AN ANALYSIS OF THE INFLUENCE OF OWNER-MANAGER ON BUSINESS GROWTH: A CASE OF FIRST PACK MARKETING (2009-2012)

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Dedication

This dissertation is dedicated to my lovely and ever supporting wife Tracy Munemo and my son Ethan Isheanesu Munemo for the encouragement in preparing this document.

I would also dedicate this paper to my late parents James and Flora Munemo this is a dream come true Dad and Mum.

I would also dedicate this paper to our Strategic Management Lecturer the late Dr Mutowo and my late MBA classmate the late Sikholiwe “Mother” Pfundira.
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To my ever encouraging and supporting brother and friend Gamu Usai you are star brother thanks for encouraging me to enroll for this program. It has made me whom I am today.

To Widzo, Batsi Mukumba, Jose Mukiwa, Wezha, Shingairai “Majichimbo” Chagonda, Munya Nhamo, Fodha thanks guys for spending your valuable time discussing this dissertation.

To staff and management at First Pack thanks guys for your support and cooperation wish you the best in life.
Declaration

Student’s Declaration – I, Munemo Charles, do hereby declare that this dissertation is the result of my own investigation and research, except to the extent indicated in the acknowledgements, references and by comments included in the body of the report, and that this dissertation is therefore, my original work and has not been presented in part or in full for any other degree in any other University.

Signature:………………………………………….    Date:…………………………………………
Name: Munemo Charles (R034182F)

Supervisor Declaration – I, Dr. Nyasha Kaseke, confirm that the work in this dissertation was done by the candidate under my supervision as a University Supervisor. This dissertation has been submitted for review with my approval as University Supervisor.

Signature:………………………………………….    Date:…………………………………………
NAME: Dr. N. Kaseke
Abstract

This paper aims to examine the influence of the owner-manager on business growth. The research was necessitated by the problems and challenges faced by the organization due to the management and overall running of the business by the owner-manager. The main objective of the study was to establish the owner-manager’s influence on business growth. The researcher went on to analyze the strategic management done by the owner manager, leadership style used in the organization, decision making, personal characteristics of the owner-manager and finally the challenges faced by the owner-manager to grow the business.

A comprehensive literature review was used from different sources to come up with the research strategy and case study approach was adopted. The research was conducted using the questionnaire to study how the owner-manager influences the business growth and a total of 40 questionnaires were distributed in the organization.

From the research findings it was revealed that the owner-manager is not doing much in terms of strategic management. The company does not have long and short term strategies, employees are not involved, the owner-manager is said to be autocratic and there is lack of delegation of authority. The respondents highlighted several challenges facing the owner-manager like high employee turnover, poor management, lack of skilled staff, high costs and poor accounting standards which affecting the growth of the company.

The study concluded that strategic management is important for the organization to grow and transformational leadership is ideal for the organization. The personal characteristics like education, managerial skills, experience are important for the business growth. Employee training, innovation, inclusive decision making, employee motivation, improve on corporate governance were recommended by the researcher. The researcher ended by outlining the areas of future study.
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GNU</td>
<td>Government of National Unity</td>
</tr>
<tr>
<td>HP</td>
<td>Hewlett Packard</td>
</tr>
<tr>
<td>ICT</td>
<td>Information and Communication Technology</td>
</tr>
<tr>
<td>IPMZ</td>
<td>Institute of Personnel Management of Zimbabwe</td>
</tr>
<tr>
<td>SEDCO</td>
<td>Small Enterprise Development Corporation</td>
</tr>
<tr>
<td>SME</td>
<td>Small and Medium Enterprise</td>
</tr>
<tr>
<td>USD</td>
<td>United States Dollars</td>
</tr>
<tr>
<td>VOIP</td>
<td>Voice Over Internet Protocol</td>
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<tr>
<td>ZNCC</td>
<td>Zimbabwe National Chamber of Commerce</td>
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CHAPTER 1

1.0 Introduction

This dissertation examines the influence of the owner-manager on business growth. Several studies have been centered on reasons why small businesses fail and little attention has been given to the influence of the owner manager on business growth. Thus, this present study strived to show how the owner managers influence the growth of the business. The study attempts to assess how the personal characteristics of owner-managers affect business, personal values, leadership style, strategic management, management style, challenges faced by owner-managers and the degree of delegation.

This chapter consists of the background of the study, background of the company, statement of the problem, research objectives and research questions. Research delimitation, research limitation, justification of the study and the general outline of the whole study are also discussed in this section. It ends with a section summary and conclusions.

1.1 Background to the Study

Small to Medium Enterprises have taken a pivotal role in the social and economic development of many countries (Mulhern, 1998). According to (Meers & Robertson, 2007), SMEs are regarded as the seed for the growth of large companies and contribute to the industry and commerce at large. In Countries like China and India, SMEs have led to economic progress which in turn has resulted in employment, poverty reduction, and expansion of the local markets and widening of the tax base (Lin, 1998). In the United States of America the SME sector contributes more than 50% of the country’s Gross Domestic Product (GDP), in the United Kingdom the SME sector employs the majority and in South Africa the sector contributes more than 40% of the GDP according to (Meer & Robertson, 1997). SMEs have also played a critical role in laying the foundation of the private firms as well as a sustainable market economy. Kotey and
Meredith (1997) postulated that SME sector is a major source of employment, revenue, innovation and technological advancement.

1.1.1 Macro-Environmental Scanning

There are various tools that have been formulated to try and assess the environment for strategic advantages of an organization. Some of the tools include the PEST and SWOT analysis.

1.1.2 Political Environment

Political factors show issues to do with the running of a country and have a direct bearing on the perceived risk of a nation. The political environment influence the way business is conducted in a country, most of the companies, domestic or foreign, large or small cannot conduct business without considering the influence of the political situation in a country (Cateora & Graham, 2002). February 2009 saw the formation of Government of National Unity (GNU) which somehow stabilized the economic and political events of the country. The new political environment made it easier for owner managers to plan in advance rather than to operate in an ever changing environment which made it difficult to make future strategies. The company is operating in an environment which is full of uncertainty and it is very difficult for the owner-manager to make decisions and plan for the future.

1.1.3 Economic Environment

The economic environment is greatly influenced by the political environment. It includes factors such as the exchange rates, interest rates, economic policies, inflation, capacity utilization and GDP of a country. The Zimbabwean economy has been on a rising trend since the introduction of multi-currency in 2009. This has affected business positively and the growth trends in the market are favourable for business with a growth projection of more than 5% in 2012 and 2013. The year-on-year inflation rate in Zimbabwe held steady at 3.94% in July 2012, off slightly from the June figure of 3.97, due to easing food costs (Biti, 2012). Price changes are now a thing of the past in the organisation given the use of the US Dollar and the low inflation levels. The environment is
associated with high borrowing interest rates which is affecting the business in terms of finance charges.

1.1.4 Technological Environment
The industry has not been spared from the wave of technological advancement. New advancements such as laptops and other mobile devices have made mobile computing a reality in Zimbabwe. Technology brought in a new era in as far as our ICT industry is being transacted. New forms of communication such as electronic mail, voice over internet protocol (VOIP), social networks, iPhones, iPads and mobile phones have engulfed the Zimbabwean market. The owner-manager has seen the growth in demand of the technological products and he is encouraging the Business Development Department to target more to the sector and tape more business. The business does sell different IT gadgets but the company does not have some to use in the company because the owner-manager does not see any value addition in using the latest IT products. It took many years for him to start using a computer on his desk he was relying more on writing on paper and a calculator which is more primitive.

1.1.5 Social/Cultural Environment
The cultural framework for Zimbabwe is now so diverse with people borrowing from various backgrounds. This has been facilitated by locals who have travelled world-wide over the years and the development of technology which has readily avails information and exposes citizens to diverse cultural bases. The owner-managers social background also plays a significant role, his beliefs and cultural values. What he believes and what his family regards as right is what is done at the company. The family values and owner managers expectations creates the backbone of the company values. Thus the social set up which affect the company has been created from the owner manager’s social background and cultural values which affect the business.

1.2 Background of the industry
The company First Pack is regarded as a Small-Medium Enterprise by banks like Standard Chartered, Barclays, BancAbc and Stanbic Bank but other indigenous banks like NMBZ Bank, ZABG, Trust Bank classify the company as a corporate company not
an SME. In terms of size and revenue realized every year it is a big company not an SME but in terms of number of employees and how the operations are managed and the company is then classified as an SME. Zimbabwe National Chamber of Commerce also place First Pack into the category of SME’s because of issues to do with the number of employees, corporate governance and management of the company.

First Pack Marketing is operating in a competitive industry in which there are many competitors with other small SME’s operating in the same industry. The main competitors include Arkmate Enterprises, Gemms Stationers, Rank Zimbabwe, Mecer IT, Kingstons, Global Horizons, Frolgate Technologies, Stationery Box and Bamm Stationers. The market share is divided between the main competitors and many other small players and individuals operating in the industry. Porter’s five forces have been used to analyze industry competitiveness.

![Figure 1.1: First Pack Porter’s Five Forces](Source: Management 2012 Business Report)
1.2.1 Threat of new entrants

Profitable industries usually attract new entrants; like in the ICT industries were First Pack is operating new entrants are always joining. From 2010 to date we have seen more than twenty new players coming into the industry. The new competitors include Flash IT, Datapoint, MS Solutions, Cobalt Distribution, Solid Visions Technologies, Dragontree, Inter Distribution, Finmark, Nasraq, Grimley Technologies, Tree Data, Coltpec Investments, Nobolboltas Stationers, Rosley Investments, Wincom Systems, Century Technology, Flash Point Investments, Venturecom, Trocount, Delwaar Systems, Planas Stationers and Highlight Technologies. The capital requirements in the industry are very low and even former employees also now own their companies which include Solid Visions, Dragontree, Colptec Investments and Rosley Investments. There are many owner managers operating in the industry. Which means the company needs to create barriers to entry like brand loyalty and sole distributorships of certain product lines like HP, Dell, Lenovo and Acer. Setting up costs should be very high and First Pack should know that as long as opportunities are there threat of new entrants will always be there.

1.2.2 Threat of substitute products.

Substitute products are those that are different, but satisfy the same set of customer need, noted (Azdhar, 2009). The IT industry has got high levels of substitutes. We have different vendors selling IT products like laptops we have brands like HP, Lenovo, Dell, Acer, Asus, Gateway, Hasee all these brands are sold in Zimbabwe which means substitutes are available. Cobalt and Creative computers are pushing more of the Acer brand in the market. The Chinese have brought in the Hasee brand; Portnet and Grimley have been promoting Dell and Lenovo brand. Thus the owner-manager should encourage brand loyalty and close customer relationships.

1.2.3 Bargaining power of buyers

Some of the company buyers like the large corporate companies have the power as buyers but the ordinary consumers do not have the power in terms of pricing. We have
very few dominant buyers with many sellers targeting these few buyers. Clients like Mbada Diamonds and Zimplats need open book costing. They are big corporates and it means if you need business from them you would have to comply with the clients. This means the buyers have the power to buy from any player in the industry and can determine the price they would want to buy the products. Some of the buyers are now requesting 30-60 days account and the owner-manager does not have the funds to support the credit facilities for 30-60 days. It is very easy for the buyers to switch from one player to the other which also affects the business if the buyer moves from First Pack to another competitor.

1.2.4 Bargaining powers of suppliers

Some of the suppliers are sole manufacturers of the IT products they have the powers but to avoid that the company signs contracts so as to reduce their powers. Some big suppliers respect the channel of distribution but some do not respect the channel of distribution. Thus it is important to have the suppliers who do respect the channel of distribution on our suppliers list. For Dell they have end users who are on Dell Global Accounts and you have to sell to the clients at a pre-determined margin which should not be more than 7%. For business to grow it should make it difficult for suppliers to switch customers. The company should have higher bargaining powers than the suppliers.

1.2.5 Intensity of the Rivalry

The intensity of the rivalry in the industry which First Pack operates from is very intense and it requires innovation. It requires powerful competitive strategy so as to keep the rivalry behind. When the rivalry is weak, there is likely to be lesser competition, when such rivalry is high, the level of competition is higher (Azhdar, 2009). There are many players in the industry of nearly the same size we do not have giants in the industry. The firms sell the same products and the strategies of low prices and advertising in the newspapers are used by the owner managers in the industry. The prices are very low which means margins in the industry are very low.
1.3 Background of the Organization

First Pack Marketing is a stationery and ICT Hardware and consumables company registered in Zimbabwe, it was established in 1998. The company specializes in sales of printer consumables, printers, laptops and general office and scholastic stationery. It has got a staff compliment of 73 workers including five managers and the Managing Director. The company has got six outlets in Harare, one in Kwekwe and another one in Bulawayo. The company is owned by two brothers the Managing Director with 90% shareholding and the other non-active brother with 10% shareholding. The company was started in 1998 and the actual operations of the business started in the year 2000.

Vision
To be the biggest supplier of ICT products and stationery in the world.

Mission Statement
To provide first class service to our customers in pursuance of our vision.

Our Values
Quality
Integrity
Fairness
Professionalism
Teamwork
Efficiency
Compliance to statutory regulations

The company offers different stationery and information technology products to the Zimbabwean market. The products includes the whole range of stationery both scholastic and office stationery which includes books, pens, markers, staples, paper punch and office machines like shredders, guillotine and laminators. For IT products they range from Computer Consumables, Laptops, Desktops, Scanners, Servers, Printers and Networking products.
Soon after dollarization the company realized sales of USD$8.7 million and they increased by 28% in 2010. This was mainly due to the increase in IT sales of laptops and desktops given that companies were computerizing after the hard times in Zimbabwe. From 2010 to 2011 the growth was a bit stagnant given that we realized sales $12.2 million from $12.1 million which was only 1% increase. In 2012 the sales fell to $12.1 million. Which shows the growth is still stagnant around $12 million per annum for 3 years running now. This means we now need to examine the reasons for low sales. The sales figure below shows the sales trend from 2009 to 2012.

![Sales graph](image)

**Figure 1.2: Sales from 2009 to 2012**  
*Source: First Pack Management Accounts (2012)*

IT sales have been on the increase from 2009 to 2012 and the stationery business has been on the drop to 30% in 2012. The sudden increase in IT sales has been necessitated by the demand in ICT products also the scrapping of duties of ICT products in 2010 which made them more affordable. The companies have also been computerizing after a decade without replacing computers or laptops. The Figure 1.3 below shows the comparison of total sales between IT products and stationery. The stationery sales have been on a downward trend from 2009 to 2012. The Figure 1.3 below shows the composition of total sales between stationery and IT Products.
Corporate sales used to contribute more than 60% of the sales in 2009 but this has been on a downward trend with figures from shops on the increase. The shops are now contributing more sales revenue than the corporates. The figure below shows the growth trend in shops sales with sales from corporates on the decrease.

Company Assets
The total company assets have also increased from 2009 to 2012 but with a small percentage from $1.5 million in 2009 to $1.8 million in 2012. Land and buildings constitute 87% of the non-current assets, vehicles 9%, the remainder to Computer software and equipment, furniture and fittings as well as other fixed assets.
Head Count Analysis

The company lost several employees since dollarization with three Senior Managers moving to a competitor which is not a healthy situation. The Sales Manager with five Sales Executives moved to Arkmate, a competitor in 2009. The sales team was left depleted and it affected some of organization’s clients because they switched to the competitor. Since dollarization the company has not managed to retain most of the critical staff. In terms of the management it is discriminatory to ladies given that the owner-manager feels ladies cannot be in a position to work late into the night because of family commitments.

![Number of Employees vs Year Graph](image)

**Figure 1.5: Head Count Analysis**

**Source:** First Pack Management Accounts (2012)

The skills flight has affected the company, the IT department is depleted and was left with 2 students on attachment, (as of December 2012) and the sales team consists of new sales representatives who are not familiar with the industry.

1.3.1 Swot Analysis

As put forward by (Gasparotti, 2009), SWOT analysis is a planning tool used to evaluate the strengths of an organization, its weaknesses, opportunities available and the threats involved in a business. He argued that SWOT analysis is used for strategic planning to identify important potential priorities, and creating a common vision for the company that answers the question “where are we” as a company.
1.3.1.1 Strengths

Strengths are those internal characteristics of the business that gives a company an added advantage over others (Drew, 2006). The company boasts of different strengths which include distributorships of the leading IT brands in Zimbabwe that is Epson, Targus and Deli stationery products. First Pack is the only HP Gold partner for HP Personal Systems Group, HP Imaging and Printing Group, HP Enterprise Servers and Storage which is the wide range of portfolios under the Hewlett Packard Brand. The name First Pack is also becoming a household name in terms of the industry that most companies would like to be associated with the company. The above mentioned strengths have given First Pack an advantage against other competitors when dealing with large corporates who needs their suppliers to be strategic partners with foreign vendors like HP, Dell and Lenovo.

