

## Firm Level Determinants of Entrepreneurial Success

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### Abstract

**Purpose of the study:** The purpose of this study is to determine those factors which contribute to achieve the success at firm level.

**Methodology:** Questionnaire technique is used to determine the performance of the firms. A structured questionnaire is employed to collect data and test the model through snow ball sampling method.

**Findings:** The results of chi-square in all four performance dimensions suggested that these dimensions have strong impact on the performance of the firm's.

**Limitations and Implications:** The research was conducted in particular geographical area. The findings will help managers to put more focus on the mentioned four dimensions and their related variables like innovation, technology, structure, risk, resources, investment plan etc which affect these dimensions. Findings also tell the managers about the factors which are the true determinants of entrepreneurial success at firm level. The fore most limitation of this research is that the sample was collected from the population of Bahawalpur which has limited successful firms. This research may miss some of the key factors because of limited time available to researchers.

**Value:** This study shows that firm's owners and managers should more focus more on firm level determinants like innovation, strategy, technology, structure etc which help to made firm successful.

**Keywords:** entrepreneur, entrepreneurship, intrapreneurship, E-V-R Congruence

### 1. Introduction

The statement "entrepreneur" driven from a French verb in thirteenth-century *entreprendre*, sensing "to do something" or "to undertake." In sixteenth century it was defined in form of noun as *entrepreneur*, which give meaning that entrepreneur is one who starts a new business. First of all this term was used by an economist in 1730 whose name is Richard Cantillon that entrepreneurs is the one who shows agree ness to accept individual monetary uncertainty. (Sobel & Coffman)

If resources of the firm are applied in the area where their implication is necessity then these resources could give more output. One who systematically arrange things, manage and then by considering that there is risk in the business start it. It could be said that entrepreneurship is catalyst to bring change in the business and enhance its performance. Entrepreneurship is an activity through which new patterns are adopted to bring innovation in the firm so that it may succeed, through entrepreneurship resources of the firm are collectively used to get a final output. We can say that entrepreneurship is making a profit when the value of output generated by these combinations is more, if it would be generate through other pattern like individually or in other form (Sobel & Coffman n.d.).

Entrepreneurship is not defined only by a single author but many different theorists define it in different ways. Entrepreneurship is defined in these words under one of these definitions. "Entrepreneurship is a phenomenon in the economy by which individuals or companies assume risks to create something new in order to reap the benefits from the new venture"<sup>i</sup>. Above describe definition would give us permission to add an additional aspect of entrepreneurship like intrapreneurship (entrepreneurship possibilities within a given company).

There are different countries which define entrepreneurship in different ways to collect and propagate data on women's and men's entrepreneurship and it includes different concepts such as owners, managers, ad hoc, and employers but diverse theories are frequently used when these concepts are defined and put into the framework of entrepreneurship.

It has become much more difficult to define entrepreneurship internationally due to unavailability of common framework. Different countries practise diverse objectives through entrepreneurship so only one definition wouldn't be sufficient. The association between entrepreneurship and the objectives that countries follow through entrepreneurship should be unambiguous. ( This thing is described in research that rural entrepreneurship could be make easy with the help of internet facility to access larger market). (Sobel & Coffman n.d.)

There are two different terms which explains that how entrepreneurship constitutes by explaining the nature of entrepreneurship. One of the largest remaining disagreements in the applied academic literature concerns what constitutes entrepreneurship. These two styles are "lifestyle" and "gazelle" it means high growth which are used to explain entrepreneurship at small level and at large level respectively. Lifestyle entrepreneurship is done with no prime motive to earn money. Gazelle entrepreneurship is done with prime motive to earn money.

### **Why it is important**

Entrepreneurship has much importance in every economy. To achieve Economic growth and increase in employment opportunities entrepreneurship practice is very important. From a number of years it is driven by policymakers that entrepreneurs are playing important role in employment, innovation and growth in economic condition.

In well-built economy, it is estimated that entrepreneurship is crucial practice which is used to redevelop and maintain economic growth and at the same time it is used as a source to increase employment and output in backward areas or in budding countries, since it is vital mean to increase job, and scarcity declining for men as well as women.

