



**BUSINESS STRATEGY AND ORGANIZATIONAL SUSTAINABILITY OF SELECTED
ENTERPRISES IN LIBREVILLE, GABON**

by

GAEL BEKALE BE NDONG

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Supervisor: Dr M Twum-Darko

Co-Supervisor: Prof F Herbst

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ABSTRACT

The aim of this study is to investigate the impact of insufficient business planning and good management of SMEs in Gabon have on SMEs' to survive and grow. Thus, the study examined the relationship between business strategies and SMEs' organisational sustainability in Libreville (Gabon). The study was a descriptive one which made use of positivist philosophy and adopted quantitative approach. As such a questionnaire which was designed from themes extracted from literature survey was used to gather data from a sample of 30 SMEs. The findings indicated that the lack of business strategy encountered in SMEs in Libreville lead partly to the failure or setbacks of the operation of the organisations. Most common reasons of the failure of SMEs were related to the absence of business plan, the lack of leadership, and lack of appropriate management system. The recommendations are to improve the SMEs in terms of good leadership, importance of business plan, management control system; strategic business management, organisation and employees performance. It further revealed that for the purpose of organisational sustainability, business strategies are regarded as critical aspects to consider for avoiding non-conformances while running businesses. The significance of the study is the framework to identify and optimise business strategies in order to promote successfully SMEs. The study shows the interest of owners of SMEs to set up appropriate business strategies.

Key words: Small and medium-sized enterprises, Strategy, Management style, small business growth.

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ABBREVIATIONS

SME: Small and Medium Enterprises

HRM: Human Resource Management

IT: Information Technology

EU: Union European

ISO: International Organisation for Standardisation

GLOSSARY OF TERMS

- Small and Medium-sized enterprises:** The National Small Business Act (South Africa, 1996) defines small business as “a separate and distinct business entity, including cooperative enterprises and non-governmental organisations, managed by one owner or more which, including its branches or subsidiaries.
- Business strategy:** the outcomes an organisation seeks, as well as the initiatives an organisation takes on to achieve or meet those expectation results. (Carol Bergeron, 2004)
- Management style:** According to Schleh (1977), management style can be referred to the adhesive that binds diverse operations and functions together.
- Small business growth:** The expansion of market opportunities, the improvement of performance, grow and the competitiveness in market (Galloway, 2007)
- Requirement:** An expectation or need that is used, generally implied or obligatory (ISO 9000: 2005).
- Business Sustainability:** A way of competing and maintaining the business activities. It represents a typical shift away from the traditional way of operating (Amatucci & Grimm, 2013) .
- Procedure:** Is a specified way to carry out an activity or process (ISO 10005, 2005)
- Strategic planning:** Refers to the setting of long-term organisational objectives, the development and the implementation of plans to achieve the organisation’s goals (Stonehouse & Pemberton, 2002)

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CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

In many countries steps have been taken to make it easier to get into business, by developing procedures simpler or faster useful to reduce or eliminate minimum capital requirements (Doing Business, 2016:19). Where governments improve and make registration easy, more entrepreneurs tend to start businesses in the formal sector, thus creating more jobs that are able to generate more revenue for both companies and governments (Amatucci & Grimm, 2013). Small and Medium-sized Enterprises (SMEs) are now seen as the focus of business, political and management research studies, and are regarded as the crucial vehicle for the generation of the enterprise economy (Gavron *et al.*, 1998). According to Stoner *et al.* (2006), whatever form of economic and political system of a country has in place, entrepreneurship is essential for its economic growth. According to Timmons *et al.* (1990), entrepreneurship can be considered as a process of designing, launching or running a business.

Gabon has a population of 1.5 million and a population density of 5.4/km² and is viewed as one of the wealthiest countries in Africa this is mostly because of its natural resources. Gabon has a nominal Gross Domestic Product (GDP) per capita of \$ 8,100. Oil represents 52% of the GDP. Despite having a huge variety of other natural resources such as manganese, and timber, the country is still depending on the oil industry (Chris, 2012). The Gabonese economy has always been undiversified and largely dependent on world demand for oil. The government has therefore been implementing reforms and investment since 2009 in order to encourage home grown enterprises to grow and face the major challenge of its economy, that is, its dependence on oil. Currently, the country is over-reliant on an industry which is in decline. This point was emphasised during the recent global financial crisis, when price explosiveness saw the country's oil revenue drop suddenly from 21,1% of GDP in 2008 to 16,3% in 2009 (Bernice-Lee, 2012), and this decrease continuing to the present day. Gabon is consequently developing new areas for investment which can, in turn, create a network of local SMEs.

After presenting evidence that the Gabonese government has attempted to make reforms that can generate economic and social value for the country, by encouraging entrepreneurship activities, it would be reasonable to highlight the reasons why most small business start-ups fail within a few years (2 to 3 years on average) of establishment, or do not grow and to be sustained at the same time their businesses.

1.2 BACKGROUND TO THE RESEARCH PROBLEM

This section discusses the current view of small businesses in Gabon. The discussion clarifies the purpose of the study and, finally, outlines the benefits thereof.

