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Jagiellonian University

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**Review of the doctoral thesis of Ms Pingping Song, M.A., titled:  
"The Business Performance and Competitive Strategies of Chinese  
SMEs: Case Study in Qingdao City"**

**written under the supervision of prof. dr hab. Alojzy Nowak and  
prof. Yochanan Shachmurowe , University of Warsaw, Faculty of Management,  
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**A. Formal statements**

This review is conducted on the basis of the resolution of the Board of Faculty of Management, Warsaw University, appointing me to the function of reviewer of the above-mentioned doctoral dissertation that I have been informed about in the letter (dated January 29<sup>th</sup>, 2016) from the Dean , prof. dr hab. Jan Turyna.

The subject of the review is the typescript of total volume of 18 pages numbered with Roman numerals (front page, dedication, acknowledgment, abstract, table of content and list of charts, tables and figures) and 287 pages including main dissertation's text, bibliography, and six appendices containing definition and measurement of SMEs in China, list of differences between qualitative and quantitative research, research questionnaire, interview checklist, frequency data and descriptive statistics.

Dissertation's main component is divided into eight chapters, each chapter includes an introduction and a summary. The structure of dissertation is well balanced and total volume is typical. Bibliography includes 324 continuous and compact positions exclusively in English. It is worth noting that above 30% positions listed in the bibliography were published after 2009. However, although dissertation was prepared in

Poland, none of publications comes from Polish research achievements. Taking into account the fact that research concerns Chinese companies, such is the author's native language plus the knowledge of English - whereby the foreign sources are extensively used - that cannot be taken against the author, but only noted. Formal aspect of dissertation deserves a positive mark.

## **B. Overall appraisal**

My appraisal of Ms Pingping Song's, MA, dissertation - is positive. Ph. D. student undertakes research problematic important from cognitive and pragmatic viewpoints. She places in the center of her interests the question of the quality of strategic management in Chinese SMEs and – what is particularly valuable – consider it against the broader historical and comparative (EU, USA) background. This research aim is executed due to intensive analysis of secondary data. Such approach makes presented dissertation distinctive among numerous studies on condition and functioning of SME's sector: historical aspects are rather rarely taken into account. Pragmatic mission of presented research is clearly articulated: Author aims at formulation of recommendations regarding ways of managing SMEs. Practical value of presented research is perhaps best seen when one follows Author's observations of current operational difficulties and future potential risks of SMEs sector in China. Another strong side of research is its methodical aspect. Author introduces so-called “mixed methodology”, trying to cover different data sources. Subjective as well as “objective” data are gathered and analyzed. The choice of methodology is a function of research problem. In the case of reviewed dissertation the choice of methods and interpretation of data gathered is correct. Perhaps readers with more sociologically or anthropologically oriented imagination can be dissatisfied with relatively less accent put on narrative data coming from unstructured interviews. However focus of research was on analysis of management practice and procedures and not on use of language, symbols and meanings in construction of work realities. Another source of certain dissatisfaction can be little attention paid to the question of ecological (spatial) dimension of mutual interactions between SMEs studied. Since enterprises are coupled in geographically and administratively defined region, the analysis of their

mutual relations could be potentially of importance. Data proving the significance of such relations between SMEs located in regions were analyzed within large European project and PILOT (Policy Innovation in Low-Tech — Knowledge Formation, Employment & Growth Contributions of the ‘Old Economy’ Industries in Europe) and in older research on the geographical arrangements of Italian shoe-making industry and Boston high-tech industries region, reported in the book edited by Brigitte Berger. All remarks made here do not mean complaints against the conceptualization of research but rather refer to a presentation of possible alternative perspectives.

### **C. Detailed appraisal**

Author defined and accepted very ambitious goals for her research. The goals were as follows:

- identifying the relationship between SMEs business performance and economic effectiveness
- assessing the strategic position of Chinese SMEs
- analyzing the strategic choices adopted by Chinese SMEs
- evaluating the competitive strategic choices adopted by Chinese SMEs
- recommending the suitable strategic actions for the future strategy implementation

All these goals have been achieved successfully due to the excellent preparation of the concept of study. The statement of research problem, research problematic, the choice of methods and elaboration of data does not raise major objections.

*Chapter 1* includes introduction into the research area, background, motivation and scope. It provides clear and useful guidance for the reader to understand the main hypotheses and structure.

*Chapter 2* presents the result of the author's literature study, proves her deep and thorough knowledge in the research field as achieved by her predecessors. It plez the role of survey and critical analysis of the field and research conclusions up to date.

*Chapter 3* defines the relationship between SMEs business performance and economic effectiveness in the US and the EU. The author correctly provides the wider context for Chinese enterprises and their strategy implementation in different economic stages.

*Chapter 4* explains evaluating of competitive strategies, mainly PESTEL, Porter's and SWOT models alongside with presenting main theories for identifying choices.

