

**REPUBLIC OF TURKEY**  
**ISTANBUL GELISIM UNIVERSITY**  
**INSTITUTE OF GRADUATE STUDIES**

Department of Business Administration

**A STUDY ON STRATEGIC THINKING SKILLS IN  
SMALL BUSINESSES (A STUDY ON FOOD INDUSTRY)**

Master Thesis

**Omar Ismael Abdullah ABDULLAH**

Supervisor

Asst. Prof. Dr. Ozge TURHAN

**Istanbul – 2022**



## THESIS INTRODUCTION FORM

- Name and Surname** : Omar Ismael Abdullah ABDULLAH
- Language of the Thesis** : English
- Name of Thesis** : a study on strategic thinking skills in small business (a study on food industry)
- Institute** : Istanbul Gelisim University Institute of Graduate Studies
- Department** : Department of Business Administration
- Thesis Type** : Master
- Date of the Thesis** : 18.072022
- Page Number** : 70
- Thesis Supervisor** : Asst. Prof. Dr. Ozge Turhan
- Index Terms** : Small business sized, system thinking, reframing reflecting and organizationl effectiveness
- Turkish Anstract** : Küçük şirketlerin hayatlarının ilk beş yılındaki başarısızlığı, iş sektörünün temel sorunudur. Özel şirketlerin yöneticilerinin, şirketin beş yıldan fazla devam etmesini sağlayacak net stratejileri sahip olmadığı için şirketler başarısız olur. Çalışmanın önemi, Irak'taki küçük şirketlerde zayıflıklarla yüzleşmek ve yönetim etkinliğini artırmak için stratejik düşünme kavramına ve sürecine ışık tutmasında yatmaktadır Irak'taki küçük şirketlerde stratejik düşünme ihtiyacı fikrinden yola çıkarak, bu çalışma stratejik düşünmenin küçük organizasyonların etkinliği üzerindeki etkisine ışık tutmayı amaçlamaktadır. Bu çalışma, Irak'ta seçilen küçük işletmelerin yöneticilerine anket uygulanarak nicel yöntemle dayanmaktadır. Tezin sonuçları, stratejik düşünme becerilerinin (sistem düşüncesi, yeniden çerçeveleme ve yansıtma) gerekli olduğunu ve Irak'taki şirketlerde organizasyonel etkinlik üzerinde olumlu bir etkisi var.
- Distribution List** : 1. To the Institute of Graduate Studies of Istanbul Gelisim University  
2. To the National Thesis Center of YÖK (Higher Education Council)

*Omar Ismael ABDULLAH*

**REPUBLIC OF TURKEY**  
**ISTANBUL GELISIM UNIVERSITY**  
**INSTITUTE OF GRADUATE STUDIES**

Department of Business Administration

**A STUDY ON STRATEGIC THINKING SKILLS IN  
SMALL BUSINESSES (A STUDY ON FOOD INDUSTRY)**

Master Thesis

**Omar Ismael Abdullah ABDULLAH**

Supervisor

Asst. Prof. Dr. Ozge TURHAN

**Istanbul – 2022**

## **DECLARATION**

I hereby declare that in the preparation of this thesis, scientific ethical rules have been followed, the work of other persons have been referenced in accordance with the scientific norms if used, there is no falsification in the used data, any part of the thesis has not been submitted to this university or any other university as another thesis.

Omar Ismael ABDULLAH

...../...../2022



**ISTANBUL GELISIM UNIVERSITY**  
**INSTITUTE OF GRADUATE STUDIES**

The thesis study of OMAR ISMAEL ABDULLAH titled as the direct a study on strategic thinking skills in small businesses (a study on food industry) has been accepted as MASTER THESIS in the department of Department of Business Administration by out jury.

*Signature*

Director      *Asst. Prof. Dr. Ozge TURHAN*  
*(Supervisor*

*Signature*

Member      *Asst. Prof. Dr. Canan TİFTİK*

*Signature*

Member      *Asst. Prof. Dr. Andaç TOKSOY*

**APPROVAL**

I approve that the signatures above signatures belong to the aforementioned faculty members.

... / ... / 20..

*Signature*

*Prof. Dr. İzzet GÜMÜŞ*  
Director of the Institute

## **ABSTRACT**

The core business problem is that a considerable number of new small business managers fail in their first year of operation. The unique business issue is that so many new small business managers lack the requisite business strategies to keep their companies going after first five years. Known for its ambiguity and complexity. The importance of this thesis comes from the idea that say the strategic thinking could be a solution for the enhancing the surviving chances, cover weakness and enhance the effectiveness of the small business in Iraq .

Depending on the fact that there is a real need for strategic thinking in the small business in Iraq this thesis tried to configure out the role of strategic thinking skills in enhancing the organizational effectiveness in the small business in Iraq.

This study will depend on the quantitative method, through applying the questionnaire on the manager of the selected small businesses in Iraq. The results on the thesis showed that the strategic thinking skills ( system thinking, reframing and reflecting) is necessary and enhance the organizational effectiveness in the small sized business in Iraq.

**Key Words:** Small business sized, system thinking, reframing reflecting and organizational effectiveness.

## ÖZET

Küçük şirketlerin hayatlarının ilk beş yılındaki başarısızlığı, iş sektörünün temel sorunudur.

Özel şirketlerin yöneticilerinin, şirketin beş yıldan fazla devam etmesini sağlayacak net stratejileri sahip olmadığı için şirketler başarısız olur.

Çalışmanın önemi, Irak'taki küçük şirketlerde zayıflıklarla yüzleşmek ve yönetim etkinliğini artırmak için stratejik düşünme kavramına ve sürecine ışık tutmasında yatmaktadır

Irak'taki küçük şirketlerde stratejik düşünme ihtiyacı fikrinden yola çıkarak, bu çalışma stratejik düşünmenin küçük organizasyonların etkinliği üzerindeki etkisine ışık tutmayı amaçlamaktadır.

Bu çalışma, Irak'ta seçilen küçük işletmelerin yöneticilerine anket uygulanarak nicel yöntemle dayanmaktadır. Tezin sonuçları, stratejik düşünme becerilerinin (sistem düşüncesi, yeniden çerçeveleme ve yansıtma) gerekli olduğunu ve Irak'taki şirketlerde organizasyonel etkinlik üzerinde olumlu bir etkisi var.

**Anahtar Sözcükler:** küçük işletme boyutu, sistem düşüncesi, yeniden çerçeveleme yansıtma ve organizasyonel etkinlik.



# TABLE OF CONTENTS

<b>ABSTRACT .....</b>	<b>i</b>
<b>ÖZET.....</b>	<b>ii</b>
<b>TABLE OF CONTENTS.....</b>	<b>iii</b>
<b>LIST OF TABLES .....</b>	<b>iii</b>
<b>LIST OF FIGURES .....</b>	<b>vi</b>
<b>INTRODUCTION.....</b>	<b>1</b>

## CHAPTER ONE

### STRATEGIC THINKING SKILLS

1.1. STRATEGIC THINKING (ST) .....	2
1.2. STRATEGIC THINKING SKILLS .....	7
1.2.1. SYSTEMS THINKING .....	7
1.2.2. REFLECTING .....	9
1.2.3. REFRAMING .....	10
1.3. IMPORTANCE OF STRATEGIC THINKING .....	11
1.4. DOMAINS OF STRATEGIC THINKING .....	12
1.5. ELEMENTS OF STRATEGIC THINKING .....	13
1.6. PATTERNS OF STRATEGIC THINKING .....	13
1.6.1. STRATEGIC THINKING AMONG MANAGERS .....	14
1.7. THE LINKAGE BETWEEN STRATEGIC THINKING AND PLANNING.....	16
1.8. COMPONENTS OF STRATEGIC THINKING .....	18
1.9. MODELS OF STRATEGIC-THINKING .....	20

## CHAPTER TWO

### SMALL BUSINESS

2.1. SMALL BUSINESS MEANING .....	25
2.2. THE CHARACTERISTICS OF A SMALL BUSINESS .....	27
2.3. PERFORMANCE AND EFFECTIVENESS OF SMALL BUSINESS .....	28
2.4. FACTOR AFFECTING THE EFFECTIVENESS OF SMALL BUSINESS.....	31
2.5. DRIVERS OF STRATEGIC THINKING IN SMALL BUSINESS .....	42

## CHAPTER THREE

### METHODOLOGY

3.1. RESEARCH DESIGN .....	45
3.2. DATA COLLECTION METHODS .....	46
3.2.1. QUESTIONNAIRE.....	46
3.3. POPULATION OF THE STUDY AND SAMPLING.....	47
3.4. HYPOTHESES.....	48

## CHAPTER FOUR

### RESULTS

4.1. ANALYSES FINDINGS.....	49
-----------------------------	----

**CHAPTER FIVE  
CONCLUSION**

5.1. DISCUSSION ..... 55  
5.2. RECOMMENDATION ..... 56  
5.3. LIMITATIONS ..... 57  
**REFERENCES..... 58**



## LIST OF TABLES

<b>Table 1.</b> Demographic analysis.....	51
<b>Table 2.</b> Mean , Std. Deviation, Skewness and Kurtosis analyzes.....	55
<b>Table 3.</b> KMO Analyzes .....	55
<b>Table 4.</b> Factor Loading and Cronbach’s Reliability Analyzes.....	55
<b>Table 5.</b> Mean , Std. Deviation and correlation .....	56
<b>Table 6.</b> Regression Analysis .....	57



## LIST OF FIGURES

<b>Figure 1.</b> Five elements of strategic thinking .....	21
<b>Figure 2.</b> Strategic thinking framework .....	22
<b>Figure 3.</b> Five order model of strategic thinking .....	23



## INTRODUCTION

Every nation's small businesses must contend with the demands of an expanding global society, as well as the limits of local cultural norms. Furthermore, small businesses face complicated technology, shifting demographics, and institutional instability, all of which are changing at an increasingly rapid pace. Many of these small enterprises fail because they have only been taught and rely on a linear thinking attitude, which does not function in real-world settings. Small company entrepreneurs have a crucial role in the Iraqi economy, since they create employment and provide the economy strength.

There is a real need for increasing the effectiveness of these small businesses through the strategic thinking. Bay area.& Pisapia (2009) frames the need for strategic thinking skills this way (increasing the effectiveness of these small businesses) and skills required to think in systems, reflecting, and reframing .

The main aims of this thesis are to build a conceptual framework about the relation between the strategic thinking and the surviving of the small businesses and to assess the use of strategic thinking skills (STS) reflection, reframing, and systems thinking in enhancing the effectiveness of the small businesses in Iraq that help it to survive.

This thesis was structured as follows: in the first chapter the main concepts,scope and importance of the strategic thinking and its skills presented. In the second chapter the small business characteristics presented. In the third chapter the methodology and in the fourth chapter the findings and finally the conclusion , recommendations and limitations.

# CHAPTER ONE

## STRATEGIC THINKING SKILLS

### 1.1. STRATEGIC THINKING (ST)

Strategic thinking has a wide range of definitions and applications, according to research. Despite the fact that study on the issue and its nature is endless, there appears to be no consensus on a specific definition. Researchers have also identified this as a prevalent issue when attempting to exercise or teach strategic thinking in the actual world (Heuser, , 2010; Chilcoat, 1995). The literature study indicated that the majority of research on the issue was done in the 1990s, but that there has been a resurgence in the last five years. Rather than focusing on the relevance of strategic thinking and striving to define it in the 1990s, following academics appear to prefer to construct their own specialty definitions that best suit their study. Alternative interpretations such as strategic decision making, long term planning, and strategic management keep cropping up, making anyone attempting to figure out what strategic thinking is even more perplexed. Although some consider these definitions as distinct (Drucker, 1995; Davey, 2014), others see them as entwined concepts that are used and interpreted interchangeably (Mishko, 2013; King, & Kitchener, 1994).

When it comes to strategic thinking research, the name Liedtka, (2000) comes up regularly. Liedtka, (2000) emphasises the need of distinguishing between strategic planning and strategic thinking, claiming that planning obstructs strategic thinking to a great extent . Many scholars have accepted Liedtka 's initial premise that strategic thinking is a constant talent for implementing choices, rather than an occasional effort to construct a plan, and have mentioned this point of view multiple times subsequently. Liedtka seeks to represent managerial principles as they are in practise, with a concentrate on management in practise.

Strategic thinking has long been regarded a managership duty, and managers and adult educators are concerned about the development of strategic thinking in individuals at all levels (Lynch, Wolcott, & Huber, 2001).

Pang, (2006) conducted a similar research with the goal of depicting real-life management and strategic thinking. Goldman spoke with people who had been identified as strategic thinkers by others. She discovered that a person's upbringing

and career accomplishments, among other things, all contribute to the formation of strategic thinking . Although many studies characterize strategic thinking in behavioural or personal terms, such as "doing things kingly," few recognize the connection between management science and behavioural research at least when it comes to the issue of strategic thinking with the exception of Pang, (2006). The majority of research assumes one viewpoint or the other and seeks to understand that side better. This, however, misses the potential to comprehend the situation's complexity. Pang, (2006) adopts a "nurture" viewpoint, expressing a stance in the dispute over the origins of strategic thinking.

Penney, (2010), on the other hand, conducted a literature analysis in 2010 with the goal of understanding strategic thinking from both viewpoints, but found that research incorporating both was limited. It was also difficult to define strategic decision-making since many different academics were free to come up with their own explanations. Another research by Pisapia, Morris, Cavanaugh, & Ellington, (2011). looked at a deeper difference in the impact of personality factors and experience on the capacity to plan strategically. Although the executive's cognitive capacity proved to have the most significant association to the ability to think strategically, the study indicated that the acquisition of work experience positively adds to strategic thinking competency . This points to an intriguing link between personal temperament and strategic thinking that has been largely overlooked in previous studies. Extraverted CEOs accumulated greater experience, according to the study, implying a complicated link between the contested ideas of nature and nurture (Pisapia, et al ,2011).

