

# The Analysis of Effect of Aspiration to Growth of Managers for Smes Growth Case Study: Exporting Manufacturing Smes in Iran

HANIFZADEH Faezeh<sup>24</sup>, TALEBI Kambeiz<sup>25</sup>, SAJADI Mojtaba<sup>26</sup>

## Abstract

The present paper seeks to examine the effect of aspiration to growth of managers on their behavior, which translates into business growth. Furthermore, the aspiration to growth of managers are investigated and the relationship between their aspiration to growth and their behavior (business growth) are examined within the framework of the theory of planned behavior. In order to form a clear understanding of aspiration to growth of managers and its effect on their behavior (business growth), the study reviews the literature related to the theory of planned behavior and business growth, with regards to the mediating variables. To this end, the selected exporting SMEs of Tehran Province were investigated and the data collected from the questionnaires and interviews with the managers of these firms were analyzed and interpreted.

The present paper reviews the existing literature on growth of small and medium-sized enterprises, theory of planned behavior as well as previous studies on business growth of small and medium-sized enterprises within the framework of planned behavior theory. The conceptual model of the research was compiled from the models of two previous studies. The mixed approach is implemented and the statistical population of the research comprises of the managers of exporting manufacturing SMEs. In qualitative section, data were analyzed using open codification technique and the PLS software package was utilized to conduct the quantitative data analysis.

Research confirms the aspiration to growth of a manager has direct positive effect on his behavior, namely business growth. Thus, the higher the aspiration to growth, the more growth the manager attains in his business. Because the increase of aspiration level pushes the manager to try harder to reach his goal, which in here is business growth. In this study, three effective factors on the aspiration to growth of managers were examined: personal characteristics of manager, business environment characteristics, and business characteristics. The relationship and the effect of these factors on the aspiration to growth of managers were analyzed.

The present paper greatly benefits managers, entrepreneurs, policymakers, experts, researchers and professors since it provides a deeper and clearer understanding of the factors effective on the aspiration to growth of managers of small and medium-sized enterprises which affect their behavior (business growth). This understanding could help influencing the factors effective on the aspiration to growth of managers and therefore speeding up the growth of SMEs.

This study adds up to the very limited number of research that are conducted on psychological factors effective on the growth of small and medium-sized enterprises influenced

<sup>24</sup> Educated Entrepreneurship Faculty of Tehran University, Iran, f\_hanifzadeh@yahoo.com

<sup>25</sup> Faculty of Entrepreneurship, Tehran University, Iran

<sup>26</sup> Faculty of Entrepreneurship, Tehran University, Iran

by the aspiration to growth of the business manager. This paper suggests the aspiration to growth of the manager positively affects business growth. Thus, the higher the aspiration to growth of the manager, the more growth the business enjoys.

*Keywords: Growth of Small and Medium-Sized Enterprises, Planned Behavior, Aspiration to Growth, Exporting Manufacturing Small and Medium-Sized Enterprises*

**JEL: L26**

**UDK: 005.412:334.7(55) 005.32**

**COBISS.SR-ID 253509132**

## **Introduction**

In today's dynamic and fast-growing economy, business growth has significant importance both from micro and macro-economic perspectives. Business growth and expansion are influenced by many factors and most studies on business growth have only examined the economic aspects of the factors affecting business growth. Paying attention to the stimulating effects of money and profitability on behavior and decision making is essential but it is important to note that they are not the only behavioral stimulants for business growth and probably they are not even the most significant ones (Shepherd and Wiklund, 2005).

Therefore, the present study attempts to analyze the internal and psychological factors that stimulate the aspirations of managers to grow their businesses. While it is very likely that small business managers have various motivations for business expansion, their capabilities for controlling the outcomes are also probably diverse. It means if two individuals have the same motivation for growing their businesses but one of them is more capable than the other, it is expected that the individual with more capability and control over the results should reach his desired outcome, namely business growth. Therefore, even though the motivation of a manager for business expansion could be a reason for business growth, this is just one side of the story and the capabilities of the manager in expanding the business and controlling the outcomes should also be considered (Shepherd, Wiklund, 2005). Thus, personal capabilities also play significant roles in the expansion of small and medium-sized businesses, and in order to reach a deeper understanding of the role of individual's motivation in business growth, both personal and organizational capabilities must be examined. The theory of planned behavior that was first proposed by Icek Ajzen, is a proven psychological theory that describes specific activities in specific domains. According to this theory, people have incomplete control over the outcome of their performance. This theory is based on an understanding of motivation which reveals the part a goal plays for an individual. If a goal is motivating, it will affect behavior and the individual will have high inclination to work hard and achieve the motivating goal. It is one of the basic principles of TPB that the stronger the intention for a behavior, the more is the likelihood of its performance (Ajzen, 1991). Goals planned according to attitude and mental norms can be predictive of behaviors (Shepherd, Wiklund, 2005). By examining the effect of aspiration to growth of managers on business growth level, the present research seeks to achieve a deeper understanding of the effect of personal motivations (aspiration to growth) on growth behavior (business growth). This study aims to form a complete understanding of the relationship between aspiration to growth of business managers and their behavior toward business growth with regards to the mediating variables that affect this relationship and by mentioning the theory of planned behavior. Then, the study presents the results of experiments based on the given relationships.