It is stated in Global entrepreneurship monitor report by women that men are in greater number involving in entrepreneurship ignoring country,<sup>ii</sup> when we take a glance on involvement of gender in entrepreneurship it is concluded that there is big gap, as more men are involved in entrepreneurship as compared to women in creating new business enterprise. This gap determines different individualities and behaviors, this gap

remain whether entrepreneurship is at early stage or at well recognized stage. The entrepreneurial gender gap exhibits varying dimension and characteristics, and more to this is that the gap will be more in greater income country, it is no matter that type of entrepreneurship activity is being done.

Many studies on entrepreneurship have revealed that about between one third and one half of the Studies of economic growth conclude that between one-third and one-half of the contrast in economic growth beyond the countries could be described by showing that there are different entrepreneurial practice rate prevailing

Current research gives indication that to appraise entrepreneurship, state should make some essential institutions to develop a predicament in which inspired individuals can grow. This kind of situation includes right to have property, reduction in tax rate and laws, strong regulatory and financial system, promises should be fulfilled and at the end interference of state should be minimal. (Sobel & Coffman n.d.)

## **2. Problem Statement**

What important things the firm must adopt for more improvement in its performance and success achievement? Why some entrepreneurship firms are not successful among their market competitors? And how these firms achieve competitive edge and success?

## **3. Overall Objective**

This study will be helpful for the entrepreneurial firms' owners and managers to stress more on continuously improving their performance in order to capture the larger market share and customer satisfaction who in turn will help in creating goodwill and positive word of mouth.

## **4. Specific Aim**

To find out the factors which contribute towards firm success, at firm level.

## **5. Theoretical Framework**

### **5.1 Innovation**

Innovation means to convert the new ideas into products & services. Innovation includes three areas: new product, new process, new service (Green, et al., 1995;1998;1978). According to David Johnson, changing a product or service from its original form is considered as innovation. Innovation provide opportunities to firms which lead them towards the success. Innovation acts as an instrument to opportunities and to success. Impact of innovation on firms is that it enables the firms to provide solution to human needs.

Innovation is primarily determined from the culture of the organization (Herbig, 1994). Organizational culture affects innovation through its structures policies and procedures etc. (Covin, n.d.) So entrepreneurship uses the innovation to achieve the growth and success. Through innovation we grow and introduce new products and services to fulfill the human needs.

### **5.2 Organization Structure**

Researchers classified organization structure into two heads; one is mechanistic and second is organic (Burns, 1961). A mechanistic structure includes division of labor, high degree of specialization, centralized authority and low autonomy. An organic structure includes more loosely controlled, more adaptable, less

strick, less hierarchy and open communication. An organic structure of the organization supports for discovery and innovation and foster the process to find innovative opportunities (Drucker, 1985). Organicity of a firm can be measured on a 7 point scale. A flexible organization structure is necessary to achieve the goals and success.

The degree to which jobs within the organization are standardized and the extent to which employee behaviour is guided by rules and procedures (Stephen & Coulter n.d.).“Formalized organization structures are characterized by written firm policies, job description, organizational charts, strategic and operational plans and objectivity-setting systems” (Baum, 2003).

In highly formalized system, there is less flexibility to determine who may decide or act (Baum, 2003). “Organic structures are more adaptable, more openly communicating and more loosely controlled than mechanistic structures” (Sadler, 2000)

### **5.3 Technology**

Technology is important for every organization to find alternatives. Technology through new process and methods achieve the competitive advantage. Production process can be improved from the new technology. Growth and development can't be achieved due to lack of equipments and technology (Swierczek & Ha, 2003; Kickul, Welsch and Posig, 2003). Technology can be break down into different categories to achieve the maximum productivity. On the other hand imported technology plays a vital role to achieve the organization success. There is a strong positive relationship between technology and sales (Rana, n.d.)

### **5.4 Risk and Risk Taking**

Theorists define the risk as variation in expectations of the future. Risk taking moves you from the disequilibrium stage to equilibrium stage. Rather than to always avoid the risk, risk taking provide you an opportunity to get profits from the uncertainty (c 2004 Elsevier Ltd.). Risk taking is positively associated with the firm success because it moves the firm from disequilibrium to equilibrium (Kirzner, 1973;1997;1992). Firms on the basis of their knowledge, expectations and opinions take actions which lead them to reallocation of resources and introduction of new information for success achievement (Smith, 2002). Risk taking can be explained in terms of committing significant resources to opportunities. Calculated risk taking play an important role in entrepreneurial success but moderate risk taking is directly related with entrepreneurship success. To achieve the success, organization must select a suitable level of risk. Firm must calculate its potential and capacity to deal with uncertainty which leads the firm to take moderate risk for achievement of success (L.R., 1995). Firms take risk in those areas where the firms have control or competencies (Mill, 1994).

