

# Thematic Analysis on Business Management Priorities in Service Business

**Anna-Mari Simunaniemi and Matti Muhos**  
**Kerttu Saalasti Institute, University of Oulu, Finland**  
[anna-mari.simunaniemi@oulu.fi](mailto:anna-mari.simunaniemi@oulu.fi)  
[matti.muhos@oulu.fi](mailto:matti.muhos@oulu.fi)

**Abstract:** This paper views various management priorities used by service business entrepreneurs with a thematic analysis. Entrepreneurial behaviour is an individual-level phenomenon, which occurs over time, and results in an organization as the primary outcome of these activities. Entrepreneurs are necessary for entrepreneurial behaviour, and it is through actions of entrepreneurs that organizations come into existence. Thematic analysis is a search for themes that emerge as being important to the description of the phenomenon. Thus, this study sets focus on small business entrepreneur perspectives on entrepreneurship, innovation and management issues throughout business growth process. The focus is on how entrepreneurs generate knowledge themselves. This study focuses on an approach based on configuration theories that are concerned with the actual growth process, and how managerial problems appear and can be dealt with during a firm's growth through presumed typical stages of development. Muhos et al (2017) identified four stages of service business growth based on a literature review of empirically-based studies. The stages are presented as a framework with nine horizontal growth management themes across all growth stages. These themes are: Focus; Power; Structure; Decision-making systems; Strategic management; Service development and delivery; Marketing; Human resources, and; Growth. This paper aims to analyse how small business entrepreneurs in service business tell their business growth stories. More specifically, the aim is to analyse which growth management themes appear in open-ended growth stories told by entrepreneurs themselves. The data set consists of parts of semi-structured entrepreneur interviews in social and healthcare service business. Eight entrepreneurs in Northern Finland were requested to tell their business growth stories in their own words. We adopted an approach of thematic analysis based on recommendations of Miles and Huberman (1994) to compare entrepreneurs' open-ended growth stories to a pre-existing service business framework. More precisely, the growth stories were deductively analysed to meet a priori template of nine pre-conceived growth management themes. This study provides new understanding on business growth and growth management priorities from the often neglected perspective of small-business entrepreneurs themselves. This is important to create innovative platforms for enterprise growth and understanding business dynamics at the contextual level.

**Keywords:** growth management, service business, thematic analysis, small business, entrepreneurs, social and healthcare business

---

## 1. Introduction

This paper views various management priorities used by service business entrepreneurs with a thematic analysis. Entrepreneurial behaviour is an individual-level phenomenon, which occurs over time, and results in an organization as the primary outcome of these activities (Gartner, Carter & Reynolds 2011). Entrepreneurs are necessary for entrepreneurial behaviour, and it is through actions of entrepreneurs that organizations come into existence. This study focuses on an approach based on configuration theories that are concerned with the actual growth process (Muhos 2015, Greiner 1972, Churchill, Lewis 1983), and how managerial problems appear and can be dealt with during a firm's growth through presumed typical stages of development (Davidsson, Wiklund 2006). Muhos et al (2017) identified a framework for service business growth based on a literature review of empirically-based studies. The idea was that the review and synthesis of models of service-based businesses could reveal patterns, trends and potential blind spots as well as open potential paths for the further development of these models. To delineate the findings of these models, the main common themes were determined through an in-depth meta-analysis. The framework with nine horizontal growth management themes across all four growth stages. These themes are: Focus; Power; Structure; Decision-making systems; Strategic management; Service development and delivery; Marketing; Human resources, and; Growth. The framework presents stage-specific assumptions for each of the growth management themes. In this study, we want to investigate how entrepreneurs discuss these themes in their open-ended growth stories compared to assumptions based on a literature-based synthesis. Analysis on entrepreneurs' own stories reveals how they perceive business management priorities during the early stages of business growth. Further, this analysis can help to develop the framework further to a business assessment tool which takes into consideration entrepreneurs' own priorities.

