This is an electronic reprint of the original article.
This reprint may differ from the original in pagination and typographic detail.

Vanharanta, Outi; Vartiainen, Matti; Polvinen, Kirsi

Job challenges are hindrances too

Published in:
Journal of Small Business and Enterprise Development

DOI:
[10.1108/JSBED-07-2021-0274](https://doi.org/10.1108/JSBED-07-2021-0274)

Published: 20/09/2022

Document Version
Peer reviewed version

Please cite the original version:
Vanharanta, O., Vartiainen, M., & Polvinen, K. (2022). Job challenges are hindrances too: examining experiences of managers and employees in Finnish SMEs. *Journal of Small Business and Enterprise Development*, 29(6), 975-992. <https://doi.org/10.1108/JSBED-07-2021-0274>

Job challenges are hindrances too: Examining experiences of managers and employees in Finnish SMEs

Abstract

Purpose: This study explores job demands experienced by employees and managers in micro and SMEs. Drawing on the job demands framework, the study discusses the experienced demands from the perspective of challenges that create opportunities for learning and achievement, and hindrances that create obstacles for work. The study builds on the idea that the same demand can be perceived both as a challenge and a hindrance. This approach opens a path to responding to challenges by reformulating working practices, and removing hindrances by designing, developing, and crafting jobs and tasks.

Design/methodology/approach: We analyzed open-ended survey responses (N=306) to study experienced job demands in 50 micro enterprises and SMEs, how the perceived demands differ between employees and managers and whether they represent challenge or hindrance demands.

Findings: We identified 17 job demand categories most including both challenge and hindrance demands. Time Management and Prioritization was the most central challenge and hindrance category for both employees and managers. For employees, Sales and Stakeholder Relationships represented the second largest challenge category and Communication and Information Flow was the second largest hindrance category. For managers, the second largest challenge and hindrance categories were Organization and Management of Activities and the Fragmentation of Work respectively.

Originality: By focusing on employee experience, we achieve a more nuanced understanding of the SME context, which has been dominated by managerial evaluations. The study also advances the discussion on job demands by extending our knowledge of demands that may be experienced both as a challenge and a hindrance.

Keywords: SMEs, job demands, challenge demands, hindrance demands, employee experience

Introduction

Employees of small and medium-sized enterprises (SMEs) have been referred to as the invisible workforce (Curran, 1986), because very little research has addressed the work they do and its demands (Harney & Alkhalaf, 2021). Although there is a huge volume of research on SMEs, it has primarily focused on operational management (Ates et al., 2013; Hudson et al., 2001), finance (Malagueno et al., 2018; Peel et al., 1998), and marketing (Gilmore et al., 2007; Keh et al., 2007) issues, with less emphasis on questions related to human resources (HR) and internal relations (IR) (Harney & Alkhalaf, 2021). In recent years, interest on human and social relation perspectives has increased, but it has mainly focused on the impact of human resource management (HRM) on SME performance (Razouk, 2011; Sheehan, 2014) and the internal and external determinants of managing human resources in the SME context. Thus a “significant absence” (Harney & Alkhalaf, 2021: 7) of the employee perspective in current literature on SMEs persists. While we know that SMEs have specific key internal features that distinguish them from larger companies, such as resource poverty (Jenkins, 2004) and informality of organizational processes (Barrett et al., 2014), we know little about how these characteristics are reflected in the employee experience of working in these contexts.

Strengthening internal human and social resources and capabilities is particularly important in SMEs, as the external challenges resulting from turbulent business environments might be more detrimental to their existence compared to large companies. Therefore, it is important to identify job demands that either vitalize the internal resources as challenges or block their use as hindrances. This opens a path to developing resources internally and redesigning working environments and jobs (Parker et al., 2017). Addressing the most central job demands and their nature may play a central role in attracting and retaining reliable and competent employees, which is crucial for the sustainable competitive advantage of SMEs (Kickul, 2001; Ronda et al., 2020).

In this study, we explore the most central job demands experienced by employees and managers in micro enterprises and SMEs.¹ We draw on the job demands-resources (JD-R) model (Demerouti et al., 2001, Bakker & Demerouti, 2017), in which job demands are defined as those aspects of a job that require sustained effort and thus produce psychological or physical strain (Demerouti et al., 2001). Job demands are divided into two categories: challenge and hindrance demands (Cavanaugh et al., 2000; LePine et al., 2005; Van den Broeck et al., 2010). Challenge demands create opportunities for personal growth, learning and achievement and result in a sense of accomplishment when they are overcome, whereas hindrance demands create obstacles to work, hindering personal development and goal achievement (LePine et al., 2005).

Traditionally, research has drawn on a priori categorizations of challenge and hindrance demands that have relied on assumptions concerning how different job demands are experienced by individuals. Recent research has, however, begun to challenge these categorizations by

¹ Following the definition of Statistics Finland, micro, small- and medium-sized enterprises are organizations employing less than 10, 50 and 250 people, respectively. For the sake of simplicity, we hereafter use the term SME to refer to the entire group of firms involved in the study, including micro enterprises.

illuminating the influence of individual appraisal on whether a specific demand represents a hindrance or a challenge (Jumelet et al., 2020), by showing how demands may be experienced both as challenges as well as hindrances (Webster, 2011), and by suggesting that these experiences may vary between occupations (Van den Broeck et al., 2018). Our study builds on these notions and addresses the following research questions: What are the central work demands experienced by managers and employees in SMEs, and which demands can be experienced both as challenges and hindrances?

By addressing the above research questions, this study broadens the picture of job demand factors in the relatively unexplored micro and SME environment. Understanding which demands are particularly central in the SME context informs the development of managerial practices and HRM practices that have been found to influence job demands and resources and thereby employee well-being (Conway et al., 2016; Bakker & Demerouti, 2018; Peccei & van de Voorde, 2019). The study further contributes to the existing literature on the specific characteristics and management challenges of SMEs by discussing the demands employees working in SMEs experience and comparing this with managers' experiences. Understanding of the experienced challenges and hindrances between management and employees enhances an organization's ability to develop its operations. By identifying challenges, it is possible to respond to them by reformulating working practices, and by identifying hindrances, it is possible to remove them by designing, developing, and crafting jobs and tasks. Finally, our study joins the discussion on job demands and the research that problematizes their a priori categorization into challenges and hindrances (Downes et al. 2021; Jumelet et al. 2020). Based on our analysis of employees' and managers' descriptions of the most central demand in their work, our findings indicate that most demands may be experienced both as a challenge and a hindrance.