It's worth noting, though, that many definitions overlap. The ability to adapt to unknown situations, anticipate and evaluate future possibilities , as well as synthesizing experiences or information down to a tangible decision to be made. A repeating term is chaos control and the personal trait of being at ease with the unknown . From a literary standpoint, these themes are further discussed below to offer an overview of the most prevalent features when describing strategic thinking (Dweck, 2006).

### **1.1.1. Thinking ahead**

The idea of thinking forwards or picturing decisions further than the short-term, as found in the outcomes of this study, was the most common factor of numerous scholars' definitions of strategic thinking. Foresight, as defined by Leithwood, Jantzi, & Steinbach, (1999). is the capacity to anticipate the implications of a decision to be taken. Strategic thinking, in a similar vein, is the capacity to rearrange a company's resources with the goal of increasing revenue over the long term. Dubow, Boxer, & Rowell (2009) emphasises the necessity of strategic management as a framework that pervades a company's whole operation in order to maximise its potential, with strategic thinking at its foundation. This enables a company to develop long-term strategy based on new decision-making methodologies. Despite Mintzberg, (1994).separation of strategic planning from the approach to strategic thinking, strategic planning has still been considered vital for successful and innovative management, and a company must have a significant amount of strategic thinking all through the company to achieve peak performance.

It might be claimed that vision and vision formation are strongly tied to foresight. Executives think strategically when they imagine goals, evaluate alternatives, and identify critical actions for achieving them, according to Mintzberg, (1994).Managers may use strategic thinking to confidently gaze into the future and establish a meaningful and feasible goal. Mintzberg also emphasises vision as an important part of strategic thinking, suggesting that good strategies should be visions rather than blueprints (Mintzberg, 1994).

### **1.1.2. Trial and error**

Trial and error research that is directly linked to strategic thinking in the manner that this study has discovered is accessible, but not in isolated investigations. Practice as a means of broadening one's viewpoint and enabling for more flexible thinking, which promotes strategic thinking. This is frequently referenced in passing in the majority of the literature on the subject, but it is rarely given the attention it deserves. It's plausible that researchers consider trial and error to be a notion with the same definition as 'experience,' and that this is why it's discussed so seldom. In other fields of enquiry, such as behavioural science, studies have indicated that learning by



doing is essential for developing strategic thinking. The same is true in the realm of educational research. Pang, & Pisapia, (2012). discovered a clear correlation between learning to think strategically and not being scared to fail, because viewing failure as a threat to one's self-worth makes it difficult to see failure as a learning opportunity. As a result, rather of seeking out these possibilities, the individual devises numerous strategies to avoid them (Pang, & Pisapia, 2012).

### **1.1.3. Curiosity**

Surprisingly, there appears to be very little study on strategic thinking that connects it to curiosity. It is briefly mentioned by Naumann, Bandalos, & Gutkin, (2003) as the motivator of accumulating experience, which, in turn, builds the foundation for successful strategic thinking. Individual investigations on this link have not been conducted in the research field of business and management, to the best of the study's knowledge. Creativity, which has been discovered in studies on strategic thinking, is an intriguing element that might be strongly tied to curiosity. Both notions, it may be claimed, necessitate an original and imaginative attitude, and are thus similar in nature, albeit not identical. Strategic thinkers, according to Leppel, Williams, & Waldauer, (2001)., must "look for new methods and imagine better ways of doing things, in other words, be creative," as one of three fundamental components of strategic thinking. Creativity, when combined with systems thinking and vision, assists the individual in establishing unique tactics by allowing them to come up with novel solutions (Bonn, 2005). Similarly, Mintzberg (1994) claims that creativity is an important aspect of strategic thinking since it aids an individual's capacity to integrate information and viewpoints.

### **1.1.4. Gut feeling**

In social psychology, gut feeling, also known as intuition, appears to be a largely untapped part of strategic thinking. Although there has been some research on intuition in the context of making or cognitive psychology, the idea remains a mystery as to where it came from or what it is. Some researchers in the field of management have looked at the relationship among perception and decision-making. Such studies have combined definitions from many topics to create "a non-sequential data processing mode that includes both cognitive and emotional aspects and results in direct knowledge without the need of conscious thinking". There are two more studies

that look at the relationship between intuition and management decision-making. Both studies suggest that intuition plays a role in management decision-making, owing to the fact that such judgments are frequently fraught with ambiguity (Lynch, et al, 2001; Dubow, et al , 2009). Other studies in this field have looked at the implications of intuition in management and how it could impact the decision-making process, albeit its traits and origins appear to be largely unknown in management research. Strategic thinking is creative, critical, and analytical, yet it is difficult to do all three forms of thinking at the same time due to the need to suspend critical judgement (Beckhard, & Pritchard, 1992).

Strategic thinking, when used appropriately, allows a leader to recognise interdependencies, interrelationships, and patterns, as well as make meaningful judgments utilising both analytical and intuitive abilities. According to Haycock, Cheadle, and Bluestone, (2012), Strategic thinking is a method of thinking and rethinking the future for oneself and others, as well as evaluating, viewing, and conducting it. Strategic thinking is a very useful and effective skill. Strategic thinking may be used to make decisions in the workplace or in one's personal life. Strategic thinking necessitates the development of a wide range of critical cognitive and analytical abilities (Haycock, et al , 2012).

Strategic thinking, according to Mintzberg (1994), is the ability to "see through" and consists of three components:

- Foresight-backsight (having an excellent vision of the future based on knowledge of the past);
- Seeing above-seeing below (getting a "helicopter" perspective from a vast vantage point, then walking to observe reality); and
- Seeing beyond-seeing alongside (lateral thinking and the ability to envisage the future).

## **1.2. STRATEGIC THINKING SKILLS**

This paragraph starts by describing the strategic thinking talents that appear to be associated to leader performance .These three abilities aid managers in (a) reframing events to make them more obvious and intelligible; (b) reflecting on and establishing theories of practice that guide actions; and (c) thinking more holistically.

They also assist managers in understanding events and problems through the lens of concepts, which are helpful methods of thinking about issues

Strategic Thinking Skills, as Mellon, & Kroth, (2013), Ellington, Toussaint, and Morris (2011), included:

### **1.2.1. Systems Thinking**

The capacity of a managers to view systems holistically by comprehending the qualities, forces, patterns, and interconnections that define the system's behaviour and so present alternatives for action. So, if systems thinking is so vital, what precisely is it? Since its inception in 1994 by Mintzberg, , the word has been defined and reinterpreted in a variety of ways. What is it about systems thinking that makes it so difficult to define? Why is it being redefined all the time? What's missing here? Perhaps the key to articulating the illusive idea of systems thinking in a form that can be assessed can be found in our own area. To that purpose, a surprisingly simple step in defining systems thinking – applying systems thinking to itself is recommended.

A system is described as a regularly interacting or interdependent set of elements constituting a cohesive whole, according to Merriam-online Webster's dictionary . A fundamental principle of a system is that it is greater than the sum of its parts. Following this line of reasoning, it's clear that systems thinking may be thought of as a system. The term "systems thinking" refers to a way of thinking about systems. This underlines the issues with the definitions accessible in the literature, as described later in this study. These definitions tend to use a reductionist approach to systems thinking, which is typically seen as a nonsystems-thinking approach (Mellon, & Kroth, 2013).

New complicated and dynamic settings are unable to adequately represent or comprehend using reductionist models. Systems thinking, like other systems, is made up of three components: parts (in this instance, characteristics), interconnections, and a function or purpose. Notably, the system's function or goal, which is frequently the least evident aspect of the system, is often the most important predictor of the system's behavior. Systems thinking, while not all systems have a clear aim or objective, does. It is crucial to articulate this purpose in order to convey its definition, especially to individuals who are unfamiliar with the notion. As a result, a comprehensive systems thinking description should include a characterization of the latter as a goal-oriented

system as a necessity. To achieve this, the definition must include all three of the types of items listed above (elements, interconnections, and a goal or function). To that purpose, the literature definitions will be scrutinised and put through a System Test to see if they characterise systems thinking as a system (Steptoe, Howat, & Hume, 2011).

The application of systems thinking principles to evaluation theory and practise clarifies two distinct but crucial notions: evaluation systems and assessment of systems. The concept of systems as entities to be assessed, as well as the concept of building and executing an evaluation system, is not new in the assessment discipline. Many themes from the literature on systems thinking have previously been discussed in the assessment literature, For instance, considering diverse viewpoints from many stakeholders and analysing a system at multiple scales. Since at least the late 1980s, attempts have been made to combine the two fields.

Critical systems principles, a systems technique, was applied to policy analysis and assessment by Pisapia, (2009). Gregory (1992b) utilised systems approaches to analyse four distinct types of assessment procedures in order to determine when each technique should be employed Pang, (2006) conducted a review of the systems field and applied several systems techniques to evaluation, while Berkas published a paper titled "Evaluation in a Complex Adaptive System" in 1998, which was included in a larger volume on organisational complexity. The Systems in Evaluation listserv was founded in November 2003 and now has 288 subscribers . The American Evaluation Association formed a "Systems in Evaluation" topical interest group (TIG) in February 2004 shortly after. Furthermore, several of the topical interest group 's sponsored seminars during the 2006 american evaluation association conference in Portland were sold out. Finally, in November 2006, the book Systems ideas in assessment: An expert anthology was published, which gives an overview of the use of several systems methods in evaluation .Similar shifts in appraisal have matched conceptual developments in systems thinking. "Boundary critique," 'critical systems thinking," and "critical systems heuristics," for example (Beckhard, & Pritchard, 1992).., seem like assessment approaches and might be highly useful in evaluation situations. The examiner should be encouraged by this (Beckhard, & Pritchard, 1992).

### 1.2.2. Reflecting

Refers to a leader's capacity to employ logical and rational thinking, as well as observations, experience, and knowledge, to make judgements about what has occurred and to develop intuitive principles that will guide future actions. Brains are not meant to think, according to Elfiel, (2016). His point is that people enjoy solving issues, but only those that are solvable. If a pupil's coursework is consistently a little too demanding, the learner will dislike school. To put it another way, humans are naturally curious, but not always brilliant thinkers. People will avoid thinking unless the cognitive settings are ideal. Three flaws in thinking were highlighted by him. Thinking is sluggish, in the sense that our thinking system does not calculate the answer to a problem as quickly as our visual system takes in a visual picture. It takes effort to think since it requires focus. Finally, thinking is a risky business. When our visual system does make a mistake, we generally believe we are seeing something that is comparable to what is truly out there - we are close, if not quite correct.

Elfiel, (2016) says that we will not bother to think if we can get away with it. We rely on memory instead. We overcome the majority of the difficulties we encounter by doing what we've done in the past. Because thinking is difficult, the settings must be ideal for this desire to flourish, and we are quick to stop thinking. Teachers should evaluate how they inspire their pupils to think in order to increase the chances that they will experience the delightful surge that comes with effective contemplation. Knowing facts is necessary for good thinking, and not only because we need something to ponder about. Teachers' favourite activities, critical thinking skills like reasoning and problem solving, are inextricably linked to factual knowledge stored in long-term memory (Elfiel, 2016).

The amount of complexity grows as we progress through Bloom's Taxonomy. However, difficulty and complexity are not synonymous. Bloom's Taxonomy simply considers the degree of cognition, whereas difficulty defines how much work is expended at each level. Teachers only address a few levels of inductive reasoning in school. The majority of the courses focused on knowledge acquisition through rote recitation rather than the process of analytical and synthesising thinking. Even teachers who worked diligently to incorporate activities that involve higher order thinking are faced with the realities of preparing pupils for tests that need them to focus on memory and application, according to Penney, (2010). The importance of

repeating the response overtook the process of obtaining the answer. As a result, teachers will deal with learning at a lesser degree of complexity. Teachers must assist students in organising material in order to permit more complicated processing and foster higher order thinking. Bloom's learning paradigm solely addresses cognitive processing of information, not emotional reasoning. Bloom later developed a five-level taxonomy of the affective domain, which established a hierarchy of emotional connections to learning. The affective domain encompasses our emotional responses to things like feelings, values, admiration, enthusiasms, motives, and attitudes. Reflective thinking is not included in this emotional taxonomy (Penney, 2010).

### **1.2.3. Reframing**

The capacity of a manager to switch attention between numerous viewpoints, frames, mental models, and perspectives in order to develop fresh insights and action possibilities. Effective strategic thinking and decision-making that directs the company in the most appropriate path are required for this to happen. Reframing is a deliberate effort by managers to shift their focus from one perspective to another in order to produce fresh insights and action possibilities. By cycling among acceptable conceptual models for the activities and events seen, the objective is to develop useable knowledge. This method overcomes Haycock, et al, (2012) claim that unique frames filter out some items while allowing others to slip through fast. "The capacity to reinterpret experiences enhances and broadens a leader's repertory while also serving as a potent antidote to self-entrapment (Haycock, et al, 2012)

A purposeful effort to size up a situation through numerous perspectives is required when reframing an issue. Managers who grasp the capacity to reframe report a freeing sense of choice and control. They are able to come up with new solutions and fresh ideas for what their company requires. They can tune in to people and events around them and are less surprised by organizational perversity, and they learn to anticipate the ups and downs of organizational life. As a result, managers have more freedom, and companies are more productive and kinder. Reframing refers to a leader's capacity to shift their focus between numerous viewpoints, frames, mental models, and paradigms in order to develop fresh insights and action alternatives. It allows you to filter through challenges and possibilities, understand problems in new ways so you can plan out alternate tactics, and spot patterns before others do (Davey, 2014).