In spite of the opportunities offered in various sectors (water, energy, transport, agribusiness, etc.), SMEs in Gabon are handicapped by inadequate capacity in the establishing and managing of their businesses effectively. It is often said that SMEs are the backbone of many economies in the world. One of the major challenges that SMEs have always faced is how to overcome the factors delaying their growth and performance (Buckley, 1998; Kinunda *et al.*, 1999). The Gabonese economy's declined between 2008 and 2009 due to the world economy crisis and the uncertainty surrounding the country's political transition. In 2010, economic growth was at 5.5%, compared to -1.4% in 2009 (Kanka *et al.*, 2011). In the context of the recession, the Gabonese's government has created policies for social/economic reform that foster a good business climate to enable the private sector to be more developed and used as an engine to diversify the economy of the country. Therefore, the first pillar of the policy aims to eliminate one of the constraints facing the expansion of SMEs: access to medium and long-term finance. This, the policy envisages, will create an enabling environment where local enterprises and smaller business can get off the ground. The number of SMEs in Gabon has increased by 22.3% between 2010 and 2011. This increased the GDP 5.8% (Bernice-Lee, 2012). The World Bank's "Doing Business" 2013 report ranked Gabon 170th out of 185 economies, which are five places lower than its ranking in 2012. The report reveals deterioration in, among other areas, obtaining credit, protecting investors, border trade and the granting of construction permits (Kanka *et al.*, 2011). This shows a real concern for SMEs. Arguably, promoting SMEs by the government will not necessarily lead to business growth and organisational sustainability. It is important for organisations to implement business strategies that will make them sustainable. Organisations or companies may choose to apply business strategy that can lead them to gain a competitive advantage in the market in which they operate.

Although, the country has a liberal economic policy, the contribution of foreign direct investments (FDI) to the GDP is very small at 0.3% in 2009 (Doing Business, 2016). Gabon's private sector participation in public-private partnerships (PPPs) is also limited. Promoting SMEs can be an essential work to be done for developing the economy. However, government support can ensure survival, not growth. In line with this reality, Jacobson *et al.* (1993) recommended that companies can have the support they need to survive and follow quite conservative strategies for better operation of their businesses but,

to grow, they must manage the product profile, develop and improve the product range and the quality. Additionally (ibid.), they also found that SMEs, especially those that are declining, should take minimal steps to improve their competitiveness and, when they do, must concentrate on cost cutting rather than quality improvements of the company. This is the situation that not only business start-ups are experiencing in Libreville (Gabon) but also a significant number of SMEs worldwide (Amarijit and Nahum (2012)).

1.3 STATEMENT OF THE RESEARCH PROBLEM

The research problem of this study is that insufficient business planning and proper management of SMEs in Gabon have retarded SMEs' ability to survive and grow in Libreville (Investment Climate Statement, 2015:10). Business planning and management which forms part of a business strategy have received some recognition, but it seems to be a new idea for many SMEs executives. For most SMEs, the concept remains theoretical. Researchers have revealed that most SMEs do not do strategic planning as they should (Orser *et al.*, 2000; Beaker, 2003); the same applies to SMEs in Gabon, especially in Libreville which is the focus area of this study. In fact, a well-accepted business principle is to protect an organisation's capital base; however, technology and the business environment have become too dynamic, with industry environmental threats and market pressure deploying unsophisticated strategies can result in failure. According to Michael (2012), managers should develop better strategies or processes in order to surmount the increase of today's business challenges which are becoming problematic for enterprises. Therefore, it becomes necessary to identify opportunities to move small businesses to a better level of operation and improve their ability to gain business value from their investment.

1.4 THE RESEARCH AIM AND OBJECTIVES

The main aim of the research is to describe the impact of insufficient and poor business planning as well as good management of SMEs in Gabon. The following sub objectives were considered to address and achieve this aim:

- (a) To determine factors influencing insufficient planning by SMEs;
- (b) To determine factors hindering management of human capital information by SMEs;
- (c) To determine the management styles for SMEs;
- (d) To determine the impact of control systems for SMEs' sustainability.
- (e) To determine the type of relationship SMEs must have with their clients to grow their client base;
- (f) To propose a general guidelines for SMEs growth and sustainability in Gabon.

1.5 THE RESEARCH QUESTIONS

The main research question that addressed the main research objective was:

“what are the factors influencing insufficient business planning and good management of SMEs in Gabon to assist SME’s to survive and grow in Gabon?”

The investigation sub-questions to tease out the main questions were as follows:

- (a) What factors are leading to insufficient planning by SMEs in Gabon?
- (b) What factors are hindering management of human capital information by SMEs in Gabon?
- (c) What management styles are required by SMEs in Gabon?
- (d) What control systems will influence SMEs’ sustainability in Gabon?
- (e) What type of relationship SMEs must have with their clients to grow their client base in Gabon?

1.6 OVERVIEW OF THE RESEARCH APPROACH AND METHODOLOGY

1.6.1 Design approach

The use of an adequate research design and methodology technique is important for any study. The design and method used can affect the results and consequently the findings of the study. Thus, the following will give clear indications of the type of research paradigm, its method, the sampling procedure and the unit of analyses employed in this study.

The ontological position adopted for the study was positivist and was appropriate to adopt the quantitative research paradigm. Thus, the study aimed to collect and analyse quantitative data by using mathematical and statistical methods to predict the sustainability and growth of SMEs in Gabon.

A survey was selected as the data collection tool in this study, with the use of a questionnaire. The questionnaire included a multitude of structured questions which meet the expectations of the study (Watkins, 2012). Classifying as a quantitative paradigm, the exploratory approach was used in this study as it allowed for gaining new insights into the problem and helps to find potential solutions. The study used closed ended questions so that numerical data could be obtained. Studying the whole target population (all the SMEs in Libreville) was impossible and using a large target population will significantly reduce the quality of the research. Developing a sampling procedure was then needed in order to identify a sample that was representative of SMEs in Libreville.

1.6.2 Sampling

The questionnaire was tested to get information of a random sample in this study. According to Kidder and Jud (1987), a common sampling technique is to pick cases that are considered representative of the population in the study. The study employed non-probability sampling; a technique that is mostly involved judgment where convenience sampling was used as a method that directed the selection of the sample since it made use of participants that are available and easy to access. The study included 30 SMEs that were considered truly representative of the population, and reflected the opinion of the subjects.

