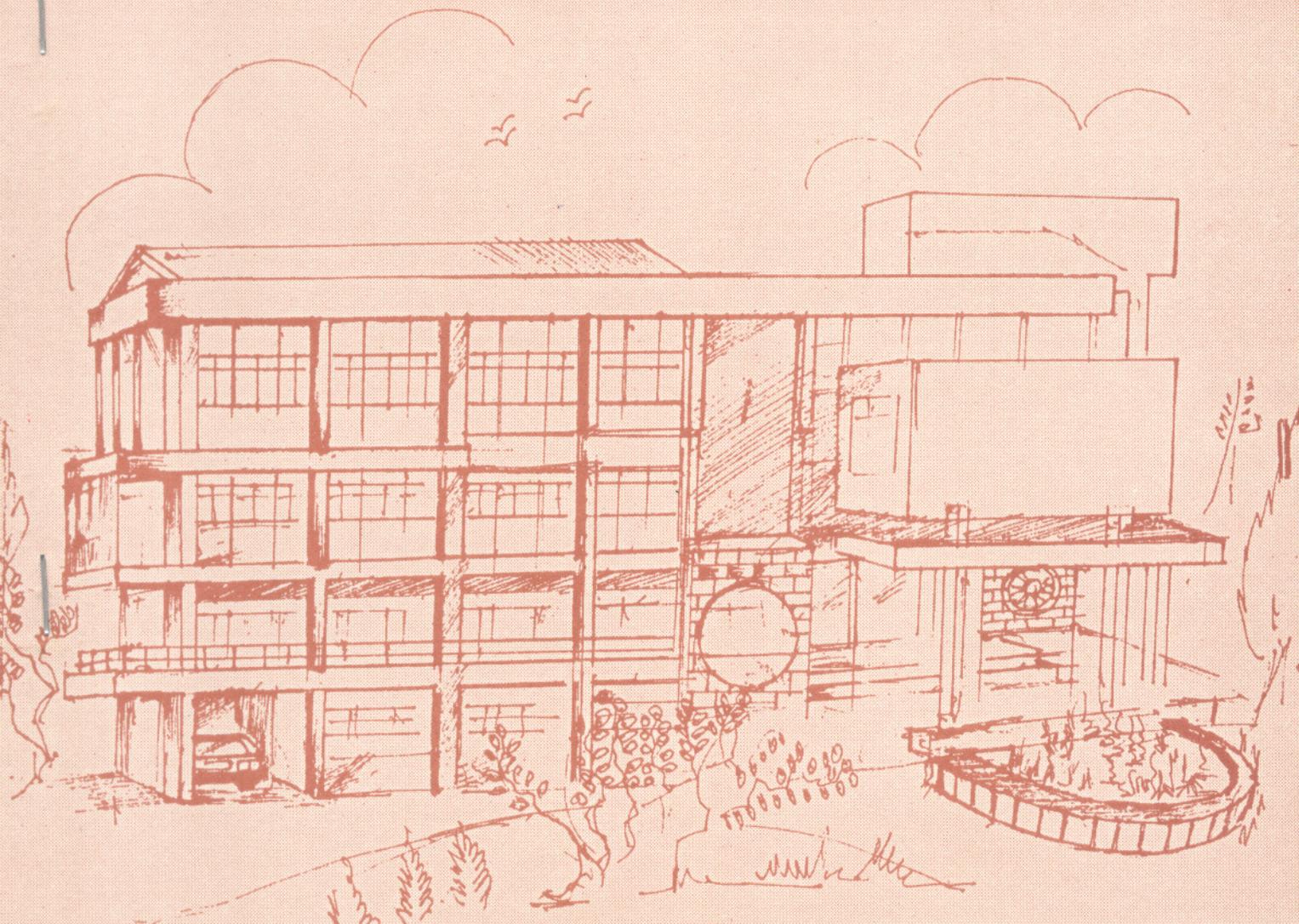




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Growth Strategy in Small Entrepreneurial Business Organisations: A Conceptual Model



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Growth Strategy in Small Entrepreneurial Business Organisations: A Conceptual Model

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GROWTH STRATEGY IN SMALL ENTREPRENEURIAL BUSINESS ORGANISATIONS: A CONCEPTUAL MODEL

