Factors influencing the time management behaviours of small business managers

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Description
The economic and social contribution of the nearly two million Australian small business enterprises is significant. The challenge of owning, managing and ensuring a business is successful is onerous. Whilst failure rates are reportedly high, many small business managers are successful because they have the right products, a particularly strong work ethic and excellent time management skills. The purpose of this research is to explore the factors that most influence small business managers in their time management behaviours. The paper also argues that a more qualitative approach to understanding the forces that impact on small business manager time behaviours will lead to a clearer understanding of the situational variables that enable good time management practices. It is also hoped that this research may contribute to manager awareness of the importance of time management behaviours in the achievement of business and personal goals.

Location
iC - SBS Teaching Facility

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Factors influencing the time management behaviours of small business managers

Peter McNamara

Abstract
The economic and social contribution of the nearly two million Australian small business enterprises is significant. The challenge of owning, managing and ensuring a business is successful is onerous. Whilst failure rates are reportedly high, many small business managers are successful because they have the right products, a particularly strong work ethic and excellent time management skills. The purpose of this research is to explore the factors that most influence small business managers in their time management behaviours. The paper also argues that a more qualitative approach to understanding the forces that impact on small business manager time behaviours will lead to a clearer understanding of the situational variables that enable good time management practices. It is also hoped that this research may contribute to manager awareness of the importance of time management behaviours in the achievement of business and personal goals.

1. Introduction
Small business enterprises occupy a significant portion of the Australian business landscape. In a speech to the National Small Business Summit in June 2009, the then Prime Minister of Australia, Mr Kevin Rudd, asked his audience to consider the important role that small business has played in the success of the Australian economy. He stated that there are 1.93 million active small businesses in Australia. They make up 96% of all businesses, contribute 35% to the Australian GDP, employ 3.8 million people and account for around 46% of total private sector employment (Rudd 2009). In the wake of the global financial crisis, the burden on small business to perform cannot be overestimated. The CPA Australia Asia Pacific Small business survey of 2009 concluded that ‘Small businesses could be one of the key drivers of economic recovery in some Asian economies’ ("Small Business on the Rise" 2009).

The importance of effective management in boosting business resilience during tough times is also an essential success factor for small business success. Professor Petty, in a recent CPA report said: "The results indicate links between good management practices, confidence and business performance and are therefore particularly notable." ("Small Business on the Rise" 2009). Small business managers often perform a multitude of tasks in pursuit of their business goals. The consensus of numerous studies about managerial work in the context of small business is that it is chaotic, unstructured and unpredictable (O’Gorman, Bourke and Murray 2005). Gibb and Scott (1985) argue that it is the strategic awareness and personal commitment of the owner that contributes to goal achievement in firms that seek to expand their markets.

2. Research Aims and objectives

Research question:
What are the factors that influence a small business manager’s time management behaviours?

Aims of the research:

1. To investigate the time management behaviours of small business managers.
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a. What are the time management behaviours of small business managers?
b. How formal are these practices?
c. How do small business managers (SBM’s) perceive their time management effectiveness?
d. What benefits do SBM’s derive by using Time Management Behaviours (TMB’s)?

2. To identify factors that influence the ways in which SBM’s manage their time.
a. What are the factors that influence time management behaviour?
b. What SMB’s time management practices are influenced by these factors?
c. How do these factors influence the time management behaviours of SMB’s?

3. To develop a model that represents the factors influencing small business managers’ time management behaviours and the context within which they are effective.
a. What are the principal factors that influence the time management behaviours of SMB’s?
b. How do these factors enable or inhibit time management behaviours?

3. Literature Review

The emergence of time management
The notion of ‘managing time’ firstly appears in of McCay’s 1959 book titled ‘The Management of Time’ (McCay 1959). McCay’s model of time management proposed the use of time logs as an effective way to monitor a manager’s use of time. It was also seen as way of ensuring that a manager spends his/her time on activity that is in line with business goals. Drucker, also acknowledged the importance of managers’ time as being a critical factor in the success of executives (Drucker 1967). In The Effective Executive a chapter titled ‘Know thy time,’ warns of the dangers of wasting time and the consequences of always being busy (Drucker 1967). Improving one’s use of time in the 1960’s and 1970’s was firmly aimed at the executive or manager and not at the employee.