The paper is organized as follows. First, we discuss the concept of job demands and their distinction between challenges and hindrances. After this, we discuss the characteristics of SMEs and how demands have been addressed in this context. In the following section, we explain the research context and methodology of the study. In the findings section, we outline the results of our survey. In the final section, we discuss the findings reflecting on prior literature, present implications of the study and propose future research directions.

Job demands: challenges and hindrances

Job demands are defined as “those physical, social or organizational aspects of the job that require sustained physical and/or psychological (i.e., cognitive or emotional) effort on the part of the employee and are therefore associated with certain physiological and/or psychological costs (e.g., exhaustion)” (Demerouti et al., 2001: 501). Following the job demands-resources (JD-R) model (Bakker, 2011; Bakker & Demerouti, 2008, 2013), job demands are not principally a negative aspect of work, but they may become stressors if the job resources are not sufficient to support the employee in meeting the demands of his or her job (Bakker & Demerouti, 2006) or if the employee has not adequately recovered from previous work sequences (Meijman & Mulder, 1998).

Scholars have sought to distinguish between hindrance and challenge demands to clarify the relationship between different types and levels of job demands and different individual outcomes (Cavanaugh et al, 2000; Downes et al., 2020; LePine et al., 2005). Hindrance demands refer to demands or work circumstances that interfere with or hinder work, creating obstacles for personal development and goal achievement (Cavanaugh et al, 2000; LePine et al., 2005) and reducing work motivation. Examples of hindrance demands include role-conflict, role ambiguity,

hassles, red tape, and interpersonal conflicts (Breevaart & Bakker, 2018, Lepine et al., 2005; Van den Broeck et al., 2010). Hindrances (Crawford et al., 2010), daily issues (Zohar, 1999; Mark et al., 2005), discrepancies (Jett & George, 2003) and interruptions (Ziljstra et al., 1999) constitute similar phenomena as they all constrain work-related accomplishments by affecting goal-directed activities, action regulation and, consequently, employee well-being. Studies also show that perceived hindrances are positively associated with exhaustion and negatively associated with vigor (Van den Broeck et al., 2010) and engagement (Crawford et al., 2010). Challenge demands, on the other hand, create opportunities for personal growth, learning and achievement. Challenge demands are stressors that stimulate individuals to put effort into the task at hand and help to achieve goals. Demands typically addressed as challenges and thus resulting in a sense of accomplishment when overcome include, for example, workload, time pressure and bearing responsibility (Breevaart & Bakker, 2018; Crawford et al, 2010; Lepine et al, 2005). In their recent meta-analysis Lerman et al. (2020) confirm that challenge stressors enhance entrepreneurs' performance, but hindrance stressors harm entrepreneurs' well-being.

While scholars seem to agree that demands can be experienced as either challenging or hindering, the a priori assumption of relevant demands in specific contexts (Downes et al., 2020) and their categorization into challenges or hindrances has been problematized (Bennett et al., 2021; Downes et al., 2020; Jumelet et al., 2020). First, the analysis of job demands and their relationship with work engagement, strain and motivation is itself challenging as demands may vary significantly over the course of an individual's work experience (Downes et al., 2020; Rodell & Judge, 2009). In some occupations, the level of demands can episodically fluctuate during the day (Reina-Tamayo et al., 2017), while other professions are more static. Work drawing on the transactional theory of stress and coping developed by Lazarus & Folkman

(1984), emphasizes that individuals' perceptions of the same event may vary significantly, and that the appraisal of the potentially stressful factor is more important than the factor itself in determining attitudes and behaviors arising from stressful situations (Searle & Auton, 2015). Thus, scholars have increasingly focused on exploring appraisals of job demands and the determinants of these (Bennett et al., 2021; Jumelet et al., 2020) as well as the impact of those appraisals (Searle & Auton, 2015; Weber, 2011).

In their qualitative study on business owners' challenges and hindrances, Jumelet et al. (2020) found that demands, such as 24/7 availability, high workload, and resource acquisition, were more readily appraised as challenges if they were seen as investments in business owners' core roles. The same demands were, however, appraised as hindrances in case they were experienced as interfering with other central roles in their lives, or in the face of environmental uncertainty. Studies also suggest that whether a specific job demand is experienced as a challenge or a hindrance may depend on the occupational sector (Bakker & Sanz-Vergel, 2013; Breevaart & Bakker, 2018; Demerouti et al., 2011; Van den Broeck et al., 2010). For example, time pressure, typically categorized as a challenge demand (Breevaart & Bakker, 2018) has been found to act as a hindrance for nurses for whom time spent with patients is central to achieving the goal of good care (Bakker & Sanz-Vergel, 2013). Taken together, analyzing the relationship between job demands and work motivation, for example, would require an understanding of the individual's experience of the relevant demands (Downes et al., 2020) and whether these are appraised as challenging or hindering work (Searle & Auton, 2015).

SMEs' working environment

Although SMEs are heterogenous, it is acknowledged that smaller enterprises are significantly different from large enterprises (Gibbs, 2000; Jenkins, 2004). They are characterized by several key features, such as resource poverty (Jenkins, 2004), informality of processes and low levels of bureaucracy (Barrett et al., 2014). On one hand, these key features are interpreted as having negative impacts on employees when compared to larger firms. For example, HRM structures and practices in SMEs tend to be less sophisticated than those in larger firms (Storey et al., 2010), and SMEs rarely have specialized personnel for development activities (Hubner & Baum, 2018). A human resources role is often missing, and professional development opportunities are limited (Galabova & McKie, 2012). The deficiency in development resources is reflected in the lack of flexibility to address internal and external challenges these organizations face (Baron et al., 2016). In addition, evidence from earlier literature suggests that SME employees face significant challenges in managing their work-life balance, as they typically hold multiple roles in the organization due to labor shortages (Malik et al., 2010). Moreover, in SMEs, scarce resources are primarily allocated to ensuring organizational survival rather than internal development efforts (Hillary, 2017).

