

Challenges and Strategies for Small and Medium sized Enterprise Growth: A Holistic Approach

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Abstract – This study examines the obstacles faced by Small and Medium-sized Enterprises (SMEs) when it comes to the expansion of their business. This research employs a qualitative methodology, focusing on the viewpoints of managers at SMEs. The results are categorized into three main themes: company model, leadership, and people. One of the key challenges associated with leadership is to the establishment of efficient structures and the formation of competent management teams. The issues that are centered on individuals include obstacles in the recruitment process and the enhancement of employee skills and knowledge. There is a reduced prevalence of issues related to business models, as the emphasis is placed on tactics pertaining to sales and market growth. The research highlights the significance of cultivating leadership, personnel, and business model dimensions via the implementation of management training. Organizations that prioritize management and leadership development initiatives tend to exhibit better levels of employee engagement. The research emphasizes the need of adopting a well-rounded strategy towards expansion, with a particular emphasis on customer relationship management and a comprehensive approach to addressing development obstacles. Additionally, it underscores the significance of staff development and organizational culture in comprehending the expansion of SMEs. The study proposes the adoption of a comprehensive strategy to address managerial difficulties and recommends more investigation into the interconnected nature of these challenges, as well as the influence of management in fostering a sense of purposeful work among workers in SMEs.

Keywords – Small and Medium Enterprises, Leadership Challenges, Company Model, Management Training, Sustainable Growth, Recruitment Challenges.

I. INTRODUCTION

Business growth refers to the process of developing a firm with the objective of generating supplementary profits. Expansion may be achieved by a firm via growth in one or more areas. Several key aspects of company expansion including product creation, sales and marketing, customer base expansion, brand reputation enhancement, and workforce augmentation. Numerous corporations use company development plans as a strategic approach to anticipate and prepare for forthcoming expansions. An organization advancement plan is a framework that is comprehensive that incorporates specific objectives, strategies, and plans aimed at attaining objectives of the business growth. Typically, these programs have a duration of one to two years. They possess the ability to assist business development managers, corporate executives, and other relevant stakeholders in the implementation of growth initiatives and the evaluation of their effectiveness.

The evaluation of growth metrics enables the organization to make necessary adjustments to its strategies in order to align with the overarching objective outlined in the growth plan. The market development strategy is centered on augmenting growth via the evaluation and enhancement of marketing endeavors, with the aim of reaching untapped demographic segments. By using this particular approach, one is able to discern and pinpoint novel market segments that may be effectively reached and engaged via advertising and marketing efforts. As an example, a marketing department may develop tailored ads for a new geographic area in order to expand its reach to a broader demographic.

An important role is played by SMEs in the economics of many nations. According to Dawid, Feichtinger, and Novak [1], they are seen as a means of tackling the many obstacles related to economic expansion, the generation of employment opportunities, the reduction of poverty, and the equal distribution of income. In some nations, SMEs contribute to over 50% of the overall economic production, with other countries seeing even higher proportions, reaching up to 90%. According to Cornille, Rycx, and Tojerow [2], SMEs operations are often seen as a last option for those in poverty, with unemployment being the primary factor motivating the establishment of SMEs. It is understandable that there is significant focus on the

growth of SMEs businesses. However, despite this attention, a majority of SMEs continue to operate at a very low level of development. According to Cragg, Caldeira, and Ward [3], a subset of small organizations has the capacity to expand into medium-sized enterprises, and among them, only a fraction has the potential for further growth into giant firms. According to Ho, Ruan, Hang, and Wong [4], a limited number of SMEs are confronted with the possibility of closure or encounter challenges in their efforts to upgrade. These circumstances arise as a result of many variables. However, during the first stages of entrepreneurial development, the significance may be seen by examining the growth of this particular form of firm.

Extensive study has been conducted on the many elements that both facilitate and impede the development of SMEs. The ability of SMEs to adapt and thrive in challenging economic circumstances is well-documented. However, the progress of establishing successful and effective SMEs is impeded by many limitations. In addition to the advantages and disadvantages associated with these elements, entrepreneurs themselves have a significant role in shaping the business landscape. The influence of individuals' dominating roles and worldviews inside an organization may have a significant impact on the strategic decisions made by the company, ultimately impacting its overall performance. To bolster the growth of SMEs, the Government has implemented many measures, such as the establishment of different institutions and the formulation of public policies aimed at fostering the development of SMEs. According to Ahmedova [5], there is an argument that the implementation of a complete development package may contribute to the enhancement of SMEs competitiveness and the expansion of export markets.