1.6.2.1 Sampling criteria

The unit of analysis can be defined as the way in which the original research questions are formulated (Watkins, 2012). The units of this study are nascent SMEs in Libreville. It should be noted that nascent SMEs are enterprises that have been in operation for on average of 3 to 5 years. The study focused on the following SMEs sectors:

Manufacturing, Information Technology (IT), Construction, Agriculture, and Export/Import.

1.7 RESEARCH DESIGN AND METHODOLOGY

The questionnaire was used as the data collection technique in this study. Questionnaires are often seen as a rational and easy way for collecting information from people. A short introductory letter was attached to the questionnaire to affirm confidentiality and guaranteed the anonymity of the respondent.

This section explains how the data collected with the questionnaire was analysed.

A quantitative method approach is considered for the purposes of this study. Numerical data was collected with the survey questionnaire using convenience non-probability sampling. The analysis of the data primarily focused on descriptive statistics, frequency tabulation and correlation, as well as inferential statistics leading to a better interpretation of the results, and provided further explanation relevant to the study.

1.8 DATA VALIDITY AND RELIABILITY

In reference to data validity, the study made use of experimental and quantitative techniques to test the hypothetical situation (Fraenkel & Wallen, 2003), and highlighted the measurement in relation to the causal relationships between variables. According to Collis and Hussey (2009), the criteria for data validity, was to establish from the research findings what was really happening in the target population. The approach adopted to validate the collected was in line with the theory of validity embedded positivism philosophy of empirical

research which resides amongst and is the result of other pragmatic such as deduction, reason, fact and mathematical data. On the other hand, the data reliability was established by observing the extent to which the overall outcomes were consistent over time and as a truly representative of the total population under study. If the results of a study can be obtained with a similar methodology, then the research instrument is capable of being relied on (Fraenkel & Wallen, 2003).

1.9 ETHICAL CONSIDERATION

There are a number of reasons why it is necessary to adhere to ethical norms while conducting a research. First of all, norms promote the aims of research, such as knowledge, objectivity, truth, and avoidance of making mistakes. Secondly, the research study must take care of the rights of those who become involved with the work or can be affected by the research. The fact that a research study often involves many different people and implies several disciplines and institutions leads to the importance of the role plays by the ethical standards that stimulate quality collaboration work values which are important for work performance, such as , mutual respect, accountability, trust, confidence and honesty (Fraenkel & Wallen, 2003). A summary of the ethical principles is:

- a) Honesty: the research study stood for honesty throughout the study by fairly reporting data, results, references, as well as publication status. Data was not being fabricated, or misrepresented.
- b) Objectivity: the study attempted to avoid bias in questionnaire design the data analysis, data interpretation, personnel decisions, grant writing, expert evidence, and other aspects of the study where objectivity is aimed or requested. Avoiding or minimising bias or self-deception was taken into consideration. The research study avoided disclosing information that could have affected the study.
- c) Integrity: kept promises and agreements considered relevant, as well as acted with sincerity, striving for reliability of thought of the study.
- d) Carefulness: avoided mistakes, careless errors and negligence while carefully and critically examining the work. Kept good records of research activities, such as data design, research collection, and correspondence with journals or books.
- e) Openness: shared information, results, ideas, techniques, resources used, being open to criticism and new ideas.
- f) Respect for Intellectual Property: the study avoided the use of unpublished data, methods, or results without permission. The credit was given to where credit was due and provided appropriate acknowledgement or recognition for all assistances to the study. Plagiarism was avoided.

- g) Confidentiality: protected confidentiality and did not submit any data for publication or papers or personal records, trade or administration secret to unauthorised people.

1.10 RESEARCH ASSUMPTIONS

According to Fraenkel and Wallen (2003), an assumption is a realistic expectation; an impression that comes as evidence, which is something that we believe to be true. However, no adequate proof exists to support this belief. Thus, an assumption is an act of faith which is taken for granted and does not have empirical evidence to support.

These were the assumptions of this research:

- a) Strategic management must always be applied and the company should be more focussed on it.
- b) While procedures should be in place for an active guiding of the process in SMEs, there is no appropriate employee experience or skills to maintain the companies' activities.

1.11 RESEARCH CONSTRAINTS

The constraints of this study (limitations or de-limitations) inhibit the ability to conduct research in a typical way and consequently that otherwise could negatively affect the quality of the study. According to Collis and Hussey (2003), weaknesses in the content of the research are clearly shown by the 'limitations', while 'de-limitations' explain how the scope of the study is specific about a particular area, as opposed to a wider approach.

The research constraints are as follows:

- a) Availability of the participants.
- b) Accessibility of the real information.

1.12 OUTLINE OF THE REMAINING CHAPTERS

The following chapter will be applicable to this study:

- **Chapter 2: Literature review.** The business strategy of SMEs was researched and recent scholarship were reviewed and scrutinised accordingly.
- **Chapter 3: Research design and methodology.** This Chapter discussed the design and analysis of the study, techniques used for data collection and analysis, including an explanation of the scope of the data collection approach and how the survey was conducted in Libreville (Gabon).
- **Chapter 4: Analysis and discussion of results.** Data was analysed using mathematical and statistical techniques. The analysis of the results of the survey conducted was interpreted and discussed herein.

- **Chapter5: Conclusion and recommendations.** The study concluded and recommendations were provided.

1.13SUMMARY

The chapter outlined the introduction and background to the study. The research process was clarified and the research problem described. The research, objectives, question, as well as the investigation questions were stated. The study assumptions and constraints were listed, as well as the overall research design and methodology. The next chapter discusses literature on many different concepts of business management that may influence SMEs performances.