On the other hand, some of the characteristics create opportunities motivating workers of SMEs despite the uncertainty and informality of organizational procedures and the scarcity of resources. Earlier research has, for example, shown that although employees in small firms enjoy fewer benefits than employees in larger organizations (De Clerq et al., 2007), they report higher work satisfaction (Forth et al., 2006) and commitment (Sardiakis et al., 2012). It is suggested that among other factors, this is due to the higher levels of involvement (De Clerq et al., 2007), autonomy and the opportunity to influence things (Truss et al., 2006) that employees experience

in SMEs. Furthermore, the potential for personal development resulting from the diversity and challenges of work tasks, communicating with a wide range of people, learning and personal development are regarded main advantages of working in SMEs. These possibilities compensate for the lack of an obvious career path (Galabova & McKie, 2012). Studies have also suggested that in SMEs the opportunity to work closely with senior management would result in high levels of satisfaction with management among employees (Tsai et al., 2007).

Earlier work has provided insights into what demands business owners typically experience (Dijkhuizen, 2016; Grant & Ferris, 2012). Dijkhuizen (2016) shows that central demands experienced by entrepreneurs include feelings of the need for 24/7 availability and 100 percent commitment, broader and larger responsibility, tolerance of and coping with uncertainty, as well as risk-bearing and courage. Other demands mentioned were: the work-life imbalance, multitude of tasks and roles, discipline and self-management, and development of vision and market orientation (Dijkhuizen et al., 2016). Jumelet et al. (2020) further explored whether demands experienced by business owners were appraised as challenges or hindrances. Their study shows that demands such as building resources, creating value, realizing business outcomes, entrepreneurial and strategic managerial activities, entrepreneurial job characteristics, and dealing with cultural dimensions were appraised as challenges. Hindrances included dealing with environmental constraints, secondary tasks, a high workload, social demands, work-life conflict, and dealing with environmental dynamism (Jumelet et al., 2020).

While the differences between large organizations and SMEs are well understood from the perspective of management and the demands experienced by business owners have been explored, what is lacking from these accounts is the voice of the employees themselves—what do they perceive as the central demands of working in the SME context? And, are they similar or

different from the management's perceptions? Additionally, although in the working life discourse, particular work demands, such as the intensification of work, intensified planning and decision-making demands, and intensified learning demands are identified as characterizing contemporary work (Korunka & Kubicek, 2017), the way in which these become manifest in the SME context remains unexplored.

Research context and methodology

SMEs are a major employer in the Finnish economy as well as globally. During 2001-2017 micro enterprises and SMEs created more than 100,000 new jobs in Finland and of those jobs more than 80 percent were created in firms employing less than 50 people (Statistics Finland, 2020). In 2017, approximately 66 percent of employees in the private sector were employed by SMEs. Therefore, understanding the employee experience in working in this context is important, for example, to develop managerial HR-strategies that specifically address employee needs in SMEs.

This study is based on survey data gathered from 50 Finnish SMEs in 2018. The organizations included 22 micro enterprises with less than 10 employees, 22 small enterprises with a number of employees ranging from 10 to 49, and 6 medium-sized enterprises with 50 to 250 employees. The data of this study is part of a larger survey focusing on job crafting, job demands and resources in SMEs, but only answers to the open-ended question were used in this study. The respondents (N=306) represent managers including owners (N=72), immediate superiors (N=42) and employees (N=192). Of the total number of respondents, 52 percent were men and 46 percent were women. Of respondents in a managerial position, 58 percent were men and 37 percent were women. Two percent of all respondents preferred not to disclose their gender.

The respondents were from companies representing different fields of business from all over Finland. Most of the firms represented knowledge intensive industries, including Professional, Scientific and Technical Activities and the Information and Communication Industry² (46 percent). 34 percent of the companies represented Wholesale and Retail, Electricity, Gas, Steam and Air Conditioning Supply, Manufacturing, or Human Health and Social Work Activities. A fifth of the companies represented other industries. Although the companies represented a wide spectrum of industries, most respondents were knowledge workers.

The survey question was formulated as follows: “What is the most central challenge³ in your job?”. As some respondents presented more than one challenge, we divided these answers into separate responses resulting in altogether 315 challenges.

Analysis process

A qualitative analysis of the responses was undertaken employing a content analysis method (Weber, 1990). Through an iterative process, which was carried out by three researchers separately, the response data was inductively coded. We first coded each response by identifying the demand from the response. This first round of analysis resulted in altogether 245 first order codes. In the next stage of the analysis, we categorized the first order codes into altogether 17 demand themes⁴ shown in Table 1. For example, the original response “*Work management and planning are exceptionally unclear*” was assigned the first order code “Unclear management”, which was further categorized under the theme “Organization and Management of Activities”.

² Industry categories are based on the classification of Statistics Finland

³ In the questionnaire, the term challenge was used. The theoretical distinction between challenge and hindrance demands was made during the analysis as we observed that the responses represented both challenge demands and hindrance demands.

⁴ The 17 categories include a category “Other”, which contains altogether four answers that we were not able to group under any theme.

Thereafter, the number of responses in each theme and their proportion was calculated.

Intercoder discrepancies were continuously discussed to reach final agreement on the coding and subsequent categorization. While analyzing the data, we realized that the responses within the same categories differed in terms of whether they were phrased as something the person could overcome and thereby could create a sense of achievement or as external conditions that hindered work making it difficult to perform. This prompted us to further analyze the responses within each category, drawing on the challenge hindrance framework (Cavanaugh, 2000, Le Pine et al., 2005).

