THE RELATIONSHIP BETWEEN PERIOD OPERATING AND GROWTH ASPECTS IN SMALL BUSINESSES

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ABSTRACT

The purpose of the study was to establish the relationship between growth dimensions and different periods of operating among a sample of 167 small businesses. Data was collected through a self-administered questionnaire from entrepreneurs trained at a Centre for Entrepreneurship of a South African University. The growth dimensions were; strategic, structural, organisational and financial. The periods of operating were; less than 5 years, 6-10 years, and 11 to 20 years.

Results show that different dimensions of growth are prevalent in small businesses and that these dimensions differ according to the period a business has been operating. Different interventions and skill sets are recommended at the alternative periods of firm operations. The longer the period operating, the higher the chances of the business experiencing qualitative growth, which enhance the survival endeavours of the enterprise.

Though a number of studies have looked at firm growth, the focus has been more on the measures of growth other than "the aspect that is growing". This study's focus is on "what is growing" at different times of the ventures' life span. Wickham's (2001), growth aspects are empirically validated and juxtaposed with the stages theory to form the theoretical underpinning of the study.

Keywords: Period Operating, Small Businesses, Growth, Survival, Growth Aspects.

INTRODUCTION

Small business growth has been measured through a number of aspects such as sales and turnover, growth in employees and finances Delmar (1997). Sales and financial growth measures seem to be more popular, probably because they are quantitative, tangible and relate to profitability of businesses. Wickham‟s (2001, 2004), growth aspects; financial, organisational, strategic and structural tend to be intangible and may be difficult to measure. As stated by Thompson, Gamble & Strickland (2019) what gets measured is done. This may explain why "Wickham‟s" aspects of growth seem to have been generally ignored. This study revisits these aspects and, (1) validates the constructs (2) empirically measures the existence of these growth aspects in a sample of small businesses, and (3) analyses the growth of these aspects in different times to establish the relationship between growth aspects and different operating periods.

The study is based on the work Wickham (2001) introduced in the textbook Strategic entrepreneurship: a decision-making approach to new venture creation and management. No further literature development of these growth aspects over the years seem to have taken place especially in journal articles or conference papers. A search on what we will term Wickham‟s growth aspects in their original or alternative format yielded only the work by Pecks (2006), who seem to just confirm or reproduce the same dimensions by Wickham. We consider the underlying aspects of Wickham‟s growth principles to be fundamental in understanding business growth in general and in small businesses in particular.

The strength of Wickham‟s work is that, firstly, it groups different elements of growth into four composite types, strategic, financial, organizational and structural. This provides more comprehensive measures than single items, such as increases in; sales, profit, sales and turnover, growth in employee or finances as espoused by a number of authors such as, Delmar 1996; Delmar, Mckelvie & Wennberg 2013. Secondly, the constructs, which are both quantitative and qualitative, have their grounding into the classic stages theories of Greiner (1972) and Penrose (1959). Greiner (1972) points out that, "the inability of management to understand its organization‟s development problems can result in a company becoming „frozen‟ in its present stage of evolution or, ultimately, in failure, regardless of market opportunities". Penrose (1959) states that the term „growth‟ "is used in ordinary discourse with two different connotations. It sometimes denotes merely increase in amount; e.g., when one speaks of „growth‟ in output, export, sales. At other times, however, it is used in its primary meaning implying an increase in size or improvement in quality because of a process of development in which an interacting series of internal changes leads to increase in size accompanied by changes in the characteristics of the growing object". Penrose highlights that growth is a function of quantitative increases as well as an internal qualitative process. It is this qualitative aspect of growth that Wickham (2001) highlighted and what this study focuses on.

The other importance of Wickham‟s work can be traced to observations by Achtenhagen et al. (2010), who point to the need for more qualitative research to explore the relationships between the different aspects and measures of growth to get closer to an understanding of the complex and multidimensional processes of business growth. In addition, they point out that "A search in the main entrepreneurship journals about the notion of internal development yielded no useful results…p311". It is the work of Wickham that seems to focus on the issue of "internal development" in the aspects of growth and provides elements to construct these internal "growth measures". According to Machado (2016), this "internal development", element traces to Pinrose (1959) and a number of authors just skirt around it without providing detailed description of the construct as Wickham does. In a study of entrepreneurs´ ideas on growth by Achtenhagen et al., (2010), internal development which comprises development of competences, organizational practices in efficiency, internal development was found to be the most important growth measurement index.

The Greiner stages model (1972) is one of the earliest academic study to point out to the changing skill needs, from an entrepreneur to a leader when the business grows (Burns 2016). Churchill & Lewis (1983) expanded this to add an imperative, a move from operational to strategic skills set when the business grows (Burns 2016). The Greiner model offers a framework for considering the development of a business, but more still, the managerial challenges facing the founders as they recruit more staff. Each phase is followed by a crisis that necessitates a change in the way the founder manages the business and if the crisis cannot be overcome, then the business risks failure.