The determination of individual managers’ needs and the incorporation of a manager’s goals were included in the discussion of time management in the In the 1970’s (Lakein 1973). The workplace was regarded as the only context in which time management was practiced. Alec McKenzie’s ‘The Time Trap’ is typical of the formularised approach to time management of the 1970’s (MacKenzie 1997). Considered by some as a ‘management guru,’ McKenzie’s ideas were promoted to a much broader audience and in particular aimed at employees. King et al (1986) viewed time management as ‘coping behaviour in at risk populations’ and other researchers such as Lay and Schouwenburg (1993) opine that it is both a way to increase productivity and alleviate stress. Covey, Merril & Merril (1994) neatly break down the theory and practices on time management to four generations. The first generation is characterised by notes and checklists. The second is characterised by calendars and appointment books and focuses on the need to plan ahead. The third generation is about ‘planning, organising and controlling’ and the setting of long term and medium term goals. The fourth generation, which is the subject of the book ‘First Things First,’ challenges readers to take a new look at managing time. By the 1990’s, time management, as a self-improvement methodology, was firmly established its appeal to both managers and employees.

Measuring time management behaviour and proactive
A more empirical approach to the implementation of time management practices was needed to balance the over popularisation of time management as was evident the 1970’s and 1980’s. Bond and Feather’s (1988) Time Structure Questionnaire (TSQ) was
designed to ‘measure the degree to which individuals perceive their use of time as structured and purposive’. The results of their study, which originally used Australian students for their sample, indicated that there were positive relationships between the perceived use of time and a sense of purpose in life, self-esteem, reported health and other personal improvements (Bond and Feather 1988). Britton and Tesser’s (1991) Time Management Questionnaire (TMQ) was originally designed as a way of testing an hypothesis ‘that college grade point average would be predicted by time management practices’. They found there was a positive correlation between those who ‘self-reported’ time management practices and performance in academic subjects. Both the TMQ and the TSQ questionnaires have relied heavily on student populations for their data gathering.

The Time Management Behaviour Scale (TMBS) (Macan, Shahani, Dipboye et al. 1990) also emerged during this period as a measure of time management behaviours. Again, college students were the subjects of the initial testing of the TMBS. The TMBS has, however, been more widely used in research in time management than both of the other instruments discussed earlier. Claessens et al (2007) in their extensive review of the time management literature, conclude that ‘most support was found for the TMBS (Macan 1996) as a psychometrically reasonably sound measure for studying time management behaviour’. The TMBS has also been revised several times from its original design in 1990 which has resulted in shorter version (Macan 1996). The TMBS has been applied more prolifically to workplace contexts than either the TSQ or the TMQ. Peter’s & Rutte’s (2005) study of elementary school teachers and the Griffiths’ (2003) study of central office employees are examples of this (Claessens, Eerde, Rutte et al. 2007 p259). It has been applied to a number of different organisational and personal situations. For example, Macan et al’s (1996) work has been used by Kearns and Gardiner (2007) to understand the effect of time management behaviours on training and performance and by Green and Skinner (2005) to analyse time culture, stress and work and home balance. Jex and Elacqua (1999) also used Macan et al’s (1996) work to study high priority tasks and satisfaction. In short, the Macan et al (1996) model is based around categorising time management behaviours around four variables: 1) Setting goals and priority activity; 2) The mechanics of TM e.g. making lists; 3) A preference for being organised; 4) Perceived control of time.

**Factors that influence time management behaviours**

While this research aims to explore the factors that influence small business manager’s time management behaviours, it also attempts to address the significant lack of research into the conditions that enable time management to be practiced. While the testing of time management instruments on student populations is understandable and convenient, it does not provide us with adequate knowledge in other contexts such as the small business world. Claessens et al (2007) identify 23 of the 35 major time management studies as having used student populations for their samples.