## **Theoretical framework, previous studies, and hypotheses**

### **Small and Medium-Sized Enterprises**

The extensive literature of small and medium-sized businesses has spawned various definitions for these entities based on their traditional, cultural and population structure and the level of development for different countries. Comparative study of this type of business in various countries reveals their numerous structural similarities. However, proposing a single definition for them is not possible. The European Union uses the following three criteria to define and identify small and medium-sized enterprises: number of employees, annual turnover, and the amount of assets and liabilities of the enterprise. Small and medium-sized enterprises have unique functions, including job creation, distribution of wealth in society, development of marginal regions, supply of products required by countries, train human resources required by the large enterprises and industries (Langenberg, 2004). Research indicates that this type of enterprise has a six-stage life cycle, through which one can predict their performance pattern in growth and profitability condition. Generally, in growth and profitability condition small and medium-sized enterprises outperform their larger counterparts. The decision-making style of their managers and their strategy depends on the various stages of business life cycle and this way of thinking helps to enhance their business performance over time (Yazdanfar, Öhman, 2014).

### **Exporting Small and Medium-Sized Enterprises**

The word “export” is defined as sending or shipping goods across national borders of a country (Kiani, Hasanvand, 1998). Also, export entails contacting and working with professional markets and market professionals overseas and is the starting point of establishing a contact with others (El-Gohary, Edwards, Huang, 2013). Developed countries pay special attention to enhance export activities since export could improve firm's performance, profitability, sales volume and market share. Managers of exporting firms could easily change their market direction and design appropriate market strategies to respond to the changes in the market (Haluk, 2008). Research suggests that most owners of small and medium-sized enterprises have limited knowledge of marketing and sales management. These enterprises adopt different methods to export; but in current conditions regarding the process of globalization, not only do they have to compete with local and national rivals, they need to be competitive on a global level if they ever wish to achieve success.

However, in practice the ability to carry out export activities depends on such factors as proper understanding of marketing in foreign environments, possessing the required resources to work on a global level, owning multilingual websites for communicating with the target customers, identifying legal and cultural barriers and having a full understanding of the industry of the business (Edwards, Huang, 2013).

Research indicates that Iranian firms do not have a lasting presence in export markets and therefore it is important for these firms to adopt long term export strategies. Besides, to be active in global markets, general and specialized Iranian exporting firms need to establish holdings and consult foreign advisors and attract foreign investments (Sadeghi, 2011).

### **Business Growth**

Business growth is one of the most important discussions in business management since it is indicative of market acceptance and success of the firm (McMahon, 2013). Different studies have defined growth from various perspectives. In studies based on governmental policies, growth is defined as the increase in staff headcount and recruitment; but from the perspective of

business owners and managers, growth means increased financial performance of the organization and is often expressed in financial figures and ratios (Robson, Bennett, 2000). In general, business growth means an increase in the size of an organization. Many studies consider growth as a (positive) change in financial turnover and staff headcount. Growth studies have often considered large firms and ventures and paid little attention to small firms since they often fail to reach growth stage. Prerequisites of growth for small and medium-sized enterprises are growth orientation of the entrepreneur, sufficient sources for growth and available market opportunities for growth (David Sun, 1991).

In his initial definition, Penrose defines growth as “an evolutionist process based on cumulative growth of collective knowledge” (Penrose, 1959). In this regard, Johnson (2009) is interested in the methods of growth measurement. The two criteria often used for growth measurement are staff headcount and growth volume, of which the first one creates social interests and the second one managerial interests (Chanut, Gilles, 2014). In general, growth of the firms is evaluated in terms of management and development of new activities as well as serious reconsideration of company goals and problems (Littunen, Niittykangas, 2010).

According to Davidsson and Wiklund (2000), the growth-related studies include four main perspectives:

1. The resource based perspective;
2. The motivation perspective;
3. The strategic adoption perspective; and
4. The configuration perspective (Littunen, Niittykangas, 2010).