The research conducted in this study has a dual contribution. Our study aims to thoroughly examine the growth issues faced by managerially oriented High-Growth Small and Medium Enterprises (HG-SMEs). Through our investigation, we want to provide valuable insights, both theoretical and empirical, that are relevant to both academic researchers and industry practitioners. Furthermore, we proceed to classify these issues and put forward a conceptual framework for comprehending them. The proposed conceptualization of identified growth issues provides a comprehensive framework for future study in this area.

The rest of the article has been arranged as follows: Section II presents a review of literature works related to the relevance of theory building in the SMEs context, and related theoretical review of SMEs sustainable growth. Section III presents a methodology employed in this research. Section IV focusses on the results and discussion of the challenges, which are leadership-oriented, people-oriented, and business-model-oriented. In addition, the section discussed on the aspect of broadening the theme of leadership, driving business model theme, a balanced approach to growth problems, and enabling employee development (people theme). Lastly, Section V draws a conclusion to the research, and proposes directions for future research.

II. LITERATURE

Significance of Theory Building in the SMEs Context

Theory plays a role in the improvement of developing disciplines, including the understanding of sustainable growth for SMEs within the field of strategic management. According to Lüdicke [6], a sound theory does not consist of affirmations or pontifications on a marketing fabrication. In the setting of an adaptive field, theory is likely to possess both intellectual and practical efficacy, hence serving as a catalyst for substantial advancements. Theoretical thinking attribute refers to the debate that challenges the notion that a theory exists in isolation from practical application. The academics of strategic management theory have effectively grasped the fundamental nature of theory and the challenges it presents to the field. The aforementioned references provide a comprehensive explanation of the theory, elucidating its precise definition and operational mechanisms. According to McMillan and Chavis [7], theory is often defined as a conceptual framework or a system of ideas that aims to explain and characterize a certain phenomenon.

Related Theories Review of SMEs Sustainable Growth

Institutional Theory

The use of institutional theory provides a viable approach to examining the intersections between companies and society, particularly in relation to the impact of SMEs on achieving sustainable growth. The assertion is made that engaging in sustainable endeavors is not mostly a choice endeavor, since businesses encounter many obstacles, such as regulatory policies imposed by governments and market forces. Hence, institutional theory directs its attention on the elements that have significance either externally or internally inside the organization, particularly in relation to the concept of innovation that is sustainable. The theory of institution of sustainable growth for SMEs posits that there are various drivers, namely normative, coercive, and mimetic, that can influence these enterprises to shape their economic, social, or environmental processes of decision-making. These drivers also serve to legitimize the concept of sustainable business practices.

According to Caldera, Desha, and Dawes [8], a rising number of SMEs firms globally are embracing the concept of sustainable business practice. This approach has the promise of delivering resilience, profitability, and beneficial habitat and social outcomes. Entrepreneurs use a wide range of tactics to get around existing restrictions. Implementing novel business methods, encouraging resiliency and drive, participating in trade groups, making charitable contributions, and working with the government are all examples of such initiatives.

Diffusion of Innovation Theory

Focusing on the dissemination of innovations among people across varied time frames and through diverse processes, Rogers (1995) presented the DOI (Diffusion of Innovations) hypothesis as a framework to explain this phenomenon. Over the last three decades, researchers have studied the phenomena of new innovation introduction extensively. Riemer-Reiss [9] explain that Rogers' notion is developed further in his classic book "Diffusion of Innovations." This idea has been widely accepted and serves as a theoretical foundation for a wide range of academic investigations. Entrepreneurship, strategic management, innovation, politics, technology, management, economics, public health, accounting, communications, and history are only few of the fields that have made use of the DOI (diffusion of innovation) idea. Furthermore, Rogers' approach has been extensively used within the framework that is theoretical of technology innovation and adoption dissemination. Rogers' theory of innovation development is particularly well-suited for examining the technological orientation inside insightful ecosystems and small and medium firms.