### **5.5 Firm Resources and Capabilities**

Firm resources are the most valuable assets of the organization. Rapid and slow growth of the firm depends upon its resources (Zhang Y., 2008).Resources and capabilities of the firm which leads the firm towards the rapid growth including the involvement of employees in decision making, formal professional corporation, growth oriented vision and mission, creating unique value for customers, product superiority and innovation (Wiklund, n.d.). Through these resources firm achieves rapid growth and success (Barringer, n.d.). Business success is dependent upon the resources of the firm through which firm satisfies demands and future expectations (Thompson, 1999). To achieve success, resources must be carefully selected and developed, and employee motivation must be there that leads to continuous innovation which builds Sand exploits the strengths and competencies for firms (Thompson, 1999). Firm's resources help the firm to share the cost, to increase speed to market and enable the firm to gain access to essential resources and knowledge (Almus, 1999).

### **5.6 Environment**

Environment of the firm creates high values for its success. Environment plays a vital role for the rapid growth of the firm (Child, 1972). If the perception about the environment is accurate then better performance and decisions will be achieved. Perceived environment is classified into dynamism, hostility and heterogeneity. These dimensions are used to achieve business growth and performance (Brown, 1996). The environment is an important determinant of firm development. To attain a consistent success, dynamic and competitive environment is necessary. Environment is the source to provide opportunities for success. To achieve the firm success, environment includes global orientation market, clear & sustained competitive advantage and strong customer relations (Thompson, 1999). The existence of highly supportive environment is necessary for creating new ventures (Cooper 1970; Draheim 1972; Pennings 1982; Subauer 1972). Following are some variables which are necessary in the environment to create new ventures like: Capital availability, skilled labor force, accessibility of suppliers & customers and transportation, Government influence and living conditions.

### **5.7 Organization Culture**

Organization culture has important impact on the organization success. Researchers described that organizational culture is “Way we do things around here”. Organization culture depends upon the norms, values and beliefs. Supportive culture is necessary for the firm growth and success (Terblanche, 2003). Supportive organization culture provides innovation which plays a key role to obtain organization success (Slevin, 1990). Organizational culture plays a vital role to achieve the competitive advantage in terms of strategic assets that are the human force (Barney, 1986). Some authors also discuss that the importance of the culture in promoting the discretionary and culture is the heart of firm (Burgelman, 1983).

### **5.8 Maximum Utilization of Resources**

In any business entity, there should be proper and maximum utilization of financial and human resources as well. If these are used properly, they could enhance performance and success could be gained (Sebestova, 2007).

### **5.9 Location**

Location is the key determinant for entrepreneurship success where you are going to locate your business firm. If your company/organization is close to your competitors as well as your prospective customers where you can find employees as well as the raw material (Preston, 2001).

### **5.10 Flexibility**

In the context of flexibility, if the company is large having giant resources in bulk, but don't have the flexibility to maintain the consistency in the demand of their products and they don't adopt the new technology, then they could not achieve the performance/success and their resources will be worthless. (Yukawa, 1993-94)

### **5.11 Control**

More control in the organization could demotivate employees to take risk and to participate in creative activities. There should be lower degree of formalization in the control system, it enhances the performance. (Shih & Yong, 2001; Morris and Kuratko, 2002)

### **5.12 HRM Practice**

- a) HRM practice stimulates the firm's readiness to accept risk, adopt innovation, and turn the behavior of the firm to be proactive. HRM practice is used to change corporate ability to respond to environmental turbulence. HRM practice is necessary to achieve corporate entrepreneurship success. (Hayton, 2005)
- b) Through HRM practice innovation is appreciated by offering different incentives & compensation program (Hayton, 2005).

