

THE INTRINSIC MOTIVATIONAL FACTORS OF SMALL AND MEDIUM BUSINESS GROWTH: A STUDY ON THE FURNITURE MANUFACTURING SECTOR IN THE ETHEKWINI METROPOLITAN AREA

Dissertation presented in partial fulfilment of Master's Degree in Management Sciences (Business and Administration) in accordance with the regulations of Durban University of Technology

Submitted by Thandukwazi Richman Ncube

06 September 2015

Department of Management and Entrepreneurial Studies

Faculty of Management Sciences

Durban University of Technology

Durban, South Africa

Supervisor: Dr D. R. Zondo

THE INTRINSIC MOTIVATIONAL FACTORS OF SMALL AND MEDIUM BUSINESS GROWTH: A STUDY ON THE FURNITURE MANUFACTURING SECTOR IN THE ETHEKWINI METROPOLITAN AREA

Dissertation presented in partial fulfilment of Master's Degree in
Management Sciences (Business and Administration) in
accordance with the regulations of Durban University of
Technology

Submitted by Thandukwazi Richman Ncube

06 September 2015

Supervisor: Dr D. R. Zondo

Signature..... Date.....

DECLARATION

I, the undersigned, Mr. T.R. Ncube hereby declare that the dissertation is my own original work and that it has not been submitted, and will not be presented at any other University for a similar or any other degree award.

.....

Signature

.....

Date

DEDICATION

This dissertation is dedicated to my parents who have given me the opportunity to obtain education from the best institutions and who have unflinchingly supported me throughout my career and academic pursuits. They taught me that hard work and persistence do not go unrewarded and it was through their inspiration, unconditional love and support that I undertook the current study.

ACKNOWLEDGEMENTS

I want to heartily acknowledge God Almighty for his wisdom and direction all through this research. Heavenly Father, you have walked me down some troublesome paths and guided me through trials and tribulations that I never thought I'll see myself through. You've truly blessed me, Thank You Lord!

This study is the result of two years of hard work which started in year 2013. This period has been a valuable learning process for me. My learning has not only depended on my own concrete experience, but has also been supported by several people in my immediate vicinity. I would, therefore, like to take this opportunity to express my deep and sincere gratitude to those who have supported me during this learning process.

First of all, I would like to thank my supervisor, Dr. Dumisani R. Zondo, for his tireless assistance in this study. This study would not have been completed without the kind assistance, ideas, comments and support that he provided. His support through the entire process of my research, from proposal development to writing the dissertation, has been invaluable. Dumi, I am obliged in every possible way and hope to continue our collaboration in the future. Furthermore, my sincere thanks go to Mr Deepak Singh for the invaluable advice in relation to statistics and data analysis.

I would also like to extend my deepest gratitude to the Umkhumbane Business Support Unit for providing me a list of SMEs that manufacture furniture in the eThekweni Metropolitan Area. Furthermore, no study can be complete without the relevant data. Thus, I am very grateful to all the respondents for their willingness and prompt response to my request to participate in this study. In a very special way, I thank Siyazi H. Sithole, Ningi Ncube, Nothando Ngwenya and Xolani Simamane (fellow Masters Student) for their warm and unconditional support in all aspects of my life, and, in particular, during the critical times when I needed help in fulfilling my role as a father. Without your support and prayers, this achievement would have remained a dream.

ABSTRACT

Small and Medium Enterprises (SMEs) in South Africa (SA) contribute significantly to job creation, wealth, social stability and economic growth. Growth is stimulated endogenously, through motivation, while employment is a natural consequence of a larger number of SMEs as well as the expansion of small businesses into larger enterprises. Although it has been noted that SMEs are viable avenues through which jobs can be created, relatively few studies have explicitly investigated the link between intrinsic motivation and small business growth; this study filled the gap by exploring the impact of intrinsic motivation on SMEs' growth. This is particularly important when one considers that the failure rate of SMEs in SA is very high and it is of great importance to investigate the factors that can impact on the growth of SMEs. Why some individuals are more successful in business than others is a major question in SME research. The common view is that there are a numbers of factors involved related to the entrepreneur or business owners and the business and the business environment. Building on the concept of human capital and psychological theories, this study investigated the influence of intrinsic motivational factors in SME business growth in the eThekweni Metropolitan Area, in South Africa.

The target population for this study was SMEs in the furniture manufacturing sector. Based on census study, the sample size of the study was 68 owners of SMEs in the eThekweni Metropolitan Area. Both primary and secondary data sources were used in the study. A quantitative research design was adopted to conduct this research. The survey method, by way of a self-administered questionnaire, was used to collect primary data. Various techniques such as descriptive statistics, Analysis of Variances (ANOVA), factor analysis, Chi-square, and regression analysis were used to analyse the data. The findings of this study revealed that intrinsic motivational factors of SME managers positively impact on the growth of SMEs in SA.

The findings further revealed that creativity and necessary entrepreneurial skills influence implementation of sustainable growth of SMEs, and the entrepreneur's success depends on the identification of crucial entrepreneurial skills for starting a business as well as for helping the business to survive and grow in the early years. Therefore, capacity building for SME owners to sustain business growth is recommended.

TABLE OF CONTENTS

DECLARATION	ii
DEDICATION.....	iii
ACKNOWLEDGEMENTS	iv
ABSTRACT	v
TABLE OF CONTENTS.....	vii
LIST OF TABLES.....	xiv
LIST OF FIGURES	xvi
LIST OF ABBREVIATIONS AND ACCRONYMS.....	xvii
CHAPTER 1 : INTRODUCTION TO THE RESEARCH PROBLEM	1
1.1 INTRODUCTION	1
1.2 BACKGROUND OF THE STUDY	2
1.3 STATEMENT OF THE RESEARCH PROBLEM AND THE RESEARCH QUESTIONS	3
1.4 PURPOSE OF THE STUDY	5
1.5 RESEARCH QUESTIONS.....	6
1.6 THE SIGNIFICANCE OF THE STUDY	6
1.7 LIMITATIONS AND THE SCOPE OF THE STUDY	7
1.8 AN OVERVIEW ON SMALL AND MEDIUM ENTERPRISES	8
1.8.1 Defining an SME in South Africa	8
1.8.2 Broad Definitions of SMMEs in the National Small Business Act	9
1.8.3 Categories of SMMEs as per the National Small Business Act	10
1.8.4 The Importance of SMEs in the economy	11
1.8.5 Contribution of SA SMEs to the economy	11
1.9 BACKGROUND OF THE SOUTH AFRICAN FURNITURE SECTOR	13
1.9.1 Sector description.....	13

1.9.2	South Africa furniture sector overview	14
1.9.3	Challenges facing the South African furniture industry	15
1.10	RESEARCH METHODOLOGY	16
1.10.1	Influence of literature review	16
1.10.2	The empirical research and the study population.....	16
1.11	STRUCTURE OF THE DISSERTATION	18
1.12	CONCLUSION.....	19
CHAPTER 2 : THEORETICAL FRAMEWORK		20
2.1	INTRODUCTION	20
2.2	BRIEF OVERVIEW OF ENTREPRENEURSHIP	20
2.2.1	Entrepreneurship in this study	22
2.3	MOTIVATION IN SME GROWTH.....	23
2.3.1	Small and medium business growth.....	23
2.3.2	Measuring business growth.....	27
2.3.3	SMEs as determinants of economic growth	27
2.3.4	Formula used to calculate growth.....	29
2.3.5	Factors motivating business owners	30
2.3.6	Motivation in small and medium businesses	32
2.3.7	Intrinsic motivation on SMEs	33
2.3.8	Intrinsic motivational factors/drivers	35
2.3.8.1	Achievement needs	35
2.3.8.2	Power needs.....	37
2.3.8.3	Affiliation needs	39
2.3.9	Intrinsic rewards and motivation	40
2.4	CREATIVITY AND MOTIVATION.....	41
2.4.1	Creativity in small and medium business growth.....	41
2.4.2	Motivation and creativity in SMEs.....	44

2.4.3	Creativity and self-efficacy	45
2.4.4	Characteristics of creativity	46
2.4.5	Strategic management of creative businesses	47
2.4.6	Creative process	48
2.5	ENTREPRENEURIAL SKILLS.....	51
2.5.1	Hard and soft skills	54
2.5.2	Necessary management skills.....	55
2.6	CONCLUSION.....	56
CHAPTER 3 : RESEARCH METHODOLOGY.....		58
3.1	INTRODUCTION	58
3.2	RESEARCH LOCATION.....	59
3.3	CENSUS STUDY.....	61
3.4	DATA COLLECTION METHOD	62
3.4.1	The research instrument	63
3.4.2	Drafting of the questionnaire	64
3.5	PILOT STUDY	64
3.6	RELIABILITY AND VALIDITY	65
3.7	RESEARCHER: VALUES AND ETHICAL PRINCIPLES	66
3.8	METHODS TO AVOID BIAS.....	67
3.8.1	Question bias	67
3.8.2	Subjectivity	67
3.9	DATA ANALYSIS.....	68
3.9.1	Descriptive statistics.....	68
3.9.2	Pearson correlation	69
3.9.3	Factor analysis	69
3.9.4	One Way Analysis of Variance	69
3.9.5	Regression analysis	70

3.10	CONCLUSION.....	70
CHAPTER 4 : DATA ANALYSIS AND THE INTERPRETATION OF RESULTS		
	71
4.1	INTRODUCTION	71
4.2	PROFILE OF PARTICIPANTS	72
4.2.1	Gender of the participants	72
4.2.2	Age of the respondents	73
4.2.3	Length of time business has operated.....	74
4.2.4	Qualification of the respondents	75
4.3	DESCRIPTIVE STATISTICS	75
4.3.1	Motivation for SME owners	76
4.3.1.1	‘Self-motivated SME owners are likely to grow their businesses even bigger’.....	76
4.3.1.2	‘When business owners are self-motivated, they experience positive effect’	77
4.3.1.3	‘Being naturally motivated is the reason behind SME growth’	77
4.3.1.4	‘SME growth is regarded as an important goal of the business’	78
4.3.1.5	‘Interest in learning enhances SME owners’ willingness to take risks’	78
4.3.1.6	‘SME growth increases the business sustainability’	78
4.3.2	Intrinsic motivational factors for SME growth	80
4.3.2.1	‘As a self-motivated business owner, I exert effort based on business growth interest’	80
4.3.2.2	‘I find new solutions to business problems because I want to achieve business growth’	81
4.3.2.3	‘I grow my business because I want to be recognised’	81

4.3.2.4	'I'm driven by a belief to produce the desired outcomes of my business'	81
4.3.2.5	'The aim of expanding the business is to take responsibility'.	82
4.3.2.6	'My need for advancement is the personal attribute that has great impact on the growth of my business'	82
4.3.2.7	'My growth aspiration enables me to take risks in order to grow my businesses'	82
4.3.3	Creativity in SME growth	84
4.3.3.1	'My motivation is driven by creativity'	84
4.3.3.2	'My self-motivation is associated with higher levels of creativity'	84
4.3.3.3	'Creative SME owners are willing to accept risks'	85
4.3.3.4	'Creative SME owners are more focused on content of the business'	85
4.3.3.5	'Creativity in SMEs is expected to result in final product or services'	85
4.3.3.6	'If creative potential of SMEs can be enhanced, this will eventually lead to a better support of national goals in South Africa'	86
4.3.4	Entrepreneurial skills in SMEs' growth	87
4.3.4.1	'My entrepreneurial skills influence the implementation of sustainable growth of my business'	87
4.3.4.2	'My business success depends on the ability to identify crucial entrepreneurial skills in the early years of my business start-up'	88
4.3.4.3	'The application of entrepreneurial skill develops new small and medium enterprises'	88
4.3.4.4	'Entrepreneurial skills guarantee small and medium business growth'	88
4.3.4.5	'The entrepreneurial skill creates new jobs'	89
4.4	FACTOR ANALYSIS.....	90

4.4.1	KMO and Bartlett's Test: Motivation for small and medium enterprises (SMEs)	91
4.4.2	KMO and Bartlett's Test: Intrinsic motivational factor for SME growth	92
4.4.3	KMO and Bartlett's Test: Creativity in small and medium business growth	94
4.4.4	KMO and Bartlett's Test: Entrepreneurial skills in small and medium business growth	95
4.5	PEARSON CHI-SQUARE TEST	96
4.5.1	Motivation for business growth	101
4.5.2	Intrinsic motivational factors	103
4.5.3	Creativity in SME growth	106
4.5.4	Entrepreneurial skills in SMEs growth	108
4.6	PEARSON'S CORRELATION COEFFICIENT	109
4.6.1	Motivation for business growth	114
4.6.2	Intrinsic motivational factor for SMEs growth	116
4.6.3	Creativity in SME's growth	120
4.6.4	Entrepreneurial skills in SMEs growth	123
4.7	REGRESSION MODEL	126
4.7.1	Model construction	127
4.8	ANOVA	128
4.9	COEFFICIENTS	129
4.10	CRONBACH'S ALPHA	130
4.10.1	Validity and Reliability	131
4.11	CONCLUSION.....	132
CHAPTER 5 : CONCLUSIONS AND RECOMMENDATIONS		134
5.1	INTRODUCTION	134
5.2	THEORETICAL PERSPECTIVE.....	135

5.2.1	Intrinsic motivational factors	135
5.2.2	Motivation and creativity in SMEs.....	136
5.2.3	Entrepreneurial skills	137
5.3	EMPIRICAL STUDY	138
5.3.1	Overview of empirical study	139
5.3.2	Stages in the research process.....	139
5.4	ACHIEVEMENT OF THE RESEARCH OBJECTIVES.....	141
5.4.1	To investigate whether the owners of small and medium businesses are driven by intrinsic motivational factors in growing their businesses.....	141
5.4.2	To evaluate if business skills have the ability to enhance the owner's intrinsic factors for achieving business goals.....	142
5.4.3	To determine intrinsic motivational factors used in the creativity process that support business owner's growth	142
5.5	IMPLICATIONS OF THE RESULTS FOR THE SME SECTOR....	144
5.6	LIMITATIONS OF THE STUDY	145
5.7	RECOMMENDATIONS AND FUTURE RESEARCH.....	146
5.8	CONCLUDING REMARKS	147
	LIST OF REFERENCES	148
	Appendix A: Letter of information and consent.....	160
	Appendix B: Questionnaire.....	161

LIST OF TABLES

Table 1.1: Defining SMME	9
Table 1.2: Categories of SMME	10
Table 1.3: Contribution of SMEs	11
Table 2.1: Six schools of thought on entrepreneurship	52
Table 2.2: Model of essential and additional management skills	53
Table 3.1: Business type, location and number of employees	59
Table 4.1: Response rate.....	72
Table 4.2: Gender distribution.....	72
Table 4.3: Age distribution	73
Table 4.4: Length of time businesses have operated.....	74
Table 4.5: Qualification distribution	75
Table 4.6: The summarised scores: Motivation for SMEs.....	76
Table 4.7: The chi square results on motivation for SMEs.....	79
Table 4.8: Intrinsic motivational factors.....	80
Table 4.9: The chi square results on intrinsic motivational factors for SME growth	83
Table 4.10: Creativity in SME growth.....	84
Table 4.11: The chi square test on 'creativity in SMEs' growth'	86
Table 4.12: Entrepreneurial skills in SMEs' growth	87
Table 4.13: The chi square results on entrepreneurial skills in SME growth	89
Table 4.14: KMO and Bartlett's Test	91
Table 4.15: Rotated Component Matrix ^a	91
Table 4.16: KMO and Bartlett's Test	92
Table 4.17: Rotated Component Matrix ^a	93
Table 4.18: KMO and Bartlett's Test	94
Table 4.19: Rotated Component Matrix ^a	94
Table 4.20: KMO and Bartlett's Test	95
Table 4.21: Rotated Component Matrix ^a	95
Table 4.22: Pearson chi-square results	97
Table 4.23: Correlation	111
Table 4.24: Variables	127

Table 4.25: Model summary.....	127
Table 4.26: ANOVA showing data distribution and level of significance	128
Table 4.27: Coefficients	129
Table 4.28: Questionnaires' Reliability Statistics.....	131

LIST OF FIGURES

Figure 2.1: Creative process	48
------------------------------------	----

LIST OF ABBREVIATIONS AND ACCRONYMS

ANOVA:	Analysis of Variances
AsgiSA:	Accelerated and Shared Growth Initiative of South Africa
BTS:	Bartlett's Test of Sphericity
DTI	Department of Trade and Industry
ESE:	Entrepreneurial self-efficacy
FEDEX:	Federal express
GDP:	Growth Domestic Product
HR:	Human Resources
IAFO:	Informal accountability for others
IPAP:	Industrial Policy Action Plan
KMO:	Kaiser Meyer-Olkin
Dif:	Difference
IMF:	Intrinsic motivational factor
NCA	National Credit Act
NCR	National Credit Regulator
NIPF:	National Industrial Policy Framework
NSB Act:	National Small Business Amendment Acts
OPCSM:	Osborne-Parnes Creative Problem Solving Model
OpR:	Opportunity recognition
r_s :	Pearson's correlation coefficient
SA:	South Africa
SDT	Self-determination Theory
SMEs:	Small and Medium Enterprises
SMMEs:	Small, Medium and Micro-enterprises
SPSS:	Statistical Package for Social Sciences
US	United States
UK	United Kingdom

CHAPTER 1 : INTRODUCTION TO THE RESEARCH PROBLEM

1.1 INTRODUCTION

In South Africa, the level of economic dependence (that is, the revenues and job creation) on Small and Medium Enterprises (SMEs) has grown in recent years as a result of increased right-sizing and early retirements in medium-sized and large businesses. The government of South Africa is doing its best to increase its emphasis on entrepreneurial opportunities for SMEs as a method to reduce pressure on the social security system. As such, the government is placing increased emphasis on enterprise assistance programmes and policies; particularly in the area of small and medium-sized businesses (Abor & Quartey 2010: 218). However, whether or not running a small business actually leads to the fulfilment of personal goals is an open question. It depends on whether there is a strong link between the small business manager's goals and motivations, on the one hand, and business outcomes, on the other. There is also reason to believe that small business growth is a function of the small business manager's personal abilities.

This study outlines and reports the findings of a research study that was undertaken to examine the association between intrinsic motivational factors and the growth of SMEs in the eThekweni Metropolitan Area. This chapter presents the background of the study in which the development of interest about the SME sector in South Africa is presented, together with various motivational factors involved to grow this sector. The problem statement of the study is presented, followed by the research objectives, and the methodology used. The chapter also presents the overview of the furniture sector. It ends with an outline of the rest of the dissertation.

1.2 BACKGROUND OF THE STUDY

SMEs are the leading force in the development of African economies. They are essential for economic growth in many developing countries. Entrepreneurial activities, such as innovation, risk bearing, employment creation, finding new opportunities and the commercialisation of their inventions, have contributed to prosperity in all regions of the world (Gay-Perret & Mainali 2012). In South Africa, SMEs are regarded as crucial to the economy given the role they play in the creation of employment and, above all, the contribution to economic growth (Kerimova 2011). People start and operate their own businesses for a variety of reasons other than maximising economic returns (Olomi 2009); whether or not running a small business actually leads to the fulfilment of personal goals is an open question. This depends on whether there is a strong link between the small business manager's goals and motivations, on the one hand, and business outcomes, on the other. There is also reason to believe that small business growth is a function of the small business manager's personal abilities (Gay-Perret & Mainali 2012).

Promoting the SME spirit in a country is widely accepted as the key to economic growth and job creation (Ligthelm 2009). Government has prioritised entrepreneurship and the advancement of Small, Medium and Micro-sized Enterprises (SMMEs) as the catalyst to achieving economic growth and development. The Department of Trade and Industry (DTI) (2014) with the assistance of other government departments and institutions, takes the lead in implementing SMME-related policies to ensure that adequate financial and moral assistance is provided to the sector, for its long-term prosperity and that of the country as a whole. Unfortunately, despite the existence of various programmes, the outcomes of these efforts have generally yielded poor results with only a few SMEs managing to expand and develop (Isaga 2015). Most of the SMEs have remained at the micro level (Rankhumise 2010).

This phenomenon in Africa has been referred to as the 'missing middle' (that is, the lack of medium-sized enterprises, as SMME's can be categorised as micro, small and medium-sized businesses) and continues to be a long-term concern for African policy makers (Gay-Perret & Mainali 2012). As a consequence, more research, particularly into the growth of SMEs in African countries, is required in order to understand the factors that contribute to the growth of SMEs (Olomi 2009).

The psychological construct of motivation has an important role to play in SME growth. Motivation is defined as an internal generator which makes the individual want to grow and achieve on his/her own rather than merely in response to an external pressure which simply induces movement (Foss & Klein 2012). This is what the study of the intrinsic motivation on entrepreneurship is about; to examine what drives people into establishing SMEs (Gay-Perret & Mainali 2012). Therefore, this study investigates the influence of intrinsic motivational factors on SMEs with specific reference to furniture manufacturing SMEs in the eThekweni Municipality.

1.3 STATEMENT OF THE RESEARCH PROBLEM AND THE RESEARCH QUESTIONS

The question as to why some businesses grow while others do not is one of the intriguing questions in the field of entrepreneurship. Researchers (Ribeiro & Lee 2008; Wiklund, Patzelt & Shepherd 2009) have investigated a wide variety of factors that might influence business growth. These factors range from the motivation of the business owner to factors related to the environment in which these businesses operate.

SMEs in South Africa are regarded as crucial in the role they play in the creation of employment and their contribution to economic growth (Rankhumise 2010). The expansion of a business is complex and can be

considered an uncertain task characterised by multiple ways of attaining the desired outcome (Delmar & Wiklund 2008).

Growing a business is also characterised by uncertainty. This means that small business owners can choose different ways to attain growth and the goal of growing the business can be interdependent with other goals.

Ladzani (2010) is of the opinion that the challenges faced by SMEs in developing countries are monumental and quite similar. Commonly found among these is the unstable and highly bureaucratic business environment, followed by corruption, bribery and inflation. Business discontinuation is an important feature of dynamic economies, and the entries and exits of businesses are closely aligned (Rankhumise 2010). A study on the immediate and remote causes of business closure is vital since research indicates that the failure of SMEs is high, particularly within the first years after starting (Franco & Haase 2009).

According to Franco & Haase (2009), approximately 50 percent of small start-ups exist for more than five years. Newly established businesses less than three years old usually face difficulties whilst a high percentage of these businesses fails (Rankhumise 2010). Although business failure takes place on all business sizes, SMEs are exposed to bigger threats. SMEs do not have the support of extra finance or resources that larger businesses typically possess, and they also face the challenge of inability to source financing from banking institutions (Ropega 2011). This suggests the need to further investigate the factors that influence SMEs growth from different angles. Owing to the crucial role played by individuals, several studies worldwide have acknowledged the importance of entrepreneurs for the growth of SMEs.

Accordingly, Rankhumise (2010) proposed that the effectiveness of programmes aimed at the development of SMEs depend on a thorough understanding of the characteristics of the owner or managers (also referred

to as entrepreneurs). In fact, most of the SMEs depend on the owner for their survival and growth (Ribeiro & Lee 2008). Without him or her, not much happens in the business because usually the owner is the one who makes important decisions concerning products, markets, motivation of employees, expansion plans and other strategic decisions concerning the business (Ropega 2011). Thus, this leads to the possibility that a large proportion of the difference in performance among SMEs can be explained by the individual entrepreneurs (Abor & Quartey 2010).

This study explores, amongst others, the views of Wiklund *et al.* (2009) who posit that entrepreneurial motivation is an important determinant of the intention to become an entrepreneur or owner, as well as the subsequent performance of the business. Therefore, in explaining business growth, this study specifically investigates the influence of intrinsic motivational factors, creativity and management skills that are involved in business growth. According to Gay-Perret and Mainali (2012), the use of psychological analysis has found a prominent place in entrepreneurship literature and, hence, cannot be ignored. In light of these challenges, the next section presents the aims and objectives of the study.

1.4 PURPOSE OF THE STUDY

The aim of this study is to investigate the influence of intrinsic motivational factors on SMEs' growth. The study will focus specifically on the furniture manufacturing sector in the eThekweni metropolitan area.

The following are the objectives of the study:

- to investigate whether the owners of SMEs are driven by intrinsic motivational factors in growing their businesses;
- to establish whether or not entrepreneurial skills have the ability to enhance owners' intrinsic factors for achieving business goals; and

- to determine intrinsic motivational factors used in the creativity process that support business owners' growth.

1.5 RESEARCH QUESTIONS

- Are the owners of SMEs driven by intrinsic motivational factors in growing their businesses?
- Are SME owners able to use their business skills to enhance intrinsic motivational factors in achieving business goals?
- Are there intrinsic motivational factors the owners of SMEs use in the creativity process that support business growth?

1.6 THE SIGNIFICANCE OF THE STUDY

Small, Medium and Micro-enterprise (SMME) development has been identified by the South African government as a priority for job creation (Foss & Klein 2012). In a 2013 study conducted by Global Entrepreneurship Monitor, it was discovered that the rate at which people engage in entrepreneurial activities is gradually dwindling. One of the reasons adduced for the decline is a lack of entrepreneurial education (Bosma, Wennekers, Guerrero, Amorós, Martiarena & Singer 2013). One vital area of study for small and medium business owners is in the area of determining the motivations behind their setting up the businesses in the first place. This driver or motivation provides a direction for further inquiry on the possible factors that lead to the satisfaction of small and medium business owners' success. Thus, this study is significant because the findings will provide the needed literature that will provide information for would-be entrepreneurs and also adds to existing knowledge in the field.

This study will also enable the diverse ideas on motivation and creativity from a growth perspective to be examined and consolidated conceptually. The

consolidation of these ideas can be considered for practical application in business. The study summarises research done by academics internationally thus far and makes it locally applicable and available. In doing so, this research has the potential to be used as a benchmark or standard.

In addition, the study will be beneficial for SME owners and other researchers. It will provide a wider and in-depth understanding of the intrinsic motivational factors influencing growth, performance and development of small and medium businesses in South Africa. It will contribute new knowledge to SMEs in the furniture sector and entrepreneurship literature. Furthermore, it will add value to the cumulative academic body of knowledge. The topic chosen also aims to increase understanding in relation to why some businesses are growing whereas others are stagnating. The results might assist entrepreneurs to determine the best factors that influence business growth. Similarly, the findings will not only benefit current, but also future entrepreneurs. For instance, the results can be presented to start-up businesses to minimise the difficulties they might experience through lack of entrepreneurial characteristics.

1.7 LIMITATIONS AND THE SCOPE OF THE STUDY

The study is limited in the eThekweni Metropolitan Area. Only SMEs in the furniture manufacturing sector are studied. The SMEs in eThekweni Metropolitan Area are selected for ease of accessibility and cost effectiveness.

The following sub-section discusses an overview of the SMEs. The definition, different categories and the importance of SMEs in the economy are briefly discussed.

1.8 AN OVERVIEW ON SMALL AND MEDIUM ENTERPRISES

1.8.1 Defining an SME in South Africa

Like other countries, the issue of what constitutes a small or medium enterprise is a major concern in South Africa (Kerimova 2011). However, the International Finance Corporation (2009: 9) provides a lucid definition of SMEs. It defines the term as any business that is registered and has less than 250 employees. In practice, SMEs are defined in a number of different ways, generally with reference either to the number of employees or to turnover bands (or a combination of both, as in the National Small Business Act 1996, which also allows for variations according to industry sector). The definition of SMEs by size is necessary, but it is not sufficient for an understanding of a sector where the realities are not only complex, but also dynamic (Herrington, Kew & Kew 2010).

According to the South African Small Business Act of 1996, as amended by the National Small Business Amendment Acts of 2003 and 2004 (NSB Act), SMEs mean any entity, whether or not incorporated or registered under any law, which consists mainly of persons carrying on small business concerns in any economic sector, or which has been established for the purpose of promoting the interests of or representing small business concerns, and includes any federation consisting wholly or partly of such association, and also any branch of such organisation (Mahembe 2011). The National Small Business Act (NSB Act) further categorises small businesses in SA into distinct groups, namely; survivalist, micro, very small, small and medium, hence, the use of the term 'SMME' for small, medium and micro-enterprises. However, the terms 'SMME' and 'SME' are used interchangeably in SA. The SME definition uses the number of employees (as the most common mode of definition) per enterprise size category combined with the annual turnover categories and the gross assets, excluding fixed property. According to Herrington, Kew and Kew (2010), small business means a separate and

distinct business entity, including cooperative enterprises and non-governmental organisations, managed by one owner or more, including its branches or subsidiaries, if any, which can be classified as a micro, a very small, a small or a medium enterprise.

1.8.2 Broad Definitions of SMMEs in the National Small Business Act

The National Small Business Act (102 of 1996) aims to:

- provide for the establishment of the advisory body and the enterprise promotion agency;
- provide guidelines for organs of state in order to promote small business in the republic; and
- provide for matters incidental thereto.

The NSB Act defines SMMEs as Small, Micro and Medium Enterprises based on certain characteristics (Mahembe 2011). The National Small Business Amendment Act (26 of 2003) aims to update and further define business according to five categories established by the original act, namely, standard industrial sector and subsector classification, size of class, equivalent of paid employees, turnover and asset value – excluding fixed property. Table 1.1 below presents the broad definitions of SMMEs.