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

In this chapter, the literature reviewed provides an overview of several elements of SMEs management. Emphasis was placed on the identification and understanding of various concepts that may have a significant impact on business planning and on the organisational management and affect their performance. The discussion focussed on the subject of business strategy in line with SMEs in Libreville (Gabon), in order to promote organisational sustainability. Developing an understanding of the impact of topics, such as business strategy, entrepreneurship, planning, management style, financial support, role of ISO on the business performance will be discussed in this literature review.

2.2 BUSINESS STRATEGY

In contemporary times, the desire to improve the standard of living through job creation becomes one of the main objectives of the development strategies in many countries. Entrepreneurship development is therefore, no doubt, a vital tool in fostering job creation. Petrin (1994) claimed that, for countries to accelerate economic development in their rural areas, building up a new generation of entrepreneurs becomes a relevant initiative that should be taken into consideration. Since 2009, Gabon has realised the importance role of entrepreneurship in the development of the economy so that the socio-economic landscape of the country can change and improve, which is reliant on the oil industry, which is in decline. Therefore, creating a safe and appropriate business environment for enterprise creation, in which innovation SMEs have the scope of growing once they have established themselves, involves mutually supportive and reliable policies. Many of these can affect the economy as a whole but can also play an important part in promoting entrepreneurship in the country. The development of entrepreneurial culture can then contribute to building an entrepreneurial society. However, starting a business or staying in the business does not just come overnight; it requires a better understanding of the business itself, applying the knowledge of it and being strategic. This approach is supported by Michael (2012) who advocated that one of the effective ways for managers to attain organisational sustainability is to implement an effective business strategy. Anders (2007), in line with Michael (2012), noted that an understanding of the relationship between firms and suitable business strategies is crucial for companies targeting to assess its strategy in response to the fluctuation of the market. Business strategy can then be a key management tool for SMEs to stimulate and maintain its business.

Business strategy varies greatly from one company to another. In order to manage the company efficiently, and take advantage of the organisation's resources, companies should establish a clear strategy procedure that will enable them to meet their goals and sustain the performance of the organisation. In order to be able to maintain competitive control in an unstable business environment, organisations strive to develop a better business strategy that implies a better understanding of the market in which they operate as well as internal factors that can have an influence on the business. Day (1990), describes this situation when, mentioning that strategy is the main factor that gives meaning to others relative functional activities, directs the mission of the organisations, and serves for controlling actions. Liedtka (1998) supports Day (1990), and claims that strategy gives direction to company's members to act together as whole and that focusing on the target that should be achieved without allowing any distraction. Business strategy can then become an important aspect to consider for companies that want to operate efficiently and prosper.

2.3 DEFINING ENTREPRENEURSHIP

The recent world-wide economic crisis in 2007 which was significant for Gabon, has negatively affected the country causing it to slip into recession. In 2008, research conducted by Global Entrepreneurship Monitor (GEM) shows that Gabon lags behind developing and some African countries in encouraging entrepreneurial activity. The country ranked 156th out of 183 world economies, thus reflecting poor insight as to doing business locally (Kanka *et al.*, 2011). Entrepreneurial development can then be an option for the development of the economy. However, when perceiving entrepreneurial activity as income generator, factors such as confidence, trust and positive attitude, risk to run or participate in a business initiative can be profitable (Mpofu, 2009). Therefore, creating an appropriate business environment in which enterprise can expand, innovate and grow as company, requires mutually reinforcing and supportive policies; this is what the Gabonese government has been developing since 2010 to support SMEs. Many of these affect the economy as a whole but can play an important part in promoting entrepreneurship in the country. The policies for promoting entrepreneurship, such as fiscal and monetary policies, that are essential to set basis for constant macroeconomic indicator should be reviewed; this includes the labour market, taxation, and financial markets. Furthermore, regulatory and administrative barriers may also discourage entrepreneurs; therefore, measures such as regulatory assessments and administration should be kept to a minimum to help and encourage entrepreneurship. Finally, education and training can promote entrepreneurship. In fact, it is necessary to bear in mind that training in business skills can be essential to make sure getting optimal results.

Development of entrepreneurial skills can effectively be successful in promoting business activity.

Entrepreneurship can be regarded as the capacity and willingness to start, develop, organise and manage a business venture along with any of its risks in order to make a profit. Not all new ventures are successful. According to the study conducted by the World Bank from 2014 to 2016 in Nigeria, in which 15000 entrepreneurs were awarded out of more than 50000 applicants in programs to help expanding business activities for job creation, only 7000 become successful (Beaver, 2016). This is to explain how uncertain and risky it is to start or be in business. With the reforms and structures put in place by the government to support them, which can lift SMEs in terms of innovation and performance, and can build a generation of new industries and entrepreneurs in Gabon. The development of an entrepreneurial culture can therefore build an entrepreneurial trend which will involve the development of risk taking mind-set as well as the incentive for workers. Ultimately, this will build the Gabonese economy and reduce the reliance on oil.

2.4DEFINING SMALL BUSINESSES

SMEs have been recognised in many countries as a growing contributor to the economy (Noor & Song, 2016). Therefore, as mentioned above, like other countries, Gabon encourages and supports local enterprises and entrepreneurs, especially in Libreville, to help the business environment of the country and provide an incentive for job creation. A SME can be defined as follows, according to the South African National Small Business Act (1996) : a specific type of business which can be characterised as individual organisation and nongovernmental, including cooperative initiative. This corporate entity is often run by the business's owner; however more owners can also be seen managing a business as in a business partnership. With limited activity and finance it classifies as small, micro, or medium enterprise (SMME).

The South Africa White Paper (1995) on surviving and prospering in small firm defines small and medium businesses as follows:

- a) **Small enterprises** – are viewed as the huge part of conventional businesses, with 5 to 50 employees. These small companies are usually directed by a manager, formal business well recognised meeting registration requirements. The operation of these small enterprises is often from industrial premises.
- b) **Medium enterprises** – are still regarded as fundamentally manager/owner controlled. The employment is on average 100 to 200 maximum (employees). These enterprises have about capital assets that worth about R5 to R7 million (excluding fixed property).