The Churchill & Lewis (1983) model emphasises management style, organisational structure, formality and strategic imperatives as the business grows from the stages (1) existence, (2) survival (3) success (4) take off to (5) maturity. Besides the growth models, other studies have focused on the importance of growth of small and medium enterprises (SMEs) and the economic benefits to be derived from such growth. Though other studies have looked at what grows (Achtenhagen, et al., 2010), the focus has been more on the measurement or measures of growth as opposed to: "what aspect is growing". This study‟s focus is on "what is growing" at different times of the ventures‟ life span, a focus of limited studies, if any. The study does not

attempt to categorise time into stages (stages theory) but considers periods, as passages of time. This is in recognition of the fact that internal and external environments (e.g.) industry differ and will therefore affect growth stages differently. It is easier to investigate the antecedent factors that affect growth and the consequences of growth (Leitch et al., 2010) and more difficult to investigate growth dynamics or the manner firms grow (Mckelvie & Wiklund 2010).

The importance of the study is that it ascertains which aspect grows at which time, to enable the possible adoption of appropriate interventions. Matching a growth aspect and the period it occurs becomes possible to some extend because of this study. The study is also a response to a call by Baden-Fuller & Mangemartin (2013) to explore the role of internal institutional environment in the context of firm growth. Machado (2016) also points out that the complex phenomenon of growth of small enterprises requires further research though several studies have already measured companies‟ growth.

The article presents a literature review first, the methodology next and lastly the findings before concluding. The terms, small business and small enterprises or venture or firm will be used interchangeably. The same applies to the use of growth aspects and growth dimensions. Though small and medium business are defined differently in different countries, the study and its results are assumed to apply generally to those enterprises, which employ less than 200 employees in any sector. The term small and medium enterprises (SMEs) may also be used to imply small businesses. The underlying assumption of the study is that the driving force for any business should be its survival and the longer a business survives the longer the time it will have to build itself, thereby enhancing its chances for better performance as espoused by Davidsson et al. (2010); Cuervo-Cazurra et al. (2007).

LITERATURE REVIEW

A firm is said to have grown if over time it improves along one or more dimensions like size, market share, profitability and assets (Koryak et al. 2015). One approach of looking at business growth is in terms of a phase in the life cycle of that venture (Kuratko & Hodgetts, 2004; Morris et al. 2011). That cycle include a number of stages, from existence to resource maturity; start up, failure / growth, stabilization and the innovation/decline stage as espoused by Churchil & Lewis (1983); Greiner (1972). A number of other experts in the field have suggested the same phases in the life cycle (Longeneker et al. 2017). The stages approach (Churchil & Lewis 1983) is useful because it simplifies the complexity associated with growth but is weak in that it assumes that a firm must pass through all the stages of development or die in the attempt (Green & Katz, 2013). There are alternative growth paths, which include skipping some stages, or progressing in a different order. Strategy literature suggest that high growth businesses are characterised by success strategies, which implies that growth is an organizational out-come that reflects the choices made by managers (Lindelof & Lofsten 2006; Rodrigues & Raposo, 2011). However, literature also shows that growth can be an outcome of the environment in which the venture is operating, therefore also dependant on external conditions (Penrose 1959).

What Grows?

Employment, sales, and asset growth are the common criteria used in measuring the growth performance of businesses (Isaga 2012; Shepherd & Wiklund 2009; Sirec & Mocnik 2010). Achtenhagen et al., (2010) highlighted employee growth as an important measure of firm growth. Researchers like Shepherd & Wiklund (2009); Levie & Autio (2010) emphasised the

importance of using asset growth as a key measure. A relatively more encompassing list of growth dimension (close to Wickham 2001; Pecks 2006) is presented by, Achtenhagen et al., (2010) who identified: increases in sales, number of employees, profit, assets, and increase in the firm´s value (assets). They also mention internal developmental aspects (organisational growth aspects) as the development of competences, efficiency practices and customer processes.

Although Wickham (2001, 2004) distinguishes a "small enterprise / firm" from "an entrepreneurial firm" in that an entrepreneurial firm grows, and creates its own market, while a small business operates within a market, this may not be a clear distinction. We are arguing that some aspects of growth are most likely taking place in what might be termed an entrepreneurial firm (growth-oriented firm) as well as in a non-growth oriented "small enterprise". The basis of this argument is that, the longer the period the firm operates, the more likely it will grow in certain aspects, especially the intangible areas, organisational, structural and strategic. This, according to Penrose (1956) would be "development in quality".