In order to fully appreciate the issues faced by SMEs, it is necessary to adopt a broad perspective, since these challenges arise from many sources and viewpoints within the management domain. The challenges associated with growth from a managerial perspective encompass various aspects such as the development of human capital, the structuring of the organization, the expansion of the market, securing financing, and the design of the business model. Hence, it is important to consider many viewpoints in order to have a fuller comprehension. In a limited number of comprehensive investigations, Chen [10] examine the broader concept of ontological layers. Gerhart and Feng [11] delineate three perspectives: a business model perspective, a human-capital-focused view, and an internally oriented perspective. In their investigation on growth hurdles, Cardoza, Fornés, Farber, Duarte, and Gutierrez [12] observe that a variety of barriers emerge throughout the expansion process of SMEs, without any one particular form of barrier dominating.

As we examine the reasons that have been standing in the way of expansion, we see the crucial role that the external business environment plays. Rather of only focusing on the intrinsic traits and occurrences of the environment, these problems with an environmental orientation place the spotlight on the firm's capacity to address and respond to external events in the habitat.

The fundamental purpose of this research is to get a thorough comprehension of the issues SMEs face in their growth attempts and to give significant insights into possible ways for minimizing these concerns. This study used a qualitative approach to investigate business model, leadership, and people from the vantage point of managers at SMEs. The research highlights the necessity of developing human capital, setting up an efficient organizational structure, increasing market presence, getting sufficient financing, and creating a workable business model for long-term success. It also highlights the need of having a holistic approach to growth, one that recognizes the linked nature of numerous barriers and allows employees to develop an entrepreneurial climate. This study provides useful information for SMEs and suggests future research directions.

III. METHODOLOGY

Our study takes an exploratory approach, with a particular emphasis on qualitative research methodologies, to better understand the challenges that managers confront while trying to foster the growth of SMEs. Although there has been scholarly emphasis devoted to the expansion of SMEs in general, the specific management issues associated with this growth have not received as much research focus. In order to achieve an understanding of the challenges faced by SMEs managers, it is necessary to possess a deep knowledge of the entrepreneurship, contextual, and social contingencies in which they operate. This requirement is closely connected to the exploratory focus chosen and the qualitative approach utilization, as highlighted by Bertello, Ferraris, De Bernardi, and Bertoldi [13]. Our work does not adhere to a methodologically predetermined pattern, such as Eisenhardt's case study technique or a purely grounded theory approach. In this study, a mixed method approach is used, whereby ongoing decisions about information analysis and collection are actively made. Frequently, this approach facilitates a more profound comprehension of the facts compared to depending only on singular methodological frameworks, which has particular significance in processes that emphasize exploration.

IV. RESULTS AND DISCUSSION

Within the encompassing three categories, it is evident, as anticipated, that the obstacles encountered by high-growth small and medium enterprises (HG-SMEs) extend across several domains, beyond conventional growth factors that center on the operational components of the organization, such as market expansion, value propositions, and customer base. On the other hand, SMEs that prioritize development have difficulties in establishing formal and informal leadership structures, as well as fostering positive organizational cultures, while also striving to preserve a sense of being a small business amidst fast expansion. Numerous issues are associated with the people and leadership themes, highlighting the need of enhancing these domains via initiatives such as management training.

The problems of the three themes identified suggest that in order to achieve sustainable and effective development plans, it is crucial to maintain a balance. Focusing excessively on a single area might impede long-term progress. According to Van Praag and Versloot [14], it is crucial to adopt a balanced approach when considering the characteristics of failing, no-growth, and less rapidly growing firms. Pearce and Michael [15] argue that while these firms may possess certain suitable attributes in terms of the strategy, firm, or entrepreneur, it is only when all three elements are effectively combined that a fast-growth firm can be identified.

A Review of Challenges

Leadership-Oriented Challenges

Contemporary management encompasses a diverse range of abilities and perspectives; yet, leadership is a fundamental aspect that pertains to every individual. The current iteration surpasses the traditional model of command and control. Hammond and Kingston [16] explores strategies for achieving improved professional and personal lives. This discourse pertains to enhancing our interpersonal interactions in order to facilitate the provision of developmental possibilities to those in our vicinity. Leaders are those who have the ability to have a significant impact or bring about change. They successfully construct and provide a compelling depiction of the future prospects for their company, the community, and each individual person inside it.

According to Avolio, Gardner, Walumbwa, Luthans, and May [17], the ideal leader is characterized by their ability to predict future events, formulate plans, and establish tactics. This leader is also related with possessing inventive thinking, being proactive, and demonstrating cognitive abilities. Contemporary techniques place emphasis on the progression of these relationships to the extent that the validity of the leadership's apprehension is substantiated via the cultivation and advancement of additional leaders.

