
Interplay between entrepreneurial characteristics, organisational structure, corporate culture and SME performance: empirical results from Fiji Islands

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Abstract: This paper demonstrates how entrepreneurial characteristics, organisational structure and corporate culture combine synergistically within an eclectic framework of performance influenced by corporate growth, management's optimism and product diversification in small and medium enterprises (SMEs) in the Fiji Islands. Data analysis and key findings from a survey of 360 respondents indicate that performance of SMEs is neither influenced by the age nor the education level of the entrepreneur but rather

their gender and ethnicity. Competitor orientation contributes more to the performance of SMEs than customer orientation. The implications of these findings with respect to SMEs in Fiji are discussed.

Keywords: entrepreneurial characteristics; organisational structure; corporate culture; Fiji Islands.

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1 Introduction

The success or failure of small and medium-size enterprises (SMEs) rests in part on how entrepreneurs think, behave and act. Busenitz et al. (2003) make an insightful comment on this issue in their examination of trends and directions in entrepreneurship research. They argue that a cognitive perspective helps create a better understanding of why entrepreneurs develop the organisations that they do, with varying levels of success. They propose that the heuristic decision-making style of entrepreneurs might lead them to think in a less structured manner, resulting in them creating an organisation mirroring these characteristics. “A sense of self- efficacy and identity is a building block in developing entrepreneurial behaviour” (Warren, 2004). It might be assumed that a more structured organisation may not suit the purpose of entrepreneurship as it may constrain spontaneous action by entrepreneurs and limit the agility essential to a start-up firm. Flexibility can provide many advantages during the early stages of organisational development. However, as growth is sustained, what was once good for the organisation may no longer be so in the maturing stages. “Individual, environmental, level of knowledge and business strategy amongst other variables affect success outcomes for business” (Jakpar et al., 2012). Consequently, these authors propose that a rich area for future research is the interrelationship between entrepreneurial cognition and organising modes. The research is important because SMEs provide the majority of Fiji’s employment; their success could enhance economic growth and generate additional capital for large-scale operations. As Muma (2002) argues, SMEs contribute to self-sustained growth and the development of nations. For instance Silver and Vegholm (2009) emphasised that SMEs are the greatest profit opportunity for the banking industry in European markets. “Besides entrepreneurial competence, adequate government support, cultural factors often affects the quality of entrepreneurial activity in developing countries” (Ahmad and Xavier, 2011; Todorovic et al., 2007). Over the last two decades, SMEs have received considerable attention from researchers and policy makers around the world. The renewed interest in research is mainly attributable to the pivotal role of SMEs in economic development (Mitussis, 2010, Tarrow, 1994) “especially in developing countries.”

2 Theoretical perspective

Entrepreneurship research is a fertile field for scholarly activity in both developed and developing countries. Battisti and Peter (2011), “studied 841 small firms in New Zealand evaluating the relationship between business collaborations for the sake of building resource capacity.” A US study of successful entrepreneurs concludes that non-monetary features of entrepreneurial activities may be greater incentives to prospective small business starters and success is strongly associated with detailed planning (Alstete, 2008). A study from Finland concludes that the motives and goals of small business owners were not oriented towards growth but, rather to quality of life, job satisfaction and satisfied clientele (Reijonen, 2008). South Pacific Islanders considered good management skills, access to financing, personal qualities, and satisfactory government support the most critical success factors. A case study of a single firm in the Fiji Islands showed four key strategies leading to success: the deliberate ‘romancing’ and packaging of brands with the paradise island myth; the attraction of skilled expatriates; the ‘extended family’ in the context of employment relations; and the considerable cost savings and reduction of logistic problems via internet sales (Baldacchino, 1999).