The four aspects of growth are briefly discussed next, based on Wickham, (2001, 2004), and Pecks (2006). These four aspects are composite constructs of the different measures of growth. Financial growth relates to the development of the business as a commercial entity, in terms of turnover, investment to achieve that turn over, the resulting profit, and the increased value of the business‟ assets (Wickham 2001, 2004). The fact that financial growth measures the additional value that the organization is creating is what Achtenhagen et al., (2010), referred to as improvement in organisational capacity. Growth in this sense is measured by an increase in the balance sheet. According to Vranceanu (2011), most researchers assume entrepreneurs establish entities for profit maximisations only. Research, however shows motivations go beyond economic interests (Walker et al. 2007). This construct was made up of the following four aspects; improvement in the return on investment (ROI), sales (income) improvement, business‟ expenditure increase, and fixed assets value increase. Literature support for the constructs is provided in Table 1.

Strategic growth relates to the changes, which take place in the way the organization interacts with its environment as a coherent strategic whole (Wickham, 2001, 2004). This is measured in terms of the firm‟s capabilities to exploit opportunities through building tangible and intangible assets required to create a sustainable competitive advantage in the market place (Wickham 2001). This is achieved through a proactive and strategic management orientation (Lau & Snell 1996). Growth is dependent on a ventures‟ ability to attract new resources (money), the basic source of which is customer‟s money (Wickham 2004). A positive change in the ability to acquire and utilise the firms‟ resources (tangible and intangible) for competitiveness represents "strategic growth" (Pecks 2006). The businesses that were growing were more likely than the rest to have reported a trend to speedier decision-making, the use of planning to bring about change and innovation and a self-rating that they were good at making changes (Joyce & Woods 2003). Strategic growth was made up of the following aspects: the improvement in business‟ knowledge of the market, improvement in business‟ position to exploit the market, the increase in quantities of goods / services demanded, improvement in the distribution of products or services, and an improvement in the relationships between the business and stakeholders (customers, suppliers, employees and investors).

Structural growth relates to the incremental changes that occur in the way business organises its internal systems, such as managerial roles, responsibilities, reporting and communication links and resource control systems (Davidsson et al., 2010). Factors such as cultural elements, staffing and development of personnel as well as appraisal and rewards, the

constant struggle between rigid bureaucratic designs versus flexible, organic designs (Kuratko & Hodgetts 2014) make up this construct.

Organisational growth relates to the changes in the organizational processes, such as the entrepreneurs‟ role and leadership style as it moves from a small to a larger firm (Wickham 2004). The development is from a one-man show to a multi-layered organization with adopted written policies, plans, budgets, standardisation of personnel practices and institutionalization of control procedures and measurements (Longenecker et al., 2017; Kuratko & Hodgetts 2014). Hamel & Green (2007) define organisational growth as the introduction of new business management methods, which enhance the relationship between a firm and external agents. These include, for example, the implementation of new practices to improve learning and knowledge sharing within the firm (Azfar et al. 2014). Organisational growth is intended to increase a firm‟s performance by reducing administrative costs and transaction costs (Ben Zaied et al. 2015). Knowledge acquisition and exploitation is an aspect of organisational growth (capacity building) (Salajarvi et al., 2005; Kasinkisingi & Dhliwayo 2014). Organisational growth is assumed to develop overtime.

Organisational growth can also be viewed from what Belassi & Fadlalla (1998) refer to as, organisational innovation. This view is consistent with the definition of Sorensen & Stuart (2000), who point out that organisational innovation is changes in the firm‟s nature, practices, beliefs, rules, or norms. Organizational growth was measured by three aspects; a change in the number of employees, improvement in employees‟ technical skills, and an increase in the number of operating systems.

Table 1
LITERATURE CONSTRUCT VALIDATION OF WICKHAM (2001) GROWTH ASPECTS

Growth aspect	Elements covered	Literature support
Financial growth	-Sales -sales turn over -profitability -balance sheet values	Achtenhagen et al., 2010, Isaga 2012, Delma 1997, Kelly & Nakosteen 2005, Le Brasseur et al., 2003, Longenecker et al., 2017, Pecks 2006.
Structural growth	-responsibilities -resource control systems -communication channels -leadership	Kuratko & Hodgetts 2014, Churchil & Lewis 1987, Delma 1997, Isaga 2012, Pecks 2006.
Organisational growth	-new methods -culture -leadership -number of employees	Achtenhagen et al., 2010, Isaga 2012, Shepherd & Wickland 2005, Sirect & Mocnik 2010, Levie & Autio 2010, Longenecker et al., 2017, Hamel & Green 2015, OECD, 2012, Azfar et al., 2014, Pecks 2006, Davidson et al., 2010.
Strategic growth	-capabilities to exploit opportunities -tangible / intangible assets -mission & vision -internal / external environmental fit	Lau & Snell 1996, Lewis 2008, Jones et al., 2012, Pecks 2006.
Importance of age to growth	-size -innovation -knowledge / experience	Jones et al., 2012, Barringer et al., 2005, Coad et al., 2016, Lawless 2014, Resenbusch et al., 2010, Federico & Capelleras 2015.