The following figure outlines the influential ‘factors’ which will be considered in this proposed exploration of time management behaviours in relation to small business managers. The researcher acknowledges that this model is, at this stage, a starting point for the analysis and that a more robust model will be developed as a result of the qualitative research.
Factor 1: Individual characteristics
Recent studies have analysed factors such as ‘personality type’ to view the motivation of individuals in their time management decisions (Frederick, Loewenstein and O'Donoghue 2002; Schmidt and DeShon 2007; Schmidt, Dolis and Tolli 2009). Francis-Smythe (1998) introduced a five scale factor of ‘time personality’ including punctuality, polychronicity, planning and impatience. They found that people who needed to exert higher levels of control in the work environment also scored highly on their scale as good time managers (Refer to Claessens et al 2007 for Francis Smythe (1998) citation). Commonly used psychological profiling instruments such as the Myers Briggs Type Indicator (MBTI) have also been studied in regard to their relationship with time management (Myers and Myers 1998). The study of Williams et al (1995) showed a positive correlation between ‘J’ scores and a propensity for a planned and orderly way of living (refer to Claessens 2007). Type A behaviour patterns, commonly discussed in the world of psychology, are strongly associated with ‘time urgency’ (Dishon-Berkovits and Koslowsky 2002).

Other studies have focused on individuals preferences for ‘discounted utility’ which refers to one’s preference in receiving a lesser reward sooner rather than waiting and receiving a greater reward later (König and Kleinmann 2007). Polychronicity, which is another psychological preference whereby the person has a preference for doing multiple tasks simultaneously rather than one at a time (Souitaris and Maestro 2010). Age, experience and capability may also have some bearing on a small business manager’s time management behaviours. Pansiri and Temtime (2010) have reported that experienced SME managers view problems quite differently from inexperienced managers.

Factor 2: Work Life Balance
After extensive consultation with employee and employer groups, the Fair Work Australia Bill was formally passed by the Australian Senate in April 2009 in which ‘minimum standards of work life balance are defined (Waterhouse and Colley 2010). After twenty years of discussion about work life balance, it has finally been enshrined in law.

The Work life balance, for many small business managers may be more of a dream than a reality. Management’s hesitancy in taking up work life balance initiatives, as reported by Spinks (2004), is even more common in small business. The adverse effects of an unbalanced work and life ratio have been linked with such negative outcomes as relationship breakdowns, stress, burnout and fatigue (Brown, Bradley, Lingard et al. 2010). Yet evidence also suggests that working longer hours can actually decrease productivity while having a better work life balance can increase productivity (Cooper 2000). The Australian Work Life Index Survey conducted in 2008 found that that the majority of working women feel a strong time strain on their lives (Skinner and Pocock 2010).
Factor 3: Organisational Influences
Organisation influences such as size, life cycle stage, sector, and the availability of finance all impact on the small business manager. Size and life cycle stage are briefly discussed following. Pansiri and Temtime (2010) have found that there is a direct correlation between the size of an organisation and a manager’s ability to perform effectively. Its influence on time management decisions and behaviours is also most significant. Small to medium size enterprises (SME) may require considerably more ‘hands on’ activity than do larger enterprises.

Many of the life cycle models have also significant implications for time management. Adizes’ (1989) life cycle model from the late 1980’s views the manager’s role as one continually changing. The early stages the manager is involved in selling, which is followed by the need to take risk, the need to develop a vision and administrative systems to keep up with the growth. This is followed by the need for planning and co-ordinating and the implementation of better systems and finally when the company is mature it is characterised by institutionalised systems, policies and procedures (Adizes 1989). This model well supports the view that a manager’s role changes as a business grows and a manager must put his/her time towards different activities in order to offset the compelling demands of growth.

More recently, Davidson’s (2009) life cycle model sees the business manager experiencing crisis in the transition points of growth. In the first ‘Founder Led’ stage, which similar to the model of Appendix one uses a lot of a manager’s personal time. This is followed by the ‘Structure Transition Point’ stage where a manager who wants to grow the business must delegate. This point is characterised by stress and overload. The time management implications of this stage are significant. It would appear that the final stage called the ‘Bureaucracy Transition Point’ is where the manager can put his/her feet up unless new growth is required (Davidson 2009).

Factor 4: External Environment
This is a broad heading for the numerous external factors that may influence a manager’s time management behaviours. External factors both influence the manager him/herself and the business. External environmental factors may include Industry Competition, Customer demand issues as well as the Bargaining Position of Suppliers (Nankervis, Compton and Baird 2008). It must be stressed that a greater appreciation of these external factors will be gained from the qualitative approach that is proposed for this research.