It is important to highlight business outcomes (such as growth, diversification and optimism) as they provide an overview of firms’ success or failure. The determinants of growth and profitability in large firms are well-researched; this is not the case for SMEs. *Growth* is an indicator of business performance and is commonly used to measure profitability and sales turnover ratios. The *diversification*-performance relationship has been the focus of research in evaluating large-scale firms (Montgomery, 1982) but little is known about its application to SMEs. This study will therefore analyse the diversification-performance relationship in the context of SMEs in Fiji. O’Reilly et al. (1991) describe the external environment, organisation culture and individual factors related to the degree of optimism and pessimism that exist within a firm. Green et al. (2004) indicate that there is a positive link between entrepreneurial optimism and level of performance. While intuitively this notion appears logical, very little research has been done to verify it. The literature indicates that an extensive range of variables influence business performance.

The significant independent variables identified include: entrepreneurial characteristics, organisational structure and corporate culture. The purpose of this paper is to demonstrate how entrepreneurial characteristics, organisational structure and corporate culture combine synergistically in the broader context of growth, optimism and diversification. Consistent with Sadler-Smith et al. (2003), we propose that complex firm behaviour is shaped by the interaction of these three variables. The paper assesses the relative appropriateness of the use of entrepreneurial characteristics, organisational structure and corporate culture combinations in addressing complex business success and failure. It is anticipated that this research will help understand how performance is influenced due to the combination of these three variables.

3 Research setting

The setting of this study is the Republic of Fiji, a nation consisting of more than 300 small islands in the South Pacific. The population is concentrated on one of the three main islands, Viti Levu, which houses the capital, Suva. Fiji’s main industries are

tourism, sugarcane, and textiles but it has additional potential for small-scale enterprises in the areas of retail, service, agriculture, forestry, and fishing. One of the biggest impediments to economic growth is the ethnic tension between the two main population groups in Fiji: indigenous Fijians and Indo-Fijians (De Vries, 2002). The perceived economic successes and political aspirations of the Indo-Fijian population have created overt resentment in the indigenous Fijian population, which has resulted in four political coups: two in 1987, one in 2000 and one in 2006. The first three coups resulted in governments dominated by indigenous Fijians. The coups also had other repercussions; the 1987 coup, for instance, led to a reduction in overseas investments, a devaluation of the Fiji-dollar, falling foreign reserves, a reduction in export earnings, and a freeze by aid donors on future aid commitments. Following the 2006 coup, Commodore Frank Bainimarama is leading an interim administration backed by the military. It has been announced that elections will be held in 2014 (Fiji Live, 2010). Fiji's economy had a downward revision in Real Gross Domestic Product forecast for 2009 to a negative 2.5% (Reserve Bank of Fiji, 2009). The balance of payments came under severe pressure as foreign reserves levels fell to below two months of imports at around US\$ 250 million, due to lower export earnings, decline in remittances and decline in tourism receipts.

Indigenous entrepreneurship, however, is a new field (Dana, 2007; Naudé and Havenga, 2007) especially in developing countries such as Fiji Islands where, arguably, the ethnic tensions have been as a result of the underachievement of indigenous Fijians. Cultural norms, beliefs and values not only affect entrepreneurial success but also influence the economics success of business owners (Anderson and Dana 2007). Yet some researchers argue that entrepreneurial attitudes toward risk in decision-making may not be bound by culture (McGrath et al., 1992). Culture ultimately shapes customer orientation and is crucial in maintaining trust in relational paradigms in small business management. The individualism-collectivism cultural syndromes by (Triandis, 1996; Greenfield, 2000) discuss the impact of cultural differences on personalities which ultimately shape entrepreneurial behaviour and reactions; especially in response to economic and political disturbance.