1.3.1.2 Weaknesses

The company is slow in deciding on some reforms in the company given that one has to wait for the owner manager only. Some of the strategies are decided by the owner manager, inadequate training in the organization, poor financial practices, recruitment done by the owner-manager, lack of innovation all these are some of the weaknesses of the company. There is also a challenge associated with funding and that has hindered most of its initiatives and fulfillment of the business needs. The business has been left with unskilled, semi-skilled and very few qualified and experienced personnel.

1.3.1.3 Opportunities

First Pack has got a wide range of opportunities in the market but it requires the separation of the business into different units which become stand-alone entities such as stationery business, printers, cartridges, computers, laptops, servers and storage, networking and the repair center. The company can be in a position to increase it’s revenues by only tapping the business available in the market but it requires the owner-manager to see the opportunities available and make use of them. There is also an opportunity to deliver training on the use of ICT products and providing service for the
products being sold to different companies. The owner still remains the overall decider of new ventures and there is no delegation to the managers to decide on new projects.

1.3.1.4 Threats

These are external variables in the environment that could cause trouble and problems for the organization (Gasparotti, 2009). Industry has been opening up with new opportunities coming to employees. It poses another challenge to First Pack to try and retain their staff given such growth prospects. People would be searching for greener pastures and that can be another threat of skills flight for the company.

As long as the owner-manager wants to remain in total control the learned staff would go for other opportunities outside given that they will be seen with no relevance in the company. There is a threat of entry of new small players and coming in of new substitute products.

1.4 Problem Statement

When businesses are formed, they are a brain child of the owner manager. As the business grows, the owner manager shares the vision with others instead of doing everything on their own. In First Pack Marketing decision making has remained with the owner-manager, relying on his personal knowledge, lack of innovation, powerful owner-manager, lack of accountability and poor growth strategies for the business. Everyone in the organisation should believe in the owner manager’s culture, lifestyle, personality and religious beliefs which might not be ideal for the business. The decision making in the organisation depends on the owner-manager which means all the decisions have to be approved by the owner and nothing is done without the approval of him. The growth now depends on the owner-manager’s willingness and his influence to the growth of the business.

The management style that was appropriate for First Pack 10 years ago is no longer appropriate today because of the size of the business. Sales have been stagnant, critical employees for critical department have left the organisation due to the owner-
manager’s culture and leadership style. The problems being faced by the business due to the influence of the owner-manager would affect the growth of the business. It is against this background that this study is aimed at evaluating the influence of the owner-manager on the growth of the business.

1.5 Research Objectives

Main Objective
To evaluate owner-managers influence to the growth of the business.

Sub-Objectives
1. To establish the owner-managers leadership style on First Pack and the degree of delegation in the organization.
2. To present the importance of personal objectives in the decision making process of a business.
3. To investigate if owner-managers do strategy and whether they do follow the strategic management process.
4. To investigate the personal characteristics of an owner-manager that affect growth of business.
5. To assess the challenges faced in owner-manager business operations.

1.6 Research Questions

1. How do owner managers affect growth?
2. What is the role and impact of owner managers on the growth of an SME?
3. What are the leadership styles used by the owner manager?
4. How is the strategy formulated by the owner manager?
5. What are the personal characteristics of an owner which can affect growth of the business?

1.7 Research Proposition

This research proposed that if an owner manager employs the appropriate management and leadership style the business will grow into the mainstream economy.
1.8 Justification of study

SME’s play a critical role in the economy of Zimbabwe and this has necessitated this study. The Government is encouraging SME’s to play an important role in the economy thus with this study it will assist the Ministry of Small Medium Enterprises in assisting owner-managers on how to run their businesses. Apart from that the Directorate of First Pack Marketing will also benefit from the study by improving the way they are running the business. The management team of First Pack will also learn a lot from the study on the things they have to manage when dealing with an owner-manager and the way they have to do their work. The employees will also benefit from the study because its major aim is to improve the way the company is operating under the owner-manager. It is also envisaged that the results of this study should contribute immensely to the body of knowledge in terms of evaluating the management style, characteristics, and personal objectives of the owner-managers on business growth. To the academia, this study challenges researchers to do more researches in this area given the SME sector is a growing sector in the economy.

1.9 Delimitation of the Study

The study is limited to the case of First Pack Marketing only. The study will be conducted within the First Pack Marketing Company also in the branches outside Harare that is Kwekwe and Bulawayo.

1.10 Limitations of the Study

The time available to the research is limited given that the researcher has got some commitments at work, family and church. The research will be undertaken during the evenings and weekends given that the employer will not provide enough time to work on the research. The researcher fears a possibility that some respondents could view the information sought as sensitive and as a result certain information may be withheld by the respondents. The researcher will consider the sensitivity of this topic when designing the appropriate research instrument suitable for this study. The journals required might be old and also connectivity issues remain a challenge and power interruptions during research hours in the evening.
1.11 Dissertation Structure

Chapter 1
It outlines the background of the study, background of the organization, problem statement, research objectives, research questions, scope of the study, limitations of the study, and structure of the dissertation.

Chapter 2
The chapter covered the review of the literature on owner-managers and their characteristics, roles and their influence on business growth. All the research questions will be answered in this section.

Chapter 3
Research methodology was covered in this chapter, research philosophy, research strategy, data collection methods, target population, sampling size and procedures, research instrument, components of the research instrument, pilot study, issues of validity and reliability of the instrument, limitations of the study, data analysis and presentation, and the ethical considerations.

Chapter 4
Data analysis tools, presentation styles and discussions.

Chapter 5
Conclusions and recommendations.

1.13 Chapter Conclusion
This chapter presented an introduction to the research presented in this dissertation. The company background, research problem, research objectives and questions were discussed. The company is facing several challenges highlighted because of the influence of the owner-manager on business growth. The contribution of the study and the importance of the study to the owner-manager, management and the employees. The originality and importance of the research was postulated, as well as an outline of
the methodology used throughout the research process. Finally, the dissertation structure was presented. The next chapter presents a review and synthesis of the relevant literature, providing the theoretical background of this research.
CHAPTER 2
LITERATURE REVIEW

2.0 Introduction

This chapter reviews the literature around the problem as discussed in the previous chapter. The chapter begins with definition of terms in the area under study. The discussion then moves to the areas of concern that is the major determinants that influences the owner managers on growth of the firm. The problem is analysed and discussed in light of submissions by various scholars and authorities clearly highlighting the link around which this research is premised. Discussion points will be guided by subtitles drawn from the research objectives.

2.1 Definition of Terms

2.1.1 Owner Manager

Owner-managers are workers who occupy a position together with other family members hold controlling stake of the business (ILO, 2003). Owner-manager is a person who makes all the critical management decisions in a small firm and has substantial amount of capital at risk in the business (Wang, Walker & Redmond (2007). Dermibus, Hussain and Matlay (2011) defined the owner-manager as an individual who forms and manages a small business for the primary objective of furthering personal goals and the business is a primary source of his income, consumes the majority of his time and resources. Furthermore, the owner-manager was defined by (Woldie, Leighton & Adesua, 2008) as one who creates a small business in the face of risk challenges and uncertainty for the purpose of achieving growth through identifying opportunities and bringing together the necessary resources to capitalise on them. Mbogo (2011) highlighted that the small business is typically the primary source of income for the owner-manager. Wang et al (2007) noted that the owner manager has got a personal equity in the business and runs the business personally thus his influence on business growth has necessitated this study. The major drive for starting the business as highlighted by De Wit (1998) in the definition would be profits, growth and personal motivations which can be a major influence on the growth of the business from the owner-manager.
2.1.2 Small Medium Enterprises

The definition of an SME differs from most of the countries and depends on number of employees, sales, assets, and some countries do even have an official definition, (Wang et al, 2007). The definition of an SME depends on several criteria and sometimes includes the industry being discussed. In Zimbabwe, a Ministry of Small-Medium Enterprises Policy and Strategy Framework has defined an SME as a firm registered and employs 6 to 100 employees (MSME, 2008). SEDCO (2010), defines an SME as a firm that employees not more than 100 employees with maximum annual sales of up to $830 000-00. Another definition of the SME sector has been provided by the SME Department of the World Bank (2008), which regards small enterprises as those formal sector entities with up to 50 employees and total assets and total annual sales of up to US$3 million.

SMEs are defined as enterprises in the private non-primary sector that employ less than 250 staff. Within this definition, the following sub-categories are distinguished by (The Gallup Organization, 2007):

- Micro - enterprises with 0 to 9 occupied employees, and with annual turnover of 2 million Euro.
- Small-enterprises: a firm with 10 to 49 employees and annual turnover of 10 million Euro.
- Medium-enterprises with less than 250 employees and a turnover of 50 million Euro.

Thus the definition from the Gallup Organization, SEDCO and OECD would classify First Pack in an SME category and also the MSME definition of 6 to 100 employees also place the company First Pack into that SME category. OECD (2004) defines a small business that employs less than 250 employees, which included micro-enterprises, small businesses and medium enterprises.

2.1.3 Strategy

Porter (1996) defined strategy as a combination of the goals for which the firm is aiming and the policies by which it is aiming to achieve. Mintzberg (1987), defined strategy as a pattern in a stream of actions over time. Mintzberg (1987), went on
further to point out that strategy is a plan, how, means of getting from here to there. Strategic management is a process which involves analysis, decisions and actions that are undertaken by an organization towards creation and sustaining a competitive advantage (Kathleen & Dawn (2010). The researcher is not going to dwell more on the strategic issues given it’s a broad area of study but what it means to business, is that all businesses need strategies even though it has been difficult to come up with better strategies for owner-managers.

2.1.4 Leadership
Carrier (1998) defined leaderships as the ability to bring about change on an organization, when there is uncertainty, by inspiring others to go to a particular direction. Kathleen and Dawn (2010) define leaderships as the ability to influence others towards the achievement of set goals. Thus it is a management function which is responsible for the supervision and influencing others to achieve the desired objectives (Kathleen & Dawn, 2010). It involves the relationship of the leader and those in the organisation who are being led. Leadership is about the influencing, motivating, and inspiring of the subordinates to achieve the set goals (Stonehouse & Pemberton, 2002).

2.1.5 Growth
The term growth in business means a lot of things and (Beaver, 1997) found that there is no single criteria label meaning for growth, the term may mean an increase in profits, growth in revenue, increase in product lines, avoiding losses, survival in business, being cost efficient, performing well above competitors. Burke and Jarratt, (2004) defined business growth as the relative changes in sales, assets, employment, productivity and profits. Thus in this paper the researcher would use the sales figures, number of employees and assets as the growth measure of the firm under study given that the information is readily available and is a good indicator of size and growth.

2.2 Owner-manager Motivation and Vision towards growth

2.2.1 Motivation
According to (Mulhern, 1998) the motivation of owner-managers for starting business and assuming control of their business may play a major role in determining their
success. Kotey and Meredith (1997) highlighted that instead of profit or growth a company’s primary goal may be the owner-manager’s independence or self-realization. The personal goals of the owner-manager often bound the growth objectives of the business (Walker, Redmond, Webster & Clus, 2007). The motivation of venturing into a business is very important in the sense that most of the owner-managers might not be geared towards growing the business but would have their own goals separate from business growth. Stonehouse and Pemberton (2002) observed that while concerns of profits are necessary to ensure growth of the business, profit maximisation often ranks behind more personal non-economic motives such as independence, personal satisfaction, achievement, work flexibility, lifestyle, and contribution to family as the motives of the owner-managers to be in business. Brown and Walker (2004) noted that personal abilities and motivations of the owner-manager will impact whether they want to grow the business or simply decide to maintain a size that they feel comfortable to manage.

Stefanovic, Prokic and Ranko (2010) findings show that motivations of owner-managers fall into four different categories:

1. Extrinsic rewards that is economic reasons.
2. Independence.
3. Intrinsic rewards that is self-fulfilment and growth.
4. Family.

These factors determine motivation level of owner-managers which in turn affects the business growth. Swierczek and Ha (2003) found out that in Vietnam small business owner-managers were more motivated by challenges and motivations. Marcotte (2011) found that in Russia personal income and job security were stronger motivators than independence and lifestyle of owner-managers, Indians motivated by desire of independence and increase their income, other Asian owner-manager’s indicated making more money would lead them having big businesses. Obiwuru, etal (2011) went on to highlight that Nigerians were concerned more with money and profits, same as Tanzanians motivated by making more money. In Kenya and Uganda they were believed by (Mbogo, 2011) that increasing profits and providing employment were the main motivators. Whilst in Southern Africa he noted that they were motivated by psychological needs and some were found to be growth centred in South Africa.
Many owner-managers identify themselves with the business and are not willing to grow their business thinking that they would lose their autonomy in the business (Brown & Walker, 2004). Thus they would not be willing to grow the business but to maintain the same level of lifestyle and the income which would sustain their lifestyle. As noted by (Kotey & Meredith, 1997), owner-managers main concern is whether the firm is giving them the benefits they want from the business that is the income to maintain their lifestyle. Swierczek and Ha (2002) also mentioned that if owner-managers were pushed to form the business due to factors such as poverty, unemployment, disagreement with managers, misfit in firms and lack of alternative jobs. The owner-managers would like to keep their lifestyle, avoid closing and would think if the business grows they will end up losing control of the business and would lead to less independence and autonomy (Kotey & Meredith, 1997). Literature has tried to write about the motives of starting business and there are various reasons which lead owner-managers to start their business. Thus growth is not a priority of most of the owner-managers and there are various motives of starting and maintaining the same level of business. Mbogo (2011) noted that owner-manager might restrict expansion out of a desire to avoid challenges, uncertainty and problems associated with growing the business by acquiring new markets and developing new products. Mulhern (1998) concluded that increased profits and growth ranks behind non-economic objectives including autonomy, personal satisfaction, achievement, work flexibility and flamboyant lifestyle as the main motives of owner-managers. Dermibas et al., (2011) went on to add that SME owner-managers are in business to pursue personal, non-economic goals and most have limited desires to grow the business.

2.2.2 Vision

The Book of Proverbs warns us, where there is no vision, people will perish, while Martin Luther King demonstrated the power of Vision when he said "I have a dream", and unleashed forces that changed a nation (Mintzberg & Quinn, 1994). Vision is the long-term purpose to which all goals, objectives and strategies contribute over time, (Scribner, 2010). The vision statement pertains to a scheme representing a foresight, an idea or a dream (Mintzberg & Quinn, 1994). The vision statement of our business motivates individuals towards shared long-term goals. A strategic vision describes management’s aspirations for the future and details the company’s strategy and
long-term direction (Beaver, 1997). A vision establishes and expresses where our organization desires to be in the future. The vision of the organization refers to the broad category of long-term purpose that the organization wishes to follow (Lynch, 1997).

The vision is an idea projected to the future, the place the owner-manager wants his product to occupy in the market (Mintzberg, 1987). The vision usually provides the guiding principles of what needs to be done (Lynch, 1997). The vision would attract, stimulates and motivates the employees working with the owner-manager. If the owner-manager is geared towards growth this is displayed and communicated through the vision (Obiwuru et al., 2011). The central emerging vision which the owner-manager wants to pursue becomes the central vision of the business (Stonehouse & Pemberton, 2002). The owner-manager’s vision sometimes would not be growth centred (Mbogo, 2011).

2.3 Owner-Manager Strategic Management in Small Business

According to Mintzberg, (1987), strategy is an evolutionary, organic process which is unpredictable (Hamel & Prahalad, 2002) further added that core competence gives a company competitive advantage that remains central to its strategy and planning process. Cook (2011) concluded that formal strategy is inappropriate for SME owner-managers and they do not have the resources to perform the strategic process. Much of the literature is more centred on strategic planning of big businesses and it is very difficult to find clear analysis of strategic planning of the owner-managers towards growth and his competence on strategy. Bird and Jelinek (2002) noted that this is very critical in the sense that the owner-manager’s vision, mission, motivation, priorities and his competencies influence the strategic process and growth of the business. Studies have concluded that the level of strategic planning is positively associated with the growth of the business.