Davidsson and Wiklund (2000), believe the first three perspectives are related to the factors effective on growth while the fourth perspective deals with the process of growth (Littunen, Niittykangas, 2010). The wide range of literature on the subject of life cycle indicates that companies grow and develop with unchanging and predictable methods (Littunen, Niittykangas, 2010).

Lastly, Wiklund *et al.*, (2009) have formulated one of the most advanced integrated models to this date. Using internal and external factors, their model can explain 30% of growth. The attitude of the manager along with some environmental facts (dynamism, hostility and increased dynamism) have a direct effect on the growth of SMEs. Furthermore, resources, special environmental factors, attitudes and the industry also influence growth indirectly through entrepreneurial orientation of the company leader (Chanut, Gilles, 2014).

### **Theory of Planned Behavior**

The theory of planned behavior is based on the theory of reasoned action. Theory of reasoned action is applicable to conditions where there is significant volitional control over behavior. In other words, the success of the theory of reasoned action depends on the degree of volitional control over behavior and once this control decreases (the individual is unable to perform the action despite existing behavioral intention), the theory loses its applicability. Ajzen *et al.*, noticed this flaw and founded a new paradigm called the theory of planned

behavior. Apart from the two factors of behavioral intention and volitional control both mentioned in the theory of reasoned action, the theory of planned behavior also includes a third factor called perceived control. In conditions where behavioral intention is enough to perform an action or when there is high volitional control over a behavior (the factors of reasoned action), the third factor (perceived action) becomes less strong. When attitudes and subjective norms remain constant, the difficulty level of performing an action will have strong effect on its intention. These three constructs have different relative weights in various societies and various behaviors (Gird, Bagraim, 2013). Of course, there are numerous psychological theories that are being developed and focused on volitionally controlled behaviors and they all share a common feature: they model the behavioral outcomes as a dual function of motivation and individual

capability. There are strong theoretical reasons to accept the influence of individual capability on the relationship between motivation and outcome (e.g. resource accessibility and necessary opportunities for the display of behavior). More specifically, the theory of planned behavior has been successful in predicting the other sub-group behaviors of volitional control. Therefore, with a deeper understanding of the effect of motivations on growth, one can benefit from simultaneous evaluation of resources and the accessibility of opportunities for growth (Wiklund, Shepherd, 2003). The role of intentions in this theory is central, since intentions determine the motivational factors that affect behavior. Intentions show signs of the individual's work intensity and amount of planned efforts to produce behavior. As a general rule, the stronger the intention involved in a behavior, the more likely the behavior is to occur. Along with personal evaluations of behavioral control, intentions predict a range of behaviors (Wiklund, Shepherd, 2003). Attitude toward behavior is a result of how an individual evaluates the desirability of his behavior and what outcome he expects to receive as the feedback of his behavior (behavioral beliefs). Subjective norms refer to the social pressures perceived by the individual. These pressures are applied by key people in life to institutionalize specific behaviors (Ajzen, 1988). Behavioral control refers to the perception of the difficulty of performing that behavior; besides, existing deficiencies in personal perception and the external obstacles can hinder the ability to perform a behavior. Therefore, the perception an individual has of controlling his behavior before performing an action affects the results of his behavior.

The foundation of the beliefs that lead to behavioral control are rooted in the past experience of an individual and his prediction of future obstacles (Ajzen, 1988).

### **The Relationship between the Theory of Planned Behavior and Business Growth**

In entrepreneurship literature, Sexton and Bowman (1991) argue that the motivation and aspiration to growth of managers or founders of small and medium-sized enterprises could cause a series of limitations to the growth of such businesses. While some of these businesses have significant growth potentials, the motivation of the manager could prevent the business from reaching the expected growth level and slow down the business growth rate. However, motivations and aspiration of the manager is not the only reason for growth limitation and the following factors could also limit the growth of small and medium-sized enterprises: inappropriate business environment, the mismatch between motivations and aspiration of the manager and his capabilities, and the deficiency of business resources. Therefore, this argument shows that in the model of planned behavior in which growth is a function of aspiration to growth, other factors such as market, entrepreneurial capabilities and abilities as well as organizational resources could also affect business growth (Shepherd, Wiklund, 2005). Studies indicate a relationship between some of the motivational patterns of the managers and founders of small and medium-sized entrepreneurial enterprises and the growth of their businesses. These motivational patterns include: need for power, need for success, and internal locus of control.

These are the motivational characteristics of entrepreneurs; in other words, in a proper environment with abundant opportunities, entrepreneurs with such motivations tend to have higher chances of success. Studying the motivational factors of the managers of high growth and low growth businesses, Miner *et al.*, (1994) identified manager's motivation for future planning of the business and innovation as the two critical factors resulting in the growth of high growth businesses (Shepherd, Wiklund, 2005). Furthermore, the effect of motivations on behavior is a function of the willingness of an individual to decide for acting toward the intended behavior as well as the possibility that the action to perform the behavior would lead to desired outcome. In other words, the control of an individual over his behavior affects the intensity of the relationship between aspiration and behavior. On the other hand, behavioral control is affected by individual's access to resources and opportunities for displaying the intended behavior (Wiklund, Shepherd, 2003).

