

EXCELLENCE AS A CONSTRUCT FOR MICRO-ENTERPRISE: NEW ZEALAND OWNER-MANAGER PERCEPTIONS

*Tanya Jurado, Claire Massey & Robyn Walker
Centre for SME Research,
Massey University, New Zealand*



CONTACT: Dr Claire Massey, Associate Professor, New Zealand Centre for SME Research, Massey University, Private Bag 756, Wellington, New Zealand. Tel: 64 4 801 5799, Email: C.L.Massey@massey.ac.nz

ABSTRACT

This paper reports on part of a wider qualitative study in which 49 owner-managers of New Zealand micro-enterprises were interviewed about firm performance. We adopt a social constructionist approach to analyse responses to the question: “What does business excellence mean to you?” Most owner-managers of micro-enterprises find the term business excellence to be meaningful, but standard business excellence frameworks are unfamiliar and may be viewed as irrelevant by those managing micro-enterprises. Micro-enterprises may be distinct from SMEs in their conceptualisation and internalisation of business excellence. Our analysis shows excellence for managers of micro-enterprises is a relationship-driven phenomenon represented in terms of personal values, good service, personal satisfaction and positive relationships with clients. Frequently these characterisations are presented against the ‘other’ of business-in-general. That managers of micro-enterprises construct business excellence differently from accepted models has implications for government policy affecting micro-enterprises. Policy must recognise the special character and diversity of micro-enterprise and attempt to negotiate meaningful interaction that will enable the aspirations of both micro-enterprise and Government to be met.

INTRODUCTION

Micro-enterprises play a major role in the New Zealand economy. However, they are not recognised as a distinct category of firms by the New Zealand Ministry of Economic Development (MED). Despite this lack of recognition, the sectors’ contribution is clear: In 2003, firms with 5 or fewer employees contributed 21% of total output and accounted for 10.4% of all New Zealand employees (MED, 2005, p.3). In fact, micro-enterprises make up 86.5% per cent of the total number of operating enterprises (Statistics NZ, 2005). Yet, despite their economic significance, micro-enterprises are generally under-represented as a separate research focus in the SME literature. A noted exception is Devins (1999) who, drawing on insights from conceptual writing (Hermel & Ramis-Pujol, 2003; Leonard & McAdam, 2002; McNamee, et al., 2000) and empirical studies (Ghobadian & Gallea, 1997; Rahman, 2001), provides a brief overview of the construct of business excellence in SMEs (including micro-enterprises).

Their relative exclusion from the literature has flow-on effects to those business entities that fall within the classification of 'micro-enterprise'. We contend that their very lack of visibility implicitly promotes a view that micro-enterprises share the characteristics of other businesses classified as 'small' (6 to 49 employees) or 'medium' (50-99 employees) (Massey, 2005). This in turn may have real consequences for micro-enterprises in terms of the targeting and monitoring of government policy initiatives (e.g. Kotey & Meredith, 1997; Storey, 2004).

A feature of some SME research is the concept of 'business excellence', a widely adopted term in the rhetoric associated with statements of government ambitions for New Zealand business. And it is against this background, at the nexus of micro-enterprise and business excellence, that this current enquiry takes place. Our paper reports on part of a wider qualitative study in which 49 owner-managers of New Zealand micro-enterprises were interviewed about business practices and firm performance (Massey, Auld, Lewis, Perry, Walker & Warriner, 2005). A key objective of the study was to ascertain how respondents in micro-enterprises perceived 'business excellence', a term that has provided the focus for a number of scholarly publications spanning large organisations and SMEs (e.g. Ghobadian & Gallear, 1997; Ghobadian & Gallear, 1996; Leonard & McAdam, 2002).

This paper begins by providing a brief introduction to 'business excellence' and some associated concepts, particularly in relation to SMEs. It then outlines the study and introduces the social constructionist perspective that we use to analyse data obtained in the course of our field interviews. Next, we present a brief analysis of the data, drawing on verbatim examples from the interviews to provide insights into the representations of excellence in New Zealand micro-enterprises. Finally, we draw some general conclusions and comment on the policy implications for targeting micro-enterprise.