Table 1.1: Defining SMME

SMME Manufacturing Sector in accordance with the standard industrial classification	Size of class	The total fulltime equivalent of paid employees	Total turnover	Total gross asset value (fixed property excluded)
Manufacturing	Medium	200	R51m	R19m
	Small	50	R13m	R5m
	Very Small	20	R5m	R2m
	Micro	5	R0.20m	R0.10m

Source: Mahembe 2011

1.8.3 Categories of SMMEs as per the National Small Business Act

The National Small Business Act of 1996, as amended by the National Small Business Amendment Acts of 2003 and 2004, divides SMMEs into several categories, as outlined in Table 1.2.

Table 1.2: Categories of SMME

Category of SMME	Description
Survivalist enterprises	They operate in the informal sector of the economy. They are mainly undertaken by unemployed persons. The Income generated is below the poverty line, providing minimum means to keep the unemployed and their families alive. Little capital invested, not much assets. Not much training is needed. The opportunities for growing the business are very small.
Micro enterprises	They consist of between one to five employees, usually the owner and family. Micro enterprises are informal. They have no license, formal business premises and labour legislation. They have a turnover below the VAT registration level of R300 000 per year. Basic business skills and training potential to make the transition to a viable formal small business.
Very small enterprise	They are part of the formal economy and use technology. They have less than 10 paid employees, who include self-employed artisans (electricians, plumbers) and professionals.
Small enterprise	They have less than 100 employees. They are more established than very small enterprises. They are formal and registered, and have fixed business premises. Owner managed, but more complex management structure.
Medium enterprise	They have up to 200 employees. Still mainly owner managed, but decentralised management structure with division of labour operates from fixed premises with all formal requirements.

Small businesses can also be divided between established formal SMMEs (mainly White and some Indian ownership) in predominantly urban settings and the emerging SMME economy (mainly African and Coloured) situated in townships, informal settlements and rural areas (DTI 2011: 4). According to Kerimova (2011), by far the largest sector is the survivalist enterprise sector. This means that most people are active in the informal sector where they have little institutional support. The National Credit Act of 2005, which established the National Credit Regulator (NCR), adopts and uses the definition of small business in the NSB Act, 1996, as amended and categorises any lending to

small business as developmental credit. The NCA uses the NSB Act definition for small business, and it further distinguishes between natural and juristic persons.

1.8.4 The Importance of SMEs in the economy

The value of the small business sector is recognised in economies world-wide, irrespective of the economy's developmental stage. The contribution towards growth, job creation and social progress is valued highly and small business is regarded as an essential element in a successful formula for achieving economic growth (Ligthelm 2009). It is estimated that SMEs employ 33 percent of the adult population in developing countries (Rankhumise 2010). Franco and Haase (2009) estimate that SMEs represent over 90 percent of private businesses and contribute to more than 50 percent of employment and the GDP in most African countries. An earlier study by the Competition Commission (2004) estimated that 99.3 percent of South African businesses were SMEs and they account for 53.9 percent of total employment and contributed 34.8 percent to GDP.

1.8.5 Contribution of SA SMEs to the economy

Table 1.3 presents the contribution of SMEs in the country's economy.

Table 1.3: Contribution of SMEs

Percentage	Survivalists	Micro (0)	Micro (1-4)	Very Small	Small Enterprises	Medium Enterprises	Large
Numbers of Firms	19.6	31.3	19.8	20.5	6.8	1.3	0.7
Numbers of Firms	19.6	31.3	19.8	20.5	6.8	1.3	0.7
GDP	5.8			3.9		15	65.2

Source: Mahembe 2011

The World Bank (2014) estimates that SMEs' contribution to employment generation was 39 percent in South Africa. Similarly, China's SME sector contributed 78 percent to its total employment. A recent study conducted by Abor and Quartey (2010) estimates that 91 percent of the formal business entities in South Africa are SMEs and that these SMEs contribute between 52 to 57 percent to GDP and account for approximately 61 percent of employment. The Global Entrepreneurship Monitor (2009) report emphasises that there is a strong correlation between the level of entrepreneurship in a country and its rate of economic growth. Ladzani (2010) states that a major reason why entrepreneurship has been receiving increased attention from both scholars and the public press is the growing recognition of the substantial economic and social contributions entrepreneurship bring. The economic contributions include economic growth, maintaining a favourable balance of payments and balance of trade and employment creation (Rankhumise 2010).

Socially, entrepreneurship results in poverty eradication and improved standards of living (Mahembe 2011). SMEs are, therefore, an essential panacea for improving the standards of living in a society and the stability of a country (Franco & Haase 2009). The democratically elected government of South Africa realised as early as 1995 the importance of SMEs to the economy (Herrington, Kew & Kew 2010). Trevor Manuel, the then Minister of Trade and Industry, clearly articulated these issues when he said: "With millions of South Africans unemployed and underemployed, the Government has no option but to give its full attention to the task of job creation, and generating sustainable and equitable growth" (Mahembe 2011).

The SMEs represent an important vehicle to address the challenges of job creation, economic growth and equity in South Africa (Kerimova 2011). Mahembe (2011) believed that the real engine of sustainable and equitable growth in this country is the private sector. Despite this acknowledged importance of SMEs' contribution to economic growth, they are still faced with numerous challenges that inhibit their growth (Rankhumise 2010). Apart from

SME funding and access to finance, the GEM Reports (2001-2010) noted that South African SMEs also suffer from poor management skills, which is a result of a lack of adequate training and education. This results in high rates of business failure (Ropega 2011). Consequently, South Africa has one of the lowest SMEs survival rates in the world (Franco & Haase 2009).

The following subsection discusses the furniture manufacturing sector in South Africa. It discusses the contribution, as well as the challenges faced by the country in this sector. It will be followed by a brief outline of the methodology used in this study.

1.9 BACKGROUND OF THE SOUTH AFRICAN FURNITURE SECTOR

1.9.1 Sector description

According to Quantec easydata (2014), the furniture manufacturing industry can be defined by the type of products produced and the nature of their operations. Manufacturers craft a combination of wood, leather or fabric and metal to produce one item such as a chair. Some manufacturers assemble imported material and locally sourced materials to produce a piece. The operation in this industry includes those who design for original equipment manufacturers. Manufacturers may produce a complete item or a combination of components. The industry in South Africa is characterised by the production of the following:

- ✓ office furniture;
- ✓ household furniture;
- ✓ bedding;
- ✓ hospitality furniture;
- ✓ outdoor furniture; and
- ✓ case goods.

According to fDi Markets (2014), the value chain includes forestry for planting wood which is primary in the wooden components, machinery such as sawmills to carve the wood, crafters with the skill to build the models, buyers and retailers who run the business of procuring the finished products and consumers of household and office furniture. The material used to build a complete model is a combination of wood for wooden products, wooden finishes such as veneers, metal such as steel and aluminium, bamboo, plastic and glass.

Furniture manufacturing is one of the most labour-intensive industries with a potential to contribute to the reduction of unemployment, increase exports and develop the SMMEs (DTI 2014).

1.9.2 South Africa furniture sector overview

According to Stats SA (2014), the furniture manufacturing industry is mainly concentrated in three provinces: Gauteng (37 percent), KwaZulu-Natal (23 percent) and Western Cape (19 percent). The remaining 21 percent is produced in the remaining six provinces. The two biggest manufacturers are CN Business Furniture and Bravo Group. There is little specialization in the industry with very few manufacturers focusing on one furniture category. The South African manufacturing industry generated total sales of R13.9 billion in 2012. The furniture manufacturing industry has steadily been growing at a very slow pace. With reference to the size of the industry in 2012, 42 000 people were employed in the industry. The furniture industry employment is relatively small considering that there are approximately 8.495 million people employed in South Africa across all industries.

There are approximately 833 levy paying furniture manufacturers in the country (KZN Furniture Cluster, 2008). It is understood that there are many other manufacturers operating in informal setting not included in the official

size of the industry. This indicates the latent potential that should be explored in order to increase the capacity of manufacturing and increase employment. The role players need to play a facilitative role in cooperation and support for the furniture market to ensure growth and more employment opportunities (www.whoownswhom.co.za 2014).

1.9.3 Challenges facing the South African furniture industry

The DTI (2014) states that, despite the opportunities in the furniture industry, the industry faces a number of challenges that have led to reduced profit margins and, in extreme cases, closure of some companies. These include declining competitiveness which is expressed by worsening trade, and access to the retail market. Other factors are:

- ✓ larger, more powerful businesses entering joint ventures with powerful players in the raw material supplier levels of the value chain. smaller businesses are either facing closure or operating in survivalist mode and not exporting smartly;
- ✓ the local environment within which the wooden furniture value chain is located is a difficult one in which this chain is squeezed between the dominant pulp and paper value chain and the increasing export of unbeneficiated raw materials (i.e., logs);
- ✓ there is essentially a “mixed picture” on upgrading in the local wooden furniture value chain which makes it difficult to focus on one particular issue or phenomenon;
- ✓ lack of tertiary educationally-based design programmes with appropriate qualifications through the national system of innovation;
- ✓ lack of learnership programmes, particularly in the area of wooden furniture product (aesthetic and technical) design; and
- ✓ no sector specific incentives.

Having discussed the dynamics within the SMEs in South Africa and an overview of the furniture sector (that is, domestic furniture industry and challenges facing the South African furniture industry), the following section provides an overview of research methodology, followed by the division of chapters.

1.10 RESEARCH METHODOLOGY

This part of the section of the chapter is a summary of the sampling and data collection methods, as well as the data analysis techniques employed.

1.10.1 Influence of literature review

The purpose of the literature review was to establish a theoretical framework for the topic subject area; define key terms; models and case studies supporting the research topic; and define or establish the area of the study. Heron (2014) stated that the literature review demonstrates a strong knowledge of the current state of research in the field or topic. The literature review provides a mental road map of the past, present and the future of research in a particular field.

1.10.2 The empirical research and the study population

This study is quantitative in nature and questionnaires will be administered to SME owners in the eThekweni metropolitan area. Sixty eight SME owners were identified within this area. However, the results can be applied to a wider population. The following section briefly discusses the research instrument used, pilot study, sampling technique, questionnaire administration and statistical testing.

- ❖ **Research instrument:** A questionnaire was devised to draw data from SMEs in the furniture manufacturing business owners' motivation to business growth. The questionnaire was divided into two sections. The first section covers the general information about personal and company information. The second section comprises questions aimed at uncovering the motives behind business owners starting and continuing with their own businesses.
- ❖ **Pilot study:** Preliminary questionnaires were administered to five SME owners in the furniture sector, as well as the statistician. This pilot study tested the validity and reliability of each question in capturing the information used. Furthermore, the questionnaire was sent to a number of SME experts in the eThekweni Metropolitan Area to ensure validity and reliability. The questionnaire was modified on the basis of the suggestions offered by the entrepreneurs and SME experts.
- ❖ **Sampling technique and size:** Considering the size of the sampling frame of this study, which was sixty eight, a census study was used. A census study was used to collect data from every member of the population being studied rather than choosing a sample. Sixty eight questionnaires were administered to the participants. Out of 68 questionnaires that were administered, only 60 questionnaires were returned.
- ❖ **Questionnaire administration:** A letter of informed consent, intended to ensure that respondents were informed of the nature and the purpose of the research, accompanied the questionnaires. The questionnaires were administered by the researcher to the owners of SMEs.
- ❖ **Statistical testing:** The data collected was edited and coded before analysing. The SPSS version 20.0 (Statistical Package for Social Sciences) was used as the data analysis method. Specifically, exploratory factor analysis was used to improve the research problems and enhance

the validity of the research. In addition, data analysis for this study included descriptive statistics, Pearson correlation and multiple regression analysis. Reliability was tested using the Cronbach's alpha while validity was ensured by using a statistician and by pre-testing the research instrument in a pilot study.

1.11 STRUCTURE OF THE DISSERTATION

The rest of this study is outlined as follows:

➤ **Chapter 2: Literature review**

This chapter gives an extensive literature review on the fields of motivation and intrinsic motivational factors in relation to entrepreneurship and small business growth. It highlights gaps to be filled while clarifying relevant concepts and shows how relevant it is, not only for scholars' and theoretical curiosity, but also for concrete results and effects.

➤ **Chapter 3: Research Methodology**

This chapter presents the research method used, research design, data collection and analysis, and delimitation of the study.

➤ **Chapter 4: Analysis of data and results**

The analysis of study results and discussion of the findings are presented in this chapter.

➤ **Chapter 5: Conclusions and Recommendations**

This chapter provides a summary of the findings, draws the conclusions and offers recommendations based on the results in chapter four as well as achievement of the research objectives.

1.12 CONCLUSION

This chapter highlighted the importance of SMEs to sustained economic development, employment creation and poverty alleviation in South Africa. SMEs are regarded as crucial to the economy given the role they play in the creation of employment and, above all, the contribution to economic growth (Kerimova 2011). According to Franco and Haase (2009), approximately 50 percent of small start-ups exist for more than five years. Newly established businesses that are less than three years old usually face difficulties whilst a high percentage of these businesses fail (Rankhumise 2010). This chapter set out the research problem and formulated the research objectives and the research questions. In addition, the chapter also discussed the significance of the research. Furthermore, the chapter highlighted the limitations of the study, the research methodology, ethical considerations and the layout of the entire research.

The following chapter deals with relevant and applicable literature to this study and its application. The literature will be examined by looking at the objectives on the existing knowledge of growth motivation in small and medium enterprises, intrinsic motivational factors, entrepreneurial creativity and entrepreneurial skills.

CHAPTER 2 : THEORETICAL FRAMEWORK

2.1 INTRODUCTION

SMEs are widely recognised as a key engine of economic development. As a result of this recognition, a central issue dominating policy debates around the world and Africa, in particular, has been how to stimulate economic growth through the development of SMEs (Ribeiro & Lee 2008). Both developed and developing countries focus on SMEs because it is believed that they bring great economic benefits in terms of employment creation and income generation. Specifically, in developing countries, SMEs are important not only because they create employment but also because they employ unskilled workers, who are overly abundant in these countries (Ladzani 2010). This chapter aims to build a theoretical foundation upon which this study is based. In doing so, the chapter briefly reviews the concepts of entrepreneurship, small and medium business growth, intrinsic motivational factors and other theories relevant for this study. The chapter will end by presenting various factors that have influence on growth of SMEs.

The following section will provide a brief overview of entrepreneurship since it is one of the key variables in this study.

2.2 BRIEF OVERVIEW OF ENTREPRENEURSHIP

Hisrich *et al.* (2009) recognized entrepreneurship as central to economic theory. He emphasized on the necessity of entrepreneurship in private enterprise. The term entrepreneur subsequently became common as a description of business founders and the fourth factor of economic endeavor that was essential for ownership of a commercial enterprise. However, some

of the most popular definitions of entrepreneurship are: entrepreneurship is the pursuit of opportunities beyond the resources one currently controls; entrepreneurship is the ability to create and build something valuable from practically nothing; and entrepreneurship is an activity that involves the discovery, evaluation and exploitation of opportunities to introduce new goods and services, ways of organizing, markets, processes, and raw materials through organizing efforts that previously did not exist (Mahembe 2011). These definitions emphasise the processes of recognizing opportunities, creation, and organization as key components of entrepreneurship.

In the same vein, Sarasvathy, Menon and Kuechle (2013) define entrepreneurship as the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic, and social risk and receiving the resulting rewards of monetary and personal satisfaction and independence. This definition reflects the entrepreneur's effort to: (a) create a new venture; (b) devote some amount of time and effort; (c) be independent; and (d) assume potential risks in the business arena. The common mistakes of identifying entrepreneurship with (a) each start-up of a small business, (b) managing a small business, or (c) insisting on innovation as a mandatory component of entrepreneurship, are overcome with a number of new definitions.

Entrepreneurship takes various forms, and not everything marked as 'entrepreneurial' is desirable, and not every entrepreneurial activity can be considered as positive contributions to the economy and the society. Barringer and Ireland (2010) distinguish between productive, unproductive and destructive entrepreneurship. Although there are different definitions of entrepreneurship, there are many variations in defining entrepreneurs. The definitions range from stressing the components of innovation, risk-taking, speculations, to organization of venture, leadership skills or charismatic traits. For example, according to Kerimova (2011), an entrepreneur is an individual who takes risks and starts something new. In addition, an entrepreneur is one

who organises, manages and assumes the risks of a business or enterprise (Mahembe 2011). An entrepreneur is an innovator and organiser – not necessarily a manager or a capitalist (Mahembe 2011).

According to Barringer and Ireland (2010), one of the factors influencing entrepreneurs in their career paths is choice of a role model; this is because their role and tasks are very complex. The person who brings funds to the entrepreneurial project bears mostly the financial risk; the manager organises the business and makes it run smoothly, while the real entrepreneur's function is a more strategic one. Therefore, an entrepreneur is not the same as a small business owner. Most businesses are not entrepreneurial, because they are not innovative. However, the newer definitions of an entrepreneur are emphasizing the ability to create opportunities, instead of simply searching for them (Sarasvathy, Menon & Kuechle 2013).

2.2.1 Entrepreneurship in this study

The present study adopts the micro view approach which suggests that an individual remains an appropriate unit of analysis in entrepreneurship research. This is because the entrepreneurs are the ones who make important decisions about the businesses, and it is their behaviour, which initiates the existence of the business (Abor & Quartey 2010). Therefore, much effort will be devoted to the review of the individually based approaches and their contribution to the growth of the business. Having discussed entrepreneurship, the following section focuses on SMEs and the motivation associated with business growth.

2.3 MOTIVATION IN SME GROWTH

2.3.1 Small and medium business growth

SMEs growth is often closely associated with overall business success and survival (Ladzani 2010:68; Tshabalala & Rankhumise 2011). Mahembe (2011) suggests that growth is the most appropriate indicator of the performance for surviving small business. Moreover, growth is an important precondition for the achievement of other financial goals of businesses (Ladzani 2010:72; Rankhumise 2010:8; Kerimova 2011). From the point of view of an SME, growth is usually a critical precondition for its permanency (Mahembe 2011). Ladzani (2010) found that young businesses that grow have twice the probability of survival as young non-growing businesses. It has also been found that strong growth may reduce the business profitability temporarily, but increase it in the long-run (Ligthelm 2009). Business growth, in general, refers to increase in size. Herrington, Kew and Kew (2010) aver that the most frequently used measure for growth has been change in the business turnover. Another typical measure for growth has been change in the number of employees. However measures, which are frequently used in the SME context, are strongly inter-correlated Delmar & Wiklund (2008) emphasises that such an inter-correlation may not exist among capital-intensive large companies. To date, most studies on business growth have focused on large companies or new ventures, while the growth of established, long-lived SMEs seems to have attracted much less attention (Tshabalala & Rankhumise 2011).

The early studies of growth focused on large companies and their diversification strategies. In large companies, the role of diversification, for example, may be significantly bigger than in the case of SMEs. Indeed, growth through diversification may be necessary for the growth of a large company (Ligthelm 2011). The existing research on the growth and strategy of SMEs has focused mainly on new ventures rather than on existing SMEs and on the

factors behind their longevity and growth (Franco & Haase 2009). However, it has been shown that most new jobs are created by existing, not new, SMEs (Ladzani 2010:43; Rankhumise 2010:19; Kerimova 2011). It is likely that the most comprehensive compilation of results of previous studies focusing on small business growth is that presented by Delmar and Wiklund (2008).

Several classifications of factors affecting business growth have been presented. The general preconditions for growth have been suggested to be: (1) entrepreneur's growth orientation; (2) adequate business resources for growth; and (3) the existence of the market opportunity for growth. Delmar and Wiklund (2008) claim that there are three key influences on the growth rate of a small independent business:

- the background and access to resources of the entrepreneur(s);
- the business itself; and
- the strategic decisions taken by the business once it is trading.

The growth of the smallest and youngest businesses is the most rapid. The location and industry sector also affects the growth (Ropega 2011). The most important strategic factors are shared ownership, an ability to identify market niches and introduce new products, and an ability to build an efficient management team. Delmar & Wiklund (2008) argue that these three components need to be combined appropriately for growth to be achieved. Sirivanh, Chaikheaw and Sateeraroj (2013), on the other hand, grouped the factors explaining growth into four approaches. These are:

- personality dominated approaches, which explore the impact of personality and capability on growth, including the entrepreneur's personal goals and strategic business aspirations;
- business development approaches, which seek to characterise the growth pattern of the business across stages of development and the influence of factors affecting the growth process;

- business management approaches, which pay attention to the importance of business skills and the role of functional management, planning, control and formal strategic orientation in terms of shaping the growth and performance of the business in the marketplace; and
- sectoral and broader market-led approaches, which focus largely on the identification of growth constraints and opportunities relating to small business growth in the context of regional development or the development of specific industrial sector, such as high-technology small businesses.

The behaviour of entrepreneurs is strongly affected by intentions (Mueller, Volery & Siemens 2012). The business' strategic behaviour and subsequent growth is understandable in the light of its growth intention. Therefore, business growth is based not merely on chance, but on the management's conscious decision making and choice (Delmar & Wiklund 2008). Growth can be regarded as the second most important goal of a company, the most important one being business survival (the continuity of the business) (Ligthelm 2011). Moreover, growth is an important precondition for business longevity. According to Cravo, Gourlay and Becker (2012), negative growth of an SME is often a sign of problems, while stagnation (a situation where growth has stopped) is usually indicative of problems that a business will face in the future. Mahembe (2011) states that, as a matter of fact, growth often has an instrumental value. For new ventures, business growth is needed to ensure an adequate production volume for profitable business. Growth can serve as an instrument for increasing profitability by enlarging the business market-share (Cravo 2010). Other similar goals include securing the continuity of business in the conditions of growing demand or achieving economies of scale. Moreover, growth may bring the business new business opportunities, and a larger size enhances its credibility in the market (Cravo, Gourlay & Becker 2012).

Delmar and Wiklund (2008) assert that achieving a higher net value of the business can be regarded as a motive for business growth. In SMEs, growth objectives are often bound up with the owner's personal goals and so it is vital that the owners support each other. Much has been written about the importance of the entrepreneur's growth motivation (Gay-Perret & Mainali 2012). The close connection between an owner and the business is the dominant characteristic of small businesses (Ligthelm 2011). Instead of profit maximization or growth, a business' primary goal may be the entrepreneur's independence or self-realization. Moreover, there may be no adequate resources for growth, or the expected increase in business risks may limit business growth willingness. However, aversion to growth has been said to be the principal reason why most SMEs stagnate and decline (Ropega 2011). In fact, business growth is the basic dimension of the models of business life cycles (Mahembe 2011). These multistage models use a diverse array of characteristics to explain organizational growth and development. However, organizational life cycle models have been criticised because of their extreme simplification of reality. In some cases, not all stages of development are found. Some stages of development may occur several times. The stages of development may occur in an irregular order, and there is a lack of empirical evidence to support the theories (Gay-Perret & Mainali 2012; Ropega 2011; Delmar & Wiklund 2008). Also, these authors largely neglect the differences in the impacts of different growth strategies. Moreover, Sirivanh, Chaikheaw and Sateeraroj (2013) maintain that the status of being a growth business may be rather temporary. Several growth strategies have been presented in the management and entrepreneurship literature. Managing growth is a major strategic issue for a growing business (Delmar & Wiklund 2008). It has been suggested that strategy is the most important determinant of business growth (Gay-Perret & Mainali 2012).

2.3.2 Measuring business growth

When conducting research on factors affecting SMEs' growth, it necessary to first define business growth and how it is measured. Various indicators are used to measure growth and there seem not to be any general measurement (Delmar & Wiklund 2008). Measuring sales growth and relative employment growth during a specific time period are the most common indicators used. Indicators such as assets, market shares, profits and output are also commonly used, however, not as commonly used as sales and employment (SBP 2009b). Output and market share vary greatly within industries and is, therefore, hard to compare. Total assets also depend on the industry's capital intensity and changes over time and profits are not that relevant unless measuring size over a long period of time (Mahembe 2011). Therefore, sales and employment are the two most important indicators used to measure a business's size and growth.

Employment numbers are also measures that are easily accessible, since they are important figures for governments (SBP 2009a). Sales figures are, on the other hand, affected by inflation and exchange rates and it is difficult to compare sales figures between industries. That is why it is important to use multiple growth indicators to study business growth (Stats SA 2014). In developing countries, SMEs are usually competing with price over added value. On the other hand, SMEs in developing countries have generally a lower productivity than in developed countries. Since a country's productivity level is a major indicator of improved living standards, added value should be seen as one of the important indicators of growth (Mahembe 2011).

2.3.3 SMEs as determinants of economic growth

Sirivanh, Chaikheaw and Sateeraroj (2013) and Cravo, Gourlay and Becker (2012) have argued that entrepreneurship and small firms are important

determinants of economic growth, but note that they have been omitted in the neoclassical growth framework. Moreover, Gay-Perret and Mainali (2012) recognise entrepreneurship as a significant activity that drives a wedge between knowledge and total factor productivity by bridging the gap between specific pieces of technological knowledge and innovations through the creation of new firms. Therefore, explaining how SMEs impact on growth can add to the explanatory power of traditional growth theory. According to Cravo (2010), a pro-SME policy view, as embraced by the World Bank, for example, is based on the argument that the SME sector brings social benefits that stem from greater competition and is, therefore, (potentially) more productive than large firms. However, financial markets and other institutional failures impede the development and growth of SME activity.

The argument that institutional arrangements are important for entrepreneurship and growth is put forward by Delmar and Wiklund (2008). Similarly, Cravo, Gourlay and Becker (2012) argue that, while the total supply of entrepreneurs differs across economies, the productive contribution of the society's entrepreneurial activities vary due to their allocation between productive and unproductive activities. Nevertheless, due to differences in institutions, human capital and rent-seeking levels, the presence of SMEs in a developing economy probably does not have the same implications as it has in a knowledge-based economy. In aggregate terms, the SME sector in developing countries is dominated by labour-intensive and low-tech firms that are more likely to be related with necessity entrepreneurship.

Cravo, Gourlay and Becker (2012) offer evidence that a large proportion of entrepreneurial activity is driven by necessity entrepreneurship derived from the fact that a large part of the population is not able to find another source of employment. Therefore, an SME proxy that encompasses human capital can shed additional light on the relationship between SMEs and growth once it can encompass the ability of the SME to appropriate knowledge from more productive firms (Gay-Perret & Mainali 2012). If the SME sector improves its

productivity, through innovation or imitation, a positive effect on growth is expected from the SMEs' human capital level (Cravo 2010).

2.3.4 Formula used to calculate growth

There are different ways of calculating growth. Based on the literature reviewed, most authors make a distinction between relative growth and absolute growth (Foss & Klein 2012). Absolute growth is simply computed as the size at time '1' minus the size at time '0'. For relative growth, most researchers divide the absolute growth by the size at time '0'. Researchers are free to choose between absolute and relative measures for calculating growth, though empirically it has been found that relative measures are more popular than absolute ones (Shepherd & Wiklund 2009). Furthermore, it is suggested that these two methods influence the final results differently. This is because a relative percentage tends to favour small business growth while absolute growth tends to favour larger businesses (Foss & Klein 2012).

A number of scholars have observed this phenomenon, and some have started to empirically examine these differences (Abor & Quartey 2010; Shepherd & Wiklund 2009). For example, Bjørnskov & Foss (2012) examined the relationships between growth measures and observed a poor correlation between relative and absolute measures. The authors' findings suggest that the results on relative measures are not comparable with the results on absolute measures. Shepherd and Wiklund (2009) also investigated the relationships between absolute and relative growth measures. Their findings suggest a high correlation between absolute and relative growth of the number of employees and a moderate correlation between absolute and relative growth of equity. Their findings also reveal poor correlations between sales, assets and profit when absolute or relative measures are used. In fact, based

on previous empirical studies using relative measures, they advise researchers not to develop hypotheses of absolute growth.

The following subsection discusses the motivational factors for the growth of small and medium businesses. The motivational factors are one of the key variables in this study.

2.3.5 Factors motivating business owners

Understanding what motivates individuals to engage in entrepreneurship is important in the study of business creation and business growth (Kerimova 2011). Gay-Perret and Mainali (2012) state that motivation cannot be excluded from the study of how businesses are created, since this omission would result in an incomplete theory. Zimmerman & Chu (2013) argues that, to understand the entrepreneurial process, one must understand entrepreneurs' motivation to start and sustain their venture. Carsrud and Brannback (2011) argued that motivation is the link between the intention and action of entrepreneurs, and there appears to be a relationship between motivation and performance (Zimmerman & Chu 2013). Motivating factors can be either internal or external to the entrepreneur (Fatoki & Garwe 2010). Grant and Berry (2011) classified motivators into four categories: extrinsic rewards, independence/autonomy, intrinsic rewards and family security. Delmar and Wiklund (2008) classified entrepreneurial motivations into four categories: financial, recognition, freedom, and family tradition (i.e., the motive to continue the family business and to imitate family members).

Motivating factors can also be classified as push or pull factors. Push factors include the need to increase family income, dissatisfaction with a salary-based job, problems with finding an appropriate job and the need for flexibility to accommodate family responsibilities. Pull factors include "the need for

independence, self-actualization, increased status and reputation in society” (Kerimova 2011).

Instincts (motives) drive behaviour where the goal is to survive, to succeed, and to avoid failure, and motives have been used to address the question on what causes a person to take action (Carsrud & Brannback 2011: 11). Factors that have been found to motivate entrepreneurs include the desire for independence/autonomy, family security, self-fulfilment, growth, financial gain, and opportunity recognition (Grant & Berry 2011). Fatoki and Garwe (2010) found the desire to earn more money and the lack of appropriate job opportunities to be key motivators. Similarly, Kerimova (2011) found that, among Kenyan and Ghanaian entrepreneurs, the top motivators were increasing income, creating a job for themselves, personal satisfaction and growth, and job security. In the same vein, entrepreneurs in Romania are motivated by the opportunity to increase their income and to provide job security (Zimmerman & Chu, 2013), while Ugandan entrepreneurs’ primary motivation was to make a living/money (Carsrud & Brannback 2011).