Thus, in the next stage of the process, we analyzed the content of the different demand themes to understand whether the demands under each category represented challenge demands, or hindrance demands. As a guide to our analysis, we used the definitions for hindrance and challenge demands outlined in literature. As defined in the theoretical framework, hindrance demands create obstacles for work, hindering personal development and goal achievement (LePine et al., 2005), whereas challenge demands create opportunities for personal growth and achievement, may result in a sense of accomplishment when overcome (Breevart & Bakker, 2018; LePine et al., 2005), and are relevant to something of value (Lazarus, 2001). In most cases, the categories included both types of demands (Breevart & Bakker, 2018; LePine et al., 2005). For example, the category “Time Management and Prioritization” includes answers (N=78) in which time management is presented as an activity the employee has control over and thus can be interpreted as a challenge (45 out of 78 answers). For example, the following response from a manager was categorized, based on the above definition, as a challenge: “*To spend my time in the most needed area.*” On the other hand, in some answers time-related aspects were presented as conditions of work that offer limited control for overcoming them and that create obstacles for

conducting one's job. They were thus categorized as hindrances (33 out of 78 answers). For example, the following response was categorized as a hindrance, because it reflects the experience of conditions that hamper attainment of goals and may be outside one's control (Cavanaugh et al, 2000; Lepine et al, 2005): *"there is not enough time to complete the tasks on schedule or with sufficient quality"*.

In a similar vein, for example, the thematic category, "Organization and Management of Activities" (N=32) included both challenge and hindrance demands. For example, answers presenting the structuring of the work and delegating responsibilities as difficult to achieve were interpreted as challenge demands, whereas answers, such as bringing up experiences of poor organization and management that complicate work were categorized as hindrance demands.

Finally, while in the above-mentioned categories the responses were evenly divided between challenges and hindrances, in most of the categories, either demand type was dominant. Descriptions of the categories, the proportion of each category in the employees' and managers' responses as well as illustrative quotes of each category and type of demand are provided in the following section.

Findings

Job demands in SMEs

Time Management and Prioritization became the largest of the work demand categories, with 24 percent of the answers. The second largest category was Organization and Management of Activities with a 10 percent share of the answers, and the third Sales and Stakeholder Relations with nine percent of answers (Table 1). In addition, Fragmentation of Work, and the Amount and Distribution of Work were common themes in the survey responses. While the majority of the 16

thematic categories (category “Other” excluded) consisted of both challenges and hindrances, in most of the categories one demand type was dominant. The categories Time Management and Prioritization, Organization and Management of Activities as well as Resources, were exceptions as the responses were evenly distributed between challenge- and hindrance-related demands. A description of hindrance and challenge demands within the thematic categories, and the frequencies of challenge and hindrance demands in each category are outlined in Table I.

Insert Table I here

Tables II and III show the demand categories in order of magnitude in employees’ and managers’ responses respectively, and how the responses were distributed between challenges and hindrances in these respondent groups. Moreover, the tables show the challenge and hindrance demands based on their number (N) and proportion (%) in the responses ranking five highest ratings of both types of demands. The ranking of the challenge types differed between the groups, apart from Time Management and Prioritization, which was the largest category for both employees and managers. Next, the main challenge and hindrance demands and their differences between these groups will be discussed in more detail.

Insert Table II here

Insert Table III here

Differences in challenge demands

Two challenge categories in **employee responses** were most central: Time Management and Prioritization and Sales and Stakeholder Relationships. The following three largest categories were: Maintenance and Adequacy of Competences, Execution and Quality of Work, and Organization and Management of Activities.

Time management as a challenge was primarily expressed as scheduling and prioritization of work tasks. The main difference in the experienced challenges between employees and managers was in the challenge category of Sales and Stakeholder Relationships, which includes responses related to the acquisition of new clients, addressing demanding requests from clients and maintaining customer relationships. For employees, this was mentioned in 24 percent of all answers, while this category accounted only for a three percent share of the managers' responses. Challenges related to sales and stakeholder relationships were expressed, for example, in the following ways: *"Communication with customers - getting the needed information & decisions out of them, to be able to do the next steps."* (employee, medium-sized enterprise) and *"Responding to customer needs as quickly and as well as possible. Customers also need our consulting skills in a way, which means that knowledge of products and applications is in a central role"* (employee, micro enterprise).

Employees also emphasized competence-related and work-quality-related challenge demands more than managers. The competence-related challenges among employees were related to learning new things, adopting new practices, and maintaining a sufficient level of competence amidst daily routines and while resources are scarce, as expressed by an employee of a small enterprise: *"Maintaining and updating expertise without formal training."* In terms of

Execution and Quality of Work, employees experienced contradictory demands of tightening deadlines and heightening expectations with respect to the quality of work. A few responses in this category reflected occupation specific challenges such as software development. Challenges in the Organization and Management of Activities category were related to the development of work practices and the organization and structuring of work, formulated by an employee of a micro-enterprise in the following way: *“The development of good work practices, since our company is still very young and we are constantly learning something new.”*

Time Management and Prioritization was the biggest challenge category also within **managers’ responses** with a 36 percent share of their challenge demands. This was shown in responses such as *“Prioritization when there are constantly a lot of different tasks related to different projects and running the business.”* (manager, micro-enterprise) and *“Delivering things on time. Usually, the plans are a bit too ambitious with respect to the reality of how much time there is available.”* (manager, small enterprise) This was followed by the category Organization and Management of Activities, which included responses related to the distribution of work, implementation of changes and adoption of novel practices. These challenges were expressed in responses such as *“Finding a clear focus, communicating it, and sharing tasks to get there.”* (manager, micro-enterprise) and *“Team’s ability to take enough responsibility so that I can concentrate enough on customers and funding.”* (manager, small enterprise). The Resources category, representing the third largest challenge category in managers’ responses, included challenges related to the recruitment of competent personnel, securing financing, and prioritization in resourcing. Challenges in the Amount and Distribution of Work category were related to coping with peak times and prioritization requirements due to the workload, expressed, for example, in the following quote: *“There is a lot to do, so tasks have to be prioritized and the*

least important things not to be done. In a small business, things cannot be delegated, but then they just have to be left undone.” (manager, micro enterprise).