BUSINESS EXCELLENCE AND MICRO-ENTERPRISES

Business excellence was popularised in the early 1980s with studies such as Peters and Waterman (1982). Proponents promoted the pursuit of excellent business practices by American firms as a way of increasing competitiveness. To this end, in 1987 the US Congress established the Baldrige Award to encourage individual enterprises to achieve business excellence standards. The Baldrige criteria for performance excellence include leadership, planning, customer focus, relationships with suppliers, community relations, production processes and benchmarking (Perry, 1997). Over the last two decades the literature on business excellence has emphasised the successful implementation of total quality management (TQM) systems as a way to achieve excellent business performance. Thus, through TQM's status as "a management tool to improve quality on a continuous basis" (Behesti & Lollar, 2003, p. 839) excellence in business has come to emphasise such characteristics as customer satisfaction, employee involvement and continuous improvement (Behesti & Lollar, 2003). Within SMEs, TQM systems are believed to influence profitability, strategy, employee training and development. However, a major influence on TQM's effective implementation appears to be its reliance on the leadership of senior management (Behesti & Lollar, 2003; Ghobadian & Gallear, 1997; van der Wiel & Brown, 1998). Furthermore, some studies argue that SMEs' uptake of TQM systems is correlated to their role as suppliers to larger firms who are ISO9000 registered (Sturkenboom, van der Wiel & Brown, 2001; Ghobadian & Gallear 1997).

Implicit in these and other studies (e.g. Kuratko et al., 2001) is the assumption that business excellence and TQM systems are as relevant to SMEs as they are to bigger businesses. A key rationale for this assumption comes from an acknowledgement that pressures of globalisation and the associated ease of global trade affect micro-enterprises through their association with large organisations. Ghobadian and Gallear (1997) point out that practices like outsourcing have had an impact on how bigger firms interact with smaller ones and argue that the adoption of TQM principles by small firms is a response to the requirements of bigger firms which they supply. The relationship is regarded less in terms of dependency than symbiosis – small firms can, through their association with larger firms, move on in the stage of development of the firm from incubation to maturity.

One way in which smaller firms are perceived to have an advantage over large firms, is their inherent tendency toward an organic structure, an organisational form characterised by “the absence of standardisation and the prevalence of loose and informal working relationships” (Ghobadian & Gallear, 1997, p. 127). Consistent with this, but possibly due to time constraints of key personnel, SMEs are apt to operate informally, inclining not to document their understanding of the processes they use. However, discussion of the tendency toward informality would be incomplete if it did not acknowledge issues concerning individual owner-managers’ sense of their own indispensability. Ghobadian and Gallear (1997) argue that formalisation of procedures may be resisted so as to maintain this feeling of centrality (p. 130). Van der Wiele and Brown (1998) found that small firms were just as likely to implement quality systems as larger ones but were hindered by the degree of perceived formality that these quality models appeared to encompass. Ahire and Golhar (1996) had earlier queried whether a firm’s size affected the implementation of TQM. In a study to examine TQM in the motor vehicle parts industry, they found that “the better customer focus reported by small firms can be explained by their proximity to and close relationships with the customers” (Ahire & Golhar, 1996, p. 7).

Indeed, there are other indications that interpretations and practices around business excellence might be related to the size of the enterprise. Knuckey et al’s (2002) New Zealand-based study (which excluded micro-enterprises) suggests that there is no ‘one-size-fits-all’ policy that delivers organisational ‘best practice’. Rather, best practice can be seen as a continuous process in which each enterprise evolves and maintains a set of business-related practices that will support its decision-making processes. The study acknowledges, however, that there may be specific practices which taken together appear to generate benefits to those companies which implement them. More specifically, Knuckey et al (2002), drawing from an Australian manufacturing survey, which is in itself based on the Baldrige criteria for performance excellence, suggest that we may be able to generalise to six broad areas which characterise best practice: leadership and planning; employee practices; quality and supplier relations; customer focus; information and benchmarking, and innovation and technology.

However, the interpretation of business excellence is not solely dependent on organisational size. Authors such as Hermel and Ramis-Pujol (2003) have surveyed business excellence in the last 20 years. Their recent study led them to question the suitability for small business of the excellence models popularised through the 1990s. Of equal interest to the context of this discussion, their study also highlights the difficulty that managers have in understanding management concepts.

Taken together, these ideas – that micro-enterprises are under researched, that business excellence is a concept that might be differentially applied in different organisational settings, and the notion that the interpretation of ‘everyday’ management concepts may be contingent – provide a rationale for the current research paper.