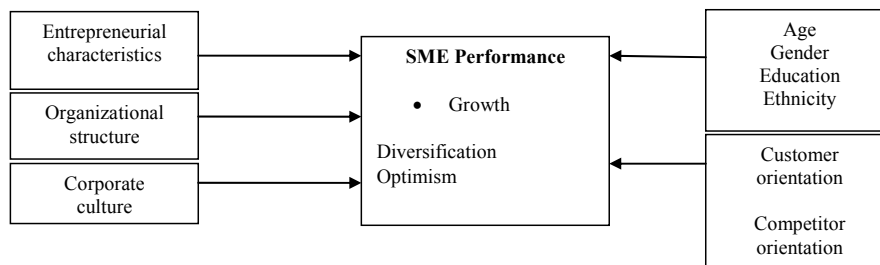
To restore the external balance of trade and improve economic growth, in April 2009 the Fiji dollar was devalued by 20% (Reserve Bank of Fiji, 2009). Thus, stimulating entrepreneurship has not only the prospect of stimulating growth in a fragile island economy; it is also likely to create a more balanced economic structure between the two groups and promote self-reliance of indigenous Fijians (Fairbairn, 1988). As far as Fiji is concerned, research on SMEs is scant. The literature survey failed to provide any evidence of substantive, methodologically sound, empirically reliable research on SMEs in Fiji. Confirming this assertion, Fiji's National Centre for Small and Micro Enterprise Development (NCSMED) indicated that the government had taken positive action in 2004 to streamline activities concerning small- and medium-sized businesses in Fiji.

4 Conceptual framework and hypotheses formulation

SME performance is affected by entrepreneurial characteristics, organisational structure and corporate culture. Based upon the research of Roakeach (1973), Bamberger (1983), Kotey and Meredith (1997), and Cooper (1998), a conceptual framework, shown in Figure 1, outlines the way in which these independent variables affect SME performance.

It highlights the impact of these independent variables on SME performance. Two additional variables, market orientation and customer orientation, are also considered for study.

Figure 1 Conceptual model of SME performance



Entrepreneurial demographic characteristics such as age, education, gender and ethnicity can influence the SME performance. Therefore a null hypothesis, as a test of independence, was formulated to see whether these factors influence performance or not (*Hypothesis 1*). The most common indicators to measure organisational structure are: firms' joint decision making committees, teamwork on projects, comprehensive control systems, procedures and policies (Ezzamel et al., 1996). There has been limited research on the effect of organisational structure on business performance. Ahmed (1998) argues that corporate culture nurtures innovation and is conducive to creativity. Based on the research of Walsh (1984) on culture, there are three dimensions: bureaucratic culture (i.e., power-oriented, structural and procedural); supportive culture (i.e., safe, equitable, collaborative and relationship-oriented environments); and innovative culture (i.e., dynamic, challenging and results-oriented) that will be used as measures of corporate culture in this study. There is significant correlation among these factors: entrepreneurial characteristics, organisational structure and corporate culture (*Hypothesis 2*). The extent to which entrepreneurial characteristics, organisational structure and corporate culture contribute to

- a the growth of the firm
- b the diversification plans of the firm
- c its optimism level will be tested (*Hypothesis 3*).

The marketing discipline has argued that creating satisfied customers (i.e., customer-orientation) should be the primary objective of a business. Traditional economic theory calls for firms to maximise shareholder wealth. However, managers often do not explicitly pursue the maximisation of profits (Mueller, 1992). Instead, they frequently make decisions in order to perform well relative to their competitors, which is referred to as having competitor-oriented objectives. We will therefore investigate whether competitor- and customer-orientation contribute (significantly or not) to

- a growth
- b diversification plans
- c optimism level (*Hypothesis 4*).

5 Methodology

A questionnaire-based survey was used to collect information from SMEs in the Fiji Islands. The Registrar of Companies Fiji accounted for 8,000 SMEs and the National Centre for SME accounted for 4,000 unregistered SMEs in the Fiji Islands in 2004. To save time and cost, we selected a sample of 360 SMEs from these 12,000, based on quota sampling (6% quota) within the administrative divisions (Suva City, Lautoka City, Nadi Town, Labasa Town and Ba Town) of the Fiji Islands. Within the 6% quota, we took a convenient sampling to select the respondents in each district. Table 1 shows the population and the sample selected for the study.

Table 1 Sample study sites

<i>Rank</i>	<i>Place</i>	<i>Administrative division</i>	<i>Estimated SME density (2004)</i>	<i>Sample size (6% of top 5 SME density areas)</i>
1	Suva	Central	2,000	120
2	Lautoka	Western	1,167	70
3	Nadi	Western	833	50
4	Labasa	Northern	1,168	70
5	Ba	Western	834	50

Source: Registrar of Companies Fiji and National Centre for Small and Micro Enterprise Development (2004)

The questionnaire which was adapted for this research included an array of variables that were tested and validated in prior research by Kohli and Jaworski (1990) and Narver and Slater (1990). The questionnaire covered six areas:

- 1 demographic and industry/business information
- 2 industry structure
- 3 critical problem areas
- 4 entrepreneurial characteristics
- 5 organisational characteristics
- 6 general management topics
- 7 customer and competitor orientation.