Abstract

The research article focuses on two major considerations in growth planning in small organisation i.e. entrepreneurial and strategic activities. Growth of small organisations is influenced by the background/resource of the entrepreneur, the nature of the firm, and the strategic decisions taken by the owner/manager. Entrepreneurs of the small businesses are the sole strategic decision makers and their close control supports easy translation of entrepreneurial vision into action. Their ability, need and opportunity are the major determinants of growth. Small business entrepreneurs show different motives and also have different attitude and behaviour towards growth. Also a given set of entrepreneurial characteristics beneficial in one context may work adversely in the other. A fit between strategy, structure and processes is more favourable to the performance. In this article a conceptual model on growth strategy in small entrepreneurial organisations is presented. Three propositions based on the theoretical framework are - (1) Personal ambition and vision of the entrepreneurs drive the growth of small organisations, (2) The entrepreneurs of small organisation search for strategic fit in the market and the environment, and (3) The entrepreneurs of small organisation continue to search better fit in the market. The propositions need to be validated with the help of empirical work. The article takes an integrated view on all these aspects of small business management while explaining the growth strategy. The propositions made in this article reflect strategic and entrepreneurial dimensions of growth and takes a view that entrepreneurial motivation is different from growth motivation.

Keywords: Small business management, entrepreneurial growth strategy, entrepreneurship, entrepreneurial ambition towards growth, growth theory

GROWTH STRATEGY IN SMALL ENTREPRENEURIAL BUSINESS ORGANISATIONS: A CONCEPTUAL MODEL

Background & Theoretical Orientation

Small entrepreneurial organisations have high influence of entrepreneurs' personality and style, less formal planning and control, and loose organisation structure and administrative system. These organisations are the outcomes of initiatives of entrepreneurial talents.

Small businesses have some fundamental advantages. They need low investment as compared to their large counterparts. However due to this reason they also face resource limitation—both human and financial resources. They make use of low cost and local talents. Flexibility and closeness to the customers are the major advantages for them, and due to informal settings these organisations can strike the market fast. They also have the advantage of economies of scale and lower overheads. In entrepreneurial small organisations close control supports easy translation of entrepreneurial vision into action. But due to limited exposure the small organisations have less information about the market and suffer from lack of economies of scope. (Kirk and Noonan, 1982; Nooteboom, 2002)

Firms are the means for realising entrepreneurial ambitions of individual entrepreneurs. Entrepreneurial ventures work on the principle motto of profitability and growth with a long term desire of market dominance. This is based on innovation in products, processes or practices. There exists difference between strategic orientations of entrepreneurial and small ventures. All small ventures do not work on innovations or dominance motive. (Matthews and Scot, 1995)

In this article I have attempted to develop a conceptual framework to establish linkages between entrepreneurial vision towards growth and innovation in finding fit in the market place as a strategic initiative. For this purpose I have reviewed conceptual and empirical work carried out in various countries. I have taken support from literatures on

survival of new firms and growth of existing firms. I have also taken literature support to develop an explanation on 'growth' in small and entrepreneurial context.

Research gap –

In his book titled 'The Seven Business Crises' Patel (1995) addressed business planning, management and growth related issues of entrepreneurial organisations. The author took a consultative approach and expressed that entrepreneur's attitude and psychology is important for growth as most of the problems are rooted within the venture rather than outside, and recommended a carefully crafted strategic growth plan with high degree of entrepreneurial intensity to create a niche. He also advocated that taking outside help in the planning process may lead to better results.

O'Farrel and Hitchins (2002) analysed the major problems in evaluation of growth of small organisations. First, there is major inconsistency in defining the small firms. Second, there are inconsistencies in the dimensions of growth; employment, profit, value added, turnover, total asset and market share are the parameters suggested by theorists. High performing small manufacturing firms emphasise on new product development, product improvement, product quality; for these organisations customer service, measurement of performance indicators and adoption of new performance methods, employee productivity and efficiency, and employee welfare are important (Kotey and Meredith, 1997). Growth also depends on the changing industry patterns and management, and the sociological evolution of the business (Boswell, 1973).

Prater and Ghosh (2005) in an empirical study on U.S. based small and medium sized enterprises operating in Europe reported that new product development, expansion into new international markets and expansion into new European markets are the major growth strategies adopted by them. Contrary to common belief upgrading operation strategy was not reported to be a major strategy. The study also concluded that the enterprises did not take advantage of outsourcing of operation functions such as logistics. Growth carries different meanings by the different entrepreneurs. There is a strong impact of entrepreneur's attitude and the decision on growth and there may not be

uniformity in growth agenda among the entrepreneurs even if they operate in the same market (Matthews and Scot, 1995).