2.3.1 Planning

Planning is the most basic managerial function and first primary management task. In the businesses owned by owner-managers, the ability to plan is dependent on the mental capacity of the owner-manager (Storey, 1994). Therefore, just as in large businesses SME owner-managers need to have the experience, intelligence, vision,
and good judgment for them to come up with good plans. Azhdar (2009) noted that SME planning usually involves short term horizons and are more informal, irregular, and incomprehensive. Given that the owner-manager lacks financial and other resources all the management tasks of planning, organising, leading, and controlling have to be done by him (Mbogo, 2011). Kotey and Meredith (1997) postulated that this puts enormous pressure on the owner-managers of SMEs to the extent that they are caught up in the day to day operations of the business and have little time to do formal planning. Wang et al., (2007) concluded that planning is important for the survival, growth and development of a business since it gives direction to its operations.

2.3.2 Strategic Management
Scribner (2010) described strategic management as a process of identifying and executing the organization’s strategic plan, by matching the company objectives with the demands of its environment. Meers and Robertson (2007) postulated that strategic management is a process that includes management analysis of the environment, formulation, implementation and control of the strategy. Scribner (2010) summarised the strategic management process into five steps and they are repetitive, they include,

![Figure 2.1: Introduction to Strategy](image)

Adapted From Mintzberg, (1987),
2.3.2.1 Goal Setting

As noted by (Scibner, 2010), strategy involves vision setting, identifying the goals, define short and long term objectives, and relate them to what the organization needs to do. Strategic intent tries to establish the parameters that shape the values, motives and actions of people throughout an organization (Lynch, 1997). Strategic intent implies a particular point of view about the long term market or competitive position that a firm hopes to build over the coming decade (Abrahams, 1995). The vision of the organization refers to the broad category of long-term intentions that the organization wishes to pursue (Lynch, 1997). Abrahams (1995), defines a mission statement as an enduring statement of purpose for the organization and identifies the area of its operations in product and market terms, and reflects its values and priorities. All these need to be understood by the staff and stakeholders.

Firms that engage in strategic process, formulate business goals and objectives are more likely to be successful even owner-managers need to set goals (Scribner, 2010) noted that the growth of a small business depends on the ability of the owner-manager to communicate his long term vision to the employees. It is very difficult for owner-managers finding the best fit between the vision, mission, opportunities and firm capabilities (Bird & Jelenik, 2002). Thompson (1999) asserted that small businesses do not have written strategies there are all in the head of the owner-manager. Strategies and goals are based on the owner-manager’s interpretation of and reactions to the day to day situations of the organisation. Stonehouse and Pemberton (2002) highlighted that there is a natural tendency for owner-managers to draw upon their own personal goals, his background, previous experiences, preferences and ambitions when choosing the goals and strategies to follow. Meers and Robertson (2007) claimed that decisions and goals revolve around the owner-manager such that the business goals are owner-manager’s personal vision.

Beaver (2007) concluded that owner-managers do not follow the strategic planning process, they do cite different reasons such as lack of time, lack of familiarity with strategic management process, lack of skills and confidence to start the process and lack of trust with the employees sharing business information.
Carrier (1998) postulated that owner-managers that engage in strategic planning process, set organisational goals and formulate strategies are more likely to achieve higher sales, higher returns on assets, higher margins on profit and higher employee growth. According to (Marcotte, 2011), objectives and goals of the SME’s revolve around the owner-managers such that its goals are the owner-manager’s goals, its strategy the owner-manager’s vision. Stonehouse and Pemberton (2002) concluded that most SME owner managers do not strategically set business goals because they are not profit or growth oriented and therefore do not perceive the need to set firm goals.

2.3.2.2 Analysis

As noted by (Gill & Johnson, 1997) ideally managers begin their strategic planning by critically analysing their internal and external environments. Taking into consideration the external opportunities and threats and internal strengths and weaknesses the company possesses. As noted by (Scibner, 2010) strategists employ different tools to analyse the internal factors such as culture, structure, resources, leadership style and external factors of the firm such as political, economic, social and technological factors and the competition levels.

According to (Azhdar, 2009) in recent studies focusing on environmental scanning practices of owner-managers in the USA indicated that most small business owner-managers who are responsible for both operational and strategic planning conduct environmental scanning regularly and perceived the business environment as stable. Environmental scanning is usually carried out in large firms but literature is now showing that some owner-managers in SME’s now perform environmental scanning (Woldie et al., 2008). Marcotte (2003) argued that, the owner manager’s strategic awareness and their perception of benefits arising from environmental scanning within the business will be a significant determinant of the success and survival of the business.

2.3.2.3 Strategy formulation

Mintzberg and Quinn (1994) noted the strategy formulation includes developing business short term and long term objectives, and prioritizing strategies to pursue,
resource allocation, decisions about diversifications, entry into new markets, exports, merging with suppliers and participation in joint ventures. Strategic objectives give the light on how the firm should fulfil and reach the goals, the mission and finally the vision. Scibner (2010) postulated that top managers bear responsibility for the ramification of strategic formulation decisions, this reflects their authority to commit company resources for implementation of strategy.

Mintzberg (1987) observed that a major factor in the continued success and growth of SME’s is the strategic planning activity undertaken by owner-managers and that strategic formulation is usually top-down approach. Cook (2001) noted that strategic formulation by owner-managers is usually informal and based on the individual based on his/ her own understanding of the business. Azhdar (2007) noted that strategy formulation by owner managers is difficult to understand in the sense that there are no systems and structures used to formulate strategies and the emphasis is on the artistic school of decision making of the owner. Thompson (1999) postulated that since owner-managers do not have written strategic statements, their strategies are inferred from evolving patterns of owner-manager behaviour and resource allocation is centralised by the owner manager. Wiklund and Kruger (2001) highlighted that the strategies to pursue revolves around the owner-manager such that his personal or family goals are the decisions taken by the business.

**2.3.2.4 Strategy implementation**

Afuah (2009) highlighted that strategic implementation seeks to create the right circumstances within organizations so that formulated strategies can be executed, it is achieved by developing a strategy supportive culture, creating an effective organizational structures and motivating individuals to learn new ways of contributing to improved performance. Mathew and Scott (1995) noted that well-formulated strategies only produce good results for the firm when they are successfully implemented. Ansoff (1990) expressed that strategy implementation relies on managerial ability to lead employees, assist redesign of products, improve organizational process and adjust to environmental constraints.
Beaver (2007) asserted that formulated strategies by owner-managers only produce results if they are implemented. Mintzberg (1987) noted that effective implementation of a bad strategy beats mediocre implementation of a great strategy every time.

### 2.3.2.5 Strategy control

Gadiesh and Gilbert (2001) noted that strategy evaluation culminates the activity inherent in the design, application and eventual assessment of strategy; it involves the development of performance indicators linked to key improvement factors and attributes that influence improvement of people, product and process elements of organizational performance. Tsiakkiros (2002) postulated that evaluation and control is the process by which organisational activities are monitored so that actual performance can be compared with desired performance, the owner-managers make use of the resulting information to take corrective action and resolve problems. Beaver (2007) highlighted starts internal and external circumstances, continues by measuring performance and ends by critical assessment of achievement against strategic objectives. Mbogo (2011) owner-managers do not usually do the strategic controls highlighting shortage of time and resources to carry out the controls.

### 2.4 Leadership Styles used by owner managers.

Several conclusions from the study have stated that different leadership styles adopted by owner-managers somehow affect the growth of the business (Mbogo, 2011). It is important to know the leadership styles used by the owner managers. Lewin (1939) identified three types of leadership that is autocratic, democratic and Laissez-Faire. Burns (1978) went on to develop the areas of transformational and transactional leadership styles in politics but (Bass, 1990) introduced these concepts in a company scenario. The leadership styles used by owner-managers have been found as factor which also affects growth of a firm. Kathleen and Dawn (2010) noted that the failure or success of a business is also determined by the leadership style adopted by owner-manager and influences the growth of the company.

#### 2.4.1 Autocratic Leadership Style

Lewin (as cited in Kathleen & Dawn, 2010) autocratic leadership style is defined as a leader who directs controls, discourages or suppresses participation of employees;
power is centralized with no room for employees to participate in decision making. All the policies are determined by the owner-manager, he dictates the techniques and activities, assign tasks and work partners to group members. As noted by (Inkoun, 2003) owner-managers in Ghana were found to be using this leadership style given that they were responsible for all business decisions and would not listen to any form of suggestions from employees. The owner-managers in Uganda were seen that they were not consulting employees and even getting input from the staff members on any decisions (Obiwuru et al., 2011).

Autocratic leadership is ideal when there is little time to make crucial decisions and when the power of the management is challenged by the employees (Mbogo, 2011). In that scenario the owner-manager would not have many options to take thus he will use the leadership style available that is autocratic (Parry, 2009). This leadership style lacks continuity when the owner-manager is away and when there are crucial decisions to be made it means employees would have to wait for the leader. Even though some owner-manager as the owners of capital and in total control they should learn to consult the staff members involved in the business when making decisions.

2.4.2 Democratic Leadership Style
Lewin (as cited in Afuah 2009) described democratic leadership style when he noted that a democratic leader gives his followers a vote for every decision the leader makes. Every team member has got a say in the decision making process but it has one major drawback in that it takes much time and all the members need to contribute to the decision (Azhdar, 2009). The leader as noted by (Obiwuru et al., 2011), democratic leaders are consultative, inclusive, takes into consideration others views, and focus on the team; they build on agreement, tolerate arguments and get an entire team behind them. The owner-manager as the leader would encourage subordinates to deliberate and come up with decisions as a team on the issues and steps towards achieving goals (Cragg &King, 1998).

The leader under this democratic style would discuss with the workers and allows autonomy of the subordinates and they contribute in decision making (Filion, 2002). In Ghana in a study carried out by (Kurfi, 2009), he noted that very few owner-
managers make use of this style as they do not want to lose their independence and powers. The style is very important in the sense that subordinates should decide also in making decisions.

### 2.4.3 Laissez-Faire Leadership Style

Lewin (as cited by Afuah 2009) asserted that under the Laissez-Faire style of leadership the subordinates and employees are allowed and appreciated to participate in decision making but the major challenge he noted is that it requires employees to be responsible, experienced and mature. The leader does not give the direction and making decisions of the firm, Bass (1990). The employees have the powers to make their own decisions and resolve problems in the firm of their own. Kurfi (2009) noted that the leader does not even give the employees direction and the employees have too much freedom in decision making.

Filion (2002) postulated that this type of leadership is ideal in the sense that subordinates have pride in their work, gain more experience in decision making and the team will be self-motivated and they can be successful. Kurfi (2009) challenged this style of leadership because the leader is not involved in decision making like as if he not part of the team. Some employees would even feel as if they are being neglected in doing their work when the leader is not involved (Bass, 2009).

### 2.4.4 Transformational Leadership Style

Bass (1990), defined transformational leadership is a superior form of leadership that happens when leaders of a group encompass and take into account the interests of their employees, generates awareness and acceptance of the mission of the group and encourages the employees to look beyond their own self-interest for the good of the firm. The leadership style includes inspirational leadership, intellectual stimulation, charismatic leadership and individualized consideration (Bass, 1990). Inkoun (2003) postulated that the leader should have those admirable ways that his followers will adore on him like the faith, inspiration and respect he gives to his followers. Afuah (2009) noted that individual consideration refers to the ability of the owner manager as the leader of the group to consider his subordinates individually, delegating work to encourage and stimulate the individuals, creating learning experiences and taking into consideration the needs of his subordinates. According to (Kathleen & Dawn, 2010) intellectual stimulation is the act of encouraging new
ways of reasoning, reasoning before acting and enabling the subordinates to analyse problems from many different viewpoints. Bass (1990) postulated that inspirational motivation is inspiring and empowering the followers to accept and pursue challenging goals and objectives.

According to (Parry, 2009) this leadership style involves mobilizing subordinates to want to struggle for mutual aspirations. Given that transformational leaders would strive to motivate their subordinates not to take their own self-interests at the expense of the organization by setting high performance goals and putting mechanisms in place for subordinates to achieve those standards (Mathew & Scott, 1995). The leaders focus on the mission of the organization and strategies for achieving them and use vision to create symbols for subordinate thereby instigating and achieving change through communication and expressiveness (Parry, 2009).

Paying attention to detail is very critical and for employees they do require successful leaders who motivates and inspires them (Stefanovic et al; 2010). Parry (2009) highlighted that many owner-managers have failed to be a source of inspiration for their employees which affects business growth. Everything is centred on the owner-managers and do not have the faith to inspire the subordinates to achieve the results. Bass (1990) believed the successful leaders offered employees the responsibility to achieve organisational goals in the short term whilst focusing on higher intrinsic needs.

2.4.5 Transactional Leadership Style
As explained by (Bass, 1985) transactional leadership is based on the principle of equitable social exchange in which leaders provide a sense of direction to their subordinates and recognize their needs and efforts. The leaders clarifies the roles and tasks of the subordinates, they motivate and lead them in the direction of the established goals (Swierczek & Ha, 2003). In one of the studies carried out in Malaysia it was seen that it is important for owner-managers to have a base of transactional leadership to counter the low-level of employees education and combine it with transformational qualities to better motivate the employees and enhance their loyalties. Parry (2009) argued that transactional leadership qualities are essential for a successful leader so as to build the transformational qualities.
Power and position is a requirement for this type of leadership style and needs to get the job done. The major focus as noted by (Carrier, 1998) is more on the exchange of reward provided by the leader to the follower for the job function.

As noted by (Hamel & Prahalad, 2002) leadership styles of owner-managers also depend upon family background, the style of an owner-manager from an agricultural family is quite different from that of an owner-manager with a professional background. Chu (2008) noted that better educated owner-managers are more flexible in adoption of leadership styles than low educated and illiterate owner-managers. Inappropriate leadership style can affect the growth of the business. Azhdar (2009) postulated that owner managers adopt leadership styles and management systems that allow them to centralise power and control as well as decision making.

2.5 Characteristics of Owner-Managers

Cragg and King (1998) & Rutherford and Oswald (2000) state that small business success has often been classified into three categories which includes, the personal characteristics of the owner-manager, firm characteristics and environmental characteristics. In this study the researcher is going to concentrate more on the individual characteristics of the owner-manager. Rutherford and Oswald (2000) noted different owner-managers individual characteristics which include attributes like the age, education, managerial skills, personal values, industry experience and social skills of the owner-manager. Different authors have developed interests to study the personal characteristics of the owner-managers and some have tried to explain why businesses succeed or fail in terms of the personal attributes of the owner-manager (Wang et al., 2007). Several literature papers disagree in terms of how the role of individual characteristics, values and expectations of owner managers has been explored and literature disagrees on how it affects the growth of the firm.

2.5.1 Age

Age sometimes plays a major role in the sense that young owner managers have the drive and are prepared to take risks unlike old owner-managers who want to maintain their level (Bitange & Fides, 2007) found that individuals ranging from 25 to
44 years were the most entrepreneurially active. From other studies carried out in India by other authors they disclosed that successful owner managers were relatively younger in age. Kotey and Meredith (1997) found out that the young owner-managers were associated with superior performance, pursue more risky strategies, well qualified and have the technical knowledge of the industry. Other authors like (Meers & Robertson, 2007) noted that old owner-managers become rigid and loses flexibility unlike the young owner-managers who are risk takers, flexible and have the ambition to grow the business. Woldie et al., (2008) noted that the young owner-managers have got more influence on growth, motivation, energy and commitment to work and take risks unlike the older owner-managers who are likely to have reached their initial aspiration in life. Firms with higher growth rates were found to be owned by younger owner-managers with market focus, profit oriented and associated with professional organisations (Storey, 1994).

The age which an individual can start a business is not known thus there is no age which anyone can own a business and be successful (Meers & Robertson, 2007). The relationship between the owner-managers age and business growth is still not completely understood.

2.5.2 Education

Kolvereid (1996), asserted that managing small businesses also requires education, the owner-managers skills and knowledge, his confidence, ability to solve problems, grab opportunities all depends on education. Woldie et al., (2008) notes that basic education would enhance the overall quality of the owner-manager by providing him with basic numeric and literacy skills which increases growth chances of the firm. This is further supported by (Reynolds, 2000) that the owner-managers level of education and continuous attendance of management training courses is also an important aspect in terms of business growth by owner-managers. Fillion (2002) asserted that education is an important influence on owner-managers behaviour towards business growth in the sense that highly educated owner-managers might lead business to grow than an owner-manager with limited or no education.