## **1.2. IMPORTANCE OF STRATEGIC THINKING**

To tackle strategic difficulties, strategic thinking combines a rational and convergent approach with creative and divergent solutions. Strategic thinking enables the small businesses to make sense of chaos and to use the forces that around us benefit rather than allowing them to overwhelm us. We learn to be our own quarterbacks by planning ahead of time and adjusting our approach at critical decision points. Strategic thinkers base their decisions on a mental picture of the entire system. This strategic mentality includes a grasp of the organization's external and internal circumstances. Executives may utilize strategic thinking to build a clearly defined vision and, as a result, think strategically. Executives with these talents can clearly outline their company's strategic objectives and develop strategic action plans to attain them. With strategic thinking talents, an executive may use the thought process with a great deal of versatility. As a result, the most important characteristic of strategic thinking is managers' capacity to use these advanced human thinking abilities to organisational issue solving and imaginative adaptation to a volatile external environment. As a result, organisational competitive strategies to the best feasible positions in competitive marketplaces will be alleviated. Adapting and improving strategic thinking abilities, according to this idea, should provide several benefits to businesses (Dubow, et al ,2009).

## **1.3. DOMAINS OF STRATEGIC THINKING**

According to Abdelwahab, (2010), strategic thinking may be used to a variety of university fields, including:

(1) Creativity is a term that describes how people approach challenges and pick effective solutions. It also refers to people's capacity to combine existing ideas to create new combinations and compositions. As a result, managership creativity is defined as the ability of a leader to present and embrace new and unique ideas, as well as to steer good behaviour towards the advancement of work.

(2) Accountability: This occurs when small business managers put processes and policies in place to clearly define the bounds of responsibility, as well as methods to reward and punish those who don't.

(3) Future vision: This refers to the ability to conceptualise the future. As a result, authorities must have a future vision in which the phases of work and success are specified, while also persuading professors and staff, taking into account reality, and giving means to carry out the vision's goals.

(4) Conflict resolution: This is the leader's capacity to use suitable ways to address any disagreements amongst teachers and staff while attempting to accomplish justice and retain transparency.

(5) Intelligence: When making judgments and building organisational structures, the leader should be intelligent, perceptive, logical, and diplomatic, with the capacity to employ conscious analytical thinking.

(6) Systematic thinking: The capacity to instal and combine various pieces in order to meet academic goals. As a result, the different components are examined in terms of their interrelationships in order to meet the objectives and handle the divisions as subsystems inside the main system.

(7) Diverse mental pattern: It entails using new scientific approaches and undertaking regular research in order to improve work.

## **1.5 ELEMENTS OF STRATEGIC THINKING**

Strategic thinking, according to Elfiel, (2016), contains four components:

(1) From a systems perspective: A strategic thinker examines the organisation as a whole. Any change in one component of the organisation has an impact on all others.

(2) Target-centered thinking: This involves focusing on the organization's mission and strategic goals rather than being sidetracked by potential future changes. It instructs the organization's employees to concentrate on attaining the organization's goals.

(3) Consider the organization's future as soon as possible: It is founded on the definition of a desired future. The strategy is impacted not only by the future, but also by the strategic gap that exists between current reality and going forwards. The conventional perspective, on the other hand, is concerned with the degree of congruence between both the available resources and possibilities.



(4) Strategic thinking is built on an openness to unique experiences and techniques that may be more suited. This is important in order to adapt to the ever-changing environment.

## **1.6. PATTERNS OF STRATEGIC THINKING**

There are numerous varieties of strategic thinking, as per Mellon and Kroth (2013). Holistic thinking, for example, is a type of thinking that focuses on developing the problem's broad framework centered on the leader's understanding and evaluation of difficulties. Abstract thinking aims to recognize relevant aspects and make suitable decisions. Examining the administrative situation, evaluating the reasons for decision-making, and picking possibilities to reach inevitable conclusions are all part of diagnostic thinking. The process of schematic thinking is recognizing potential outcomes and then designing objects to obtain conclusions (Mellon, & Kroth, 2013).

### **1.6.1. Strategic Thinking Among managers**

It is the responsibility of the small businesses managers to communicate the business's future vision by following new components of change, both internally and globally, in terms of pace and intensity. Each institution has its own set of success and failure factors, but how they are used differ. As a result, strategic thinking's success is contingent on the small business's top administration's willingness to adopting it in order to boost competitiveness . Analysis, synthesis, and development of the mission, vision, strategic objectives, and strategy are all part of strategic thinking. It also involves the strategy's implementation and application, as well as strategic review and assessment (Mishko, 2013)

Due to the failure to translate goals into measurable objective results, plans, and programmes, it leads in ambiguous performance evaluation grounds and criteria. It's possible that the university won't be able to come up with significant breakthroughs. Additionally, the corporate atmosphere might be marked by stress, worry, insecurity, and a sense of disconnection. Additionally, the corporate atmosphere might be marked by stress, worry, insecurity, and a sense of disconnection (Heuser, 2010).

The institution may make blunder judgments and leave glaring gaps between its pledges, commitments, and difficult-to-achieve goals. In reaction to changes or

surprises that occur in the university environment and necessitate modification or change of job routes, small business administrators are unable to develop adequate strategic options. Furthermore, certain members of the school community may be dissatisfied with the institution. Constructing an awareness of the significance of thinking, recognizing the mind and its role in creative thinking, selecting people who can practice complex thought patterns, and running meditation, conceptualization, and future-focused training programs are all examples of how training can help managers develop strategic thinking skills. The transition from administrative problem-solving thinking to strategic thinking includes determining problems, identifying and exploring new opportunities, trying to generate possible approaches, and trying to define the most suitable strategic choice based on a thorough identification and explanation of the strategic situation, as well as experience-based knowledge. As a result, senior management is thrust into a strategic position (Davey, 2014).

According to Kolb, Osland, and Rubin, (2001), promoting strategic thinking between small company administrators, academics, and employees requires attentive listening to all members of the team at work and in meetings, as well as opportunities for them, particularly the innovative ones, to express their opinions and generate ideas. To earn trust, respect, and collaboration, they should be goals. Relevant training programs should be performed to illustrate that management is a joint responsibility. Some of the key themes include lifelong learning about the company and its internal and external conditions in order to be prepared for unexpected scenarios, defining needs and requirements, and accomplishing core organizational goals inside the institution. Identified by Dushkov (2018) for managers to become critical thinkers (Kolb, et al ,2001).

Many research in terms of idea, development, and link to numerous factors have been conducted because of the importance of strategic thinking in general and among managers in particular. The findings revealed that the participants were fascinated with thought patterns. The humanities and sciences colleges reported little variances. Bonn, (2005) aimed to have a better grasp of strategic thinking. Since the end of the Vietnam War, there has been a constant attitude towards linking strategic thinking with good strategy implementation. As a result, managers want to be competitive in the future.

Pisapia, et al ,(2011) investigated the most essential organisational practises for developing strategic thinking among employees. The findings revealed that companies employ a restricted set of cognitive development techniques and rely mostly on indirect development through generic managership training. From the perspective of faculty members, Haycock, (2012) investigated the degree to which heads of academic departments at applied colleges in Kuwait practise strategic thinking styles and its link with re-engineering administrative procedures. Mellon, &Kroth, (2013) suggested a paradigm of strategic thinking that included fresh ideas (strategic thinking competency).

Pisapia, (2009) performed a field research to emphasise strategic thinking techniques and applications, emphasising the need of focusing on the size and type of the organisation. He also emphasised the need of determining the percentage and degree of knowledge and comprehension before using the strategic thinking concept and activities. Strategic thinking, according to Abdelwahab, (2010), may be employed in any company pursuing competitiveness by focusing on creativity and innovation. Furthermore, organisational managers are in charge of applying strategic thinking in order to deal with competition and change in today's industry. Managers of libraries may use strategic thinking to propel their organisations to new heights and a brighter future (Abdelwahab, 2010).

Pang, & Pisapia, (2012).wanted to assess strategic thinking capacity by looking at how it was used by strategic managers. Managers are interested to accept strategic thinking ideas to their management, according to the research. Mishko, (2013) undertook an analysis of relevant literature on strategic design-making, focusing on characteristics that influence strategic decision-making and looking at both administrative and psychological literature. Managerial thinking and belief system can impact strategic decision-making. According to the conclusions of the research review (Mishko, 2013).

Although there is no consensus on strategic competences, they are significant. The Strategic Thinking Protocol (STP) was developed by Pang, & Pisapia, (2012). to illustrate a novel planning strategy called Strategic Thinking for dealing with external demands for change. To generate an action strategy in the Division of Educational Management and the Faculty of Education, the strategy and planning system framework employs the core strengths of strategic thinking skills, strategic ability to

respond, value configuration, strategic conversations, minimum requirements, and strategic strength and conditioning, as well as to evaluate the data to the standard small business strategic planning effort. Strategic thinking, as per the literature, is critical for planning the future, dealing with external impediments, developing successful institutional advancement plans, and reaching competitiveness (Pang, & Pisapia, 2012).

### **1.7. The Linkage Between Strategic Thinking and Planning**

Because strategic planning is often mentioned in the business literature, this section aims to clarify the speculation that goes into strategic planning and to provide an overview of the dominant writers' opinions on the subject. When it comes to strategic planning, Mintzberg (1994,) and Chilcoat, (1995) argue that analytic thinking talents is a popular word. Strategic planning and strategic thinking should be discussed separately, according to many authors, including Mintzberg (1994). Although the planning process, according to Mintzberg, is not directly tied to strategy, it does encompass an analytic and methodical procedure, which is essential because strategies tend to evolve over the course of a strategic thinking process. Leppel, Williams, & Waldauer, (2001) on the other hand, describes strategic thinking as a set of analytical techniques that includes the well-known five forces model, value chain, and diamond model .

Similarly to Porter's perspective on the subject, Lynch, et al (2001) sees the planning phase as a technique to stimulate strategic thinking by giving creative thought processes structure. According to Lynch, et al (2001), the scenario planning approach, which analyses probable future scenarios and effective reactions to them, is a reciprocal tool between the words. Liedtka (1998) supports this viewpoint, claiming that strategic thinking strengthens the planning process in organisational dimensions, while temporal planning methods ensure strategy implementation. From the discussion above, it can be concluded that several interpretations of the thought that goes into strategic management exist. For example, some writers say that the words are two separate procedures, whilst others argue that the procedures are complementary. When a scenario is predictable and reliable data are investigated, a largely analytical thinking process, also known as strategic planning, is possible. An strictly analytical or logical thinking process, on the other hand, is not beneficial in a complicated and unpredictable setting when the information provided are ambiguous.

Systemic, intuitive, and creative thinking, among other things, play a part. As a result, strategic thinking comprises components of analytical, systemic, intuitive, and creative thinking (Pang, 2006).

### **1.8. COMPONENTS OF STRATEGIC THINKING**

Thinking This chapter explains how writers define the key elements of strategic thinking, how they interact, and how they are formed upon one another. Strategic thinking, entails the active participation of a strategic thinker in specific situations. A strategic thinker's role is critical for being "active, involved, connected, devoted, aware, and stimulated." Furthermore, Penney, (2010), claims that a strategic thinker's whole process combines intuition and creativity to establish a vision and affect the path of a company's long-term success. In addition, according to Penney, (2010), intuition is a component of strategic thinking. Mellon, & Kroth, (2013) go on to say that intuition is typically based on past experience, knowledge, and skills. Elfiel, (2016) expand on this by stating that past knowledge and experience influence the degree of learning, with one having a long way to go while the other is learning at a rapid pace. In her study, Liedtka (1998) proposes a model for strategic thinking that includes five elements: system perspective, intent-focused, clever pragmatism, thinking in time, and hypothesis-driven key dimensions. Furthermore, while presenting the system viewpoint in the model, she based it on the premise that the strategic thinker is a component of a complex system that develops over time. When it comes to systems, she also emphasises the significance of considering the inter-relationships of entities (Bonn, 2005)

The strategic decisions are influenced considerably in the process of creation by links, varied views, and interactions within diverse components .Abdelwahab, (2010). also emphasises the need of taking time into account while forming relationships with the past, present, and future, because all elements compounded through time will have an impact on the strategy's design and implementation. She concludes her research by stating that strategic thinking is a hypothesis-driven process in which people must be able to create and evaluate hypotheses in situations when short-term decisions are critical for the long term. The five pillars of strategic thinking that have been defined offer a foundation for a company's valuable skills and assist planning procedures (Abdelwahab, 2010).

Chilcoat, (1995) uses firms as an example of how to approach systems thinking by emphasising the need of concentrating on basic techniques that generate choices and actions in systems. Bonn (2005) emphasises the necessity of incorporating problem-solving abilities related to strategic thinking with inventive, visionary, and systemic components in Chilcoat, (1995) approach. Davey, (2014). expands on Bonn (2005)'s paradigm by stating that strategic thinking comprises methodical, creative, vision-driven, and market-oriented thinking. Market-oriented thinking is critical since it tends to provide good marketing results as well as long-term competitive advantages. Finally, Heuser, (2010) believe that strategic thinking 2.1.3 includes the ability to learn. Putting Strategic Thinking into Action Strategic thinking, according to Bonn (2005), must be evaluated from two perspectives: organisational and individual. On an organisational level, strategic thinking necessitates the capacity to strengthen a comprehensive perspective and combine it with a creative approach as well as a wide long-term aim (Heuser, 2010).