Organisational performance and effectiveness is a function of match between organisational structure, processes, and the external environment (Hrebiniak and Joyce, 1985). In the field of strategic management pioneering works were carried out by many experts. Porter emphasised that corporate strategy can not be planned and implemented without considering the competitive environment whereas Mintzberg explained that strategy is evolutionary, organic process and it is unpredictable (Hamel and Prahalad, 2002). Although Chandler stressed on organisational structure design around the needs of effective strategy execution, the structure also influence the choice of strategy (Thompson and Strickland, 1999). Organisations attempt to change the external conditions to make them favourable (Liao et al, 2003). Hamel and Prahalad (2002) argued that core competence gives a company competitive capability and remains central to its strategy planning thus helps the company to establish in the market. Although competitive strategy proposed by Porter (1979) has been widely referred in business management literature but there is limited focus on the specific dimensions of small businesses.

Growth of small organisations is influenced by three major factors—the background and resource of the entrepreneur, the nature of the firm, and the strategic decisions taken by the owner/manager (Storey, 1994). But in entrepreneurial managed organisations the entrepreneur needs to develop both strategic and tactical skills and abilities (Kuratko et al, 2001). Entrepreneurial ventures being goal directed also need to plan to face the uncertainties (Carland et al, 1984). Entrepreneurial strategy is the means through which small organisations establish and re-establish the fundamental set of relationships with the environment and the uncertainties (Murray, 1984).

O' Farrell and Hitchins (2002) in their article 'Alternative Theories of Small Firm Growth – A critical review' made a comprehensive analysis of various approaches to growth in small organisations. They concluded that the industrial economics literature primarily focuses on large organisations. As the nature and scale of impediments to

growth of small organisations are different the authors emphasised to search for other conceptual frameworks. They analysed the growth model theory (Churchill and Lewis, 1983) which described that the small entrepreneurial organisations progress in stages from inception to maturity. Each stage can be explained with the help of typical characteristics of entrepreneur, resources, and other variables. Major criticism of theory is on account of the heuristic classification with least focus on the process. The model implicitly assumes that small organisations either grow or fail. There can be fast or slow growing organisations. The model does not explain the condition of the early stages which might have significant influence on growth. It is also not clear whether there is a sequence necessarily attached to growth or some organisations can skip some intermediate stages. The other criticisms are about the parameters of growth and the context of regional economies. The authors expressed that the model is based on the wisdom based symptoms and have failed to explain the growth processes. However in a study on semi-conductor ventures in USA Eisenhardt and Schoonhoven (2002) found that competition at founding stage did not affect growth. This finding was reported to be robust across several measures of competition.

On strategic model of growth O' Farrell and Hitchins (2002) explained that there are two environments in which an organisation carries out business. External environment deals with suppliers, customers, competition, taxation, market and government policies. The internal environment consists of the personal and leadership factors of the entrepreneur, resources, etc. Growth is a combination of environmental and leadership processes (Eisenhardt and Schoonhoven, 2002). High growth firms make use of external relations (Lechner and Dowling, 2003). Similar conclusions were drawn by Chan and Foster (2001) and Kelmar and Wingham (1995). The latter listed 47 growth strategies reported in various research works and classified them into 12 categories. They reported that 55.5% were related to external variables of growth (market penetration, pricing, product mix, product demand, promotion, market creation, market stability and intermediary use as the greatest contributors) and the rest were the internal variables (corporate strategy and staffing are the greatest contributors). They concluded that a

combination of external and internal variables supports growth of small organisations and the organisations establish relationship with the external environment to progress.

A nation-wide study was conducted in UK to inquire about the 'performance and problems of small manufacturing firms'. A committee was formed (Bolton Committee) for this purpose in June, 1969 which published its report in November, 1971. McMohan (2001) in a study on growth of small and medium manufacturing organisations concluded that business growth and performance outcomes are correlated. The financial control in the fast growing enterprises maximise profit and target to increase turnover, these are interdependent. Cash flow, profitability and sales are the key variables monitored. Strategic planning for growth in these organisations is significantly influenced by investment planning, growth commitment, export commitment, and enterprise size.