These measures were consistent with the research objectives and the hypotheses. Potential respondents were approached in their business locations and questionnaires used to register their responses. Use of convenient sampling approach yielded a 100% response from the 360 respondents. As it was convenience sampling, we made an effort to have equal distribution of females and males and an equal distribution of Fijian and Indo-Fijian respondents.

5.1 Reliability tests

Reliability tests for internal consistency, using Cronbach's alpha (Cronbach, 1951) as shown in Table 2, was carried out. Nunnally (1978) states that newly developed measures

can be accepted with $\alpha \geq 0.6$, otherwise $\alpha \geq 0.7$ should be the threshold. With $\alpha \geq 0.8$, the measure is very reliable. According to reliability test in the Table 2, it can be seen that alpha scores for each variable reached the acceptable value. Consequently, the survey instrument was determined to be reliable.

Table 2 Reliability test scores

<i>Construct</i>	<i>Cronbach alpha (α)</i>
Growth	.925
Optimism	.894
Diversification	.939
Entrepreneurial characteristics	.875
Organisational structural factors	.955
Organisational cultural factors	.933
Customer orientation	.852
Competitor orientation	.733

6 Data analysis and interpretation of results

Of the 360 respondents, approximately 34% came from Suva and 14%–19% came from each of the following larger cities outside Suva: Nadi, Lautoka, Ba and Labasa. Fifty percent were males and 50% were females and in terms of ethnicity, the sample consisted of 50% Fijians and 50% Indo-Fijians. Of the Fijian sub-group, 62% were female and 38% male. Of the Indian-sub group, 38% were female and 62% male. Table 3 presents socio-demographic descriptive statistics categorised into six types: location, age of respondent, ethnicity, gender, industry and education level.

Table 3 Socio-demographics of the sample

<i>(N = 360)</i>					
<i>1.0 Location</i>	<i>Count</i>	<i>Percent</i>	<i>2.0 Age of respondent</i>	<i>Count</i>	<i>Percent</i>
Suva	120	33.4	18–28 years	39	10.8
Nadi	50	13.9	29–39years	144	40.0
Lautoka	70	19.4	40–50 years	129	35.8
Ba	50	13.9	51 years onwards	48	13.4
Labasa	70	19.4			
			<i>4.0 Gender</i>	<i>Count</i>	<i>Percent</i>
			Male	180	50
			Female	180	50
<i>3.0 Race-ethnicity</i>	<i>Count</i>	<i>Percent</i>	<i>6.0 Education level</i>	<i>Count</i>	<i>Percent</i>
Fijian female	112	62.2	Primary level	57	15.8
Indian female	68	38.8	Secondary level	156	43.3
Fijian male	68	38.8	Trade certificate	119	33.1
Indian male	112	62.2	University degree	19	5.3
<i>5.0 Industry</i>	<i>Count</i>	<i>Percent</i>	Professional affiliation	9	2.5
Services	204	56.7			
Retail	96	26.7			

6.1 Hypothesis testing

Hypothesis 1 Hypothesis 1a. SME Performance is independent of the age of the entrepreneur. Hypothesis 1b. The education level of the entrepreneur. Hypothesis 1c. The gender of the entrepreneur. Hypothesis 1d. The ethnicity of the entrepreneur.

This hypothesis tests whether these measures are independent of the age, education, gender and ethnicity of the entrepreneur (Cronbach Alpha = .925). The output of the chi-square test of independence is presented in Table 4.