Zimmerman and Chu (2013) found that entrepreneurs were motivated by challenge and achievement. Gay-Perret and Mainali (2012) found entrepreneurs were motivated by the desire for personal satisfaction and growth and to provide jobs for family members and the entrepreneur. The motivation to increase income, job security, as well as personal freedom and independence were important to entrepreneurs (Grant & Berry 2011). Gay-Perret and Mainali (2012) state that, although there appear to be some similarities in the motivation of entrepreneurs around the globe, there are some differences as well.

2.3.6 Motivation in small and medium businesses

Motivation is a term that refers to a process that elicits controls and sustains certain behaviours (Royle 2013). Motivation can be extrinsic or intrinsic. Extrinsic motivation has a stronger relationship with material factors while, in the case of intrinsic motivation, the individual basically tries to fulfil his/her aims in life (Royle 2013). However, whatever the case may be, motivation has an influence on the actions of the SME owner. Human motivation plays a critical role in the entrepreneurial process (Zimmerman & Chu 2013). The main subject of this study deals with motivation, and, more precisely, the motive known as the intrinsic motivational factor. Grant and Berry (2011) have stressed the importance of entrepreneurial intentions as a forerunner to establishing a new venture, thus highlighting the importance of what motivates the person growing a business. Kamaraj, Jayakumar and Kathiravan (2012) were even clearer by saying that, because motivation plays an important part in the creation of new organizations, theories of organizational creation that fail to address this notion are incomplete. Thus, not only is studying motivation relevant because the need to be intrinsically motivated belongs to that category, but also because this study is about business growth.

Motivation is the driving force that causes the flux from desire to will in life. For example, a flower with no water still desires for water to sustain life. However, due to its incapability to move and get water, the flower cannot get water. Hence, suffering from a break in the driving force of motivation; it is not to say, however, that, necessarily, the flower lacks the driving force. Therefore, all life can be said to have, at its very minimal, the igniting spark of motivation (Word & Park 2011). It can be considered a psychological state that compels or reinforces an action towards a desired goal. For example, hunger is a motivation that elicits a desire to eat (Grant & Berry 2011).

Motivation has been shown to have roots in physiological, behavioural, cognitive, and social areas (Carsrud & Brannback 2011). Motivation may be

rooted in a basic impulse to optimise well-being, minimise physical pain and maximise pleasure. It can also originate from specific physical needs such as eating, sleeping or resting, and sex (Word & Park 2011). Motivation is an inner drive to behave or act in a certain manner. It is the difference between waking up before dawn to pound the pavement and lazing around the house all day (Zimmerman & Chu 2013). These inner conditions, such as wishes, desires and goals, activate individuals to move in a particular direction in their behaviour (Royle 2013).

Motivation can also be defined as behaviour toward the achievement of a goal. Therefore, motivation is behaviour, a set of actions (Silvia 2008). According to Word and Park (2011), motivation comes from a need to be fulfilled, and here is an important distinction: the one between motives and motivation. According to Grant and Berry (2011), motivation is an action directed towards something specific, and this something is a need to be intrinsically motivated. Therefore, the need is the motive (the reason) for acting, and this study will be about the motivational factor known as intrinsic motivational factors, leading to the set of actions called entrepreneurship and/or small and medium business growth.

2.3.7 Intrinsic motivation on SMEs

Intrinsic motivation occurs when one acts without any obvious external rewards. One simply enjoys an activity or sees it as an opportunity to explore, learn, and actualise one's potentials (Coon & Mitterer 2010). Intrinsic motivation refers to the reason why one performs certain activities for inherent satisfaction or pleasure; one might say engaging in an activity for itself and for the pleasure and satisfaction derived from participation (Hennessey & Amabile 2010). Intrinsic motivation refers to motivation that is driven by an interest or enjoyment in the task itself, and exists within the individual rather than relying on external pressures or a desire for reward. According to Kamaraj, Jayakumar and Kathiravan (2012), intrinsic motivation refers to the doing of

an activity for the interest in and enjoyment of the work itself, rather than for some separable consequence such as rewards or recognition. Intrinsic motivation often arises from the individual's positive reaction to the task itself, such as interest, involvement, curiosity, satisfaction, or positive challenge, which serves as a type of reward of the work (Hennessey & Amabile 2010). Within the Self Determination Theory, intrinsic motivation is central to the proactive, growth-oriented nature of human beings which is the basis for learning and development.

Intrinsically motivated business owners are more likely to pursue enjoyment, interest, satisfaction of curiosity, self-expression, or personal challenge in the business (Grant & Berry 2011). Intrinsic motivation has been studied since the early 1970s. The phenomenon of intrinsic motivation was first acknowledged within experimental studies of animal behaviour (Coon & Mitterer 2010). In these studies, it was evident that the organisms would engage in playful and curiosity-driven behaviours in the absence of reward. Intrinsic motivation is a natural motivational tendency and is a critical element in cognitive, social, and physical development (Hennessey & Amabile 2010). According to Coon and Mitterer (2010), SMEs' owners, who are intrinsically motivated, are more likely to engage in the business willingly as well as work to improve their skills, which will increase their capabilities. Grant and Berry (2011) state that SMEs owners are likely to be intrinsically motivated if they:

- attribute their business growth to factors under their own control, also known as autonomy;
- believe they have the skills to be effective agents in reaching their desired goals, also known as self-efficacy beliefs; and
- are interested in growing a business, not just in achieving wealth.

2.3.8 Intrinsic motivational factors/drivers

The theory of (learned) needs is one of the most ubiquitous and pragmatic in personality and organizational scholarship (Word & Park 2011). The needs theory of McClelland and Koestner (1992) contends that individuals are motivated by three basic drivers: achievement, affiliation, and power. Grant and Berry (2011) argue that these needs not only motivate individuals, but also include many of the most important human goals and concerns. This research attempts to demonstrate that each of these dimensions affects the level of accountability one feels for both himself/herself and others as well as helps channel individuals into places with organizations which help them fulfil these needs. These needs are achievement needs and power needs.

2.3.8.1 Achievement needs

The need for achievement describes a person's drive to excel with respect to some established set of standards (Royle 2013). The need to achieve is the motive to do well and to achieve a goal to a set of standards. The inclusion of measures of achievement orientation within the framework of entrepreneurs' personal characteristics is consistent with research (Royle, Fox, & Hochwarter 2009). The need to achieve reflects individuals' orientation, willingness, and drive for satisfaction or a sense of accomplishment. This is demonstrated by the exertion of intense, prolonged, and repeated efforts to accomplish something difficult, whether by skill, practice, or perseverance. This is accomplished by a future-oriented dedication to the task involving prioritization of accomplishing the task and frequently sacrificing other activities and personal time (Royle & Hall 2012).

Individuals' achievement needs are satisfied when they are able to actualise their own purposes relative to and regardless of the situations of others (Royle, Fox & Hochwarter 2009). Those high in achievement needs dislike succeeding

by chance and seek personally identifiable sources for their success or failure rather than leaving the outcome to probability (Royle & Fox 2011). Furthermore, individuals high in achievement need experience joy or sadness contingent upon the identifiable outcomes of their efforts (McClelland & Koestner 1992).

Royle (2013) noted that individuals high in this dimension differentiate themselves from others by their desire to perform at a more advanced level than their peers. Although achievement could be measured in terms of mastery and competitiveness, it also reflects individuals' desires to excel relative to themselves (Royle & Hall 2012). High achievement needs motivate individuals to seek relatively difficult vocations (McClelland & Koestner 1992). Further, high achievement individuals are more satisfied in tasks that involve both high skill levels and difficult challenges (Royle, Fox & Hochwarter 2009). Similarly, individuals high in achievement need are motivated to attain high-performance goals, enjoy pursuing standards of excellence, value competence, and enjoy challenges and achievement-relevant feedback (Royle, Fox & Hochwarter 2009; Royle & Fox 2011; Royle & Hall 2012).

Royle (2013) noted that high in achievement needs individuals seek situations in which they can obtain personal responsibility for finding novel solutions to problems. One underlying driver of such actions is partly the alleviation of concerns about the future in the organization. Such individuals tend to be very persistent with respect to solving problems (McClelland & Koestner 1992). Research indicated that individuals with high achievement needs are, generally, more effective leaders (Royle 2013). Unfortunately, however, the motivation to behave opportunistically while trying to satisfy this need has also been empirically validated (Royle & Hall 2012). Brunstein and Maier (2005) noted that two separate but interacting dimensions drive achievement needs: implicit and explicit motives.

Implicit motives energise spontaneous impulses to act (e.g., effective task performance). The degree of effective task performance is, of course, related to the degree to which the individual behaves accountably in his/her position. Explicit motives, on the other hand, are manifest by deliberate choice behaviours (e.g., explicitly stated preferences for difficult tasks). As such, high achievement needs map appropriately onto a drive to be informally accountable for others. Specifically, high achievement needs might drive individuals to seek informal accountability for others because the successful coordination of others' activities might translate directly into better job performance evaluations (both for them and for those for whom they are informally accountable). In addition, those who embrace the informal accountability for others (IAFO) and are effective in this capacity, appear to others as more proactive, appealing, employees. These virtues are some hallmarks of leadership (Royle 2013). Appearing to be an effective leader is, thus, an explicit motive (Royle 2013). This research contends that accountability relates to achievement needs such that those who want to maintain high marks and be considered credible leaders must feel answerable for their performances and seeking IAFO enhances the degree to which they can achieve.

2.3.8.2 Power needs

The need for power denotes individuals' desires to be influential. This could manifest itself in attempts to make others behave, as one would like, or in a manner that they might not have otherwise (McClelland & Koestner 1992). In other words, individuals high in this need seek position power so that they can compel the actions of others. Those high in power needs prefer being in competitive, status-driven situations, and actively seek the trappings of status (Grant & Berry 2011). Additionally, they are concerned with ensuring that the methods they choose to influence others are within their control (Royle 2013). However, in order to maintain viable interdependent relationships with others,

individuals with high power needs must often restrain these desires (Grant & Berry 2011). Central to one's need for power is gaining influence over others (Royle 2013). Individuals with influence can then parlay informal accountability for others into the accumulation of additional resources that serve to enhance their status. Prior research indicated that expression of power needs might have a mixed effect on how others are perceived. For example, direct subordinates often react negatively to leaders high in power needs whereas clients and others more distal in the organization view them more positively (Royle, Fox & Hochwater 2009; Royle & Fox 2011; Royle & Hall 2012). However, despite these findings, interpersonal failings caused by excessive displays of power seeking tend to derail managers (Grant & Berry 2011).

Based on the principles of role theory, when an individual becomes informally accountable for others, the target becomes cognizant of it (Royle & Fox 2011). Given the norm of reciprocity (Grant & Berry 2011), targets believe that the accountable party has extended a benefit and reciprocate with actions that align with the attitudes or behaviours to repay their obligations (Royle, Fox & Hochwater 2009). Individuals who are aware that another person has been helpful will reciprocate by ensuring that relevant mutual goals are met or corrective measures are taken if perceived performance decrements exist. For one high in power needs, this suggests that others will often indirectly cede a portion of their autonomy to them. Consequently, it is plausible that positive changes to one's job might occur and satisfy implicit power motives. For example, by co-opting some portion of a co-worker's efforts, an individual may gain more organizational prestige or be promoted to a job with a greater span of control. At a minimum, those known to be informally accountable for others may perceive a status differential that appeals to those who seek power (Royle 2013).

2.3.8.3 Affiliation needs

The need for affiliation reflects the desire to have close, friendly relationships with others (Royle 2013). Those high in this dimension tend to spend considerable time seeking interactions with others (McClelland & Koestner 1992). Further, those with strong affiliation needs pursue team activities in which interdependence and cooperation with others are paramount (Royle & Hall 2012). Affiliation needs have garnered relatively less critical scholarly attention than the other two of McClelland's needs theory (Royle, Fox & Hochwater 2009), but they still warrant discussion with respect to accountability. For those who value friendship and prefer cooperation over competition, demonstrating a willingness to meet stated standards of conduct, and to accept accountability for others might be taken as a sign of organizationally desired civility (Royle 2013).

High levels of affiliation motivate individuals to be both sympathetic and accommodating towards others (McClelland & Koestner 1992). Prior research noted the influence of affiliation on leadership. Specifically, Royle (2013) demonstrated a positive relationship between high affiliation needs and enabling others to act in ways deemed desirable. Royle & Fox (2011) further aver that those high in affiliation needs lead others in desirable directions and that, in doing so, they feel answerable to the same ethical codes of conduct common to their peers. In the course of social interaction, individuals pass along important information about how to behave. The norm of reciprocity (Royle 2013; Royle & Fox 2011; Royle & Hall 2012) contends that people might exchange useful information because they sense a debt of obligation.

Royle (2013) states that an understanding of the expectations associated with informal accountability for others are well developed in those high in affiliation needs because such individuals are strongly motivated to foster social ties. Building on this discussion, it is likely that those high in affiliation needs will seek informal accountability. Although doing so can be risky (because,

sometimes, a desired complicit reaction fails to occur), seeking informal accountability for others may be attractive to those with high affiliation needs because it offers the opportunity to build informal teams and feel a part of something. Nevertheless, those attempting to signal IAFO must demonstrate their own competence. This could be done by feeling accountable for one's roles and/or obligations as well as living up to them. IAFO fosters strong interpersonal associations attractive to high affiliation types (Royle 2013) and helps reduce their fears of being ostracised (McClelland & Koestner 1992). Creating strong interpersonal associations also act as a resource in the future when manoeuvring in threatening or uncertain settings.

2.3.9 Intrinsic rewards and motivation

Coon and Mitterer (2010) discovered that offering external rewards for an already internally rewarding activity can actually make the activity less intrinsically rewarding. A person's intrinsic enjoyment of an activity provides sufficient justification for his/her behaviour (Leung, Chen & Chen 2013). With the addition of extrinsic reinforcement, the person may perceive the task as over justified and then attempt to understand his/her true motivation (extrinsic versus intrinsic) for engaging in the activity (Coon & Mitterer 2010).

Experts also suggest that people are more creative when they are intrinsically motivated (Leung, Chen & Chen 2013) In work settings, productivity can be increased by using extrinsic rewards such as bonuses, but the actual quality of the work performed is influenced by intrinsic factors. If one is doing something that one finds rewarding, interesting, and challenging, one is more likely to come up with novel ideas and creative solutions.

Having discussed the motivational factors regarding SME growth, the focus will shift to creativity and its process in small and medium business growth.

The characteristics of creativity as well as self-efficacy will also be discussed. Creativity is one of the determining factors in SMEs' growth.

2.4 CREATIVITY AND MOTIVATION

Creativity is one of the most important factors in developing and growing businesses. The emphasis of this study is to understand the conditions under which intrinsic motivation promotes creativity. As noted above, psychologists and organisational scholars (Coon & Mitterer 2010; Leung, Chen & Chen 2013) have long believed that intrinsic motivation is an important enabler of creativity.

2.4.1 Creativity in small and medium business growth

The widely accepted definition of creativity comprises two major elements: novelty and appropriateness (Wong & Siu 2011). According to Barringer and Ireland (2010), creativity is the process of generating a novel and useful idea. Opportunity recognition may be, at least in part, a creative process. Some researchers use different synonyms for these two elements, and sometimes add a third element to the two, based on the focus of the related disciplines. Howard, Culley and Dekoninck (2008) compiled a list of keywords involving creativity. These include “unobvious”, “adaptive”, “leap”, “change”, “unexpected”, “communicated”, “transformation”, “comparisons”, and “resourceful”. They are considered as supplementary elements to the major elements in that they are less distinctive in contrast with the major ones. The dual nature of creativity causes difficulty in assessing creativity, despite the simplicity of assessing appropriateness.

Howard *et al.* (2008) claim that assessing appropriateness is often simpler and easier, since, if an idea fits the specifications or requirements of the problem,

it is considered appropriate. It is probably not difficult to judge whether something is appropriate. The appropriateness of a product or an idea can be easily analysed in several steps and procedures. However, appropriateness is not associated with a correct or wrong answer but rather a “good” or “poor” decision (Howard *et al.* 2008). On the other hand, novelty is often less robust because of its definition. It is much more difficult and ineffective for use in analysing the novelty and originality of a product or an idea (Wong & Siu 2011). It is believed that there are very few objective methods available in judging creativity and this can only be done by a field expert (Hausman 2009; Howard *et al.* 2008; Wong & Siu 2011).

These elements of creativity, which are referred to in the definition of creativity, precisely describe the characteristics of a creative output (Nicholl & McLellan 2008). A creative output refers to the ideas or items generated from the creative thinking process (Wong & Siu 2011). It is one of the four major areas of the study of creativity (Hausman 2009). According to Wong & Siu (2011), the structure often used by researchers consists of four categories: person, process, press, and product. Wong and Siu (2011) regard the categorization as the “4 P’s” of creativity. However, in this study, the term “product” in the categorization would be better paraphrased by the term “output” as the researcher believes that “product” might be easily confused with the tangible and physical items created by designers.

Grant and Berry (2011) highlight the importance of intrinsic motivation: the motivation to work on something because it is interesting, involving, exciting, satisfying, or personally challenging. There is abundant evidence that people will be most creative when they are primarily intrinsically motivated, rather than extrinsically motivated by expected evaluation, surveillance, competition with peers, dictates from superiors, or the promise of rewards (Wong & Siu 2011).

Interestingly, this intrinsic motivation principle of creativity applies not only to scientific creativity, but to business creativity as well (Hennessey & Amabile

2010). Often, financial success is closely tied to a passion for the work itself (Silvia 2008: 58). When Steve Wozniak invented the micro-computer, he demonstrated creativity in new product development; for all intents and purposes, such a thing had not existed before. When Walt Disney created Disneyland, he demonstrated creativity in new service development; he essentially invented a new form of entertainment (Silvia 2008). Although most people think of creativity in business as limited to the creation of something new to sell, there are other forms as well. When Fred Smith developed the concept for Federal Express (FEDEX), he certainly was not inventing a new service or a new product; humans had been delivering messages and packages to each other for thousands of years (Hennessey & Amabile 2010). In this instance, the creativity resided in the system for delivery: a hub system, where all packages were flown to Memphis on the same day, sorted and distributed for air delivery the next day. Creativity exists in less famous, more humble examples as well: the ad campaign that revitalises a dying brand, or the product line extension that captures additional market share.

At its heart, creativity is simply the production of novel, appropriate ideas in any realm of human activity, from science, to the arts, to education, to business, to everyday life (Grant & Berry 2011). The ideas must be novel, different from what is been done before, but they cannot be simply bizarre; they must be appropriate to the problem or opportunity presented. Creativity is the first step in innovation, which is the successful implementation of those novel and appropriate ideas and innovation is absolutely vital for long-term corporate success. Since the business world is seldom static, and because the pace of change appears to be rapidly accelerating, no business that continues to deliver the same products and services in the same way can survive for long (Hennessey & Amabile 2010). By contrast, businesses that prepare for the future by implementing new ideas oriented toward this changing world are likely to thrive (Grant & Berry 2011).

2.4.2 Motivation and creativity in SMEs

The emphasis is on understanding the conditions under which intrinsic motivation promotes creativity. Intrinsic motivation refers to the desire to expend effort based on interest in and enjoyment of the work that is being performed (Hennessey & Amabile 2010). As noted above, psychologists and organisational scholars have long believed that intrinsic motivation is an important enabler of creativity. Researchers have identified three interrelated psychological mechanisms through which intrinsic motivation may stimulate creativity.

First, emotion theorists have proposed that when business owners are intrinsically motivated, they experience positive affect (Silvia 2008). This stimulates creativity by broadening the range of cognitive information available, expanding the scope of attention toward assimilating a wider set of ideas, and encouraging cognitive flexibility for identifying patterns and associations between ideas (Hennessey & Amabile 2010).

Second, self-determination theorists have proposed that when business owners are intrinsically motivated, their curiosity and interest in learning will enhance their cognitive flexibility, willingness to take risks, and openness to complexity, which, in turn, will expand their access to ideas and potential solutions (Mueller, Volery & Siemens 2012).

Third, both emotion and self-determination theorists suggest that intrinsic motivation promotes creativity by encouraging persistence. From the standpoint of emotion theories, by fostering positive affect, intrinsic motivation enhances psychological engagement and builds energy for sustaining effort, increasing the amount of time that SME owners are willing and able to work on their tasks (Mueller, Volery & Siemens 2012). From the standpoint of self-determination theory, by fostering confidence and interest, intrinsic motivation encourages SME owners to persist with challenging, complex, unfamiliar

tasks, as well as to concentrate their attention more effectively on these tasks (Hennessey & Amabile 2010).

2.4.3 Creativity and self-efficacy

Wu, Tsai and Wang (2011) indicated that self-efficacy refers to an individual's level of self confidence in their capacity to complete a specific work by themselves. Cheng, Ribbens and Zhou (2013) suggested that people's faith in their own performance will affect the choices they make, their aspirations, devotion to specific tasks, and how long they can pursue specific goals when faced with difficulties and setbacks. This study affirms that self-efficacy is the judgment of self-capacity to complete specific tasks by individuals. Individuals with higher self-efficacy have higher confidence in accepting challenges. On the contrary, individuals with lower self-efficacy usually have difficulty facing different challenges (Wu, Tsai & Wang 2011).

Grant and Berry's (2011) model lists two personality traits that effect opportunity recognition (OpR), namely, creativity and optimism (related to self-efficacy). Fischer (2011) and Grant and Berry (2011) also state that being creative is one of the components of discovering opportunities. Furthermore, Wu, Tsai and Wang (2011) argue that an individual's self-efficacy influences opportunity perceptions. Creativity is a process of divergent and convergent thinking (Hennessey & Amabile 2010). This divergent thinking is directly related to the generation of business ideas, new opportunities and company growth (Fischer 2011). Creative ideas, in turn, are results of applying basic mental actions to existing knowledge structures (Grant & Berry 2011).

Creativity is highly related to innovativeness, which is one of the subscales of Robinson's entrepreneurial attitude orientation scale (Eisenbei & Boerner 2013). Innovativeness is an individual's creative style of thinking and his/her speed in adopting innovations in a specific domain (Carmeli, Gelbard & Reiter-

Palmon 2013). However, according to Fischer (2011), prior knowledge is a major component of creativity. Therefore, this trait, in the form of innovativeness, enhances OpR. Self-efficacy refers to a person's belief in his or her capability to perform a given task and events in his/her life (Hennessey & Amabile 2010). Grant and Berry (2011) use the term entrepreneurial self-efficacy (ESE) which refers to the strength of a person's belief that he or she is capable of successfully performing the various roles and tasks of entrepreneurship. According to Grant and Berry (2011), self-efficacy has significant relation to innovation for entrepreneurs. Carmeli, Gelbard and Reiter-Palmon (2013) assume that if employees have strong self-efficacy it is reflected in their attitudes and, hence, in their ability to identify opportunities. This creates a second link between self-efficacy, as another subscale of the attitudes towards entrepreneurship and OpR.

2.4.4 Characteristics of creativity

The characteristics of creative people have been recognised by several authors. Hennessey and Amabile (2010) identified high energy levels, a high level of intuition, self-confidence, broad interest and drive for unique experiences. Grant and Berry (2011) add that a creative person is more focused on content of assignments and not the organization itself; the creative person is more focused on action and does not the love routine, and is very competitive. Eisenbei and Boerner (2013) support the above views and further indicate that a creative person is willing to accept risk if a supportive climate exists in that organization. Grant and Berry (2011) conclude that creative people possess three types of skills, namely, domain-relevant skills (e.g., specific knowledge regarding a discipline), creative relevant skills (e.g., thinking skills) and task-motivation (e.g., to be motivated to be creative). Perhaps the most important observation regarding the characteristics of a creative person is that everybody possesses the potential to be creative, and that the characteristics that enhance creativity are present to a greater or

lesser extent in every individual. Hennessey and Amabile (2010) also indicate that creativity can be enhanced by means of planned actions, for example, by the teaching of thinking skills.

2.4.5 Strategic management of creative businesses

According to Nauwelaerts and Antwerp (2012), companies in the creative sector strategically focus on niches. This implies that they are continuously looking for unique and innovative designs. The combination of a niche market with a flexible organizational structure and production of small volumes represent their success (Nauwelaerts & Vijfeyken 2010). Nauwelaerts and Antwerp (2012) identify critical weaknesses of entrepreneurship within the creative industry: lack of cash at the start; insufficient financial flexibility in all stages of growth and insufficient managerial knowledge and know how, especially in the field of business economics, finance and law.

Third parties inevitably play a role in innovation processes of creative SMEs (Hollaender, Cools & Nauwelaerts 2010). Nauwelaerts and Antwerp (2012) state that training and participating in interactive networks and workshops can offer a solution. Networking with customers and suppliers make creative businesses more flexible and increases their chances of success.

Having discussed the strategic management of creative businesses, the next subtopic presents different stages of the creative process.

2.4.6 Creative process

The five different stages of the creative process are illustrated in Figure 2.1.

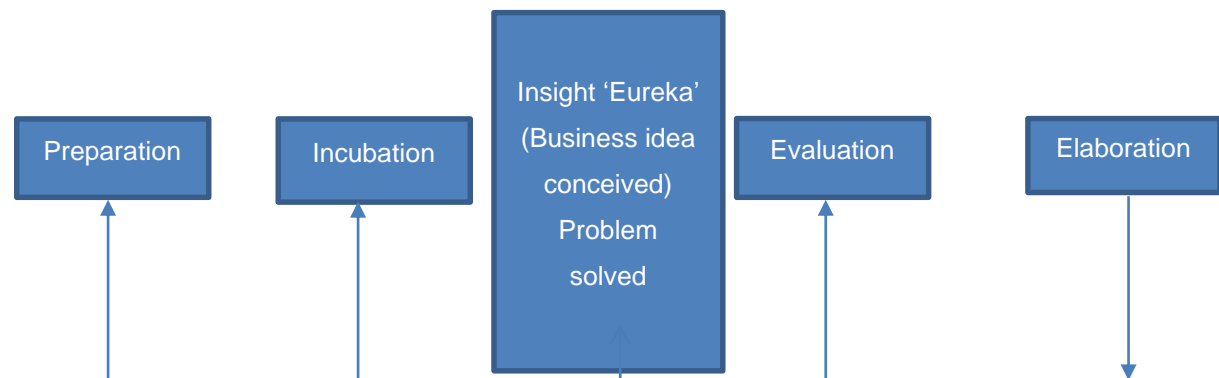


Figure 2.1: Creative process

Source: Barringer & Ireland (2010)

Wong & Siu (2011) state that the creative process refers to the different phases an individual goes through to reach his/her goal. In this respect, different authors have identified different phases. Hausman (2009), Howard, Culley and Dekoninck (2008) and Wong and Siu (2011) have identified four phases, namely, preparation, incubation, insight and testing. Barringer and Ireland (2010) identified five phases, namely, preparation, incubation, insight, evaluation and elaboration.

After evaluation of the different processes, it was concluded that all the processes have four common phases, namely, preparation, incubation, illumination and testing (Wong & Siu 2011). At the stage of preparation, information relating to the problem is investigated in all directions (Howard *et al.* 2008). The individual analyses the problem and the surrounding issues with respect to the problem. Next, the individual comes to a period in which unconscious thinking takes place. This is the period of incubation.

After the incubation period, the effortless and inspirational solution, which is normally associated with remote knowledge relating to the problem, suddenly

illuminates the individual's mind. This is what is referred to as illumination. At the fourth stage, the verification stage, the individual evaluates analyses and extends the idea. The consolidated idea is formed at this stage. However, the unconscious belief is not welcomed by some researchers as it might have no explanatory value and be out-dated (Howard *et al.* 2008).

Other researchers developed their model of the creative thinking process without emphasizing the period of incubation. For instance, Hennessey & Amabile (2010) developed a model of creative process with five stages: "problem or task presentation", "preparation", "response generation", "response validation" and "outcome". Osborne developed the Osborne-Parnes Creative Problem Solving Model (OPCSM) with six stages: "mess finding", "data finding", "problem finding", "idea finding", "solution finding" and "acceptance finding" (Wong & Siu 2011). Judging by the groupings of different phases of the models of the creative process done by Howard *et al.* (2008), it is obvious that models developed by researchers are of a similar pattern, regardless of the unconscious belief. Various phases are grouped as 'analyses', 'generation', 'evaluation', and 'communication/implementation' (Howard *et al.* 2008). Nonetheless, there are still many unresolved questions regarding the generation phase. It seems unlikely that a general consensus can be obtained among researchers on how creative ideas are generated (Barringer & Ireland 2010).

During the period of incubation the individual is able to combine the information analysed in the previous stage and produce new combinations, which lead to illumination. Therefore, if more combinations can be produced, it is more likely that a creative and original solution or output can be conceptualised (Hennessey & Amabile 2010). The number of combinations depends on the amount of knowledge that can be gathered in the analysis stage. The more the amount of information associated with the problem available, the greater the likelihood of producing more combinations. Also, there are more opportunities to access more remote information related to the problem when

the individual is not focused on the problem in the incubation period (Wong & Siu 2011). Therefore, an incubation period is essential in combining remote associations to generate a more creative and inspirational idea at the stage of illumination.