Based on the findings of Tenhunen, Ukko, and Rantanen [18], it was observed that firms with more emphasis on management and leadership development activities reported a 5% increase in employee engagement levels. There was a positive correlation seen between the perceived effectiveness of businesses and greater engagement levels. However, variations were seen based on the managerial positions of the different participants. There seems to be a correlation between greater levels of involvement and the reporting of top managers. CEOs and top managers had notably elevated levels of involvement in comparison to all other hierarchical levels. The scores obtained by CEOs were 46 out of 50, while senior managers achieved a score of 42, and middle- and first-line managers had a score of 40.

Based on the enumeration of challenges reported by participants across various organizations, it is evident that leadership emerges as the predominant theme in our study, encompassing a total of 134 challenges. The issues pertaining to the establishment and sustenance of efficient and effective leadership structures prominently feature on the priority lists of SMEs managers, constituting a significant area of difficulty for them. The issues identified by the respondents pertain to the establishment of well-structured and engaged boards, which may include individuals from outside the organization. Additionally, the creation of efficient management teams and the clarification of owners' responsibilities were also highlighted as areas of difficulty.

Additionally, they see the capacity to generate, cultivate, and effectively communicate strategies for their organizations, as well as the ability to establish unambiguous objectives, as a significant category of issue referred to as strategy development. In a similar vein, Dekker [19] highlight the challenge of cultivating the capacity to offer culturally and motivational significant visions that foster a sense of dedication within their workforce. This issue is closely associated with the human resources aspect, encompassing the establishment of guidelines for acceptable conduct and the overall values upheld by the organization.

People-Oriented Challenges

In relation to the references made by respondents on the theme of people (amounting to a total of 127 problems), the issue of recruitment difficulty is identified as a significant barrier for several organizations. This pertains to the challenges associated with identifying essential abilities as well as the broader issue of recruiting suitable workers. Significantly, our research was conducted throughout the period of an economic upturn, namely from 2016 to 2019, during which several economies had difficulties in the realm of recruiting. This predicament was particularly prevalent in the area selected for our study, mostly affecting occupations requiring specialized qualifications, as well as those pertaining to unskilled labor. Nevertheless, the predominant and all-encompassing challenge within this overarching theme, referred to as "employees," primarily pertains to the development of individual competencies among employees. This includes the crucial aspects of fostering employee motivation, establishing effective communication channels, and providing clear role descriptions for the aforementioned workers. This particular category is also closely connected to the issues of leadership associated with delegating and the aforementioned formation of leadership structures.

Greasley and Bocârnea [20] propose a paradigm that seeks to integrate servant-leadership philosophy with human resource (HR) practices. The present wave of transformation in the field of human resources necessitates HR practitioners to possess a comprehensive comprehension of their organizational environment and the primary individuals or groups with vested interests in their organization. Human resource procedures should be structured in a manner that prioritizes individuals and is seamlessly integrated into the responsibilities of line management. In this particular context, Saleem, Zhang-Zhang, Gopinath, and Ahmad [21] establish a connection between servant leadership and significant organizational difficulties, emphasizing the integration of individuals within the organizational framework and the broader social environment.

Business-Model-Oriented Challenges

The significance of business model innovation (BMI) is underscored by the advent of disruptive technologies, evolving regulatory landscapes, and the increased accessibility of big data. According to the 2010 Global Innovation Survey conducted by McKinsey, a significant majority of executives, namely 80%, expressed concerns about the vulnerability of their business models. This apprehension stemmed from the emergence of new players and rivals who were introducing disruptive

innovations and novel value propositions, hence posing a threat to the established business models. According to Dijkman, Dumas, and Ouyang [22], business model innovators engage in the identification and implementation of novel approaches to generate and appropriate value for various stakeholders within their organization. These innovators provide fresh business concepts in domains where rivals are not already active. The concept of BMI involves the identification and use of a distinct business model inside an established sector.

Surprisingly, there is a lack of discussion of problems pertaining to business-oriented and business model factors. Out of the total number of 359 tasks, a mere 98 difficulties fall under this category. The predominant obstacles commonly discussed are to sales and growth, including both operational sales issues and broader strategic concerns such as company development and the identification of prospective avenues for future expansion. The sales category that pertains to the identification of new clients and the generation of leads is often referenced. This is also pertinent to the simultaneous task of concurrently creating appealing new proposals and effectively managing old value propositions, hence accentuating this particular sort of issue.