Table 4 Pearson chi-square for SME performance (N = 360)

<i>Variable</i>	<i>Pearson-chi-square</i>	<i>Likelihood ratio</i>	<i>Significance</i>
Age of entrepreneur	8.280	9.724	.218
Education level of entrepreneur	5.560	5.388	.234
Gender of entrepreneur	10.466	9.989	.003**
Ethnicity of entrepreneur	16.166	16.834	.000**

Note: **Hypothesis rejected at $p < .005$

A chi-square test of independence between “SME performance and age of entrepreneur” supports Hypothesis 1a (chi-square = 8.28, $p = 0.22 > 0.05$). Performance of the firm is not influenced by the age of the entrepreneur. A chi-square test of independence between “SME performance and education level” supports Hypothesis 1b (chi-square = 5.56, $p = 0.23 > 0.05$). Performance of the firm is not influenced by the education level of the entrepreneur. A chi-square test of independence between “SME performance and gender” does not support Hypothesis 1c (chi-square = 10.466, $p = 0.03 < 0.05$). Performance of the firm is influenced by the gender of the entrepreneur and this finding is consistent with Johnson and McMahon (2005). A chi-square test of independence between “SME performance and ethnicity” does not support Hypothesis 1d (chi-square = 16.166, $p = 0.00 < 0.05$). Performance of the firm is influenced by the ethnicity of the entrepreneur and this finding is consistent with Kanaenabogi (2000).

Hypothesis 2 There is a significant correlation between entrepreneurial characteristics, corporate culture and organisational structure. The hypothesis was tested using the Pearson Correlation test.

Table 5 shows that entrepreneurial characteristics and organisational structure have the highest significant correlation (0.299), followed by organisational structure and corporate culture (0.296), and corporate structure and entrepreneurial characteristics (0.187). All the correlations are significant at $p < 0.01$. The results support Hypothesis 2.

Table 5 Correlation test (N = 360)

	<i>Entrepreneurial characteristics</i>	<i>Organisational structure</i>	<i>Corporate structure</i>
Entrepreneurial characteristics	1	0.299**	0.187**
Organisational structure			0.296**
Corporate structure			1

Note: **Correlation is significant at 0.01 level (2-tailed)

Hypothesis 3a Entrepreneurial characteristics, organisational structure and corporate culture contribute significantly to the growth of the firm.

Table 6 Regression test for growth of the firm (N = 360)

<i>Model</i>	<i>Unstandardised coefficients</i>		<i>Unstandardised coefficients</i>	<i>t</i>	<i>Sig.</i>
	<i>B</i>	<i>Std. error</i>	<i>Beta</i>		
(Constant)	0.786	.163		4.814	.000
Entrepreneurial characteristics	-.132	.041	.107	3.245	.001
Organisational structure	1.086	.049	.749	22.214	.000
Corporate Culture	.183	.029	.210	6.379	.000

From the above regression output, the growth equation will be: $\text{growth} = 0.786 - 0.132 (\text{entrepreneurial characteristics}) + 1.086 (\text{organisational structure}) + 0.183 (\text{corporate culture})$. The organisational structure contributes most to the growth of the firm with the coefficient being 1.086 (beta value is 0.749 and t value is 22.147), which is significant ($p = 0.00 < 0.05$). This was followed by corporate culture with co-efficient 0.183 (beta = -0.210, $t = 6.379$, $p = 0.00 < 0.05$) and entrepreneurial characteristics with coefficient -0.132 (beta value = -0.107 and $t = -3.245$, $p = 0.001 < 0.05$). The adjusted R square value is 0.650, hence the model has accounted for 65% of the variance in growth. These results support Hypothesis 3a.

Hypothesis 3b The entrepreneurial characteristics, organisational structure and corporate culture contribute significantly to the firm's plans for diversification.