Regarding the literature review, the following hypotheses are proposed:

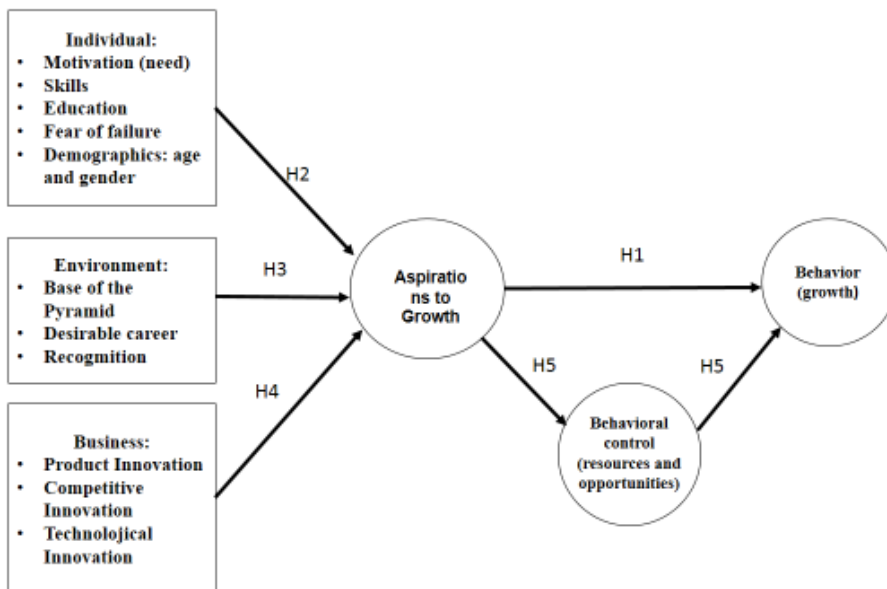
**H1:** aspiration to growth of a business manager has a positive significant effect on his behavior (i.e. business growth).

**H2:** personal characteristics of a business manager have a positive significant effect on his aspiration to growth.

**H3:** business environment characteristics have a positive significant effect on aspiration to growth of the business manager.

**H4:** business characteristics have a positive significant effect on aspiration to growth of the business manager.

**H5:** the aspiration to growth of a manager has a positive significant effect on behavioral control variables that affect business growth.



**Fig. 1.** Conceptual Framework of the Study

Based on the above discussion, Fig. 1 shows the conceptual framework of the study which depicts the relationship between aspiration to growth of a business manager and his behavior toward business growth, and also shows how the components affecting aspiration to growth of the manager indirectly affect his behavior toward business growth and how behavioral moderating variables could accelerate or hinder growth. This conceptual framework employs Wiklund and Shepherd's model (Shepherd, Wiklund, 2005) in order to assess the direct relationship between aspiration to growth of the manager and his behavior toward business growth, and to determine the effect of behavioral moderating variables; also, to examine the effect of the components affective on aspiration to growth of the manager, a GEM study model has been used.

## **Selection of the Variables, Data Collection and Data Analyses**

### *Selection of the Variables*

The dependent variable in this study is the behavior of the manager toward business growth which could be described and measured using various methods. For Example, increase in the number of employees, market share, financial turnover, added value, sales, profitability and the increase in the size of the business all imply business growth which results from the manager's

behavior toward business growth (McMahon, 2013). Unlike previous studies, the present research examines the psychological factors (aspiration to growth of managers) that affect business growth.

In line with the previous studies (Shepherd, Wiklund, 2005), although there is a relationship between the aspiration to growth of a business manager and the real business growth, this relationship is complicated and depends on the manager's level of training and experience as well as the business environmental dynamism. The high level of the training and experience of the manager as well as the high dynamism of the business environment result in a positive relationship between aspiration to growth of the manager and the real business growth. To explain the nature of the relationship between growth motivation of the manager and the growth of the small business, this chapter emphasized the importance of the human capital of a small business manager, accessibility to financial resources and business environmental dynamism.

### *Sample, Data Collection and Data Analyses*

In terms of purpose, this study is an applied research; and in terms of conduct, it is a mixed method (qualitative – quantitative) research. The required data were gathered through design and distribution of questionnaire, then the theoretical framework of the research was tested and the factors were prioritized.