### **5.13 Informal Networks**

Informal networks present in management are important success factors in entrepreneurship. These networks deal with knowledge sharing between employees, trust building & co-operation that enhance the exchange of knowledge & then by organizational learning is promoted, which in turn helps to achieve entrepreneurship success. Through informal networks communication hurdles are reduced and information is easily induced from one stage to another. So corrective actions could be taken. If these information are not communicated then these problems become more complicated, so success chances become minimized. (Hayton, 2005)

### **5.14 Management**

Management is the process of acquiring, training, appraising, compensating employees, attending to their labour relations, health and safety and fairness concerns. (Human Resource Management-By Gary Dessler) It brings new ideas, innovative thinking and create a unique position in the market. They may take advantage of better dynamics and flexibility (Sebestova, 2007).

### **5.15 Turnover**

Low turnover represents that employees are satisfied from their performance and with the organization, which leads the firm towards success. (Rana, n.d.)

### **5.16 Training**

Firms' performance depends upon the training system of the organization. Through organizational training system the firm trains the new competent employees to achieve the targeted success. (Rana, n.d.).

### **5.17 Department wise Breakup**

Operating head of the organization breakup the departments on the basis of functions. By this, organization takes care of all its functions to achieve performance or success. (Rana, n.d.).

### **5.18 Performance Appraisal**

If there is a proper performance appraisal system in the organization and employees are motivated, this will lead the organization towards achievement (Rana, n.d.).

### **5.19 Sales Trends**

Increasing trend in firm's sales indicate good performance. Decreasing trend in sales indicate poor performance so sales trends are directly proportional to success (Rana, n.d.).

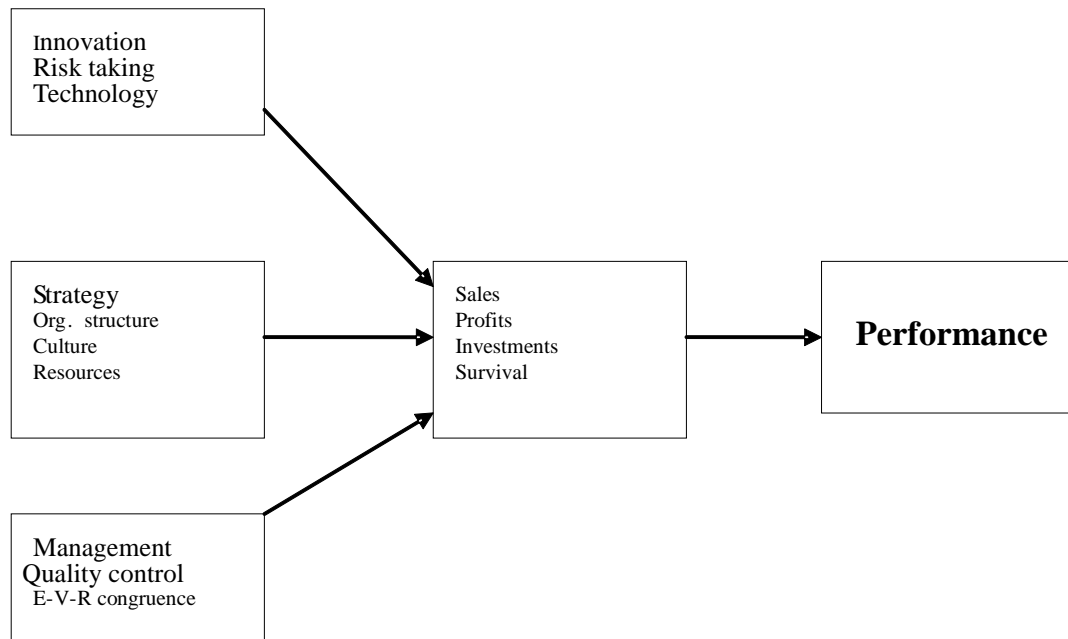
### 5.20) Marketing Function

To keep up to date market information the firm needs a formal information collection system. Information can also be collected through personal contacts of the firm. Through this system organization takes competitive edge and steps forward towards success. (Rana n.d.).

### 5.21 E-V-R Congruence

If an organization wants to achieve its objectives then there must be congruence between environment, values and resources. If environment of any firm is supportive but there are no effective resources from firm side then firm cannot achieve its objectives. (Thompson, 1999).

## 6. Model



## 7. Hypothesis Development

### 7.1 Innovation

Firms using innovation perform better.