Period operating (age)

Rosenbusch et al. (2011) showed that factors such as firm‟s age (period operating), and an organisation‟s culture had impact on growth. In evaluating firm growth, recent past studies by Coad, Segarraand & Teruel (2016); Haltiwanger, Jarmin & Miranda (2013), highlighted the vital role that firm age plays in growth. While firms generally improve their growth over time, the net effect of this might vary significantly based on the firm‟s age (Coad, et al., 2016). A longitudinal study by Coad et al., (2016) reported that productivity, profits, and equity ratios (financial growth measure) of business improve with business age. It is assumed that business age influences firm growth.

In contextualising period of operations and growth, studies show that the accumulation of knowledge and skills build the capacity of small firms and that this knowledge / experience is what they need to survive and grow (Zahra et al. 2009; Amornkitvikai et al. 2012). This means that small firm owners who are either not interested in growth or deliberately refrain from pursuing growth (Delmar & Wiklund 2003; Ngek 2014) actually grow in one aspect or another over time. This study concludes from the presented literature that experience (positive or negative) translates to knowledge. If an organisation operates over a longer time, its propensity to acquire and utilise new knowledge is likely to be reduced at some point. That is, it reaches a point of "knowledge saturation". If it were able to create room or capacity to absorb and utilize more knowledge for the business, then growth would have taken place. Strategic learning and knowledge orientation lead to survival and growth for SMES in the long term, even though there might be quicker ways to gain short-term success (Salojarvi, Furu & Sveiby 2005). This implies that older firms may be low in organisational or structural growth (more intangible in nature) on the assumption that they will be generating knowledge at optimum levels having reached these levels over a period (Coad, et al., 2016).

According to Davidsson et al., (2010), fledging enterprises are weaker during their first years and size proved dependent on age. The bigger the business, the less the likely growth rate. Eruel-Carrizosa (2010) underscored the effect of age on the growth of Spanish firms but insisted that the influence was the result of the learning process and accumulated experience. He identified an inverted effect or a U-turn in growth and showed that firms grew less when they were older. Lotti et al., (2009); Coad & Tamvada (2012) also identified an inverted relationship between growth and age in Italian enterprises. Federico & Capelleras (2015) reported that small and young enterprises, which experienced growth, had a positive impact on profit even though the effect of profit on growth is not significant. Clients´ knowledge was positively associated with growth (Barringer et al., 2005). Production strategies, such as the development of new products and services, technological specialization and focus on innovation, also determined growth (Achtenhagen et al., 2010; Davidsson et al., 2010; Dobbs & Hamilton 2007). Though this (strategic capability) is usually build over time, it does not imply that the older the firm, the better the production strategies or technological capabilities. The cited literature analyses the relationship between period operating and growth. It however does not focus on what grows. This study fills up this gap by analysing what grows and over which periods and establishes if the differences in growth is significant.

HYPOTHESES

Wiklund & Shepherd (2003) confirm that most small firm entrepreneurship is necessity driven (survival in nature). SMEs of this nature have low survival rates, and if they survive, they do not grow (Jones, Coviello & Tang 2011). This implies that, most SMEs do not grow. According to these studies, what may be termed, non-entrepreneurial firms (Wickham 2004) do not grow. However, this study argues that this would be a simplistic view of growth (normally presented) premised on the increase in size of personnel, or sales, but does not capture intangible growth in strategy or organisational capacity. Strategic and organisational growth tends to be intangible, and is bound to take place over time, whether employees or turn over (the usual measures) increase or not. We argue that as long as a small firm continues to exist (i.e., the period operating increase or age increases) growth in some aspects will likely be taking place. From the time of its establishment, to a point where it is able to meet customer needs (as espoused in stages theory, Greiner 1972, Churchil & Lewis 1983), the entity would have grown. The study‟s hypotheses are:

Ho1:There is no significant differences in the stated growth aspects between SMEs of varying operating periods
Ho1A, financial
Ho1B, strategic
Ho1C, structural
Ho1D, organisational

Ho2:There is a significant difference in growth between "1month -5 years"; "6-10 years"; "11-20 years" regarding each of the following aspect of growth,
Ho2A, financial
Ho2B, strategic
Ho2C, structural
Ho2D, organisational.

Hypothesis 1 assumes that the different aspects of growth are sure to take place over the firm‟s period of operations. Growth refers to the net change in a specific variable within a time period, and a given context (Cooper & Nakanishi 2010). In this study, in line with the cited literature, period operating is equated to years of operational experience and is limited to this aspect.