Although, the holistic approach on strategic thinking aligns with Kolb, et al (2001) system perspective on strategic thinking. At the same time, it assists us in comprehending greater parts of the business's value construction and relationship with its external environment. More crucially, a vision is critical in relation to strategic thinking in order to convey a compelling picture of the finished plan to all workers and keep them focused on their contribution to the plan through effective channels. Strategic thinking is sustained in an organisational environment, according to Bonn (2005), through structures that promote continual strategic dialogues among senior management and encourage innovation to flow on a personal level. It's critical to provide the management team time to reflect on their plan and improve their strategic thinking skills in order to solve complex problems. Individual team members may learn from each other using this strategy, resulting in a far more advanced grasp of the organization's complexity while also providing opportunity for fresh talent development (Bonn, 2005).

It is possible to educate the brain to think strategically in an open workplace where all employees have a fair chance to have their views heard and provide potential strategic input . Employees must be given the opportunity to be creative and original while also being able to express their ideas to upper management. Dweck, (2006). agree with the Bonn philosophy in terms of integrating workers with the

managership team .They claim that recent research has shifted away from focusing just on top management's thinking abilities in a corporation and towards building strategic thinking capabilities in employees at all levels of the hierarchy. Heuser, (2010). claims that an organization's culture, structure, and competencies impact employees' strategic thinking abilities. Heuser, (2010) agrees with Dweck, (2006). when he states that corporate culture has a significant impact on strategic thinking. Managerial focus on strategy, reward systems, marketing expertise, or centralisation are examples of this (Heuser, 2010). Furthermore, according to Heuser, (2010), all organisational variables, whether internal or external, have an influence on different ways of thinking. He distinguishes between strategic thinking and methodical, creative, vision-driven, and market-oriented thinking. When it comes to strategic thinking in the workplace, studies and literature suggest that the elements of systemic strategic thinking, notably holistic, visionary, and creative thinking, are critical. Furthermore, emphasising on collaboration among management and staff at all levels of the hierarchy in strategic choices may provide the company a major competitive advantage. Organizational culture and the external environment, on the other hand, have an impact on strategic thinking (Mishko, 2013).

### **1.9. MODELS OF STRATEGIC-THINKING**

Based on Mintzberg's (1994) concept of evolving strategy, Pang, (2006). developed one of the first strategic-thinking models based on the characteristics of being both creative and critical in nature. The critical character of this thinking is based on scientific methods, while the creative nature is based on cognitive psychology. As a result, the Strategic-Thinking paradigm has five components: 1) systems thinking, 2) purpose focus, 3) intelligent opportunism, 4) time-based thinking, and 5) hypothesis-driven thinking (look at the Figure 1). Her concept strives to teach practitioners how to develop effective strategies by giving improved tools for comparison analysis. Through an overview of interrelated systems and processes (i.e. looking beyond one's organisation and industry), systems thinking entails comprehending reality in the largest and deepest extent feasible. On the other hand, this attribution indicates that our capacity to think strategically is hampered by our narrow worldview.

**Figure 1:** Five elements of strategic thinking



**Source :**Liedtka, (2000)

Intent emphasises, according to Liedtka, (2000)., "provides the focus that allows employees within an organisation to marshal and harness their energy, focus attention, avoid distraction, and concentrate for as long as it takes to achieve a goal" . As a result, Strategic-Thinking must be motivated by a shared desire to produce greater synergy; otherwise, the organisation would waste time and effort. Furthermore, Liedtka defined intelligent opportunism as the criteria of being aware of every chance that enhances new strategic actions to be more fit for environmental and time circumstances. This characteristic of Strategic-Thinking refers to emergent strategies that Mintzberg first mentioned (1994). Thinking in time, the fourth aspect of Strategic-Thinking, is characterised as a deliberate technique of integrating strategic occurrences in the past, present, and future (Kolb, et al ,2001).

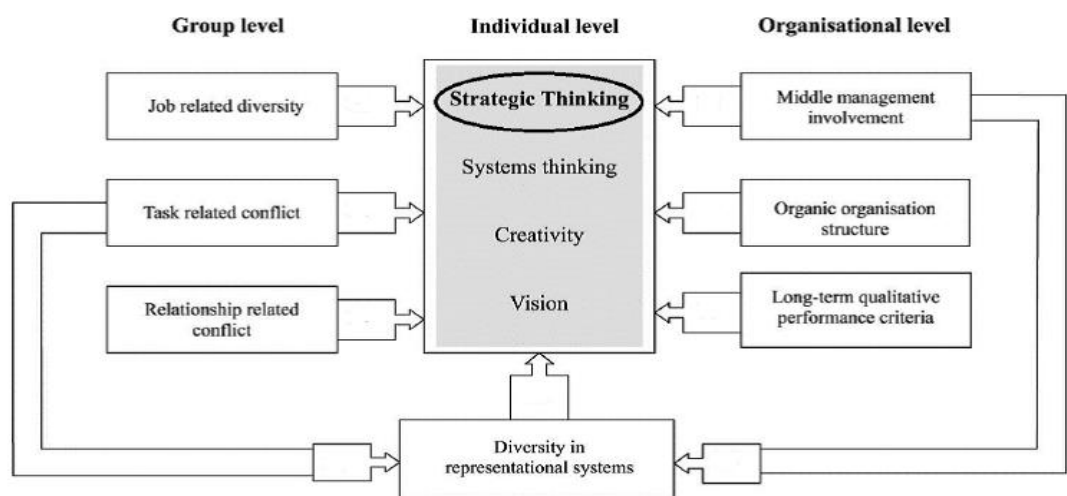
According to Leppel, et al (2001), the last feature of Strategic-Thinking is hypothesis driven, which represents the use of scientific approach in creating and evaluating business hypotheses. In a serial and repetitive cycle of creating and testing ideas, using the scientific method may integrate creativity with analytical thinking. Strategic-Thinking may be seen as a hybrid system of synthetic and analytic processes in this approach. Penney, (2010) found that strategic practitioners need to use crucial management competencies in a more recent research of adopting a Strategic-Thinking



paradigm. These talents necessitate the development of marginal vision, linked thinking, paradoxical thinking, and the ability to perceive things from several perspectives. They suggest that by combining complicated and linked topics, strategists would be able to think more clearly. This research contends that Strategic-Thinking in this sense solely focuses on increasing managers' skills, but Strategic-Thinking should be viewed as a set of complete procedures that integrate the entire organisation (Penney, 2010).

Bonn (2005) proposed a two-level Strategic-Thinking paradigm that includes both individual and organisational level considerations. Individual perceptions of the institutional climate, creativity, and vision are reflected at the individual level. Based on strategic discourses, the organisational level represents making meaning of implementing creativity and innovation. Bonn published a model development in 2005, which included a new definition of the previous model as well as a new degree of analysis (i.e. group level). The variability in representational systems, including aspects, is examined in connection to Strategic-Thinking at the individual level. Middle management, the function of organisational structure, and incentive and pay systems are all examined at the organisational level. Job diversity, functional, and communicational conflicts are examined at the group level in terms of looking at heterogeneity and conflict. He claimed that middle management engagement in decision-making and task-related conflict increase an individual's variety within a representational system. (look at the Figure 2.).

**Figure 2:** Strategic thinking framework

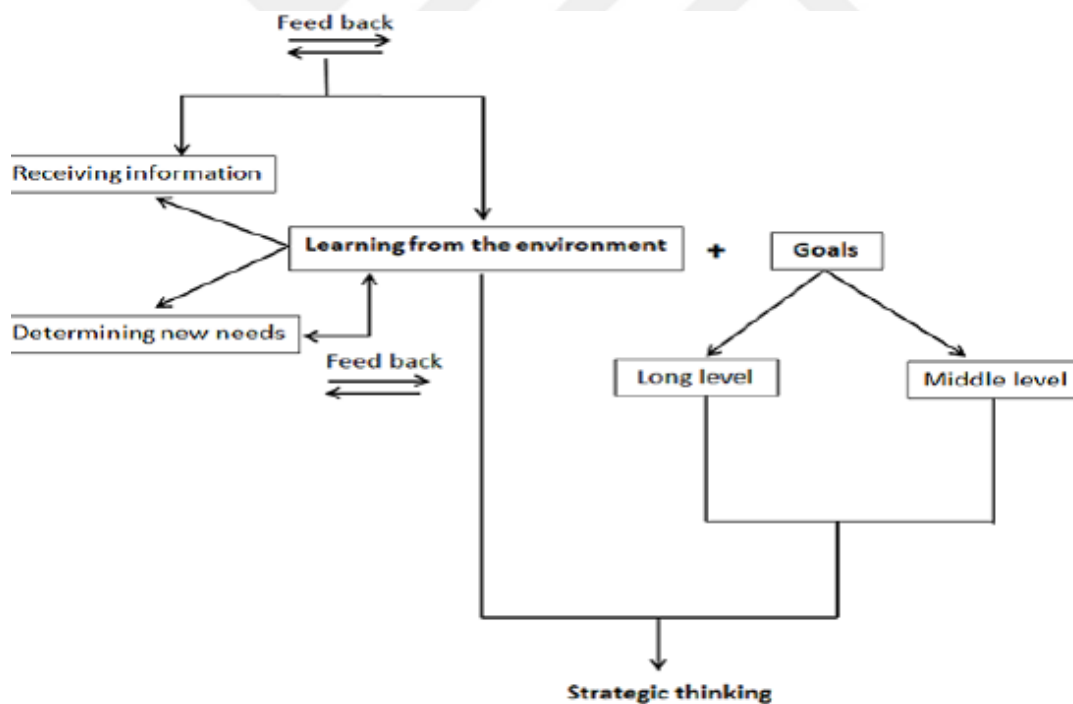


**Source :** Bonn (2005)

Mellon, & Kroth, (2013) developed a Strategic-Thinking model by recognising five orders, which include: learning from the surroundings, with a strong emphasis on gathering data; establishing unmet needs, rather than attempting to address current needs; and focusing more on middle-level objectives, such as creating manufacturing and has become more market competitive.

Pisapia, (2009), in a more recent research, recognise that work experience is made up of a tangled web of events and behaviours. As a result, Pisapia, (2009) By examining the primary antecedents of Strategic-Thinking competency, such as communicating a vision, exhibiting sound business judgment, and coping with global business issues, researchers developed a model of Strategic-Thinking competency. They came up with their model by looking at the connections between self-reported temperament, cognitive capacity, and managership characteristics (such extraversion and openness to new experiences) and Strategic-Thinking (Figure 3).

**Figure 3:** Five order model of strategic thinking



**Source :** Elfiel, (2016)

Finally, the strategic management process is linked to many parts of thinking, which are distinct from a person's behaviours, attributes, and other qualities, according to the Strategic-Thinking competence model. Elfiel (2016) a structure for

thinking ability, originally, interpretivist thinking ability, intellectual ability, synthesizing ability, objectivity, and pioneering thinking are all characteristics of strategic-thinking that incorporated within a set of individual skills and potential that assist managers and other business managers develop a vision, analyze data, convey techniques, and implement the strategy. Similarly, Steptoe-Warren, et al. (2011) and Bonn's (2005) research perceive Strategic-Thinking as a framework of vision, innovation, and thinking, and they are the nearest investigations to regard Strategic-Thinking as divergent, synthetic, and innovative. Strategic-Thinking competencies are well-honed abilities and skills in thinking. According to Boyatzis (1982), competence refers to a person's fundamental traits such as knowledge, skills, or talents. Competence, according to Penney, (2010), is a "bundle of skills and technology" rather than a single talent. Figure 2.16 depicts a model of Strategic-Thinking competency linked to strategic activities and developments that lead to successful company outcomes. Based on the foregoing definitions, it is critical to investigate the most prevalent approaches for generating competence models in order to have a better understanding of this phenomena (Penney, 2010).

When examining the major strategic-thinking models, it becomes clear that the primary goal is to generate value rather than to attain specific goals. This attitude may be understood from a variety of angles, including competitiveness, dynamism, and flexibility. Strategic-Thinking, in terms of competition, aims to develop ideas that are difficult to duplicate by rivals, hence increasing organisational competitiveness. Strategic-Thinking strives to improve organisations' flexibility to their dynamic environment, both internally and outside, in terms of change. Following the discussion of the main theoretical models of Strategic-Thinking, the following section examines organisational and managership behaviours in order to broaden our knowledge of Strategic thinking competencies in practise (Mishko, 2013).

## CHAPTER TWO

### SMALL BUSINESS

#### 2.1. SMALL BUSINESS MEANING

The word "small business" can be construed in a variety of ways. In truth, there is no consensus on how to define the phrase. There are many different meanings of small business depending on how it is interpreted. The following paragraphs offer various viewpoints on the term's definitions.

The Australian Wiltshire Committee established the following definition with a focus on decision-making:

"...a company in which all essential management decisions must be made by one or two people." Wiltshire Committee is a group of people that work together to make .

Researchers (Zahra, Hayton, & Salvato, 2004). have used a contingency approach because to the multiplicity of small business classifications, even within the indicator of number of workers. The term that may be utilized for each project is the one that is widely recognised in the geographic region of the study, as indicated above. While this technique is adequate for a single project, when diverse interpretations of metrics are utilized, it becomes impossible to analyses the outcomes of worldwide initiatives (Zahra, et al ,2004).

As a result, the term "small business" is commonly expressed in terms of employee count. This measure is readily available due to mandatory reporting restrictions enforced by government bodies controlling payroll system and the obligatory reporting regulations imposed by government entities overseeing payroll systems and the calculation of income tax deduction. In most nation, salary card information well as revenue tax information is required.