The statistical population of the study includes the following two groups:

**Group 1: High growth exporting manufacturing firms** – selected exporting manufacturing firms in the province of Tehran that met one or more criteria of growth. Deep interviews were conducted with 6 manager of manufacturing firms until data saturation was reached.

**Group 2: Exporting manufacturing firms without considering growth level** – in this stage of sampling, in order to test the results from the previous stage, regardless of any criteria, the study questionnaires were sent randomly to exporting manufacturing firms in the province of Tehran.

To determine the sample size in stage 1, sampling continued to the point of saturation, and in stage 2 a total of 100 exporting manufacturing firms in the province of Tehran were randomly selected.

Convenience sampling is the sampling technique used in the present study and to identify factors and motivations effective on business growth, semi-structured interviews were conducted with the managers of the selected exporting manufacturing firms.

### **Distribution of the Questions inside Questionnaire**

**Table 1.** The Distribution of the Questions inside Questionnaire

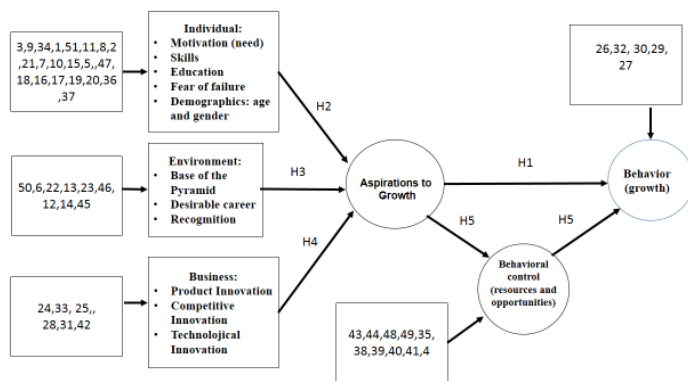
Question No.	Issue Examined
1,2,3,4,16	Type and level of growth and the factors affecting growth
5,6,7,8	Challenges and obstacles on the way to growth
8	Growth challenges on a new path
10,11	Level of satisfaction from the growth of business and revenue
28,12,27,29,30,33	Level of challenge acceptance, types of challenges and overcoming challenges
13	Factors effective on risk taking
14	Level of using skills and energy
18,19	Level of independence and impressionability of the manager in decision making
21,22	New goals for future growth of the business
23,33	Methods of opportunity recognition
23,24	Level of cooperation of other organization members for growth
25,26	The effect of economic and political conditions on growth

**Table 2.** Interviewees

Company Name	Position of the Interviewee	Experience
Iran Boress Co.	CEO	38 years of experience as a manager and 20 years at the previous position
Chemie Ma-dani Hamadan Co. (CMHCO)	CEO	30 years of experience as a manager
Sanaye Varagh Iran Co.	CEO	34 years of experience as a manager
Vanda	CEO	15 years of experience as a manager
Khorram Paint Brush Production Co.	CEO	10 years of experience as a manager
Kaleh Co.	CEO	40 years of experience as a manager

The questionnaire in the present study is designed by the researcher based on interview results and with the help of the professors and the experts.

**Study variables**



**Fig. 2.** Division of Questions inside the Questionnaire Based the on Conceptual Framework

Fig. 2. shows separately which questions in the questionnaire evaluate which elements in the conceptual framework

**Empirical results**

**Demographic characteristics of subjects**

**Age of the managers**

The distribution and frequency of the age of managers, which is one of the demographic characteristics, are shown separately in the table below.

**Table 3.** Age of the Managers

Age	Frequency	Percentage	Valid Percentage	Cumulative Percentage
30 or less	11	15.9	15.9	15.9
30 – 35	7	10.1	10.1	26.1
35 – 40	15	21.7	21.7	47.8
40 – 45	13	18.8	18.8	66.7
45 or more	23	33.3	33.3	100.0
Total	69	100.0	100.0	

### Education Level of the Participants

The table below compares the frequency of study participants based on their education level.

**Table 4.** Education Level of the Participants

Level of Education	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Undergraduate	41	59.4	59.4	59.4
Graduate	24	34.8	34.8	94.2
PhD and above	4	5.8	5.8	100.0
Total	69	100.0	100.0	

### Work Experience of the Participants

The table below compares the frequency of the subjects based on their work experience.

**Table 5.** Work Experience of the Participants

Work Experience	Frequency	Percentage	Valid Percentage	Cumulative Percentage
5 years or less	4	5.8	5.8	5.8
5 – 10 years	12	17.4	17.4	23.2
10 – 15 years	8	11.6	11.6	34.8
15 – 20 years	16	23.2	23.2	58.0
20 years or more	29	42.0	42.0	100.0
Total	69	100.0	100.0	

### Managerial Work Experience of the Participants

The table below compares the frequency of the subjects based on their Managerial Work Experience.