METHODOLOGY

This is a cross sectional, empirical study. Data was collected from a sample of 200 small businesses, drawn purposively from groups or cohorts of entrepreneurs that were trained by the Centre for Entrepreneurship at a South African university in the particular year. The groups were enrolled for a 12-week programme known as the Small Business Enrichment Programme. The aim of the programme is to develop the entrepreneurial and management skills of formal entrepreneurs from all sectors. The requirement for participating in the programme is for the business to have been operating for at least a moth, be formal and be a SME (have a sales turnover of less than R15 million, an equivalent of about US$ 1 million). All the businesses were already operating for different periods. After data cleaning, a sample of 167 was found usable for the study.

A structured questionnaire was used to collect data from the participants during the training period. The instrument was divided into two sections. Section A; demographics, included, age,

education and gender of the owner. In section B, two main questions were asked; (1) how long the business had been operating. They were to choose between, three categories 1month-5 years, 6 to 10 years and 11 years and above. This was later capped at 11-20 years since there were no firms older than 20 years in the sample. Categorisation took into account the short survival rates of SMEs. This categorisation, roughly translates to the ones used by the Business Dynamics Statistics (USA) as shown in studies by Headd & Kirchhoff (2003); Stangler & Kedrosky (2010) among a number of other previous studies. (2) The second question requested respondents to indicate the extent changes had taken place in the different aspects of their business in the previous 5 years. The aspects included, strategic, organisational, structural and financial. This was measured through a four point Likert scale, ranging from; greatly improved (4), improved (3), not improved (2) and declined (1). Financial, structural and strategic growth aspects were measured by four elements each and organisational growth by three. The elements, which made up each of these dimensions, have been identified in the literature review, when each construct was introduced. An exploratory factor analysis was done. Preceding this was a KMO and Bartlett‟s test to first check data suitability to carry out the factor analysis (Table 2). The method was selected because it utilises categorical variables and was used to determine whether there was a significant association between variables, growth and period of operating.

Table 2
KMO AND BARTLETT'S TEST

	Structural	Strategic	Organisational	Financial
Kaiser – Meyer- Olkin Measure of sampling Adequacy	0.672	0.776	0.662	0.710
Bartlett‟s Test of Sphericity. Approx. Chi-Square.	108.514	250.210	81.634	70.634
df	6	6	3	6
sig	0.000	0.000	0.003	0.000

The KMO and Bartlett‟s test indicate significant sampling adequacy for each of the constructs and the factor analysis was therefore carried out. The Promax Kaiser Normalization rotation method and the Maximum Likelihood Extraction method were used. The result was that the elements loaded into the original four constructs. The original constructs and names were therefore retained. Strategic factor required 6 iterations for extraction, while structural factor required 5, organizational, 4 and the financial factor converged after 3 iterations. The 4 factors were then tested for reliability and the results are shown in Table 3. The minimum score is 0.622 and the highest 0.836. The values are acceptable and all the factors are therefore reliable.

Table 3
RELIABILITY STATISTICS

Factor	Cronbach ‟s alpha	Number of items	Scale statistics mean	Scale statistics standard deviation	Eigen values	Variance explained	N
Strategic growth	0.836	4	11.73	2.240	2.686	67.14%	167
Structural growth	0.689	4	10.84	2.075	2.085	52%	167
Organizational growth	0.689	3	7.87	1.783	1.857	61.89%	167
Financial growth	0.622	4	15.55	4.409	1.564	64%	167

RESULTS

Data was analysed using SPSS. A Levene‟s test of homogeneity of variances was used to test whether the differences in scores is the same for each of the four growth aspects. The significant values greater than 0.05 were observed which indicate that the assumption of homogeneity of variance had not been violated. An Anova test was therefore conducted to test *hypothesis 1*, that: There is no statistically significant difference in growth aspects between small firms of different operating periods.

Results (Table 4), shows that a statistically significant difference exists between firms with different operating periods as indicated by the following p- values: financial growth (fingrow) $0.00 < \alpha = 0.05$ (Ho1A); strategic growth (stratgrow), $0.003 < \alpha = 0.05$ (Ho1B); structural growth (strucgrow) $0.07 < \alpha = 0.05$ (Ho1C); organisational growth (orggrowth), $0.00 < \alpha = 0.05$ (Ho1D). Hypothesis 1 (Ho1) is therefore rejected. This implies that the period operating (age) has a statistically significant effect on the different aspects of growth. Small firms of different operating periods therefore experience different aspects of growth. Put differently, this means that different aspects of growth take place during different phases of small firm growth.