THE STUDY¹

In late 2004, 49 New Zealand firms were randomly selected from a group of 500 firms sourced from a commercial database. These firms had 0 to 5 employees and the sample was chosen from the manufacturing and service industries. The interview schedule consisted of three sections – demographics, business excellence and excellent business practices. Collectively the interviews provide a ‘snapshot’ of a particular part of the New Zealand economy. Moreover, the services and manufacturing industries are both segments of the economy that have, for the past six years, been at the heart of New Zealand government strategic policy development focused on ‘growth and innovation’.²

Initial contact was made with the firms by telephone. Each of the firms, located throughout New Zealand, was visited ‘on-site’ and the owner or manager was interviewed. The interviews lasted an average of one hour. A semi-structured interview schedule was utilised to ensure cross-comparability of results and was designed to enable the interviewee to reflect on business excellence and firm performance. In particular, the discussion format provided numerous opportunities for the interviewee to describe any business practices that he or she perceived as relevant to business excellence in his or her own business. Interviews were carried out in accordance with the ethical research guidelines prescribed by Massey University³ including an assurance of confidentiality of responses. Interviews were only recorded with the consent of interviewees. Once the interviews were transcribed verbatim, interviewees were sent the transcripts for any final comments and/or recommendations. These amended transcripts provide the basis for the analysis that follows.

The interview schedule was designed to elicit responses from the respondents themselves about what they understood to be business excellence. First, it sought interviewees’ perceptions of their firm’s performance in the previous three years using a measure or indicator of their own choice. These included turnover, profitability, level of quality, number of customers and market share. Second, interviewees were encouraged to reflect on those issues which affected their business, including their operating environment (both internal and external); any barriers that they perceived to improved firm performance; and any specific personal efforts to improve firm performance. Third, the interview schedule introduced the concept of business excellence. Interviewees were asked to define the term and to identify a practice within their business that they considered to fall into this category.

The sample was a varied but focused one. To demonstrate the range of firms and respondents among the 49 firms surveyed, we note that most interviewees were men (36), and the age of firms

¹ This study is the third in a series of reports that will form part of a wider longitudinal study called *BusinessSMEasure* carried out by the New Zealand Centre for SME Research.

² See for instance the focus of the activities of the New Zealand Trade and Enterprise and, more generally the wider Growth and Innovation Framework-related policy prescriptions described in detail at <http://gif.med.govt.nz/>

³ For more information on Massey University’s research guidelines see: <http://humanethics.massey.ac.nz/code.htm>

ranged from one year in operation to 44 years. There were 18 family firms and 11 exporters. There were 31 companies, 8 sole traders and 6 partnerships. From the data collected in the interviews, some apparent attitudinal patterns can be discerned. That said, no statistical validity can be sought for the representativeness of the responses, nor was that the research intention for either this analysis or the overall study.

A SOCIAL CONSTRUCTIONIST FRAMEWORK

While the interview data from the wider study has been subjected to formal content analysis (Massey, et al, 2005), we wished to employ an alternative interpretive approach in the hope of enriching our understanding of business excellence in micro-enterprise. Devins and Gold (2002) have argued that small business performance could benefit from a social constructionist approach to introducing new learning techniques to small organisations. We, in turn, intend to demonstrate and apply a social constructionist perspective in our actual data analysis.

The key point to note is that a social constructionist framework positions organisational and other social phenomena as social constructions constituted through language (see for example Burr, 2003). Within this framework, identities and understandings are not fixed or static, but shifting, fragmentary, multiple, frequently contradictory, and constantly in the process of being constituted and negotiated through discursive practices. In research into micro-enterprise, as with other business research, a social constructionist approach is not merely concerned with business concepts as effects of language; it is also concerned with providing a basis for understanding broad social changes and exchanges among organisational and research participants. At the same time, language is viewed as a site in itself; it is not just a medium to convey social life and interactions, it is an essential constitutive factor.

As pointed out by Devins and Gold (2002), most 'mainstream' SME research emerges from the positivist paradigm, a tradition based on a 'realist', empiricist epistemology, which posits an unmediated grasp of the empirical world and a representational theory of language and knowledge (Schwandt, 2000). In providing statistical data and quantitative analysis, positivist approaches support the pragmatic and instrumentalist concerns of the business world by delivering the statistical 'results' and 'objective' findings "demanded by 'users' in the community who seek immediate practical payoffs from social science research" (Silverman, 2000, p.824).