Other classifications have been based on monetary considerations. Total assets, net worth, total product value, yearly sales, and annual revenues are examples of these metrics. Sadly, there is no uniformity in the threshold numbers for interpreting what defines a small firm when these measurements are utilised. More alternate definitions have been proposed by Industry Canada (2010). The Canadian

Financial Services commission uses a loan authorization threshold of \$250,000 to identify a small business. A small firm, according to the Export Development Corporation, would have export revenues of less than \$1 million (Konorti, 2010).

Unfortunately, not all small firms need financing or want to export their goods. Furthermore, these indicators are difficult to come by. Many small businesses are not required to report such information since they are privately held. Furthermore, many small company managers are unwilling to disclose this information due to the potential impact on their competitive market. Small business managers also depend on informal sources of competitive intelligence rather than the statistical indications described above, according to a recent research. In Canada, the definition of a small business varies by industry. A small firm in the industrial sector will have 100 workers or less, whereas a small business in the service sector will have 50 employees or fewer. Medium-sized businesses, regardless of industry, will employ less than 500 employees (Kelley, & Nakosteen, 2005).

Different kinds of firms are defined by the European Parliament (2002) using a range of employee numbers. A tiny firm, on the other hand, employs 0 – 10 workers. A small business is defined as one with 50 or less employees. Medium-sized companies will employ up to 250 people. The US Small Business Administration defines a small business as "one that is independently owned and operated, and that is not dominant in its field of operation," as well as one that is arranged for profit, has a place of companies in the United States, significantly contributes to the US economy by paying income tax or using its products, material, or labour, and does not exceed the mathematical size standard for its industry (Hunter, & Kazakoff, 2008).

## **2.2. THE CHARACTERISTICS OF A SMALL BUSINESS**

While small businesses have certain traits with giant corporations, they also have distinct qualities and characteristics that are shown when they are led, organised, and managed. Smaller firms, as per Curran and Blackburn (2001:5), are not just smaller counterparts of larger enterprises. They've pointed out that small firms face specific size-related difficulties, operate differently in their environmental analysis and interaction, and have distinct and significant traits that set them apart from the bulk of their bigger counterparts.

The economic success of a small business, according to Hoogstra, & van Dijk, (2004), is defined by the available resources and management competencies. As a result, effective solutions to mitigate these failures focus around two dimensions: first, the managerial competence of the organisation, and second, the firm's resource base . According to other small business failure polls, while entrepreneurs often have good ideas and are talented, they have no concept how to run a business and have no fundamental grasp of business principles. While a number of authors have tried to argue that the areas of expertise, skills, and knowledge of small firm managers are critical to their success/growth, there is also evidence suggesting that levels of skills in small firm supervisors are often lacking. Small and medium enterprise mistakes have been linked to deficiencies in the internal factors. Poor managerial abilities are at the root of these flaws (Hoogstra, & van Dijk, ,2004). Furthermore, Hunter, (2011) stated that small businesses suffer from a lack of management education.

"All the assets of the company - technical, financial, managerial, and organisational - that enable enterprises to operate in markets," . They include intangible assets such as the workforce's skills and expertise, in addition to tangible assets." While managerial competence has been identified as a cause of small business failure, it is also a small business resource, according to this definition (Forsman, 2008).

### **2.3. PERFORMANCE AND EFFECTIVENESS OF SMALL BUSINESS**

Dyer, (2006) looked at the intangible components of small company via the perspective of the resource-based approach, which claims that a small firm's degree of performance is determined by its resources and how they are used . In Table 3, the evaluation of intangible elements as they relate to performance is divided into four areas.

#### **FAMILY FIRM INTANGIBLE RESOURCES**

CATEGORY	DESCRIPTION
Organizational Culture	"This collection of values, beliefs, assumptions and symbols can influence employees in a way that is beneficial to financial performance." (Dobbs,. & Hamilton, 2007)
Reputation	"...a perceptual representation of a company's past actions and future prospects that describe the firm's overall appeal to all of its key

	constituents when compared with other leading rivals..." (De Geus, 2002).
Human Capital	"...the acquired knowledge, skills, and capabilities that enables persons to act in new ways..." (Czarniawska-Joerges, 1995)
Networks	"...personal relationships which transcend the requirements of organizational structure..." and include "...information, technologies, access to markets and complementary resources..." (Cater, Beal, & Justis, 2006)

Adapted from Dyer, 2006

These four types of intangible assets might help you gain a competitive advantage. The following observations are on small company performance and how these factors explain the competitive advantage gained by family-owned businesses. Four aspects can be applied to the concept of "organisational culture." First and foremost, the family business is focused on the group. Employees engage in a kind manner. As a result, people are more likely to share information and work in a safe setting. Second, there is an emphasis on internal expertise and distinctive knowledge. Third, even after abandoning managership of the company, the founder entrepreneur has a considerable effect. When Alavi, & Karami, (2009) looked at multi-generation small businesses, they discovered more evidence for the initial entrepreneur's ongoing effect even after his death. Fourth, family businesses tend to be more long-term oriented. This long-term outlook encourages the development of novel techniques. A small business's "Reputation" may also help it gain a competitive edge. The importance of establishing and maintaining a favourable reputation cannot be overstated. The practise of marketing the product or service brand should help the small firm develop a distinct image. Favorable and ongoing connections with all stakeholders, including the general public, will help to build a positive reputation and, as a result, provide you a competitive edge (Alavi, & Karami, 2009).

The knowledge and abilities of small business workers are referred to as "human capital." There is worry that the level of competence in small businesses may be reduced due to the inclination to hire family members. However, there are advantages such as lesser turnover and higher drive. Family members are more likely to be dedicated to their jobs and willing to make sacrifices for the company's success. Various elements of management, such as the utilisation of financial information,

management techniques, management aptitude, and management innovation, may be seen as an extension of the Human Capital Category.

Argiles, & Slof, (2003) looked at whether and how small enterprises use financial data. They discovered that small business owners had only a rudimentary grasp of accounting and finance, and that they preferred to rely on an outside accounting firm for general business guidance. This discovery backs up prior studies (Dobbs, & Hamilton, 2007; De Geus, 2002; and Dobbs, & Hamilton, 2007). Managers appeared to prefer a more informal assessment, such as a bank account, when statistical performance information was provided.

Barney, (1991). looked on small business management techniques. He discovered that managers' attention was constantly switched between a variety of challenges. "...unplanned, casual, frantic, and fragmented" is how they describe their workday. Furthermore, according to Deakins, Morrison, & Galloway, (2002), managers prefer informal communication and tend to reject formal information even when it is provided.

In a study of the influence of management capacity on the success of rising small enterprises, Degryse, & Van Cayseele, (2000) discovered that good marketing techniques contributed to increased sales and profitability.

According to Dunn, (1995), owner management inventiveness leads to competitive advantage. They discovered, among other things, that managers' attitudes regarding adaptability and learning fostered a favourable work environment that improved overall performance and, as a result, competitive advantage. Finally, "Networks," also known as "social capital" ,entail significant interpersonal interactions. Family social capital refers to the ties between relatives in a small family-run firm . Relationships with external entities, like as banks, suppliers, or consumers, are referred to as organizational social capital.

For a long time, poor small business performance has been linked to a lack of management abilities . According to Halabi, Barrett, & Dyt, (2010), skilled managers add to the profitability of small businesses. "...a person who attended a post-secondary university, who is a member of a professionally recognized board in good academic standing, and who has practiced in his or her specialty for more than a year," he described a professional manager as. Professional managers provide to a small



firm significant skills and competence that are sometimes missing in incumbent managers.

Alavi and Karami (2009) looked at the link between the existence of a defined mission statement and the success of small businesses. They used Hitt, Ireland, & Hoskisson, (2001) description of a stated mission as a document that "...distinguishes its business from that of its peers, indicates its scope of activities, represents its business philosophy, and reflects the image it aims to create" . They discovered that having a goal statement was linked to better performance. Furthermore, when non-management staff were involved in the drafting of the mission statement, performance increased (Hitt, et al, 2001).

## **2.4. FACTOR AFFECTING THE EFFECTIVENESS OF SMALL BUSINESS**

### **2.4.1. Business Managership**

Human capital, according to Hunter, & Kazakoff, (2012), is the skills and knowledge that a person could bring it to a task. The task for small enterprises managers is to start and maintain a business. A manager's most essential purpose or objective is to keep the company alive, and in order to do so, they must adopt entrepreneurial methods and activities. Education, job experience, business expertise, industry experience, and management experience were all used by Hunter, & Kazakoff to further define human capital. Hunter, & Kazakoff discovered evidence that both education and job experience improved a small business's chances of survival.

Kirkwood, (2009) investigated the effect of founders' histories on new business survival and discovered that the founders' pre-entry competences and human capital were critical in the early stages of a startup. Human capital, is the degree of creativity, expertise, and idea creation abilities that a person offers to a company. Human capital is a valuable resource for gaining a competitive edge through innovation. By obtaining new information, small company managers would challenge the present way of doing things and generate solutions that are preferable to the goods and services on the market today. innovations that are superior to the products and services on the market today. Due to company-specific qualities that would give the firm with a sustained competitive edge, competitors might find it much more difficult

to replicate the incentive new goods or services. The performance of small firm growth methods was positively linked to general human capital, such as education status, since progress throughout inventive efforts was crucial (Kirkwood, 2009).

Organizational managership is critical to a small business's success and survival. The capacity of a CEO to adapt to changing surroundings by altering the company's structural context and strategic goals is crucial to the company's success and survival. Le Breton-Miller, & Miller, (2006) identified a number of elements that influence managership strategic action, and as a result, company performance. Small business managers/managers have two main responsibilities: identifying opportunities and allocating resources to take advantage of such chances. Small company managers who examine and comprehend crucial aspects and then manage the unique scenario at hand. A company must be in tune with its surroundings in order to thrive. Individual initiative in small enterprises managers was researched by Lubatkin, Schulze, Ling, & Dino, (2005), and the influence it has on small business success. Small business shareholders with personal initiative were found to be self-starters, proactive and future-oriented, and capable of overcoming obstacles, according to the researchers. Covin and Lumpkin (2011) explored small businesses management (EO). They described EO as a predisposition at the company level to engage in actions that cause the business or marketplace to change.

It's tough to explain why some businesses withstand quick environmental changes while others must close their doors in today's changing business world. One probable explanation is that the managers/managers of the firms have extensive business experience. Background information was significant, according to Acs, Audretsch, and Lehmann (2013), since college of business is one of the causes of innovativeness. According to Koellinger (2008), small business managers with an academic background were more likely to engage in creative entrepreneurship. According to Covin and Lumpkin (2011), an entrepreneur's socio-demographic attribute, such as experience, was a significant determinant in the small company managers innovativeness. McMahon, (2001) investigated the influence of management competencies on new venture performance. Small business managers with academic skills were shown to be better able to recognise and respond to market issues, according to the study.

### **2.4.2. Business Strategies**

At the start of a firm, the chances of survival are the slimmest. If a small firm wants to thrive, its managers must implement effective business tactics from the start. Decision markets use aggressive and defensive tactics to try to place the organization in a position where it can earn a high return on investment. Miller, & Breton-Miller, (2006) underlined how crucial it is for a small business manager to choose the right business plan. The corporate strategy defines a pattern of company objectives, goals, and objectives. To achieve their goals, managers and managers created a number of tactics. Toftoy and Chaterjee (2004). Four typical corporate strategies were developed after analyzed 21 categorization and eight taxonomies from periodical and strategic textbooks : (a) uniqueness, (b) cost, (c) emphasis, and (d) hybrid approach. Ibrahim looked at 220 small enterprises to find which approach areas were most typically related with success. According to the study, Profitable small firms adopted four major strategies : niche, protector, prospector, and uniqueness (Toftoy, & Chaterjee, 2004).

Wyer, Donohue, & Matthews, (2010) looked at corporate strategies from the perspective that they arose from autonomous strategic activity. Small business managers developed a business strategy as they solved challenges and allocated resources to fulfil business demands over the course of their operations (Wyer, et al, 2010).

### **2.4.3. Competitive Strategies**

Businesses are increasingly relying on innovation to get a competitive advantage in the marketplace. The author used empirical data to show that increasing a company's degree of innovation improves its financial success. Zontanos, & Anderson, (2004) revealed via their research that improvements geared to better meet customer expectations resulted in the greatest financial performance gain. The return on investment in innovations resulted in increased sales and business growth. She also showed how these ideas helped small businesses differentiate themselves from their competitors.

#### **2.4.4. Differentiation Strategies**

A differentiation strategy focuses on goods or services that are seen to be unique from those supplied by competitors. Small business entrepreneurs may spend in comprehensive research, product design, and marketing to provide items with exceptional design and outstanding customer service . Businesses who adopted a differentiation strategy outperformed those that sought a cost managership approach, since differentiation is more difficult to copy. Distinction tactics, on the other hand, carry a higher risk due to the costly actions necessary to achieve differentiation .

In a study of small and medium-sized businesses, De Geus, (2002). looked at crisis management and strategic direction. He discovered that companies who prioritised product differentiation as a competitive strategy had to cope with challenges like product sabotage. Accounting is the most common technique of evaluating a company's success, yet it can be influenced by discretionary decisions . Financial people may prepare financial reports that reveal company decisions are hazardous and can lead to unstable performance using solely accounting-based measurements and existing audit technologies .

#### **2.4.5. Cost managership Strategies**

Operational efficiencies are the foundation of a cost managership strategy . Small business owners may enhance operational efficiency by using economies of scale, leveraging new technologies to improve processes, paying attention to asset utilisation and personnel productivity, and reducing discretionary overhead . Small business owners that want to adopt a low-cost management style must make their businesses lean . To become a lean organisation, company managers must continue to run their companies as normal while cutting expenses to increase revenues. Reducing waste and outsourcing to other countries are two typical cost-cutting strategies . Cost managership tactics were found to be favourably associated to small business performance by Kirkwood, (2009). Small company owners utilised this method, since it was conservative and safe (Kirkwood, 2009).