## **2. Theoretical background**

Thematic analysis is a search for themes that emerge as being important to the description of the phenomenon (Daly, Kellehear & Gliksman 1997). Thus, this study sets focus on micro-entrepreneur perspectives on entrepreneurship, innovation and management issues throughout business growth process. The focus is on how entrepreneurs generate knowledge themselves. Finland is selected as the context environment of this present study because of the following interesting aspects related to social and healthcare business. In 2013, nearly 72% of the health and social services staff worked in the public sector (National Institute for Health and Welfare 2016). In recent years, the number of personnel in the private sector has increased faster than in the public sector. Social and healthcare businesses in general are growing, although many of the individual enterprises lack strategic aims for growth. Most enterprises in social and healthcare sector are classified as microenterprises (Ministry of Employment and the Economy 2012, Ministry of Employment and the Economy 2011). Social and healthcare business is in the middle of changes due to a prolonged healthcare, social welfare and regional government reform package as well as business acquisitions from large companies. The public sector has administrative, finance and provider roles in the service chain. Most turnover derives from municipalities, with most social and healthcare services based on public procurement by municipalities. The current business operating environment in Finland lacks clarity for SMEs. The social and healthcare sector faces a time of flux due to a protracted reform package for healthcare, social welfare and regional government and because of business acquisitions from large companies (Hartman 2011, Hartman 2012). Major healthcare and social welfare reform (Ministry of Social Affairs and Health, Ministry of Finance 2016) will significantly affect social and healthcare enterprises although nobody knows exactly how the reforms will be executed. Underdeveloped service markets pose a central problem for the development of private social services (Ministry of Employment and the Economy 2012).

## **3. Aims and methods**

In this paper, we aim to analyse how the growth management themes presented in the framework are expressed by entrepreneurs when they describe their personal business growth story as a part of a thematic semi-structured interview. The data set consists of parts of semi-structured entrepreneur interviews in social and healthcare service business. Eight small business entrepreneurs in Northern Finland were requested to tell their business growth stories in their own words as an opening part of a longer research interview. The hypothesis is that entrepreneurs focus on themes that are most significant to them. This provides better understanding on how social and healthcare entrepreneurs perceive their business growth and how they approach nine themes of the growth framework. Letting entrepreneurs freely tell their stories enables comparison of real-life stories told by entrepreneurs and the synthesis of empirically based growth framework.

This paper aims to thematically analyse how preconceived growth management priorities appear in open-ended growth stories told by entrepreneurs themselves. We adopted an approach of thematic analysis based on recommendations of Miles and Huberman (1994) to compare entrepreneurs' open-ended growth stories to a pre-existing framework on early stages of growth in service business (Muhos et al. 2017). More precisely, the growth stories were deductively analysed (Crabtree, Miller 1999) to meet a priori template of nine pre-conceived growth management themes presented in the growth framework. Nine business management priorities of the growth framework were set as preconceived main themes. After careful reading and re-reading of the transcribed interviews, the content was first coded under the main themes. These thematic categories are called sub-themes. In some cases the sub-themes seemed to include several aspects that should be perceived separately. Thus, some of the sub-themes were coded up to four more specific categories. The thematic analysis tree is presented in Table 1.

Ethical issues have been respected when conducting the interviews, data analysis as well as building the archives of data. We have applied a strict code of ethics and a procedure for handling audio recordings and interview transcripts to protect all parties, including those mentioned by the interviewees. The results are presented with all identifiable names and other details removed or changed.

## **4. Findings**

Thematic analysis on entrepreneurs' business growth stories was based on nine preconceived growth management priorities (main themes). We identified 18 sub-themes under main themes. Further, more detailed categories were coded under sub-themes when needed. Table 1 presents the thematic structure of the growth stories based on deductive analysis.

#### **4.1 Focus**

For main theme *Focus*, entrepreneurs described either issues related to the business or their personal focus. Related to the business focus, entrepreneurs told about creating and strengthening their business profile since establishment of the company. Companies need to find business identity that separates them from competitors, both in private and public sector, through constant service development. The importance of equipment and adequate facilities was a reoccurring category in the stories.

Entrepreneurs' personal focus was directed at networks and co-operation, learning entrepreneurship, motives for entrepreneurship or personal time use and focus. Many of the entrepreneurs told they felt alone particularly in the early stage or when they would need someone to discuss business development with. Becoming entrepreneur is a big mental step for social and healthcare professionals who often need to learn management and entrepreneurship issues themselves during or after establishing own company.

Motives for becoming entrepreneur differ. For many of the interviewees, helping people and working as healthcare professional is the primary motivation. For some others, entrepreneurship is a more strategic choice to develop a successful business.