Table 4
ANOVA: GROWTH ASPECTS AND PERIOD OPERATING

FACTOR		Sum of Squares	Df	Mean Square	F	Sig.
FINGRO FACTOR SCORES	Between Groups	6.45	2	3.225	11.28	0
	Within Groups	46.315	162	0.286		
	Total	52.764	164			
STRATGRO FACTOR SCORES	Between Groups	3.72	2	1.86	5.872	0.003
	Within Groups	50.679	160	0.317		
	Total	54.399	162			
STRUGROW FACTOR	Between Groups	2.572	2	1.286	5.133	0.007

SCORES	Within Groups	40.344	161	0.251		
	Total	42.916	163			
ORGROW FACTOR SCORES	Between Groups	6.211	2	3.105	9.707	0
	Within Groups	51.186	160	0.32		
	Total	57.396	162			

This result tends to support the stages theory (Churchill & Lewis 1983; Greiner 1972) and other related theories, which identify varying different challenges at different stages of firm growth. The result also weighs its support to the assumption that if challenges at a certain stage are met, then movement to the next stage can be realised and supported. The ability to meet the challenges would be a form of growth that would have taken place, i.e., (capability development would have taken place). The result does not for example indicate which aspect grows at what time. However they support earlier findings that, growth is random, Coad, Frankish, Roberts & Storey (2013), not linear. The assumption of this study is that as long as an organisation is successfully established (starts offering goods and services for a sustainable period of time), then growth would have ostensibly taken place. Irrespective of how negligible the growth is, sustaining business operations in itself requires some element of growth in one dimension or the other. This is supported by the fact that some aspects of growth could be regarded as intangible, e.g., strategic, (clearer vision, more trust by stakeholders, improved customer acceptance / confidence). Although growth increases organizational complexity (Davidsson et al., 2010), it also enhances firm survival (Mole 2000). Growth, especially intangible (strategic and organisational) intricately relate to knowledge generation capacity and utilisation (Coad, et al., 2013). The accumulation of this experience is expected to enhance changes of firm survival. Based on this assumption, one would also imply that if a firm survives for a certain period, it would have acquired certain requisite survival skills (grown enough to ensure survival). Survival is an indication of the firm‟s ability to utilise its resources to meet customers‟ and other stakeholders‟ needs (Hirsch & Peters 2002).

In order to establish which growth aspect took place, when, and if there was a significant difference over time, growth in the different times was compared. A multiple comparison Pearson‟s chi- square was used to test this hypothesis. The method uses one aspect as a dependant variable and compares this with the rest of other aspects; in this case, one period is compared with the remainder of the periods operating. The study hypothesises that there is significant differences in growth between each of the operating periods, 1 month-5 years; 6-10 years; 11-20 years, regarding financial growth (Ho2A); strategic growth (Ho2B); structural growth (Ho2C) organisational growth (Ho2D).

Results (Table 5) show that there is a significant difference in Financial Growth (Ho2A) between those firms 1month -5 years and those 6-10 years as shown by an alpha value of, p $0.014 < \alpha = 0.05$ (Ho2A1) and between 1 month - 5 years and those 11-20 as shown by p $0.00 < \alpha = 0.05$ (Ho2A2). However, there is no difference between 6-10 years and the 11-20 years as shown by $0.1243 > \alpha = 0.05$ (Ho2A3). Hypothesis Ho2A1 and Ho2A2 are accepted while Ho2A3 is rejected.

Table 5

MULTIPLE COMPARISONS. GROWTH FACTORS AND OPERATING PERIODS

Dependent Variable				Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
							Lower Bound	Upper Bound
FINGRO FACTOR SCORES	Dunnett T3	1mnth - 5 years 6-10 years		-.30083*	0.10271	0.014	-0.5522	-0.0495
		11-20 years		-.60778*	0.12648	0	-0.9361	-0.2795
		6-10 years 1 mnth -5 years		.30083*	0.10271	0.014	0.0495	0.5522
		11-20 years		-0.30694	0.14615	0.124	-0.6746	0.0607
		11 -20 years 1mnth - 5 years		.60778*	0.12648	0	0.2795	0.9361
		6-10 years		0.30694	0.14615	0.124	-0.0607	0.6746
STRATGRO FACTOR SCORES	Dunnett T3	1mnth - 5 years 6-10 years		-0.21644	0.10998	0.15	-0.4856	0.0528
		11 -20 years		-.47407*	0.11908	0.002	-0.7805	-0.1676
		6-10 years 1mnth – 5 years		0.21644	0.10998	0.15	-0.0528	0.4856
		11- 20		-0.25764	0.14277	0.216	-0.6139	0.0986