Alternatively, apart from researchers who adopt the stage-fashion process of creativity, there are other researchers who claim that creativity is a dual application of two mental states, namely, convergence and divergence. It is apparent that the creative thinking process involves divergent thinking; however, the divergent thinking is indeed most effective when it is paired with convergent thinking (Hausman 2009). In creative thinking processes, idea generation, or ideation, is pertinent to divergent thinking, and evaluation, which is associated with convergent thinking, exists as a part of ideation. Whenever an individual generates an idea, he/she will evaluate it unconsciously. It is only in the experimental stage that ideation and evaluation are being separated for the ease of investigation. The creative thinking process is considered as to be an interaction between convergent and divergent thinking (Howard *et al.* 2008 and Wong & Siu 2011).

Creativity might then be seen as the ability to switch from one thinking mode to another thinking mode without difficulty (Wong & Siu 2011). The models of creative thinking process mentioned above seem rather linear. As a matter of fact, it might be possible that the creative process can be cyclic in which the stages of analysis, generation and evaluation can repeat if the solution generated is not adequate in solving the problem. In the Hennessey and Amabile (2010) model of creativity, a path that indicates looping-back also exists after the last stage (Hennessey & Amabile 2010). The OPCSM also holds the possibility of having new challenges after the last stage of the process (Howard *et al.* 2008). The room to have a looping-back route is not limited in any sense. Hausman (2009) developed a model without any stage or phase; instead, it is a conceptual schema of creative interaction for creative processes. However, instead of arguing whether or not a stage or phase

should be imposed in the creative process, the writers believe that a process with different stages is easier to comprehend, and a simple illustration of a creative process is easier to apply in the context of education.

The following section discusses the basic entrepreneurial skills that are required for business success. Entrepreneurial skills are one of the key variables in this study.

2.5 ENTREPRENEURIAL SKILLS

Since entrepreneurial skills influence the implementation of sustainable growth of SMEs, the entrepreneur's success depends on the identification of crucial entrepreneurial skills for starting a business as well as for helping the business to survive and grow in the early years (Dee 2010). SME owners should be aware of the variety of necessary basic and additional management skills that are not only desirable, but also required for successful guidance of the company. Having that in mind, the SME owner needs to have more knowledge on how to compose his/her ideal team to consists of the team members with the complementary skills, and avoid situations to hire people with similar or same skills as his/her own (Investopedia 2012).

Robles (2012) mentioned two types of skills-hard and soft. Hard skills are the technical expertise and knowledge needed for a job. Soft skills are interpersonal qualities, also known as people skills, and personal attributes that and individual possesses. Soft skills are character traits, attitudes, and behaviours rather than technical aptitude or knowledge. Soft skills are the intangible, non-technical, personality-specific skills that determine one's strengths as a leader, facilitator, mediator, and negotiator (Parsons 2008). Hard skills are those achievements that are included on a resume, such as education, work experience, knowledge and level of expertise (Investopedia 2012). Kabongo and Okpara (2010) compare entrepreneurial skill with human

capital. Human capital theory asserts that expanding the individual knowledge pool provides entrepreneurs with efficient and effective cognitive abilities, leading to more productive and efficient potential entrepreneurial activities (Kabongo & Okpara 2010).

Among the variety of explanations of how the entrepreneurial process works, Cunningham and Lischeron (1991) refer to the six schools of thought on entrepreneurship developed by in an attempt to provide a framework for better understanding the entrepreneur as the key ingredient of an entrepreneurial process (Robles 2012).

Table 2.1 presents the six schools of thought on entrepreneurship. The schools are grouped around these criteria.

Table 2.1: Six schools of thought on entrepreneurship

Category	School (Entrepreneurial Model)	Central Focus (Purpose)
a) Assessing Personal Qualities	1.The “Great Person” School of Entrepreneurship	The entrepreneur has an intuitive ability and traits with which she or he was born.
	2.The Psychological Characteristics School of Entrepreneurship	The entrepreneurs have unique values, attitudes and needs which drive them.
b) Recognizing Opportunities	3.The Classical School of Entrepreneurship	Entrepreneurs’ central characteristic for entrepreneurial behaviour is innovation.
(c) Acting and Managing	4. The Management School of Entrepreneurship	Entrepreneurs are organisers of a venture – they organise, own, manage and assume the risk.
	5. The Leadership School of Entrepreneurship	Entrepreneurs are leaders of people- they can adapt to the need of people to motivate, direct and lead them.
(d) Reassessing and Adapting	6. The Entrepreneurship School of Entrepreneurship	Development of independent units in the complex organization in order to create, market and expand services

Source: Cunningham& Lischeron 1991

These schools are categorised according to their focus on (a) personal characteristics, (b) opportunities, (c) management, or the need for (d) adapting an existing venture. Another contribution to understanding the management and entrepreneurial skills (Whetten & Cameron 2007) has been provided by segmenting these skills into three groups, including personal, interpersonal and group skills, as basic management skills, and adding several additional skills.

Table 2.2 presents the model of essential and additional management skills.

Table 2.2: Model of essential and additional management skills

Basic management skills	
Personal Skills	Developing Self-Awareness, Managing Personal Stress, Solving Problems Analytically and Creatively
Interpersonal Skills	Building Relationships by Communicating, Supportively Gaining Power and Influence, Motivating Others Managing Conflict
Group Skills	Empowering and Delegating, Building Effective Teams and Teamwork Leading Positive Change
Additional management skills	
Specific Communication Skills	Making Oral and Written Presentations, Conducting Interviews, Conducting Meetings

Source: Whetten & Cameron 2007

SME owners should be aware of the variety of necessary basic and additional management skills that are not only desirable, but also required for successful guidance of the company. Having that in mind, they will have more knowledge on how to compose their ideal team to consist of the team members with the complementary skills, and avoid situations of hiring people with similar or same skills as theirs (Whetten & Cameron 2007).

2.5.1 Hard and soft skills

The term 'soft skill' has been around a long time in both business and educational settings, in corporate meetings, and in curriculum development (Robles 2012). When people think about their skills, they usually reflect on practices that they have perfected, such as keyboarding with speed and accuracy or wiring the electronics in an automotive system. Basically, when individuals use the term hard skills, they typically are referring to the definition of skill as defined by Robles (2012) "the ability, coming from one's knowledge, practice, aptitude, to do something well; competent excellence in performance; and a craft, trade, or job requiring manual dexterity or special training in which a person has competence and experience".

Hard skills are those achievements that are included on a résumé, such as education, work experience, knowledge, and level of expertise. Examples of hard skills include job skills like typing, writing, maths, reading, and the ability to use software programmes (Investopedia 2012). The real soft skills definition is not about skills in the traditional sense. Robles (2012) defines the term 'soft skills' as "desirable qualities for certain forms of employment that do not depend on acquired knowledge: they include common sense, the ability to deal with people, and a positive flexible attitude".

Soft skills are character traits, attitudes, and behaviours, rather than technical aptitude or knowledge. Soft skills are the intangible, non-technical, personality-specific skills that determine one's strengths as a leader, facilitator, mediator, and negotiator. Soft skills are character traits that enhance a person's interactions, job performance, and career prospects (Parsons 2008). The greatest feature of soft skills is that the application of these skills is not limited to one's profession. Soft skills are continually developed through practical application during one's approach towards everyday life and the workplace (Robles 2012). Unlike hard skills, which are about a person's skill set and

ability to perform a certain type of task or activity, soft skills are interpersonal and broadly applicable (Parsons 2008).

2.5.2 Necessary management skills

There are a number of management skills needed to achieve growth and long-term success. These skills include keeping records and controlling finances, controlling inventory, managing human resources, marketing and strategic planning.

✓ Record-keeping and financial control

Business owners need to keep a good record of control over critical accounts of the business, such as cash, raw materials, finished goods, customer credit, customer data and costs. To support this management function, it might be necessary for growing businesses to hire the services of an accountant or consultant, or to use computer software packages that help keep track of business records and which analyses them.

✓ Inventory control

Effective inventory management involves monitoring costs and customer activity. Too much inventory ties up the cash of the business, while too little inventory can be costly to the business, either in lost sales or other business if their needs are not met efficiently. Computerised links with suppliers and wholesales can ensure fast order entry and responses.

✓ Human resources

Most SMEs do not have human resource (HR) departments, and the responsibility of HR activities normally falls on the business owner/entrepreneur and a few key personnel in the business. The owner of the

business may need to hire new staff for a business that is growing. The business should have good HR policies in place for interviewing, hiring, evaluating and selecting. Some business may decide to outsource the recruitment to professional employment agencies.

✓ **Marketing skills**

As businesses grow, they need to do two things: develop new products and services to offer customers and look for new markets to serve. This is a continuous process based on information from market research. Sales persons are the business's direct link to its customers and should be able to provide important information about customer requirements. Survey and focus groups can also provide market information.

✓ **Strategic planning skills**

To be successful, the SME owner needs to plan for the short-term and the long- term. He/she needs to set goals and objectives based on market information. The owner also needs to consider changes in the business environment (that is, competition, overall economic outlook) and reflect these changes through adjustments in the strategic plan. In a business that is growing, the planning must be continuous and should involve frequent feedback and evaluation to ensure that the plan is suitable for the current situation of the business.

2.6 CONCLUSION

This chapter reviewed the literature on the definition of entrepreneurship. The chapter also examined the definition of SMEs from a national and international perspective and the contributions of SMEs to the economy of South Africa. In addition, the chapter explored the challenges faced by SMEs in South Africa. The concepts of intrinsic motivational factors, creativity, entrepreneurial skills

and business growth were also discussed and it is apparent that SMEs are the locomotive for the economic development of every country. It was clearly recognised that SMEs play an important role in the South African economy in terms of employment creation, GDP and poverty lessening. However, despite their significant role in the development of the national economy, it was also established that SMEs face some serious challenges resulting in an estimated failure rate of 50 percent.

The following chapter will assimilate the nature of the concepts discussed in this chapter and present the methodology adopted in this study.

CHAPTER 3 : RESEARCH METHODOLOGY

3.1 INTRODUCTION

In the preceding chapter, the literature review, which was the primary source of information to complete a conceptual framework of the areas of research, was presented. The literature review discussed the stated theory relating to the objectives. Hence, this study investigates whether the owners of small and medium businesses are driven by intrinsic motivational factors in growing their businesses. It evaluates if business skills have the ability to enhance owners' intrinsic factors for achieving business goals; and determines intrinsic motivational factors used in the creativity process that support business owners' growth.

In this chapter, the research methodology adopted for this study will be discussed and the research location examined as it influenced the method and sampling techniques which were used to conduct this research. The data collection, research methods, research design, sampling techniques, validity and reliability as well as values and principles used by the researcher in conducting the case study are covered.

An outline of data collection techniques covering areas of the draft questionnaire is included. The research limitations and steps employed by the researcher to avoid bias, as well as the data analysis method, conclude this chapter.

3.2 RESEARCH LOCATION

The research was carried out in the eThekweni Metropolitan Area, which consists of North, South, West and East Regions. Table 3.1 depicts the business type, location and the number of employees.

Table 3.1: Business type, location and number of employees

Where is your business situated in the eThekweni District Municipality?				Business registration				Total
				Private company (Pty) Ltd	Close corporation (CC)	Partnership	Sole trade	
Durban central	The number of people employed by this business	5 - 49	Count % within Business registration	2 100.0%	5 83.3%	2 100.0%		9 90.0%
		50 - 99	Count % within Business registration	0 0.0%	1 16.7%	0 0.0%		1 10.0%
	Total		Count % within Business registration	2 100.0%	6 100.0%	2 100.0%		10 100.0%
South of Durban	The number of people employed by this business	5 - 49	Count % within Business registration	0 0.0%	0 0.0%	3 100.0%		3 50.0%
		50 - 99	Count % within Business registration	2 100.0%	1 100.0%	0 0.0%		3 50.0%
	Total		Count % within Business registration	2 100.0%	1 100.0%	3 100.0%		6 100.0%
North of Durban	The number of people employed by this business	5 - 49	Count % within Business registration	3 100.0%	5 83.3%	3 100.0%		11 91.7%
		50 - 99	Count % within Business registration	0 0.0%	1 16.7%	0 0.0%		1 8.3%
	Total		Count % within Business registration	3 100.0%	6 100.0%	3 100.0%		12 100.0%
West Durban	The number of people employed by this business	5 - 49	Count % within Business registration	5 100.0%	3 50.0%	4 80.0%	1 100.0%	13 76.5%
		50 - 99	Count % within Business registration	0 0.0%	3 50.0%	1 20.0%	0 0.0%	4 23.5%
	Total		Count % within Business registration	5 100.0%	6 100.0%	5 100.0%	1 100.0%	17 100.0%
East Durban	The number of people employed by this business	5 - 49	Count % within Business registration	2 100.0%	6 75.0%	3 100.0%	2 100.0%	13 86.7%
		50 - 99	Count % within Business registration	0 0.0%	2 25.0%	0 0.0%	0 0.0%	2 13.3%
	Total		Count % within Business registration	2 100.0%	8 100.0%	3 100.0%	2 100.0%	15 100.0%
Total	The number of people employed by this business	5 - 49	Count % within Business registration	12 85.7%	19 70.4%	15 93.8%	3 100.0%	49 81.7%
		50 - 99	Count % within Business registration	2 14.3%	8 29.6%	1 6.3%	0 0.0%	11 18.3%
	Total		Count % within Business registration	14 100.0%	27 100.0%	16 100.0%	3 100.0%	60 100.0%

✓ **Type of businesses that participated in the study**

Table 3.1 shows that close corporations had the highest number of businesses with 27 SMEs of this nature which participated in the study. The results are consistent with the study by Delmar and Wiklund (2008) which found that close corporations are the dominant businesses in South Africa.

✓ **The number of SMEs per location**

The number of SMEs varies from district to district. The Western part of the eThekweni Metropolitan Area has more businesses with 17 SMEs. This is followed by Eastern part with 15 SMEs, Northern part with 12 SMEs, and the Southern part with only 6 SMEs in the furniture sector.

✓ **Number of employees in the respective location**

Table 3.1 shows that there are two distinct groups of SMEs in the furniture sector in relation to the number of employees they employ. The two groups are made up of the group that employs 05-49 people and the other employing up to 100 people.

3.2 RESEARCH DESIGN

The research design is the plan to be followed in order to realise the research objectives and hypotheses. It represents the master plan that specifies the methods and procedures for collecting and analysing the data collected (Blumberg, Cooper & Schindler 2011). According to Creswell (2009), there are two basic types of research design: qualitative research and quantitative research and a hybrid of the two. This study used the quantitative research design which Creswell (2009: 149) describes as studies whose findings are mainly the product of statistical summary and analysis. The main feature of quantitative research is the heavy reliance of the researcher on data analysis to arrive at findings or conclusions. The study is correlative in nature.

According to Dawson (2009), a correlational study determines whether or not two variables are correlated, i.e., whether an increase or decrease in one variable corresponds to an increase or decrease in the other variable.

3.3 CENSUS STUDY

Burt, Barber and Rigby (2009) stated that, in a census study, data is collected from every member of the population being studied rather than choosing a sample. It is known as a complete enumeration (that is, a complete count). The total number in the furniture manufacturing sector in the eThekweni Metropolitan Area was 68 SMEs (Umkhumbane Business Support Unit and Furn-Tech Advanced Furniture Technology 2013), all of which were approached to be included in the study.

A census study provides a true measure of the population and there is no sampling error (Burt, Barber & Rigby 2009). A census survey offers the following advantages:

- ✓ everyone has an opportunity to participate;
- ✓ accuracy concerns are reduced; and
- ✓ it is easier to administer.

However, the following are disadvantages of a census survey:

- ✓ higher cost;
- ✓ longer administration time; and
- ✓ increases expectations and it generally takes longer to collect.

The questionnaires were personally administered to all participants. Out of 68 questionnaires that were administered, only 60 questionnaires were returned.

3.4 DATA COLLECTION METHOD

The researcher used the survey method to collect data. According to Creswell (2009), surveys are a quantitative research data collection method which uses questionnaires as its data collection instrument. Survey research was used to identify the characteristics of the target population. The merits of using surveys are that surveys offer quick, inexpensive, efficient and accurate ways of collecting information (Blumberg *et al.* 2011). Another merit of the survey method is that surveys are useful in describing the characteristics of a larger population. This study used the survey method by way of self-administered questionnaires. The self-administered questionnaires are research questionnaires personally delivered to the respondents by the researcher but completed by the respondents with no researcher involvement (Creswell 2009).

Data collection was undertaken by researcher who issued the questionnaires to the respondents and followed-up on the completion of the questionnaires. The researcher made several repeated calls to respondents to ensure that the questionnaires were completely filled. Some of the respondents started filling the questionnaire immediately on receipt and asked the researcher to return after an hour to collect the questionnaire. A total of 68 questionnaires were sent to respondents.

The following sections deal with the research instrument, draft of questionnaire, the pilot study and questionnaire administration.

3.4.1 The research instrument

Questionnaires with simple closed questions, drawn from the literature review, were designed in order to ascertain the intrinsic motivational factors in SMEs' growth. The questions asked covered the following areas:

- ✓ biographic information;
- ✓ motivation for SMEs;
- ✓ intrinsic motivational factors for SMEs growth;
- ✓ creativity in SMEs' growth; and
- ✓ entrepreneurial skills in SMEs' growth.

The organisation of the questionnaire helped the researcher to observe respondents' behaviour and expressions as well as to understand the respondents' emotional responses. The questionnaires, which were in MS Word format, were printed and personally administered by the researcher. Each questionnaire was accompanied by a letter of informed consent to ensure that the respondents are well informed of the nature of the intention of the study (see Annexure B for a copy of the questionnaire). A structured questionnaire was deemed appropriate to use with this method and was employed for this study. A questionnaire was administered among SMEs in the eThekweni Metropolitan Area. This method was advantageous because it allowed for the measurement of owners' perception towards motivation in SMEs growth, thereby allowing comparisons and statistical data to be used. To maximise these advantages, there was a need to ensure that the questionnaire:

- ✓ was easy to follow and its questions are particularly easy to answer;
- ✓ had few or no open questions, but more closed ones since they tend to be easier to answer and easy to code;
- ✓ was easy to design to minimise the risk that respondents will fail to follow filter questions;
- ✓ was short to reduce the risk of respondent fatigue, since it is easy for respondents to become tired of answering a questionnaire. moreover,

shorter questionnaires tend to achieve better response rates than longer ones;

- ✓ was accompanied by a good covering letter explaining the reasons for the research; and
- ✓ did not look unnecessarily bulky (Burt, Barber & Rigby 2009).

The use of a self-administered questionnaire was viewed as an appropriate research method for collecting data in this research mainly because the data required could be primarily obtained through closed questions.

3.4.2 Drafting of the questionnaire

In order to gather background information regarding this research topic, the researcher formulated a problem statement, drew up a research proposal and conducted a literature review. The questionnaires were drafted in May 2014. The proposal and the questionnaire were drawn up based on the literature from various articles and books on entrepreneurship, business management, psychology and motivation. The study focused on the intrinsic factors on small and medium business growth in the eThekweni Metropolitan Area.

3.5 PILOT STUDY

A pilot study was used to test for reliability of the questionnaires. According to Burt, Barber & Rigby (2009), a pilot study is crucial when research is based on self-administered questionnaires. Its purpose is to find out whether there is any need to change, delete or add some questions. In addition, a pilot study helps determine the validity and reliability of the questionnaire (Dawson 2009). Five copies of the questionnaire were administered to five owners of SMEs as well as to the statistician to ensure validity and reliability. The pilot study was conducted in order to check whether the questionnaire would be able to draw out the data or information required. The respondents were requested to

comment on the structure of the questionnaire, clarity of the wording, as well as its length. The main goal was to avoid the use of vague terms and/or phrases which could affect the results. The structuring and length was a concern because lengthy and poorly structured questionnaires were likely to deter potential research participants. Suggestions and comments from the five SMEs' owners were then incorporated.

The process for questionnaire design culminated in final consultations and comments from the research statistician, which were incorporated before the questionnaire was sent out. Cronbach's alpha was used to test for validity and reliability of the questionnaire and a few problems were highlighted and resulted in the need for a few changes to be made. After making the changes, Cronbach's alpha was applied again by the statistician who analysed the questionnaire and confirmed that reliability and validity measured was acceptable and that the questionnaire could be administered to the entire sample (See Appendix B).

3.6 RELIABILITY AND VALIDITY

A pilot study was conducted in order to ensure the reliability and validity of the research instrument. Drost (2011) stated that reliability refers to results that are the same for the same test done under different occasions, conditions, and by different people. Drost (2011) described validity as being concerned with the idea of measuring what the research design is intended to measure. According to Willemse (2009) validity refers to the idea that the research design addresses all objectives. To ensure that the objectives of this study were addressed, the questions were short, easy to understand and were driven from the objectives measured, as reported in Chapter 1. The pilot study generated good reliability and validity scores.

3.7 RESEARCHER: VALUES AND ETHICAL PRINCIPLES

Most research projects deal with human beings and it is vital that ethical and legal responsibilities are understood beforehand. Concerns about this issue have grown extensively over the past years. Ethics deal with what is wrong or right, good or bad, and proper or improper in research. They are there to guide a researcher's conduct in relation to the participants' rights during the study (Saunders, Lewis & Thornhill 2012).

In addition to ethics responsibility, professionalism is also important in research and has to be maintained throughout the process as it improves the quality of the research (Willemse 2009). In order to conform and fulfil a researcher's ethical and professional responsibility, ethical issues, as mentioned by Saunders, Lewis and Thornhill (2012), were taken into consideration and the following values and principles were adopted throughout the whole process. The researcher conformed to all moral principles governing human and organisational ethics as laid out by the University. The researcher fully informed the respondents of the purpose of the study before engaging them in the process. Confidentiality of the information was maintained throughout the study; and honesty, trust and justice were demonstrated by the researcher throughout data collection process.

The first ethical issue relates to informed consent, which means that prospective research participants must be fully informed about the procedures and risks involved in the research and must give their consent to participate. Informed consent requires informing participants in advance about the overall purpose of the study, such as the main features of the study and its importance as well as the risks and benefits of their participation. The consent is communicated in a written form, verbally, or in an audiotape or videotape, depending on the nature of the study. In this study, the owners of the SMEs were personally handed an introductory letter explaining the purpose of this study and its importance to the researcher, to the entrepreneurs, and to the

public at large. Furthermore, with regard to confidentiality, the researcher guaranteed the participants that their information would not be made available to anyone who was not directly involved in the study. Additionally, all sources used in this study were acknowledged.

3.8 METHODS TO AVOID BIAS

In carrying out the research, bias is likely to occur especially during sampling and interviewing. Nonetheless, the researcher took the following steps to avoid bias.

3.8.1 Question bias

The questionnaire was developed to its final form through testing. The researcher paid special attention in the sequencing of questions, question wording for misunderstanding and recording errors caused by the questionnaire layout, as identified by the pilot study and the statistician. The researcher made sure that the interpretation of data was only done after recording of the events and the researcher remained neutral towards all aspects of the study.

3.8.2 Subjectivity

The interpretation of data from the research questionnaires was done after the recording of data. The researcher avoided subjectivity towards all aspects of the study.

3.9 DATA ANALYSIS

Data analysis forms the core of the whole research. It serves to elicit validity, eligibility, reliability, generalisation and the meaning of all information gathered (Dawson 2009). Chapter 4 will be dedicated to analysis of the data. The questionnaire was designed in a way that made coding of responses easy. Data was analysed using the SPSS version 20.0 (Statistical Package for Social Sciences). Analysis was carried out by:

- looking at tendency and variability of appropriate demographic information and likert items;
- looking at frequency distribution tables and demographic items;
- cross-tabulation of survey items and average factor scores; and
- conducting appropriate statistical tests of study objectives.

Descriptive and inferential statistics were used to analyse data gathered. The following briefly explains the statistical tools used in the study.

3.9.1 Descriptive statistics

Descriptive statistics were applied to describe the general characteristics of the study sample. This involves calculations of averages, frequencies and percentage distributions. According to Saunders, Lewis and Thornhill (2012), descriptive statistics provide simple summaries about the sample and the measures. Together with simple graphics analysis, they form the basis of virtually every quantitative analysis of data. With descriptive statistics, the researcher is describing what is or what the data shows.

3.9.2 Pearson correlation

Pearson correlation was used to test for the direction and strength of the relationship between motivations and performance, personal values and performance, management skills and performance, motivations and personal values, motivations and management skills, and personal values and management skills. According to Dawson (2009), the main result of a correlation is called the 'correlation coefficient' (denoted by "r").

3.9.3 Factor analysis

Factor analysis is a statistical approach that can be used to analyse interrelationships among a large number of variables and can explain these variables in terms of their common underlying dimensions (Saunders, Lewis & Thornhill 2012). Its major objectives are to find a way of condensing the information contained in a number of original variables into a smaller set of variables with a minimal loss of information (Saunders, Lewis & Thornhill 2012). In this study, factor analysis is performed in two forms. First, it is performed to assess the internal reliability of the measuring instrument used in this study. Secondly, it is used to reduce the number of variables by creating new composite variables for each factor (that is, the summated scale).

3.9.4 One Way Analysis of Variance

The One Way Analysis of Variance (ANOVA) is a statistical technique for examining the differences among means for two or more populations (Saunders Lewis & Thornhill 2012). This technique determines the significance of the mean differences across groups (that is, dependent variable "how long you have been in the business sector and predictors "entrepreneurial skills, motivation, intrinsic motivational factors and creativity").

In this study, ANOVA is used to show the level of significance between the dependent and independent variables.

3.9.5 Regression analysis

Regression analysis is a technique used to analyse the relationship between a single dependent variable and one or several independent variables. The general assumption is that there is a linear correlation between the dependent variable and the independent variable(s) (Saunders, Lewis & Thornhill 2012). As indicated in Chapter 1, the main objective of this study was to examine the relationship between characteristics of the entrepreneur, on the one hand, and the growth of SMEs in the eThekweni furniture sector, on the other. Accordingly, linear regression analysis is an appropriate statistical technique for examining such relationships. In this study, the regression was used to show the level of significance between the dependent variable and the independent variables.

3.10 CONCLUSION

In this chapter, the population was defined, the sample and sampling method explained, and the research method selected. The data spread sheet and the method of analysis were explained. The following chapter presents the empirical research results. They will firstly be presented in a tabular form, then in the form of graphs followed by their respective explanations. The secondary analyses used include comparative descriptive statistics, correlations, chi-square tests, and factors analyses. This chapter will also present the inferential statistics together with interpretation of results.

CHAPTER 4 : DATA ANALYSIS AND THE INTERPRETATION OF RESULTS

4.1 INTRODUCTION

In the previous chapter, the research methodology and the techniques used to formulate the questionnaire for this study were presented and explained. This section presents a detailed interpretation and analysis of the findings emanating from the questionnaires received from SMEs in the eThekweni Metropolitan Area.

Interpretation plays an important role in research as it is the process that brings meaning to the divergent views of the respondents. Hence, it can be argued that the purpose of any research is to follow protocol in its investigations, state the findings, analyse the data, and make conclusions and recommendations. Data analysis is a process of gathering, modelling and transforming data with the goal of highlighting useful information, suggesting conclusions, and supporting decision making. Data analysis has multiple facets and approaches, encompassing diverse techniques under a variety of names, in different business, science, and social domains (Burt, Barber & Rigby 2009). The data collected from the responses were analysed using the SPSS version 22.0.

The scale of measurement on which the data are based or type of measurement reflected in the data determines the permissible statistical technique and whether the appropriate empirical operation may be performed. Data analysis for this study included descriptive statistics, Chi-square, factor analysis, Pearson correlation and regression analysis. The results are presented in the form of tables. Having introduced the chapter, the next section presents the empirical findings.

Response rate, also known as completion rate or return rate, in survey research refers to the number of persons who answered the survey divided by the number of people in the sample. Table 4.1 shows the response rate for this study.

Table 4.1: Response rate

Number of questionnaires administered	Number of questionnaires returned	Response rate
68	60	88%

The next subsection presents the research results based on the respondents' profiles.

4.2 PROFILE OF PARTICIPANTS

This section identifies and discusses the profiles of SMEs and the responses of the research participants. The SMEs have been classified according to gender, age, qualification of respondents and the length of time of business operation. The findings are presented in a tabular form.

4.2.1 Gender of the participants

Table 4.2 presents the gender of the participants.

Table 4.2: Gender distribution

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	47	78.3	78.3	78.3
	Female	13	21.7	21.7	100.0
	Total	60	100.0	100.0	

The analysis of the result shows that most SMEs are owned by males. As can be observed from Table 4.2, 78.3 percent of the respondents were males, while females comprised 21.7 percent. The question established the dominance of gender in this category, and it emerged that males dominate the manufacturing sector. The lack of female entrepreneurs may be due to cultural or normative beliefs about a woman's role in society, and South Africa is no exception. Franco and Haase (2009) aver that such an imbalance may be due to the fact that the business environment is less accommodating to female-owned businesses. This finding shows that males participate more in the manufacturing sector than in sectors such as food-vending or garment-making.

4.2.2 Age of the respondents

Table 4.3 presents the age of the participants.

Table 4.3: Age distribution

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 17 – 24	1	1.7	1.7	1.7
25 – 34	16	26.7	26.7	28.3
35 – 44	26	43.3	43.3	71.7
45 and above	17	28.3	28.3	100.0
Total	60	100.0	100.0	

Age group was distributed into four main categories, that is: 17-24, 25-34, 35-44 and above 45 years age group. The distribution showed that 43.3 percent of the respondents were between the ages 35-44, while 28.3 percent were in the age group 45 years and above age group followed by 26.7 percent in the 25-34 years group, group with the lowest total of 1.7 percent in the 17-24 age groups.