Factor 5: Information technology take up
The widespread uptake of technology by small business has witnessed high usage of computers and a range of communications devices that are all designed to improve aspects of a business performance. The use of the internet is now a normal part of many small businesses in Australia. Studies have shown, despite anecdotal evidence to the contrary, that the use of internet actually can lead to an improvement in the working life of managers and in particular in regard to their time management (Gan Kong Guan, Kiong, Koh Liang Kin et al. 2002). Outlook, which is Microsoft’s email and calendar software is also designed to be used as a time management tool. Totty (2007) reports on a number of high level executives in New York who have reported positive benefits in the use of such software.

The increasing dependencies that are created by the use of communication devices such as mobile phones has been shown in recent Australian studies to ‘increase employees
sense of being rushed’ and the intensification of work (as they toil at a more intense pace, under greater time pressure) resulting in more stressful jobs (Bittman, Brown and Wajcman 2009). This study demonstrated this is a particular issue for the male population.

**Theoretical Framework & Research Design**

The lack of causal analysis and rigorous enquiry concerning the context which enables the practice of time management behaviours, represents a significant gap in the literature and an opportunity for this research. Factors that influence a manager’s time management behaviours are best dealt through the ‘documentation and description’ of the experiences that are faced (Vivar, McQueen, Whyte et al. 2007). This necessitates the use of a qualitative approach to this research. The proposed research is underpinned by a constructivist epistemology.

A multiple case study approach has been chosen as the most effective way of addressing the research questions. The goal will be to ‘expand and generalise theories rather than enumerate frequencies’ (Yin 2003 p10). The two factors that Yin (2003) points to as being critical for case study research are the investigation of contemporary phenomenon within a real life context especially when the boundaries between phenomenon and context are not clearly evident (Yin 2003 p13). These factors are applicable to this research.

The manager/owner of a small business within the business services sector who employs up to twenty people is the unit of analysis of this research. The recruitment services industry in particular has been chosen as it represents the busy business environment that is typical of this sector. Owners also have a tendency to spend too long at work which has other serious implications such as burnout, relationship breakdowns and poor health (Hodgkinson 1980; Grossmann 1987; Malone and Jenster 1991). This group is most vulnerable to such adverse outcomes which are all a factor of the amount of time being spent at work.

The Bureau of Statistics still defines small business as employing fewer than 20 employees. Rather than exclude any worthy sample group between 15 and 20 our research will continue to use the Bureau of Statistics definition of fewer than 20 employees (ABS 2008). The business services sector has been chosen for this research. Among other considerations is that this sector contributes most to the economic well-being of the country. In regard to the services sector the following extract from the Department of Innovation, Industry, Research and Science highlights the importance of this sector: Services industries accounted for 85 per cent of the two million Australian businesses operating as at June 2007 (the latest period for which data is available). During 2006-07, a net of 48,000 additional businesses entered the services sector – an increase of 2.9 per cent (DIISAR 2010).

**Specific characteristics of the unit of analysis:**

- Has established his/her own business
- Has been in business more ten years or more
- Manages a staff of up to nineteen people
- Recruitment Services Industry

‘Purposive sampling’ will provide more information on a few small business managers rather than a larger population (Lee and Lings 2008 p213). In Qualitative research, the
emphasis is on quality rather than quantity. The term ‘theoretical saturation’ in which ‘no new data is found’ will apply to this research (Flick 2002 p64). This will have some bearing on the sample size and it may be necessary to extend the sample if considerably different data themes emerge from each of the four proposed units of analysis. It is expected that the research will be undertaken on between 4-6 small business enterprises in the Recruitment Services Industry.

Data will be gathered by a combination of observations and interviews. This will enable the researcher to gather rich data on the contextual considerations. Data will be collected from small businesses in the Illawarra Region. Information obtained from Illawarra Regional Information Service (IRIS) shows that there are 1,615 small businesses with 5-19 employees in the Wollongong area and 3,483 small businesses of the same size in the whole of the Illawarra (IRIS 2006).