Meers and Robertson (2007) postulated that education is one of the factors that impact positively on growth of firms, those owner managers with larger stocks of
human capital in terms of education and attend management training courses are better placed to adapt to the ever changing business environment. Owner-managers with primary education were unlikely to grow their businesses unlike those with degrees, diplomas and professional qualifications (Swierczek & Ha, 2002). Other studies carried out by (Fillion, 2002) argued that higher education and advanced training of small business owner-managers increased the likelihood of achieving business growth and in the UK business owner-managers with post-graduate qualifications where more likely to express high growth as business objectives. Obiwuru et al., (2011) postulates that access to education and training to Nigerian owner-managers is believed to be critical and leads to business growth given that owner-managers were likely to create firms that remained in operation and experienced better growth.

Some authors have linked the level of education to business growth, degree of firm innovation and change in appropriate strategy. Carrier (1998) explained that the level of formal education by owner-managers and their educational background have been noted as factors affecting growth. Mazzarol (2004) stated that education is a key constituent of the human capital required to facilitate owner-managers success in business. Bird and Jelinek (2002) highlighted that education is seen to provide base as well as the analytical and problem solving skills necessary to be more effective in identifying new opportunities and growing the business. Brown and Walker (2004) summed up that owner-managers with business and technical educational background are in a better position to appreciate and analyse hard reality and deal with it intuitively, which seems to play a critical role in entrepreneurial effectiveness. Carrier (1998) concluded that successful owner-managers alongside their technical skills have managerial and an educational background. Literacy of owner-manager sometimes does not translate to business growth but it assist in decision making and strategic management of the firm.

2.5.3 Experience
The experience and competence levels of owner-managers are also an important factor influencing SME’s growth performance (Rutherford & Oswald, 2000). Working style of owner manager’s speed in which they can produce high quality work that meets the needs and requirements of customers and suppliers can impact on the
growth of the SME. Kolvereid (1996) postulated that owner-managers with prior experience had higher business intentions than those with no experience. Prior experience in the same line of business as an owner-manager or employee is a key critical success factor of an owner manager. Cook (2001) cited that the experience and competence levels of owner-managers are also an important factor influencing an SME growth.

Mulhern (1998) found out that individuals with prior experience had significantly higher entrepreneurial intention than those without such experience. The prior experience in starting a new business is one of the top characteristics shared by successful owner-managers. Meers and Robertson (2007) noted that successful and experienced owner-managers have a better understanding of the market place; they also have a good business sense and make decisions based on a realistic appraisal of their business and the market place. Rutherford and Oswald (2000) noted owner-managers in the United Kingdom who had the professional experience in terms of previous occupations, technical expertise or product knowledge have been associated with business growth. Lumpkin and Dess (2001) postulated that owner-managers with managerial work experiences placed more weight in formalising the business operations would perform better and grow the business.

Mulhern (1998), Mazzarol (2004) & Meers and Robertson (2007), highlighted that owner-managers with prior experience run more growth focused firms. Kathleen and Dawn (2010) noted that prior experience in business have been seen as a critical success factor for small firms and did have a positive influence on organizational innovativeness of the company. Mazzarol (2004) highlighted that owner-managers skills and experience acquired on the job are an important factor to business success and growth. Obiwuru et al., (2011) postulated that owner-managers in Kenya with previous experience contributed much to the growth of the firm and he noted that work experience can further supplement an owner-managers education with more practically based skills for organisational growth. Brown and Walker (2004), asserted that growth is the result of learning through doing in which owner-managers improve their skills and chances for business growth. The scholars have been in consensus in terms of experience but there are some successful owner-managers who have ventured into a new industry and managed to grow their
businesses. Literature has not covered much in that area where owner-managers start new ventures in new areas but end up being big businesses.

2.5.4 Personal Values
O’Farrell ad Hitchins (2002) postulated that literature in this area suggests that owner-managers personalities, values and goals are indistinguishable from the goals of their business. Carrier (1998) asserts that personal values have an implication on how the owner manager manages his business as his personal property. Thompson (1999) noted that owner-manager’s personal values influences the management and business practices they adopt in operating their businesses and ultimately growth of the business. Morris, Schindehatte and Lesser (2002) in their study in South Africa revealed that the most priority values of black owner-managers are hard work, warm relationships, community responsibility, achievement, tolerance and respect. Some authors in the UK noted that owner-managers values are hard work, courage, ambition and individuality, creativity, innovation, optimism and autonomy.

Lin (1998) noted that personal values involves self-awareness and consciously influence choices and behaviour, influences all other characteristics these are attitude, evaluation, judgement, decisions and commitment. Personal values have an impact and determine the behaviour of owner-manager within the organisation. Kotey and Meredith (1997) postulated that some successful owner-manager place high value on ambition, achievement, reliability, responsibility, hard work, competence, optimism, innovation, aggressiveness, honesty, creativity, social recognition, and growth of the business. Mulhern (1998) went on further to note that owner-managers are usually independent minded and do not feel to be controlled in their operations. Wang et al., (2007) postulated that owner-managers with entrepreneurial values, who adopt pro-active strategies exhibit stronger performance than those with less entrepreneurial values who are reactive in strategic orientation. Others scholars have explained that personal qualities and traits such as self-confidence and perseverance affect the firms growth.

Owner-manager’s personalities influence the strategies they adopt in operating their business as noted by (Mathews & Scott, 1995) argued that owners personality traits like inner locus of control and need for achievement and cognition have significant
positive impact on the firms growth. The personal values have an impact on actions and decisions of owner-managers on growth strategies.

2.5.5 Managerial Skills
The strong desire of many small business owners to retain personal control and business independence has long been recognised as a key factor limiting the growth of many small enterprises (O’Farrell & Hitchins (2002). Hence, key constraints on growth are related to a combination of internal factors, an unwillingness to delegate or bring in external skills, and external factors including finance, employment and competition (Storey, 1994), poor products and inefficient marketing (Birn, 2004). Owner-managers often possess the entrepreneurial drive but lack formal management training (Chu, 2008). This weakness can eventually become a critical factor limiting growth and expansion (Cook, 2001). Past studies on SME failure show that lack of managerial experience is one of the main reasons for SME failure. In a case study of Ghana (Inkoun, 2003) found out that SMEs performance is closely linked to owner-managers managerial skills. He found out that owner-manager with business related qualifications tended to survive by 30% more than non-qualified proprietors. Fillion (2002) found out that although management training for proprietors is important for SMEs in Peru, it is more important when the company has higher growth potential than it is when the growth potential is low.

A key internal constraint on growth of SMEs is a reluctance or inability of owner managers to diversify control over business functions to professional managers (Storey 1994). However, once a firm has reached a certain size, or stage in its life cycle, there is a need to professionalise the management function if a firm is to continue to grow. Inkoun (2003) noted that the strength and salience of internal barriers is likely to vary with the size of the firm. In the early stages of a firm’s growth, an owner manager can cope alone with many of the areas of management such as finance, human resources, marketing, and product development. Once a firm has reached a certain size, or stage in its life cycle, there is a need to professionalise the management function if a firm is to continue to grow (Lumpkin & Dess, 2001). Storey (1994) notes that the owner-manager’s ability to generate new ideas, ability to solve problems and the level of technical sophistication on SME owners has a major
influence on SME growth. The owner-manager’s ability to use their resources fruitfully would add to the expansion of the business and does not affect the chances of success.

Carrier (1998) noted that many people can become owner-managers and have the capacity to grow the businesses but managerial competence which is essential for the continuity and sustainability of the small and medium enterprise is usually lacking. Swierczek (2003) noted that the success of any business is also highly dependent on the capabilities and ingenuity of its management. Storey (1994) highlighted that one of the primary causes of failure in a small enterprise is poor management. Management is very crucial in the daily operations and growth of a business.

2.5.6 Entrepreneurial Orientation and Innovation
Some researchers have argued that success is driven by the entrepreneurial orientation (Marcotte, 2011). According to (Lumpkin & Dess, 2001) the concept of entrepreneurial orientation consists of five dimensions, autonomy, innovativeness, risk taking, proactiveness, and competitive aggressiveness. Autonomy is defined as an independent action by an individual or a team aimed at bringing forth a business concept or a vision, and carrying it through to completion (Rutherford and Oswald, 2000). Innovativeness refers to the willingness to support creativity and experimentation (Dermibas et al., 2011). Risk taking means a tendency to take bold actions, such as venturing into unknown new markets (Cook, 2001). Proactiveness is an opportunity-seeking and forward-looking perspective. The fifth dimension, competitive aggressiveness, reflects the intensity of a firm’s efforts to outperform the industry rivals (Lumpkin & Dess, 2001).

Innovation has been found to be the key strategic dimension in growing small businesses (Chu, 2008) postulated that innovation is the company’s ability to introduce new products, implementation of creative ideas, creation of new values and turning ideas into value. Rutherford and Oswald (2000) pointed out that owner-manager’s innovation plays an important role in the growth of the business and the individual characteristics of the owner-manager such as values, posture and education level may influence the company’s innovation and originality. The owner-
manager needs to have the ability and his/her willingness to support the innovation in the company (Dermibas et al., 2011). Azhdar (2009) noted that owner-managers ability to spot opportunities and being innovative is the most important factor that contributes to the growth of the firm. Carrier (1998) concluded that successful owner-managers use innovative manners in dealing with organizational issues. Success of owner-managers in business today demand constant innovation, generating fresh ideas to problems and the ability to invent new products or services for new markets.

Fillion (2002) in his studies of owner-managers innovation concluded that owner-managers in China, India and UK were being successful because they are innovative in the way they run their businesses and also the new products they introduced. Kolvereid (1998) posits that owner-managers throughout the world are facing several problems including rising material costs, scarce energy, fierce global competition, new advanced technologies, use of computers and all these major challenges demand owner managers to be innovative so as to grow the business and avoid closure. Rutherford and Oswald (2000) concluded that innovation is at the heart of the spirit of enterprise and it provides a gateway for owner-managers searching for opportunities to do new things and to do existing things in extraordinary ways. Lumpkin and Dess (2001) believed that for owner-managers seeking to gain and maintain competitive advantage in the market place and increasing their capacity to generate wealth, innovation represents an investment in personal as well as social wealth creation.

2.5.7 Gender of the owner-manager

Storey (1994) asserted that studies of gender of owner-managers has been mainly on the male owner-managers, as the firms owned by male-owner managers used to be more than those owned by women owner managers. Other studies carried out by some scholars reported a high failure rate of businesses owned by women owner-managers than male owned businesses. Mukhtar (2002) postulated that there is significant link on gender and firm growth. Women owner-managers were said to be pre-occupied with family issues that it was difficult for them to concentrate on business growth. Literature is still not conclusive on issues to do with gender whether male owner-managers are more successful than their female counterparts.
2.6 Owner-Manager and Delegation of Responsibility

The owner manager likes to be hands on but as the business grows they would not want to delegate authority. Meers and Robertson (2007) postulate that typical owner-managers suffer from the inability to delegate responsibility and this may be done for a number of reasons such as the unavailability of suitable staff to delegate to, or to the fear of loss of control over the firm, fear that the individual would be unable to successfully perform the delegated task in an efficient manner. Walker et al., (2007) noted that a key internal constraint on growth of an SME is a reluctance or inability by the owner-manager to delegate over business functions to professional managers.

Mukhtar (2002) noted that an owner-manager’s ability to delegate authority to professional management team can also prove challenging and many owners dislike the idea of passing responsibility for running the business to professional managers. Azhdar (2009) also highlighted that as a firm’s scale and scope increase, an owner manager needs to learn how to delegate authority to the managers. The organisation needs clear lines of functional authority, proper division of labour and the responsibilities of the managers need to be clear.

Mazzarol (2004) concluded that owner managers need to learn how to interact effectively with their professional management team to whom they will need to delegate authority and the top management need to have a balance of techniques and expertise to complement those of the owner-manager. Brown and Walker (2004) concluded that owner-managers of small businesses are more reluctant to delegate authority in comparison to large businesses due to a variety of reasons that range from the smallness of their size to an unwillingness to relinquish control.

2.7 Owner Manager-Decision Making Process for the Business

Small business success depends on the key decisions made by the owner-manager and the good decisions lead to business growth. Chu (2008) postulated that decision making in big businesses comes from different people, the top management consults the staff, consultants and the management unlike the owner-managers who make decisions limited to him only. As (Cragg, King, 2008) noted that the owner-manager
creates the objectives and goes through the management practices and he makes all the decisions and this affects the overall performance of the organization.

Tsiakkiros (2002) highlighted that decision making involves

1. State the problem,
2. Define the objectives,
3. Develop a diagnostic framework,
4. Collect and analyse data,
5. Generate alternative solutions,
6. Develop an action plan and implement, and
7. Evaluate, obtain feedback and monitor

All the problems need to be analyzed and several choices of decisions need to be scrutinized and best decisions chosen and implemented by the owner-manager. Kathleen and Dawn (2008) noted that even there is a process of making decisions the owner managers will likely dominate all decision making within the organization without following the process. Most of the decisions would be largely concentrated on the owner-manager and as noted by (Inkoun, 2003) that the owner-manager’s culture will heavily influence his centralized decision making process. Cook (2001) noted that owner-managers have a strong and significant influence on the decision-making and consequently are critical for the success, growth and survival of the business. Mbogo (2011) went on to highlight that decision making revolves around the preferences and interests of the owner-managers who take all the major decisions and monitor all activities. In the study carried out in Nigeria (Obiwuru et al., 2011) found out that 80% of the owner-managers made most of the decisions without involving their workers and none of them allowed employees to make decisions without their direct or indirect involvement.

Thompson (1999) postulated that lack of managerial skills for decision making is an obstacle to the growth of the small business, owner-managers make bad decisions because of personal objectives, conflicting business and personal goals, time and that they pretend to know every solution to the business without consultation. Other factors determining levels of decision making include: culture, level of education and poverty, Mbogo (2011).
2.8 Challenges faced in the owner-manager business operations

Owner-managers face different problems in business operations, as noted by (Chu, 2008) owner-managers in Nigeria are battling with serious internal problems ranging from poor management practices, poor accounting standards, shortage of skilled manpower, and lack of enough capital, financial indiscipline and corruption. Inkoun (2003) highlighted that owner-managers spend most of their time concentrating on operational issues and meddling with management work. Beaver (2007) went on further to note that owner-managed businesses unlike large business lack skilled employees, the inability to hire and retain skilled employees. The owner-managers continue to face different challenges including poor products, ineffective marketing, low productivity, low morale with employees, lack of innovation, prioritising personal life, obsolete technology and lack of employee training as (Mazzarol, 2004). The owner-managers face different operational challenges which need to be improved.

Inkoun (2003) noted that owner-managers credit worthiness with bankers and financial firms is not good given that they do not trust them so getting credit is very difficult. Mbogo (2011) highlighted that owner-managers in Kenya are responsible for cash flow management and the owner-managers are the ones who determines the payments and takes the cash home sometimes. Filion (2002) went on further to state that there is no clear difference between the business finance and the owner-managers funds. The major problem is that the owner-managers controls all the finance and can use the funds at his house without being questioned by the Accountant. Filion (2002) postulated that it is difficult to separate the finance from the owner-manager business and personal use.

Thompson (1999) postulated that the owner-managers face different problems including the failure to adopt new technologies in their business, lack of marketing skills and the access to different markets. De Wit (1998) noted that the owner-managers fail to market their products given that they do not possess the selling skills required in the market.

Walker and Brown (2004) highlighted that the owner-managers face the challenge of wearing all the hats at the same time being the marketer, accountant, recruiter, supervisor which is very difficult to do at the same time. Others face the challenges
which include shortage of infrastructure, limited access to initial capital, difficult environment to operate in and high operational costs (Bird & Jelinek, 2002). Record keeping of financials and firm information is usually in shambles and employees are poorly trained which makes it difficult for them to strategize and plan for the business future. Walker and Brown (2004) went on further to say the owner-managers are facing other challenges including globalization, employee turnover, disgruntlement among employees and failure to replace skilled workforce. Thus owner-managers face different challenges mentioned above in their businesses.

2.9 Conceptual Framework

Sekaran (1999) defines conceptual framework as a logically developed, described and elaborated model which shows the plan of the research showing the route taken to investigate the area under study. It provides the wide area on conceptual framework covering the theory, literature reviewed and how the researcher finds one of the frameworks used.
Conceptual Framework of the Research

Figure 2.2 Conceptual Framework

From the Figure 2.2 the conceptual framework of the study shows the factors which affect the business of the owner-manager. These factors can affect the business operations through the owner-manager and can lead to the business to grow through the increase in profits, market share, increase in revenue and increase in assets that would be the ideal situation.