*Chapter 5* present research methodology, including academic purpose, design, approach as well as all aspects pertaining to data collection, analysis, interpretation and validity.

*Chapter 6* summarizes research findings, while the last two chapters complement it with discussion of results and conclusions with recommendation.

All chapters follow a very clear logic, ending with summary of the main points which very much help to progress throughout the text.

Certain misunderstandings can be linked with words "Chinese SMEs". Author is mostly concerned with enterprises in *one region of China*, Qingdao City region. Of course, there is a visible set of similarities in position of SMEs and Author is well conscious of it. On the other hand, however, we face a lot of specific differences regarding SMEs (branch, history, technology, staff, etc.). A serious methodological problem is the determination of the proper level of "synthetic" understanding of SMEs. A view too much "synthetic" of SMEs can lead to the numerous abuses in interpretation of empirical data. It is not excluded that more detailed presentation of *similarities and differences* within Chinese SMEs could help a reader in explaining the proper understanding of the notion "Chinese SMEs".

Methodological approach is undoubtedly strong quality of the reviewed dissertation. This approach well documents Authors' high intellectual potential and distinctive knowledge on social sciences' research methods. What we observe today is the apparent easiness in use of such methods as interviews, surveys, observation and even experiment in areas having little in common with traditional domains of study in sociology or anthropology. Author however is well prepared to construct and use mentioned methods. **I'm convinced that the choice of research methods is correct, enabling the implementation of research aims and solving the research problem.**

**Dissertation cannot be criticized for lack of statistical representativeness of the**

**sample of studied firms** – it was not included among the goals of research. In fact statistically representative samples, although enabling generalizations, frequently offer banal and superficial picture of the researched phenomena. Instead, Author delivered deepened insight into the logic and complex circumstances of functioning of Chinese SMEs. Empirical data concerning Chinese SMEs sector is hardly obtainable and Authors' effort must be perceived as a step towards the enrichment of internationally available body of empirical knowledge in this area.

As far as operationalization of hypothesis is concerned it is worth to turn attention towards several related (minor) problems. For instance, the formulation of first hypothesis: “there is a strong and positive correlation between SMEs business performance and economic effectiveness” calls for more explanation of what we have in mind when speaking about “strong and positive correlation” and “economic effectiveness”. Author should present her choice of *indicators*. What is the indicator for “strong and positive correlation”? Does the correlation, for example, is 0,30 strong enough to prove the hypothesis? What is understood by “economic effectiveness”, how will it be measured during research? The reader identifies the answers to these questions after reading the whole dissertation. It would be advisable to present operationalization of hypothesis in sub-chapter 1.8 *The statement of Key Hypothesis*.

My final remarks will concern questionnaires used during study. Author presents “unstructured”, “semi-structured” and “structured” interviews. Structured interview does not exist in empirical practice of social sciences – structured questionnaires are usually implemented as a part of surveys conducted on larger samples of respondents. An interview is always a conversation between a pollster and respondent, and concerns smaller samples. Data is gathered in the direct contact “pollster-respondent” and has predominantly qualitative character. Elaboration of such research material is very complicated. Dissertation's Author successfully faced these difficulties and delivered conclusions reliable and important from cognitive as well as practical viewpoint.

#### **D. Recommendation**

A few critical remarks in this review represent rather invitation to discussion or even to a scientific controversy. They by no means reduce the positive assessment of the dissertation.

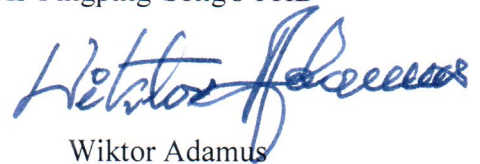
However I would like to point to future development that are recommended in order to broaden the results impact and that includes:

1. Extending the research area beyond one branch and one geographical region to include representative samples from variable industries also beyond Chinese market.
2. Questionnaires could also include points of view of employee groups beyond directors included in the thesis.
3. The scope of questions should then allow for differentiation between various industries should there be any.

The thesis presents a valid issue that pertains to the condition of economy influenced by the SMEs which constitute a growing force in the global market.

Ms Pingping Song as Ph. D. student proved her general knowledge in the area of SMEs, documented her skills in research planning and methodology as well as remarkable skills in data analysis. She is prepared to conduct independent research.

On the basis of my remarks described above and in particular regarding the choice of important research topic, a model methodological plan and careful analysis of data from different sources, I certify that dissertation prepared by Ms Pingping Song, MA, meets the requirements of Article 13 of the Law on the title and academic degrees and degrees and title in Art dated 14 March 2003 (Dz. U. of 2005, No. 65, item. 595, as amended) and request for admission of the Ph.D. student to public discussion. Moreover, taking into account the high level of completed studies, their reliability and quality of the interpretation of results - I conclude with suggestion to grant Ms Pingping Song's PHD dissertation an award.



Wiktor Adamus