#### **4.2 Power**

Main theme *Power* was related to two sub-themes: public sector power use and power use in the organization. Public sector has a central role in the Finnish social and healthcare system, both as service provider and financer, but also through public procurements, legislation and control. Public sector is perceived as an important co-operation partner but also as creator of excessive bureaucratic load for enterprises. Sometimes changes in the public sector organizations affect directly to business opportunities of companies.

Power use in the organizations is often owner-centred. It seems that owner-managers with healthcare background do not want to share responsibilities to professional executives, while they still want to remain active also in the routine care tasks.

#### **4.3 Structure**

Main theme *Structure* was discussed from perspectives of formalized operations and formalized organization structure. Regarding functions and practices, entrepreneurs described mainly unifying practices in different units to increase effectiveness and getting better economic control over different functions.

Business growth has led to more formalized roles and task specification in the companies. In the beginning, the roles are often unclear and owner-centred structure without formalized roles passivates workers. Introduction of defined roles and named responsible persons in units lets owner-managers more time to focus on management and strategic planning. Regarding formalized structure, some entrepreneurs regard organization still as non-hierarchical and prefer keeping personally in close connection to daily care tasks. Still, optimal organization structure needs to support business development and adapt to increasing clientele.

#### **4.4 Decision-making systems**

Main theme *Decision-making systems* was discussed based on two themes: decision-makers and systems. Decision-making is owner-centred in all case companies. Sometimes the owner makes decisions independently and sometimes they are discussed in team meetings, although the staff only has limited opportunities to influence. Decisions are made by owners alone or with management team if the company has one. Entrepreneurs regard it as important to get all workers involved in decisions on common routine issues.

Regarding decision-making systems, entrepreneurs discussed about different electronic systems and their scalability in accordance to business growth. However, only a few of the case companies had any particular electronic systems for decision-making, operational management or internal communication.

#### **4.5 Strategic management**

Regarding Strategic management, the interviewees had divided perceptions on strategy and quality work. Some did not have any written strategies or other more formal management procedures. Some had written a strategy

document earlier but did not implement or update it actively. However, there is almost the third group of entrepreneurs who take strategy work seriously and perceive it as an elementary part of managing a business. Recent changes in local social and healthcare organizations and waiting for the upcoming renewal of the Finnish social and welfare system (Ministry of Social Affairs and Health, Ministry of Finance 2016). Another identified sub-theme was use of external advisors in strategy work. Advisors and management boards are incorporated in companies who see value in active strategy work and aim to develop business with advice of external experts.

#### **4.6 Service development and delivery**

Clients are an integral part of social and healthcare services. Company cannot perform its services without users. After creating the customer base, an elementary part of service quality is to build trust with the client and being able to fulfil clients' need. In many cases a well performed service is the best marketing trick for these companies, and failure in keeping a customer is at best regarded as a chance to learn and make things better next time.

#### **4.7 Marketing**

Marketing was mainly discussed from the perspective of whether it has been planned or unplanned. Marketing was unplanned, when the entrepreneur was not familiar with promoting one's business. Actually one of the interviewees told about 'selling oneself' when referred to marketing. For enterprises active in small communities with relatively stable clientele, active marketing may not even be necessary. People build trust in companies over time and recommend services for in their networks.

On the other hand, some companies take marketing as seriously as strategic work in the theme presented earlier. In effective marketing in social and healthcare business, every service situation is regarded as an opportunity to strengthen positive brand and every employee is thus a central part of the marketing strategy. Besides the final customers, also the payer, i.e. the public sector, needs to be willing for guiding customers for the company.

#### **4.8 HR**

Many interviewees raised the importance of qualified and committed staff for a service business. However, the experiences reported by the interviewees differed a lot. Some companies struggle with not finding workers, which even prevents the company from growing or taking more customers. At the other end are those companies, who have several part-time workers waiting for more regular job contracts. Failed recruitment choices could lead a small company to troubles soon so the entrepreneurs are very careful when hiring new people. After recruitment, the next challenge for the employer is HR management. The aspects mentioned deal with missing career opportunities for staff in the business where formal education and qualifications mostly define the tasks one is capable of doing. Employers feel also responsible for keeping up good working climate in the team.