#### **2.4.6. Growth Strategies**

Zahra, et al ,(2004) has highlighted the significance of strategy in the creation and success of small businesses . The development of a new enterprise is a

complicated procedure. Small business growth is influenced by a variety of variables. The growth process is dynamic, changing in response to environmental, organizational, and entrepreneur influences (Zahra, et al ,2004).

Kelley, & Nakosteen, (2005). investigated the risks and advantages of strategic management techniques in rejuvenating small business growth strategies. Product innovation, market expansion, brand recognition, and diversity were the business sectors that were affected . Hoogstra, & van Dijk, (2004) performed study on the innovativeness of small enterprises using new product announcements. The researchers discovered that small businesses, rather than big or new businesses, regularly and favourably contributed to industry innovation. Alavi, & Karami, (2009) looked at the two types of business growth: natural growth and purchase growth. They discovered that in order to grow through purchases, the company had to be at least medium-sized.

Small company owners come from a variety of backgrounds and talents, establish businesses for a variety of reasons, organise their companies to reflect their own preferences, and work in a variety of industries and places . Because of these characteristics, it's impossible to create a growth plan that will work for the majority of small firms . Argiles, & Slof, (2003) investigated the factors that influence food sector performance. Restaurants innovated in five areas: (a) goods, (b) services, (c) procedures, (d) management, and (e) marketing, according to the researchers. They claimed that taking creative steps in these areas led to improved restaurant performance . To thrive, a small business owner must adopt a growth plan that is adaptable enough to deal with the ever-changing surrounding environment (Argiles, & Slof, 2003).

#### **2.4.7. Strategic Alliances**

Because their enterprises are tiny, resources are scarce, and they have little negotiating power, small company owners are attractive candidates for strategic alliances . Small business operators are unable to take advantage of possibilities that demand significant production volumes or economies of scale on an individual basis. Networking is the only option for small company owners to handle difficulties connected to their size . Alliances with partners were an essential asset for the firms studied by Hitt, et al ,(2001). A strategic alliance is an agreement between small

business owners to collaborate in order to better their competitive positions and results . Small business owners assess the tradeoffs of commercial partnerships, whether consciously or subconsciously, by calculating the resources necessary vs the potential gains . The shared purpose is to compete against the globe as a team, rather than against each other (Kirkwood, 2009)..

Researchers offered business techniques that improved the performance of small businesses. Covin and Lumpkin (2011) ,for example, not only offered business tactics that had a favourable impact but also advised against them. They advised small business owners to avoid risk-taking and competitive aggression in their plans since they had a detrimental influence on both competitive tactics and effectiveness .

#### **2.4.8. Environmental Factors**

Researchers have looked at a company's capacity to operate and flourish in a variety of business contexts. If a small business owner wants his or her company to perform better, he or she should endeavour to match the company to the needs of the environment in which it works. Low animosity and rapid market growth characterise a pleasant or benign corporate climate. An unfavourable or hostile business environment is one in which situations exist that might jeopardise the company's survival . The external variables, include (a) competition, (b) technical volatility, and (c) demand uncertainty. The conditions in their external environment are largely out of their control for small business owners (Miller, & Breton-Miller, 2006).

Wyer, et al, (2010) investigated how small businesses might actively maintain growth in deteriorating marketplaces. They looked at companies that had significant growth for four years in a row while operating in decreasing industries. The researchers discovered that the decision makers at such companies used a multi-strategy approach, pursuing creative differentiation and product or service customisation strategies at the same time. The decision makers went out of their way to find high-margin items, avoid strong price competition, and keep expenses under tight control .

Degryse, & Van Cayseele, (2000) investigated the success of new products in a volatile environment. The sample consisted of 325 small and medium-sized exporting companies in the United Kingdom (UK). Environmental volatility decreased the link between new product success and financial performance, according

to the study . Financial performance was hampered by the need to commit more resources to new product development .

#### **2.4.9. Organizational Change**

The environment, rising competitiveness, and the recent global financial crisis all put pressure on firms to reform . Dobbs,. & Hamilton, (2007) looked at how in the corporate world, numerous, ongoing shifts have become the norm. They discovered that just 5% of corporate America in the early 1970s witnessed continuous, overlapping transformation. 75 percent of them have been undergoing continual overlapping modification since the 1990s . Small business owners must discover methods to enhance their firm and how it functions in order to thrive as the business climate evolves . The majority of these improvement strategies focus on identifying and adopting exciting options in order to the business to remain competitive and thrive (Dobbs,. & Hamilton, 2007).

When faced with growing competition, business owners undertake organisational adjustments. Trying to prepare a firm for greater competition entails developing a competitive strategy. Hunter, (2011) looked at the competitive strategy preferences of small enterprises in the United States. He looked at 754 small businesses and discovered that they may focus on both survival and growth . Small business managers can achieve both objectives provided they grasp the connection between strategy decisions and the impact such decisions have on business performance (Hunter, 2011).

When it comes to integrating new technologies into their company, business owners make organisational adjustments as well. To level the playing field, small firms are turning to new technologies. Konorti, (2010) investigated the impact of innovation on small enterprises in the food machinery industry's financial performance. The financial performance of the 98 SMEs analysed was unaffected by the use of technology to create innovation .

#### **2.4.10. Finance**

Every firm relies heavily on finance. Considering their limited financial means, small company owners must discover innovative and inventive methods to pay for the launch and operating costs that come with running a firm . The drivers of

company start-ups and their influence on entrepreneurial performance were studied by Zahra, et al ,(2004). To determine the intensity, direction, and influence of several parameters affecting start-up performance, the researchers employed a multiple linear regression model. The most widely utilised indicators for company success, according to their findings, were financial metrics .

The entrepreneur frequently self-finances the first stages of the firm. Bricolage, or using whatever financial resources are available at the time, and crowdfunding are two further financial options for launching a firm. Small company entrepreneurs in general lack sufficient finance. Hunter, & Kazakoff, (2008) investigated the firm-level drivers of SMEs' finance-seeking behaviour and results using a survey of 2,732 SMEs. Profitability and growth were found to be the most influential factors for small business owners seeking financing, according to the researchers . When a small business owner wants to expand, he or she will frequently need to borrow money from a third party. New small company owners have limited financial resources. The strategic alternatives available to new small business owners were restricted due to a lack of financial resources . Even established small company entrepreneurs require funding in order to bring new goods and services to market (Hunter, & Kazakoff, 2008).

Small firms rely heavily on internal finance to run their operations. Revenue management accounting in small firms was studied by Hoogstra, & van Dijk, (2004). Revenue management accounting procedures established for large organisations did not fit with the information demands of small business managers, according to the study . Depreciation restrictions and their impact on small enterprises were studied by Cater, et al (2007). They looked into how capital purchases are treated as expenses under the Section 179 expensing rules. According to their results, expedited depreciation allowances are not always beneficial to small enterprises .

#### **2.4.11. Manager Characteristics**

People who are starting new businesses are known as nascent entrepreneurs. The benefits and sources of balanced talents among emerging entrepreneurs were investigated by Deakins, et al (2002). The researchers observed that a foundation of commercial human capital was a well-balanced skill set, and that the fundamental purpose of that skill set was venture creation success . Bayarcelik, (2014) sought to



know what the most essential aspects are for small enterprises when it comes to innovation. The study discovered that decision makers' managerial abilities were the most critical element . Halabi, et al (2010) conducted research on the skills that entrepreneurs need to manage a successful expanding firm. They asked 23 entrepreneurs to rank a list of 10 administrative competencies culled from a literature review. The ability to comprehend client demands came in first, followed by perseverance, story-telling, innovative thinking, and building trust, according to the entrepreneurs .

Successful entrepreneurs may adapt their decision-making process to the circumstances. Alavi and Karami (2009) looked at how successful entrepreneurs used a variety of decision-making approaches, relying on heuristics at times and methodical analysis at other times. The researchers looked at successful entrepreneurs' actions based on two factors: their level of knowledge with the specific context/situation and the level of uncertainty in the business environment (Alavi and Karami 2009).

Hitt, et al (2001) investigated if family support has a different impact on female and male entrepreneurs business performance. They investigated how small business owners achievements in the family context impacted their professional lives. Hunter, & Kazakoff, (2012) discovered that female entrepreneurs had favourable ties between their personal and professional lives, but men entrepreneurs did not (Hunter, & Kazakoff, 2012).

#### **2.4.12. Ownership Type**

The kind of ownership chosen for a firm has an influence on its success . The structural conditions in which the small company owner managed his or her business had a significant impact on its performance . The structural restrictions that might affect performance include age, size, and industry . The technique of measurement is equally crucial, and the findings vary depending on the performance measure chosen . Hunter, & Kazakoff, (2012) looked at whether family businesses were more productive than non-family businesses. Family workers contributed much more to production than equivalent non-family enterprises, according to the study (Hunter, & Kazakoff, 2012).

### **2.4.13. Family Owned**

Another aspect that might influence a company's success or failure is if it is family-owned. Kirkwood, (2009) investigated the features of innovation in new and old family-owned businesses. The report concentrated on how the size, age, and kind of organization impact innovation. The author noticed that young family business owners were originally highly imaginative, with family members helping to launch new products. Non-family members were involved in the launch of new products by older family company managers. Because of their family pride and long-term outlook, these small company managers were able to avoid failure in the face of others' failures. According to Kirkwood, (2009), relatives and friends acting as stewards opted to make decisions that would benefit the company in the long run rather than chasing short-term gains (Kirkwood, 2009).

### **2.4.14. Innovation**

Researchers have looked at the impact innovation on small business success. Businesspeople use the term "innovation" to denote anything new that makes a significant contribution to the world. Le Breton-Miller, & Miller explored the influence of innovation on company success (2006). For their quantitative investigation, they questioned 576 people from the service and industrial sector. Through their correlation investigation, the researchers established a substantial association between innovativeness and company performance. Innovation has a significant positive influence on business performance. Covin and Lumpkin (2011) conducted research to test their premise that innovation mediates the relationship between a company's resources and its entrepreneurial performance (Covin and Lumpkin 2011).

Typically, innovative endeavours necessitate the implementation of new processes or technological capabilities within the business. Process innovation strategy and its impact on company performance were investigated by Toftoy, & Chatterjee, (2004). The efficacy of product innovation was assessed by sales indicators, while the effectiveness of process innovation was measured by cost reduction or increased production flexibility. The acquisition of information from external sources inside the industry, Increased production-oriented inventive

performance. R&D spending did not increase or affect production-oriented inventive performance, according to the study (Wyer, et al, 2010).

Inventing new methods of doing things necessitates creative thinking. De Geus (2002) In order to generate new or enhanced goods or services, innovation is described as the production, diffusion, and translation of new and existing knowledge. A new product or service is not necessarily the result of innovative ideas. It might be innovative combinations of current processes, Small-business industries are more inventive than industries dominated by huge corporations (Kirkwood, 2009). Established small enterprises were also shown to be a source of industry innovation, according to the study.

Managers and entrepreneurs must have a thorough understanding of the market and be on the lookout for chances . In addition to having experience, managers and entrepreneurs must be able to be innovative and adapt to conditions in order for their businesses to gain from the opportunities . When customers were included in the innovation process, Hunter, & Kazakoff, (2012) investigated innovation and corporate success. Customers' knowledge and motivation may affect customer relationships and corporate success, according to the researchers . Small business owners should create innovation skills with client engagement (Hunter, & Kazakoff, 2012).

## **2.5.DRIVERS OF STRATEGIC THINKING IN SMALL BUSINESS**

The active participation of senior managers is one of the most important drivers of strategic thinking. This necessitates the development of top executives into visionaries . A variety of factors such as education, colleagues, and experience impact managers' strategic thinking over their formative and working years. According to Covin and Lumpkin (2011),

Because causal factors are so important to freedom of choice and "meaningful" randomness, it's hard to talk about strategy or explain for performance without addressing causal conditions. Strategic thinking begins with the idea that both for-profit and non-profit organizations require managership, according to Hitt et al. (2001). They cannot be left to their own devices; they must be directed. Strategic thinking is the first step in developing an organization's future. Without a mental map

of where they want to go and how they want to get there, strategic managers cannot successfully lead.

It is vital to remember that individuals, not organisations, think strategically, although individuals are impacted by the organisational framework in which they function. Dunn, (1995), recognises three basic factors in strategic thinking at the individual level. The first component is a comprehensive grasp of the business and its surroundings, with a focus on how various challenges and concerns connect. Second, in order to provide creative answers to situations that challenge conventional techniques and thinking, a certain amount of imagination is required. For instance, Deakins, et al. (2002) described creativity as "individuals working together in a complicated social system to create a worthwhile, useful new product, service, concept, technique, or process." Creativity frequently entails recombining or connecting items that appear to be unrelated.

This is clearly stated by Alavi, & Karami, (2009):

it is unable to fully utilise the information and experience that is already accessible to us that is locked up in old structures, old patterns, old notions, and old perspectives without creativity.

Third, a vision of the future that motivates and unifies employees in achieving business objectives is essential. Values, priorities, and clarity regarding preferences are all important, according to Weick (1995:27).

According to Dyer, (2006), claims that in the evolution of strategic thinking, there are three key patterns:

1. Repetitive process of considering alternative perspectives based on previous experiences.

This may allow problems to be examined from fresh or alternative perspectives.

2. A rational planning process — knowing where you are, deciding where you want to go, and laying out the steps to get there. Information and experience, as well as dialogue, inform each level.