**Table 6.** Managerial Work Experience of the Participants

Managerial Work Experience	Frequency	Percentage	Valid Percentage	Cumulative Percentage
5 years or less	20	29.0	30.8	30.8
5 – 10 years	15	21.7	23.1	53.8
10 – 15 years	8	11.6	12.3	66.2
15 – 20 years	13	18.8	20.0	86.2
20 years or more	9	13.0	13.8	100.0
Total answered	65	94.2	100.0	
Unanswered	4	5.8		
Total	69	100.0		

### Business Launch Experience

The table below compares the frequency of the subjects based on their business launch experience.

**Table 7.** Business Launch Experience of the Participants

Business Launch Experience	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Without business launch experience	30	43.5	43.5	43.5
One business	12	17.4	17.4	60.9
More than one business	27	39.1	39.1	100.0
Total	69	100.0	100.0	

## Descriptive Indices of Study Variables

The descriptive indices of study variables are presented in the table below. This table shows the frequency of the answers and the maximum score given by the participants to each questionnaire statement. To determine the central tendency of the scores, the mean index for each statement is calculated and the standard deviation index is used to determine the frequency of the scores.

In terms of purpose, this study is an applied research; and in terms of conduct, it is a mixed method (qualitative – quantitative) research. The required data were gathered through design and distribution of questionnaire, then the theoretical framework of the research was tested and the factors were prioritized. The statistical population of the study is divided in two groups. The first group were the selected exporting manufacturing firms in the province of Tehran that met one or more criteria of growth and deep interviews were conducted with 6 manager of exporting manufacturing firms until data saturation was reached. In the second stage of sampling, in order to test the results from the previous stage, regardless of any criteria, a number of exporting manufacturing firms in the province of Tehran were randomly selected using the questionnaire tool.

## Validity and Reliability of the Measurement Tool

### The Reliability Analysis of Measures and Constructs

To determine the reliability of measures in PLS, we calculate their factor loadings. This criterion shows the correlation of these measures in the associated construct. According to Hulland (1999) the minimum acceptable loading value for each measure is 0.4 and the measures with less loading values should be eliminated from the testing process (Hulland, 1999). To determine the reliability of the constructs, Cronbach's Alpha index and Composite Reliability index are used. The table below, presents these indices for each construct in the study:

**Table 8.** The Reliability of the Constructs (The Final Model)

Construct	Composite Reliability	Cronbach's Alpha
BControl	0.840	0.762
Business	0.819	0.667
Environment	0.854	0.783
Behavior	0.831	0.721
Aspiration	0.896	0.867
Aspiration	0.838	0.759

Statistical research references believe the minimum acceptable value for Cronbach's Alpha is 0.6 (Moss *et al.*, 1998) and the minimum acceptable value for Composite Reliability index is 0.707 (Chin, 1998). As shown in the table above, all of the study constructs meet these requirements and are even well beyond those minimum values. Therefore, the reliability of study constructs is supported.

### Convergent validity of Study Constructs

According to Chin (1998) Average Variance Extracted is a proper index to determine the convergent validity of study constructs. He believes the minimum acceptable value for this coefficient is 0.5 (Chin, 1998). Examining this index among study constructs shows that for all the constructs in this study, the value of this index is much higher than the mentioned threshold and therefore, in terms of convergent validity, the constructs of the study are in very good shape. The details of this analysis are given in the table below.

**Table 9.** Convergent Validity of Study Constructs

Construct	AVE
BControl	0.520
Business	0.603
Environment	0.537
Behavior	0.623
Aspiration	0.520
Aspiration	0.511

### Discriminant validity of Study Constructs

As maintained by Akin *et al.*, (2009), measures chosen to explain a specific variable must only explain that variable. To this end, the square root of average variance extracted for each construct is compared to the inter-construct correlation coefficients (Akin *et al.*, 2009). The table below shows this comparison for the constructs of the present study:

**Table 10.** Discriminant Validity of Study Constructs

	BControl	Business	Environment	Behavior	Aspiration	Aspiration
BControl	0.721					
Business	0.571	0.776				
Environment	0.496	0.653	0.732			
Behavior	0/511	0.441	0.382	0.788		
Aspiration	0/563	0.716	0.674	0.439	0.721	
Aspiration	-0.449	-0.560	-0.666	-0.291	-0.627	0.714

Because the square root of average variance extracted for all constructs are higher compared to the correlation of that construct with other constructs of the study, discriminant validity is supported for all of the study constructs.