SMEs are distinct from large firms or businesses. In a study conducted by Bumgardner *et al.* (2011) on competition actions of small firms, few characteristics of SMEs were revealed, such as short chains of command, quick decision making, efficiency in terms of recognition and action taken. Likewise, additional characteristics of SMEs were also pointed out by Sadorsky (2008) when arguing that SMEs' decision making is easier as a result of fewer principle agent problems due to their practical based management system when compared to large ones. Furthermore, SMEs often have a key characteristic; they frequently have limited resources which can constrain their ability to grow. In this regard, in contrast to what has been mentioned above by Sadorsky (2008), Tocher and Rutherford (2009) describe how reactive SMEs are to time constraints and the lack of suitable planning processes. In fact, researches of small business organisations in Canada have demonstrated that 70% of companies that have a poor formal execution process do not perform (Tocher & Rutherford, 2009). SMEs could be credited to their limited finance, restricted knowledge and a lack of managerial expertise, all of which can limit SMEs' capacity to perform better and grow (Kaplan & Norton, 2016).

Another view of SMEs is reported by the European Commission (2013) which defines SMEs through criteria such as the number employees, turnover or total balance sheet. Table 2.1 below outlines the characteristics of SMEs:

Table2.1: EU Definition of SMEs

SMEs	Employee(s)	Turnover	or	Balance sheet total(€)
Small	50>	<10million		<10million
Medium	<250	<50million		<43million

Source: European Commission (2013)

Finally, an interesting view of the procedure to meet requirements and start up a business in Gabon is described in Table 2.2, below. It is important to highlight the different steps to run a business in Gabon, especially for SMEs because the lack of knowledge or information on it can also be one of the barriers that limit people in undertaking business activity.

Table2.2: Doing a business-Setting up SMEs

Procedures	Completing day (s)	Related Costs (Franc cfa converted to Rand)
1. Make bank deposit of the required capital and collect the receipt for the	2	No charge

Procedures	Completing day (s)	Related Costs (Franc cfa converted to Rand)
registration of a company.		
2. Clarify and confirm the company's name.	1	R622.07
3. Obtain extracts from the criminal record of the enterprise manager.	7	R74.65
4. Deposit and register the enterprise.	14	R9331.06
5. Deposit documents with the Investment Promotion Agency.	30	R 1244.14 (APIP fee)+
6. Pay statutory fees.	1 (simultaneous with previous procedure)	included in procedure 5
7. Publication of the establishment of the formation of the company in a legal journal.	2	R1492.97
8. Advise the Minister of Labour of the commencement of business.	1	No charge
9. Register employee(s) with the social security.	1	No charge

Source:adopted from Doing Business in Gabon (2011)

2.5 PLANNING IN BUSINESS

Companies should make sure that they establish an effective business plan. A business plan can be seen as a guideline for a company, which contains information about human and organisational capital in line with its mission and vision.

In contrast to the report from Honig and Karlsson (2004), who said that there is weak pragmatic evidence of the effectiveness of a business plan in the outcomes of a company, as entrepreneurs that engage in planning may perhaps set goals and better control decision-making (Baron & Shane, 2005; Timmons & Spinelli, 2007). Knowing that decision makers are usually forced to make decisions with restricted information (Eisenhardt, 1989; Ocasio, 1997; Hansen & Haas, 2001; Baum & Wally, 2003), having a clear and well-structured business plan can be beneficial for SMEs as it allows for decisions to be made in line with the objectives of the business.

2.6 THE INFLUENCE OF MANAGEMENT SYSTEMS

2.6.1 Developing better management styles

In the modern business environment, several management styles are used in companies and different approaches have evolved in business. A focus on company's business style is considered one of the critical aspects preceding the effectiveness of any organisation (Nwadukwe & Court, 2012). Management style is not about how to proceed or do, but it is the management agenda or framework for doing (McGuire, 2005). Management style is company's key feature that can significantly affect organisational effectiveness. In each organisation, management style has an impact on the performance of individual employees, working in groups and, in turn, the whole organisation (Nwadukwe & Court, 2012).

An effective management style can be the extent to which the manager's approach towards achieving the goals and objectives of the organisation is well formulated, established and implemented through the function of management of the company (Field & Dubey, 2001). SMEs should therefore show significant concern regarding the styles that they use for the kind of business that they undertake.

2.6.2 Lack of employee management

The business plan should include a section of human capital but the company needs a department that has the ability to execute that aspect of the plan. One of the policy-making criteria of a company are that it should be taken into consideration is the management of human capital. An understanding of company workforce that can be managed consistently can have a great impact on the company's performance. In this research paper, the concept of human capital is referred to as human resource. A human resource department can be a critical component for well-being in a business, especially for SMEs. Despite a report on human resource (Noor & Song, 2016) which claimed that SMEs do not often have the features or the budget to establish a proper human resources (HR) department or work; HR duties including benefits, payroll, hiring, firing and being up to date with tax laws. Because of this, more SMEs are beginning to outsource their HR needs.

2.6.3 Lack of control system

One important aspect of successfully running a business can be having an effective company control system. By establishing, implementing and maintaining control of variables close to the desired condition of production and service, companies can improve and then contribute to greater productivity. According to Larry and Michael (2007), quality control is a critical concept in every business and profession; it is a tool used to examine or inspect the

process, or results of the production or service delivery, to ensure that it conforms to the company's objectives. An operative control, when performing includes employees' labor, time, products, services and other activities and factors that are involved in the process of the business. A control system is a component that reduces the difference between the actual and desired performance levels (Meredith & Mantel, 2012).