### 7.2 Finance

Firm that shows better performance has formal financial system.

### **7.3 Production**

Efficient production system determines success of the firm.

### **7.4 Supplier**

Firms which have permanent supplier show better performance.

### **7.5 Utilization of resources**

Efficient utilization system determines the success of the firm.

### **7.6 Technology**

There is a positive relationship between firms' technology and its performance.

### **7.7 Use of plant**

Amendment in plant during firm's life determines its performance.

### **7.8 HR**

Firms that show better performance have formal HR systems.

### **7.9 Marketing**

Firms that show better performance conduct proper marketing research.

### **7.10 Strategy**

There is a positive relationship between strategy and firms' performance.

### **7.11 Re-investment**

There is a positive relationship between performance/success and re-investment.

### **7.12 Survival**

There is a positive relationship between firm age and its success.

### **7.13 Resources**

There is a direct relationship between firms' resources and its performance.

### **7.14 Culture**

There is a direct relationship between firms' culture and their resources.

### **7.15 Structure**

There is a direct relationship between firm's structure and its performance.

## **8. Methodology**

The concept of entrepreneurship is different in every country and definitions of its success also vary from country to country. Different organizations consider different variables to achieve the success like growth, turnover, profits and market share.

To achieve these variables firms consider and give much importance to innovation, organization structure, risk taking, resources, culture, strategy, training, HR, marketing and finance.

For the purpose of this study we collected data first. A particular area like manufacturing or industrial sector is selected and then we decided to include all firms of that particular area. Sample population



must represent the whole sector.

Our sample size is consisted of fifty firms which are located in Bahawalpur. Our targeted area was divided into two sectors one was jhangiwala road and second one was small industries.

For the data collection we used structured questionnaire and interviews. Data was collected from the sample through interviews and questionnaires, from the CEO, chairman, MD, GM and from the employees etc. and from these two sources we collected the data about innovation, organization structure, strategy, HR, marketing, finance, growth and risk taking etc.

On the basis of questionnaire we find that what were those factors which contributed towards the performance of any successful firm.

On the basis of sample size measurement scale was developed and adopted different analysis methods or techniques to measure the effectiveness of different variables on performance. Chi-square technique was used on the collected data to measure the dependence of performance on different variables.

<b>Variables</b>	<b>Techniques</b>
1) Organization structure	Chi-square test
2) Environment	Chi-square test
3) Innovation	Chi-square test
4) Growth	Chi-square test
5) Strategy	Chi-square test
6) Training	Chi-square test
7) Performance appraisal	Chi-square test
8) Control	Chi-square test
9) Technology	Chi-square test
10) Resources	Chi-square test
11) Risk taking	Chi-square test
12) HR	Chi-square test
13) Finance	Chi-square test
14) Marketing	Chi-square test
15) Organizational Culture	Chi-square test
16) Sales Trends	Chi-square test
17) E-V-R Congruence	Chi-square test
18) Flexibility	Chi-square test
19) Location	Chi-square test
20) Utilization of resources	Chi-square test

## 9. Analysis and Findings

A total of 50 questionnaires were completed and it was found that a majority of respondents were willing to participate in the study. The sample had 100% males. The age group of 30-40 years forms a big part of our respondents with percentage of 80%. The major portion of occupation was owners and managers.

The education level was classified in five categories among which inter level with percentage of 25% and Bachelors levels with percentage of 31% and metric level shared a large part of 44%

respingdionsdents. In this study we have used performance as a dependent variable and we use four dimensions to measure our dependent variable:

- Sales trend
- Profit trend
- Survival
- Investment plan

The questionnaire consisted of all the four dimensions of performance as it is a valid tool to access whether or not the firm is considered as successful or not. The firms which were mentioned above are considered to be the top firms of Bahawalpur from which only the fifty firms were selected for analysis on the bases of above four dimensions. To measure the performance from our sample we operationalize our four dimensions into following variables:

Innovation	Organizational structure	Risk taking	Technology	Strategy
Survival	Management	e-v-r congruence	Environment	Resources
Employee turnover	HRM practices	Organizational Culture	utilization of resources	Flexibility
Quality control	Performance appraisal	Location	Sales trend	Profit trend

The next part includes the calculated statistics and discussion on the basis of above four dimensions.