Differences in hindrance demands

Managing Time and Prioritization was also the largest hindrance category in **employees’ responses**. The experience of this as a hindrance was reflected in responses that highlighted the lack of time, time pressure and the impact of the schedules of other organizational functions on one’s own work. The second largest hindrance category for employees was Communication and Information Flow. Responses within this category included observations of inefficient communication, inadequate information sharing and the lack of relevant information. An employee of a small enterprise formulated this as: *“The slowness of communication due to the busyness and workload of my superior.”* In contrast, only a few managers’ responses in the Communication and Information Flow category were formulated as hindrances. Fragmentation of Work Tasks was the third largest hindrance category within employees’ hindrance responses. Central challenges within this category were related to having responsibilities in several different domains, and the inability to focus on one issue at a time due to the lack of resources. This was expressed by one of the respondents as follows: *“Shredded tasks and bouncing from very different tasks to others.”* (employee, small enterprise) and *“Too much small stuff to handle, not enough time to work on larger issues.”* (employee, medium-sized enterprise) The Organization and Management of Activities category also included hindrances among employee responses. These were related to the lack of formal structures and the ambiguity of organizational objectives, that is, such conditions of work they could not themselves influence as illustrated in the following responses: *“Work management and planning are exceptionally unclear”* (employee, micro-enterprise) and *“Constantly changing short-term objectives and lack of long-*

term goals” (employee, small enterprise). Employees also mentioned the lack of social support as a hindrance to their work. This was reflected in the experience of a lack of help from colleagues and supervisors in difficult situations due to the scarcity of time but also due to the lack of knowhow in the organization. This was formulated by an employee of a small enterprise as follows: *“Working with a supervisor (CEO) who does not give support, help, advice or have understanding of the large workload. Nobody inside the organization has the know-how for my job so I could ask for advice.”* In smaller hindrance categories, for example, the lack of resources, the randomness of daily activities and the uneven distribution of workload were mentioned as the most central demand by employees.

In the **managers’ responses**, Time Management and Prioritization was also the largest hindrance category comprising 28 percent of the managers’ hindrance responses (in comparison, for employees the proportion of this hindrance category was 17%). This was followed by Fragmentation of Work Tasks, Amount and Distribution of Work, and Work Strain and Predictability.

Hindrances related to managing time and prioritization were expressed as being in a constant rush and dependent on others’ schedules as expressed by a manager of a medium-sized enterprise: *“Too often you have to be flexible about your own schedule for the sake of others.”* Fragmentation of Work Tasks was also a central hindrance category in managers’ responses (19 percent versus nine among employees) and was related to interruptions, the scattered nature of work and the multitude of tasks. This was described by a CEO of a small enterprise as follows: *“In addition to the responsibilities of the CEO, the work includes technical planning, financial planning, reporting to regulators, a variety of HR tasks, sales and marketing planning and even implementation, subcontracting agreements, supply and spare parts contracts, etc. etc.”*

The third largest category in the managers' hindrance responses was Amount and Distribution of Work (15 percent versus nine percent among employees). Hindrances were related to the experience of heavy workloads and strong variation in the amount of work. Managers also brought up hindrances related to work strain (nine percent of the responses). This category included responses such as: *"Work strain and the fact that one is basically at work all the time."* The uncertainty of the operative environment was reflected in manager' responses that were related to the unpredictability of daily activities and the uncertainty of company financing, expressed as: *"Uncertainties that we cannot fully control with our own best efforts"* and *"The unpredictable situations resulting from heavy growth"*. In smaller hindrance categories, for example, the inability of employees to take responsibility, the large number of different stakeholders and an open office as work environment were mentioned as the most central demand related to the execution of work by respondents in a managerial position.

The percentage of hindrances was slightly higher in employee responses (32 percent) compared to that of managers (27 percent). A larger difference was found between male and female respondents. Of female respondents' responses, 37 percent were categorized as hindrances, whereas the proportion for male respondents' responses was 25 percent.

Discussion

This study has outlined the most central job demands experienced by employees and managers in Finnish SMEs. The job demands were analyzed based on the challenge-hindrance framework (LePine et al., 2005), and the findings suggest that most of the demands can be experienced both as challenges and hindrances. The study contributes to the existing literature on the specific characteristics and management challenges of SMEs by discussing the demands employees

experience working in SMEs and comparing this with managers' experiences bringing the empirical base of the literature closer to the actual arrangements of work in SMEs. The main contributions of this study are threefold.

First, the study identifies central differences in employees' and managers' responses in terms of the most central demands of their work. While employee experiences of working in SMEs are to some degree reflected in managerial evaluations and employees and managers share common job demands (Harney & Alkhalaf, 2021), this study shows that employees and managers have their own profiles when it comes to the most common demands as well as whether they are primarily perceived as challenges or hindrances. These differences reflect managers' and employees' different responsibilities, position, and power in SMEs. Both employees and managers consider managing time and prioritizing tasks, as well as organizing and leading activities as central demands in their work contexts. In addition, for employees, Sales and Stakeholder Relations, and Maintenance and Adequacy of Competence were among the largest demand categories. Employees are most likely more involved in the customer interface compared to managers, and therefore it naturally is a central category for employees, but in a smaller role in managers' responses. In addition, in SMEs with a lack of established HR practices and scarce resources (Hubner & Baum, 2018; Jenkins, 2004), employees feel responsibility in developing their competences to ensure for example that changing customer requirements or the introduction of new technologies can be responded to. Therefore, Maintenance and Adequacy of Competence is accentuated as a challenge in employee responses. The only category including only employees' responses was Social Support comprising only of hindrance demands. While the opportunity for working closely with senior management has been suggested as characterizing work in SMEs (Tsai et al, 2007), responses in this category reflected

the difficulty of getting managerial support, as well as support from colleagues. Employees' responses thus reflect the reality of managers. For managers, the most central demand categories in addition to the ones common with employees were Fragmentation of Work Tasks, the Amount and Distribution of Work, and Unpredictability. These are similar to findings in earlier research that has identified time management, the multitude of tasks and roles, heavy workload and environmental dynamism as central demands experienced by business owners and entrepreneurs (Dijkhuizen et al., 2016; Tetrick et al., 2000).

As our second contribution, we differentiate between challenge and hindrance demands in the responses bringing up differences and similarities in managers' and employees' experiences and thereby leading to a further understanding of the individual experience in the context of demand investigations as called for by Downes et al. (2020) and Jumelet et al. (2020). In general, the employees' responses in this study were slightly more often categorized as hindrances, and managers' responses as challenges. This is understandable, since managers often have more resources, opportunities, and responsibilities with which to influence work conditions than employees do. For example, managers' responses in the category Organizing and Leading Activities were primarily challenges, whereas more than 50 percent of employees' responses were hindrances, making it the third largest hindrance category for employees. This is not surprising, as organizing and leading are primarily the responsibilities of management, whereas employees are objects of these activities, thus having less control over them. Their hindrance responses were related to unclear planning from the part of the management and lack of strategic focus. Also, the Communication and Information Flow category, which was the fourth largest category in employee responses, comprises primarily hindrances. These responses also reflect employees' experience of a lack of information and clarity in managerial communication -

something they don't have control over themselves. We also found a difference between male and female respondents: Of female respondents' responses 37% were categorized as hindrances, whereas the proportion for male respondents was 25%, but this may be related to the fact that there were proportionally fewer female managers among the respondents than male managers.