2.10 Chapter Conclusion

This chapter started with the definition of key terms and went on to analyse how the owner-manager influences growth of the business. The researcher analysed the issues to do with owner-manager’s vision and motivation, leadership styles of owner-managers, strategic management processes done by owner-managers and his/her own personal characteristics how it affects business growth. The chapter looked at different arguments from different authors and researchers on the area on owner-
managers in the SME sector. How do the owner-managers influence the growth of the business?

The literature reviewed is not relevant to owner-managers in Zimbabwe, hence the need to conduct the case study of the owner-manager of First Pack. It is therefore on this basis that the researcher proceeded to develop chapter three on research methodology in order to set research philosophies, strategies and the overall design of primary research.
CHAPTER 3
RESEARCH METHODOLOGY

3.1 Introduction
The previous chapter looked on the literature about the owner-managers influence on business growth. The research methodology employed in this research is discussed in this chapter. Saunders (2008) refers research methodology as the theory of how research should be undertaken and the application of various techniques, methods and principles used in order to come up with scientifically based knowledge by means of objective methods and procedures within a particular discipline.

The chapter begins by looking at the research design used, philosophy applied and the strategies. The sampling techniques used follows and the researcher concludes by outlining the data collection and analysis.

3.2 Research Design
According to (Dhawan, 2010) a research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose. The research design is the conceptual structure within which research is conducted and it constitutes the basis for the collection, measurement and analysis of data (Easterby-Smith, 1991). Sachdeva (2009) postulated that research design as the logical and systematic planning and directing a piece of research. Gill and Johnson (1997) noted that it comprises an outline of what the researcher will do from writing hypotheses and their operational implications to the final analysis of data. Saunders (2008) postulated that it includes the method for collection, measurement and analysis of data. Research design includes three main areas that is explanatory, descriptive and exploratory research (Khotari, 2004).

3.2.1 Exploratory Research
Exploratory research is the most ideal design to use if the main objective is to discover new ideas and insights (Khotari, 2004). Hakim (2000) highlighted that the main idea behind exploratory research is that of formulating a problem for more precise investigation or for developing the working hypotheses from an operational
point of view. Exploratory research is mostly applied in different studies that seek to establish a previously misunderstood phenomenon and hence seeks to assess the phenomenon in new light (Khotari, 2004). Exploratory research is flexible and the researcher can adapt to any changes that they may encounter as a result of new information and insights that may appear (Yin, 2008). There are four different ways that can be used under exploratory research that is search of literature, experience survey, conducting focus group survey and case study (Robson, 2000). This study would also make use of the secondary data thus accounting and sales information would also be used.

3.2.2 Descriptive Research
Khotari (2004) noted that descriptive research is a fact finding investigation with adequate interpretation, more specific and it has focus on particular aspects or dimensions of the problem studied. Saunders (2008) further explained that descriptive research is designed to gather descriptive information and provides information for formulating more sophisticated studies and is the description of the state of affairs as it exists at present. Sachdeva (2009) postulated that research describes different things, data and characteristics about the population under study and it is factual, accurate and systematic and it cannot come up with the details of what caused a situation. Data is collected by using different methods which include observation, case study, survey questionnaire and interviewing (Eden & Huxman, 1996). The key characteristics of this research design are structure and precise rules and procedures (Glaser & Strauss, 2007).

3.2.3 Explanatory Research
Dhawan (2010), asserted that explanatory research includes why some phenomenon occurred, interpreting a cause and effect relationship between two or more variables and explain the differences. The main objective is to provide the meaning and looking for the explanations of the nature of certain relationships (Coghlan & Brannick, 2005). Khotari (2004) explained that it attempts to clarify why and how there is a relationship between two or more aspects of a phenomenon. For example researching about influence of customer satisfaction, descriptive will establish the factors and perhaps speculate about their relationships to satisfaction. Sachdeva (2009) highlighted that explanatory research would differentiate and measure the relative influence of the factors, explain the cause and effect
relationship. The researcher avoided using this method because of the time constraints and resources required to pursue this type of study. The researcher saw that more time would be required to analyze and integrity check of the data.

### 3.3 Research Philosophy

According to Saunders (2008), research philosophy is concerned mostly with the actual developing of the knowledge which is used in research and the composition of that knowledge. Yin (2008) went on further to point out that research philosophy is the individuals perceptions, beliefs, the assumptions they make and how the research is carried out and how the research design is done, collection and analysis of the data. This consists of what exactly the researcher is going to do to come up with the knowledge in the area under study.

The researcher discussed more of the positivism and phenomenology schools of thought so as to come up with a good research paper. Their differences are going to be discussed below so as to see which one to adopt.

#### 3.3.1 Positivism Approach

Robson (2000) noted that positivist background is more centered on scientific approach of research in which measurement and hypothesis testing of the social behavior is done. The assumption is that the social set up is real and can be measured and tested objectively. The main aim is to analyze objectively the social behavior and come up with the knowledge. Saunders (2008) postulated that this method takes into consideration only the subjective scientific aspects and natural science. The perceptions, beliefs and influences of the researcher are ignored by the positivist (Khotari, 2004).

Eden and Huxman (1996) highlighted that this approach is more associated with the observational and experimental studies. Saunders (2008) regards the positivist method as independent and research is only carried out under observation. This is not a good approach in the sense that critical information which is not observed is left out of the study. Which means the research which is not measurable is said to be unresearcehable (Dhawan, 2010).
3.3.2 Phenomenological Approach

Saunders (2008) postulated that phenomenological approach is the study of human experiences and the structure within which people experience the world. This type of philosophy is different from the positivism approach in the sense that it takes reality as subjective and analyses the reality on the ground (Dhawan, 2010). The approach is more concerned with the specific identification of the phenomenon usually through the individuals how they perceive the situation (Yin, 2008).

Phenomenological approach is ideal for business case studies in the sense that it does not generalize and reduce the issues to laws similar to the natural sciences (Dhawan, 2010). Furthermore in one of his writings (Saunders, 2008) postulated that more information is obtained through the inductive methods which includes interviews, discussions and observation. The approach is more focused on providing the details of the situation and to get to know the reality of the situation (Saunders, 2008).

The researcher was guided by (Easterby-Smith, 1991) who postulated the important reasons of the approach taken,

- The researcher is given the room to make a more informed decision about the research design, that is, the methods by which data is collected and analyzed.
- It provides one with options to choose the approach which would be useful and that is not useful to the study.
- It gives the room to choose the right design for the knowledge at hand.

The researcher chose this approach in the sense that the research study is a case thus qualitative and quantitative data was useful hence it is produced under this paradigm (Gill & Johnson, 1997 cited by Saunders, 2008). Given that researcher was involved and using this paradigm the data would be rich and also subjective. This research paper looked at various issues that influence the owner manager on business growth in the company under study.
3.4 Research Strategy
Saunders (2008) in one of his writings mentioned that there are seven main research strategies, survey, experiment, case study, grounded theory, action research, ethnography and archival research.

3.4.1 Experiments
According to (Saunders, 2008) an experiment is a classical form of research that owes much to the natural sciences although it features strongly in social sciences particularly psychology. Hakim (2000) noted that the main idea of an experiment is study causal links; whether a change in one independent variable produces a change in another dependent variable and is mainly concerned with whether there is a link between two variables. Experiments therefore tend to be used in exploratory and explanatory research to answer ‘how’ and ‘why’ questions (Hakim, 2000).

3.4.2 Survey
Yin (2008) states that the survey strategy is usually associated with the deductive approach and mostly used for business research given that it answers questions like who, what, where, how many and how much. Thus it is usually used in for exploratory research and descriptive research (Welman & Kruger, 2001). Collection of data from a big population is usually done using surveys given that it is very economical to collect data using this method (Saunders, 2007). The questionnaire is usually used to obtain the data and it is standardized to allow easy comparison. Lastly, the survey strategy is perceived as authoritative by individuals in general and is both comparatively easy to explain and to understand (Dhawan, 2010).

3.4.3 Action Research
Coghlan and Brannick (2005) contend that action research has been interpreted by management researchers in a variety of ways, but there are four common themes within literature. The first focuses upon and emphasizes the purposes of the research in action and the second relates to the involvement of practitioners and researchers, be they academics, other practitioners or internal or external consultants (Eden & Huxham, 1996). The third emphasizes the iterative nature of the process of diagnosing, planning, taking action and evaluating and the fourth theme suggests that action research should have implications beyond the immediate project; in other words, it must be clear that the results could inform other contexts (Eden & Huxham, 1996).
3.4.4 Grounded Theory
Sachdeva (2009) highlighted that grounded theory strategy is particularly helpful for research to predict and explain behavior, the emphasis being upon developing and building theory which is often thought of as the best example for the inductive approach. Data collection starts without the formation of an initial theoretical framework and the grounded theory is developed from data generated by a series of observations (Glaser & Strauss, 1995).

3.4.5 Ethnography
According to Saunders (2008), ethnography is rooted in the inductive approach and emanates from anthropology. The main issue is to highlight and explain the social world the research subjects inhabit in the way they would describe and explain it (Hakim, 2000). This approach consumes much time and the researcher should be involved in the social world being researched.

3.4.6 Archival Research
Saunders (2008) concluded that archival research makes use of administrative records and documents as the principal source of data. Although the term archival has historical backgrounds, it does refer to recent as well as historical documents (Hakim, 2000)

3.4.7 Case Study
According to (Robison, 2002), a case study is a strategy for doing research which involves an empirical investigation of real context using different sources of evidence. Yin (2008) also highlights the importance of context within a case study given that the boundaries between the phenomenon being researched and the context within which it is being studied are not clearly evident. Under experimental method the research is done under controlled context which is different from the case study. Case study also differs from the survey strategy where, although the research is undertaken in context, the ability to explore and understand this context is limited by the number of the variables for which the data can be collected (Dhawan, 2010).

Given the different alternatives available, the purpose of this section is to indicate what type of study was undertaken to provide acceptable answers to the research problem and sub-problems (Yin, 2008).
Given the nature of the research problem as outlined in Chapter 1, the researcher selected the case study alternative as being the most appropriate for this research project. This was ideal because a case study involves collecting empirical data that is predominantly qualitative method. A case study is ideal given that the researcher has a merit of dealing with a small group of people where thorough investigations and control are possible. Sachdeva (2009) alluded that if well conducted the results will be almost similar to the population under study. This strategy is ideal also in the sense that it saves costs and time. In this study First Pack was used as the case and the opportunity to address the issues of the owner-manager that may hinder the growth of the business from the owner-manager with the idea to grow the business.

3.5 Research Population and Sample Size

3.5.1 Population
The population can be defined as the group of interest to the researcher. Glaser and Strauss (2007) & Yin (2008) postulated that the population comprises of the study population and the target which the researcher would like to infer on. For the purposes of this study, the population comprised of all the directors, management and employees of First Pack broken down as indicated under Table 3: 1.
Table 3:1 Staff Complement for First Pack as at 31st of December, 2012

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing Director and Non-Executive Director</td>
<td>2</td>
</tr>
<tr>
<td>Senior Managers</td>
<td>6</td>
</tr>
<tr>
<td>Shop Managers</td>
<td>8</td>
</tr>
<tr>
<td>Supervisors</td>
<td>10</td>
</tr>
<tr>
<td>Shop floor and Sales</td>
<td>47</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>73</strong></td>
</tr>
</tbody>
</table>


Since the population should be specifically defined in the research to include only sampling units with characteristics relevant to the study, the population for this current study includes all management and staff at First Pack.

3.5.2 Sampling techniques

Sachdeva (2009) noted that sampling is the process of selecting units from a population of interest so that by studying the sample we may fairly generalize our results back to the population from which they were chosen. There are two important types of sampling methods used which is namely random (probability) and non-random (non-probability) sampling methods (Hakim, 2000).

Dhawan (2010) states that random sampling gives all members of the population a known chance of being selected for inclusion in the sample and this does not depend upon previous events in the selection process. The other method of non-probability is not based on the theory of probability and it does not provide a chance of selection to each population element is unknown (Gill & Johnson, 1997).

The researcher had to choose from the following sampling techniques.

3.5.2.1 Simple Random Sampling

This is the purest form of probability sampling each member of the population has an equal and known chance of being chosen (Yin, 2008). The major drawback is
identifying every member of the population if it is a large population. The method was used for the general employees in First Pack.

3.5.2.2 Systematic Sampling
It is a frequently used variant of simple random sampling (Dhawan, 2010). For example when performing systematic sampling with 100 members and we need to draw a sample of 10, we would select every 10\textsuperscript{th} element from the list. Given that the population was very small for this study this method was not used, which means if you are working with a large population you can use this method.

3.5.2.1 Stratified Sampling
Sachdeva (2009) postulated that stratified sampling is a variant of simple random and systematic methods and used when there a number of distinct sub-groups, within each of which it is required that there is full representation. The population is divided into small sub-population (strata) based on characteristics and the selection is then done from the stratum using simple or systematic methods.

This method was ideal in this study.

3.6 Data Collection Methods
Data refers to a collection of natural phenomenon descriptors, including the results of experience, experiment, or a set of premises, this may consists of numbers, words or images, particularly as measurements or observations of a set of variables (Sachdeva, 2009). Primary and secondary sources of data can be used in this study.

Primary data is the data collected by the researcher for the first time using methods such as surveys, direct observations and interviews (Yin, 2008). The secondary sources the researcher used the monthly management accounts and reports.

3.6.1 Questionnaires
Dhawan (2010) defines a questionnaire as a data collection instrument used in survey research where people answer questions by recording their own answers. A simple but detailed questionnaire was designed and administered to the First Pack employees, management and the directors who were free to respond. A total of 40 questionnaires were sent to the respondents and it was felt that it would be a wide representation of views. The researcher went on to use the questionnaire because of the following advantages.
Advantages of using a questionnaire (Eden & Huxman, 1996).

- There is lack of interviewer bias.
- The respondents have ample time to give well thought responses.
- The researcher can make use of the email for respondents who are far away.
- A large sample is being used so as to get more reliable and dependable results.
- Questionnaires are convenient and cost effective data collection method.

Disadvantages

- If not properly administered the return can be low.
- The researcher can lose control over questionnaire once given to the respondents.
- Usually used when the respondents are well educated and cooperating.
- Replies from the respondents can be ambiguous replies and slow.

A questionnaire has been used in this study to collect data from the respondents. The researcher used a structured questionnaire and was designed in such a way that the researcher would collect more information as possible. The research questionnaire consisted of questions that clearly captured information required as per each objective.

In order to gain more responses the researcher discussed with respondents about the questionnaire and also gave them a letter asking for full participation of the respondents. The questionnaires were given and administered to 40 participants which are the owner, managers, shop managers, supervisors and employees who did complete the questionnaire. The method was cost effective and convenient in collecting data.

3.6.2 Structured Interviews

Structured interviews are one of the prominent methods used in data collection. Dhawan (2010) defined interview as a systematic conversation between two or more people initiated for getting information relevant to a specific study, it involves taking the respondent’s gestures, pauses and basically the facial expressions. In employing this data collection technique the following issues will be considered;
The costs associated with the appointment and getting the interview done.

To check if the time is available for the interviews.

To check if the respondents are giving honesty answers.

**Advantages of interview instrument**

- You get actual information required.

- You get quick responses.

- Additional information is obtained.

- The respondents can clarify their answers.

- Getting more information.

- You can obtain expert answers.

- Interview can accommodate all respondents in different situations.

**Disadvantages of interview as an instrument**

- Interviews are time consuming and costly.

- Other respondents can be biased thus affecting the data obtained.

- The way in which the interview is conducted, the way responses are captured and the inability for the respondents to answer the interview questions.

**3.6.3 Secondary Data Collections**
The secondary data was carried out using the monthly management accounts and managers reports obtained from the Accounts Department and Human Resources Department. The information was used to measure the growth of the business from 2009 to 2012.

**3.7 Pilot Study**
A pilot is a small scale, trial run on the actual research undertaken. Dhawan (2010) postulated that a group of people similar to the study subjects should be tested in conditions similar to those that will be used in the actual research study. The pilot study was carried out to check the validity, reliability and content of the questionnaire
to check if the questions were understood. The researcher pre-tested the questionnaire in one of the First Pack Branches in Harare with Shop manager, and 8 other employees. The results of the pilot study allowed for the questionnaire to be refined and improved.