We believe that a constructionist approach can complement and add to statistical or qualitative research findings, in this case the empirical evidence that has been built up around a specified concept: business excellence. While social constructionism "neither affirms nor denies 'the world out there'" (Schwandt, 2000, p. 198), a general assumption of a constructionist approach is that "the world ... is constituted in one way or another as people talk it, write it, and argue it" (Ibid, p.198). Language is the symbolic meaning system through which people constitute both a human 'reality' and 'knowledge' which are "in some sense ideological, political and permeated with values" (Schwandt, 2000, p.198). Thus, a social constructionist approach shifts the focus of research from empirical data to discourse "as the prime site for understanding individuals, social groups and society" (Weatherall, 2002, p.82). From a discursive perspective, social constructionism explores how utterances 'work' and "how utterances work is a matter of understanding social practices and analyzing the rhetorical strategies in play in particular kinds of

discourse” (Schwandt, 2000, p.197). We suggest that a social constructionist approach goes some way to explaining how we constitute business and management beliefs, concepts and practices.

Whilst social constructionism and other non-positivist approaches are now widely established in management studies, there appears to be little published evidence to suggest that scholars in SME research have been attracted to it. In the wider realm of organisation studies scholars argue strongly for more innovative approaches to research practice and to point out the fundamental role of language in creating our reality (Crane, 1999; Symon, 2000).

ANALYSIS

The interview schedule was designed to explore business excellence and best practices in firms. Initial formal content analysis indicated that the notion of business excellence was broadly meaningful for over half of the owner managers interviewed (27). For those who provided an interpretation of the term, we ascertained that business excellence was described variously as providing high-quality service to customers (16); achieving financial success (5); acting professionally (3); getting the job done, avoiding hassles, being ethical and consistent with owner managers; values (3); differentiating in the market (2); and using information and benchmarking (2).

However, for all its strengths, a content analysis falls short of capturing much of the ‘texture’ of meaning that social constructionist analytical approaches enable us to present. By closely engaging in a different way with the data, we see that the descriptions given by owner-managers about their understandings of business excellence can be somewhat differently (perhaps idiosyncratically) categorised. In relation to this alternative interpretation, Burr (2003) points to the distinctive role played by the social constructionist researcher. In so doing she points to key issues that underlie the social constructionist position: “When someone gives an account of an event [concept], the account is simultaneously a description of the event and part of the event because of the constitutive nature of talk” (p. 156). In other words, the very act of engaging in the research changes the researcher and the researched. The research account is also itself constitutive of meaning. We should point out too that social constructionism tends potentially toward infinite regress (Burr, 2003), hence any account will not be comprehensive and, to do justice to the text, it is likely that the length of the account will potentially extend far beyond the confines of one research paper. Accordingly, this current analysis must be considered a ‘first sweep’ of the data – demonstrative of some new possibilities that social constructionism might offer micro-enterprise research.

UNFAMILIAR OR VAGUE CONCEPT

Social constructionism’s claim to render visible something of the interactive processes of developing new understandings of excellence becomes evident in the following examples. Here we reflect on the responses of participants who initially had difficulty formulating meaning around the question of what the notions of business excellence and best practice mean to them. Some had either not heard of the term, or found it very hard to relate to the concept. One person simply pointed out that excellence to them meant: “Not a hell of a lot” (Firm 33). Examples of other responses include: “Doesn’t bring a lot to mind, really, to be honest” (Firm 48); “I have

heard of that but I can't ... it doesn't stick in my head" (Firm 3); "I don't follow that question to be honest with you" (Firm 41). One respondent had a rationale for their non-familiarity: "It doesn't say anything to me because it's not a terminology or whatever you like that doesn't say anything to me because English is not my first language" (Firm 38).

Another category of respondents spoke in ill-defined generalities, relying on jargon to carry meaning: "Well I mean it's what everybody aspires to. I would aspire too but I come short to what most people would like to aspire to" (Firm 46).

Others appeared to 'take a punt' as if wishing to get to a correct answer. In the formulating of a response, the process of constituting meaning is apparent: "I guess it's to do with efficiency is it? Efficiency of – Yeah, best practice would be – yeah, using materials and time efficiently to meet – yeah" (Firm 2). Another response that falls into this category of actively formulating meaning around an unfamiliar construct, is the following: "Well I suppose it says that you have a strategy and that you have planning procedures in place. In the formal business context you have a strategic plan you have a written annual plan and within those you have a marketing strategy that includes a growth component" (Firm 29).