3. A progressive trend of solving larger and larger business difficulties as the capacity to think strategically improves.

(Hoogstra, & van Dijk, 2004) consider strategic thinking as a crucial to organisational performance and an activity that managers and others in the organisation engage in. In the literature, there is a strong foundation for strategic thinking and its favourable influence on organisational performance. Indeed, due to the level of environmental volatility, the literature suggests that strategic thinking is now more necessary than ever (Hartman and Crow, 2002). Strategic thinking, is "essential to developing and maintaining competitive advantage" in today's more chaotic operational environment. Argiles, & Slob, (2003) claims that strategic thinking development and integration at the organisational and individual levels is both a core competency and a competitive advantage driver. Others agree, stating that a lack of strategic thinking is a fundamental roadblock to gaining a competitive edge (Argiles, & Slob, 2003).

Over the last decade, the ethos of strategy and, as a result, strategic thinking has shifted, as research shifts away from an organisational focus and towards a focus on individuals and strategists. The current study confirms this tendency. 'In fast-paced sectors, organisations should conceive of strategy as an iterative loop with four steps: making sense of a situation, making decisions, making things happen, and making changes.'. In a new conversation, Barney (1991) recommended that the most successful companies take a more incremental algorithm in turbulent markets, in which representatives first make sense of a situation, then decide things about what to do, how not to do it, and what to stop to do, then make that happen by executing on agreed-upon objectives, and finally revise by revisiting basic assumptions and attempting to compare them to what actually happened. In an iterative process, strategy and execution are intimately interwoven, if not interdependent. Barney's iterative loop is a relatively new approach to strategic thinking in firms that has never been used in the context of a family business, to our knowledge (Dobbs, & Hamilton, 2007).

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1. RESEARCH DESIGN**

The research methodologies employed in this study were survey design. The researcher used this design in the current study despite the fact that original data were making progress to be collected from individual respondents who are managers and owners of food small companies in Iraq, a population of study that is so large that it would be impossible to reach every potential person in the food small businesses in Iraq. Although cross-sectional or survey research is typically associated with quantitative research approaches, it is also employed in qualitative research.

Survey design has several advantages. This design is a "simple and straightforward method to the examination of attitudes, values, beliefs, and reasons," according to the authors (Robson 2011, p. 241). This is especially true in the study's geographic location, where empirical evidence on the link between strategic thinking and small company success is scarce, and where socio-cultural and environmental elements are assumed to influence and underlie corporate strategy and choices. The researcher may learn about the attitudes, perspectives, values, and ideas that drive small firm strategic thinking and choices in Iraq as a consequence of this technique.

It also has a high level of confidence in the result and validity because to the vast number of people sampled, which allows for generalization, which is challenging with other designs. This approach also allows responders to remain anonymous, allowing for honesty and candor. Furthermore, given the shortness of time and the fact that the investigator is self-funded and working with limited resources, this strategy may be implemented quickly and at a cheap cost to the researcher. Poor replies and misinterpretation of survey questions are potential downsides.

#### **3.2. DATA COLLECTION METHODS**

For data gathering, the study used a mixed-method technique. The researcher was adamant about conducting an objective data gathering approach free of prejudice and subjectivity. Questionnaires were used to collect data for this research investigation (quantitative survey). It was a self-administered questionnaire that was

used. The researcher knew and expected that the respondents would be able to read and comprehend the questions and provide replies without assistance for the questionnaire utilized. Furthermore, the information necessary is pretty straightforward. to create uniform data Early in the research conception stage and during the literature evaluation, the choice of two survey instruments was chosen.

### **3.2.1. Questionnaire**

The questionnaire includes two major parts the first part related to the common questions about the respondents like age , income and gender ,the second part from the questionnaire contains questions according to the five likert scale for the two variables. The independent variables of the thesis is the strategic thinking skills with three dimensions (systems thinking, reflecting and reframing) with 15 question items five items for every dimension like (I investigate the cause before taking action, I try to understand how the facts in the situation are related to each other and I reconstruct an experience in my mind). This question items adopted from the study of John ,et al (2011).

The dependent variable is the organizational Effectiveness of the small sized food enterprises adopted from the study of Andrew et al (2001) and contains 10 question items like (This company has increased its capacity to find new business possibilities during the last two years, as well as its ability to anticipate new market shocks and crises). The questionnaire took about 6-12 minutes to complete.

### **3.3. POPULATION OF THE STUDY AND SAMPLING**

This research focuses on investigating strategic thinking activities of SMEs in Iraq . There are no clear statistics about the number of SMEs in food industry in Iraq because a lot of the small businesses unregistered. It is impossible to survey every small sized business in the country.

Because one of the study's independent variables is strategic thinking, and most organizations' thinking activities are carried out by one of the company's managers. As a result, targeting this group of people as the proper people to supply solutions to their organizations' thinking habits makes sense.

The survey for this study was carried out in Baghdad in Iraq the researcher randomly has chosen 60 small food business with more than 400 managers. The

researcher distributed 400 questionnaires to all managers in this businesses in hand and took the answers after two days 40 mangers didn't accepted the questionnaires because they did not have a acknowledge about this topic . There was about 20 unsuitable questionnaires because of the lack of information, so the study carried on 340 managers of small businesses.

The following are some of the other reasons why Iraq's service-related industry was chosen: SMEs in the service sector play an important role in Iraq and are fairly evenly distributed across the country. Again, having covered a more manageable market and body of literature would result in a more targeted and feasible scientific research study.

This study will depend on the quantitiave method, through applying the questionnaire on the selected small businesses in iraq Questionnaires are frequently created in such a manner that they allow for the straightforward interpretation and measurement of people's actions, views, and experiences using questions with standardized responses. Scales were measured using likert scale, where 1 = absolutely i disagree and 5= absolutely i agree .

### **3.4. HYPOTHESES**

The hypotheses in this thesis will be as follows :

H1: There is a positive and signtificant effect of reflection as a strategic thinking skill and the effectiveness of the small businesses.

H2: There is a positive and signtificant effect of reframing, as a strategic thinking skill and the effectiveness of the small businesses.

H3: There is a positive and signtificant effect of systems thinking as a strategic thinking skill and the effectiveness of the small businesses.



## CHAPTER FOUR

### ANALYSIS FINDINGS

In this chapter the results of the applied analyses presented with the interpretation of the tables , first the demographic analysis related to respondents then the factor loading test and finally the person correlation and regression.

**Table 1 :** Demographic summary of survey responses

Variable	Classification	Frequency	Percent %
Gender	Male	187	55.0
	Female	153	45.0
	total	340	100.0
Education level	high school	13.8	35.6
	middle institute	40.3	26.1
	university degree	32.6	22.4
	postgraduate degrees	13.2	15.9
	total	100.0	100
Age of the manager	18-24	75	22.1
	25-34	94	27.6
	35-44	79	23.2
	45-54	73	21.5
	55-65	19	5.6
	total	340	100.0
Age of the business	Less than 5 years	24	40.0
	Between 5 and 10	22	36.6
	More than ten years	16	23.4
	Total	60	100

Demographic analyses were conducted to show the common features of the respondents and business , the analyses showed that the rate of the gender of the male managers of the SME business is 55% and for female is 45%, whereas the education level for the respondents is about 35.5 for the respondents who have high school degree , 26% for respondents who have middle institute degree and about 38% from the respondents have university degree and more .

**Table 2 : Mean , std. deviation, skewness and kurtosis analyzes**

Strategic thinking skills (system Thinking)	Mean	Std. Deviation	Skewness	Kurtosis
Q1	3.0971	1.31229	-.094	-1.114
Q2	3.0853	1.33096	-.029	-1.170
Q3	2.9794	1.18104	-.003	-1.003
Q4	3.1412	1.29353	-.092	-1.144
Q5	3.4441	1.37823	-.427	-1.165
Strategic thinking skills (reflecting)				
Q1	3.0441	1.35709	.062	-1.256
Q2	3.0676	1.41780	.036	-1.461
Q3	3.4147	1.39376	-.362	-1.289
Q4	3.2294	1.38907	-.270	-1.175
Q5	3.2500	1.53403	-.308	-1.449
Strategic thinking skills (reframing)				
Q1	3.2765	1.39109	-.273	-1.282
Q2	2.9824	1.36528	-.073	-1.189
Q3	2.9265	1.37526	.058	-1.314
Q4	3.1176	1.24954	-.297	-.862
Q5	3.0971	1.37379	-.038	-1.189
Organizational Effectiveness				
Q1	2.8500	1.39674	.008	-1.316
Q2	2.9765	1.28505	-.006	-1.197
Q3	3.4814	1.16261	-.150	-1.202
Q4	3.1216	1.20930	.058	-1.159
Q5	3.1224	1.17097	-.051	-1.173
Q6	3.2765	1.36972	-.246	-1.284
Q7	3.0912	1.34161	-.189	-1.134
Q8	3.2618	1.53398	-.314	-1.444
Q9	3.3265	1.27924	-.247	-1.152
Q10	3.4088	1.46359	-.393	-1.313

The skewness and Kurtosis analyses conducted to investigate the normality of distribution of the data of the thesis , skewness and Kurtosis analyses values should be between -3 and +3 according to Davey, (2014).

According to the results obtained from SPSS statistics program the values of this analyses is suitable and the distribution is normal

**Table 3 : KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.788
Bartlett's Test of Sphericity	Approx. Chi-Square	4297.250
	df	300
	Sig.	.000

The Kaiser-Meyer-Olkin (KMO) sampling adequacy metric displays the proportion of variance in the variables that could be caused by underlying causes in the table above. We may say that factor analysis is beneficial with this data since the KMO value is 0.788, which is near to 1.

Bartlett's Test of Sphericity, on the other hand, is used to test the null hypothesis that the correlation matrix is an identity matrix, indicating that the variables are unrelated and not suitable for structure discovery. The significance value (Sig. = 0.000) is very low (less than 0.05), indicating that a factor analysis is appropriate for this set of data. Using these two checks together, we may conclude that the data is suitable for factor analysis

**Table 4 : Factor Loading analyzes For E-Governance**

Strategic thinking skills (system Thinking)			
Cronbach's Alpha ( $\alpha$ )= 0.76	Variance Explained %= 52.13	Mean value = 3.14942	Factor Loading
I'm looking for long-term fundamental remedial actions.			.663
I'm looking for structural adjustments that might result in big benefits.			.512
Before reviewing the minutiae, I look at the "Big Picture" in the information provided.			.768
Before taking action, I explore the reason.			.578
I attempt to figure out how the various facts in the case are connected.			.703
Strategic thinking skills (reflecting)			
Cronbach's Alpha ( $\alpha$ ) = 0.833	Variance Explained %= 61.22	Mean value = 3.20116	Factor Loading
When trying to grasp events given to me, I overlook my prior experiences.			.804
When contemplating current identical scenarios, I disregard previous decisions.			.777

For the most part, I can only come up with one explanation for how things function.		.652
Before considering alternative perspectives, I make a strategy to address an issue.		.661
Before I look for answers to an issue, I choose a point of view.		.738
<b>Strategic thinking skills (reframing)</b>		
<b>Cronbach's Alpha (<math>\alpha</math>)= 0.79</b>	<b>Variance Explained %= 63.54</b>	<b>Mean value = 3.08002</b>
		<b>Factor Loading</b>
In order to comprehend how I feel about an experience, I mentally rebuild it.		.623
In my thoughts, I rebuild an event.		.754
After the problem was settled, I analyze how I might have handled it differently.		.684
I pause to consider why I succeeded or failed.		.696
I attempt to figure out how an issue was solved after it's been solved.		.719
<b>Organizational Effectiveness</b>		
<b>Cronbach's Alpha (<math>\alpha</math>)= 0.75</b>	<b>Variance Explained %= 57.44</b>	<b>Mean value = 3.19167</b>
		<b>Factor Loading</b>
The company has enhanced its capacity to develop new services during the last two years.		.657
The company has enhanced its capacity to spot new business prospects during the last two years.		.624
The company has increased its capacity to predict future market possibilities for new services during the last two years.		.728
The company has enhanced its capacity to quickly commercialize new inventions during the last two years.		.716
The company has strengthened its capacity to adjust to unexpected developments during the last two years.		.651
The company has enhanced its capacity to anticipate new market surprises and crises during the last two years.		.668
The company has enhanced its capacity to swiftly adjust its aims and objectives to industry/market developments during the last two years.		.551
The company has increased its ability to reduce market reaction times during the last two years.		.595
The company has increased its capacity to respond to new information about the industry or market during the last two years.		.613
The company has strengthened its capacity to respond to changing market needs during the last two years.		.713

Table 4 illustrates the findings of factor loadings for E- governance factor assessments. A total of four variables are included in the table. All of these variables' internal consistency is also shown. Cronbach's alpha for the factors is shown to be higher than the commonly recognized recommendation of 0.7, which ranges from

0.75 to 0.833, indicating that it is above the acceptable threshold. It is shown that three variables within a factor have a high coefficient of item-to-total correlation of strategic thinking skills (reflecting) ranges from (0.623-0.804), and that a dependent factor has a high coefficient of item 3 (0.728), implying a high degree of item-to-item correlation and internal consistency for each dimension.

**Table 5 : Correlation analysis**

		SYS	REFR	REFL	OE
System thinking	Pearson Correlation	1	.548(**)	.580(**)	.458(**)
	Sig. (2-tailed)		.000	.000	.000
reframing	Pearson Correlation	.548(**)	1	.697(**)	.448(**)
	Sig. (2-tailed)	.000		.000	.000
reflecting	Pearson Correlation	.580(**)	.697(**)	1	.553(**)
	Sig. (2-tailed)	.000	.000		.000
Organizational effectiveness	Pearson Correlation	.458(**)	.448(**)	.553(**)	1
	Sig. (2-tailed)	.000	.000	.000	

\*\* Correlation is significant at the 0.01 level (2-tailed).