SMEs often lack the financial resources to establish and implement inspective and corrective systems. Control systems can refer to activities that involve ensuring a predictable, stable and consistent process in order to reach the business target. Creating the means to observe and evaluate an employee's performance against certain business goals is an essential principle for any business management company (Armish *et al.*, 2010). Developing and sharing information and responsibilities usually involve business partners as a whole within the company; they can make a positive or negative contribution to the business since everything and everyone are connected to an ultimate result. A defined operational control system can then be a critical device for the identification of information, storage and protection of documents for SMEs. The efficiency of the control system becomes increasingly important in keeping up to date with the flow of information within the company; this can improve the business processes and performances.

Having an active control system can be beneficial, especially in terms of timeous corrective action, agility, information recorded, safety rules and guidance which maintain the running of the business. According to Bower (2002), a control system is imperative in ensuring that the status of a mission is accurately reported to the management so that problems can be acknowledged before any detrimental influence becomes evident.

2.6.4Lack of customer management system

According to Eagle and Brennan (2008),

“people who pay for a service are customers.”

In order to face competition and sustain their business right from the start, entrepreneurs should initiate marketing plans that continually work improving the relationship between company and its target market. Being customer-centric can be defined as the way of fulfilling what customers' wants and needs by exceeding their expectations through an understanding of their needs and delivering on those needs. Moreover, it can be seen as the way of developing products or services based on the customer's needs and desires. Finally, it can also mean developing a long-term relationship that fulfils an essential part of social responsibility of an operation or business towards its customers. However, more SMEs fail

due to a lack of communication with customers, a lack of initiative in terms of promotions, the fluctuation of prices flexible to customers, and new product features (Nordlund *et al.*, 2011). Establishing, implementing and maintaining an operative customer system might not be an easy task for SMEs; nevertheless, people who buy or use products and services have a right to safety and to be informed of what is offered to them. From the SME's perspective, the need to inform is imperative so as to provide a range of choices to customers, and SME managerial approaches can better find out what customers want, prefer, or dislike using social media platforms such as Facebook or Twitter. Lastly, SMEs can establish well-structured processes that deal with customer feedback and complaints. By having a dynamic customer management system, SMEs can perform better and better penetrate their target market.

2.6.4.1 Lack of customer satisfaction

In competitive business market, customer satisfaction is considered one of the key components in taking advantage of the business; therefore, SMEs should pay particular attention on it. Customer satisfaction is what customers experience are after buying products or services which met their expectation, irrespective of a specific product or service meeting the customers' expectations or not (Ehsan *et al.*, 2013). SMEs should be aware that when customer expectations are not met, it can have negative impact on the business and lead to a decrease in the demand of a product or service. The management of the company should plan in order to know who their customers are and how they react from the product or service that is offered. In order to successfully compete in a long term, SMEs must put strategies in place to satisfy customers. According to Naumann (2005), "*Customer satisfaction is a function of perceived performance and expectations. If the performance falls short of the expectations, the customer is dissatisfied. If the performance matches the expectations, the customer is satisfied. If the performance exceeds the expectations, the customer is highly satisfied or delighted*". Customer satisfaction can therefore be considered important criteria in decision-making strategies within SMEs for organisational sustainability. This view is supported by Feigenbaum (1991), who points out that the accomplishment and maintenance of customer satisfaction's level represents a major feature of business growth, and health.

Knowing that customers have often got different expectations when it comes to the same product or service, then SMEs can use a number of different media and communication technology such as newspapers, radio, TV (television), social networks and the internet for improving the understanding of their product or service. It might be an effort that requires

time and money; however, it may be worth the effort because that could have a positive influence on customers' expectations which in turn will lead to their satisfaction which, in its turn, results in an increase in the demand of products and services, increased revenues for the companies and ultimately, better profits. In addition, Jones and Sasser (1995) declared that, to protect the faithfulness in customers and improve performance in the long-run by having healthy financial returns, companies have to take further consideration of customer satisfaction. SMEs should manage their policies in a way of improving and maintaining customer satisfaction so that they can become successful and survive in the business.

2.6.5 Lack of financial management system

Financial management represents one of the main components of firms. There is a need for any firm to adapt its financial strategies to the analysis of decision-making which can have an impact on the firm's competitiveness. The concept of financial strategy is even more critical for SMEs because they are fledgling businesses and vulnerable to both internal and external factors. SME's often lack both business and financial management plans in order to obtain potential business resources from financial institutions or government institutions, and to manage their capital in an efficient manner. In this view, a study conducted by Amarijit and Nahum (2012) in Canada, explains barriers to SME growth by the lack of SME management's financial skills and financing systems. Although they also mention regulatory issues, the financial facet is considered the most important determinant in SME growth. Money is after all the life blood of a business. Alam *et al.* (2011) conducted a survey on SMEs in Malaysia; this survey shows that SMEs lack adequate information about financing options that are available to them. It was also found that they lack management experience. In contrast, López (2006) argued that financial strategies stand for patterns, goals, or alternatives that are planned to improve and adjust financial management in order to attain business objectives or goals.

The absence of financial strategies that lead to growth and drive an organisation's objectives can have many consequences and cause the failure of the SME. SMEs should therefore establish, implement and maintain suitable financial strategies which can take advantage of the financing options available to them and improve the financial management of their organisations. Therefore, using an effective financial strategy can have a positive empirical value for SMEs.