Earlier work suggests that whether a demand represents a hindrance, or a challenge depends on the occupation (Bakker & Sanz-Vergel, 2013). Although this study has not compared the experience of different demands within professions, our study indicates that in some cases it may be related to the organizational role as discussed above, but it may also be a highly personal experience and not occupation specific. When examining the individual responses, the difference seems to be whether individuals perceive a sense of agency (Giddens, 1984) with respect to the most central demand they experience. For example, regardless of the organizational position, time constraints may be perceived very differently, either as an external condition that hampers work, or as a challenge that can be overcome by managing time use properly, thus reflecting a sense of perceived opportunity to influence the work conditions. Overall, the wide spectrum of employees' and managers' experiences related to time shows the multitude of ways it is experienced as a demand. Therefore, assuming time pressure to be a general challenge demand (e.g., Prem, 2017) is problematic.

As our third contribution, we show how SME specific characteristics are reflected in employees' and managers' experiences. While the findings of this study can be considered to reflect commonly identified demands of modern work (Korunka & Kubicek, 2017), they also reflect specific characteristics of SMEs, such as the lack of formal structures and low levels of hierarchy (Barrett et al., 2014), flexibility (Chan, 2019), scarcity of resources (Jenkins, 2004), and the multiplicity of responsibilities in one organizational position (Malik et al., 2010). While

these represent features that distinguish SMEs from larger companies, earlier literature has not addressed how these characteristics are reflected in the employee experience of working in these contexts. The present study shows how resource scarcity becomes manifest in the explicit notions of lack of money and people; however, this is intertwined with other demand categories. Scarcity of resources is, for example, reflected as a high workload and the multitude of work tasks one person needs to deal with, as well as the inability to get help in problematic situations. The lack of formal structures and the resulting flexibility of SMEs, which is often discussed as an organizational strength compared to large organizations (Chan et al., 2019), becomes manifest among employees as an experience of constantly shifting objectives of the organization and a resulting lack of clarity with respect to organizational roles, uneven distribution of the workload, and the need to constantly adapt to the changing requirements of clients. Furthermore, the multiplicity of responsibilities in one organizational position is reflected in the fragmented nature of the work tasks and a sense of not being able to focus. This, however, was more pronounced in the managers' responses than in employees' and was experienced as resulting in stress rather than as an opportunity for development as discussed in earlier work (Malik et al., 2010), thus representing a hindrance demand.

Managerial implications

The results of the study inform management of SMEs about the most central job challenges and most importantly the hindrances experienced by employees working in these contexts. The findings also provide managers insight into how challenges experienced in managerial work in SMEs may be reflected as hindrances in employees' experience. Moreover, the findings direct attention towards those demands that are positively associated with exhaustion and negatively associated with vigor, and that are most critical with respect to employee well-being.

Understanding which demands are commonly experienced as challenges, on the other hand, informs organizations about those demands that have the potential to create a sense of achievement and personal growth if addressed successfully. This helps in directing development efforts to improve employees' and managers' capabilities to address challenge demands and, on the other hand, focus on eliminating hindrances to work. Parker et al. (2017) highlight two ways to affect the design of work. First concerns influencing managers' work design-related motivation, competences, and opportunities. The second shapes informal and emergent work design processes by influencing employees' work design-related motivation, competences, and opportunities. Thus, the removal of hindrances at work can be designed and redesigned in a top-down or a bottom-up manner. The emergent way of developing this can be achieved by facilitating job crafting (Tims & Bakker, 2010; Tims et al., 2014) in small organizations and through participative job design methodologies (Daniels et al., 2017). Since organizational resources are often scarce in micro and SMEs and, for example, human resources development structures may be modest, enhancing a culture that fosters individual agency and the capacity to exercise the agency to craft one's job would be of crucial importance. This requires the development of self-management capabilities and the furthering of organizational conditions that support autonomous job crafting. This can be achieved through engaging employees in the development of work practices and through facilitating open discussion in terms of job-related demands, organizational objectives, individual development opportunities and available resources.

Limitations and future research

The present study has limitations that should be considered when interpreting the results. The number of participating SMEs is rather low compared to the total number of small companies in any nation. Thus, fifty companies in this study are more a selection than a representative sample of the company population. In addition, the data has been collected from SMEs operating in Finland, which may have some cultural and institutional characteristics such as work time legislation, high level of digitalization and high conformity to norms, which may be reflected in the results. However, many of the studied companies operate internationally, especially in Europe making the operating environment similar to that with international peer groups. In addition, the perceived demands were very similar in different companies suggesting their congruence and truthfulness. In any case, it would be important to collect more data from a larger number of small companies to confirm the generic demands—if any—of SMEs and make comparisons between employees' and managers' experience from different national contexts. In addition, it would be important to enlarge the number of respondents in each company as any strong opinions in a small group can bias the results. The study has not focused on specific professions, but instead, the respondents included individuals working in various fields and different organizational positions. Thus, the results did not inform us about the challenges and hindrances of specific fields. For this, a larger group of respondents is needed.

The initial survey question was stated as follows: What is the most central *challenge* in your job? Thus, in the questionnaire the term challenge was used, and this might have influenced the way in which the respondents oriented themselves toward the question. In the future studies, it is important to reformulate the question, for example, by priming it with descriptions of, for example, 'job demand', 'challenge', 'hindrance', 'threat', 'obstacle', 'threshold', 'block', or

similar. Nevertheless, when analyzing the responses through the challenge-hindrance framework, we were able to identify both challenge and hindrance demands from the responses.