4.2.3 Length of time business has operated

Table 4.4 presents the length of time businesses have operated.

Table 4.4: Length of time businesses have operated

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 1 year	8	13.3	13.3	13.3
	1 to less than 2 years	7	11.7	11.7	25.0
	2 to less than 5 years	9	15.0	15.0	40.0
	5 years and above	36	60.0	60.0	100.0
	Total	60	100.0	100.0	

The study revealed that the majority of SME at 60 percent have been operating for more than 5 years and are now established businesses. Fifteen percent have been operating more than 2 years but less than 5 years, while 13.3 percent have been operating for less than 1 year and the lowest percent of 11.7 percent have been operating for more than a year but less than 2 years. This finding shows that most of the sampled SMEs owners have been in business for more than 2 years. If the position held by Franco and Haase (2009) is anything to go by, then it can be deduced that the sampled entrepreneurs have weathered the storm of business growth and development.

4.2.4 Qualification of the respondents

Table 4.5 presents qualification distribution.

Table 4.5: Qualification distribution

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Diploma	16	26.7	26.7	26.7
Degree	13	21.7	21.7	48.3
Honour's Degree	3	5.0	5.0	53.3
Master's Degree	1	1.7	1.7	55.0
Other	27	45.0	45.0	100.0
Total	60	100.0	100.0	

The results indicate that 45 percent of the respondents have qualifications other than formal tertiary qualification, while 26.7 percent have diplomas followed by 21.7 percent who have degrees and only 5 percent of the respondents have honours degrees. The lowest percentage at 1.7 percent has master's degrees. Having looked at the profile of the respondents (age group, gender, business type, size and location of the business) and having analysed it in a specific context, it is necessary to focus briefly on the descriptive statistics.

4.3 DESCRIPTIVE STATISTICS

The objective of this section was to examine the intrinsic motivational factors of SME owners in the eThekweni Metropolitan Area in South Africa. Hennessey and Amabile (2010) define motivation as an internal generator which makes the individual want to grow and achieve on his/her own rather than an external pressure which simply induces movement. In addition, it is that internal drive in a person to satisfy an unsatisfied need and the will to achieve.

This section analyses the scoring patterns of the respondents per variable. Levels of disagreement were collapsed to show a single category of “Disagree”. A similar procedure was followed for the levels of agreement. The findings from the analysis are presented in table form. The results are first presented using summarised percentages for the variables that constitute each section. Results are then further analysed according to the importance of the statements. A chi-square scoring pattern will also be summarised.

The following subtopic covers the motivation for SME owners.

4.3.1 Motivation for SME owners

This section aimed to examine the motivation for the owners of SMEs. The findings are presented in Table 4.6.

Table 4.6: The summarised scores: Motivation for SMEs

	Agree		Neutral		Disagree	
	Count	Percent	Count	Percent	Count	Percent
Self-motivated SME owners are likely to grow their businesses even bigger.	58	96.7%	1	1.7%	1	1.7%
When business owners are self-motivated, they experience positive effect.	57	95.0%	2	3.3%	1	1.7%
Being naturally motivated is the reason behind SME growth	56	93.3%	3	5.0%	1	1.7%
SME growth is regarded as an important goal of the business.	56	93.3%	4	6.7%	0	0.0%
Interest in learning enhances SME owners' willingness to take risks.	48	80.0%	9	15.0%	3	5.0%
SME growth increases the business sustainability.	57	95.0%	2	3.3%	1	1.7%

4.3.1.1 ‘Self-motivated SME owners are likely to grow their businesses even bigger’

Table 4.6 reveals that the majority of respondents (96.7 percent) agreed with the position that self-motivated SME owners are likely to grow their businesses

bigger. The lowest total of 1.7 percent disagreed with the statement, while 1.7 percent of respondents were neutral, which means that they neither agreed nor disagreed with the statement. The percentage of respondents who affirmed that self-motivation is a veritable tool in the growth and development of SMEs confirms the position held by Gay-Perret and Mainali (2012) who stated that self-motivation is much better than simple motivation (for instance, financial incentive) for the managers of organisations. It also concurs with the views of Shepherd and Wiklund (2009) who state that motivation behind venture creation is the need for self-fulfilment.

4.3.1.2 'When business owners are self-motivated, they experience positive effect'

The findings highlight that the majority of respondents agreed with the statement that, when business owners are self-motivated, they experience a positive effect. As can be observed from the table 4.6 above, 95 percent of respondents agreed with the statement, 3.3 percent of respondents were neutral, while 1.7 percent of respondents disagreed. The number of respondents who affirmed that self-motivated owners experience a positive effect confirms the statement made by Gay-Perret and Mainali (2012) who stated that self-motivated SME owners are able to grow their businesses even bigger.

4.3.1.3 'Being naturally motivated is the reason behind SME growth'

Table 4.6 reveals that 93.3 percent of the respondents agreed with the statement that being naturally motivated is the reason behind SMEs' growth, while 5 percent of the respondents were neutral and the lowest total of 1.7 percent disagreed with the statement. These findings differ from the study by Ligthelm (2011) which states that many small businesses do not realise their

full growth potential, which may constitute a source of great underutilisation of resources.

4.3.1.4 'SME growth is regarded as an important goal of the business'

The majority of respondents (93.3 percent) agreed with position that SMEs' growth is regarded as an important goal of the business, and only 6.7 percent of the respondents were neutral in their position. These findings are in line with the study by Ribeiro & Lee (2008) who stated that SMEs are widely recognised as the key engine of economic development. SMEs are considered the important contributor to the economy as drivers for reducing unemployment, especially since the formal sector continues to shed jobs.

4.3.1.5 'Interest in learning enhances SME owners' willingness to take risks'

A total of 80 percent of the respondents revealed that interest in learning enhances the SME owner's willingness to take risk, while 15 percent of the respondents were neutral and the lowest total of 5 percent of the respondents disagreed with the statement. These findings are consistent with Ahmad, Halim & Zainal (2010) who stated that the interest in learning increases the likelihood of identifying good business opportunities and the chance of the success of the business.

4.3.1.6 'SME growth increases the business sustainability'

A total of 97 percent of the respondents agreed with the statement that SME growth increases the business sustainability, while 3.5 percent of the respondents were neutral and the lowest total of 1.7 percent disagreed with the statement. Fischer (2011) stated that sustainability is valued by society,

which gives rise to a situation in which being more sustainable can actually become a preferred strategic action for the businesses. Fischer further stated that society is increasingly willing to pay for more sustainable products, hence creating business opportunities". To determine whether the difference per option in each statement was significant, a chi-square test for a single variable was done. This test determines whether the scoring patterns across the options were similar. The results are shown in Table 4.7.

Table 4.7: The chi square results on motivation for SMEs

	Self-motivated SME owners are likely to grow their businesses even bigger.	When business owners are self-motivated, they experience positive effect.	Being naturally motivated is the reason behind SME growth	SME growth is regarded as an important goal of the business.	Interest in learning enhances SME owners' willingness to take risks.	SME growth increases the business sustainability.
Chi-Square	108.300 ^a	102.700 ^a	97.300 ^a	45.067 ^b	59.700 ^a	102.700 ^a
df	2	2	2	1	2	2
Asymp. Sig.	.000	.000	.000	.000	.000	.000

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 20.0.

b. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 30.0.

Since all of the p-values are less than the level of significance of 0.05, it implies the significant relationship of the stated variables with motivation of SME owners for business growth.

4.3.2 Intrinsic motivational factors for SME growth

This section sought to establish the impact of intrinsic motivational factors on SME growth. Findings are presented in Table 4.8.

Table 4.8: Intrinsic motivational factors

	Agree		Neutral		Disagree	
	Count	Percent	Count	Percent	Count	Percent
As a self-motivated business owner, I exert effort based on business growth interest.	56	93.3%	4	6.7%	0	0.0%
I find new solutions to business problems because I want to achieve business growth.	57	95.0%	2	3.3%	1	1.7%
I grow my business because I want to be recognised.	35	58.3%	17	28.3%	8	13.3%
I'm driven by a belief to produce the desired outcomes of my business.	58	96.7%	2	3.3%	0	0.0%
The aim of expanding the business is to take responsibility.	53	88.3%	7	11.7%	0	0.0%
My need for advancement is the personal attribute that has great impact on the growth of my business.	59	98.3%	1	1.7%	0	0.0%
My growth aspiration enables me to take risk in order to grow my businesses.	48	80.0%	10	16.7%	2	3.3%

4.3.2.1 'As a self-motivated business owner, I exert effort based on business growth interest'

Table 4.8 reveals that 93.3 percent of the respondents agreed with the statement that self-motivated SMEs owners exert effort based on business growth interest, while 6.7 percent of the respondents were neutral in their position. The number of respondents who affirmed that self-motivated business owners exert effort based on business growth confirms the position held by Gay-Perret and Mainali (2012) who stated that business owners with an internal locus of control should exert effort and persistence towards achieving their goals and growing a business because they believe that they are able to control outcomes and that their own actions determine the achievement of rewards.

4.3.2.2 'I find new solutions to business problems because I want to achieve business growth'

A total of 95 percent of the respondents agreed with the statement that they find new solutions on business problems because they want to achieve business growth, 3.3 percent of respondents were neutral, while only 1.7 percent disagreed with the statement. The findings revealed that the majority of SME owners are motivated in growing their business and this is confirmed by the statement by Abor and Quartey (2010) that SME growth is closely associated with a firm's overall success and survival. The need to achieve is the motive to do well and to achieve a goal to a set of standards (Royle 2013).

4.3.2.3 'I grow my business because I want to be recognised'

According to Table 4.8, a total of 58 percent of the respondents agreed that they grow their business because they want to be recognised, 28 percent were neutral, while 13 percent of the respondents disagreed with the statement. Royle (2013) is of the opinion that SME owners take recognition of their feelings of value and appreciation, thereby boosting their morale which ultimately increases productivity. These findings affirm that most SME owners want to be recognised for their outstanding achievements when they make a significant contribution to economic growth and employment. It also confirms Maslow's Hierarchy of Needs which puts recognition as a major need of humans (McClelland & Koestner 1992).

4.3.2.4 'I'm driven by a belief to produce the desired outcomes of my business'

The findings revealed that 96.7 percent of the total respondents agreed with the position that they are driven by a belief to produce the desired outcomes

of the business and 3.3 percent were neutral about the statement. The findings revealed that only a few SME owners are content to maintain a small operation that they can run themselves in return for a decent, but limited, income. The majority, however, are driven by the challenge of growing their businesses into high-profit ventures with larger market share (<http://www.marketingdonut.co.uk/marketing 2015>).

4.3.2.5 'The aim of expanding the business is to take responsibility'

According to Table 4.8, the majority (88.3 percent) of respondents expand their businesses because they want to take responsibility, 11.7 percent of the respondents were neutral. The findings revealed that SME owners want to be responsible for the growth and survival of the business. This finding is in line with the earlier study by Royle (2013) who noted that individuals with high achievement needs seek situations in which they can obtain personal responsibility for finding novel solutions to problems.

4.3.2.6 'My need for advancement is the personal attribute that has great impact on the growth of my business'

A total of 98.3 percent of respondents agreed with the statement that their need for advancement is the personal attribute that has great impact on the growth of their business, while 1.7 percent was neutral in their positions.

4.3.2.7 'My growth aspiration enables me to take risks in order to grow my businesses'

The findings revealed that 80 percent of respondents agreed that their growth aspiration enables them to take risks in order to grow their businesses, 16

percent were neutral and the other 3.3 percent disagreed. This finding is in line with the study by Gay-Perret and Mainali (2012) which stated that being a risk taker in business is not the same as being reckless. Nevertheless, the word “risk” has a negative connotation, implying danger and possible loss. For true entrepreneurs, risk is viewed as positive with its implied challenge to overcome the unknown and hitting the big return.

The chi-square results on intrinsic motivational factors for SME growth are presented in Table 4.9.

Table 4.9: The chi square results on intrinsic motivational factors for SME growth

	As a self-motivated business owner, I exert effort based on business growth interest.	I find new solutions to business problems because I want to achieve business growth.	I grow my business because I want to be recognised.	I'm driven by a belief to produce the desired outcomes of my business.	The aim of expanding the business is to take responsibility.	My need for advancement is the personal attribute that has great impact on the growth of my business.	My growth aspiration enables me to take risk in order to grow my businesses.
Chi-Square	45.067 ^a	102.700 ^b	18.900 ^b	52.267 ^a	35.267 ^a	56.067 ^a	60.400 ^b
Df	1	2	2	1	1	1	2
Asymp. Sig.	.000	.000	.000	.000	.000	.000	.000

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 30.0.

b. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 20.0.

Since all of the p-values are less than the level of significance of 0.05, there is a significant relationship of stated variables with intrinsic motivational factors for SME growth.

4.3.3 Creativity in SME growth

This section concentrates on creativity in small and medium business growth.

Table 4.10: Creativity in SME growth

	Agree		Neutral		Disagree	
	Count	Percent	Count	Percent	Count	Percent
My motivation is driven by creativity.	55	91.7%	2	3.3%	3	5.0%
Myself-motivation is associated with higher levels of creativity.	57	95.0%	3	5.0%	0	0.0%
Creative SME owners are willing to accept risks.	44	73.3%	15	25.0%	1	1.7%
Creative SME owners are more focused on content of the business.	54	90.0%	5	8.3%	1	1.7%
Creativity in SMEs is expected to result in final product or services.	58	96.7%	2	3.3%	0	0.0%
If creative potential of SMEs can be enhanced, this will eventually lead to a better support of national goals in South Africa.	58	96.7%	2	3.3%	0	0.0%

4.3.3.1 'My motivation is driven by creativity'

According to Table 4.10, 91.7 percent of the respondents agreed with the statement that self-motivation is driven by creativity, 5 percent disagreed while 3.3 percent were neutral in their position. The percentage of respondents who agreed that creativity is a veritable tool in the growth and development of SMEs confirms the position held by Hennessey and Amabile (2010) who stated that creativity remains a vital ingredient to the success of any organisation. Creativity stimulates the generation of new ideas and new innovations that can benefit not only the organisation but also the creative and innovative individuals themselves.

4.3.3.2 'My self-motivation is associated with higher levels of creativity'

A total of 95 percent of the respondents agreed that self-motivation is associated with a high level of creativity, while 5 percent were neutral. This view is supported by Hennessey and Amabile (2010) who stated that motivation is the important enabler of creativity.

4.3.3.3 'Creative SME owners are willing to accept risks'

Findings indicate that 73.3 percent of respondents agreed with the statement, 25 percent of the respondents were neutral, while 1.7 percent disagreed with the position that creative SME owners are willing to accept risks. The findings revealed that risk taking is an important aspect of creativity, since it is difficult to be creative if one is not willing to take risks.

4.3.3.4 'Creative SME owners are more focused on content of the business'

A total of 90 percent of the respondents agreed with the statement that creative SME owners are more focused on content of the business, 8.3 percent were neutral, while 1.7 percent disagreed. The percentage of the respondents that confirmed that creative SME owners are more focused on the content of the business confirm the study conducted by Hennessey and Amabile (2010) which states that the creative person is more focused on contents of assignments and not the organisation itself. The creative person is more focused on action and does not love routine, and he or she is very competitive.

4.3.3.5 'Creativity in SMEs is expected to result in final product or services'

Finding revealed that 96.7 percent of respondents agreed that creativity in SMEs is expected to result in final product or services, whilst 3.3 percent of the respondents were neutral. Hennessey and Amabile (2010) states that novelty is important for creative industries and businesses, which are, by definition, based on subtle production, reproduction and symbolic changes to existing products.

4.3.3.6 'If creative potential of SMEs can be enhanced, this will eventually lead to a better support of national goals in South Africa'

Table 4.10 reveals that 96.7 percent agreed that, if creative potential of SMEs can be enhanced, it will provide better support for the national goals of the country, while 3.3 percent were neutral. This finding indicates that creativity in SMEs is the enabler of business and economic growth in the country. Having interpreted the results on creativity in SMEs' growth, the following section focuses on the chi-square test on creativity in SMEs' growth.

Table 4.11 presents the chi square test on creativity in SMEs' growth.

Table 4.11: The chi square test on 'creativity in SMEs' growth'

	Motivation is driven by creativity.	Self-motivation is associated with higher levels of creativity.	Creative SME owners are willing to accept risks.	Creative SME owners are more focused on content of the business.	Creativity in SMEs is expected to result in final product or services.	If creative potential of SMEs can be enhanced, this will eventually lead to a better support of national goals in South Africa.
Chi-Square	91.900 ^a	48.600 ^b	48.100 ^a	87.100 ^a	52.267 ^b	52.267 ^b
Df	2	1	2	2	1	1
Asymp. Sig.	.000	.000	.000	.000	.000	.000

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 20.0.

b. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 30.0.

Since all of the p-values are less than the level of significance of 0.05, there is a significant relationship of stated variables with creativity in small and medium business growth.

4.3.4 Entrepreneurial skills in SMEs' growth

Table 4.12 presents the entrepreneurial skills in SMEs' growth.

Table 4.12: Entrepreneurial skills in SMEs' growth

	Agree		Neutral		Disagree	
	Count	Percent	Count	Percent	Count	Percent
My entrepreneurial skills influence the implementation of sustainable growth of my business.	60	100.0%	0	0.0%	0	0.0%
My business success depends on the ability to identify crucial entrepreneurial skills in the early years of my business start-up.	58	96.7%	1	1.7%	1	1.7%
The application of entrepreneurial skill develops new small and medium enterprises.	57	95.0%	3	5.0%	0	0.0%
Entrepreneurial skills guarantee small and medium business growth.	52	86.7%	8	13.3%	0	0.0%
The entrepreneurial skill creates new jobs.	60	100.0%	0	0.0%	0	0.0%

4.3.4.1 'My entrepreneurial skills influence the implementation of sustainable growth of my business'

As can be observed from Table 4.12 above, the respondents were completely unanimous in their position that entrepreneurial skills influence the implementation of sustainable business growth. The percentage of respondents (100 percent) who affirmed that the influence of entrepreneurial skills is a veritable tool in sustaining the business growth confirms the position held by DuBrin (2012) who stated that the entrepreneur should be aware of the variety of necessary basic and additional management skills that are not only desirable, but also required for the successful guidance of the company.

4.3.4.2 ‘My business success depends on the ability to identify crucial entrepreneurial skills in the early years of my business start-up’

The majority of respondents (96.7 percent) agreed that entrepreneurial skills influence the implementation of sustainable growth of the business, 1.7 percent of the respondents were neutral, while 1.7 percent of the respondents disagreed with the statement. These findings are in line with the statement made by Martin and Staines (2008) that, since entrepreneurial skills influence the implementation of sustainable growth of SMEs, the entrepreneur's success depends on the identification of crucial entrepreneurial skills for starting a business as well as for helping the business to survive and grow in the early years.

4.3.4.3 ‘The application of entrepreneurial skill develops new small and medium enterprises’

The findings revealed that 95 percent of the respondents agreed with the statement that the application of entrepreneurial skills develop new small and medium enterprises, whilst 5 percent of respondents were neutral with the statement. The results showed that the promotion of the development of entrepreneurial skills leads to sustainable growth. This positive relationship is further supported by Martin and Staines (2008) who found that a lack of entrepreneurial skills can cause SME failure.

4.3.4.4 ‘Entrepreneurial skills guarantee small and medium business growth’

A total of 86.7 percent of the respondents agreed that application of entrepreneurial skills develops new small and medium business growth, while 13.3 percent of the respondents were neutral with the statement.

Entrepreneurial skills enable the entrepreneur to assess needs and potential, and be well prepared for a project which will enable a small business to grow. It is, therefore, true that the future of South African entrepreneurship capacity depends on how well people are being equipped with entrepreneurial skills to establish and run their own businesses.

4.3.4.5 'The entrepreneurial skill creates new jobs'

All the respondents (100 percent) agreed that entrepreneurial skills create new jobs. It is, therefore, true that the future of South African entrepreneurship capacity depends on how well people are being equipped with entrepreneurial skills to establish and run their own businesses. Martin and Staines (2008) stated that the lack of managerial and entrepreneurial skills are the main reasons why new ventures fail. DuBrin (2012) explained entrepreneurial skills as a set of behaviour that leads to job performance. DuBrin (2012) stressed that entrepreneurial skills are acquiring and learning abilities. These skills include financial management skills, strategic planning skills, marketing skills, human resource management skills, networking skills and organising skills.

Table 4.13 presents the results of the chi-square tests on entrepreneurial skills in SME growth.

Table 4.13: The chi square results on entrepreneurial skills in SME growth

	My business success depends on the ability to identify crucial entrepreneurial skills in the early years of my business start-up.	The application of entrepreneurial skill develops new small and medium enterprises.	Entrepreneurial skills guarantee small and medium business growth.
Chi-Square	108.300 ^a	48.600 ^b	32.267 ^b
Df	2	1	1
Asymp. Sig.	.000	.000	.000

- a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 20.0.
b. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 30.0.

Since all of the p-values are less than the level of significance of 0.05, there is a significant relationship of the stated variables with entrepreneurial skills in SME growth.

In Section 4.3, objectives were analysed with specific reference to chi-square statistics. In the following section, the emphasis is on factor analysis. It is necessary to identify underlying factors that explain the pattern of correlations within a set of variables observed.

4.4 FACTOR ANALYSIS

According to Saunders, Lewis and Thornhill (2012), factor analysis attempts to identify underlying variables or factors that explain the pattern of correlations within a set of observed variables. Factor analysis is often used in data reduction to identify a small number of factors that explain most of the variance that is observed in a much larger number of manifest variables. Factor analysis can also be used to generate hypotheses regarding causal mechanisms or to screen variables for subsequent analysis (Saunders, Lewis & Thornhill 2012). The matrix table is preceded by a table that reflects the results of Kaiser Meyer-Olkin (KMO) and Bartlett's Test. The requirement is that the KMO of Sampling Adequacy should be greater than 0.50 and Bartlett's Test of Sphericity (BTS) less than 0.05. It is noted that the conditions are satisfied which allows for the factor analysis procedure. Certain components divided into finer components. This is explained below in the rotated component matrix.

4.4.1 KMO and Bartlett's Test: Motivation for small and medium enterprises (SMEs)

To ensure the success of factor analysis, the BTS and KMO test of appropriateness were carried out accordingly. The results are presented in Table 4.14.

Table 4.14: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.686
Bartlett's Test of Sphericity	Approx. Chi-Square	101.292
	Df	15
	Sig.	.000

The results (BTS = 101.292; sig. = 0.000) indicated that the data were appropriate for the purpose of factor analysis. The result of the KMO measure of sampling adequacy was 0.686. This result indicated that there are sufficient items for each factor. The two tests support the appropriateness of the principal component analysis technique.

Table 4.15: Rotated Component Matrix^a

	Component	
	1	2
Self-motivated SME owners are likely to grow their businesses even bigger.	.734	.026
When business owners are self-motivated, they experience positive effect.	.827	.112
Being naturally motivated is the reason behind SME growth	.856	-.061
SME growth is regarded as an important goals of the business.	.562	.482
Interest in learning enhances SME owners' willingness to take risks.	-.103	.926
SME growth increases the business sustainability.	.654	-.035

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 3 iterations.

As shown in Table 4.15, the statements or factors are not loaded perfectly along a single component. The findings indicated that the first un-rotated factor had loadings close to those of the true factor (component 1), with only low

loadings on the second factor. However, after rotation, factor splitting took place for some of the variables. The statement that comprises “interest in learning enhances willingness to take risks” can be split into sub-themes since the respondents identified certain aspects of the themes as belonging to other sub-sections. The main theme and sub-theme are:

- ✓ main theme: interest in learning enhances SME owners’ willingness to take risks; and
- ✓ sub-theme: Interest in learning enhances SME owners’ willingness to identify new opportunities and maximise business outcomes.

It is noted that, in most instances, it is just one statement that is aligned differently. For the most part, the sections seemed to consistently measure what they set out to measure. The reliability scores for the different categories for this research indicate a high degree of acceptable, consistent, and stable scoring, confirming the reliability of the questionnaire. Saunders, Lewis and Thornhill (2012) noted that a score of 0.7 is an acceptable reliability coefficient. The results indicate that the scales are reliable.

4.4.2 KMO and Bartlett's Test: Intrinsic motivational factor for SME growth

Results of the BTS and KMO test of appropriateness are presented in Table 4.16.

Table 4.16: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.622
Bartlett's Test of Sphericity	Approx. Chi-Square	72.954
	Df	21
	Sig.	.000

The results (BTS = 72.954; sig. = 0.000) indicated that the data were appropriate for the purpose of factor analysis. The result of the KMO measure of sampling adequacy was 0.622. This result indicated that there are sufficient

items for each factor. The two tests support the appropriateness of the principal component analysis technique.

Table 4.17: Rotated Component Matrix^a

	Component	
	1	2
As a self-motivated business owner I exert effort based on business growth interest.	.785	-.064
I find new solutions to business problems because I want to achieve business growth.	.706	-.120
I grow my business because I want to be recognised.	-.082	.815
I'm driven by a belief to produce the desired outcomes of my business.	.689	.253
The aim of expanding the business is to take responsibility.	.274	.746
My need for advancement is the personal attribute that has great impact on the growth of my business.	.583	.309
My growth aspiration enables me to take risk in order to growth my businesses.	.526	.181

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. a. Rotation converged in 3 iterations.

The findings in Table 4.17 revealed that the statements or factors are not loaded perfectly. The findings indicated that the first un-rotated factor had loadings close to those of the true factor (component 1), with only low loadings on the second factor. However, after rotation, factor splitting took place for some of the variables. The statement that comprises “I grow my business because I want to be recognised” can be split into sub-themes. The sub-themes are:

First split:

- ✓ I want to grow business because I want to be recognised; and
- ✓ I want to grow business because I want to create new jobs.

The dimensions that did not align perfectly have factors that overlap, indicating mixing of the factors. This means that the question in the overlapping component did not precisely measure what it set out to measure or that the component split along themes. One possibility is that respondents misinterpreted the question or were unable to distinguish what the question was measuring.

4.4.3 KMO and Bartlett's Test: Creativity in small and medium business growth

Results of the BTS and KMO test of appropriateness are presented in Table 4.18.

Table 4.18: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.793
Bartlett's Test of Sphericity	Approx. Chi-Square	92.825
	Df	15
	Sig.	.000

The results (BTS = 92.825; sig. = 0.000) indicated that the data were appropriate for the purpose of factor analysis. The result of the KMO measure of sampling adequacy was 0.793. This result indicated that there are sufficient items for each factor. The two tests support the appropriateness of the principal component analysis technique.

Table 4.19: Rotated Component Matrix^a

	Component	
	1	2
My motivation is driven by creativity.	.614	.204
Myself-motivation is associated with higher levels of creativity.	.678	.342
Creative SME owners are willing to accept risks.	.120	.934
Creative SME owners are more focused on content of the business.	.823	.180
Creativity in SMEs is expected to result in final product or services.	.765	.104
If creative potential of SMEs can be enhanced, this will eventually lead to a better support of national goals in South Africa.	.805	-.303

Extraction Method: Principal Component Analysis.
 Rotation Method: Varimax with Kaiser Normalization.
 a. Rotation converged in 3 iterations.

Table 4.19 indicates that the first un-rotated factor had loadings close to those of the true factor (component 1), with only low loadings on the second factor. However, after rotation, factor splitting took place for some of the variables. The statement that comprises "Creative SMEs owners are willing to accept risks" can be split into sub-themes. The sub-themes are:

- ✓ creative SMEs owners are willing to accept risks; and
- ✓ creative SMEs owners are willing to grow their businesses.

4.4.4 KMO and Bartlett's Test: Entrepreneurial skills in small and medium business growth

Results of the BTS and KMO test of appropriateness are presented in Table 4.20.

Table 4.20: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.694
Bartlett's Test of Sphericity	Approx. Chi-Square	48.342
	Df	10
	Sig.	.000

The results (BTS = 48.342; sig. = 0.000) indicated that the data were appropriate for the purpose of factor analysis. The result of the KMO measure of sampling adequacy was 0.694. The result indicated that there are sufficient items for each factor. The two tests support the appropriateness of the principal component analysis technique.

Table 4.21: Rotated Component Matrix^a

	Component	
	1	2
My entrepreneurial skills influence the implementation of sustainable growth of my business.	.821	-.137
My business success depends on the ability to identify crucial entrepreneurial skills in the early years of my business start-up.	.667	.304
The application of entrepreneurial skill develops new small and medium enterprises.	.701	.314
Entrepreneurial skills guarantee small and medium business growth.	.024	.954
The entrepreneurial skill creates new jobs.	.728	-.055

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization. Rotation converged in 3 items

Table 4.21 indicates that the first un-rotated factor had loadings close to those of the true factor, with only low loadings on the second factor. However, after

rotation, factor splitting took place for some of the variables. The statement that comprises entrepreneurial skills can be split into sub-themes. The sub-themes are:

- entrepreneurial skills assisting owners in their personal growth; and
- entrepreneurial skills assisting owners in business development and growth.

Component one, as indicated in Table 4.21, is entrepreneurial skills that are interrelated and interdependent of each other for personal and business growth. Component two, as indicated in Table 4.21, is entrepreneurial skills that are needed guarantee the business growth.

Having performed a factor analysis, it is necessary to perform a chi-square test to test the level of significance to ensure that the questions asked relate to the construct that is intended to be measured.