The analysis of Person correlation showed that the correlation between the dependent factor organizational effectiveness and the three variable of the factor of the strategic thinking skills are positive and statistically significant. Furthermore the results referred to the fact that the greatest value of Person correlation is between organizational effectiveness and reflecting with value equals .553(\*\*) then the correlation between organizational effectiveness of small sized business and system thinking.

**Table 6 : Regression analysis**

Dependent Variables	Independent Variables	$\beta$	t	P value	$R^2$	F
Organizational effectiveness	(Constant)		10.106	.000	.336	56.716
	System thinking	.193	3.425	.001		
	Reframing	.068	1.067	.002		
	Reflecting	.393	5.985	.000		

With respect to the effects of system thinking, reframing and reflecting on organizational effectiveness of the small sized food business in Baghdad in Iraq ( $p < 0,05$ ), H1, H2 and H3 respectively, the results support hypothesis all the hypothesis of the thesis. Thus, the higher system thinking, reframing and reflecting the higher organizational effectiveness are likely to be.

Managers in small sized business in Iraq show the ability to adopt the skills of strategic thinking so they can be active in their businesses and lead their organization to be more effective and to make profit.



## **CHAPTER FIVE**

### **CONCLUSION**

#### **5.1. DISCUSSION**

This thesis primarily aimed to investigate the importance and the role of the strategic thinking skills ( system thinking, reframing and reflecting) in enhancing the organizational businesses in the small sized business in Iraq.

This study has been employed using the questionnaire method over 60 of the small food business in Baghdad in Iraq. The participants in this thesis were managers of these business. The results of this thesis were similar to the results to the studies of (Forsman, 2008; Dagher & Al Zaydi, 2005; Haycock, Cheadle, & Bluestone, 2012) which referred to the importance role of strategic thinking skills on the effectiveness and growth in the organizations.

Basically all the points of view on the main skills of strategic thinking expressed by the effectiveness of small businesses and considering that nature of small business especially in the food sector in Iraq, it can be said that success in business is achieved by managers who have not only the necessary volume of economic knowledge about its management, but also possessing the necessary strategic thinking skills, like system thinking, reframing and reflecting tools. Based on the literature review of this thesis and the results of empirical thesis , there can be identified many elements that all successful the manager in small businesses:

1. Thorough understanding of the business's subject matter. The manager must comprehend the entire process of manufacturing his product in order to identify "bottlenecks" and prevent them from occurring. At the same time, continuous development and learning are required to broaden one's perspective, better understand oneself and your product, as well as consumers and rivals.

2. A defined business objective. It is vital to envision what will be produced and how it will be produced, as well as the company growth plan for both the short and long term. At the same time, the manager must have a genuine interest in his company, as well as the necessary energy and determination to see his plans through.

3. You'll need creative ideas to assist distinguish your company and provide a distinctive experience that sets it apart from the competition. One of the most recent trends is a focus on consumers, their requirements, and desires. In this industry, many entrepreneurs began to build innovative concepts.

4. Establishing a business system that includes transparency of its business operations on the one hand, and clearly defined business processes on the other.

5. Constructing a strategy to address an issue before considering other points of view and reconstructing an experience in the minds of managers to understand how they might run their businesses efficiently.

The success characteristics listed above may be beneficial to managers who are starting a small business and striving to grow it effectively since they help them to get an advantage over competition.

## **5.2. RECOMMENDATIONS**

Focusing on various sizes of small businesses in various industries and geographical regions is recommended for future research. Future academics should look into investigating small-business owners who have increased profitability, as well as examining the impact of gender and age differences in small-business owners using quantitative methods. Furthermore, concentrating on each of the distinct themes highlighted in this study would give more detailed opportunities for further investigation. Other researchers can take demographic data into account and determine a link between these variables and company strategic thinking skills.

## **5.3. LIMITATION**

The first limitation in this thesis is that limited small businesses to study ,other studies can take more to generalize the results . The second limitation that this thesis has chosen the effectiveness of the small business in Iraq as an indicator of surviving of these business , besides the time limitation and the place limitation (only in Baghdad the questionnaire will be distributed).



## REFERENCES

Abdelwahab, K. (2010). Systemic Intelligence and Brain Functions, Egyptian Journal for Psychological Studies, Vol (20), No (69), PP 483-500.

Alavi, M. T. & Karami, A. (2009). Managers of small and medium enterprises: Mission statement and enhanced organizational performance. *Journal of Management Development*, 28(6), 555-562.

Argiles, J. M. & Slof, E. J. (2003). The use of financial accounting information and firm performance: An empirical quantification for farms. *Accounting and Business Research*, 33(4), 251-273.

Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-120.

Beckhard, R. and Pritchard, W. (1992). Changing the essence: The Art of Creating and Leading Fundamental Change in Organizations. Josey Bass Publishers.

Bonn, I. (2005). Improving strategic thinking: A multilevel approach. *Leadership and Organization Development Journal*, 26 (5), PP336-354.

Cater, J. J. III, Beal, B. D., & Justis, R. T. (2006). Fourth-generation success: a conversation with Karen Rabenhorst Kerr of Rabenhorst Funeral Homes. *Journal of Applied Management and Entrepreneurship*, 11(3), 78-89.

Chilcoat, R. (1995). Strategic Art: The new discipline for the 21st century. U.S. War College.

Czarniawska-Joerges, B. (1995). "Narration or Science? Collapsing the Division in Organization Studies", *Organization*, 2 (1), 11-33.

Daghir and Al Zaydi (2005). The measurement of strategic thinking type for top managers in Iraqi public organizations: Cognitive approach. *International Journal of Commerce and Management*, 15 (1), 34-46.

Davey, L. (2014). Strengthen your strategic thinking muscles. Harvard Business Review, January 14, 2014, pgs. 1-4. Drucker, P.F. (1995). *Managing in a Time of Great Change*. Oxford; Butterworth.

De Geus, A. (2002). *The Living Company: Habits for Survival in a Turbulent Environment*, Boston, MA: Harvard Business School Press.

Deakins, D., Morrison, A., & Galloway, L. (2002). Evolution, financial management and learning in the small firm. *Journal of Small Business and Enterprise Development*, 9(1), 7-16.

Degryse, H. & Van Cayseele, P. (2000). Relationship lending within a bank-based system: Evidence from European small business data. *Journal of Financial Intermediation*, 9(1), 90-109.

Dobbs, M. & Hamilton, R. T. (2007). Small business growth: Recent evidence and new directions. *International Journal of Entrepreneurial Behaviour and Research*, 13(5), 296-322.

Dubow, E.F., Boxer, P., & Rowell Huesmann, L. (2009). Long-term effects of parents' education on children's educational and occupational success: Mediation by family interaction, child aggression, and teenage aspirations.

Dunn, B. (1995). Success themes in Scottish family enterprises: Philosophies and practices through the generations. *Family Business Review*, 8(1), 17-28.

Dyer, W. G. (2006). Examining the 'family effect' on firm performance. *Family Business Review*, 19(4), 253-273.

Elfiel, H. (2016). Effectiveness of Training Program Based on Cognitive Apprenticeship Model to Improve Strategic Thinking Skills a Association for Psychological Studies Studies, 26(91).

Ellington, L and Pisapia, J.R. (2013). *The Strategic Leader: Bringing the Habits to Life*.

Forsman, H. (2008). Business development success in SMEs: A case study approach. *Journal of Small Business and Enterprise Development*, 15(3), 606-622.

Halabi, A. K., Barrett, R., & Dyt, R. (2010). Understanding financial information used to assess small firm performance. *Qualitative Research in Accounting and Management*, 7(2), 163-179.

Hall, R. (1992). The strategic analysis of intangible resources. *Strategic Management Journal*, 13(2), 135-144.

Haycock, K; Cheadle, A.; and Bluestone, K.S. (2012). Strategic thinking: Lessons for leadership from the literature. *Library Leadership and Management*, 26(3/4), 1-23.

Heuser, B. (2010). *The Evolution of Strategy: Thinking War from Antiquity to the Present* (Cambridge, UK: Cambridge University Press.

Hitt, M. A., Ireland, R. D. & Hoskisson, R. E. (2001). *Strategic Management: Competitiveness and Globalization*. Cincinnati, Ohio: South-Western College.

Hoogstra, G. J. & van Dijk, J. (2004). Explaining firm employment growth: Does location matter? *Small Business Economics*, 22(3/4), 179-190.

Hunter, M. G. & Kazakoff, D. (2008). *Little Empires: Multi-Generation Small Business in Southern Alberta, CANADA*, Melbourne, Australia: Heidelberg Press.

Hunter, M. G. & Kazakoff, D. (2012). Multi-generation small business response to the recent financial crisis. *Journal of Applied Management and Entrepreneurship*, 17(1), 37-51.

Hunter, M. G. (2011). *Small Business Orientation: A Preliminary Investigation into Variety in Canadian Small Business*. Management Report prepared for The Monieson Centre, Queen's University School of Business.

Kelley, D. J. & Nakosteen, R. A. (2005). Technology resources, alliances, and sustained growth in new, technology-based firms. *IEEE Transactions on Engineering Management*, 52(3), 292-300.

King, P.M., and Kitchener, K.S. (1994). *Developing reflective judgment: Understanding and promoting intellectual growth and critical thinking in adolescents and adults*. San Francisco: Jossey-Bass.

Kirkwood, J. (2009). To grow or not? Growing small service firms. *Journal of Small Business and Enterprise Development*, 16(3), 485-503.

Kolb, D.A.; Osland, J.S., and Rubin, I.M. (2001). *Organizational Behavior Reader*, 7<sup>th</sup> Edition. Upper Saddle, NJ: Prentice Hall.

Konorti, E. (2010). The relationship between wealth creation and professional management in small-medium enterprises. *The Journal of American Academy of Business*, 16(1), 11-23.

Le Breton-Miller, I. & Miller, D. (2006). Why do some family businesses out-compete? Governance, long-term orientations and sustainable capability. *Entrepreneurship: Theory and Practice*, 30(6), 731-746.

Leithwood, K., Jantzi, D., & Steinbach, R., (1999). *Changing Leadership for Changing Times*, Buckingham: Open University Press.

Leppel, K, Williams, M.L., & Waldauer, C. (2001). The impact of parental occupation and socioeconomic status on choice of college major. *Journal of Family and Economic Issues*, 22(4) 373-94.

Liedtka, J. (2000). Strategic planning as a contributor to strategic change: A generative model. *European Management Journal*, 18 (2), 195-206.

Luthens, F. (1981). *Organizational Behavior*, 3<sup>rd</sup> Edition. New York: Free Press.

Lynch, C.L., Wolcott, S.K., & Huber, G.E. (2001). Steps for better thinking: A guide for students [On-line]. Available: <http://www.WolcottLynch.com>

McMahon, R. G. P. (2001). Business growth and performance and the financial reporting practices of Australian manufacturing SMEs. *Journal of Small Business Management*, 39(2), 152-165.

Mellon, J&Kroth, M. (2013).Experiences That Enable One to Become an Expert Strategic Thinker. *Journal of Adult Education*, Volume 42, Number 2, PP70-79.

Miller, D. & Le Breton-Miller, I. (2006). Priorities, practices and strategies in successful and failing family businesses: An elaboration and test of the configuration perspective. *Strategic Organization*, 4(4), 379-407.

Mintzberg, H. (1994). *The Rise and Fall of Strategic Planning*. New York: Free Press

Mishko, A. (2013). *Alexander the Great Military Strategy: How Alexander Never Lost a Battle in 15 Years*.

Naumann, W.C., Bandalos, D., & Gutkin, T.B. (2003). Identifying variables that predict college success for first-generation college students. *Journal of College Admissions*, Fall, 5-9.

Pang, N.S and Pisapia, J.R. (2012). The strategic thinking skills of Hong Kong school Leaders: Usage and effectiveness. *Educational Management Administration and Leadership*, 40(3), 343-361.

Pang, N.S.K. (2006). *Globalization: Education Research, Change and Reforms*. Research Association and the Hong Kong Institute of Educational Research.

Penney, G. (2010). *The use of strategic thinking skills and technology tools by fire chiefs*. Unpublished doctoral dissertation, Florida Atlantic University, Florida.

Pisapia, J. R. (2009). *The strategic leader: New tactics for a globalizing world*. Charlotte, NC: Information Age Publishing.

Pisapia, J., Morris, J. D., Cavanaugh, G., & Ellington, L. (2011, November). *The Strategic Thinking Questionnaire: Validation and Confirmation of Constructs*.

Steptoe-Warren, G., Howat, D., & Hume, I. (2011). Strategic thinking and decision making: literature review. *Journal of Strategy and Management*, 4(3), 238–250.

Toftoy, C. N. & Chatterjee, J. (2004). Mission statements and the small business. *Business Strategy Journal*, 15(3), 41-44.

Wyer, P., Donohue, S., & Matthews, P. (2010). Fostering strategic learning capability to enhance creativity in small service businesses. *Service Business*, 4(1), 9-26.

Zahra, S. A., Hayton, J. C., & Salvato, C. (2004). Entrepreneurship in family vs. non-family firms: A resource-based analysis of the effect of organizational culture. *Entrepreneurship: Theory and Practice*, 28(4), 363-381.

Zontanos, G. & Anderson, A. R. (2004). Relationships, marketing and small business: an exploration of links in theory and practice. *Qualitative Market Research*, 7(3), 228-236.