The present study has not explored the variety of demands experienced by an individual, their ambivalent perceptions or fluctuating nature, but instead what is experienced as the most central demand by the respondents. Recent studies as shown above hint that perceived demands, i.e., challenges and hindrances, are context-dependent and may change dynamically. As Jumelet et al. (2020) suggest, appraisals can be influenced by the societal context, life events, processes of formal and informal learning, personal growth, and aging. The role of different economic, physical, social, and personal resources potentially impacting on demand perceptions would be interesting for future research. As new ways of working and organizing are becoming more common and prevalent, it would be also valuable to enlarge demand studies to include new configurations of work in SMEs such as distributed flexible work and hybrid remote work when employees and managers of small companies work in multiple places and from them. Related to this, as the data for this study was collected before the global Covid-19 pandemic, it would be interesting to investigate whether the pandemic and the resulting increase in telework has influenced employees' and managers' experience of the most central challenge in their work and how. For example, the transition to remote work may have changed the nature of time management and prioritization issues or increased the experienced challenges in the domains of communication, social support and working conditions. Finally, this study has analyzed the differences in ways in which demands may be experienced. It thus provides a framework for the most central challenges and hindrances experienced by managers and employees in the SME context that can be utilized to explore the prevalence of these in larger data sets and more specifically targeted contexts.

References

Ates, A., Garengo, P., Cocca, P., & Bititci, U. (2013). The development of SME managerial practice for effective performance management. *Journal of Small Business and Enterprise Development*, Vol. 29 No. 1, pp. 28-54.

Bakker, A. B., & Demerouti, E. (2007). The job demands-resources model: State of the art. *Journal of Managerial Psychology*, Vol. 22 No. 3, pp. 309-328.

Bakker, A. B., & Demerouti, E. (2017). Job demands–resources theory: Taking stock and looking forward. *Journal of Occupational Health Psychology*, Vol. 22 No. 3, pp. 273–285.

Bakker, A. B., Demerouti, E., De Boer, E., & Schaufeli, W. B. (2003). Job demands and job resources as predictors of absence duration and frequency. *Journal of Vocational Behavior*, Vol. 62 No. 2, pp. 341-356.

Barrett, R., Mayson, S., & Bahn, S. (2014). Small firms and health and safety harmonization: Potential regulatory effects of a dominant narrative. *Journal of Industrial Relations*, Vol. 56 No. 1, pp. 62-80.

Bennett, A., Lanivich, S.E., Gharagozloo, M.M.M. and Akbulut, Y. (2021), “Appraisals matter: relationships between entrepreneurs’ stress appraisals and venture-based outcomes”, *International Journal of Entrepreneurial Behavior and Research*, Vol. 27 No. 4, pp. 970-988.

Cavanaugh, M. A., Boswell, W. R., Roehling, M. V., & Boudreau, J. W. (2000). An empirical examination of self-reported work stress among U.S. managers. *Journal of Applied Psychology*, Vol. 85 No. 1, pp. 65–74.

Chan, C. M., Teoh, S. Y., Yeow, A., & Pan, G. (2019). Agility in responding to disruptive digital innovation: Case study of an SME. *Information Systems Journal*, Vol. 29 No. 2, pp. 436-455.

Conway, E., Fu, N., Monks, K., Alfes, K., & Bailey, C. (2016). Demands or resources? The relationship between HR practices, employee engagement, and emotional exhaustion within a hybrid model of employment relations. *Human Resource Management*, Vol. 55 No. 5, pp. 901-917.

Crawford, E. R., LePine, J. A., & Rich, B. L. (2010). Linking job demands and resources to employee engagement and burnout: A theoretical extension and meta-analytic test. *Journal of Applied Psychology*, Vol. 95 No. 5, pp. 834–848.

Daniels, K., Gedikli, C., Watson, D., Semkina, A., & Vaughn, O. (2017). Job design, employment practices and well-being: A systematic review of intervention studies. *Ergonomics*, Vol. 60 No. 9, pp. 1177-1196.

Davis, G. (2004). Job satisfaction survey among employees in small businesses. *Journal of Small Business and Enterprise Development*, Vol. 11 No. 4, pp. 495-503.

De Leede, J., Drupsteen, L., Schrijver, E., Goudswaard, A., Dağ, N., Van der Weide, J., & Verbiest, S. (2019). Labour flexibility practices in Dutch SMEs. *Personnel Review*. Vol. 49 No. 3, pp. 791-807.

Demerouti, E., & Bakker, A.B. (2011). The job demands-resources model: Challenges for future research. *SA Journal of Industrial Psychology*, Vol. 37 No. 2, pp. 1-9.

Demerouti, E., Bakker, A. B., Nachreiner, F., & Schaufeli, W. B. (2001). The job demands-resources model of burnout. *Journal of Applied Psychology*, Vol. 86 No. 3, pp. 499-512.

Dijkhuizen, J., Gorgievski, M., van Veldhoven, M., & Schalk, R. (2016). Feeling successful as an entrepreneur: a job demands—resources approach. *International Entrepreneurship and Management Journal*, Vol. 12 No. 2, pp. 555-573.

Downes, P. E., Reeves, C. J., McCormick, B. W., Boswell, W. R., & Butts, M. M. (2021). Incorporating job demand variability into job demands theory: A meta-analysis. *Journal of Management*, Vol. 47 No. 6, pp. 1630-1656.

Giddens, A. (1984). *The Constitution of Society*. Berkeley: California University Press.

Gilmore, A., Gallagher, D., & Henry, S. (2007). E-marketing and SMEs: operational lessons for the future. *European Business Review*, Vol. 19 No. 3, pp. 234-247.

Harney, B., & Alkhalaf, H.. (2021). A quarter-century review of HRM in small and medium-sized enterprises: Capturing what we know, exploring where we need to go. *Human Resource Management*, Vol. 60 No. 1, pp. 5-29.

Hobfoll, S., Halbesleben, S., Neveu, J-P., & Westmen, M. (2018). Conservation of resources in the organizational context: the reality of resources and their consequences. *Annual Review of Organizational Psychology and Organizational Behavior*, No. 5, pp. 103-130.

Hudson, M., Smart, A., & Bourne, M. (2001). Theory and practice in SME performance measurement systems. *International Journal of Operations & Production Management*, Vol. 21 No. 8, pp. 1096-1115.