EXCELLENCE AS BUSINESS SYSTEMS OR PERFORMANCE

As mentioned earlier, over half of the participants were able to provide a characterisation of excellence. Yet most of these understandings could not be considered commensurate with comprehensive 'accepted' definitions of excellence. What they appear to share is a sense of pragmatism or an instrumental understanding of excellence. Responses in this category are those that describe excellence in terms ranging from broad performance measures (e.g. "achieving financial success") to intuitive assessments such as "getting the job done".

Few of the participant organisations had individual quality initiatives beyond the informal planning and intuitive standards practised by the owner-manager. However, some of the owner-managers of micro-businesses had formal quality systems in place that enabled a degree of structured assessment. Consistent with Ghobadian and Galleary's (1997) contention, these were typically mandatory requirements of the business sector or professional specialism in which the business operated rather than internally-initiated systems: "Well we benchmark against others in the same industry, we are quite fortunate working with NZQA and we get quite regular feedback and reports on various procedural type things ... That and basically it's the stakeholder communication" (Firm 25).

Among those responses that described excellence in terms of business systems or performance, the majority did so within a much richer interpretation, often touching on a range of qualitative dimensions. Of particular interest is the presence of several references to the morality of business: "Business excellence I think has got to be a combination of clients' satisfaction, establishing and performing beyond a strategic plan...it's the whole balance of things...financial performance, spiritual performance I suppose, to a great extent moral performance" (Firm 42). In one case, reference was made to spiritual aspects as a central additional feature of excellence: "[business excellence means] profitability in the business ... just as importantly and laid really closely across that is the business management approach. The ethics of the business, the attitude of the business" (Firm 14).

ALIEN CULTURE

In contrast to the responses that articulated aspects of what might be considered ‘orthodox’ understandings of business excellence, a number of owner managers saw business excellence as an external imposition, somewhat alienating – another culture. This perception was typically accompanied by a tone – or in one case, the admission – of cynicism. For example: “Best practice is a ... collection of standards or things that somebody should go through and tick and say right well we haven’t done that and we do do that” (Firm 6); “I’m a bit cynical about it myself” (Firm 13). Excellence from this perspective conveys a sense of the impersonal. It is associated with the external business world, which is positioned as ‘other’. This serves to hint at the ‘special’ status of their own business to the realities of individual owner-managers.

‘DO UNTO OTHERS’ – EXCELLENCE AS PERSONAL VALUES

Evident in another response category was the positioning of other [big or medium-sized] businesses as distinct from, and somehow lacking the positive qualities of, micro-enterprise. This contributed to a strong emergent theme of excellence as an expression of personal values that guide the business relationship. A noted propensity was for respondents to express excellence in variations of the Biblical maxim, ‘do unto to others as you would have them do unto you’. Sometimes this view of excellence was also understood as something that differentiated their own business practice from what other businesses could supply. Two examples follow:

Business excellence and best practice. It means that I’m seen by clients as performing a job they want, performing it better than they thought I was going to ... or the way business is normally operated through integrity and those sorts of things. Yeah, its really the old do unto others things that I know not always in business that being nice works but I try to give the client what they want ... (Firm 36).

Treat others as you would expect to be treated yourself. One of the most noticeable things I noticed coming from my previous job to this, is running into people in business who didn’t do what they said they’d do (Firm 32).

Other owner-managers who also interpreted business excellence within their own personal ethical context created their own meaning for the term: “It means never telling your clients an unnecessary lie” (Firm 4); or “Best business practice would be ethical business practice” (Firm 22).

Excellence as self-fulfilment

A further representation of excellence acknowledges the intrinsic needs of the individual respondents. In this category, excellence can be characterised in terms of self-interest, framed in terms of personal fulfilment or avoiding complications, rather than self-interest in the rationalist profit maximising sense. While the financial element was a feature of some responses, it was a business ‘given’ rather than the focus of excellence. For example the following quotes demonstrate the intrinsic rewards: “Business excellence is obtaining a sense of self-satisfaction from running the business not all about money, about being comfortable with money: getting balance between income and work satisfaction” (Firm 10); “I suppose helping people, as well you get a kick out of a job well done. Disappointment if it’s not as well as it was meant to be” (Firm 33).

A related expression of excellence was in terms of lifestyle issues or avoidance of problems that will make life difficult: “Making it as easy as possible for yourself that sort of thing” (Firm 19); “How much money I make and how few hassles I have” (Firm 4).