3.8 Ethical Consideration
Dhawan (2010) suggests that because of the nature of small businesses the owner-manager of the business is best suited to have a thorough knowledge of the business since they are involved in the growth of the business from the early stages. The employees and management would provide more information as the primary source. Before undertaking the study the researcher gained access to the individuals by having a meeting with the respondents. The management was informed about the nature of the study and its purpose also the benefits they would derive from the study. All the respondents were assured of safety, confidentiality and anonymity of the study being carried out.

3.9 Research Procedure
Data was collected using the identified instrument and the researcher distributed the questionnaire personally directly to the respondents and through email. The researcher gave the respondents 10 days to answer the questionnaire and immediately collected to maximize on return rate. The respondents in Kwekwe and Bulawayo received the questionnaires on email and were asked to send them back on time through email.

3.10 Data Analysis
Sachdeva (2009) postulated that in data analysis the initial steps include data tabulation and the selection and employment of appropriate summary statistics. This will be done to achieve easy understanding and interpretation of the data. Qualitative will be used to give a clear picture of the findings. The information collected will be analyzed through the use of graphs, pie charts, tables as far as the quantitative aspects are concerned for analysis purposes as well as making it easier to understand the detail.
3.11 Research Limitations
The researcher used different textbooks, journals and other credible academic sources. However, the list of references at the end is not an exhaustive but sufficient to shed light on the research topic. The dissertation is structured through a particular literature focus, which could vary depending on the literature sources employed.

Some employees were always pretending to be busy sometimes and thereby delaying the return of questionnaires. Some questions were incorrectly understood and answered, since there was no one to give some explanations or clarification. The researcher asked the respondents to answer any questions they did understand and the questionnaire was distributed earlier for them to study it before responding.

3.12 Chapter Summary
This chapter provided methodology used in this study. The research design, research philosophy, research strategy, population and sampling techniques, data collection methods, research procedures and research limitations were clearly stated. In this study both approaches of research philosophies and designs adopted.

The data collected was primarily based on personal responses and was collected through the research questionnaire. In this research a case study was adopted to gain intensive knowledge about the phenomenon and information was collected using the questionnaires, company management accounts reports were also used. The next chapter will present, analyze and interpret the data.
CHAPTER 4

RESEARCH FINDINGS, ANALYSIS AND DISCUSSIONS

4.0 Introduction

Chapter four presents the research findings, analysis and discussions of the study. These will be discussed in relation to the literature reviewed by the study.

4.1 Background Questions

4.1.1 Response Rate

Forty questionnaires were given to the respondents and 34 of those were answered and handed to the researcher. The response rate was 85% and it is ideal to validate the findings of the study. Saunders (2008) postulated that a response rate of more than 50% would warrant validity of the study findings.

4.1.2 Position of the respondent in the organization

Figure 4.1 below is a representation of the respondent’s position in the organization.

![Figure 4.1: Position of the respondent in the organization](image)

Figure 4.1 shows that 21% of the respondents were senior managers. They are senior managers in the organization given that the study wants to establish the influence of the owner-manager on business growth; these respondents would give more relevant and valuable information about the business. It was also revealed that 21% were shop managers, 9% were supervisors and 50% were ordinary employees. This means that all the levels of employees in First Pack responded to the study
which shows that the data required will be useful and the study can be accepted and generalization about the owner-managers can be made.

4.1.3 How long have you been employed in the organization

Figure 4.2 below is a representation of the period of employment of the respondent in the organization.

Figure 4.2: Period of employment at First Pack

Figure 4.2 shows that 67% of the respondents had served the organization for 1 to 5 years and 23% are less than 1 year old in the organization. Of the respondents only 10% had worked for the organization for a period of 6 to 10 years which shows that First Pack has been facing high labor turnover. This show there is no stability in terms of employees they are always leaving the organization the owner-manager and the management needs to do something to retain the employees.
4.1.4 Respondent’s Gender

![Gender Distribution](image)

**Figure 4.3: Respondent’s Gender.**

The above figure shows that 65% of the respondents were males and 35% were female respondents.

4.1.5 Age of the respondents

![Age Distribution](image)

**Figure 4.4: Age of the respondents**

Seventy-nine percent (79%) of the respondents were less than 30 years which shows that the company has got a young and energetic workforce. Of the remainder 18% were between 31 and 40 years and 3% more than 51 years and this basically shows bulk of the respondents do not have the work experience given that they are less than 30 years.
4.1.6 Qualifications of the respondents

Figure 4.5 shows the qualifications of the respondents

![Figure 4.5: Qualifications of the respondents]

The Figure 4.5 shows that 50% of the respondents are Ordinary Level holders and 12% hold the Advanced Level certificate. Furthermore on educational attainment 25% hold certificate and a diploma whilst 9% of the respondents are Graduates and 4% hold a postgraduate certificate.

4.2 How owner-managers do strategy and whether they do follow the strategic management process.

4.2.1 Does the company do strategic business planning?

The figure below shows the participant’s opinion if the company does strategic planning.

![Figure 4.6: Whether the company does strategic business planning]
The results in the Figure 4.6 above reveal that 43% of the respondents do not know whether the company does strategic planning. Only 37% are aware of the strategic business planning in the company and 20% not sure.

Azhdar (2009) postulated that usually owner-managers do not undertake strategic planning with all the workers and sometimes the owner-manager does his own strategic planning with the help of friends and relatives. The owner-manager needs to do strategic planning with the workers and involve them in the strategic planning process.

4.2.2 Does the owner manager share strategic ideas with the workers

<table>
<thead>
<tr>
<th>Does the owner-manager share strategic ideas with the workers?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not Sure</td>
</tr>
<tr>
<td>No</td>
</tr>
<tr>
<td>Yes</td>
</tr>
</tbody>
</table>

Figure 4.7: Whether the owner-manager shares strategic ideas with the workers

Eighty six percent (86%) of the respondents indicated that the owner-manager does not share his strategic ideas with the employees as shown in Figure 4.7, 13% shared with the owner manager, which shows the owner-manager does not share the strategic ideas with his staff.

The study established that the owner-manager does not share his strategies with the employees. Stonehouse and Pemberton (2002) noted that there is a tendency by owner-managers to come up with their personal strategies which are based on personal values, background, experiences, influences which are kept personal and not reviewed to the employees.

4.2.3 Does the company have short and long term strategies
The following figure 4.8 shows the opinions of the respondents on whether the company does have the short and long terms strategies

![Figure 4.8: Whether the company has short and long term goals.](image)

Seventy two percent (72%) of the respondents do not know about the short and long term strategies of the First Pack whilst 22% are aware of the strategies. This suggests that maybe top management is only aware of the short and long term strategies of the company.

This is in line with what Azhdar (2009) asserted that owner-managers strategies are usually short term and informal. For the company to grow it needs short and long term strategies which are well detailed and well known by the employees. This helps the organization in planning for the future and for growth purposes.

### 4.2.4 Does the owner-manager engage consultants in carrying out strategies or the ZNCC, Government, SEDCO.

The below figure 4.9 shows the opinion of respondents whether the owner-manager engages consultants in carrying out strategies.
Figure 4.9: Whether the owner-manager engages consultants in carrying out strategies.

About 70% of the respondents are not aware of the owner-manager engaging external consultants. Whilst 21% knew that the owner-manager engages external consultants and this was good for business. It now depends whether these external consultants were friends, SEDCO, ZNCC or SME organizations. The owner-manager to grow the business should not only rely on his own personal knowledge but also needs to get additional strategies and information to grow the business from consultants. These lobby groups like ZNCC, SME organizations do share vital information which is ideal for the business to grow. The organizations like SEDCO also offer free trainings for owner-managers and they can also avail finance to grow the business.

4.2.5 As an employee do you contribute to company strategies?

Figure 4.10: Whether employees contribute to company strategies

As shown in Figure 4.10, 78% of the respondents do not contribute to the company strategies whilst 22% contributed to the strategies of the firm. It is in agreement with literature as noted by (Thompson, 1999) that owner managers strategies are informal and individually based, no structures to formulate the strategies. This means
the owner managers should have the structures which makes it easier for employees to contribute to the company strategies. Some of the employees do have good strategies which they do need to contribute to the organization but if not given the room to contribute to the growth of the company, it would also affect the morale of the individuals.

4.2.6 Does the company have a formalized structure?

![Figure 4.11: Whether the company has a formalized structure.](image)

Of the respondents 53% do not believe that there is formalized structure and 45% say there are formal structures at the company. This shows that the company might have formal structures which are not so clear to the employees. The owner-manager shows he is still in control of the organization which needs to be formalized and grow the business. The organization needs formal structures which are well understood by the employees so that communication and the span of control are well understood by the employees. These structures in the organization need to be well understood by the employees.

4.2.7 Does the firm have scheduled times for strategic formulation and reviews?
The researcher gave the respondents a question about strategic formulation and reviews and 91% said no they do not even know about these and 3% agreed that they do formulation and reviews and 5.6% is not even sure if these issues do exist at the company.

This basically shows that the process of strategic formulation and reviews might not even be followed in the organization the owner managers as shown by 90% of the respondents who said no. Beaver (2007) highlighted that the owner-managers usually highlight the issues to do with lack of time and resources to undertake the strategic formulation and controls. Given that he relies much on his own strategies and his own personal ideas and goals are used in the formulation of the strategies by the owner managers. The assessment of the strategies is not usually undertaken by the owner-manager citing several reasons like time, resources, fear of the unknown and not willing to share with the subordinates (Beaver, 2007). This area of strategic formulation and control is very critical for the organization to grow. The owner-manager needs to incorporate these so as to grow the business with the help of the ideas from management and employees.

4.2.8 Does the organization follow the strategic making process-please explaining brief?

About 76% the respondents said no that the company does not follow the strategic planning process. Eighty three percent (83%) of these respondents felt that the owner-manager to involve the management more in the strategic making process and also the employees so that it can be undertaken and followed. The strategic management process is very critical for the owner-managers to follow so as to write
down the agreed set goals and objectives then formulate the strategies towards those goals. At the end of the day strategic control is very important in the sense that performance is monitored and against the desired goals. Stonehouse and Pemberton (2002) postulated that strategies of owner-managers are based on the reactions to the day-to-day operations of the company. Thus to avoid that the owner-managers as noted by the respondents that they do not undertake the strategic process it is very vital to start the process with the assistance of the management and employees and also involving the employees from different departments.

4.3 To establish the owner-managers leadership style on business growth and the degree of delegation in the organization

4.3 How best can you describe the leadership style at First Pack?

![Figure 4.13: Leadership style at First Pack](image)

About 67% of the respondents revealed that the leadership style used by the owner-manager at First pack is autocratic. Only 25% of the respondents indicated that the owner-manager was a democratic leader, whilst 3% said the leader used the laissez-faire type of leadership and 5% was transformational or transactional leader.

The leadership style used by the owner-manager can affect the growth of the business as noted by (Bass, 1990) that leaders have the sole responsibility for the failure or success of the business. Usually the growth of a small business is
associated with the leader thus as noted by the respondents the 67% of being an autocratic leader is not ideal for the business given that it affect business and 25% democratic. This type of leadership of not consulting usually leads to employees not accepting the orders sometimes. It is more reliant on the owner-manager and if he falls ill the decisions have to wait until he comes back. Thus it is ideal for the owner-manager to avoid this type of leadership. They should learn to consult the team members and allow being challenged in meetings for the good of the business. The leader needs to be democratic so as to allow full participation of the team members and encourage them to make their own decisions which are growth oriented and lead to company growth. Great leaders would inspire and stimulate the employees to show what they are worth in the organization. The company would definitely grow if the leader uses both transformational and transactional leadership style. As highlighted that the leaders need to have faith in their employees and encourage the subordinates to pay attention to detail.

4.3.1 Do operations of the company stop when the leader is away?

The figure below shows if the operations have to stop when the leader is away.

![Bar chart showing operation stop when leader is away](image)

**Figure 4.14 Whether operations of the company stop when the leader is away.**

From the results shown in Figure 4.14 it shows that 75% of the respondents are saying the operations of the company do not stop if the owner-manager is away. Whilst 25% is saying some of the operational issues need to be done by the owner-manager.
The business need not to stop when the leader is away as noted by (Inkoun, 2003) in Ghana that most of the owner-managers are responsible for all decisions and subordinates have to wait for them if not around for decisions. Which means this situation is not ideal for business like what is happening at First Pack the business needs to continue even if the owner-manager is not around, the management should make their own decisions for the good of the business.

4.3.2 Does the owner-manager delegate authority to the managers?

![Graph showing delegation of authority](image)

**Figure 4.15: Whether the owner-manager delegate authority to the managers**

Delegation of duties and responsibilities is very critical for organizations; from the Figure 4.15 shown above 71% of the respondents said the owner-manager does not delegate authority to the management and 29% said he does delegate authority to the responsible managers.

As noted by (Meers & Robertson, 2007) the owner-managers fail to grow the business because of the failure to delegate authority to professional managers. They do fear failure by managers to execute the tasks, lack of competent managers, fear of the loss of control of the business and lack of time to give tasks to managers (Mukhtar, 2002). Thus it is ideal for the owner-manager to delegate tasks to the managers so that he can find time to think of strategic issues so that he does not concentrate on operational issues which can be resolved by the management.

4.3.3 What needs to be done in terms of leadership style and delegation of authority in First Pack.
Eighty two percent (82%) of the respondents noted that the leader needs to move away from being an autocratic leader and become a democratic leader who gives his management and employees room to give their views. The owner-manager needs to give his subordinates the autonomy to make their own business decisions. 55% of the respondents recommended transactional and transformational leadership style as the ideal for the business. Seventy percent (70%) of the respondents also encouraged the leader to delegate the authority to the management for them to run the business. They said he should concentrate more on strategic issues than spend much of his time operational issues which can be resolved by the managers (Beaver, 1997). The professionals need the room to execute their duties without too much interference and they need to be given that autonomy.

4.4.0 To present the importance of personal objectives in the decision making process of a business.

4.4.1 Do managers make their own decisions without interference from the owner-manager?

![Figure 4.16: Whether managers make their own decisions without interference from the owner-manager](image)

Eighty seven percent (87%) of the respondents indicated that managers do not make their own decisions without interference from the owner-manager. Whilst 13% of the respondents said they make their own decisions.
This implies that the decision making by the owner-manager is more concentrated on him, as noted by the 87% of the respondents that the management does not make their own decisions without interference from the owner-manager. This is supported by (Mazzarol, 2004) that in big organizations decisions comes from the board, management, staff and consultants unlike the owner-managers who make all decisions. The owner-manager needs to give the managers the autonomy to make their own professional decisions without too much interference from him they only need to consult him on policy issues and on critical decisions. The success and growth of the organization depends on these decisions made by the owner managers thus the management should contribute a lot on decision making. They should try to go through the process of decision making and involve the management and employees so as to get the best decisions of the organization. This involvement of owner-managers, management and employees would lead to the organization’s growth.

4.4.2 Who is involved in making the major decisions in the company?

![Figure 4.17: Whether managers are involved in making the major decisions in the company.](image)

Figure 4.17 shows that 94% of the business decisions come from the owner-manager he is involved in most of the decisions. As for the remaining 6% of the respondents said management are also involved in decision making.

The owner-managers usually do not involve the employees and management in decision making. Like what (Mbogo, 2011) highlighted that more than 80% of the owner-managers made most of their decisions without employee involvement and employees were not allowed to make decisions in Nigeria. Thus it is very important
for owner-managers to involve their employees and managers in decision making so that they can make good and informed decisions. The owner-manager makes most of the decisions based on his personal objectives which he needs to accomplish.

4.4.3 Does the owner-manager make all the business decisions?

Ninety four of the respondents indicated that the owner-manager makes all the business decisions and 6% said he does not. This shows that decision making in the company is more centered on the owner-manager.

The majority of the respondents (94%) indicated that all the business decisions are made by the owner-manager. As (Cragg & King, 2008) noted that owner-managers creates the goals and undertakes the management process and make his own decisions without consultation of the management.
4.4.4 How is First Pack currently being managed?

Figure 4.19: How is First Pack Currently Being Managed

Figure 4.19 shows that 94% of the respondents said that the owner-manager is currently running the affairs of the business and 6% of the respondents claimed that the management was being consulted in running the business by the owner-manager.