## 10. Discussion

The questionnaires were completed and the data was gathered and entered in SPSS which helped in generating results.

### Innovation

The results generated by applying the SPSS technique for innovation with respect to performance dimensions, includes the chi-square results given in Table 1.

	Product	Administration	Production Process	Staff Policy	Marketing Strategy
<b>Chi-Square</b>	56.404a	22.702a	47.723a	31.043a	27.128a
<b>DF</b>	3	3	3	3	3
<b>Asymp. Sig.</b>	0	0	0	0	0

According to innovation classification the calculated results of chi-square for all the performance dimensions provide a clear view that the value of alpha is greater than the value of p-value, so we reject the our null hypothesis and accept alternative hypothesis which means that there is a strong relationship between performance and innovation. The performance of firms is dependent on innovation.

### Management & quality control

The results generated by applying the SPSS technique for management and quality control with respects to performance dimensions includes the chi-square results given in Table 2.

**Table 2**

<b>Books of Accounts</b>	<b>Financial Audit</b>	<b>Cash Flows</b>	<b>Quality Control</b>	<b>Inventory Management</b>
43.085b	6.149b	9.489c	4.787b	45.617c
1	1	2	1	2
0	0.013	0.009	0.029	0

According to management & quality control classification the result of chi-square shows the strong relationship between performance of the firm and management, quality control. It means management and quality control give strong impact on firm's performance.

<b>Regular Suppliers</b>	<b>Document Plans</b>	<b>Formal Report</b>	<b>Average Production</b>
15.511b	20.979d	7.043a	6.681c
1	4	3	2
0	0	0.071	0.035

### **Technology & strategy**

The results generated by applying the SPSS technique for technology and strategy with respect to performance dimensions include the chi-square results given in Table 3.

<b>Use of technology</b>	<b>Technology</b>	<b>Market Information</b>	<b>Market Research</b>	<b>Promotional Techniques</b>
2.574b	22.702a	7.681b	30.936c	29.106e
1	3	1	2	6
0.109	0	0.006	0	0

According to technology and strategy classification the result of chi-square shows the strong relationship between performance of the firm and technology and strategy. They have strong impact on firm's performance.

### **Appraisal, training and authority**

The results generated by applying the SPSS technique for appraisal, training and authority with respect to performance dimensions include the chi-square results given in Table 4.

<b>Appraisal &amp; recruitment system</b>	<b>Training Techniques</b>	<b>Decision making</b>
.532b	28.766c	47.787c
1	2	2
0.466	0	0

According to appraisal, training and authority classification the result of chi-square shows the strong relationship between performance of the firm and appraisal, training and authority. They have strong impact on firm's performance.

### **Utilization of resources**

The results generated by applying the SPSS technique for utilization of resources with respect to performance dimensions include the chi-square results given in Table 5.

Expansion in product line	Major changes	Future investment plan	Profit Investment
9.383b	9.383b	9.383b	11.404c
1	1	1	2
0.002	0.002	0.002	0.003

According to utilization of resources classification the result of chi-square shows the strong relationship between performance of the firm and utilization of resources. They have strong impact on firm's performance.

### Survival

The results generated by applying the SPSS technique for utilization of resources with respect to performance dimensions include the chi-square results given in Table 6.

Tenure of business
62.021a
3
0

According to survival the result of chi-square shows the strong relationship between performance of the firm and survival. Survival has strong impact on firm's performance.

### 11. Conclusion

Study has explored the synergy between entrepreneurship firms and some key factors. An important finding of the study was that mostly entrepreneurial firms based on the owners/entrepreneurs characteristics. According to the survey most of the SME'S in the country were single ownership firms. Owners than developed entrepreneurial firms characteristics to achieve success. Firm's characteristics are strongly correlated with its performance. The results show that owner's characteristics, innovation, technology, risk taking, organization structure, management, culture, environment, investment, resources, and HR in a firm have a significant positive relationship with performance of the firm. Results show that mostly SME'S re-invest their profits in the business for high performance. Most of the SME'S have formal HR, quality control, marketing, management and finance system and study results shows positive relationship between these variables and firm performance. Other factors that show significant positive relationship with performance and essential to determine firm success were product introduce sales & profits, future investments, better machinery adoption and additional product line. Lastly various indicators suggest an overall positive trend in performance within the SME'S sector. But still there is a need for in depth study in this key sector of Pakistan.