		years						
		11 -20 years 1 mnth -5 years		.47407*	0.11908	0.002	0.1676	0.7805
		6-10 years		0.25764	0.14277	0.216	-0.0986	0.6139
STRUGROW FACTOR SCORES	Dunnett T3	1mnth - 5 years 6-10 years		-0.13955	0.10428	0.457	-0.3957	0.1166
		11-20 years		-.42080*	0.12103	0.008	-0.7365	-0.1051
		6-10 years 1mnth- 5 years		0.13955	0.10428	0.457	-0.1166	0.3957
		11 -20 years		-0.28125	0.14651	0.175	-0.6482	0.0857
		11 -20 years 1mnth – 5 years		.42080*	0.12103	0.008	0.1051	0.7365
		6- 10 years		0.28125	0.14651	0.175	-0.0857	0.6482
ORGROW FACTOR SCORES	Dunnett T3	1mnth - 5 years 6 -10 years		-.29414*	0.11203	0.032	-0.5685	-0.0197
		11- 20 years		-.59969*	0.11834	0	-0.9041	-0.2952
		6-10 years 1mnth – 5 years		.29414*	0.11203	0.032	0.0197	0.5685

		11-20 years		-0.30556	0.14387	0.114	-0.664	0.0529
		11 -20 years 1mnth - 5 years		.59969*	0.11834	0	0.2952	0.9041
		6- 10 years		0.30556	0.14387	0.114	-0.0529	0.664
** The mean difference is significant at α = 0.05 level.*								

Results also show that there is no significant difference in Strategic Growth (Ho2B) between those firms 1 month - 5 years and 6-10 years (Ho2B1), (p - 0.150 > α = 0.05), but there is a significant difference between period, 1month - 5 years and 11- 20 years as shown by a p value of 0.002 < α= 0.05 (Ho2B2). There is however, no significant difference between 6 -10 years, and those 11-20 years since, p - 0.216 > α = 0.05 (Ho2B3). Hypothesis Ho2B1 and Ho2B3 is rejected while Ho2B2 is accepted.

With regards to Structural Growth (Ho2C), results show that there is no significant difference in structural growth between those firms 1 month -5 years and those 6-10 years, (p- 0.457 > α = 0.05) Ho2C1, but there is a significant difference with those 11-20 years (p- 0.008 < α = 0.05), Ho2C2. However, there is also no significant difference between 6-10 years and the 11-20 years old, as shown by p - 0.175 > α = 0.05 (Ho2C3). Hypothesis Ho2C1 and Ho2C3 is rejected while Ho2C2 is accepted. Assessing, Organisational Growth (Ho2D1-3), results show that there is a significant difference between those firms, 1 month -5 years and those 6-10 years; p- 0.032 < α = 0.05 (Ho2D1) and also between 1month -5 years and those 11-20 years p- 0.00 < α = 0.05 (Ho2D2). There is no significant difference between 6-10 years and the 11-20 years age, p- 0.114 > α = 0.05, (Ho2D3). Hypothesis Ho2D1 and Ho2D2 are accepted while Ho2D3 is rejected.

In summary, there is a significant difference between 1month-5 years and those 6-10 years and 11-20 years for financial growth and organisational growth. No significant relationship exists between 1month -5 years and 6-10 years for strategic and structural growth, but a significant relationship does exist between 1month-5 and 11-20 for both dimensions. There is also no significant relationship between 6-10 years and the 11-20 years for each of the 4 factors. There is a significant difference between 1-5 years and 11-20 years for each of the 4 growth aspects.

DISCUSSION

Growth is usually seen as a validation of the entrepreneur‟s initial business start-up idea and of his or her subsequent efforts to bring that vision to fruition. It means that with firm growth, management is likely to become less and less centralized which may raise the levels of internal politics, protectionism and dissension over what goals and projects the company should pursue. Though, Burns (2016), and Gray (2002) report that research has shown that small firm owners do not view growth as one of their principal objective, we argue that growth of a small

business takes place with the passage of time whether the entrepreneur is growth oriented or not. Obviously, the pace of growth and the aspects that grow would differ even if deliberate growth efforts were taken. Results show that growth paths are rather random, confirming observations by Stam (2010). As noted also by Wright & Stigliani (2012) there is no growth pattern for small enterprises, and the phenomenon proves to be heterogeneous among the firms.

An entrepreneur whose intention is to grow is mostly likely to realise more growth than an entrepreneur whose intention is to remain small (growth averse) if all other factors are held equal. If growth is planned, the firm is more attuned to check if the growth is achieved and to manage implementation (monitoring and controlling) in assessing results. This is a better option for a firm to take than a situation where growth (usually intangible) takes place on its own due to the passage of time. Though change will take place, as shown in this study, it is likely to be low and the firm is likely to be less entrepreneurially driven when compared with those firms where growth is planned. Unplanned growth is a result of reactive and survivalist operations as opposed to planned growth, which is likely to be a product of proactive, risk taking and innovative (entrepreneurial) opportunity seeking behaviour. Nascent businesses also pass through challenging phases of forging relationships with new external stakeholders, gathering resources and dealing with demanding environments (O‟Toole & Ciuchta 2019). It takes time to gain trust and forge long-term formal business relationships, and this further indicates that mortality rates depend on age.