### Research Findings

By applying the theory of planned behavior on business growth, the present research seeks to achieve a deeper understanding of the effect of personal motivations (aspiration to growth of managers) on their growth behavior (business growth). By discussing the theory of planned behavior, this study aims to identify the relationship between aspiration to growth of business managers and their behavior toward business growth with regards to the mediating variables that affect this relationship and by mentioning the theory of planned behavior. Then, the study presents the results of experiments based on the given relationships.

The descriptive indices for the study variables include the frequency of the statements, the minimum and maximum scores given by the respondents to each statement, to determine the central tendency of the scores the mean index for each statement is calculated and the standard deviation index is used to determine the frequency of the scores. In the next stage of data analysis, the distribution of the scores of the variables are examined in terms of normality, since normal distribution is an essential requirement to use parametric approach in data analysis. If the distribution of the scores of the variables are not normal, one should use non-parametric approaches and other proper methods for data analysis. To determine the distribution of variables in this study, the two tests of Kolmogorov-Smirnov and Shapiro-Wilk are used simultaneously. Because the significance level for all the variables in both tests are equal to 0.00 and smaller than 0.05, the zero hypothesis (the normality of the distribution) is rejected and its negation is supported for all the variables. In other words, these variables could not be considered to have normal distributions. Therefore, the data of the present model and the

hypotheses of the study must not be analyzed with parametric statistical assumptions and one must implement the proper approach to deal with such data.

**Table 11.** Summary Results of Hypotheses Testing

Hypothesis	Descriptions	Rejection/Acceptance of the Hypothesis
1 - Aspiration to growth of a business manager has a positive significant effect on his behavior (i.e. business growth).	Aspiration has a positive ( $\gamma=0/439$ ) significant ( $T=6/857, <1/96$ ) effect on behavior (business growth) and the main study hypothesis is supported.	Accepted
2 - Personal characteristics of a business manager have a positive significant effect on his aspiration to growth.	Personal characteristics have a positive ( $\gamma=0.034$ ) significant ( $T=3/757, <1/96$ ) effect on the aspiration to growth of a manager and the second study hypothesis is supported.	Accepted
3 - Business environment characteristics have a positive significant effect on aspiration to growth of the business manager.	Business environment characteristics have a positive ( $\gamma=0/639$ ) significant ( $T=21/678, <1/96$ ) effect on aspiration to growth of the manager and the third study hypothesis is supported.	Accepted
4 - Business characteristics have a positive significant effect on aspiration to growth of the business manager.	Business characteristics have a positive ( $\gamma=0/420$ ) significant ( $T=14/548, <1/96$ ) effect on aspiration to growth of the manager and the fourth study hypothesis is supported.	Accepted
5 - The aspiration to growth of a manager has a positive significant effect on behavioral control variables that affect business growth.	The aspiration to growth of a manager has a positive ( $\gamma=0/564$ ) significant ( $T=9/772, <1/96$ ) effect on behavioral control variables and the fifth study hypothesis is supported.	Accepted

## Conclusion

Based on the study hypotheses and the results of the questionnaire data analysis, it is evident that the aspiration to growth of a manager has direct positive effect on his behavior toward business growth. Thus, the higher the aspiration to growth, the more growth the manager attains in his business. Because the increase of aspiration level pushes the manager to try harder to reach his goal, which in here is business growth. In this study, three effective factors on the aspiration to growth of managers were examined: personal characteristics of manager, business environment characteristics, and business characteristics. Regarding the personal characteristics of manager which affect his aspiration to business growth, it was found that managers with higher levels of education and more experience in launching and managing businesses have higher motivations to grow their own businesses. Besides, those managers with higher levels of skills required for business growth, those who are more risk taking and those who possess higher human and social capital, have shown more aspiration to grow their own businesses and this aspiration has affected their behavior toward business growth and therefore they have achieved more and faster growth in their businesses (compared to those managers who have lower levels of these characteristics). Regarding the business environment characteristics, those managers who have their businesses in proper environments have shown higher aspirations to grow their businesses compared to those who did not enjoy such environmental desirability.

Here environmental desirability refers to environmental dynamism, level of environmental friendliness, the existence of supporting policies and the level of business specialty in relation to the environment. It also entails the level of professional practice of the business within the environment, possession of high competitive advantage in relation to brand power, technology

level and human and social capital. This aspiration to growth affects the behavior of managers toward business growth and therefore they achieve more and faster growth in their businesses.

The findings of this research suggest that the factor of environment characteristics has more effect on the aspiration to growth of managers compared to the other two factors of personal and business characteristics.