The result implies that the owner-manager is involved in everything which is being done at the company. Management does not contribute much to the running of the affairs of the organizations (Fillion, 2002). This will affect growth of the company the owner-manager needs to involve management in all aspects of running the business and leave them to make all critical decisions in the operational issues. The owner-manager needs only to monitor management were they need his input rather than for him to run the affairs of the business.
4.5 How personal characteristics of an owner manager that affect growth of business.

4.5.1 Educational background is one of the owner-managers characteristics that influences growth of the company

Of the respondents, 88% agreed that educational background does influence the growth of the business, 6% of the respondents were neutral on education as an influence on business growth and 6% disagreed that education does influence business growth.

This implies that education is an ideal weapon for business because you need some form of understanding the business and calculating the numbers. Education plays a critical role as noted by (Woldie et al., 2008) that it provides numerical and literacy skills also the analytical skills problem solving skills. With the dynamic business environment we are experiencing it would require an educated owner-managers who can also cope with that environment. The owner-manager needs to attend managerial trainings offered by different organizations such as ZIMA, IPMZ, ICAZ, ZIPAM to name a few for further education.
4.5.2 Age is the one of the owner-manager characteristics that influences growth of the company

![Figure 4.21: Age of the owner-manager](image)

Sixty four percent (64%) of the respondents agreed that age of an owner-manager influences the growth of an organization and 36% of the respondents disagreed.

This implies that age is an important in the sense that young owner-managers still have the energy to run and are still success hungry, unlike old owner-managers. Reynolds (2000); Meredith (1997) & Storey (1984) all these authors agreed that young owner managers were more successful that old owner-managers. Whilst others disagreed some old owner-managers still grow their business. Thus there is still no set age in which you can be successful.
4.5.3 Gender is one of the owner-manager characteristics that influences growth of a business

![Bar Chart]

Figure 4.22: Gender is one of the owner-managers characteristics that influences growth of the company

Forty seven percent of the respondents agreed that gender plays a role in influencing the growth of an owner-managed business, 32% disagreed that it plays a role, 21% were undecided on issues to do with gender

Some respondents believe that male owner-managers are usually successful than female owner-managers. The literature is also still not conclusive on issues to do with gender to say male counterparts are usually successful than females than their male counterparts.
4.5.4 Experience of the owner-manager characteristics that influences growth of the company

Figure 4.23: Experience of the owner-manager influences growth of the company?

Figure 4.23 showed that experience of the owner-manager influences the growth of an owner-managed business with 90% of the respondents agreed and only 10% disagreed with the assertion. This in line with (Kolvereid, 1996) who postulated that previous experience was vital in terms of owner-managers being successful. The previous experience in terms of products, market knowledge, and understanding of the business assists in growing the business. The owner-manager as a former teacher ventured into stationery products and he knew what schools required in terms of stationery. Thus experience is very important.
Managerial skills are one of the owner-managers characteristics that influence growth of the company.

![Managerial skills chart](chart.png)

**Figure 4.24**: Managerial skills of owner-managers affect growth of the company.

Ninety four percent (94%) of the respondents agreed that owner-managers need the managerial skills to grow the business. Of the 94%, 55.9% strongly agree and 38.2% agree.

This implies that management is a critical issue in small business. As noted by (Inkoun, 2003) that owner-manager success is linked to managerial skills, it is of great importance for the owner-manager to be well qualified and be able to manage the professional running the business. Managerial skills contribute to the growth of the business given that management of the firm is done every day and the owner-manager should possess the skills and attend managerial training schools.
4.5.7 Personal Values and background is one of the owner-managers characteristics that influence growth of the company.

![Figure 4.25: Personal values and background of the owner-manager](image)

**Figure 4.25: Personal values and background of the owner-manager**

Figure 4.25 shows that 91% (58% strongly agree and 32.3% agree) of the respondents agree that personal values of the owner-manager and his background affects business. 9% of the respondents disagree.

The result implies that personal values of the owner-manager affect business in the sense that his decisions are based on his personal philosophy. Also his personal background affects business growth because it contributes to his motives and what he wants to achieve. Owner-manager’s personal values and goals are not usually separable with his personal goals (Thompson, 1999). Thus it is ideal for the owner-manager to separate his personal values from the business goals.
4.5.8 **Personal values that best describes the owner of the company and if they influence the growth of the company.**

**Table 4.1: Personal values that best describes the owner of the company and if they influence the growth of the company.**

<table>
<thead>
<tr>
<th>ITEM</th>
<th>YES</th>
<th>NO</th>
<th>NOT SURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creativity</td>
<td>94.1%</td>
<td>5.9%</td>
<td>0%</td>
</tr>
<tr>
<td>Integrity</td>
<td>15.6%</td>
<td>80</td>
<td>4.4%</td>
</tr>
<tr>
<td>Responsibility</td>
<td>88.2%</td>
<td>11.8%</td>
<td>0%</td>
</tr>
<tr>
<td>Commitment</td>
<td>94.2%</td>
<td>2.9%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Trust</td>
<td>25.4%</td>
<td>74.6%</td>
<td>0%</td>
</tr>
<tr>
<td>Professionalism</td>
<td>26.2%</td>
<td>73.8%</td>
<td>0%</td>
</tr>
<tr>
<td>Respect</td>
<td>91.2%</td>
<td>8.8%</td>
<td>0%</td>
</tr>
<tr>
<td>Team work</td>
<td>81.2%</td>
<td>18.8%</td>
<td>0%</td>
</tr>
</tbody>
</table>

From the results in the table above it is reviewed by the respondents that

Ninety four percent (94.1%) respondents believe that the owner-manager is creative and 6% disagrees. Eighty (80%) of the respondents say he lacks integrity, 16% disagrees whilst 4% is neutral. Eighty eight percent (88%) of the respondents say the owner-manager is responsible and only 12% disagree with them.

Ninety four percent (94%) respondents believe he is committed to the business and 3% disagrees with that whilst 3% are not sure. Seventy five percent (75%) believes he does not trust his subordinates and 25% say he trusts them. 74% say he is not professional and 26% of the respondents believe he is professional.

Ninety one (91%) of the respondents believes he respects his subordinates whilst 9% disagree to that assertion. Eighty one (81%) believes that he encourages teamwork and 19% of the respondents do not believe that he encourages teamwork.
From the results discussed above one can say that the owner-manager does have some good personal values which contribute to business growth like creativity, commitment, respect and teamwork. As noted by (O’Farrell & Hitchins, 2002) values like creativity, commitment and teamwork contribute to business growth. The employees would then learn from the owner-manager and teamwork is very crucial for a business to grow. Some values like integrity, trust and professionalism the owner-manager needs to work on it so as to improve so that the employees would trust him. Integrity is now a tropical issue on corporate governance and professionalism. Thus the owner-manager needs to work on it.

4.5.8 Entrepreneurial orientation and innovation is one of the owner-manager characteristics that influences growth of the company.

![Entrepreneurial orientation and innovation is one of the owner-manager characteristics that influences growth of the company.](image)

**Figure 4.26: Entrepreneurial orientation and innovation**

Bulk of the respondents (88%) agreed that entrepreneurial orientation and innovation plays an important role in growing the business. Of these respondents 12% disagreed with this notion.

Risk taking, creativity, aggressiveness of the owner-manager also contribute to the growth of the business (Lumpkin & Dess, 2011). As noted in the study it is of great importance to be a risk taker and being creative in growing the business. The dynamic business world needs owner-managers who are creative and bring in new ideas.
4.5.9 Does innovation come from the owner-manager?

Figure 4.27: Whether innovation comes from the owner-manager.

Innovation is said to be coming from the owner-manager as noted by 79% of the respondents and 21% of the respondents said innovation does not come from the owner-manager.

As noted by the respondents, growing organizations need innovative ideas from employees, management and the owner-manager. As noted by (Chu, 2008) successful owner-managers need innovative ideas, innovative problem solving, innovative products and services. Thus for the owner-manager to provide all these on his own it is impossible thus it is encouraged to have these innovative ideas from everyone in the organization for it to grow.

4.5.10 How best can you describe your innovation issues at First Pack

Seventy six percent (76%) of the respondents claimed that innovation comes from the owner-manager at First Pack and the ideas from other employees are not taken into consideration they are ignored. Eighty four percent claimed that employees and management do not forward their new ideas because they are not accepted by the owner-manager. The recommendation coming from the 60% of respondents was that the owner-manager needs to encourage and accept fresh innovative ideas from his subordinates. Ninety percent (90%) recommended extra remuneration for employees who come up with the best innovative ideas which can be used to grow the business.
4.6 Challenges faced in owner-manager business operations.

4.6.1 At First Pack there is lack of clear division of activities and duties

The figure below shows the opinions of the respondents on division of labor activities and duties

![Bar chart showing responses to division of activities and duties](image)

**Figure 4.28: At First Pack there is lack of clear division activities and duties**

From the results in the figure 4.28 above 91% of the respondents agreed that there is no clear division of activities and duties whilst 6% disagreed and 3% were neutral.

The results shows the owner-managers is not willing to relinquish some duties to the manager to have clear division of activities and duties. Thus it is proper for the owner-manager to have clear division of activities and duties.
4.6.2 There is a high employee turnover rate at First Pack

![Chart showing employee turnover rates at First Pack]

**Figure 4.29: Whether there is a high employee turnover rate at First Pack**

Ninety seven percent (97%) of the respondents agreed that there was high employee turnover in the company and 3% disagreed. Of the 97%, 82.4% strongly agree and 14.7% agree to the statement.

This implies that the company is losing employees to competitors. This is not a good situation because the business needs stability and when losing employees it means every time people are on training, developing new workers. Inkoun (2003) noted that owner-managers were failing to retain skilled staff thus it is very critical to retain staff in a small business so as to be stable and have continuity in terms of business growth.

4.6.3 At First Pack there is lack of trained and experienced employees

![Chart showing lack of trained and experienced employees at First Pack]

**Figure 4.30: Whether there is lack of trained and experienced employees**
Eighty eight percent of the respondents agreed that there is lack of trained and experienced employees. Whist 9% disagreed and 3% of the respondents were neutral.

The results suggest that the owner-manager needs to have more experienced employees and those joining need to be trained. The business for it to grow needs qualified and experienced personnel. The findings support empirical work from (Lin, 1998 & Mazzarrol, 2004) who claimed that owner-managers lack skilled employees and lack of training for these employees. The company needs to retain the skilled staff and send employees to different trainings for the business to grow.

4.6.4 There is no dependence on family and relatives for labor at First Pack

![Graph showing the percentage of responses regarding dependence on family and relatives for labor.](image)

**Figure 4.31: Whether there is no dependence on family and relatives for labor.**

Fifty eight percent (58%) of the respondents agreed that there is some dependence on family and relatives for labor and 42% disagreed to this statement. Of the 58%, 20.4% strongly agree and 38% agree. Of the 42%, 6% disagree and 35.6% strongly disagree.

From the results one can see that there are some relatives employed in the organization. Inkoun (2003) noted that owner-managers in Nigeria relied more on friends and relatives for labor. This is not ideal for the business it needs to be run by professionals as the family members are not qualified enough to run the business.
4.6.5 The owner-manager does not affect business growth at First Pack.

Figure 4.32: Whether the owner-manager does not affect business growth at First Pack.

From Figure 4.32 above it is shown that 62% of the respondents agreed that the owner-manager is affecting growth of the business and 38% of the respondents disagree to the assertion.

From the results above it is shown that the owner-manager does affect the business in terms of his decisions, leadership style and managerial skills. This is also well spelled in literature that the owner-manager can hamper the growth of the business. Thus what is required in First Pack is for the owner-manager to let the professionals run the business on his own behalf and let the business grow.
4.6.6 Challenges faced by the owner-managers

Table 4.2 Challenges faced by the owner-managers

<table>
<thead>
<tr>
<th>CHALLENGES FACED BY BUSINESS OWNERS</th>
<th>YES</th>
<th>NO</th>
<th>NOT SURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor management</td>
<td>93.2%</td>
<td>6.8%</td>
<td>0%</td>
</tr>
<tr>
<td>Poor accounting standards</td>
<td>45%</td>
<td>65%</td>
<td>0%</td>
</tr>
<tr>
<td>Shortage of skilled manpower</td>
<td>97.1%</td>
<td>2.1%</td>
<td>0%</td>
</tr>
<tr>
<td>Lack of finance</td>
<td>98.1%</td>
<td>1.9%</td>
<td>0%</td>
</tr>
<tr>
<td>Financial indiscipline</td>
<td>61.1%</td>
<td>38.9%</td>
<td>0%</td>
</tr>
<tr>
<td>Corruption</td>
<td>42.9%</td>
<td>57.1%</td>
<td>0%</td>
</tr>
<tr>
<td>Low productivity</td>
<td>51.2%</td>
<td>48.8%</td>
<td>0%</td>
</tr>
<tr>
<td>Lack of training</td>
<td>87.1%</td>
<td>12.9%</td>
<td>0%</td>
</tr>
<tr>
<td>Lack of access to markets</td>
<td>62.2%</td>
<td>37.8%</td>
<td>5.9%</td>
</tr>
<tr>
<td>Obsolete technology</td>
<td>97.1%</td>
<td>2.9%</td>
<td>0%</td>
</tr>
<tr>
<td>Poor infrastructure</td>
<td>3.1%</td>
<td>96.9%</td>
<td>0%</td>
</tr>
<tr>
<td>Tax evasion</td>
<td>9%</td>
<td>89%</td>
<td>2%</td>
</tr>
<tr>
<td>High cost finance</td>
<td>94.3%</td>
<td>4.7%</td>
<td>1%</td>
</tr>
</tbody>
</table>

From the table the results are shown that most of the challenges The majority of the respondents (93.2) agreed that there is poor management in the organization and 6.8 said no. The other 65% said there is no poor accounting standards whilst 45% said there is poor accounting. Ninety seven percent (97%) said there is shortage of skilled manpower and 3% of the respondents disagreed with that assertion.

Ninety eight percent (98%) said there is lack of finance and only 2% said there is no such problem of finance at First Pack. Fifty seven percent (57%) of the respondents
said there is no corruption and 43% said there is corruption in the organization. Of the respondents 51% said there is low productivity whilst 49% disagreed. Eighty seven percent (87%) of the respondents agreed that there is lack of training and 13 percent said no to that assertion.

Sixty three (63%) said there is lack of access to the markets and 37% disagreed. 97% said there is obsolete technology and 3% were against that. 97% said there is no poor infrastructure whilst 3% said there is poor infrastructure.

From the above challenges it is evident the company is facing different challenges this is also noted in literature (Esienhard & Schoonhoven, 2002) postulated that owner-managers in Nigeria faces different obstacles including poor managements, poor accounting, corruption, lack of finance, lack of qualified employees, old technology, high costs of finance and poor infrastructure.

The owner-manager needs to bring in more partners to increase the capital requirement of the company. The Finance Manager needs to have the powers to control the finance without too much control from the owner-manager. Corruption is a crime in Zimbabwe so it needs to be avoided in the company even though only 43% said there is corruption it should not find room in the organization (Table 4.2). Productivity in the firm is very low it needs to be increased so as to grow the business. We are now living in an ever changing world of technology First Pack should in forefront in terms of technology. The owner-manager should work hand in hand with Sales and Marketing so as to access new markets even the export market is available. The respondents said infrastructure is great at First Pack there is no problem of the working environment. As for tax evasion it is not found in the organization it means taxes are being paid. The problem of high costs is being faced everywhere is also faced by First Pack, the owner-manager should try to access offshore accounts for borrowing. Thus some of the challenges faced by owner-managers are not faced by First Pack.

4.6.7 Other challenges specify

The respondents highlighted the following challenges

- Low salaries (90% of the respondents)
• Poor accounting system (85% of the respondents)
• Poor motivation of staff (86% of the respondents)
• Poor corporate governance (76% of the respondents)
• Employee continuity (87% of the respondents)

4.6.8 What needs to be done to avoid these challenges

Ninety percent (90%) of the respondents recommended the owner-manager to relinquish his powers and also have a board of directors whom he will also be answerable to. Others said he should reduce his shareholding given that he owns 90% thus his decisions can go unquestioned. Employee motivation and remuneration was highlighted again that it plays a critical role in retaining the key staff. Seventy two percent (72%) of the respondents said the owner-managers need to be empowered in running the business.

4.6.9 Are some of these challenges caused by the owner-manager?

Figure 4.33: Whether some of the challenges caused by the owner-manager.
Eighty five (85%) of the respondents are saying some of the problems faced by the organization are caused by the owner-manager. 15% said he is not the one who causes the challenges in the business.