The participants in the study highlighted many obstacles associated with company development and the pursuit of novel avenues for expansion, including the exploration of niche markets. This discovery aligns with prior scholarly investigations that delineate crucial aspects of business models that contribute to the expansion of SMEs. While a limited number of organizations in our survey have implemented systematic or strategic business development initiatives, a significant portion of them have recognized the need to address process development as a future problem. The concept of consumers and innovation is closely tied to the business model, and difficulties within both domains, referred to as customers and innovation, often do not center upon the creation of novel technologies or the development of wholly new goods and services.

In contrast, these innovations are commonly linked to market-oriented strategies, like the aforementioned emphasis on niche exploration and value proposition, alongside considerations of functionality, customer usage, and the exploration of novel approaches to delivering existing portfolios to both existing and new customers. However, it is noteworthy that the discussion on innovation and consumers was rather limited, which may be attributed to the fact that the enterprises included in the study are well-established entities with an established clientele. It is noteworthy that the obstacles of discovering new consumers and fostering product innovation, which are often associated with growth in many organizations, were seldom discussed in our research.

In the subsequent analysis, we organize our discourse around three primary themes: models of business, leadership, and individuals, and explore their interconnectedness.

Broadening The Leadership Platform: Leadership Theme

Enterprises are confronted with heightened market competitiveness and a dynamic market environment due to the fast advancement of the information economy. The concept of “decentralization” has emerged as a significant trend in organizational growth. The field of organizational management places significant emphasis on addressing the self-actualization requirements of employees, with the aim of achieving management practices that promote flattened hierarchies, effective coordination, enhanced flexibility, and decentralized decision-making. The primary emphasis of management should be directed towards the preservation of the employee-leader relationship, while also giving due consideration to the shared growth and development of workers, leaders, and organizations. According to Super [23], the emerging breed of leaders not only prioritizes personal career achievement, but also places more emphasis on fostering a shared platform with workers. These leaders actively seek to extend and strengthen this common platform in an ongoing manner.

Furthermore, Hirsch [24] elucidated the precise notion of platform leadership and proposed a methodology for its quantification, drawing upon prior scholarly investigations. According to existing research, it has been suggested that platform leadership plays a crucial role in fostering the collective advancement of workers, leaders, and organizations. This is achieved by establishing a shared career platform that effectively harnesses and encourages the untapped potential of employees. In accordance with the study conducted by Perrons [25], it is essential to establish a comprehensive framework that encompasses several dimensions of platform leadership, like “tolerance,” “mutual growth,” “charisma,” “platform optimization,” “revolution planning,” and “platform building.” Prior empirical research has mostly concentrated on examining the effects of platform leadership specifically within the context of personnel dynamics. Nevertheless, the impact of platform leadership may extend much beyond that.

The significance of adapting to both the external and internal surroundings of an organization is emphasized by contingency theory. This theory posits that selecting the suitable management model and style is contingent upon the specific circumstances and environments encountered by the organization. According to the theory of contingency of leadership, it is posited that a singular leadership style cannot universally apply to all organizations and situations. Instead, leaders should demonstrate adaptability in response to fluctuations in the external habitat. The adaptability of management styles to the specific environment and organization has been shown to have a positive impact on several aspects, such as team effectiveness, team performance, and strategy alignment. The emergence of the knowledge economy and the trend towards organizational flattening have led to a growing emphasis on platform leadership. This leadership approach prioritizes the mutual development of organizations, leaders, and employees, with the aim of acquiring or generating higher-quality resources. It is a leadership model that aligns with the demands of the current organizations and environment. The predictable nature of the favorable impact of platform leadership on a firm growth and team performance is evident.

Our research reveals that a significant obstacle in the development of leadership platforms is in the recruitment of proactive and well-informed management personnel, as well as members of board who can effectively supplement traditionally owner-centric boards. Consistent with other scholarly investigations, our survey reveals that a significant number of owner-managers exhibit hesitancy and even resistance towards involving external entities in their businesses. This pertains to a perceived ambiguity associated with the relinquishment of power. A significant number of owner-managers have maintained control over their enterprises from their inception, and the maintenance of power and control is often seen as a fundamental aspect of their mindset. One corporation, used as an illustrative case in the research, appointed an external Chief Executive Officer (CEO). However, after a year, the CEO was dismissed due to challenges faced by the previous CEO (who was also the owner) in yielding personal control and incorporating expert counsel.