Table 7 Regression test for diversification plan (N = 360)

<i>Model</i>	<i>Unstandardised coefficients</i>		<i>Unstandardised coefficients</i>	<i>t</i>	<i>Sig.</i>
	<i>B</i>	<i>Std. error</i>	<i>Beta</i>		
(Constant)	0.857	.166		5.156	.000
Entrepreneurial characteristics	-.137	.041	.111	-3.301	.001
Organisational structure	1.072	.050	.743	21.459	.000
Corporate culture	.177	.029	.203	6.049	.000

Note: Dependent variable: Diversification

From the above regression output, the diversification equation will be: $\text{diversification} = 0.857 - 0.137 (\text{entrepreneurial characteristics}) + 1.072 (\text{organisational structure}) + 0.177 (\text{corporate culture})$. The organisational structure contributes most to the firm's plans for diversification with the coefficient being 1.027 (beta = 0.743, $t = 21.459$, $p = 0.00 < 0.05$), followed by corporate culture with co-efficient 0.177 (beta = 0.203, $t = 6.049$, $p = 0.00 < 0.05$) and entrepreneurial characteristics with coefficient -0.137 (beta = -0.111, $t = -3.301$, $p = 0.001 < 0.05$). The adjusted R square value is 0.636, hence, the model has accounted for 63.6% of the variance in diversification. These results support Hypothesis 3b.

Hypothesis 3c The entrepreneurial characteristics, organisational structure and corporate culture contribute significantly to the optimism level of the firm.

Table 8 Regression test for optimism view (N = 360)

<i>Model</i>	<i>Unstandardised coefficients</i>		<i>Unstandardised coefficients</i>	<i>t</i>	<i>Sig.</i>
	<i>B</i>	<i>Std. error</i>	<i>Beta</i>		
(Constant)	0.642	.143		4.480	.000
Entrepreneurial characteristics	-.125	.036	.103	-3.509	.001
Organisational structure	1.142	.043	.800	26.525	.000
Corporate culture	.168	.025	.195	6.655	.000

Note: Dependent variable: Optimistic view

From the above regression output, the optimism equation will be: optimism = 0.642 – 0.125 (entrepreneurial characteristics) + 1.142 (organisational culture) + 0.168 (corporate culture). The organisational structure contributes most to the firm's optimism level with the coefficient being 1.142 (beta = 0.800, $t = 26.525$, $p = 0.00 < 0.05$), followed by corporate culture with coefficient 0.168 (beta = 0.195, $t = 6.655$, $p = 0.00 < 0.05$) and entrepreneurial characteristics with co-efficient -0.125 (beta = -0.103, $t = -3.509$, $p = 0.001 < 0.05$). The adjusted R square value is 0.724, hence, the model has accounted for 72.4% of the variance in optimism. These results support Hypothesis 3c. Overall, the theoretically postulated associations between the intervening variables and the outcome are significant. Strong associations between entrepreneurial characteristics, organisational structure, corporate culture and firm's performance indicate the need to embark on nation-wide support and entrepreneurial development programs for small and medium entrepreneurs. What is implied by the preceding discussion is that policy makers in the South Pacific Islands need to promote and maintain long-term growth for small and medium enterprises.

Hypothesis 4 Hypothesis 4a. Competitor orientation and customer orientation contribute significantly to the optimism level of the firm and Hypothesis 4b. growth level of the firm and Hypothesis 4c. diversification plans of the firm.

Table 9 Regression test for optimism level of the firm (N = 360)

<i>Model</i>	<i>Unstandardised coefficients</i>		<i>Unstandardised coefficients</i>	<i>t</i>	<i>Sig.</i>
	<i>B</i>	<i>Std. Error</i>	<i>Beta</i>		
(Constant)	-.124	.058		-2.136	.033
Customer orientation	.181	.019	.184	9.364	.000
Competitor orientation	.847	0.020	.823	41.871	.000

Note: Dependent variable: Optimistic view

From the above regression output, the optimism equation will be: Optimism = -.124 + 0.181 (customer orientation) + 0.847 (competitor orientation). Competitor orientation contributes most to the optimism level of the firms with the co-efficient being 0.847 (beta = 0.823, $t = 41.871$, $p = 0.005 < 0.05$). The customer orientation coefficient was 0.181 (beta = 0.184, $t = 9.364$, $p = 0.005 < 0.05$). The adjusted R square value is 0.944,

hence, the model accounted for 94.4% of the variance in optimism. This supports Hypothesis 4a.