4.5 PEARSON CHI-SQUARE TEST

Wenger (2010) indicates that the traditional approach to reporting a result requires a statement of statistical significance. A p-value is generated from a test statistic. The chi-square test was performed to determine whether there was a statistically significant relationship between the variables. A significant result is indicated with “ $p < 0.05$ ”.

- a) A **p-value** of less than or equal to **0.05** indicates a statistically significant relationship among variables.
- b) A **p-value** of greater than **0.05** indicates that there is no statistical significant relationship between the variables.

Statistical testing included the Chi-square Goodness of Fit test, which was used to determine whether any of the responses: Strongly Agree (SA), Agree (A), Neutral (N), Strongly Disagree (SD) and Disagree (D), was selected

significantly more often than the other responses. Testing was performed for each of the questions. Results are presented in Table 4.22.

Table 4.22: Pearson chi-square results

PEARSON CHI-SQUARE TESTS

		Gender	Age	How long you have been in this business sector?	Qualifications	Where is your business situated in the eThekweni District Municipality?	The number of people employed by this business	Business registration
Self-motivated SME owners are likely to grow their businesses even bigger.	Chi-square	.572	4.093	1.379	4.006	7.625	.464	2.529
	Df	2	6	6	8	8	2	6
	Sig.	0.751	0.664	0.967	0.857	0.471	0.793	0.865
When business owners are self-motivated, they experience positive effect.	Chi-square	1.235	4.130	2.909	2.272	7.679	1.588	10.376
	Df	2	6	6	8	8	2	6
	Sig.	0.539	0.659	0.82	0.972	0.465	0.452	0.11
Being naturally motivated is the reason behind SME growth	Chi-square	.519	2.709	2.857	4.104	6.291	.962	11.020
	Df	2	6	6	8	8	2	6
	Sig.	0.771	0.844	0.827	0.848	0.615	0.618	0.088
SME growth is regarded as an important goals of the business.	Chi-square	2.027	.137	1.741	5.238	5.357	.962	2.219
	Df	1	3	3	4	4	1	3
	Sig.	0.155	0.987	0.628	0.264	0.253	0.327	0.528
Interest in learning enhances SME owners' willingness to take risks.	Chi-square	1.571	4.227	4.129	6.065	15.618	1.187	12.012
	Df	2	6	6	8	8	2	6
	Sig.	0.456	0.646	0.659	0.64	.048*	0.552	0.062
SME growth increases the business sustainability.	Chi-square	1.235	2.292	2.105	2.272	8.714	.709	13.922
	Df	2	6	6	8	8	2	6
	Sig.	0.539	0.891	0.91	0.972	0.367	0.702	.031*
As a self-motivated business owner I exert effort based on business growth interest.	Chi-square	.028	2.223	1.518	15.171	2.411	2.870	2.687
	Df	1	3	3	4	4	1	3
	Sig.	0.867	0.527	0.678	.004*	0.661	0.09	0.442
I find new solutions to business problems because I want to achieve business growth.	Chi-square	.873	4.130	9.877	33.741	9.193	9.380	2.549
	Df	2	6	6	8	8	2	6
	Sig.	0.646	0.659	0.13	.000*	0.326	.009*	0.863

I grow my business because I want to be recognised.	Chi-square Df	2.361 2	3.938 6	3.414 6	8.525 8	10.089 8	2.746 2	6.957 6
	Sig.	0.307	0.685	0.755	0.384	0.259	0.253	0.325
I'm driven by a belief to produce the desired outcomes of my business.	Chi-square Df	.572 1	1.064 3	1.379 3	30.115 4	2.860 4	9.216 1	1.020 3
	Sig.	0.449	0.786	0.71	.000*	0.582	.002*	0.796
The aim of expanding the business is to take responsibility.	Chi-square Df	.254 1	2.583 3	5.283 3	8.882 4	1.579 4	.555 1	.508 3
	Sig.	0.614	0.46	0.152	0.064	0.813	0.456	0.917
My need for advancement is the personal attribute that has great impact on the growth of my business.	Chi-square Df	.281 1	2.797 3	.678 3	1.243 4	2.572 4	4.530 1	2.797 3
	Sig.	0.596	0.424	0.878	0.871	0.632	.033*	0.424
My growth aspiration enables me to take risk in order to growth my businesses.	Chi-square Df	4.149 2	3.982 6	3.393 6	3.437 8	12.168 8	.473 2	1.905 6
	Sig.	0.126	0.679	0.758	0.904	0.144	0.789	0.928
My motivation is driven by creativity.	Chi-square Df	1.777 2	2.338 6	4.104 6	2.549 8	14.510 8	5.272 2	7.346 6
	Sig.	0.411	0.886	0.663	0.959	0.069	0.072	0.29
Myself-motivation is associated with higher levels of creativity.	Chi-square Df	.873 1	1.319 3	2.105 3	1.277 4	3.550 4	.709 1	1.465 3
	Sig.	0.35	0.725	0.551	0.865	0.47	0.4	0.69
Creative SME owners are willing to accept risks.	Chi-square Df	6.035 2	5.016 6	2.180 6	9.265 8	6.433 8	.607 2	7.667 6
	Sig.	.049*	0.542	0.902	0.32	0.599	0.738	0.264
Creative SME owners are more focused on content of the business.	Chi-square Df	1.844 2	4.776 6	8.256 6	4.704 8	11.771 8	.235 2	3.983 6
	Sig.	0.398	0.573	0.22	0.789	0.162	0.889	0.679

Creativity in SMEs is expected to result in final product or services.	Chi-square Df	.979 1	.950 3	1.379 3	1.020 4	2.586 4	.464 1	1.297 3
	Sig.	0.323	0.813	0.71	0.907	0.629	0.496	0.73
If creative potential of SMEs can be enhanced, this will eventually lead to a better support of national goals in SA.	Chi-square Df	.572 1	1.696 3	2.672 3	2.529 4	8.276 4	.464 1	1.297 3
	Sig.	0.449	0.638	0.445	0.639	0.082	0.496	0.73
Business success depends on identifying crucial entrepreneurial skills in the early years of business start-up.	Chi-square Df	.572 2	4.093 6	13.432 6	4.887 8	11.694 8	4.725 2	4.551 6
	Sig.	0.751	0.664	.037*	0.77	0.165	0.094	0.603
The application of entrepreneurial skill develops new small and medium enterprises.	Chi-square Df	.873 1	.206 3	2.398 3	3.860 4	7.368 4	.475 1	3.637 3
	Sig.	0.35	0.977	0.494	0.425	0.118	0.491	0.303
Entrepreneurial skills guarantee small and medium business growth.	Chi-square Df	4.366 1	1.667 3	1.621 3	2.429 4	4.488 4	.210 1	2.001 3
	Sig.	.037*	0.644	0.655	0.657	0.344	0.647	0.572

4.5.1 Motivation for business growth

As shown in Table 4.22:

- The results indicate that there is no statistically significant relationship between gender with a p-value of 0.751, age with a p-value of 0.664, the number of year the business has been operating with a p-value of 0.967, qualification with a p-value 0.857, the place where business is situated in Durban Metropolitan Area (eThekwin District Municipality) with a p-value of 0.471, the number of employees in the company with a p-value of 0.793 and the type of business registration with a p-value of 0.865 and self-motivated owners are likely to grow their business even bigger. The values for these variables are more than the conventional significance value of 0.05 so there is no significant relationship between the variables. This means that these factors are not the determining factors for business growth, i.e., if the owner is intrinsically motivated the business can grow regardless of the age, gender and the type of business registration.
- The p-value for the statement “when business owners are self-motivated, they experience positive effect” and “gender is 0.539; “age of the respondents” is 0.659; “how long have you been in the business sector” is 0.82; “qualification” is 0.972; “where is your business situated” is 0.465; “number of employees” is 0.452; “the type of business registration” is 0.1. These values are greater than the conventional significance value of 0.05, which means that there is no significant relationship between these variables. The scoring indicates that when business owners are self-motivated they experience a positive effect regardless of their gender, age, qualification, location and the type of business registration.

- The p-value for the statement “being naturally motivated is the reason behind SME growth” and “gender” is 0.771; “age” is 0.844; “how long have you been in the business sector” is 0.827; “qualification” is 0.848; “where is your business situated” is 0.615; “number of employees” is 0.618; “type of business registration” is 0.088. All the p-values are above 0.05. Since these p-values are greater than the conventionally accepted significance level of 0.05, there is no statistically significant relationship between these variables.

- The p-value for statement “the SMEs’ growth is regarded as an important goal of the business” and “gender” is 0.155; “age” is 0.987; “how long have you been in the business sector” is 0.628; “qualification” is 0.264; “where is your business situated” is 0.253; “number of employees” is 0.327; “type of business registration” is 0.528. All the p-values are above 0.05. Since these p-values are greater than the conventionally accepted significance level of 0.05, there is no statistically significant relationship between these variables.

- The p-value for the statement “the interests in learning enhances SMEs owners’ willingness to take risks” and “gender” is 0.456; “age” is 0.646, “how long have you been in the business sector” is 0.659; “qualification” is 0.64; “number of employees” is 0.552; “type of business registration” is 0.062. All these p-values are above 0.05. Since these p-values are greater than the conventionally accepted significance level of 0.05, there is no statistically significant relationship between variables. The p-value between the statement and “where is your business situated” is 0.048*. This p-value is less than 0.05, which is considered to be significant (meaning that the researcher can be 95% confident that the relationship between the two variables is not due to chance).

- The p-value for the statement “SMEs’ growth increases the business sustainability” and “gender” is 0.539; “age” is 0.891, “how long have you been

in the business sector” is 0.91; “qualification” is 0.972; “where is your business situated” is 0.367; “number of employees” is 0.702. These values exceed the conventional significance value of 0.05, which means that there is no significant relationship between variables. The p-value between the statement and “qualification” is 0.031, which indicates that the results are statistically significant.

4.5.2 Intrinsic motivational factors

- The p-value for the statement “as a self-motivated business owner I exert effort based on business growth interest” and “gender” is 0.867; “age” is 0.527; “how long have you been in the business sector” is 0.678; “where is the business situated” is 0.661; “number of employees” is 0.09; “type of business registration” is 0.442. All the p-values are above 0.05. Since these p-values are greater than the conventionally accepted significance level of 0.05 there is no statistically significant relationship between these variables. The results reveal that, if business owners are self-motivated, they exert effort based on business growth interest regardless of the gender, age and qualification of the owner. The p-value between the statement and “qualification” is 0.04*. This is less than the significance value of 0.05, which means that there is a significant relationship between these variables. The findings indicate that the owners of SMEs affirmed the stipulated statements.
- The p-value of the statement “I find new solutions to business problems because I want to achieve business growth” and “gender” is 0.646; “age” is 0.659; “how long have you been in the business sector” is 0.13; “where is your business situated” is 0.326, and “type of business registration” is 0.1. These values are greater than the conventional significance value of 0.05, which

means that there is no significant relationship between these variables. The scoring indicates that when business owners are self-motivated, they experience a positive effect regardless of their gender, age, qualification, location and the type of business registration. The p-value between the statement and “qualification” is 0.000* and “number of employees” is 0.009*. These values are less than the significance value of 0.05, which means that there is significant relationship between these variables. The results reveal that tertiary qualification and the location of the business owner have an impact on the owner finding solutions to business problems.

- The p-value of the statement “I grow my business because I want to be recognised” and “gender” is 0.307; “age” is 0.685; “how long have you been in the business sector” is 0.755; “qualification” is 0.334; “where is business situated” is 0.259 “number of employees” is 0.253; “the type of business registration” is 0.325. All the p-values are above 0.05. Since these p-values are greater than the conventionally accepted significance level of 0.05, there is no statistically significant relationship between these variables.
- The p-value of the statement “I’m driven by a belief to produce the desired outcomes of my business” and “gender” is 0.449; “age” is 0.786; “how long have you been in the business sector” is 0.71; “where is business situated” is 0.582; “type of business registration” is 0.796. All the p-values are above 0.05. Since these p-values are greater than the conventionally accepted significant level of 0.05, there is no statistically significant relationship between these variables. The p-value between the statement and “qualification” is 0.000* and “number of employees” is 0.002*. These values are less than the conventional significance value of 0.05, which means that there is a statistically significant relationship between these variables. The results indicate that SME owners affirmed the given statements.

- The p-value of the statement “the aim of expanding the business is to take responsibility” and “gender” is 0.614; “age” is 0.46; “how long have you been in the business sector” is 0.152; “qualification” is 0.054 “where is business situated” is 0.813; “number of employees” is 0.456; and “type of business registration” is 0.917. All the p-values are above 0.05. Since these p-values are greater than the conventionally accepted significance level of 0.05, there is no statistically significant relationship between these variables.

- The p-value of the statement “my need for advancement is the personal attribute that has great impact on the growth of my business” and “gender” is 0.596; “age” is 0.424; “how long have you been in the business sector” is 0.0878; “qualification” is 0.871; “where is the business situated” is 0.632; “type of business registration” is 0.528 All these p-values are above 0.05. Since these p-values are greater than the conventionally accepted significance level of 0.05, there is no statistically significant relationship between the variables. The p-value between the statement and “number of employees” is 0.033*. This value is less than the conventional significance value of 0.05, which means that there is a statistically significant relationship between these variables.

- The p-value of the statement “my growth aspiration enables me to take risk in order to growth my businesses” and “gender” is 0.125; “age” is 0.679; “how long have you been in the business sector” is 0.758; “qualification” is 0.904, “where is the business situated” is 0.144; “number of employees” is 0.789; “the type of business registration” is 0.928. All the p-values are above 0.05. Since these p-values are greater than the conventionally accepted significant level of 0.05, there is no statistically significant relationship between these variables.

4.5.3 Creativity in SME growth

- The p-value of the statement “my motivation is driven by creativity” and “gender” is 0.411; “age” is 0.885; “how long have you been in the business sector” is 0.663; “qualification” is 0.959; “where is the business situated” is 0.069; “number of employees” is 0.072; “type of business registration” is 0.2. All the p-values are above 0.05. Since these p-values are greater than the conventionally accepted significant level of 0.05, there is no statistically significant relationship between these variables.
- The p-value of the statement “my self-motivation is associated with high level of creativity” and “gender” is 0.35; “age” is 0.725; “how long have you been in the business sector” is 0.551; “qualification” is 0.855; “where is the business situated” is 0.47; “number of employees” is 0.4 “type of business registration” is 0.69. All the p-values are above 0.05. Since these p-values are greater than the conventionally accepted significant level of 0.05, there is no statistically significant relationship between these variables.
- The p-value of the statement “SME owners are willing to take risks” and “age” is 0.542; “how long have you been in the business sector” is 0.902; “qualification” is 0.32; “where is the business situated” is 0.599; “number of employees” is 0.733; “type of business registration” is 0.264. All these p-values are above 0.05. Since these are greater than the conventionally accepted significance level of 0.05, there is no statistically significant relationship between these variables. The p-value between the statement and “gender” is 0.49*. This is value are less than the conventional significance value of 0.05, which means that there is a statistically significant relationship between these variables.

- The p-value of the statement “creative SMEs owners are more focused on content of the business” and “gender” is 0.398; “age” is 0.573, “how long have you been in the business sector” is 0.22; “qualification” is 0.789; “where is the business situated” is 0.162; “number of employees” is 0.889; “type of business registration” is 0.679. All the p-values are above 0.05. Since these p-values are greater than the conventionally accepted significance level of 0.05, there is no statistically significant relationship between these variables.

- The p-value of the statement “creativity in SMEs is expected to result in final product or services” and “gender” is 0.323; “age” is 0.818; “how long have you been in the business sector” is 0.71; “qualification” is 0.907; “where is the business situated” is 0.629; “number of employees” is 0.496; “the type of business registration” is 0.73. All the p-values are above 0.05. Since these p-values are greater than the conventionally accepted significance level of 0.05, there is no statistically significant relationship between these variables.

- The p-value of the statement “if creative potential of SMEs can be enhanced, this will eventually lead to a better support of national goals in South Africa” and “gender” is 0.449; “age” is 0.638; “how long have you been in the business sector” is 0.445; “qualification” is 0.639; “where is the business situated” is 0.082; “number of employees” is 0.496; “type of business registration” is 0.73. All the p-values are above 0.05. Since these p-values are greater than the conventionally accepted significant level of 0.05, there is no statistically significant relationship between these variables.

4.5.4 Entrepreneurial skills in SMEs growth

- The p-value of the statement “my business success depends on the ability to identify crucial entrepreneurial skills in the early years of my business start-up” and “gender” is 0.751; “age” is 0.664; “qualification” is 0.77; “where is the business situated” is 0.165; “the number of employees” is 0.094; “type of business registration” is 0.603. All the stated p-values are above 0.05. Since these p-values are greater than the conventionally accepted significance level of 0.05, there is no statistically significant relationship between these variables. The p-value the statement and “how long have you been in the business sector” is 0.037*. This value is less than the conventional significance value of 0.05, which means that there is a statistically significant relationship between these variables.
- The p-value of the statement “the application of entrepreneurial skill develops new small and medium enterprises” and “gender” is 0.35; “age” is 0.977; “how long have you been in the business sector” is 0.494; “qualification” is 0.425, “where is the business situated” is 0.118; “the number of employees” is 0.491 “type of business registration” is 0.303. All the p-values are above 0.05. Since these p-values are greater than the conventionally accepted significance level of 0.05, there is no statistically significant relationship between these variables.
- The value of the statement “entrepreneurial skills guarantee small and medium business growth” and “age” is 0.664; “how long have you been in the business sector” is 0.655; “qualification” is 0.657; “where the business is situated” is 0.344; “number of employees” is 0.647; “type of business registration” is 0.572. All the p-values are above 0.05. Since these p-values are greater than the conventionally accepted significance level of 0.05, there is no statistically

significant relationship between these variables. The value between the statement and “gender” is 0.037*. This value is less than the conventional significance value of 0.05, which means that there is a statistically significant relationship between these variables.

The following section focuses on correlation to analyse the strength of the identified association between variables.

4.6 PEARSON’S CORRELATION COEFFICIENT

Correlation is a technique for investigating the relationship between two quantitative, continuous variables. The Pearson’s correlation coefficient (denoted by “r”) is a measure of the strength of the association between the two variables. It ranges from -1.0 to +1.0. The closer values are to ± 1 , the stronger the relationship (both positive and negative). The closer the value is to 0, the weaker the relationship (Dawson 2009). Correlation is an effect size and so one can verbally describe the strength of the correlation using the guide for the absolute value of r_s , which is 0.00-0.19, Very weak; 0.20- 0.39, Weak; 0.40-0.59, Medium; 0.60-0.79, Strong; 0.80-1.0, Very strong (Dawson 2009).

Correlation coefficients are used in statistics to measure:

- the significance of correlation;
- if there is a significance, whether it is positive or negative (indication of the direction of correlation); and
- the strength of the correlation.

Pearson Correlation was used to test for the direction and the strength of the relationship among different variables and is aimed at establishing the effect of

different variables on the impact of intrinsic motivational factors on small and medium business growth. Positive values indicate a directly proportional relationship between the variables and a negative value indicates an inverse relationship. All significant relationships are indicated by a * or **. The results indicate the following patterns which are presented in Table 4.23.

Table 4.23: Correlation

		Self-motivated SME owners are likely to grow their businesses even bigger.	When business owners are self-motivated, they experience positive effect.	Being naturally motivated is the reason behind SME growth	SME growth is regarded as an important goal of the business.	SME growth increases the business sustainability.	As a self-motivated business owner I exert effort based on business growth interest.	I find new solutions to business problems because I want to achieve business growth.	I grow my business because I want to be recognised.	I'm driven by a belief to produce the desired outcomes of my businesses.	The aim of expanding the business is to take responsibility.	My motivation is driven by creativity.	I find new solutions to business problems because I want to achieve business growth.	Creative SME owners are more focused on content of the businesses.	The application of entrepreneurial skill develops new small and medium enterprises.
When business owners are self-motivated, they experience positive effect.	Correlation Coefficient Sig. (2-tailed) N	.681** .000 60	1.000 60												
Being naturally motivated is the reason behind SME growth	Correlation Coefficient Sig. (2-tailed) N	.505** .000 60	.594** .000 60	1.000 60											
SME growth is regarded as an important goal of the business.	Correlation Coefficient Sig. (2-tailed) N	.503** .000 60	.588** .000 60	.484** .000 60	1.000 60										
Interest in learning enhances SME owners' willingness to take risks.	Correlation Coefficient Sig. (2-tailed) N	.062 .638 60	.087 .510 60	.070 .597 60	.222 .088 60										
SME growth increases the business sustainability.	Correlation Coefficient Sig. (2-tailed) N	.285* .027 60	.400** .002 60	.511** .000 60	.364** .004 60	1.000 60									

As a self-motivated business owner I exert effort based on business growth interest.	Correlation Coefficient Sig. (2-tailed) N	.079 .548 60	.243 .061 60	.297* .021 60	.246 .058 60	.425** .001 60	1.000 60								
I find new solutions to business problems because I want to achieve business growth.	Correlation Coefficient Sig. (2-tailed) N	.090 .492 60	.171 .192 60	.068 .604 60	.227 .081 60	-.052 .694 60	.467 .000 60	1.000 60							
I grow my business because I want to be recognised.	Correlation Coefficient Sig. (2-tailed) N	.004 .978 60	.037 .779 60	-.021 .875 60	-.044 .737 60	-.061 .642 60	-.067 .610 60	.126 .337 60	1.000 60						
I'm driven by a belief to produce the desired outcomes of my business.	Correlation Coefficient Sig. (2-tailed) N	.220 .092 60	.326* .011 60	.213 .103 60	.254 .050 60	.089 .501 60	.338** .008 60	.429** .001 60	.115 .382 60	1.000 60					
The aim of expanding the business is to take responsibility.	Correlation Coefficient Sig. (2-tailed) N	.400** .002 60	.368** .004 60	.402** .001 60	.308* .017 60	.282* .029 60	.210 .107 60	.174 .184 60	.327* .011 60	.323* .012 60	1.000 60				
My need for advancement is the personal attribute that has great impact on the growth of my business.	Correlation Coefficient Sig. (2-tailed) N	.009 .944 60	.089 .500 60	.202 .121 60	.184 .159 60	.273* .035 60	.319* .013 60	.256* .049 60	.044 .736 60	.410** .001 60	.395** .002 60				
My growth aspiration enables me to take risk in order to grow my businesses.	Correlation Coefficient Sig. (2-tailed) N	.103 .436 60	.082 .533 60	.122 .354 60	.226 .083 60	-.080 .542 60	.394** .002 60	.302* .019 60	.258* .046 60	.214 .101 60	.125 .341 60				

My motivation is driven by creativity.	Correlation Coefficient Sig. (2-tailed) N	.141	.253	.367**	.262*	.329*	.541**	.265*	-.082	.227	.168	1.000			
		.283	.051	.004	.043	.010	.000	.041	.534	.080	.200				
		60	60	60	60	60	60	60	60	60	60	60			
Myself-motivation is associated with higher levels of creativity.	Correlation Coefficient Sig. (2-tailed) N	.131	.059	.087	.110	.272*	.486**	.236	-.020	.281*	.166	.587**	1.000		
		.317	.652	.507	.405	.035	.000	.070	.881	.030	.205	.000			
		60	60	60	60	60	60	60	60	60	60	60	60		
Creative SME owners are willing to accept risks.	Correlation Coefficient Sig. (2-tailed) N	.077	.054	.146	-.046	.139	-.021	.091	.365	.050	.250	.260*	.251		
		.560	.682	.267	.727	.291	.872	.487	.004	.704	.054	.045	.053		
		60	60	60	60	60	60	60	60	60	60	60	60		
Creativity in SMEs is expected to result in final product or services.	Correlation Coefficient Sig. (2-tailed) N	.041	.099	.352**	.257*	.278*	.351**	.241	.015	.351**	.160	.478**	.461**	.679**	
		.755	.450	.006	.047	.031	.006	.063	.910	.006	.223	.000	.000	.000	
		60	60	60	60	60	60	60	60	60	60	60	60	60	
My entrepreneurial skills influence the implementation of sustainable growth of my business.	Correlation Coefficient Sig. (2-tailed) N	.192	-.049	.036	.070	-.090	.238	.567**	.035	.356**	.118	.092	.358**	.213	
		.142	.708	.787	.595	.495	.068	.000	.788	.005	.368	.485	.005	.102	
		60	60	60	60	60	60	60	60	60	60	60	60	60	
The application of entrepreneurial skill develops new small and medium enterprises.	Correlation Coefficient Sig. (2-tailed) N	.167	.249	.080	.253	.082	.407**	.298*	-.107	.541**	.044	.372**	.359**	.275*	1.000
		.202	.055	.546	.051	.535	.001	.021	.417	.000	.741	.003	.005	.033	
		60	60	60	60	60	60	60	60	60	60	60	60	60	60
The entrepreneurial skill creates new jobs.	Correlation Coefficient Sig. (2-tailed) N	.184	.033	.229	.369**	.247	.270*	.210	-.196	.192	.082	.295*	.194	.227	.429**
		.159	.801	.078	.004	.057	.037	.107	.133	.142	.533	.022	.138	.081	.001
		60	60	60	60	60	60	60	60	60	60	60	60	60	60

4.6.1 Motivation for business growth

- ***Correlation between “when business owners are self-motivated, they experience positive effects” and “self-motivated business owners are likely to grow their business even bigger”***

There is a significant positive correlation between “when business owners are self-motivated they experience positive effect” and “self-motivated SMEs owners are likely to grow their businesses even bigger” at the correlation coefficient value of 0.681. This is a directly related proportionality. The results indicate a strong positive correlation between these variables. This implies that the more the business owners are self-motivated, the more the chances of business growth are expected. The converse is also true that is, the more the business growth, the more likely self-motivation is anticipated.

- ***The correlation between “being naturally motivated is the reason behind SME growth” and “self-motivated owners are likely to grow their businesses even bigger”***

There is a significant positive correlation between “being naturally motivated is the reason behind SMEs’ growth” and “self-motivated SME owners are likely to grow their businesses even bigger” at the correlation coefficient value of 0.505. The result means that there is a medium positive correlation between these variables. This proves that the more the SME owners are naturally motivated to grow their businesses, the more the chance of business growth is expected. The converse is also true, that is, the more the business grows, the more likely the business owners are naturally motivated.

- ***The correlation between “being naturally motivated is the reason behind SME growth” and “when business owners are self-motivated, they experience a positive effect”***

There is a significant positive correlation between “being naturally motivated is the reason behind SMEs’ growth” and “when business owners are self-motivated, they experience positive effect” at the correlation coefficient value of 0.594. The results indicate that there is a moderate positive correlation between these variables. This is a directly related proportionality. This proves that the more business owners are naturally motivated, the more they experience a positive effect and achieve business growth.

- ***The correlation between “SMEs’ growth is regarded as an important goal of the business” and “self-motivated SME owners are likely to grow their businesses even bigger”***

There is a significant positive correlation between “SMEs’ growth is regarded as an important goal of the business” and “self-motivated SME owners are likely to grow their businesses even bigger” at the correlation coefficient value of 0.503. This is a directly related proportionality. The correlation coefficient value of 0.503 is suggestive of a medium positive correlation between variables. This implies that the more the SMEs’ growth is regarded as an important goal of the business, the more the chances are that self-motivated SME owners are likely to grow their businesses even bigger.

- ***The correlation between “SMEs’ growth is regarded as an important goal of the business” and “when business owners are self-motivated, they experience a positive effect”***

The correlation value between “SMEs’ growth is regarded as an important goal of the business” and “when business owners are self-motivated, they experience a positive effect” is 0.588. This is a directly related proportionality. The Pearson

correlation coefficient value of 0.588 is suggestive of a strong positive correlation between these variables. This implies that the more the SMEs' growth is regarded as an important goal of the business, the more self-motivated SME owners are likely to experience positive effects.

➤ ***The correlation between “SME growth increases the business sustainability” and “self-motivated SME owners are likely to grow their businesses even bigger”***

There is a significant positive correlation between “SME growth increases the business sustainability” and “self-motivated SME owners are likely to grow their businesses even bigger” at the significant value of 0.285. This is a directly related proportionality. The result is that the correlation coefficient value of 0.285 is suggestive of a weak positive correlation between these variables. This proves that the more business become sustainable, the more likely are the chances to grow the business even bigger.

4.6.2 Intrinsic motivational factor for SMEs growth

➤ ***The correlation between “as a self-motivated business owner I exert effort based on business growth interest and “being naturally motivated is the reason behind SME growth”***

There is a significant positive correlation between “as a self-motivated business owner, I exert effort based on business growth interest” and “being naturally motivated is the reason behind SME growth” at a correlation coefficient value of 0.297. This means that there is a weak strength positive correlation. The variables are directly related proportionality. The result proves that the more business owners exert effort based on business growth, the more likely the chances for business growth.

- ***The correlation between “as a self-motivated business owner, I exert effort based on business growth interest” and “SMEs growth increases the business sustainability”***

There is a significant positive correlation between “as a self-motivated business owner, I exert effort based on business growth interest” and “SME growth increases the business sustainability” at the coefficient value of 0.425. The results indicate a medium strength positive correlation. This is a directly related proportionality. The result implies that when business owners exert effort on business growth interest, the more likely the chances are that the business growth increases business sustainability.

- ***The correlation between “I find new solutions to business problems because I want to achieve business growth” and “as a self-motivated business owner, I exert effort based on business growth interest”***

There is a significant positive correlation between “I find new solutions to business problems because I want to achieve business growth” and “as a self-motivated business owner, I exert effort based on business growth interest” at a correlation significant value of 0.467. The Pearson correlation coefficient value of 0.467 is a medium strength positive correlation between the two variables. This result proves that the more SME owners find new solutions to business problems, the more they exert effort based on business growth interest.