Studies were conducted by many researchers on personality, and motivational aspects of entrepreneurs. Entrepreneurship as a process has also been explained by many researchers. But there is gap in dealing with the strategic growth management capabilities of the small entrepreneurs. There is a gap in associating the critical factors for success of small organisations such as ownership, management styles, etc with growth. Although we have access to some literature based on the research work done in USA and Europe but the factors affecting growth or success of small organisations vary from country to country (Wijewardena and Cooray, 1995).

Conceptual Model on Small Business Growth Strategy

In order to build the theoretical base for discussion I am referring an article 'In Search of a Comparative Framework: Small-scale Entrepreneurs in Asia and Europe' authored by Carol Upadhya and Mario Rutten (1997). The authors classified the entrepreneurship related studies into two major categories – cultural and structural. The cultural perspective was inspired by Max Weber's Protestant ethic thesis of 1976 and 1978 emphasising cultural embedding of capitalise development and the ideological motivation for rational profit-seeking among early European capitalists. While structural approach was largely based on the Marxist theories of capitalist transformation which

stresses on macro-economic or political factors in explaining the development of entrepreneurship or lack thereof. Since then a number of studies were made in Asia. Referring Harvey's work of 1989 the authors explained that the significant growth of small and rural based entrepreneurial organisations in Asia and Europe can be characterised by two seemingly contradictory tendencies – increasing centralisation and monopolisation of capital by huge translational corporations in one end and on the other end growing large number of small scale organisations which are largely family controlled. Many of these small scale organisations link with large ones through sub-contracting relations. These small organisations also develop various kinds of linkages among themselves. Most studies conclude that social network is central to the working of small organisations.

Entrepreneurial ambition and growth motives –

Upadhya and Rutten (1997) referred Bourdieu's theory to explain the entrepreneurial behaviour - "Bourdieu (1986, 1992) has shown how people, though constrained by their cultural inheritance and structural factors, in pursuit of their goals employ strategies which are based on conversion of one kind of 'capital' (social, cultural, economic) to another". They also submitted a counter-argument of Baumol (1990) – "Their (entrepreneurs) main objective is not the well-being of the society but their own personal well-being, defined in terms of wealth, power and prestige". The third approach presented was from Biggart (1991) advocating Weberian institutional perspective – "When social actions are repeated over time and are assigned similar meanings by self and others, they become institutionalised; institutionalised action is economically efficient because making decisions and carrying them out becomes simpler when the actor predict and understand the actions of other".

All entrepreneurial ventures are not conceived with equal potential for survival or growth. The potential value of the knowledge imparted to the entrepreneur also varies from one venture to the other (Chrisman and McMullan, 2004). Personality of the CEO, strategy and the firm structure directly influence the performance of small organisations (Miller and Toulouse, 1986). Davidson (2002) in his article 'Continued Entrepreneurship

– Ability, need and opportunity as determinants of small firm growth’ developed a model and established three major determinants of growth namely ability, need and opportunity. These factors also explain the variation in growth motivation. The author concluded that need related factors are more important than the ability and opportunity. But willingness of the entrepreneurs to take credit of success or growth was also concluded as an important dimension of growth of small entrepreneurial organisations and cognitive biases such as desire to present oneself as the best, ego protection and emotional needs influence this dimension (Rogoff et al, 2004). However the actions of the entrepreneurs can not be described by economic interests alone as they are also driven by prestige, social status or political influence. The entrepreneurs who are also businessmen act consciously both collectively or individually to further their political, social or economic goals. Their ambitions are not restricted to their individual interests but also to the class or social group (Upadhya and Rutten, 1997).

While discussing paradigm of entrepreneurship Stevenson and Jarillo (2002) and Brockhaus and Horwitz (2002) referred the popular work of McClelland ‘The Achieving Society’ (1961) to explain that the entrepreneurial behaviour is dependent upon personal motivations which in turn are dependent on environmental conditions. Bird and Jelinek (2002) argued that entrepreneurs intentionally link their own and other’s resources to build a firm to add value. Intentionality is a state of mind, directing attention, experience and actions towards a specific goal or way to its achievement. The entrepreneurs have strong desire to be successful and major determinant of success is intentional processes. Growth is also attributed to the ‘need for achievement’ present in large parts of the society.