Excellence in terms of personal challenge is evident in the following extracts from owner-managers: “That’s [business excellence is] the ultimate. To me if I was going for an award, I’d only go in to win...It comes down to effort again. It comes down to I’d have to put in too much effort” (Firm 23); “I guess it’s the ability to work within a business that achieves your financial and lifestyle needs” (Firm 13); “It’s doing what we do well and doing it positively and developing the business, going forward” (Firm 34).

‘RAW PUMPKIN’ – EXCELLENCE AS CUSTOMER SERVICE

Many owner-managers understood business excellence to be essentially a strong service orientation, although the tone of responses expressed varied levels of conviction. As with previously discussed responses, a slight hesitancy, even ‘guesswork’ was apparent in the language of the following extracts, exposing the very process of creating meaning around business excellence: “Probably customer satisfaction and making a good profit” (Firm 15); “It means to me I guess involving the client. Best practice for me is making sure that the clients, any client be it mortgage client or investment client or whatever, has professionally had that whole risk taken care of” (Firm 17).

The theme of personal investment in service, to gain customer satisfaction, came through strongly in a number of responses. The following illustrates this commitment: “I would say for me it’s just ensuring that I can give our clients the absolute best service” (Firm 21). In this response the use of the first person makes the ownership of the act palpable. Similarly, the willingness to expend personal effort is expressed by some in the phrase “... going the extra mile for customers” (Firm 26). “I guess what it means to me is that people who come to us have – we meet the needs of the person who comes in the door and we meet that need in a respectful and satisfying, appropriate satisfying way for them” (Firm 11). One of the most colourful accounts came from an owner-manager in the hospitality sector: “Generally I think it’s just in the [client] satisfaction . . . That’s what we try and strive for. The minute they walk in the door if they want raw pumpkin they get raw pumpkin kind of thing” (Firm 30).

PERSONAL RELATIONSHIP

Probably the most common construction of excellence evident in the interview texts related to the idea of service, but service with a ‘special’ dimension. Respondents talked specifically about relationships: “Our relationship with clients is very good in that we give a bit of a personal touch” (Firm 8); “business excellence must also look at the relationships you have with customers, suppliers, staff, and any beneficiaries that you have as a result of doing business” (Firm 42). This personal engagement in business excellence was expressed by some in terms of a form of friendship: “Doing the work on time for a reasonable fee and keeping up the friendly relationship with clients. I mean most of our clients will be friends as well as clients” (Firm 20). For one respondent there was explicit acknowledgment of the effect upon the business relationship that came from a long association with the same clients: “I would say for me it’s [business excellence

is] just ensuring that I can give our clients the absolute best service. In terms of every aspect that's very much a personal thing and when you've worked with the same client for about 15 years and that's what the business it" (Firm 21)

DISCUSSION

Findings from our social constructionist analysis reveal that, although a proportion of respondents did not strongly relate to the term 'business excellence', most appeared to find the concept somewhat meaningful. Whilst some of the surveyed micro-businesses had formal quality systems in place that enabled a degree of structured assessment, these were typically mandatory requirements of the business sector or professional specialism in which the business operated rather than internally-initiated systems. Few of the participant organisations had individual quality initiatives beyond the informal planning and intuitive standards practised by the owner-manager.

Given that many respondents find the term business excellence carries some meaning for them, we might claim that business excellence has relevance to the operations of micro-enterprises. However, most owner-managers clearly do not occupy themselves with the concept although they may be applying some of the practices formally associated with business excellence or best practice frameworks. Those interviewed appear to be knowingly or unknowingly operating their business outside the parameters of accepted 'technical' understandings of business excellence. Few have any experience of a formal business excellence approach such as the modified version of the Baldrige system used by the New Zealand survey of business, *Firm Foundations*. In comparatively few responses was business excellence expressed in terms that related it to the processes of the firm in the way that the implementation of total quality management systems would entail.

As a social construct, for individuals in our study, excellence evokes an array of different connotations that include personal values, lifestyle considerations and relationships with others. These present in somewhat complex representations, where the personal satisfactions or ambitions are married with business imperatives. Thus our findings present an apparent challenge to the assumption that micro-enterprises share characteristics with, or are a subset of, SMEs. Indeed, a social constructionist analysis of the owner-managers' texts suggests that excellence in New Zealand micro-enterprises is represented and constituted in a multiplicity of ways that might not be commensurate with the interpretations or understandings of formal business or government policy analysts. Associated with this claim is the possibility that the concept of business excellence as presented in the scholarly and policy documents to date has limited relevance to micro-enterprises. We found little comparison between Knuckey et al.'s (2002) conception of best practice and excellence as it was constituted by our respondents, but our findings lead us to concur with their claim that policy must recognise and encompass diversity. This diversity, we suggest, should acknowledge not just the differentiation between micro-enterprise and SMEs, but also the diversity among micro-enterprises.

