepreneurs managing SMEs in Sweden?