#### **4.9 Growth**

*Growth* was discussed from three different sub-themes. Individual companies are not immune to macro-economic and market situation. Sometimes the timing for a new company is favourable and the company gets a good start. Sometimes the situation turns more unfavourable over time and entrepreneurs struggle with finding new strategies for business. In another stories, the beginning is slow but when the trust is built with clients, the company reaches stable growth. Growing business means expansion and introducing new services, new clients or even new geographical market areas. Having several different service types in portfolio is a guarantee to survive over market turbulences. Seeing business grow and reaching better personal economy is motivating for entrepreneurs.

Not only growth success but also growth limitations were discussed in the growth stories. Besides lack of sufficient employers mentioned in earlier themes, two major obstacles were mentioned: uncertainty for future changes in the social and healthcare sector, and limitations due to the determinative role of the public sector.

**Table 1:** Deductive thematic analysis on business management priorities in service business

<i>Themes from growth management framework</i>	<i>Sub-theme</i>	<i>Categories</i>	<i>Examples</i>
1. Focus	1.1 Business focus	1.1.1 Business profile	<p>“We don’t rush around: we’ve had a clear picture since the beginning of what we do and to whom and in what scale.”</p> <p>“We must continuously develop our services. We must all the time find a profile separate from our competitors.”</p>
		1.1.2 Equipment and facilities	<p>“Particularly in the early stage when the cash flow wasn’t stable yet and we had a lot of these changes, we had harms with moving to new locations. It always costs and I found it [moving several times] as challenging.”</p>
	1.2 Entrepreneurs’ personal focus	1.2.1 Networks and co-operation	<p>“The most difficult thing was when I was alone. I didn’t have anyone to ask what to do.”</p> <p>“I have a colleague in another municipality with whom I have a ‘helping line’. We call each others weekly although we should be competitors. We more like, we share experiences and comments and so on.”</p>
		1.2.2 Learning entrepreneurship	<p>“Everything was new to me. My own skills, it felt that before I learnt where to find everything [information] and so... I learn something new every day. At first, I got it more than enough.”</p>
		1.2.3 Motives for entrepreneurship	<p>“I am entrepreneur from my heart. I really wish to help. The first goal is not many, not in any case, and that’s why I work so long days because I really want to make this I do now.”</p> <p>“My personal goal from the beginning was to make business grow and do things in a certain way.”</p>
2. Power	2.1 Public sector power use	2.1.1 Co-operation with public sector	<p>“Quite obviously, from the perspective of business growth and development as the whole, establishment of joint healthcare municipalities has made it more difficult for customers, for workers, and added work of entrepreneurs.”</p>
		2.1.2 Bureaucracy and legislation	<p>“What is difficult in this business may be this amount of bureaucracy. It feels that whatever you want to do, if you want to expand somewhere, so it is really slow to proceed.”</p>
	2.2 Power use in the organization	----	<p>“It is very easy when decisions are usually made by me! Or actually, we have once a month a workplace meeting. I prepare the issues and I reason them according to my thoughts and take them to the meeting. And usually they are accepted like that.”</p> <p>“We have a very open work community. We don’t hide firm’s matters, we go through everything quite openly. But the control goes always through us, of course.”</p>
3. Structure	3.1 Formalized operations	3.1.1 Functions and practices	<p>“Controlling, formalized procedures and economic control, this is exactly where we are now. We want to get a better understanding of where money is burnt and where it is good and where it is bad.”</p> <p>“Since last year, we’ve unified many operations and units and set same rules and systems for all.”</p> <p>“Then it has been refining services as long as having registered services and trademarks now. Service design and productization a lot.”</p>
		3.1.2 Task specification and formalized roles	<p>“We had a very limited group who planned things and the others did customer service and provided services and so. And job descriptions were clearly very narrow. They have been broadened since then.”</p> <p>“When I take care of the management side, my responsible nurse takes care of the care side and daily functions.”</p>
	3.2 Formalized structure	----	<p>“ We haven’t wanted to hire professional executives. We have responsible workers but we have this principle decision that we want to make [care] work to see what an everyday working life is. We want to be involved. We haven’t searched another manager.”</p>