The issue of effectively translating the personal motivation of individual managers to the whole business in order to enhance levels of engagement and commitment is an inherent aspect. As businesses experience growth, the task of effectively communicating coherent goals, meaningful visions, and personally overseeing and engaging with all people of the company becomes more challenging for managers. Given the favorable associations between a feeling of meaningful work and work engagement, job happiness, and overall health, it is imperative for managers to prioritize the development of effective strategies for communicating visions and fostering a sense of meaning among employees. Frequently, top executives within our research exhibit a notable degree of determination and foresight, though encounter challenges in effectively conveying these qualities to their progressively expanding enterprises. The challenges emerged when the concept shifted from being inherently obvious and unquestionable to requiring thorough elucidation and elaboration.

Therefore, it is essential for top managers to establish a narrative or descriptive framework for the organization in order to effectively convey their vision to a broader audience of colleagues. The firms examined in our research demonstrated a commitment to this objective via various means. For instance, one business conducted regular firm-wide meetings, colloquially referred to as the “Friday prayer,” in order to reinforce their overarching goal. Additionally, another firm actively encouraged a “customer-first” mindset by inviting customers to visit their premises, therefore fostering a culture centered on prioritizing customer satisfaction.

Driving Growth Through Sales: Business Model Theme

A comprehensive sales plan starts with the formulation of a forecast. The sales forecast serves as a valuable tool for assessing the anticipated inflow of resources into the pipeline, as well as identifying potential shortfalls, so enabling timely adjustments to optimize the final output. Various factors such as extreme weather events, economic downturns, and worldwide pandemics like as the past COVID-19 outbreak have the potential to significantly alter the projected outcomes. However, this does not imply that the whole entity should be discarded. During periods of transition, it is advisable for representatives to refrain from making presumptions on the status of their business transactions. Assess each opportunity shown in the following snapshot to enhance the departmental or organizational forecast at a broader scale. This will provide a more comprehensive comprehension of clients' present inclination to make purchases and allocate resources accordingly.

The capacity to enhance sales and establish streamlined sales processes is an intrinsic component of business development and its corresponding strategies. As expected, these characteristics are also observable in a significant number of the companies examined in our research, with sales being the most often seen lower-level category. The scope of these activities includes not only conventional sales practices like lead generation, but also extends to more comprehensive aspects of sales, such as the incorporation of cultural values in market offerings and their successful communication to attract relevant clients. Naturally, managers prioritize direct sales operations, which include the establishment of well-defined and effective sales plans, as well as the development of systematic approaches to sales processes. The aforementioned issues of acquiring and cultivating essential staff abilities are strongly correlated with the focus placed on sales activities.

In addition, our research has highlighted various issues that pertain to the expansion of companies in a natural manner, specifically within the confines of current goods and services. This is often achieved via the implementation of market penetration and market growth strategies, as proposed by Dash, Pradhan, Maradana, Gaurav, Zaki, and Jayakumar [26]. The primary emphasis of these market strategies is to enhance customer share-of-wallet and loyalty, while also targeting new consumers within established niches and portfolios, rather than pursuing novel and transformative product and service breakthroughs. The issues that have arisen are likely a consequence of the participating enterprises' strong presence and established position within their respective sectors, as well as their possession of highly developed product and service offerings. A sample of technological start-up enterprises is likely to place a higher emphasis on radical innovation.

The participating companies in our study emphasize the significance of market strategies that are associated with the preservation and development of existing customer connections. Respondents highlight the need to prioritize the allocation of time and resources towards this strategy. Customer Relationship Management (CRM) refers to the deliberate utilization of information, procedures, technology, and personnel in order to effectively oversee and nurture the customer's interaction with a firm throughout the entirety of their relationship, encompassing many departments such as marketing, sales, services, and support. Furthermore, Kumar and Reinartz [27] provided a definition of customer relationship management (CRM) as an all-encompassing approach and systematic procedure aimed at acquiring, maintaining, and establishing partnerships with specific customers in order to provide exceptional value for both the organization and the client.