Entrepreneurs of the small businesses are the sole strategic decision makers and their close control supports easy translation of entrepreneurial vision into action (Van Kirk and Noonan, 1982). The effects of founding team (the entrepreneurs) grow with time and over the years the organisational growth become self-fulfilling prophecies for many (Eisenhardt and Schoonhoven, 2002). Although the small organisations have the advantage of economies of scale, lower overheads and the capability to strike the markets fast (Van Kirk and Noonan 1982); entrepreneurial motivation (to grow) and competence

in strategy planning have strong influence on the business strategy (Matthews and Scot, 1995). Unless the entrepreneurs possess some strong positive belief towards growth they would not consider strategy planning worth attempting. In strategic management literature this aspect is referred as 'strategic intent' which means the ambitious strategic objectives and concentration on these actions to achieve these objectives. In small organisation creating a niche is a typical strategic intent (Thomson, 1999). Financial motives are equally important along with others if not more in small entrepreneurial organisations (Boswell, 1993).

Small firm as enabler –

The entrepreneurship literature explains that the reasons for independent entrepreneurship may be grouped into 'push' and 'pull' factors. Push factors are related to gap in social security and high rate of unemployment and may also be a personal crisis. Important pull factor is independence in setting goal and choice of location, method of production, working hours and organisational structure. This is about Schumpeterian principle of innovation. Entrepreneurs innovate product, process or methods. They also want to enjoy the independence through informality. Hence small organisations are results of both a condition and independence. But for many the independence is not about innovation or growth but maintaining traditional way and remaining small for their own sake, restricted financial resource for growth further adds to the reason for being small. (Boswell, 1973; Nooteboom, 2002)

Context and strategy –

Nooteboom (2002) with the help of research findings of others (i.e. Chell, 1985; Sandberg and Hofer, 1987) argued that the personal characteristics of the entrepreneurs are not adequate to determine the success or failure of the business. The outcome is determined by these characteristics while interacting with 'contingency factors' from the context in which the business operates with the strategies. They explained that different decisions and actions follow different conditions. A given set of entrepreneurial characteristics may be beneficial in one configuration of context and action but may work

adversely in the other. Chan and Foster (2001) after studying small businesses in Hong Kong also concluded that strategy formulation is highly contextual.

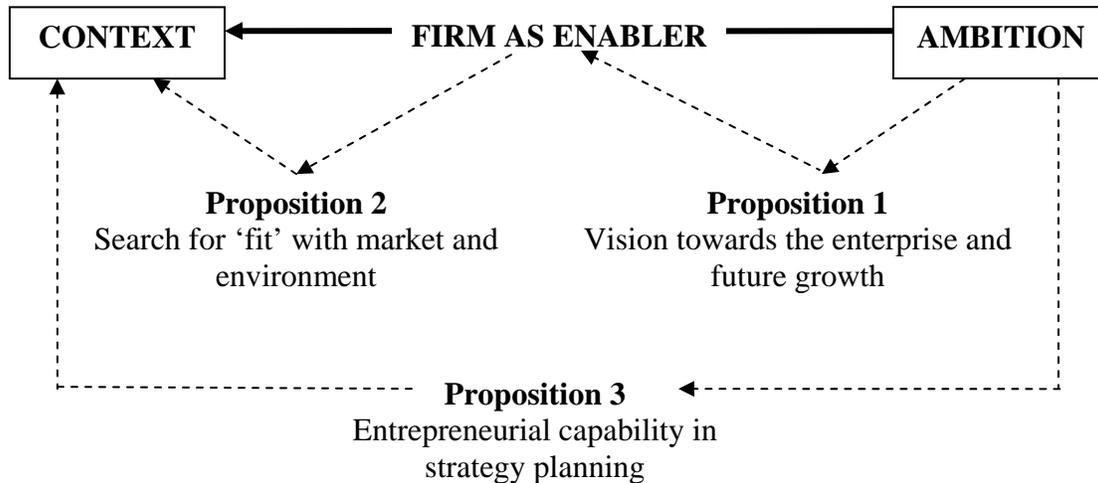


Fig 1 : Growth strategy in small entrepreneurial organisations

Contextual conditions can not be changed easily by the entrepreneurs. These are those attribute of the organisations which are selected directly or indirectly by the entrepreneurs. Some of them are given while others are decided. The awareness about them is a precursor for entrepreneurship (Bird and Jelinek, 2002). Stearns et al (2002) conducted an empirical study in Pennsylvania on survival of new firms and presented three conditions in new firm context: location, industry and strategy. The survival is associated with strategy and location as well as interaction of strategy in a given industry environment. Strong association of business performance with entrepreneurial strategy and environmental conditions was also reported in research findings of Dess et al (1997).