*Anna-Mari Simunaniemi and Matti Muhos*

<i>Themes from growth management framework</i>	<i>Sub-theme</i>	<i>Categories</i>	<i>Examples</i>
			"It is good in this organization structure that, as I said, we have been able to create organization structure that enables growth without limping anywhere."
4. Decision-making systems	4.1 Decision-makers	----	"In the end, it is me who makes all decisions anyway. But of course, we do plan together shift list systems and we kind of share these tasks and responsibilities in meetings, so everyone is involved." "Of course it is the management who takes the biggest decisions but in these normal daily issues, we take decisions together."
	4.2 Systems	----	"We don't have anything special but only email or active information, giving announcements for staff or making sector-specific releases on where we are. We don't have any actual operational systems."
5. Strategic management	5.1 Strategy and quality work	----	"We do not have any written strategy, we haven't put it on paper." "Well yes, we have written those [strategy] but we haven't looked at them during the recent years." "We made ten-year plans when we started. During joint municipality we made five-year plans and now we move to one-year planning. This uncertainty is seen here."
	5.2 Use of external advisors	----	"We have a board with three external persons besides me. We have chosen persons who have a strong business background in different industries, who can spur my doings and actions. And we go regularly through the business sector by sector."
6. Service development and delivery	6.1 Client-centricity	----	"Maybe in the beginning the biggest thing was being able to meet the increasing demand. Then the demand grew when they when they needed more and more." "Trust comes little by little and when we reach it we hope it will last. At least I work hard for not letting anything [confidential] go further from me."
7. Marketing	7.1 Planned marketing	----	"What took us further and developed us, it was that we actively thought about where we'll find new customers. We marketed, sold and I tried myself to do that and to support the staff for....--- that everyone in the customer field would do selling and marketing." "Then we started to think more about how we'll market this further and how we'll make municipalities to believe in it."
	7.2 Unplanned marketing	7.2.1 No need for marketing	"We haven't done marketing a lot. Home help services in a small community, it's mostly through the grapevine. Quality on the field. We take care of the person and her needs, what she really needs."
		7.2.2 Unfamiliarity of promoting oneself	"Marketing oneself, that felt so awkward. But I have learnt that since then. And selling yourself... In the beginning it felt that customers should come to me and not me going to them... But I have learnt that too."
8. HR	8.1 Recruitment and staff commitment	8.1.1 Lack of qualified workers	"I have this one issue up all the time, that is, how to keep these existing customers and still find a worker, so I could grow this company."
		8.1.2 Recruitment strategies	"We've had applicants all the time. We've had a group who have worked as hourly workers, on request, and we've had them there all the time. And when the work amount increases, we've asked an hourly worker if she would like to work for us more. And we've made her regular worker with more working hours."
	8.2 HR management	8.2.1 Career paths for employees	"Career paths for an employee... Well, she doesn't have any. If she's a child care worker she cannot proceed to other tasks like becoming a nursery teacher without extra education."
		8.2.2 Working atmosphere	"Staff commitment... I find it challenging, because I want to have a good atmosphere here and this feels like home for the

Themes from growth management framework	Sub-theme	Categories	Examples
			customers. So commitment for keeping it like this, I find it very challenging and I want more tools for managing that."
9. Growth	9.1 Macro-economic and market situation	----	"This general economic situation is reflected so that... Well, we don't have enough customers. Too quick rehabilitation, sooner than new customers come in. The times were better back then [when the company was established]."
	9.2 Expansion and new services	----	"We have grown with a certain pace and strived for activity looking like us, so we have three different activities." "When we got more customer places and more staff and task roles changes a little and so, it always pushes forward. And then we started getting positive cash flow, so I could pay salary for myself too."
	9.3 Growth limitations	----	"Of course, there's a constant change everywhere, but particularly now when this social and healthcare reform is coming and it will be implemented in the field, so this is an awaiting situation. We have got a bit stuck in this stage. We try to keep the business as it is and we don't have any growth pressures." "We have a very limited growth possibility. So when we have limited square meters, we have a specified number of staff, and then we have this local joint social and healthcare municipality. We cannot face this business recklessly."