The findings of the present research support the previous studies. Those studies indicated that although there is a relationship between the aspiration to growth of a business manager and the real business growth, this relationship is complicated and depends on the manager's level of training and experience as well as the business environmental dynamism. The high level of the training and experience of the manager as well as the high dynamism of the business environment result in a positive relationship between aspiration to growth of the manager and the real business growth. To explain the nature of the relationship between growth motivation of the manager and the growth of the small business, this chapter emphasized the importance of the human capital of a small business manager, accessibility to financial resources and business environmental dynamism (Shepherd, Wiklund, 2005). The overall findings of the study suggest that the managers of small and medium-sized enterprises who have higher aspirations to grow their businesses achieve higher levels of business growth; however, human capital (higher levels of education and specific experience in relation to business launch and management), manager's motivations for growth, the skill level of managers and employees, the level of risk taking of the manager, environmental desirability, the level of professional practice within the environment, as well as possessing enough knowledge and expertise could increase the aspiration to growth of a manager toward reaching higher levels of business growth.

## REFERENCES

1. Akin-T, M., Bloemhof-Ruwaard, J., Wynstra, F., Raaij, E. V. (2009). The impact of supply chain-related factors on the environmental performance of manufacturing firms in Turkey. Paper presented at the 18 th IPSERA Conference Supply Management towards an Academic.
2. Autry, C. W., Griffis, S. E., Goldsby, T. J., Bobbitt, L. M. (2005). Warehouse management systems: resource commitment, capabilities, and organizational performance. *Journal of Business Logistics*, 26(2), 165-183.
3. Bradley, S.W., Wiklund, J., Shepherd, D.A. (2011). Swinging a double-edged sword: The effect of slack on entrepreneurial management and growth.
4. Chanut-Guieu, C., Guieu, G.C. (2014). High growth trajectories in small and medium sized enterprises: a comparative study.
5. Chin, W. W. (1998). The partial least squares approach to structural equation modeling. *Modern methods for business research*, 295(2), 295-336 .
6. Dang-Duc, S. (2011). Compliance with accounting standards by SMEs in transitional economies: evidence from Vietnam
7. El-Gohary, H., Eid, R. (2013). Choice of export entry mode by developing economies SMEs an empirical investigation of Egyptian SMEs.
8. Gird, A., Bagraim, J.J. (2008). the theory of planned behavior as predictor of entrepreneurial intent amongst final-year university students.
9. Hulland, J. (1999). Use of partial least squares (PLS) in strategic management research: a review of four recent studies. *Strategic management journal*, 20(2), 195-204.
10. Iraj Hashi and Besnik A. Krasniqi, (2010). Entrepreneurship and SME growth: evidence from advanced and laggard transition economies.
11. Jackson, D. L., Voth, J. Frey, M. P. (2013). A note on sample size and solution propriety for confirmatory factor analytic models. *Structural Equation Modeling: A Multidisciplinary Journal*, 20(1), 86-97.
12. Kautonena, T., Van Gelderen, M. (2013). Predicting entrepreneurial behavior: a test of the theory of planned behavior.
13. Littunen, H., Niittykangas, H. (2010). the rapid growth of young firms during various stages of entrepreneurship.

14. Majocchia, A., Bacchiocchib, E., Mayrhofer, U. (2005). Firm size, business experience and export intensity in SMEs: A longitudinal approach to complex relationships.
15. Moss, S., Prosser, H., Costello, H., Simpson, N., Patel, P., Rowe, S., Hatton, C. (1998). Reliability and validity of the PAS-ADD Checklist for detecting psychiatric disorders in adults with intellectual disability. *Journal of Intellectual Disability Research*, 42(2), 173-183.
16. Schmidt, S. J., Mueller, D. R., Roder, V. (2011). Social cognition as a mediator variable between neurocognition and functional outcome in schizophrenia: empirical review and new results by structural equation modeling. *Schizophrenia bulletin*, 37(suppl 2), S41-S54.
17. Shepherd, D.A., Wiklund, J. (2005). *Entrepreneurial Small Businesses*, chapter 2 and 3.
18. Van Gelderen, M., Brand, M. (2008). Explaining entrepreneurial intentions by means of the theory of planned behavior.
19. Wiklund, J., Shepherd, D.A. (2003). *Aspiring for, and Achieving Growth: The Moderating Role of Resources and Opportunities*.
20. Wiklund, J., Davidsson, P. (2003). What Do They Think and Feel about Growth? An Expectancy-Value Approach to Small Business Managers' Attitudes toward Growth.
21. Wiklund, J., Patzelt, H., Shepherd, D.A. (2007). Building an integrative model of small business growth.
22. Yazdanfar, D., Öhman, P. (2014). Life cycle and performance among SMEs: Swedish empirical evidence.

**Article history:**

- **Received 1 September 2017**
- **Accepted 29 November 2017**