### 12. Study Limitations

Study results provide valuable information about the entrepreneurship firms, but there are some limitations attached with this study. These limitations are important to discuss here:

First the sample of that study was only from Bahawalpur which represents one geographical region of the country, and might not be the representative of larger metropolitan area in the country.

Second, respondents were not same from whom data was collected in the sample. Respondents were at different levels, sometime they were owners and sometime they were managers. So respondents were not from the same class which causes variation to determine the performance of entrepreneurship firms at one level.

Finally, data was only collected in one week so due to this we ignore the seasonal changes of the year in different variables like firm sales and production capacity etc.

### 13. Future Research

Researchers should continue to examine the performance of entrepreneurship firms. Future studies should focus on all types of variables to better define the determinants of successful entrepreneurship firms and sample should represent whole geographic areas of the country.

Finally studies should continue through out the year to avoid seasonal biasness and sample should include same class or level of responded.

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## Questionnaire for Entrepreneurs

1. Please choose among the following those areas in which you have introduced major changes  
How long ago?

• Product	_____	_____ years ago
• Administration	___	___ years ago
• Production process	___	___ years ago
• Staff policy	___	___ years ago
• Marketing strategy	-	___ years ago
2. Do you maintain proper books of accounts?
  - Yes
  - No
3. Do you conduct financial audit on regular basis?
  - Yes
  - No
4. Do you have your organizational bank account?
  - Yes
  - No
5. Please mention the average position of your cash flow statement.
  - Inflows are more than outflows
  - Outflows are more than inflows
  - Balanced cash flows
6. Do you have a formal quality control system?
  - Yes
  - No
7. Do you have a formal inventory management system?
  - Yes
  - No
8. From how many different suppliers do you purchase new raw materials?
  - 1 regular supplier
  - 2 or more regular suppliers
  - No regular supplier (different supplier each time)

9. Do you document plans for your business?
  - No
  - Yes (if yes then please mention the maximum length of your plan)
    1. Less than 1 year
    2. 1 year
    3. 2 years
    4. 3 years or more
10. Which of the following departments do you include prominently in your formal report?
  - Marketing
  - HR
  - Finance
  - Operations
11. Your average production is what % of your total capacity?
  - 90% - 100%
  - 75% - 85%
  - Less than 70%
12. Do you use technology (internet, fax, electronic meetings etc) for information gathering?
  - Yes
  - No
13. At what level do you use computers in your organization?
  - We don't use
  - Computers are used for documents only
  - We have software for inventory records
  - Our all organizational transactions are computerized
14. How long ago have you installed new major equipments (e.g. plant, machinery) in your organization to adopt new technology?
  - We haven't installed any since we started our business.
  - \_\_\_\_ Years ago.
15. Do you have any market information system?
  - Yes
  - No
16. Do you use market research to know the customer preferences?
  - Yes
  - No
17. How many different products have you introduced in the market?
18. What type of promotional techniques do you use for promotion of your products?  
(You can choose more than one option from the following)
  - Advertisement
  - Personal selling
  - Branding
  - Sales promotion
  - Other \_\_\_\_\_
19. Do have formal appraisal and/or recruitment system in your organization?
  - Yes
  - No
20. Do you use training techniques to make your employees skillful?
  - No
  - Yes



21. Who makes decisions in your organization?
- Owner/Managers
  - Respective supervisors
  - Employee involvement is there
22. Have you added a new product line /expanded your business in last five years?
- No
  - Yes
- (if yes-have you introduced major changes in your strategy?    Yes            No)
23. Please mention the % change in your sales during the last three years.  
2007\_\_\_\_\_, 2008\_\_\_\_\_, 2009\_\_\_\_\_
24. Please mention the % change in your profits during the last three years.  
2007\_\_\_\_\_, 2008\_\_\_\_\_, 2009\_\_\_\_\_
25. What are your average sales per employee (in rupees)?  
\_\_\_\_\_
26. Do you have any future investment plans in new businesses?
- Yes
  - No
27. How much of your profits do you invest in your business?
- 10 to 20%
  - 20 to 40%
  - More than 50%
28. How long have you been in this business?
- 2 years
  - 3 years
  - 5 years
  - more than 5 years
-

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