2.7 EMPLOYEE SATISFACTION

The management's perspective of any given company should have a great attention on the effect of its workforce, irrespective of the kind of business into which the concerned company is. In recent times, research has been conducted to investigate whether there is a significant correlation between employee satisfaction and organisational performance. The desired state within a company, for any business manager or owner, is to promote and maintain values that keep employees comfortable. Employee satisfaction becomes more critical for companies that need to develop and make a profit by hiring the best employees possible to do their work, and take responsibility by applying their full potential. According to Longenecker *et al* (2010), if SME owners do not build a good business environment that stimulates personal contact and communication, employees might not do the best in facilitating the flourish. However, Yoon and Suh (2011) showed that employee satisfaction is more likely to make employees work harder, and provide better services through organisational social responsibility behaviour. In this case, employees that are satisfied with their works have a tendency to be more involved within the organisation, and more devoted to performing their tasks with a high level of performance (Yoon & Suh, 2011). SMEs should then have a great interest in employee satisfaction so that it can influence the productivity of the companies and help them take advantage of the market, and prosper.

2.8 INFLUENCE OF FINANCIAL SUPPORT IN SMEs

For many years, the monetary system in Gabon was under the control of the French government. Business sector in Gabon is a deprived area with a limited admission of finance and high debt costs for entrepreneurs (Chris, 2012). Despite some progress with the aim of the government to stimulate a new dynamic economy, SMEs are still struggling to get effective financial support. Financial access is regarded as a significant issue for companies. SMEs usually lack funds to start or operate their businesses properly. Further, Kanka *et al.* (2011) in the report of The Development Bank Group mention that there is a weak SME financing system and that bank financing has hardly reached for SMEs when reporting that less than 3% of those have access to loan resources from banks and other financial institutions. This shows the financial difficulties that SMEs experience and that do not encourage business activities. The Baltic Sea Region's article (2004) stated that most SMEs suffer from a shortage of capital due to a deficiency of a supply of the availability of finance to them through the financial market.

Furthermore, in the context of the global economic recession, banks seem to generally not like to adopt taking high risks by providing loans to firms, especially to SMEs. However, for a

country that wants to encourage entrepreneurship and stimulate business activities, the role played for banks and other financial institutions becomes very important. According to Paulet *et al.* (2014), SMEs lack of resources to carry out their innovative projects and take advantage of opportunities in the market. Moreover, Boysana's research (2006) about the failure of SMEs in the Kagiso Township, in South Africa, showed that SMEs face an underdeveloped financial market and obtaining loans is very difficult, combined with the absence of actual government involvement in providing finance to SMEs, either directly or indirectly. Therefore, promoting banking strategies for SME development and growth, by providing medium and long-term financial resources, and allowing banking interventions in the form of credit lines, can be important while attempting to reduce financial constraints that negatively affect SMEs in Gabon.

2.9 GOVERNMENT SUPPORT FOR SMEs

Gabon is ranked at 144 out of 189 economies in terms of ease of starting businesses (Doing Business, 2016:19). It is hard to do business in Gabon. At the same time, Gabon is facing major challenges of creating a diversified economy based on natural resource growth and the integration of young people. The Government has undertaken initiative investment and reform programs aimed at making the country a proper emerging market (Kanka *et al.*, 2011). Supporting SMEs is included in these initiatives, as it is viewed as an important component of stimulating the economy of the country. Previous research has demonstrated that one of the objectives that public services must think through, is to how to support the business sector is to plan and maintain the take-off of SMEs so that these SMEs can grow and develop the prospective of becoming companies that are appealing to private capitalists (IVCA, 2006; Cumming, 2007; Bertoni & Tykvová, 2012). Government should then develop and create programs that will act as guidelines for the private sector, so as to encourage SMEs and lead entrepreneurship initiatives. In this sense, promoting SMEs can be beneficial for the economy of the country in terms of revenue; it can thus stimulate growth and be a solution for unemployment, because it can overcome barriers that affect SME productivity and sustainability. According to Acs and Amorós (2008), entrepreneurship is a crucial mechanism in economic growth, then institutions that consider prolific expansion should control and support factors that stimulate business initiative such as opportunity driven entrepreneurship (Bosma *et al.*, 2009). The government should provide a framework to support SMEs, but not look for intervening itself, except when it is necessary to advise because it is not expected in business (Richard, 2008). The following steps are recommended by Richard to promote SMEs:

- To support all SMEs equally, regardless of the sector;
- To focus its direct interferences on clear market alterations that upset all SMEs;
- To mediate as hardly as rationally possible;
- To eradicate the main difficulties that SMEs experience that are the direct or indirect results of the government policies, such as over-burdensome regulation;
- Government must address the extensive issues which present significant problems for SMEs such as over-regulation, admission to finance. Government should establish a new quality standard and encourage entrepreneurship by rewarding new business innovations.

Government can also play an important role by supplying capital for SMEs. A common policy of capital raised post-financing has been initiated in Europe, which helped to overcome funding gaps for companies that are in need of financial support (Luukkonena *et al.*, 2013). For many, a significant obstacle to implement and run a business properly is the lack of funding (Echecopar *et al.*, 2006; Reid & Nightingale, 2011). According to the Baltic Sea Region article (2004), most SMEs suffer from a shortage of capital that is mainly due to a lack of supply of finance available through the financial market. Therefore, government can be vital for SMEs by establishing and facilitating access to finance for SMEs. Knowing that SMEs usually lack potential finance, whatever business strategy they can put in place in order to operate effectively and get an advantage over the market, government support, which allows them to obtain a loan from a bank or other financial institutions, and can be a crucial option to maintain themselves in the market that they are servicing. According to Escalera and Herrera (2006), businesses that practice supplier financing are expected to generate economic value, therefore, it is necessary for government to boost SMEs in Libreville (Gabon) by supporting them financially through active bank and financial institutions' policies and laws.