- ***The correlation between “I’m driven by a belief to produce the desired outcomes of my business” and “when business owners are self-motivated, they experience a positive effect”***

There is a significant positive correlation between “I’m driven by a belief to produce the desired outcomes of my business” and “when business owners are self-motivated, they experience positive effect” at a correlation coefficient value of 0.326. This means that there is a weak positive correlation between the two

variables. The result proves that the more SME owners are driven by a belief to produce desired outcomes of the business, the more they experience a positive effect.

➤ ***The correlation between “I’m driven by a belief to produce the desired outcomes of my business” and “I find new solutions to business problems because I want to achieve business growth”***

There is a significant positive correlation between “I’m driven by a belief to produce the desired outcomes of my business” and “I find new solutions to business problems because I want to achieve business growth” at a correlation coefficient value of 0.429. The Pearson correlation coefficient value of 0.429 is a medium positive correlation between the two variables. This result proves that the more business owners are driven by a belief to produce desired outcomes of the business, the more they find new solutions to business problems because they want to achieve business growth. The converse is also true, that is, the more they find new solutions to business problems, the more they are driven by a belief to produce desired outcomes of the business.

➤ ***The correlation between the “aim of expanding the business is to take responsibility” and “being naturally motivated is the reason behind SME’s growth”***

There is a significant positive correlation between “the aim of expanding the business is to take responsibility” and “being naturally motivated is the reason behind SME’s growth” at a correlation coefficient value of 0.402, which means that there is a medium positive correlation between the two variables. This is a directly related proportionality. The result proves that the more business responsibility increases, the more motivated they would be to ensure SME’s success, and vice versa.

- ***The correlation between “the need for advancement is the personal attribute that has a great impact on the growth of my business” and “I’m driven by a belief to produce the desired outcomes of my business”***

There is a significant positive correlation between “my need for advancement is the personal attribute that has a great impact on the growth of my business” and “I’m driven by a belief to produce the desired outcomes of my business” at a correlation coefficient value of 0.410. The Pearson correlation coefficient value of 0.410 is a medium strength positive correlation between the two variables. The result reveals that the more business owners have a need for advancement, the more likely they are driven by a belief to produce desired outcomes of the business, and vice versa.

- ***The correlation between “the need for advancement is the personal attribute that has great impact on the growth of my business” and “the aim of expanding the business is to take responsibility”***

There is a significant positive correlation between “my need for advancement is the personal attribute that has great impact on the growth of my business” and “the aim of expanding the business is to take responsibility” at a correlation coefficient value of 0.395. The result is suggestive of a weak strength positive correlation between these variables. This result implies that the more the business becomes sustainable, the more likely growth is expected. The converse is also true, that is, the more the business is stable, the more expansion is anticipated.

- ***The correlation between “my growth aspiration enables me to take risk in order to grow my businesses” and “I find new solutions to business problems because I want to achieve business growth”***

There is a significant positive correlation between “my growth aspiration enables me to take risk in order to grow my businesses” and “I find new solutions to business problems because I want to achieve business growth” at a correlation

coefficient value of 0.303. The Pearson correlation coefficient value of 0.303 is a weak positive correlation between these variables. This result implies that the more SMEs' owners take business risks, the more they find new solutions to achieve business growth. The converse is also true, that is, the more they find new business solutions, the more business risk is anticipated.

➤ ***The correlation between “my growth aspiration enables me to take risk in order to growth my businesses” and “as a self-motivated business owner, I exert effort based on business growth interest”***

There is a significant positive correlation between “my growth aspiration enables me to take risk in order to growth my businesses” and “as a self-motivated business owner, I exert effort based on business growth interest” at a correlation coefficient value of 0.394. This means that there is a medium positive correlation between these variables. This result implies that the more the business becomes sustainable, the more growth is expected. The converse is also true, that is, the more the business is stable the more expansion is anticipated.

4.6.3 Creativity in SME's growth

➤ ***The correlation between “my motivation is driven by creativity” and “as a self-motivated business owner, I exert effort based on business growth interest”***

There is a significant positive correlation between “my motivation is driven by creativity” and “as a self-motivated business owner, I exert effort based on business growth interest” at a correlation coefficient value of 0.541. This means that there is a medium positive correlation between these variables. This result implies that the more the SME owner is creative, the more he/she exerts effort based on business growth interest. The converse is also true. That is, the more

the business owners exert efforts on business growth, the more creativity is anticipated.

➤ ***The correlation between “self-motivation is associated with higher levels of creativity” and “motivation is driven by creativity”***

There is a significant positive correlation between “self-motivation is associated with higher levels of creativity” and “motivation is driven by creativity” at a correlation coefficient value of 0.587. This means that there is a medium strength positive correlation between these variables. This result implies that the more the business owners’ motivation is associated with higher levels of creativity, the more likely SMEs’ experience growth.

➤ ***The correlation between “creative SMEs’ owners are willing to accept risks” and “I grow my business because I want to be recognised”***

There is a significant positive correlation between “creative SMEs’ owners are willing to accept risks” and “I grow my business because I want to be recognised” at a correlation coefficient value of 0.365. This is a direct proportionality. The Pearson correlation coefficient value of 0.365 is a weak positive correlation between these variables. The result proves that the more that creative SMEs’ owners are willing to accept risks, the more they want to be recognised.

➤ ***The correlation between “my self-motivation is associated with higher levels of creativity” and “as a self-motivated business owner, I exert effort based on business growth interest”***

There is a significant positive correlation between the “my self-motivation is associated with higher levels of creativity” and “as a self-motivated business owner, I exert effort based on business growth interest” at a correlation coefficient value of 0.486. This indicates that there is a medium positive correlation between these variables. This is a directly related proportionality. The

result proves that the more business owners are creative, the more they exert effort based on business growth.

➤ ***The correlation between “self-motivation is associated with higher levels of creativity” and “my motivation is driven by creativity”***

There is a significant positive correlation between “my self-motivation is associated with higher levels of creativity” and “motivation is driven by creativity” at a correlation coefficient value of 0.587. This indicates that there is a medium positive correlation between these variables. This is a directly related proportionality. The result proves that the more business owners are self-motivated, the more they are driven by creativity.

➤ ***The correlation between “creative SME owners are willing to accept risks” and “I grow my business because I want to be recognised”***

There is a significant positive correlation between “creative SME owners are willing to accept risks” and “I grow my business because I want to be recognised” at a correlation coefficient value of 0.365. This means that there is a medium positive correlation between variables. This is a directly related proportionality. The result reveals that the more SME owners are willing to accept risks, the more they grow their businesses because they want recognition.

➤ ***The correlation between “creativity in SMEs is expected to result in final product or services” and “creative SMEs’ owners are more focused on content of the business”***

There is a significant positive correlation between “creativity in SMEs is expected to result in final product or services” and “creative SMEs’ owners are more focused on content of the business” at a correlation coefficient value of 0.679. This means that there is a strong positive correlation between these variables.

This result implies that the more business owners use creativity to the product or services, the more they focused on the content of the business, and vice versa.

4.6.4 Entrepreneurial skills in SMEs growth

- ***The correlation between “entrepreneurial skills influence the implementation of sustainable growth of my business” and “I find new solutions to business problems because I want to achieve business growth”***

There is a significant positive correlation between the two variables, namely, “entrepreneurial skills influence the implementation of sustainable growth of my business” and “I find new solutions to business problems because I want to achieve business growth” at a correlation coefficient value of 0.567. This means that there is a medium positive correlation between these variables. This result implies that there is a positive correlation between entrepreneurial skills and finding new solutions for business growth.

- ***The correlation between “entrepreneurial skills influence the implementation of sustainable growth of my business” and “I find new solutions to business problems because I want to achieve business growth”***

There is a significant positive correlation between the two variables, namely, “entrepreneurial skills influence the implementation of sustainable growth of my business” and “I find new solutions to business problems because I want to achieve business growth” at a correlation coefficient of 0.358. This means that there is a weak positive correlation between these variables. This result implies that there is a relationship between creativity and content of the business.

- ***The correlation between “the application of entrepreneurial skill develops new small and medium enterprises” and “as a self-motivated business owner, I exert effort based on business growth interest”***

There is a significant positive correlation between “the application of entrepreneurial skill develops new small and medium enterprises” and “as a self-motivated business owner, I exert effort based on business growth interest” at the correlation coefficient value of 0.407. This means that there is a medium positive correlation between these variables. This result proves that the more business owners apply entrepreneurial skills, the more they exert effort based on business growth.

- ***The correlation between “the application of entrepreneurial skill develops new small and medium enterprises” and “I’m driven by a belief to produce the desired outcomes of my business”***

There is a significant positive correlation between “the application of entrepreneurial skill develops new small and medium enterprises” and “I’m driven by a belief to produce the desired outcomes of my business” at a correlation coefficient value of 0.541. This means that there is a medium strength correlation. This is a directly related proportionality. The result proves that the application of entrepreneurial skill is a factor that determines the desired outcomes to business growth.

- ***The correlation between “the application of entrepreneurial skill develops new small and medium enterprises” and “business success depends on the ability to identify crucial entrepreneurial skills in the early years of my business start-up”***

There is a significant positive correlation between “the application of entrepreneurial skill develops new small and medium enterprises” and “business success depends on the ability to identify crucial entrepreneurial skills in the early years of my business start-up” at a correlation coefficient value of 0.491. This

means that there is a medium strength linear relationship. This is a directly related proportionality. The result proves that the more application there is of entrepreneurial skills to SMEs, the more likely the business success in the early years of business start-up.

➤ ***The correlation between “the entrepreneurial skill creates new jobs” and “SMEs growth is regarded as an important goal of the business”***

The correlation between “the entrepreneurial skill creates new jobs” and “SMEs growth is regarded as an important goal of the business” is 0.369, which means that there is a weak strength correlation. This is a directly related proportionality. The results indicate that the entrepreneurial skill is a factor that can be regarded as an important goal of the business.

➤ ***The correlation between “the entrepreneurial skill creates new jobs” and “the application of entrepreneurial skill develops new small and medium enterprises”***

There is a significant positive correlation between “the entrepreneurial skill creates new jobs” and “the application of entrepreneurial skill develops new small and medium enterprises” at a correlation coefficient value of 0.429. This means that there is a medium positive correlation between these variables. This result proves that the more the application of entrepreneurial skills, the more likely the chances for creation of new jobs and development of new small and medium businesses.

The findings have revealed that self-motivation and small and medium growth are correlated. This means that small and medium business owners with greater growth motivation are more likely to grow their businesses even bigger. This suggests that there is an opportunity for economic growth if small and medium business owners' growth intentions can be increased. Governments and others wishing to grow an economy need to understand that motivation plays an

important role, and that measures to encourage the growth motivation of SME owners can have positive economic consequences.

Having discussed correlation and the connection between the actual dimensions of two or more variables, the following section focuses on regression to analyse the relationship between a single dependent variable and several independent variables.

4.7 REGRESSION MODEL

Regression analysis is a technique used to analyse the relationship between a single dependent variable and one or several independent variables. The general assumption is that there is a linear correlation between the dependent variable and the independent variable(s) (Saunders, Lewis & Thornhill 2012). As indicated in Chapter 1, the main objective of this study was to examine the relationship between intrinsic motivational factors of the owner or manager, on the one hand, and the growth of SMEs in the eThekweni Metropolitan Area, on the other. Accordingly, linear regression analysis is an appropriate statistical technique for examining such relationships.

The tables below indicate a possible model that can be generated from the dataset. Businesses that are successful are in operation for a length of time. The model identifies the length of time as the dependent variable and the dimensions as the independent variables.

Table 4.24: Variables**Variables Entered/Removed^a**

Model	Variables Entered	Variables Removed	Method
1	Entrepreneurial Skills, Motivation, IMF, Creativity ^b	.	Enter

a. Dependent Variable: How long have you been in this business sector? b. All requested variables entered.

4.7.1 Model construction

In simple linear regression, the model is used to describe the relationship between a single dependent variable and a single independent variable. The model summary is presented in Table 4.25.

Table 4.25: Model summary**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.463 ^a	.214	.157	1.01562

a. Predictors: (Constant), Entrepreneurial Skills, Motivation, IMF, Creativity

Model – SPSS allows one to specify multiple models in a single regression command. This tells one the number of the model being reported. R – R is the square root of R-Square and is the correlation between the observed and predicted values of the dependent variable (Drost 2011)

R-Square – R-Square is the proportion of variance in the dependent variable (How long have you been in this sector) which can be predicted from the independent variable (Entrepreneurial skills, Motivation, Intrinsic motivational factor, and Creativity). This value indicates that 21.4% of the variation in the dependent variable can be explained by changes in the independent variables. R-Square is also called the coefficient of determination.

Adjusted R-Square – As predictors are added to the model, each predictor will explain some of the variance in the dependent variable simply due to chance. One could continue to add predictors to the model which would continue to improve the ability of the predictors to explain the dependent variable, although some of this increase in R-Square would be simply due to chance variation in that particular sample. The adjusted R-square attempts to yield a more honest value to estimate the R-squared for the population. The value of R-squared was 0.214, while the value of adjusted R-square was 0.157.

Having discussed model construction, the following section discusses the ANOVA.

4.8 ANOVA

One way Analysis of Variance (ANOVA) is a statistical technique for examining the differences among means for two or more populations (Saunders, Lewis & Thornhill 2012). The purpose of analysis of variance (ANOVA) is to test for significant differences between variables.

Table 4.26 shows the univariate analysis of variance which shows the data distribution and the level of significance.

Table 4.26: ANOVA showing data distribution and level of significance

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	15.452	4	3.863	3.745	.009 ^b
	Residual	56.732	55	1.031		
	Total	72.183	59			

a. Dependent Variable: How long you have been in this business sector?

b. Predictors: (Constant), Entrepreneurial Skills, Motivation, IMF, Creativity

Table 4.26 tests whether the independent variables collectively predict the dependent variable. F-statistic and Significance – The F-value is 3.745. Since the ANOVA test result ($p = 0.009$), is less than the level of significance (of 0.05), it implies that the independent variables do indeed (collectively) predict the dependent variable. It can be concluded that the predictors can be used to give indication of performance since the significance value is less than 0.05.

Having discussed the ANOVA test, the following section summarises the coefficient test results.

4.9 COEFFICIENTS

Coefficient of determination is a measure used in a statistical model analysis to assess how well a model explains and predicts future outcomes (Saunders, Lewis & Thornhill 2012). It is indicative of the level of explained variability in the model. The coefficient, also known as R-square, is used as a guideline to measure the accuracy of the model. Table 4.27 below presents the coefficients.

Table 4.27: Coefficients

Model	Unstandardised Coefficients		Standardised Coefficients	T	Sig.
	B	Std. Error	Beta		
1	(Constant)	3.449	.664	5.197	.000
	Motivation	1.030	.357	.412	.006
	IMF	-.494	.400	-.183	.222
	Creativity	.211	.379	.086	.580
	Entrepreneurial Skills	-1.017	.443	-.320	.026

a. Dependent Variable: How long you have been in this business sector?

Table 4.27 determines which of the predictors contribute more to the model than others. The significance column indicates the values of significance relating to the

hypothesis that the coefficients are equal to zero. It is noted that two coefficients (0.006 and 0.026) have values (p-values) that are significant. This means that the coefficients associated with these values are significant (and not equal to zero).

Column B – These are the values for the regression equation for the dependent variable from independent variables. These are called unstandardised coefficients because they are measured in their natural units. As such, the coefficients cannot be compared with one another to determine which one is more influential in the model, because they can be measured on different scales (Saunders, Lewis & Thornhill. 2012).

The model can be summarised as follows:

Length of operation time = $3.449 + (1.030 \times \text{Motivation}) - (0.494 \times \text{IMF}) + (0.211 \times \text{Creativity}) - (1.017 \times \text{Entrepreneurial Skills})$.

Having done the regression and analysed it in a specific context, it is necessary to focus on Alpha Cronbach's to measure inter-items, reliability, validity as well as coefficients that reflect how well the aspects in a set are positively related.

4.10 CRONBACH'S ALPHA

Cronbach's alpha measures the inter-item consistency and reliability as well as the coefficient that reflects how closely or well aspects in a set are positively correlated to each other (Anderson, Sweeney, Williams & Freeman 2010). Cronbach's alpha for the independent variable which is, on average 0.70 and above, is acceptable in most research scenarios (Drost 2011).

Sekaran and Bougie (2010) state that reliability reflects the extent that a measure is error free; it indicates the stability and consistency with which the instrument measures the concept and aids in assessing the goodness of a measure. In order to compute reliability, several measurements are taken on the same subjects. A reliability coefficient of 0,70 or higher is considered as acceptable and the closer the reliability is to 1.0, the better. The reliability behaviour is the stability of that measure to produce the same results when measuring a construct. The most common types of reliability are test-retest reliability, split-half reliability, and internal consistency reliability.

4.10.1 Validity and Reliability

Validity refers to the correctness of the measure (Drost 2011). Research results may appear accurate whilst they contain errors, so precautions have to be taken to minimise such errors. Therefore, the determination of Cronbach's alpha was necessary and the results are presented in Table 4.28.

Table 4.28: Questionnaires' Reliability Statistics

		Cronbach's Alpha
B8	Motivation for small and medium enterprises (SMEs)	0.676
B9	Intrinsic motivational factor for SME growth	0.626
B10	Creativity in small and medium business growth	0.746
B11	Entrepreneurial skills in small and medium business growth	0.617
	Overall	0.843

The overall reliability score for the ordinal data was 0.843, which is above the recommended value of 0.70. This implies that, overall, the respondents were consistent in the manner of their responses. Three of the four sections did,

however, have scores that were (slightly) below the acceptable standard. These scores were affected by various factors. Primarily, the construct is newly developed. Some of the sections had a small number of items and, in some instances, interpretation may have been a problem.

4.11 CONCLUSION

The empirical findings of this study were presented in this chapter. The response rate for the study was 88%. Cronbach's alpha was used to measure the inter-item consistency and to determine the normality of the data. The empirical findings on demographic variables were presented using figures, tables and charts. The chapter also presented the empirical findings on the relationship between objectives, motivation for small and medium enterprises (SMEs), intrinsic motivational factors for SME growth, creativity and entrepreneurial skills in small and medium business growth. All four predictor objectives had a significant positive relationship on business growth. The findings also revealed that there is a significant positive relationship between the objectives.

The mean was used to determine the most important and least motivators of SME managers. Pearson correlation was used to determine the relationship between the questions. Regression analysis was used to further confirm the overall relationship between the independent variables on the dependent variable. The results revealed a significant positive relationship. The regression coefficient was used to determine the independent variable that has the greatest effect on the dependent variable. The independent variables (collectively) predict the dependent variable, which means that the results revealed that length of time in business has the greatest influence on creativity, entrepreneurial skills and motivation.

The next chapter presents the conclusions and recommendations of the study. In addition, the achievement of the objectives of the study will be presented. Furthermore, the limitations of the study and areas for further study will be highlighted.

CHAPTER 5 : CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

In the previous chapter, the findings of the study were presented. The study was carried out to determine the perceived influence that intrinsic motivational factors have on small and medium business growth in the eThekweni Metropolitan Area in the KwaZulu-Natal Province of South Africa. High failure rate of SMEs is a problem currently faced by South Africa resulting in businesses shutting down and a high unemployment rate.

This chapter addresses how the stated objectives have been achieved.

Objectives:

- to investigate whether the owners of small and medium businesses are driven by intrinsic motivational factors in growing their businesses;
- to evaluate if business skills has the capacity to enhance owners intrinsic factors for achieving business goals; and
- to determine intrinsic motivational factors used in the creativity process that support business owners' growth.

This chapter also provides the theoretical perspectives of the study together with the conclusions drawn and the resulting recommendations. The limitations encountered in conducting the study are described, and the implications and possible avenues for future research are presented. The chapter concludes with a summary of this study.

5.2 THEORETICAL PERSPECTIVE

A theoretical perspective is a set of assumptions about reality that underlies the questions asked and the kinds of answers arrived at as a result (Willemse 2009). The theoretical perspective of this study focused mainly on the intrinsic motivational factors related to small and medium enterprises in South Africa. The research document started by defining entrepreneurship and concluded that many definitions of entrepreneurship exist and no definition can be singled out as totally defining entrepreneurship. Nonetheless, it was also brought to light that entrepreneurship and SMEs are synonymous. As a result, they are used interchangeably in literature. In addition, the definition of an SME, from both national and international perspectives, was brought to the fore. The chapter pointed out that the definition of SME differs from country to country. Furthermore, literature with respect to the importance of SMEs to the South African economy was examined. SMEs create new employment, exterminate poverty and contribute significantly to economic growth (Ligthelm 2009). The motivations in SME growth, intrinsic motivational factors, creativity and motivation and, finally, entrepreneurial skills were examined.

5.2.1 Intrinsic motivational factors

Deci and Ryan's (2014) self-determination theory (SDT) provides a well-established theoretical framework for understanding an individual's motivation in public and non-profit organizational settings. SDT suggests intrinsic motivation as either crowded-in or crowded-out by some specific organisational conditions and social-environmental factors. These include rewards and disciplines, work environment and culture, and organisational communication. That is, certain external factors can facilitate or undermine the effects of intrinsic motivation on

individuals or organisational outcomes. The SDT focuses on the degree to which human behaviours are volitional or self-determined and the degree to which people endorse their actions at the highest level of reflection and engage in the actions with a full sense of choice (Grant & Berry 2011). Intrinsic motivation is central to the proactive, growth-oriented nature of human beings which is the basis for learning and development. Intrinsically motivated business owners are more likely to pursue enjoyment, work interest, satisfaction of curiosity, self-expression, or personal challenge in the work while extrinsically motivated owners seek to obtain some goals that are apart from the work itself (Coon & Mitterer 2010).

5.2.2 Motivation and creativity in SMEs

A change in the economy has been identified, moving from knowledge-based activities to creativity, innovation entrepreneurship and imagination (Nauwelaerts & Antwerp 2012). Increasing globalisation and technology effects have resulted in more business opportunities but the market place has also become more crowded and competition has increased (Shepherd & Wiklund 2009). Creativity enables the entrepreneur to act on these opportunities in ways which can result in competitive advantage for the business. It can provide the basis for innovation and business growth, as well as impacting positively on society generally (Nauwelaerts & Antwerp 2012).

Entrepreneurial creativity has been defined as the generation and implementation of novel and appropriate ideas to establish a new venture. This definition sits alongside with entrepreneurship literature on new venture formation, but fails to follow the growth of business over time (Hennessey & Amabile 2010). However, entrepreneurial creativity exists before and after the lifetime of a particular

business since it is shaped in part by the social world and by the individual decision maker (Nauwelaerts & Antwerp 2012). There are also a number of other contributing internal and external factors, that is, entrepreneurial creativity requires a combination of intrinsic and certain kinds of extrinsic motivation. A motivation synergy results when strong levels of personal interest and involvement are combined with the promise of rewards that confirm competence, support skill development, and enable future achievement (Hennessey & Amabile 2010).

5.2.3 Entrepreneurial skills

Examining the different entrepreneurial skills for sustainable growth of SMEs is necessary in South Africa in order to propose techniques for measuring and evaluating entrepreneurial skills, and to determine how these skills can contribute to SME growth (DuBrin 2012). In order to achieve the above mentioned, it is necessary to focus on the specific skill characteristics of particular entrepreneurs/managers of SMEs, who have planned growth in terms of revenues and the number of employees. Since entrepreneurial skills influence implementation of sustainable growth of SMEs, the entrepreneur's success depends on the identification of crucial entrepreneurial skills for starting a business as well as for helping the business to survive and grow in the early years (Martin & Staines 2008). The entrepreneur should be aware of the variety of necessary basic and additional management skills that are not only desirable, but also required for successful guidance of the business. Having that in mind, he/she will have more knowledge on how to compose his/her ideal team comprising members with complementary skills, and to avoid situations of hiring people with similar or the same skills as his/her own (DuBrin 2012).

5.3 EMPIRICAL STUDY

According to Blumberg *et al.* (2011), empirical research methods are a class of research methods in which empirical observations or data are collected in order to answer particular research questions. The purpose of this research study was to test a theory and possibly refine it. The research was conducted to develop theory. To be empirically tested, the research question was transformed into a theoretical model, consisting of theoretical constructs (that is, research objectives). The theoretical model was generally developed based on analysis of the literature.

This study purpose is to examine the influence of intrinsic motivational factors on SME growth. The motivation to conduct this research study stemmed from the research problem which is SMEs' failure within the first years of existence. It can be stated that the answers and information gathered relating to the emergence of the intrinsic motivational factors or how they are acted upon did not depend on who was speaking and where the information came from (that is, no pattern was observed among SME owners, SME managers, males, females or else). It was predictable though since McClelland and Koestner (1992) stated that the needs identified were human needs and thus relate to human nature, shared by everyone. Needs theory contends that individuals are motivated by three basic drivers: achievement, affiliation, and power. Therefore, this study simply acknowledged this view and used it to bring more reliable answers to the research questions.

However, there were slight patterns observed when checking when the need arose (before or after creating the company). That is, the timing indeed led to different views over company creation. So, the conclusion to be drawn is that studying the background of the people for this kind of study only leads to findings

regarding when the motivational factor arises, not how it is achieved, where it comes from or whether it arises at all.

5.3.1 Overview of empirical study

The literature review revealed a lack of empirical studies in the field of motivation, and, therefore, this study first contributes to filling that gap. Also, it increases understanding of intrinsic motivational factors in entrepreneurship by providing answers regarding the possible origin of that motivator, and by adding perspectives on how it is achieved (holistic contribution), which supports the work of Hennessey and Amabile (2010) who focus on innovation, and believe that intrinsic motivation is an important enabler of creativity. This study contributes to understanding the intrinsic motivational factors, in general, as it adds the notion that one's mindset might be a key element to take into account.

In the field of entrepreneurship, in general, this joins other studies on entrepreneurs' motivation as an explanatory factor regarding the differences observed among entrepreneurs, by highlighting the fact that individual's behaviour depends a lot on what he/she aims at and what drives him/her. Also, it helps in understanding the importance of entrepreneurs in the venture by showing how their decisions impact the whole company.

5.3.2 Stages in the research process

➤ Planning

The researcher identified a problem that affects SMEs in South Africa. Preliminary reading of journals and books assisted the researcher to formulate the research

topic, establish the goals and the objectives of the study. A formal research proposal was also developed.

➤ **Primary and secondary data collection**

A comprehensive review of previous literature enabled the researcher to draw applicable questions from instruments used in previous research of a similar nature. Questionnaires were administered to the owners of SMEs in order to gather primary data. The research was quantitative in nature and data was collected from the respondents through the use of questionnaires.

➤ **Data analysis and interpretation of results**

Data analysis was done through the use of frequency tables for consistency. The services of a qualified statistician were engaged to analyse and interpret the data collected from the respondents. The Statistical Package for Social Science (SSPS) version 22.0 was used to analyse the data. Statistical tests were conducted (both descriptive and inferential) and the results were interpreted accordingly.

➤ **Report writing**

The report was structured in accordance with the objectives, the findings of the study and presentation of the findings. Conclusions and recommendations also formed part of the report writing.

5.4 ACHIEVEMENT OF THE RESEARCH OBJECTIVES

This study set out to investigate the influence of intrinsic motivational factors in small and medium business growth. Study achievements, in this regard, are provided for each of the following research objectives.

5.4.1 To investigate whether the owners of small and medium businesses are driven by intrinsic motivational factors in growing their businesses

The findings of this study indicated that if SME owners are intrinsically motivated, they exert efforts based on business growth interests. The majority of the respondents (93 percent) agreed that self-motivated business owners exert effort based on business growth interest. They find solutions to business problems because they want to achieve growth.

This gives an indication that the level of business owners' motivation is crucial in the SME sector in South Africa. The chi-square results on motivation for SMEs confirmed the importance of the owners' motivation. The findings revealed that the majority of SME owners are self-motivated in growing their businesses. The findings are in line with the statement by Abor and Quartey (2010) who states that the SMEs' growth is closely associated with the overall business success and survival. The need to achieve success is the motive to do well and to achieve a goal to a set of standards (Royle 2013). Thus, when SME owners are intrinsically motivated, their desires to learn, explore their interests, and engage their curiosity will lead them to focus on novel ideas that will help them grow their businesses even bigger.

5.4.2 To evaluate if business skills have the ability to enhance the owner's intrinsic factors for achieving business goals

This study revealed that entrepreneurial skills influence the implementation of sustainable growth of the business. All the respondents (100 percent) agreed that entrepreneurial skills create new jobs. It is, therefore, true that the future of South African entrepreneurship capacity depends on how well people are being equipped with entrepreneurial skills to establish and run their own businesses. Martin and Staines (2008) confirmed that, since entrepreneurial skills influence the implementation of sustainable growth of SMEs, the business owners' success depends on the identification of crucial entrepreneurial skills for starting a business as well as for helping the business to survive and grow in the early years. The chi-square provided similar results (see Table 4.22). It confirmed that business success depends on the ability to identify crucial entrepreneurial skills in the early years of business start-up and the length of time the business has operated.

This finding is also consistent with the empirical findings of this study. The empirical findings showed a positive correlation at 0.491 level of significance between the applications of entrepreneurial skill for small and medium enterprises and business success in the early years of business start-up.