Jett, Q. R., & J. M. George (2003). Work interrupted: A closer look at the role of interruptions in organizational life. *Academy of Management Review*, Vol. 28 No. 3, pp. 494–507.

Jumelet, J. M., Gorgievski, M. J., & Bakker, A. B. (2020). Understanding business owners' challenge and hindrance appraisals. *Journal of Managerial Psychology*. Vol. ahead-of-print No. ahead-of-print

Keh, H. T., Nguyen, T. T. M., & Ng, H. P. (2007). The effects of entrepreneurial orientation and marketing information on the performance of SMEs. *Journal of Business Venturing*, Vol. 22 No. 4, pp. 592-611.

Kickul, J. (2001). Promises made, promises broken: An exploration of employee attraction and retention practices in small business. *Journal of Small Business Management*, Vol 39 No. 4, 320-335.

LePine, J. A., Podsakoff, N. P., & LePine, M. A. (2005). A meta-analytic test of the challenge stressor–hindrance stressor framework: An explanation for inconsistent relationships among stressors and performance. *Academy of Management Journal*, Vol. 48 No. 5, pp. 764-775.

Lerman, M. P., Munyon, T. P., & Williams, D. W. (2020). The (not so) dark side of entrepreneurship: A meta-analysis of the well-being and performance consequences of entrepreneurial stress. *Strategic Entrepreneurship Journal*. Vol. 15 No.3, pp. 377-402.

Ronda, L., Valor, C., & Abril, C. (2020). How small traditional businesses can become attractive employers: A means-end analysis, *Journal of Small Business Management*, Vol. 58 No. 2, pp. 362-389.

Malagueño, R., Lopez-Valeiras, E., & Gomez-Conde, J. (2018). Balanced scorecard in SMEs: effects on innovation and financial performance. *Small Business Economics*, Vol. 51 No. 1, pp. 221-244.

Malik, S. A., Iqbal, M. Z., Shaukat, R. A. Z. I. A., & Yong, J. (2010). TQM practices & organizational performance: evidence from Pakistani SMEs. *International Journal of Engineering & Technology*, Vol. 10 No. 4, pp. 26-31.

Mandler, G. (1990). Interruption (discrepancy) theory: Review and extensions. In S. Fisher & C. L. Cooper (Eds), *On the Move: The psychology of change and transition* (pp. 13-32). Wiley.

Mark, G., Gonzales, V. M., & Harris, G. (2005). No task left behind? Examining the nature of fragmented work. *Proceedings of ACM CHI 2005* (pp. 321-330). ACM press.

McClean, E., & Collins, C. J. (2019). Expanding the concept of fit in strategic human resource management: An examination of the relationship between human resource practices and charismatic leadership on organizational outcomes. *Human Resource Management*, Vol. 58 No. 2, pp. 187-202.

Parker, S. H., Van den Broeck, A., & Holman, D. (2017). Work design influences: A synthesis of multilevel factors that affect the design of jobs. *Academy of Management Annals*, Vol. 11 No. 1, pp. 267–308.

Peel, M. J., & Bridge, J. (1998). How planning and capital budgeting improve SME performance. *Long Range Planning*, Vol. 31 No. 6, pp. 848-856.

- Razouk, A. (2011). High-performance work systems and performance of French small- and medium-sized enterprises: Examining causal order. *International Journal of Human Resource Management*, Vol. 22 No. 2, pp. 311-330.
- Reina-Tamayo, A. M., Bakker, A. B., & Derks, D. (2017). Episodic demands, resources, and engagement. *Journal of Personnel Psychology*, Vol. 16 No. 3, pp. 125–136.
- Schaufeli, W. B., & Bakker, A. B. (2004). Job demands, job resources, and their relationship with burnout and engagement: A multi-sample study. *Journal of Organizational Behavior*, Vol. 25 No. 3, pp. 293-315.
- Schaufeli, W. B., Bakker, A. B., & Van Rhenen, W. (2009). How changes in job demands and resources predict burnout, work engagement, and sickness absenteeism. *Journal of Organizational Behavior*, Vol. 30 No. 7, pp. 893-917.
- Searle, B.J. and Auton, J.C., 2015. The merits of measuring challenge and hindrance appraisals. *Anxiety, Stress, & Coping*, 28(2), pp.121-143.
- Sheehan, M. (2014). Human resource management and performance: Evidence from small and medium-sized firms. *International Small Business Journal*, Vol. 32 No. 5, pp. 545-570.
- Statistics of Finland (2020). *Yritysten rakenne- ja tilinpäätöstilasto*. ISSN=2342-6217. Helsinki: Tilastokeskus. Retrieved September 15, 2020, from <http://www.stat.fi/til/yrti/index.html>
- Tetrick, L. E., Slack, K. J., Da Silva, N., & Sinclair, R. R. (2000). A comparison of the stress–strain process for business owners and nonowners: Differences in job demands, emotional

exhaustion, satisfaction, and social support. *Journal of occupational health psychology*, Vol. 5 No. 4, p. 464-476.

Tims, M., & Bakker, A. B. (2010). Job crafting: Towards a new model of individual job redesign. *SA Journal of Industrial Psychology*, Vol. 36 No. 2, pp. 1-9.

Tims, M., Bakker, A. B., & Derks, D. (2014). Daily job crafting and the self-efficacy–performance relationship. *Journal of Managerial Psychology*. 29(5): 490–507.

Van den Broeck, A., De Cuyper, N., De Witte, H., & Vansteenkiste, M. (2010). Not all job demands are equal: Differentiating job hindrances and job challenges in the Job Demands–Resources model. *European Journal of Work and Organizational Psychology*, 19(6), 735-759.

Weber, R. P. (1990). *Basic content analysis* (No. 49). Sage.

Ziljstra, F. R. H., Roe, A. R., Leonova, A. B., & Krediet, I. (1999). Temporal factors in mental work: Effects of interrupted activities. *Journal of Occupational and Organizational Psychology*, Vol. 72 No. 2, pp. 163–185.

Zohar, D. (1999). When things go wrong: The effect of daily work hassles on effort, exertion and negative mood. *Journal of Occupational and Organizational Psychology*, Vol. 72 No. 3, pp. 265–283.