Small and medium enterprises gain entrepreneurial competencies as they grow (Mitchelmore & Rowley 2010). The study confirms the finding by Coad, et al., (2016) that there is, therefore, a relationship between the life cycle of small businesses and their competence and survival. There is also the evolving position of the entrepreneur across the phases of formation, survival and development. As the entrepreneur gains more competencies, it heightens the efficiency and performance of the venture (Ulvenblad et al. 2013).

The finding that there is a significant difference in financial growth among firms that have operated between 1 month to 5 years, and 6-10 years and also between 1month -5 years and 11-20 years is in line with Churchill & Lewis‟ observation, that a focus on financial growth would differ depending on stage of development. The fact that there is no significant difference between periods, 6 -10 years and 11 and 20 years tend to also support the stages model in that at these later stages, some form of "stability" would have been reached. As pointed out by Churchill & Lewis (1983), many businesses would choose not to go beyond this stage "success stage" because they are satisfied "comfortable" with what they would have achieved in terms of firm size and will remain at this stage indefinitely.

There is no significant differences in strategic growth between 1month-5 years and the following 5 years (6-10 years), but significant differences exist between the first 5 years and the 11- 20 years. This could explain the fact that strategic focus for the first 10 years is the same, that is, establishment and survival. Strategic planning or practices focus on long term planning, visioning and a more outward looking posture that interacts with external stakeholders. This posture, it seems is taken only after "success" is assumed, after the first 10 years. A short-term inward looking posture focused on securing operating capital, productivity and break-even is not a strategic posture. According to literature, most small businesses fail within the first 5 years. It is normally stated that if a firm survives the first five years then it is assumed a success. This may provide a reason why the firm behaviour in the first 5 years would not be the same as in the 11-20 years period. In this later period, the firm is well established and is future oriented (strategic) than being bogged down with operational issues.

The same results apply to the structural growth aspects, where only the 1month-5 years is significantly different to the 11-20 years. In the early years, the focus is operational (organisational), structural and survival. It would be for this reason that there would be significant differences in the changes taking place within very short periods of time spans. A number of studies tend to support the finding that relatively more growth takes place in younger firms than old ones. For example, Teruel-Corsa (2010) indicates that firms grew less when they are older than when they are younger. There is therefore an inverse relationship between growth rates and period operating (age).The result for organisational growth is similar to that of financial growth. This explains the fact that meaningful organisational development takes place in the first years of firm establishment, thereafter there is stagnation or stability. Haltiwanger et al., (2013), confirm that young firms grow faster and are more volatile. Volatility is usually associated with change and change with growth, (negative or positive).

PRACTICAL IMPLICATIONS

SMEs should focus on survival. The longer they operate the more they develop internal survival support systems. Interventions to help SMES should therefore be premised on firm survival at all times, since growth spurts seem not to linearly correlate to period operating (firm age).

One way of supporting SMEs would be to grow their internal capabilities. Focus should not be on financial outcomes / financial growth and sales (which currently seems to be the case), but on the other growth aspects such as organisational and strategic. This helps to enhance the survival endeavours of the enterprise. The longer the period of operating, the higher the chances of the business experiencing qualitative growth.

Though rapid growth is seen as a positive sign of success, (Coad et al., 2013), it can quickly change the status of a new venture from profitable to bankruptcy if the entrepreneur is not sensitive to certain growth issues (Hirsch & Peters 2002). Longenecker et al., (2017) points out that management must adapt to the growth dynamics if it has to derive success from growth. The challenge is that if the small business does not grow, it is likely to fail, but if its growth is rapid and not well managed, it is also likely to fail (Dhliwayo 2018). SME, support agencies or organisations should tailor their firm growth interventions taking period operating into account. The key outcome should be enhance firm survival, since this ensures qualitative growth.

CONCLUSION

Small business owners should know the aspects, which grow, and the period this growth takes place, so that appropriate interventions can be actioned. The study confirmed the reliability of the different growth measures proposed by Wickham (2001 / 2004) and these can now be used in future studies to explore other small business growth intricacies. Studies, which provide in-depth indices of growth measures in scientifically derived periods, are highly recommended. One key limitation of this study was that no scientific basis for choosing the time categorisations was used. These were arrived at arbitrary based on prior studies on SME growth. The study did not consider what happens if the times are altered. No sensitivity analysis was conducted and the results of such an exercise are presently unknown. It would be of interest to have these aspects built into future studies. The study acknowledges that firm growth is also highly dependent on external factors, such as economic climate. This cross sectional study did not consider this factor

and this is an acknowledged weakness. Future studies on the same topic could adopt a longitudinal approach to include and control such factors.

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