The idea necessitates integrating the company's supply chain, marketing, customer service, and sales functions into a unified whole to maximize the company's ability to provide value to its customers. Ngai, Li, and Chau [28] introduced CRM

with a focal point on the customer's perspective. They said that CRM is the systematic management of client interactions over the whole customer lifecycle. Peppard [29] defined CRM as a set of procedures centered on customers and supported by policy and machinery inside a business. The purpose of CRM is to enhance customer engagement, foster customer loyalty, and ultimately drive long-term profitability. The aforementioned definitions emphasize Customer Relationship Management (CRM) as a comprehensive framework for managing customer relationships across marketing, customer service, and support functions.

This highlights the emphasis placed on organic and incremental development among the companies involved. Interestingly, a limited number of individuals acknowledge the acquisition of new clients as a difficult task. This phenomenon may be attributed to the primary emphasis on retaining current clients, as previously stated, and the businesses' notable integration inside their specific market segments, where they have already established familiarity with the consumer demographic. Interestingly, it is worth noting that the above study does not discuss the capacity to perform market research. In our research, we observed that only a small number of enterprises engage in any structured market research. Instead, these firms heavily depend on personal relationships and the intimate knowledge of their regional markets, often facilitated by owner-managers. Over the course of time, the emergence of inertia and complacency poses a significant obstacle, possibly impeding the sustained development trajectory.

In conclusion, it seems that the emphasis on gradual expansion within current portfolios has led to a limited investment of resources by the majority of enterprises in our research when it comes to the systematic development of their value propositions. The only notable exception is the conduct of minimal customization efforts for bigger clientele. Nevertheless, companies that have more ambitious development objectives tend to allocate more resources towards the creation of novel value propositions in order to foster new avenues of expansion. In general, this entails the incorporation of additional services to enhance current portfolios and progressing towards more extensive and tailored solutions via a process known as "servitization." Nevertheless, there exist certain problems associated with this kind of expansion. One prominent issue is to the acquisition of suitable expertise and the ability to recruit personnel with extensive knowledge. This is particularly crucial since the provision of more sophisticated services often necessitates the presence of a sales force that emphasizes value and adaptable resources for service delivery.

One notable finding derived from the examination of the model of business aspect in this research is the absence of systematic market research and a notable disregard for the creation of novel value propositions. This domain has significant significance for ongoing expansion, and SMEs who neglect to allocate resources to this aspect face a real peril of stagnation and being outpaced as the market and client demands evolve in the long term.

A Balanced Approach to Growth Challenges

As stated earlier, our study findings suggest that SMEs aspiring for development should adopt a well-rounded strategy, avoiding excessive focus on any one aspect. It is important for individuals to adopt a comprehensive and all-encompassing attitude, sometimes referred to as a "360-degree" perspective, in order to effectively navigate their personal development paths and overcome the obstacles they encounter. This particular criterion has the potential to impose significant pressure on managers, unless they are able to establish suitable and resilient frameworks to assist them in navigating their expansion processes. The strategies of firms must include not only the means to attain sales growth, but also the necessary development of organizational leadership and management to align with the business aspect.

Numerous organizations encounter obstacles in leadership development when they endeavor to form operational and engaged boards, recruit external chief executive officers, or introduce expanded management teams with their respective responsibilities. A comprehensive strategy that encompasses all aspects of an organization, including employee development and empowerment, is crucial for sustaining an entrepreneurial, inventive, and supportive culture throughout the expansion of a business. Numerous organizations examined in our research acknowledge the difficulty and significance of preserving fundamental cultural attributes, including inquisitiveness, a feeling of responsibility, emphasis on teamwork, and adaptability within the context of demanding recruiting times. This becomes particularly crucial when early entrepreneurs and leaders encounter a decrease in the amount of time they can allocate for talks and direct engagement with others within their extended companies.

One of the primary obstacles faced by several managers is the need to effectively allocate their time across various challenges encountered during their organizational development processes. One of the primary difficulties faced by owner-managed enterprises pertains to the expansion of the leadership framework while still preserving operational effectiveness. By recognizing the need for a more comprehensive and equitable approach, and admitting that difficulties arise in several domains, managers may prioritize the most urgent concerns while establishing frameworks to address other obstacles. These balanced arrangements acknowledge the interdependent nature of difficulties and the requisite resources for effectively resolving them.

This research proposes a comprehensive approach to managing difficulties, emphasizing the need of evaluating many challenges in conjunction rather than treating them as separate entities. While previous scholarly investigations often prioritize the significance of the business person involvement in fostering development, or underscore the significance of the model of business and way in attaining growth, this study posits a more comprehensive and dialectical perspective. It suggests that the key lies in systematically recognizing and interconnecting the challenges associated with growth.