Fillion (2002) postulated that some of the challenges are caused by the owner-manager who is at the top of the organization. Some of these challenges can be avoided if the owner-managers are willing to avoid them. Some like financial indiscipline, corruption, employee turnover can be avoided by little remedies like doing the proper things and remunerating the employees accordingly.

4.6.10 Business performance trends for First Pack for the past 3 years in terms of growth.

Table 4.3: Business performance trends for First Pack for the past 3 years in terms of growth.

<table>
<thead>
<tr>
<th>ITEM</th>
<th>UP</th>
<th>SAME</th>
<th>LOWER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees</td>
<td>0%</td>
<td>8.8%</td>
<td>91.2%</td>
</tr>
<tr>
<td>Financial position</td>
<td>13.6%</td>
<td>82.4%</td>
<td>4%</td>
</tr>
<tr>
<td>Profitability</td>
<td>10.6%</td>
<td>0%</td>
<td>89.4%</td>
</tr>
<tr>
<td>Sales turnover</td>
<td>5.6%</td>
<td>79.4%</td>
<td>5%</td>
</tr>
<tr>
<td>Assets</td>
<td>11.8%</td>
<td>88.2%</td>
<td>0%</td>
</tr>
<tr>
<td>New orders</td>
<td>11.8%</td>
<td>70.8%</td>
<td>17.4%</td>
</tr>
<tr>
<td>Increase in product lines</td>
<td>5%</td>
<td>67.3%</td>
<td>27.7%</td>
</tr>
</tbody>
</table>

From the results shown above the respondents noted that, Ninety one percent (91%) of the respondents said the number of employees has dropped and 8.8% said it’s still the same compared to the previous years. Eighty two percent claimed the financial position is still the same and 14% percent claimed it had increases and 4% said its lower. On profitability, 89% respondents believed it is now lower and 11% claimed it has gone up, 79%
said sales are still the same from 2009 to 2012, 6% said they were up and 5% said they were lower (Table 4.3)

Eighty eight percent (88%) of the respondents said the assets are still the same and 12% claimed they were up from 2009 and 71% of the respondents believed that orders had increased, 17% lower and 12% claimed new orders had increased. About 67% respondents said product lines were still the same, 28% said they were up and 5% claimed they were now lower.

From the results discussed above it is clear that things have been stagnant in the organization. The financial position was still the same, sales turnover has not increased for the past 3 years, assets have remained at the same point and product lines have not been increased they are still the same. Profitability is even believed by the respondents that it has gone down and number of employees has also gone down which shows the company is losing employees to competitors. Thus to increase all these things the owner-manager now needs to engage the employees and management and work together so as to have common goals and work together. It has reached a stage whereby the owner-manager needs to have the business taken by the professionals and grow the business to the next level of being a corporate company.

4.6.11 What needs to be done by the owner-manager and management at First Pack to grow the business?

About 89% highlighted that the management and employees need to be remunerated accordingly so as to reduce employee turnover. Around 86% noted that management needs to be accommodated in running the business and making the decisions of the company. Seventy nine (79%) of the respondents noted that the owner-manager needs to leave the company in the hands of management running the operational issues and he should come in on an advisory role. The owner-manager was said to be more involved in all issues pertaining the running of the business thus he should move on and let the management run the business.
4.6.12 Do some of these affect the growth of the business

As noted by 85% of the respondents said that they can affect business growth when the owner-manager knows that he has achieved what he would have wanted to achieve. As noted by (Stefanovic et al., 2010) that owner-managers start businesses for different reasons like for extra income, autonomy, work flexibility, to change personal lifestyle, job security and making more money. Thus the respondents said these reasons which made the individual to start the business may be achieved before the business grows which the owner-manager would have achieved what he wanted thus he would not be concerned with the goals and achievement of the business. He would have made his money and changed his lifestyle, thus it is very important for the owner-manager to achieve his personal goals but not at the expense of the business.

4.7 Chapter Conclusion

The research findings were presented in this chapter with reference to the literature reviewed. The results on the owner-managers strategic management issues and how it is undertaken was reviewed. The leadership style of the owner-manager, his personal characteristics, personal values and the challenges faced by the owner-manager in growing the business. All these results were meant to establish what needs to be done by the owner-manager to grow the business. The research results were taken from the instrument used by the researcher. The following chapter will present the conclusions, recommendations to the study and area for further studies.
CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction
The chapter presents the research conclusions from the findings of the study undertaken on the influence of the owner-manager on business growth. The recommendations on the conclusions of the study would be given to the owner-manager and management to grow the business. The chapter would then end in highlighting the area of further studies.

5.1 Conclusions of Findings
The research conclusions have been made using the research objectives

5.1.1 To investigate if owner-managers do strategy and whether they do follow the strategic management process.
From the findings it is concluded that the strategic management is carried out but the employees are not involved in making the strategies. The company relies more on the owner-manager for strategies and the strategic management process is not carried out accordingly. The strategic formulation, implementation and reviews are not done on time and there are no reviews carried out by management. This shows that if the strategic management process is done with the involvement of the employees and management the company has the potential to grow.

5.1.2 To establish the owner-managers leadership style on business growth and the degree of delegation in the organization
It is concluded from the findings that the leadership style used in First Pack was not appropriate for the organization. The respondents highlighted that the leader is more of an autocratic leader. The leader needs to consult the management and delegate some authority to the managers. Transformational leadership and being democratic were seen as the ideal leadership styles. Even though the respondents highlighted that the business operations do not stop when the leader is away it seems the powers are still in his hands and decide on everything which should not be the ideal situation.
5.1.3 To present the importance of personal objectives in the decision making process of a business.
From the findings it is concluded that the decision making in the business is more centred on the owner-manager and his personal objectives do affect the decisions for the business. The personal objectives are similar with the ones for the business. The owner-manager is making most the decisions he needs to give the management and employees room to give their own decisions. The professionals should be given the room to make their own business decisions.

5.1.4 To investigate the personal characteristics of an owner manager that affect growth of business.
The research concludes that personal characteristics like education, age, experience, managerial skills, entrepreneurial orientation and innovation do contribute to the growth of the business. The owner-manager needs to improve his managerial skills and the ability to be innovative in running the business given that we are now living in a dynamic world. Issues to do with Gender were seen that it does not affect the growth of the business an owner-manager can be male or female. As for the personal values such as creativity, hard work, commitment, teamwork, respect were seen as important for the business to grow. The employees would learn from the personal values of the owner-manager. The owner-manager needs to have the management skills and acquire more trainings to manage the growing business and encourage the employees to attend several trainings.

5.1.5 To assess the challenges faced in owner-manager business operations.
Findings obtained by the current research study concluded that the owner-manager is facing different problems that include high employee turnover, lack of qualified staff, lack of capital, lack of access to export markets and high costs of finance. The respondents also highlighted some challenges like low salaries, poor motivation of staff, and poor corporate governance as other problems faced by the owner-manager. These challenges were also noted in literature and the owner-manager needs to work with his management so as to avoid these challenges.
5.2 Research Proposition
The research objectives supported the proposition after the testing of the objectives in Chapter 4. This leads the researcher to accept the research proposition given the validation of the research objectives.

5.3 Recommendations

5.3.1: The owner-manager needs to implement strategic management process with his management, employees and do the reviews after implementation of the strategies. Consultations should be done from organisations such as ZNCC, ICAZ, IPMZ, CIS so as to get professional assistance than consulting friends and relatives. The owner-manager needs to concentrate on strategic issues and let the management concentrate on operational issues.

5.3.2: The owner-manager should take advantage of the opportunities in the growing ICT industry and new ICT products to grow the business.

5.3.3: The owner-manager should involve the management in all decision making and give them the autonomy to run the business without too much interference.

5.3.4: The business decisions should not be diluted by the personal goals of the owner-manager. The decision making process needs to be followed, the management given the room to come up with crucial decisions of the business.

5.3.5: The owner-manager needs to encourage training and development in the organization and need to acquire more of managerial skills so as to grow the business. Given the ever changing world the owner-manager needs to encourage innovative ideas in the business. Employees need to be encouraged and bring in new innovative, fresh ideas.

5.3.6: The owner-manager together with the management need to work on the improvement of the accounting standards, motivate their staff, improve on corporate governance, financially disciplined bring in new technology and improve on accounting systems and procedures.
5.3.7: New markets like the export market should be developed and grow the sales figures. The owner-manager should look for other finance avenues which are not very costly.

5.3.8: The owner-manager manager needs to delegate duties and authority to the management. The organization now needs a board of directors to work together with the owner-manager.

5.4 Areas of further research
The conclusion and recommendations to the study have shown that the owner-manager can influence the business in different ways and hamper the organization’s growth. The owner-manager who was analysed is only one for further research it requires more studies on many owner-managers in Harare in the SME sector and study how can be done so as to make them grow and avoid the challenges they meet on daily basis. The issues to do with corporate governance of owner-managers need to be also considered in future researches.
References


Appendix

Questionnaire
B203 Odzi Court
Eastview Gardens
Eastlea

30 December 2012

Dear Sir/Madam

RE: Master in Business Administration Research Questionnaire

The Researcher is a final student for a Graduate Degree in Master of Business Administration with the GSM, University of Zimbabwe. I am doing a research for my studies under the topic “An analysis of the influence of owner-manager on business growth: A case of First Pack Marketing: 2009-2012”. You are one of a small number of people who are being asked to give your opinion on this issue.

If you have any questions you wish to ask or there is anything you wish to discuss, please phone the writer on 077203837. All information you provide will be totally confidential and will not be disclosed to third parties without your permission. Thank you in advance for your assistance in this matter.

Yours faithfully

Munemo Charles
Master in Business Administration Candidate
Student No. R034182F
Questionnaire:

Section A Demographics

Please indicate your response by placing a tick for the following questions.

1. Please state your level or position in the organization
   a) Owner-Manager [ ]
   b) Top Management [ ]
   c) Shop Manager [ ]
   d) Supervisor [ ]
   e) Ordinary Employee [ ]

2. How long have you been in the organization?
   a) Less than 1 year [ ]
   b) 1 to 5 years [ ]
   c) 6 to 10 years [ ]
   d) 11 to 15 years [ ]

3. Please state you gender.
   a) Male [ ]
   b) Female [ ]

4. Please indicate your age.
   a) 20 – 30 years [ ]
   b) 31 – 40 years [ ]
   c) 41-50 years [ ]
   d) 51 and over [ ]

5. Your highest qualification
   a) Ordinary Level [ ]
   b) Advanced Level [ ]
   c) College Certificate and Diploma [ ]
   d) University degree [ ]
   e) Postgraduate degree [ ]
Section B: Data Gathering

6. Does First Pack take into consideration of the following strategic issues and do they affect the growth of the firm. (Please indicate by ticking the appropriate answer)

<table>
<thead>
<tr>
<th>STRATEGY</th>
<th>YES</th>
<th>NO</th>
<th>NOT SURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does the company do strategic business planning</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Does the owner-manager share strategic ideas with the workers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Does the company have long and short term strategies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Does the owner-manager engage consultants in carrying out strategies or ZNCC, Government or SEDCO</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As an employee do you contribute to the strategies of the company</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Does the firm has a formalized structure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Does the firm have scheduled times for strategic formulation and reviews?</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6b) Does the organization follow the strategic making process please explain in brief

........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
............

106
7. Do operations of the company stop when the leader is away  Yes [ ] No [ ]

8. How best can leadership at First Pack be described? (Tick your answer)
   Autocratic [ ]
   Democratic [ ]
   Laissez-Faire [ ]
   Transactional and Transformational [ ]

9. Does the owner manager delegate authority to the managers. Yes [ ] No [ ]

10. Recommendation on leadership style and delegation of authority in First Pack
    ………………………………………………………………………………………………………
    ………………………………………………………………………………………………………
    ………………………………………………………………………………………………………
    ………………………………………………………………………………………………………
    ………………………………………………………………………………………………………

11. Do managers make their own decisions without interference from the owner-manager Yes [ ] No [ ]

12. At First Pack who is running the business? (Indicate by a tick on your answer).
   Management [ ]
   Owner [ ]
   Both [ ]
13. Who is involved in making the major decisions in the company?

Management [ ]

Owner [ ]

Directors [ ]

Both [ ]

14. Does the owner-manager make all decisions?  Yes [ ]  No [ ]

15. How is First Pack currently being managed? (Please choose from the following list)

Solely by the owner-manager (one director) [ ]

Management with consultation of the director [ ]

By all directors equally [ ]

Family members [ ]

16. What is your recommendation for the decision making in First Pack explain in brief

...........................................................................................................................................................................

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....

...........................................................................................................................................................................

....
17. Which characteristics of the owner-manager influence the growth of the company? (Indicate your response by ticking in the appropriate box)

<table>
<thead>
<tr>
<th>LIKERT STATEMENTS</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
<td>Strongly agree</td>
<td></td>
</tr>
<tr>
<td>Educational background</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Experience</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managerial skills</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal values and background</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entrepreneurial orientation and Innovation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
18. Which personal values do you think best describes owner of the company and do you think they influence the growth of the company?

<table>
<thead>
<tr>
<th>Values</th>
<th>YES</th>
<th>NO</th>
<th>NOT SURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creativity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integrity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Responsibility</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commitment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professionalism</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Respect</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Team Work</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

19. Does innovation at First Pack come from the Owner-Manager?  Yes [ ]  No [ ]

20. How best can you describe innovation issues at First Pack and give your recommendation………………………………………………………………………………
……………………………………………………………………………………………..
……………………………………………………………………………………………..
……………………………………………………………………………………………..
……………………………………………………………………………………………..
……………….
21. Does the following issues affect the First Pack business and if so indicate with the following rating

<table>
<thead>
<tr>
<th>LIKERT STATEMENTS</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disagree</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neutral</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly agree</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At First Pack, there is lack of clear division of activities and duties.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>There is high employee turnover at First Pack</td>
<td></td>
<td></td>
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<tr>
<td>At First Pack there is lack of well trained and experienced employees.</td>
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<tr>
<td>There is no dependence on family and relatives for labour at First Pack.</td>
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<tr>
<td>The owner-manager does not affect business growth at First Pack.</td>
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</tbody>
</table>
22. Is First Pack facing the following challenges faced by owner-manager’s. (Indicate your answer by a tick)

<table>
<thead>
<tr>
<th>Challenges Faced by owner-managers</th>
<th>Yes</th>
<th>No</th>
<th>Not Sure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor management</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Poor accounting standards</td>
<td></td>
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<tr>
<td>Shortage of skilled manpower</td>
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<tr>
<td>Lack of finance</td>
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<tr>
<td>Financial indiscipline</td>
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<tr>
<td>Corruption</td>
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<td></td>
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<tr>
<td>Low productivity</td>
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<td></td>
<td></td>
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<tr>
<td>Lack of training</td>
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<td></td>
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<tr>
<td>Obsolete technology</td>
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<td></td>
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<tr>
<td>Lack of access to markets</td>
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<tr>
<td>Employee turnover</td>
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<td></td>
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<tr>
<td>Poor infrastructure</td>
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<tr>
<td>Tax evasion</td>
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<tr>
<td>High cost of finance</td>
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</tbody>
</table>

22b) Other challenges please specify

- ...........................................................................................................
- ...........................................................................................................
- ...........................................................................................................
- ...........................................................................................................
- ...........................................................................................................

23) What are your recommendations to First Pack owner-manager and management to avoid some of those challenges in brief

- ...........................................................................................................
- ...........................................................................................................
- ...........................................................................................................
- ...........................................................................................................

24. Are some of these challenges caused by the owner-manager?  Yes [  ]  No [  ]
What do you recommend to the owner-manager and management to grow the business in brief

26. Is there a teamwork culture at First Pack?  Yes [ ]  No [ ]

27. How is the business performance of First Pack compared to the last 3 years in terms of growth? (Please indicate by a tick)

<table>
<thead>
<tr>
<th>Item</th>
<th>Up</th>
<th>Same</th>
<th>Lower</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Financial position</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profitability</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales turnover</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>New orders</td>
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<tr>
<td>Increase in product lines</td>
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</tbody>
</table>

28. List any motives that you think led the owner-manager to start his business.
i. ..................................................
ii. ..................................................
iii. ..................................................
iv. ..................................................
v. ..................................................

29. Do some of these motives affect the growth of the business respond in brief
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Thank You for the Responses