Table 10 Regression test for growth level of the firm (N = 360)

<i>Model</i>	<i>Unstandardised coefficients</i>		<i>Unstandardised coefficients</i>	<i>t</i>	<i>Sig.</i>
	<i>B</i>	<i>Std. error</i>	<i>Beta</i>		
(Constant)	-.082	.101		.818	.414
Customer orientation	.199	.034	.199	5.931	.000
Competitor orientation	.786	0.035	.752	22.353	.000

Note: Dependent variable: Growth

From the above regression output, the growth equation will be: Growth = 0.082 + 0.199 (customer orientation) + 0.786 (competitor orientation). Competitor orientation contributes most to the growth level of the firm with the co-efficient being 0.786 (beta = 0.752, t = 22.353, p = 0.005 < 0.05), followed by customer orientation with coefficient 0.199 (beta = 0.199, t = 5.931, p = 0.005 < 0.05). The adjusted R square value is 0.835, hence the model accounted for 83.5% of the variance in growth. This supports Hypothesis 4b.

Table 11 Regression test for diversification plan (N = 360)

<i>Model</i>	<i>Unstandardised coefficients</i>		<i>Unstandardised coefficients</i>	<i>t</i>	<i>Sig.</i>
	<i>B</i>	<i>Std. error</i>	<i>Beta</i>		
(Constant)	-.063	.099		.634	.526
Customer orientation	.258	.033	.259	7.824	.000
Competitor orientation	.731	0.034	.702	21.192	.000

Note: Dependent variable: Diversification

From the above regression output, the equation will be: Diversification = 0.063 + 0.258 (customer orientation) + 0.731 (competitor orientation). Competitor orientation also contributes to the growth level of the firm with the coefficient being 0.731 (beta = 0.702, t = 21.192, p = 0.005 < 0.05), followed by customer orientation with coefficient 0.258 (beta = 0.259, t = 7.824, p = 0.005 < 0.05). The adjusted R square value is 0.85, hence, the model accounted for 84.0% of the variance in diversification. This supports Hypothesis 4c. In all three subsections of Hypothesis 4, competitor orientation contributes most to the growth, optimism, and diversification of small and medium enterprises. Conventional wisdom says that positive thinking, a positive attitude, 'keeping your head up', 'seeing the glass as half-full' etc., will have very positive end results. Interestingly, the correlation matrix in Table 12 indicates many negative relationships which intuitively should be positive.

Table 12 Correlation matrix for growth (N = 360)

	Growth	Motivation	Achievement	Entrepreneurial ability	Independence	Supportive culture	Innovative culture	Bureaucratic culture	Optimism
Growth	Pearson correlation Sig. (2-tailed) N	1 .000 360	-.312** .000 360	-.222** .000 360	-.253** .000 360	-.129* .014 360	-.280** .000 360	.035 .509 360	-.275** .000 360
Motivation	Pearson correlation Sig. (2-tailed) N	-.308** .000 360	1 .916** 360	-.420** .000 360	.623** .000 360	.299** .000 360	.929** .000 360	-.338** .000 360	.803** .000 360
Achievement	Pearson correlation Sig. (2-tailed) N	-.312** .000 360	.916** .000 360	-.640** .000 360	.813** .000 360	.373** .000 360	.897** .000 360	-.181** .000 360	.826** .000 360
Entrepreneurial ability	Pearson correlation Sig. (2-tailed) N	-.222** .000 360	-.420** .000 360	1 -.640** 360	-.843** .000 360	-.078 .137 360	-.411** .000 360	.085 .107 360	-.532** .000 360
Independence	Pearson correlation Sig. (2-tailed) N	-.253** .000 360	.623** .000 360	-.843** .000 360	1 .813** 360	.246** .000 360	.504** .000 360	-.080 .128 360	.661** .000 360

Notes: **Correlation is significant at the 0.01 level (2-tailed);
*Correlation is significant at the 0.05 level (2-tailed).