Despite the areas in which it challenges some existing understandings, our analysis appears to endorse or extend the findings of some previous research. For example, our findings suggest that, where practices typically associated with business excellence and best practice are being consciously adopted by the owner managers, these are initiated in response to external imperatives, ranging from professional associations to bigger firms that these firms trade with.

Thus, our analysis supports previous studies that in the context of supplying larger firms, micro-enterprises apply certain processes to meet expected quality criteria from its customers (van der Wiel & Brown, 1998; Behesti & Lollar, 2003). Our findings are also consistent with the claim from a study of 98 SMEs in the manufacturing sector that customer service was highly regarded (Behesti & Lollar, 2003). Similarly, our interpretations appear to endorse previous observations regarding the owner-managers' sense of their own centrality to their enterprise. In their accounts of business excellence, respondents' personal and professional lives appeared inextricable, highlighting an artificial separation or 'closing off' of a crucial dimension of the business implied by existing excellence frameworks. Further, Ahire and Golhar's (1996) emphasis on the close relationship between small business owners and their clients is supported by our study. Like Hermel and Ramis-Pujol (2003), we are led to question the suitability of excellence models for micro-enterprise. Consistent with their claims we also have evidence to suggest management concepts are either not penetrating to micro-enterprise, or, if they do enter the management 'toolbox', they are ignored or radically redefined. Excellence is not just about leadership and planning; employee practices; quality and supplier relations; customer focus; information and benchmarking, and innovation and technology. Rather, it is about a different conception of the fundamentals of business.

CONCLUDING REMARKS

This paper looked at perceptions of business excellence amongst 49 New Zealand micro-enterprises. A number of features of our analysis set it apart from earlier studies. First, it draws from a research base whose scope is considerably larger than previous interview-based studies of micro-enterprise, thus ensuring access to a rich data source. Second, with some notable exceptions (e.g. Perry, 1997; Devins & Gold, 2002), the social constructionist framework adopted for analysis of the interview data is somewhat novel within the SME and micro-enterprise literatures. Third, adopting a social constructionist approach to analysis helps to situate the study in a particular business context. It enables us to acknowledge culture/location-specific aspects of New Zealand micro-enterprise. Thus, the study, by capturing the 'voices' of owner-managers of micro-enterprise, encourages us to engage with distinctively New Zealand representations of excellence. Whilst this 'non-generalizability' might seem to undermine its research value on a world stage, our analysis demonstrates some novel insights that justify a wider adoption of social constructionist perspectives to help to fill a gap in the research to date

Our analysis contributes to the understanding of how business excellence acquires meaning for smaller enterprises. Participants' comments on aspects of business performance and their responses to the question: 'What does business excellence mean to you?' provide a window into how owner-managers of micro-enterprises constitute the term that exists in the current literature as business excellence (e.g. Leonard & McAdam, 2002; Sturkenboom, et al., 2001; Ahire & Golhar, 1996; Perry, 1997). A social constructionist approach has enabled us to demonstrate that business excellence as conventionally framed is not a familiar or particularly useful construct for micro-enterprises. Accepted models do not capture or account for the integration of personal and professional that is a central feature of owner-managers' representations of excellence in micro enterprise. Indeed, insights from our study point to understandings of excellence being conveyed through 'unbusiness-like', personal and even mundane language. Meanings are sometimes ambiguous, often contradictory, and constantly constituted and negotiated through

discursive practices. Frequently a range of themes emerge within the same text and the individual voices heard reflect a complexity lost in the models and frameworks that have evolved to assist businesses to focus their efforts on developing and refining best practice business systems in the name of 'excellence'.

Our findings are relevant in the light of government policy, which has tended to group micro-enterprises under the broader SME category when targeting policy initiatives. The challenge to Government is to find a means of articulating good practice in a way that is meaningful to micro-enterprises. Such articulations must lock into the personal and business aspirations of micro-enterprises in a way that will also enable government targets to be met. Both policy language and the means of communicating policy must be mutually negotiated, rather than imposed.

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