## 5. Discussion and conclusions

This study provides new understanding on business growth and growth management priorities from the often neglected perspective of micro-entrepreneurs themselves. Research on experiences of the managers in the case businesses highlight the reality as it is perceived by entrepreneurs. Thematic analysis based open-ended growth stories shows that all the preconceived business management priorities (themes) are covered in growth stories. Thus, all these themes are relevant for microentrepreneurs in the early stages of business growth. In many themes, like *Strategic management*, *Marketing* and *HR*, there is polarization of entrepreneurs' management priorities. Some work actively with their strategy even with external advisors, they plan their marketing process and persuade to growth, which is possible because of successful recruitments. On the other hand, some entrepreneurs neglect strategic planning and systematic marketing. Interestingly, some of these same entrepreneurs complained about lack of qualified staff as the major barrier for business growth. Central role of the public sector occurred in several themes, particularly in *Power*. Because majority of customers are directed to companies through local social and healthcare sector, who is also the payer, entrepreneurs sometimes feel having only little power over how their business can be developed.

It is important to create innovative platforms for small enterprise growth and understanding business dynamics at the contextual level. As entrepreneurial behaviour is an individual-level phenomenon and it is through actions of entrepreneurs that organizations come into existence (Gartner, Carter & Reynolds 2011). The smaller the company, the more obvious is the link between an entrepreneurial individuals' motives and personal mind-sets and the actual business performance. This analysis is a little attempt to gain understanding over which how entrepreneurs discuss different growth management themes when they are given free voice. This analysis is the first step where only the main themes of the literature-based stages of growth framework (Muhos et al. 2017) were analysed. The next step is to conduct a more detailed analysis that compares more in details the preconceived assumptions of the framework and entrepreneurs' business growth stories.

## References

- Churchill, N.C. & Lewis, V.L. 1983, "The five stages of small business growth", *Harvard Business Review*, vol. 61, no. 3, pp. 30-50.
- Crabtree, B. & Miller, W. 1999, "A template approach to text analysis: Developing and using codebooks " in *Doing qualitative research*, eds. B. Crabtree & W. Miller, Sage Publications Inc, Newbury Park, CA, pp. 163-177.
- Daly, J., Kellehear, A. and Gliksman, M. (1997), *The public health researcher: A methodological approach*, Oxford University Press, Melbourne, Australia.

**Anna-Mari Simunaniemi and Matti Muhos**

- Davidsson, P. & Wiklund, J. 2006, "Conceptual and empirical challenges in the study of firm growth", *Entrepreneurship and the Growth of Firms*, pp. 39-61.
- Gartner, W.B., Carter, N.M. & Reynolds, P.D. 2011, "Entrepreneurial behavior: Firm organizing processes " in *Handbook of entrepreneurship research. An interdisciplinary survey and introduction*, eds. Z.J. Acs & D.B. Audretsch, 2nd edn, Springer, pp. 99-127.
- Greiner, L. 1972, "Evolution and revolution as organizations grow", *Harvard Business Review*, vol. 50, no. 3, pp. 37-46.
- Hartman, S. 2012, *Sosiaaliala. Toimialaraportti 5/2012*, Työ- ja elinkeinoministeriö, Helsinki.
- Hartman, S. 2011, *Terveyspalvelut. Toimialaraportti 10/2011*, Työ- ja elinkeinoministeriö, Helsinki.
- Miles, M.B. and Huberman, A.M. (1994), *Qualitative Data Analysis: An Expanded Sourcebook*, 2nd edn, Sage Publications Inc, Thousand Oaks, CA.
- Ministry of Employment and the Economy 2012, *Toimialaraportit: Sosiaalipalvelut [Industry Reports: Social Services]. 5/2012*, Helsinki, Finland.
- Ministry of Employment and the Economy 2011, *Toimialaraportit: Terveyspalvelut [Industry Reports: Health Services]*, Helsinki, Finland.
- Ministry of Social Affairs and Health & Ministry of Finance 2016, , *Health, social services and regional government reform*. Available: <http://alueuudistus.fi/en/frontpage> [2016, 9/8].
- Muhos, M. 2015, "Review of business growth models: methodology and the assumption of determinism", *International Journal of Management and Enterprise Development*, vol. 14, no. 4, pp. 288-306.
- Muhos, M., Saarela, M., Simunaniemi, A., Del Foit, J. & Rasochova, L. 2017, "Early stages of service business - Review and synthesis", *International Journal of Management and Enterprise Development*, vol. 16, no. 3, pp. 115-173.
- National Institute for Health and Welfare 2016, *Statistical yearbook of social welfare and health care 2015*, Tampere.