Strategic Growth Planning in Small Organisations

Vision towards growth & attitude of the entrepreneurs –

Many leading authors have written about vision. Vision is of fundamental importance in defining the basis of a system. It is a projection, an image projected into the future of the place the entrepreneur wants his/her product to occupy eventually on the market. This also deals with the kind of enterprise needed to reach such position. It provides a guiding framework to reach there. The framework attracts, stimulates and

motivates the people working with the entrepreneur. In this way the team feel motivated and eager to work hard to realise the vision. Vision offers a point of reference to the entrepreneur around which the entrepreneur assimilates information. Entrepreneurial intention is communicated and displayed by vision. This is also reinforcing the core set of values. Hence clarity of vision is important to venture success. Small business entrepreneurs can focus largely on visionary management which provides the reflection framework for effectiveness of all tasks to enable concrete action to take place. Emerging visions are formed around the ideas and concepts of the products or services imagined by the entrepreneur. The single emerging vision which the entrepreneur wants to pursue becomes the central vision. This also aims at providing the big picture for strategy planning. (Bird and Jelinek, 2002; Filion, 2002)

Wiklund et al (2003) in their article on expectancy value of approach of small business reviewed the broad framework on entrepreneurial perception on growth. Economists' view is - entrepreneurs start enterprises to maximise profit. In small business context, diverse views exist. Entrepreneurs have different motive to initiate and operate an enterprise than maximisation of profit. Small business entrepreneurs show different economic and non-economic motives and also they also have different attitude and behaviour towards growth. The authors argued that by providing relevant information and knowledge about growth small business entrepreneurs' belief can be influenced. Society plays a major role in this regard. An empirical research in Sweden spread over a decade concludes that contrary to the belief financial gain was not the major determinant of growth. This questions the entrepreneurial perception of growth which is not under agreement with established economic and normative management theories. The reported important determinants of growth are control, degree of independence in relation to other stakeholders, and ability to survive crises. They influence in different combinations under varied conditions. Employee well-being is the single most important attitude towards growth reported in most of the studies. Employee well-being leads to improving in working conditions for the employees for productive purposes and creates a positive climate towards growth. This is about facilitating 'stretch'. Stretch is antithesis of underperformance; it is a process in which every one pushes self to perform at higher

level. In this context growth is also associated with new challenges and development opportunities which affect the employees. (Ghoshal et al, 2000; Wiklund et al, 2003)

In an entrepreneurial organisation strategic intent provides emotional and intellectual energy. Strategic intent is an anti-thesis of strategy focus which needs to search for a fit between existing resources and emerging opportunities, where as strategic intent searches for misfit between resources and aspirations. It provides a sense of direction. It is a process in which every one pushes self to perform at higher level. Growth is also associated with new challenges and development opportunities which affect the employees. (Ghoshal et al, 2000; Hamel and Prahalad, 2002; Wiklund et al, 2003)

Proposition 1 : Personal ambition and vision of the entrepreneurs drive the growth of small organisations.

Strategic Orientation of the Entrepreneur and search for fit as strategy –

Need for strategic orientation in management of small business in terms of knowledge about market, customers and competitors is emphasised in many studies, this need is emphasised because of ever increasing competition and shortening product and service life-cycles (Callahan and Cassar, 1995).

Woods and Joyce (2003) in their article ‘Owner-Managers and the Practice of Strategic Management’ described Mintzberg’s explanation on strategic planning small organisations as anti-planner. They wrote, “As far as we can see he (Mintzberg) tend to subscribe to the following about small entrepreneurial firms: (1) A written strategic plan has no explanatory power in respect of their behaviour because personal strategic vision rather than written strategic plans determine actual strategy; (2) The small entrepreneurial firm develops a strategy that is deliberate and often an extrapolation of the chief executive’s personality; (3) The decision making of a small entrepreneurial firm is often intuitive and thus its success rests on reality confirming its intuitions about the opportunities that exist (and that it seeks to exploit by virtue of its flexibility); (4) There is a persisting need for strategy based on personal vision and control and thus a persisting

need for small entrepreneurial firms.” Successful small businesses take the benefit of narrow scope of market, product and customer specialisation.