Enabling Employee Development: People Theme

According to Ellinger, Ketchen, Hult, Elmadağ, and Richey [30], employee development refers to the process of enhancing an individual's ability to perform successfully within their current or future employment and organizational context. Development activities include several components such as professional connections, work experiences, formal education, and the evaluation of personality traits, skills, and talents, all of which contribute to the professional growth of employees. Formal development programs include a range of educational modalities, such as classroom teaching, online courses, college degree programs, and mentoring initiatives. These programs are thoughtfully structured, with well-defined goals, learning objectives, evaluation tools, and performance expectations. The prevailing consensus in scholarly literature is that such programs are likely to yield personnel who possess the necessary skills and qualifications to meet the demands of human capital requirements. Several scholarly reviews have examined the body of research on employee development, specifically focusing on the design and efficacy of conventional, structured programs. The assessments unequivocally indicate that formal staff development programs are very beneficial in supporting substantial employee growth.

In general, SMEs lack well-defined internal procedures for development of resources of human. Senior managers tend to rely on workers acquiring knowledge and skills through practical experience, making it challenging to allocate sufficient resources and time to extensive recruitment procedures that guarantee the selection of suitable candidates. Additionally, SMEs may struggle to commit to formal skill enhancement initiatives and management of programs of training. The importance of worker training and competence growth for maintaining growth has been emphasized by several researchers. Our study findings indicate that a significant number of participants expressed concerns regarding inadequate organizational systems, absence of formal role descriptions, undefined career pathways, and a lack of clarity in the organizational structure. This phenomenon has the potential to significantly impede the process of development inside SMEs, since it poses barriers to effective learning and knowledge transfer. Consequently, workers may be compelled to seek employment opportunities elsewhere.

Similarly, an insufficiency in requisite skill levels might result in substandard quality of rendered items or services, hence causing dissatisfaction among clientele. A highly accomplished organization, which received recognition as the “HR-oriented firm of the year” in the area, dedicated significant resources towards various initiatives. These included the implementation of personalized development plans for each employee, the establishment of formal feedback sessions, and a strong emphasis on training and educational activities within their financial framework. Our research focuses on the central issue of “people” and offers comprehensive and structured insights into the significance of employee development and business culture as crucial management aspects in understanding HG-SME. The empirical analysis also demonstrates the correlation between these management issues and development.

V. CONCLUSION AND FUTURE SCOPE

The goals of the research have been met and then some. To begin, the research has effectively identified and categorized the challenges that SMEs face while trying to grow. These challenges include, among others, the cultivation of human resources, the establishment of organizational structure, the enlargement of markets, the management of finances, and the development of business models. In order to overcome these obstacles and achieve sustainable growth, a lot of focus has been placed on leadership, personnel, and the business model. Finally, there has been a lot of focus on the need of taking a holistic approach to solving management problems. Given the linked nature of many problems, this strategy puts a premium on the development of personnel and the creation of a supportive work environment. Our findings highlight the need for further exploration at both the individual and the conceptual levels of leadership. This might potentially have implications for the formulation of policies and the implementation of educational programs.

Subsequent research endeavors may aim to explore more extensively the interconnected nature of specific difficulties and broader classifications and patterns. The investigation of how important work may be fostered within workers in SMEs, also the management involvement in facilitating this process, is a compelling area of study. This is due to the significant impact that meaningful work has on work engagement and job satisfaction. Enhanced comprehension of this matter might perhaps contribute to the attainment of sustainable development in SMEs. Another area of future study that warrants investigation is the inquiry into the concept of ownership and its underlying structure. Prior studies have shown that the configuration of ownership has a crucial role in shaping a firm's strategic decision-making and overall performance. An additional area of possible interest for future research is examining the potential influence of various industrial sectors and types of companies on the dynamics of obstacles faced by high-growth small and medium enterprises (HG-SMEs). The research conducted in this study did not prioritize the discussion of sectoral or firm-level aspects, but instead focused on the difficulties at hand. However, by formulating research inquiries that specifically target these features, it is possible to cultivate a more comprehensive knowledge of development within a contextual framework.

Data Availability

No data was used to support this study.

Conflicts of Interests

The author(s) declare(s) that they have no conflicts of interest.

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Competing Interests

There are no competing interests.

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