5.4.3 To determine intrinsic motivational factors used in the creativity process that support business owner's growth

The findings of this study indicated that intrinsic motivation is an important enabler of creativity. It was perceived by respondents that the enhancement of the creative potential of SMEs will eventually lead to a better support of national goals in South

Africa. The majority of respondents (95 percent) agreed that when SME owners are intrinsically motivated, they experience positive effects. These effects stimulate creativity by broadening the range of cognitive information available, expanding the scope of attention toward assimilating a wider set of ideas, and encouraging cognitive flexibility for identifying patterns and associations between ideas. Respondents also agreed that their self-motivation is associated with higher levels of creativity. The majority of the respondents (95 percent) agreed that their self-motivation is associated with higher levels of creativity. These results are in line with the chi-square test results. Results showed that there is a significant relationship between creative SME owner's willingness to accept risks and business growth.

The results were also correlated with the empirical findings. They revealed that there is a positive correlation at 0.486 level of significance between self-motivation associated with higher levels of creativity and the self-motivated business owner who exerts an effort based on his or her business growth interest. These results are in line with the study by Barringer and Ireland (2010). They proposed that when business owners are intrinsically motivated, their curiosity and interest in learning will enhance their cognitive flexibility, willingness to take risks, and openness to complexity, which, in turn, will expand their access to ideas and potential solutions and, consequently, expand their businesses. According to Amabile and Mueller (2007), intrinsic motivation promotes creativity by encouraging persistence and by fostering a positive effect. Intrinsic motivation enhances psychological engagement and builds energy for sustained effort. This increases the amount of time that SME owners are willing and able to work on their businesses.

5.5 IMPLICATIONS OF THE RESULTS FOR THE SME SECTOR

The question as to why some SMEs are growing while others collapse is one of the most titillating questions in the field of entrepreneurship. Research focused on addressing this question has investigated a wide variety of factors that might stimulate SMEs' growth. These factors range from the motivation of the entrepreneur, characteristics of the entrepreneur to the factors related to the environment in which these businesses operate. This study focuses on intrinsic motivational factors for business growth in South Africa. Although some of the issues addressed in the literature studies have improved, the performance of the SME sector has not yet been impressive (Gay-Perret & Mainali, 2012). This suggests the need to further investigate the factors that influence SME growth in relation to characteristics of the business owner. Due to the crucial role played by entrepreneurs, several studies worldwide Rankhumise (2010) acknowledges the importance of entrepreneurs for the growth of SMEs.

Accordingly, Rankhumise (2010) proposed that the effectiveness of the programmes aimed at the development of SMEs should depend on a thorough understanding of the characteristics of the owner-managers, also referred to as entrepreneurs. In fact, the study has revealed that this is the case that most of the SMEs depend on the owners for their survival and development. Without the owner, not much happens in the business because the owner is usually the one who makes important decisions concerning products, markets, motivation of employees, expansion plans and other issues concerning the business. Thus, this leads to the possibility that a big part of the difference in performance among SMEs can be explained by differences among the entrepreneurs (Abor & Quartey, 2010: 218).

The intrinsic motivational factors of the business owner play a significant role in the growth of SMEs. Entrepreneurship scholars have noted that the motivations of the business owner have only been studied in a simple fashion and have called for research in developing and testing theoretical models which focus on psychological success factors (Gay-Perret & Mainali, 2012). More specifically, it is important to investigate the motivations of business owners that are related to entrepreneurial performance and not just general motivations (Gay-Perret & Mainali, 2012). This study has focused on intrinsic motivational factors, entrepreneurial skills, and creativity of the SME owners. The study is conceptually closely related to entrepreneurial behaviour and is of particular interest to the scholarly domain of entrepreneurship. By developing and testing models that include intrinsic motivational factors, entrepreneurial skills and creativity of SMEs owners, this study contributes to a better theoretical understanding of the motivations of entrepreneurs that explain the growth of SMEs.

5.6 LIMITATIONS OF THE STUDY

It should be noted that, while this study makes a number of contributions, there are some limitations that point to important avenues for future research.

Firstly, the data for this study was collected from only one sector (the furniture sector) in the eThekweni Metropolitan Area. Accordingly, one does not know if this study's findings apply to other sectors. Therefore, future research should include businesses in other sectors in order to ascertain if the present findings are specific to the furniture sector only or are applicable to other businesses as well.

Secondly, the sample was selected from urban areas of only five districts in the eThekweni Metropolitan Area. Even though the descriptive statistics in Chapter 4

indicate that the sample is likely to represent the SME sector in KwaZulu-Natal, there is some potential for producing biased results. Future research that examines the intrinsic motivational factors in small and medium businesses' growth should also consider other regions and/or the whole country.

Third, the data collected from this study were obtained directly from the owners or managers. This may be subject to bias or inaccuracy due to the reliance on their memory and personal reporting. In order to overcome these limitations, the researcher first used multiple items to measure a particular construct. Factor analysis suggests that most of these items show consistent results.

5.7 RECOMMENDATIONS AND FUTURE RESEARCH

Based on the findings of the study and the conclusions drawn above, the following recommendations are made. Apart from the achievements of the research objectives and the part that the government has to play in the whole business of small and medium enterprises in the eThekweni Metropolitan Area, it can be concluded that small and medium business owners in the eThekweni Metropolitan Area are intrinsically motivated to achieve business growth. To improve the growth of SMEs (which will reduce the high failure rate of SMEs), the study recommends that SME owners should improve their managerial skills in order to be able to analyse the market for better business opportunities. Therefore, capacity building of SME owners which will promote the sustainable growth of their businesses is recommended.

The following are recommendations for future research:

- investigate the impact of personal values, motivations and managerial skills of sme owners on access to debt finance from commercial banks;

- examination of cognitive characteristics of entrepreneur owners in relation to their sme's growth;
- determining the extent to which creativity impacts on smes' growth;
- evaluate if business skills have the ability to enhance owners' intrinsic factors for achieving business goals.

5.8 CONCLUDING REMARKS

This study has highlighted the importance of SMEs in Durban and the relationship of intrinsic motivational factors, creativity and entrepreneurial skills to businesses growth. It takes a vital step towards an improved understanding of small and medium business manager's motivational factors and their influence on business growth. While there is a relationship between self-motivation and growth, the relationship is complex. It depends on the creativity level, entrepreneurial skills and experience of the small business manager as well as the level of environmental dynamism. Self-motivation, creativity, entrepreneurial skills and environmental dynamism appear to magnify the effect that intrinsic motivational factors has on growth. This is consistent with the theory of planned behaviour and the importance of resources and access to opportunities in realising intrinsic motivational factors. The researcher has taken an important step but there is considerably more to learn about SME managers' self-motivation and growth. Given the importance of SMEs to most economies, such research has important practical implications.

LIST OF REFERENCES

- Abor, J. and P. Quartey. 2010. Issues in SME development in Ghana and South Africa. *International Research Journal of Finance and Economics*. 39(6): 215-228.
- Ahmad, N.H., Halim, H.A., & Zainal, S.R.M. 2010. Is entrepreneurship the silver bullet for SME success in the developing nations? *Inter Business Man*, 4(2): 67-75.
- Anderson, D.R., Sweeney, D.J., Williams, T.A. and Freeman, J. 2010. *Statistics for business economics*. 2nd ed. Andover: South Western Cengage Learning.
- Barringer, B.R. and Ireland, R.D. 2010. *Entrepreneurship: Successfully launching new ventures*. 3rd ed. Upper Saddle River, NJ: Prentice Hall.
- Bjørnskov, C. and Foss, N.J. 2012. Do economic freedom and entrepreneurship impact total factor productivity? SMG Working Paper No. 8/2010 (online). Available: <http://ssrn.com/abstract=1683965> (Accessed 25 April 2015)
- Blumberg, B., Cooper, D., & Schindler, P. (2011). *Business Research Methods*. McGraw-Hill: Education-Europe.
- Bosma, N., Wennekers, S., Guerrero, M., Amorós, J.E., Martiarena, A. and Singer, S. 2013. *GEM special report on entrepreneurial employee activity*. Wellesley, MA: Babson College.
- Brunstein, J.C. and Maier, G.W. 2005. Implicit and self-attributed motives to achieve: Two separate but interacting needs. *Journal of Personality and Social Psychology*, 89(1): 205-222.

Burt, J.E., Barber, G.M. and Rigby, D.L. 2009. *Elementary statistics for geographers*. 3rd ed. London: Blackwell Publishing.

Blumberg, B., Cooper, D.R. and Schindler, P.S. 2011. *Business research Methods*. 11th ed. New York: McGraw-Hill.

Carmeli, A., Gelbard, R. and Reiter-Palmon, R. 2013. Leadership, creative problem-solving capacity, and creative performance: The importance of knowledge sharing. *Human Resource Management*, 52(1): 95-121.

Carsrud, A. and Brannback, M. 2011. Entrepreneurial motivation: What do we still need to know? *Journal of Small Business Management*, 49(1): 9-26.

Cheng, W., Ribbens, B.A. and Zhou, J. 2013. Linking ethical leadership to employee creativity: Knowledge sharing and self-efficacy as mediators. *Journal of Social Behaviour and Personality*, 41(9): 1409-1420.

Competition Commission. 2004. The Competition Commission of South Africa (Online). Available: [http:// www.compcom.co.za/annual-reports/](http://www.compcom.co.za/annual-reports/). (Accessed September 2014).

Coon, D. and Mitterer, J.O. 2010. *Introduction to psychology: Gateways to mind and behavior with concept maps*. Belmont, CA: Wadsworth.

Cravo, T., Gourlay, A. and Becker, B. 2012. SMEs and regional economic growth in Brazil. *Journal of Small Business and Economics*, 38(2): 217-230.

Cravo, T.A. 2010. SMEs and economic growth in the Brazilian micro-region. *Journal of Small Business and Economics*, 89(4): 217-230.

Creswell, J. (2009) *Research design: Qualitative, quantitative, and mixed methods approaches* (3rd ed). Thousand Oaks, CA: Sage Publications.

Cunningham, J.B. and Lischeron, J.C. 1991. Defining entrepreneurship. *Journal of Small Business Management*, 29(1): 45-67.

Dawson, C. 2009. *Introduction to research methods: A practical guide for anyone undertaking a research project*. 4th ed. Oxford: How To Books.

Deci, E.L. and Ryan, R.M. 2014. *Self-determination theories* (online). Available: <http://www.selfdeterminationtheory.org/theory> (Accessed 09 July 2015).

Dee, J. 2010. *Sustainable Growth' book for small and medium sized businesses* (online). Available: <http://www.about.sensis.com.au/small-business/free-sustainable-growth-book> (Accessed 23 March 2014).

Delmar, F. and Wiklund, J. 2008. The effect of small business managers' growth motivation on firm growth. *Entrepreneurship Theory and Practice*, 32(3): 437-457.

Department of Trade and Industry. 2011. *Medium Term Strategic Plan 2011 – 2014*. (online). Available: [http://www.budgetspeechcompetition.co.za/LinkClick.aspx?link=Small+Busienss+Annual+Summi t.pdf](http://www.budgetspeechcompetition.co.za/LinkClick.aspx?link=Small+Busienss+Annual+Summi+t.pdf) (Accessed 25 January 2014).

Department of Trade and Industry. 2014. *An annual review of small business in South Africa* (online). Available: <http://www.budgetspeechcompetition.co.za> (Accessed 25 June 2014).

Drost, E.A. 2011. Validity and reliability in social science research. *Education, Research and Perspectives*, 38(1): 105-123.

DuBrin, A. J. 2012. *Essentials of management*. Mason, OH: Cengage South-Western.

Eisenbei, S. A. and Boerner, S. 2013. A double-edged sword: Transformational leadership and individual creativity. *British Journal of Management*, 24(1): 54-68.

Fatoki, O. and Garwe, D. 2010. Obstacles to the growth of new SMEs in South Africa: A principal component analysis approach. *Journal of Business Management*. 4(5): 729-738.

fDi Markets. 2014. *Financial Times* (online). Available <http://www.fdimarkets.com/> (Accessed 05 July 2015).

Fischer, A. 2011. Recognizing opportunities: Initiating service innovation in PSFs. *Journal of Knowledge Management*, 15(6): 915-927.

Foss, N.J. and Klein, P.G. 2012. *Organizing entrepreneurial judgment: A new theory of the firm*. Cambridge: Cambridge University Press.

Franco, F. and Haase, H. 2009. Failure factors in small and medium-sized enterprises, qualitative study from an attribution perspective. *International Entrepreneurship Management Journal*, 6(4): 139-215.

Franco, M. and Haase, H. 2009. Entrepreneurial orientation from learning alliances. A study towards business performance. *Journal of Small Business Review*, 2(1): 75-99.

Gay-Perret, D. and Mainali, A. 2012. Entrepreneurs driven by a need for self-fulfilment. An exploration of the origin of such a need and how entrepreneurs work towards fulfilling it. *Journal of Business Administration*, 1(1): 69-113.

Grant, A.M. and Berry, J.W. 2011. The necessity of others is the mother of invention. Intrinsic and prosocial motivations, perspective taking, and creativity. *Academy of Management*. 54(1): 73–96.

Hausman, C.R. 2009. *Criteria of creativity*. In: Krausz, M., Dutton, D. and Bardsley, K. eds. *The idea of creativity*. Boston, MA: Brill.

Hennessey, B.A. and Amabile, T.M. 2010. Creativity. *Annual Review of Psychology*, 61(1): 569-598.

Heron, G. 2014. *Importance of literature review* (online). Available: <http://www.greenheroninfo.com>. (Accessed 01 August 2015).

Herrington, M., Kew, J. and Kew, P. 2010. *Tracking entrepreneurship in South Africa: A GEM perspective* (online). Available: <http://www.africanentrepreneur.com/images>. (Accessed 07 March 2014).

Hisrich, R., Peters, M., & Shepherd, D. 2009. *Entrepreneurship*. 8th ed. Irwin, USA: McGraw-Hill.

Hollaender, I., Cools, M. and Nauwelaerts, Y. 2010. *Supply-demand gap between small exporting creative firms and professional service providers*. Paper RENT Conference, Maastricht, November 17-19, 2010.

Howard, T.J., Culley, S.J. and Dekoninck, E. 2008. Describing the creative design process by the integration of engineering design and cognitive psychology literature. *Journal of Design Studies*, 29(2): 160-1180.

International Finance Corporation. (2009) *The SME Banking Knowledge Guide* (Online). Available: <http://www.ifc.org> (Accessed 28 July 2014).

Investopedia. 2012. *Hard skills* (online). Available: <http://www.investopedia.com/terms/h/hard-skills.asp> (Accessed 20 January 2014).

Isaga, N. 2015. Owner-Managers' demographic characteristics and the growth of Tanzanian small and medium enterprises. *International Journal of Business Management*, 10(5): 1833-3850.

Kabongo, J.D. and Okpara, J.O. 2010. Entrepreneurship education in Sub-Saharan African universities. *International Journal of Entrepreneurial Behaviour and Research*, 16(4): 296-308.

Kamaraj, K., Jayakumar, A. and Kathiravan, C. (2012) *Motivational factors influencing industrial entrepreneurship* (online). Available: <http://www.isrj.net> (Accessed 05 April 2014).

Kerimova, G. 2011. *Small business development and entrepreneurship in South Africa: An Austrian approach* (online). Available: <http://www.handle.net> (Accessed 26 February 2014).

KZN Furniture Cluster (2008). *The furniture industry cluster business*

Plan: unpublished report. Available:
http://thedti.gov.za/small_business_act_no_29_2004. (Accessed June 2014)

Ladzani, W. 2010. Historical perspective of small business development initiatives in South Africa with special reference to Limpopo Province. *Problems and Perspective in Management*, 8(3): 68-79.

Leung, K., Chen, T. and Chen, G. 2013. Learning goal orientation and creative performance: The differential mediating roles of challenge and enjoyment intrinsic motivations. *Springer Science and Business Media*, 31(1): 811–834

Ligthelm, A.A. 2011. Entrepreneurship and small business sustainability (Online). Available: <http://www.unisa.ac.za/contents/faculties/ems/docs/Press377.pdf>. (Accessed 09 May 2014).

Ligthelm, A.A. 2009. *Small business success and failure in Soweto: A longitudinal analysis* (Online). Available: <http://www.unisa.ac.za/contents/faculties/ems/docs/Press377.pdf>. (Accessed 07 May 2014).

Mahembe, E. 2011. *Literature review on small and medium enterprises' access to credit and support in South Africa*. Underhill Corporate Solutions: Report for the National Credit Regulator.

Marketing donut 2012. [Market research: way to india's inclusive growth and sustainable success of smes](http://www.marketingdonut.co.uk/marketing/market-research) (Online). Available: <http://www.marketingdonut.co.uk/marketing/market-research>. (Accessed 02 February 2015).

Martin, G. & Staines, H. 2008. Managerial Competencies in Small Firm (Online). Available: <http://www.emeraldinsight.com/insight/viewcontentitem.do> (Accessed 15 June May 2014).

McClelland, D.C. and Koestner, R. 1992. *The achievement motive: Motivation and personality*. New York: Cambridge University Press.

Mueller, S., Volery, T. and Siemens, B. 2012. What do entrepreneurs actually do? An observational study of entrepreneurs' everyday behaviour in the start-up and growth stages. *Journal of Business Management*, 36(5): 995-1017.

National Credit Act. 2005. National Credit Act of 2005 (Online). Available: <http://www.justice.gov.za/mc/vnbp/act2005-034.pdf>. (Accessed 23 June 2014).

National Small Business Act. 1996. National Small Business Act, 1996 (Online). Available: http://thedti.gov.za/small_business_act_no_29_2004. (Accessed June 2014)

Nation Small Business Amendment Act. 2004. National Small Business Act, 1996 (Online). Available: http://thedti.gov.za/small_business_act_no_29_2004. (Accessed June 2014).

Nauwelaerts, Y. and Antwerp, L. 2012. Innovation management of SMEs in the creative sector in Flanders and the Netherlands. *Journal of Marketing Development and Competitiveness*, 6(3): 141-151.

Nauwelaerts, Y. and Vijfeyken, E. 2010. Export performance satisfaction of Flemish creative SMEs: An investigation from a resource based view. *Research in Entrepreneurship and Small Business*, 17(19): 130-278.

Nicholl, B. and McLellan, R. 2008. We're all in this game whether we like it or not to get a number of As to Cs: Design and technology teachers' struggles to implement creativity and performativity policies. *British Educational Research Journal*, 34(5): 585-600.

Olomi, D. R. 2009. *African entrepreneurship and small business development*. Dar es Salaam: Otme Company Limited.

Parsons, T.L. 2008. Definition: *Soft skills* (online). Available: [www.http://www.searchcio.techtarget.com/definition/soft-skills](http://www.searchcio.techtarget.com/definition/soft-skills) (Accessed 07 March 2014).

Quantec easydata 2014. *Providers of easy data* (online). Available: <http://www.quantec.co.za/easydata/regional-subscription> (Accessed 07 July 2015).

Rankhumise, E.M. 2010. Lessons and challenges faced by small business owners in running their businesses. *Journal of Business Management*, 8(1): 1-6.

Ribeiro, D. and Lee, S.M. 2008. Factors affecting the performance of entrepreneurial service firms. *Service Industries Journal*, 28(7): 1003-13.

Robles, M.M. 2012. Executive perceptions of the top 10 soft skills needed in today's workplace: Business communication quarterly. *Academic Journal*, 75(4): 453-465.

Ropega, J. 2011. The reasons and symptoms of failure in SME. *International Advances in Economic Research*, 17(4): 476-483.

Royle, M.T. 2013. Embeddedness: The nexus of learned needs, conscientiousness, and informal accountability for others. *International Journal of Management and Marketing Research*, 6(1): 1-41.

Royle, M.T. and Hall, A.T. 2012. The relationship between McClelland's theory of needs, feeling individual accountable, and informal accountability for others. *International Journal of Management and Marketing Research*, 5(1): 21-42.

Royle, M.T., Fox, G. and Hochwarter, W.A. 2009. The relationships between select situational and dispositional constructs and informal accountability for others. *International Journal of Management and Marketing Research*, 2(1): 113-133.

Sekaran, U. and Bougie, R. 2009. *Research methods for business: A skill building approach*. 5th ed. Chichester: Wiley.

Sarasvathy, S.D., Menon, A.R. and Kuechle, G. 2013. Failing firms and successful entrepreneurs: Serial entrepreneurship as a temporal portfolio. *Journal of Small Business Economics*, 40(2): 417-434.

Saunders, M., Lewis, P. and Thornhill, A. 2012. *Research methods for business students*. 6th ed. Harlow: Prentice Hall.

SBP. 2009a. Small business development in South Africa: *SBP occasional paper* (online). Available: <http://www.sbp.org.za>. (Accessed 02 March 2014)

SBP. 2009b. Accelerating small business growth in South Africa. *SBP Occasional Paper* (online). Available: <http://www.sbp.org.za> (Accessed 02 March 2014).

Shepherd, D. and Wiklund, J. (2009). Are We Comparing Apples With Apples or Apples With Oranges? Appropriateness of Knowledge Accumulation Across Growth Studies. *Entrepreneurship Theory and Practice*, 33(1): 105-23.

Sirivanh, T., Chaikew, A. and Sateeraroj, M. 2013. Growth of small and medium enterprises in the Lao People's Democratic Republic: A structural equation modeling study. *International Journal of Business and Social Science*, 4(2): 214-219.

Silvia, P. 2008. Interest: The curious emotion. *Current Directions in Psychological Science*, 17(1): 57-60.

Stats SA 2014. *Manufacturing, production and sales* (Online). Available: <http://www.statssa.gov.za> (Accessed 08 July 2015).

The Global Entrepreneurship Monitor 2014. *The Global Entrepreneurship Monitor Report* (Online). Available: www.global-research/gem/Documents/GEM_2014_Global_Report.pdf (Accessed 21 June 2015).

The World Bank 2014. *A world group corporate flagship. The world development report* (Online). Available: <http://www.worldbank.org> (Accessed 13 August 2015).

Tshabalala, D.B. and Rankhumise, E.M. 2011. What impact do economic issues have on the sustainability of small, medium and micro entrepreneurs: *Journal of Management Policy and Practice*, 12(1): 108-114.

Umkhumbane Business Support Unit and Furn-Tech Advanced Furniture Technology. 2013. Business support unit.

Whetten, D.A. and Cameron, K.S. 2007. *Developing management skills*. 7th ed. Reading, MA: Addison-Wesley.

Who Owns Whom. 2014. The bulk of locally manufactured pharmaceuticals are exported into Africa (Online). Available: <http://www.whoownswhom.co.za/web>. (Accessed 05 August 2014).

Wiklund, J., Patzelt, H., and Shepherd, D.A. 2009. Building an integrative model of small business growth. *Journal of Small Business Economics*, 32(4): 351-74.

Willemse, I. 2009. *Statistic methods and calculations Skills*. 3rd ed. Cape Town: Juta & Co.

Wong, Y.L. and Sui, K.W.M. 2011. A model of creative design process for fostering creativity of students in design education. *International Journal of Technology*, 22(1): 437-450.

Word, J. and Park, S.M. 2011. Driven to service: intrinsic and extrinsic motivation for public and non-profit managers. *Journal of Public Personnel Management*, 41(4): 705-734.

Wu, C., Tsai, L. and Wang, P. 2011. Correlation between technological creativity, self-efficacy and knowledge sharing among athletes. *International Journal of Management and Marketing Research*, 4(2): 77-84.

Zimmerman, M.A. and Chu, H.M. 2013. Motivation, success, and problems of entrepreneurs in Venezuela. *Journal of Management Policy and Practice (online)*, 14(2): 76-90.

Appendix A: Letter of information and consent

159 Amen Street
762 Westrich
Newlands West
4037
Durban
4000
19 August 2013

The intrinsic motivational factors on Small and Medium Business growth: A study on Furniture manufacturing sector in the eThekweni Metropolitan Area

LETTER OF INFORMATION AND CONSENT

Dear participant

I am currently undertaking a research project as part of my studies towards a Master's degree in Business Sciences at Durban University of Technology. The study aims to investigate the influence of intrinsic motivational factors as a motivator on Small and Medium Business growth.

As I asked for your participation as a gate keeper, please draft a letter for me stating that you are willing to participate on the study. Participation is voluntary and you are free to withdraw from the study at any time without giving reasons, and without prejudice or any adverse consequences. The information you give will only be used for research purposes and will be aggregated with other responses and only the overall or average information will be used. Your identity and individual answers will be kept totally confidential. Should you wish to discuss this further please feel free to contact me or my supervisor (Dr. D.R Zondo, telephone: 031 373 6831 or DumisaniZ@dut.ac.za or the IREC Administrator, Lavisha Deonarian: 031 373 2900 or LavishaD@dut.ac.za).

Your assistance will be much appreciated,

Yours faithfully
T.R Ncube
079 726 7702
mattandyncube@gmail.com

Appendix B: Questionnaire

I am T.R. Ncube, currently undertaking a research project as part of my studies towards a Master's degree in Technology: Business Administration at Durban University of Technology. I am doing research on the topic: "The intrinsic motivational factors on Small and Medium Business growth: A study on Furniture manufacturing sector in the eThekweni Metropolitan Area.

Your contribution will be appreciated

INSTRUCTIONS

- The majority of the questionnaire comprises a number of statements. You are humbly asked to indicate the extent to which you agree or disagree with each. Simply place a cross (X) in the appropriate block.
- If you do not understand any of the questions, ask for assistance. I will call personally to clarify any problems you encounter.

RESEARCH QUESTIONNAIRES

Section A and B of the questionnaire deals with the background and biographical information, respectively. Although, I'm aware of the sensitivity of these questions, this information will help compare results from various groups of respondents. Once again, I assure you that your response will remain anonymous. Your co-operation will be appreciated.

SECTION A: PERSONAL AND COMPANY INFORMATION
--

Mark the appropriate box with a cross (x).

1. Please indicate your gender.

Male

Female

2. Please indicate your age.

17-24

25-34

35-44

45 & Above

3. How long you have been in this business sector?

Less than 1yr

1 to less than 2yrs

2 to less than 5yrs

5yrs and above

4. Please state your qualifications

Diploma	Degree	Honour's	Master's	Other
		Degree	Degree	

If other, please specify:.....

5. Where is your business situated in the eThekweni District Municipality?

Durban central

South of Durban

North of Durban

West Durban

East Durban

6. The number of people employed by this business

5-49	50-99	100-149	150-199
------	-------	---------	---------

7. Business registration: Please indicate below.

Private company (Pty) Ltd	1
Close corporation (CC)	2
Partnership	3
Sole trade	4
Other: Specify:	5

SECTION B: GENERAL MOTIVATION QUESTIONS

These are Likert scale statements. Please mark the appropriate box with a cross (x).

		Strongly agree	Agree	Neural	Disagree	Strongly disagree
8. Motivation for small and medium enterprises (SME's)						
	Self-motivated SME owners are likely to grow their businesses even bigger.					
	When business owners are self-motivated, they experience positive effect.					
	Being naturally motivated is the reason behind SME growth					
	SME growth is regarded as an important goal of the business.					
	Interest in learning enhances SME owners' willingness to take risks.					
	SME growth increases the business sustainability.					
9. Intrinsic motivational factor for SME growth						
	As a self-motivated business owner, I exert effort based on business growth interest.					
	I find new solutions to business problems because I want to achieve business growth.					
	I grow my business because I want to be recognised.					
	I'm driven by a belief to produce the desired outcomes of my business.					
	The aim of expanding the business is to take responsibility.					
	My need for advancement is the personal attribute that has great impact on the growth of my business.					
	My growth aspiration enables me to take risk in order to growth my businesses.					

10. Creativity in small and medium business growth					
	My motivation is driven by creativity.				
	Myself-motivation is associated with higher levels of creativity.				
	Creative SME owners are willing to accept risks.				
	Creative SME owners are more focused on content of the business.				
	Creativity in SME's is expected to result in final product or services.				
	If creative potential of SME's can be enhanced, this will eventually lead to a better support of national goals in South Africa.				
11. Entrepreneurial skills in small and medium business growth					
	My entrepreneurial skills influence the implementation of sustainable growth of my business.				
	My business success depends on the ability to identify crucial entrepreneurial skills in the early years of my business start-up.				
	The application of entrepreneurial skill develops new small and medium enterprises.				
	Entrepreneurial skills guarantee small and medium business growth.				
	The entrepreneurial skill creates new jobs.				

Thank you!

DR RICHARD STEELE

BA, HDE, MTech(Hom)

HOMEOPATH and EDUCATOR

Registration No. A07309 HM

Practice No. 0807524

Part-time lecturer, Dept of Homeopathy, DUT

Freelance academic editor

110 Cato Road

Glenwood, Durban 4001

031-201-6508/082-928-6208

Fax 031-201-4989

Postal: P.O. Box 30043, Mayville 4058

Email: rsteele@telkomsa.net

EDITING CERTIFICATE

Re: **T. R. Ncube**

The intrinsic motivational factors on small and medium business growth: A study on the furniture manufacturing sector in the eThekweni Metropolitan Area

I confirm that I have edited this dissertation and the references for clarity, language and layout. I am a freelance editor specialising in proofreading and editing academic documents. My original tertiary degree which I obtained at UCT was a B.A. with English as a major and I went on to complete an H.D.E. (P.G.) Sec. with English as my teaching subject. I obtained a distinction for my MTech. Dissertation in the Department of Homeopathy at Technikon Natal in 1999 (now the Durban University of Technology). In my capacity as a part-time lecturer in the Department of Homoeopathy I have supervised numerous Master's degree dissertations.

Dr Richard Steele

15 September 2015

Electronic