Table 12 Correlation matrix for growth (N = 360) (continued)

		Growth	Motivation	Achievement	Entrepreneurial ability	Independence	Supportive culture	Innovative culture	Bureaucratic culture	Optimism
Supportive culture	Pearson Correlation	-.129*	.299**	.373**	-.078	.246**	1	.420**	.698**	.352**
	Sig. (2 tailed)	.014	.000	.000	.137	.000		.000	.000	.000
Innovative culture	Pearson Correlation	-.280**	.929**	.897**	-.411**	.594**	.420**	1	-.199**	.784**
	Sig. (2 tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000
Bureaucratic culture	Pearson Correlation	.035	-3.38**	-.181**	.085	-.080	.698**	-.199**	1	-.239**
	Sig. (2 tailed)	.509	.000	.001	.107	.128	.000	.000	.000	.000
Optimism	Pearson Correlation	-.275**	.803**	.826**	-.532**	.661**	.352**	.784**	-.239**	1
	Sig. (2 tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000
	N	360	360	360	360	360	360	360	360	360

Notes: **Correlation is significant at the 0.01 level (2-tailed); *Correlation is significant at the 0.05 level (2-tailed).

For example, expected growth is negatively related to innovative culture and many entrepreneurial traits such as motivation and achievement, which is unexpected given previous research by McClelland (1985), Begley and Boyd (1987), Bellu (1988) and Beverland and Lockshin (2001) who have discussed the relationship between the need for achievement and development. Innovativeness has been defined by scholars as introducing new processes, products, or ideas to the organisation (Damanpour, 1991; Hurley et al., 1998) which contribute to the performance or effectiveness of the firm (Damanpour, 1991). This was based on the premise of a rational entrepreneur and not taking into consideration the differences in human values, capabilities and power of the human will (Loasby, 2004). Introducing a new product, process or idea does not necessarily mean that an entrepreneur has the ability to link it effectively with overall company strategy. Scholars have argued that no single theory can explain the complex phenomenon of growth in small firms (Weinzimmer, 2000; Andersson, 2003). As *innovativeness*, *motivation* and *achievement* are negatively correlated with firm *growth*, this would have serious implications for business in Fiji Islands. One consideration is the impact of the external environment such as

- 1 the political and economic instability that prevailed in the Fiji Islands
- 2 the stagnant market size
- 3 resources such as lack of infrastructure and technological advancements often hindering business development and growth in developing countries such as their internationalisation process (Wright et al., 2007).

Policy makers in the Fiji Islands need to ensure that external factors provide the necessary support mechanisms for SMEs that are willing to risk being innovative, motivated and achievement-oriented.

7 Conclusions

The study has identified weaknesses and gaps in the knowledge concerning the relation between entrepreneurial characteristics, organisational structure, corporate culture and SME performance. The major finding of this study is that entrepreneurial characteristics, organisational structure and corporate culture can create a successful SME, and customer orientation and competitor orientation can help entrepreneurs overcome the lack of resources and the managerial and professional weakness of SMEs within a broader supportive environment, taking into account the impact of age, gender, education and ethnicity of the entrepreneur. Additionally, the findings revealed that SME entrepreneurs who maintain regular relationships with other entrepreneurs are more likely to be successful in their respective businesses because such relationships provide a constant and reliable source of resources and effective influence on firms. These relationships are identified as entrepreneurial networks in the literature. Strengthening the capacity of institutions such as the NCSMED in Fiji to deal with SMEs could help the survival of these entrepreneurs in this competitive landscape.

SME development projects have the privilege of offering entrepreneurs a wider choice of valued functioning that they may pursue so that they may attain their capability to survive. SME entrepreneurs will not only benefit their families and their communities,

but may themselves experience livelihoods with meaning and success. Given that there are various other contributors to SME performance, there are limitations to this study and its scope has been narrowed down to focus on issues that are more applicable to the Fijian business context. Future research could accommodate more variables and expand beyond the boundaries of this research. The study could be extended to other South Pacific islands. The conceptual model could be extended to include external factors for assessing SME performance. This study is based on managers' (owners') views, which may introduce positive response bias and inaccurate recall. Therefore, obtaining converging measures from others within the business, interviewing employees, using production and personnel records, and performing participation studies would yield additional detail and useful information for future study.

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