In a study Eisenhardt and Schoonhoven (2002) tried to relate the founding conditions of the venture with growth advantage. They reported that innovative technical strategies at founding stage had no lasting impact. The initial advantage on this account was not found to be a growth predictor as later stage, neither the advantage for growth is reported to be sustainable. The authors concluded that a fit between strategy, structure and processes is more favourable to performance rather than strategy per se.

The environment in which the organisation operates poses challenges depending of the industry life cycle and industry structure; but market growth does not necessarily lead to growth of small organisations (Morris, 2001). Gibbons and O’Connor (2005) conducted a study on Irish SMEs and concluded that the entrepreneurs did not have adequate understanding of strategic management terms and were less equipped with strategic management tools. The possible reasons were - centralised decision making by the entrepreneur or difficulty in prioritizing the development of their managerial skills. Under turbulent and uncertain environment the small business entrepreneurs use their intuitive skills rather than systematic approach or tools. This is in agreement with Mintzberg’s Theory on entrepreneurial strategy planning. In a conceptual model Keats and Bracker (1988) proposed that entrepreneurs tend to use sophisticated strategic planning due to high task motivation and the belief about their ability to influence the environment and thus lowering the uncertainties.

The strategies of innovation and niche markets exploit the strength in providing the unique competencies and customised products with proximity to the customers (Nooteboom, 2002). Bhide (1999) based on interviews of founders of 100 major companies in U.S.A. explained that the entrepreneurs of high performing companies adopt faster and cheaper method of strategy planning without expecting high degree of precision. This is more economical and timely as compared to typical corporate practices. These entrepreneurs integrate action and analysis. In a study (in U.K.) on agri-product based export growth strategy Crick et al (2000) reported that majority of the firms

adopted a planned approach while using market information. Those who employed market concentration strategy used this approach to meet the business performance objectives where as those who adopted market spreading strategy used this to arrive at a decision to spread their export sales to a larger market. As described earlier, strategic intent searches for misfit between resources and aspirations. Hamel and Prahalad (2002) explained this phenomenon about finding strategic-fit which is about searching for a fit in the market in a given environment. This also supports the early Schumpeterian view on innovation as ‘creative destruction’ where in the growing small firms continuously explores a fit in a niche market.

Proposition 2 : The entrepreneurs of small organisation search for strategic fit in the market and the environment.

Continuous search: entrepreneurial way –

Nooteboom (2002) proposed three core characteristics of the small organisations - independence, personality, and the small scale. The contingency perspective explains the decisions and actions under a given opportunity depending on the circumstance. The core characteristic of small scale is the characteristic of the firm and does not only deal with economy of scale in production or operation but also involve marketing. The core characteristic of personality is about the entrepreneur and includes the intertwining of private and business affairs. Informality of authority, communication and procedure are the other aspects of this characteristic. The characteristic of freedom is also about the entrepreneur. As discussed this indicates relative freedom from the discipline of the capital markets, allowing pursuance of some idiosyncratic goals and conducts. A given characteristic may have different effect in different circumstance.

As the small organisation grows the entrepreneur need to delegate more, build additional layers of hierarchy, establish formal systems and procedures for planning, coordination and control, create a structure communication system and make knowledge more explicit and less tacit. Innovation exploits the strength of motivated management and labour to survive in harsh times. Small organisations are relatively strong in

inventions aimed at application of basic technologies to serve the small niche or residual markets. This exploits the potential flexibility and closeness to the customers. They possess skills to translate technology in a variety of new technology-product-market combination. (Nooteboom, 2002)

Industry structure and environmental dimensions significantly affect performance of small organisation performance (Liao et al, 2003; Peterson, 1985). The essence of entrepreneurship is the willingness to pursue opportunity to 'find a way' (Stevenson and Jarillo, 2002). Entrepreneurs try to realise their vision by a continuous search. Their central vision is supported by many secondary visions with both internal and external components which involves specific management plans and actions (Filion, 2002).

Growth focused entrepreneurs need to be long term thinkers. At the same time they are necessarily required to be short term players. But as the frame of reference changes the entrepreneurs need to redefine their functions and roles. Growth of the organisation demands building up teams and developing network outside the organisation. (Bird and Jelinek, 2002)

Proposition 3 : The entrepreneurs of small organisation continue to search better fit in the market.