Semi-structured interviews have been chosen as the medium for the primary source of data gathering. Using O'Leary's 'Interview Types' model these interviews would be one on one, semi structured and informal (O'Leary 2005). It is important that the one-on-one nature of the interview is maintained as the interview will also be observed. The semi-structured nature of the interview ‘can start with a defined questioning plan, but will shift in order to follow the natural flow of the conversation’ (O'Leary 2005 p116). It is also important that there is a certain amount of informality in the interview as this will promote rapport between the researcher and the manager. Each of the interviews, including the pilot interviews, will be recorded for the purpose of clarification and on-going data analysis.

A pilot study will be undertaken on to independent SBMs in order to establish reliability and validity of the qualitative process. It will also enable the researcher to make modifications to questions and the approach. The pilot study will also help to verify some of the questioning techniques and provide practice in the coding of the interviews.

The analysis of data will be guided by the aims and objectives of the research. Using a logical and systematic framework is the most desired way of gaining ‘rich meaningful understandings' out of seemingly ‘messy, complex and chaotic raw data' (O'Leary 2005). Reducing the data will be one of the significant challenges. It is described as ‘the process of selecting, focusing, simplifying, abstracting and transforming of the data’ (Miles and Huberman 1994 p10). Lee and Lings (2008) describe this process as ‘reducing the rich data down to a set of core ideas’. Coding provides its own challenges and Bryman & Bell (2007 p594) outline a series of steps to assist in the coding process. The Analysis of the data, the search for meaning and the interpretation need to be carefully undertaken in the light of the research questions.

**Validity and reliability**

Triangulation will be used to support the validity of this research. It is described by Flick (2002 p226) as a ‘combination of different methods, study groups, local and temporal settings, and different theoretical perspectives in dealing with a phenomenon’. In the proposed research, triangulation is possible by the use of interviews, observations and the collecting of data through time logs. Another common method that helps to assure validity is that of ‘respondent validation’ (Lee and Lings 2008). By taking the results of the first interview back to the subjects, which in this case are small business managers, then data and interpretation can be verified. The problem of ‘anecdotalism’ which is the attempt of the researcher to ‘base conclusions on a small number of quotes or examples that epitomise key points’ is a constant source of concern in qualitative analysis (Lee and
Lings 2008 p238). Anecdotalism is a complaint that ‘questions the validity of much qualitative research’ (Silverman 2000 p11).

Reliability also comes under attack in data collection and analysis as it is often based on a single researcher’s interpretation of events or observations. What is included in the actual research paper may only be a small part of the actual narrative and thus is open to questions of objectivity (Silverman 2000; Lee and Lings 2008). Reliability, in the context of this qualitative research is best achieved through what may be referred to as ‘consistency in methods’ (O’Leary 2005 p68).

**Ethical considerations**

The relationship that the researcher needs to have with the subject, who in this case is a busy small business manager, is one of ‘empathy, identification, trust and non-exploitative relationships (Coghlan and Brannick 2010). The multiple case studies will share some common logistics. ‘Confidentiality’ and ‘informed consent’ will be key ethical considerations that will assist in the researcher/client relationship.

**Limitations of the proposed research**

The nature of the qualitative study is one of depth rather than quantity. This proposed case study research is limited by the generalizability of its findings. The second limitation of this study concerns the choice of subjects. The busy nature of small business managerial work is such that ‘time is of the essence’ and using time for the analysis of time use may be seen as poor time management from their perspective. The actual subjects chosen will be ones that fulfill the criteria as set out above, and are willing to participate in this qualitative process. This limits the selection of subjects to ‘convenience’ rather than any possibility of random sampling. The third limitation and challenge concerns the potential subjective interpretation of the data. This challenge will emerge during the data analysis process.

**Conclusion**

Time management is one of the most challenging issues facing small business managers both now and in the future. Research in time management has largely ignored this sector which is critical to the success of the Australian economy. While much of the emphasis on time management has been on the improvement of individual efficiencies and the reduction of problems associated with not getting work done, little consideration has been given to the factors that influence the take up of time management behaviours. Understanding these factors, though qualitative research, will help us provide better time management knowledge which may be beneficial to the management and success of small business in Australia.

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