Testing the Model

The propositions formulated above need to be established with the help of empirical work. These propositions should form basis for posing research questions and setting hypothesis for testing. Factors under each proposition can be identified based on this article as well as other relevant literature. While framing research questions integrated view should be taken and interaction among the factors should also be considered. For example entrepreneurial growth ambition, skill and attitude of the entrepreneur and the entrepreneurial propensity shall form a basis to develop an understanding about the industry and the environment and the entrepreneur shall form a strategy depending on his/her organisation's competitive capability and market opportunities.

It is important to first define 'growth' as envisaged by the entrepreneurs. This was also suggested by some researchers (Rogoff et al, 2004). There would be difficulties in making this issue open ended but by offering options to the entrepreneurs to describe growth as it may limit their thinking. Middle path approach may be useful to deal with this problem. An exhaustive list of financial and non-financial options should be prepared based on similar studies carrier out earlier. The entrepreneurs should be asked to rate them as their preferences this would avoid the dilemma of selecting one option at the cost of the other. Selective interview schedule may be planned with some entrepreneurs who show willingness to share in depth information.

Clark et al (2001) suggested context based study on entrepreneurial growth strategy. The contexts suggested were country and sector. The study conducted by Wijewardana and Cooray (1995) on small manufacturing organisations in Kobe (Japan) included four sectors namely food and beverage, wood and paper products, chemical products and fabricated metal products. The authors concluded that sales growth which was taken as one of the growth determinants is industry specific. Specific industry sector poses unique opportunities or constraints which in turn may influence the growth performance as well as entrepreneur's behaviour. Further research in this area may be conducted in specific industry segment using the conceptual framework suggested in this paper. It is advisable to carry out empirical work in those sectors or industry segments which are facing high competitive pressure and are under transition due to industry restructuring. It is important to first study the industry history in the specific segments. Later, entrepreneurial legacy, emerging industry structure, technological changes and the overall challenges for small organisations should be considered. This may be possible by studying industry trend analysis of consulting and research agencies, and interviewing industry experts. An industry profile would help the researcher to formulate appropriate research design.

In India some castes and regions are specifically known to be entrepreneurial as compared to others. The family values and social settings play a major role in this regard. The longitudinal studies should also take a note about this factor. This may not be a valid

proposition in case of technology based entrepreneurship. Hypothesis testing is advised to establish specific conclusions.

Conclusions & Limitations

Entrepreneurial motivation is different from growth motivation. Entrepreneurial growth strategy in small business environment is a complex body of knowledge which is not completely explored. In this article I focused on two major considerations - growth planning in small organisation as entrepreneurial as well as strategic activity. The article largely addresses the argument that entrepreneurship is not only about starting-up of an enterprise and maintaining the status quo but equally important is to continue but also to lead the organisation to grow. Entrepreneurial vision is important for growth.

Small entrepreneurial organisations are different from large corporates where strategic decision making is vested on a body which is assisted by a large set of professional talent. In small entrepreneurial organisations the strategic decision making is vested with the entrepreneur or limited number of trusted individuals. The strategy formulation for growth is driven by the vision and motivation of the entrepreneurs. Also the motivation of the entrepreneur governs the attitude and decision on growth and the entrepreneurs may have different growth parameters to address. Entrepreneurs start venture with some innovation and growth plan, the environment in which the organisation operates poses different kind of challenges depending of the industry life cycle and industry structure. This makes the strategy planning task challenging for the entrepreneur as in most of the cases he/she is the only strategic decision maker.

The conceptual model attempted in this article took an integrated view on all these aspects of small business management. The propositions made in this article reflect strategic and entrepreneurial dimensions of growth. The article stands out on one important dimension. While dealing with the growth attitude of entrepreneur, it is evident that concluding on common terms is not possible as the entrepreneurial motives vary.

The article has some limitations. As discussed the whole subject has high degree of contextual influence. Issues like family, society and culture may not have similar implication when referred in Indian conditions. The model may need some calibration on these aspects. The other issue is about the scaling which may be viewed as another limitation. I have not taken a view of the organic growth of small organisation to become medium sized and then large organisation. Growth was focused more on entrepreneurial vision and innovative ways to implement the vision rather on the scale of business operation.

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