2.10ROLE OF ISO 9001 CERTIFICATION

One way of improving the management of SMEs is to establish and implement quality systems. SMEs in Gabon, like any other firms around the world, aim to meet certain standards of the service and products that they offer to people. Thus, whatever the business strategy used to operate efficiently, SMEs are encounter to some setbacks that often occur because processes or tasks are not always performed in the right way. However, for SMEs, the situation can become more complex. For instance, non-conformance results can have many consequences such as customer complaints in the case of defect products reaching customers, reworking or product rejection, which can be costly for companies, bad service

can deteriorate the company's reputation and consequently decrease the number of customers. The use of ISO (International Organization for Standardization) 9001 for SMEs, published in 2008, can be important and vital for firms to avoid non-conformance and operate safely. ISO 9001 for SMEs is a standard document that indicates the requirement of quality management systems (Bower, 2002); it can help with implementation guidance in daily activity within companies and who or what can use the quality systems continuously for improving SMEs' operation systems. According to Mitra (1994), implementing quality management systems is necessary to developing and improving the company's long-term competitiveness, productivity and sustainability. By planning and getting an ISO 9001 certification, SMEs place emphasis on offering more value for customers and improving the efficiency of company management systems and processes. In addition, the operation processes of good firms can lead to better products and services, which can contribute to customer satisfaction and enable them to gain a market advantage (Kaynak, 2003; York & Miree, 2004). Similarly, several empirical studies have demonstrated that quality management standards positively impact on firms' performance (Parast *et al.*, 2011; Shahin & Dabestani, 2011). Therefore, SMEs can use ISO 9001 for SMEs standards to support and maintain their strategies towards their goals.

2.11 BUSINESS PERFORMANCE

Business performance can be considered as the outcomes of the operation phase of firms. It can be considered central, in the context of business to assess whether or not companies make progress, especially toward meeting their goals. However, achieving goals in business should not be taken for granted since the business environment is always shifting; therefore, business performance is critical for any organisation that needs to evolve. Good and prodigious companies contrast on the basis of leadership's skills "*to execute strategy, productive teaming, great place to work characteristics including high levels of trust, and encouragement of innovations and outstanding products and services*" (Carole, 2011). All these factors have an impact on business performance, which supports the idea that businesses that perform well value them as a source of competitive advantage.

It is fair to note that it is challenging to measure and evaluate performance in the SME sector (Scase & Goffe, 1987; Jennings & Beaver, 1997; Gray, 1998). Further, Business Connexion (2004) reported that studies that have been conducted on SMEs over the past ten years have found that SMEs misconstrue two important points: "*policy implementation and an understanding of the economics of the sector*". A lack of business policy and knowledge about the economy can show how difficult it is to consider an effective evaluation of business

performance. Finally, it is essential to mention that implementing a business strategy can have more influence on the company results than on the business itself. Huselid and Becker (1997) studies have shown that

“strategy implementation has ten times greater impact on shareholder value than does strategy content” (Carol, 2011).

2.12 POSITIVE EFFECT OF LEADERSHIP IN BUSINESS

Performances in business can be referred to or expressed in terms of indicators that can be either financial or non-financial (Kaplan & Norton, 1992; Lebars & Euske, 2006). Fry and Matherly's study (2006), of the relationship between leadership theory of business and the performances that occur after an effective implementation of theory, shows that the business style used has an apparent positive effect on the organisational commitment, productivity, and growth of the company (Noor & Song, 2016).

In addition, several studies have shown a positive impact within companies that have used a transformational leadership (inspirational motivation and intellectual stimulation techniques) in terms of employee commitment, job satisfaction and organisational performance and growth (Suhana *et al.*, 2014). Thus, companies that consider a great interest in employee motivation can generate a positive effect on their employment satisfaction and lead to better productivity, quality of work and devotion, as well as creating fidelity to the organisation.

2.13 SUSTAINABILITY

The concept of sustainability is well known and has always received greater interest, especially in large corporations, over the years. However, there is not much theoretical evidence found about sustainability policies relating to SMEs (Rodriguez, 2012).

Although SME sustainability is not regarded as a pressing issue, an increasing trend amongst academics, consultants, business practitioners and entrepreneurs is the belief that sustainability is crucial (Rodriguez, 2012). According to Amatucci and Grimm (2013), sustainability *“...represents a typical shift away from the traditional way of operating a firm...”*

In the world of business competition, it becomes imperative for SMEs to pursue alternative strategies in order to compete with large organisations. In contrast to large businesses that are much more organised and designed with the ability to reduce their cost of operations, SMEs cannot easily compete on the basis of cost (Nadiem & Lussier, 2010). One way of competing and maintaining their businesses is to focus on problems that communities are facing, developing strategies and turning them into a competitive advantage for offering

products and services that can be sustainable and create value for themselves and the society involved (Nadiem & Lussier, 2010).

2.14SUMMARY

This chapter highlighted concepts related to SMEs so as to offer a better understanding of the study. It further described some factors that can influence the management of an organisation, which might have a significant influence and control on organisational productivity and sustainability. The overall review highlighted an important point: the absence of strategy can negatively affect SMEs. As a result, business planning should be implemented effectively in order for SMEs to stay competitive in the market. Other external factors can also help SMEs grow and develop; these include government support, supplying financial resources from banks and other financial institutions, or registering for ISO certification. The next chapter discusses the research design and methodology used in the study.

CHAPTER 3

RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

The previous chapter developed an understanding of factors that can have an influence on the business strategy of an organisation. Business strategy was perceived as a critical aspect for organisational sustainability. The purpose of this chapter is to demonstrate what the research design and methodology is and how its process will be used to conduct the research for a significant analysis of the data. This will be relevant to making inferences regarding the objectives of the study.

This Chapter discusses and clarifies the headings such as the survey environment, research design, choice of the sampling method, selecting the target population, sample size, data collection, data analysis, survey design, reliability and validity of data, and the research questionnaire.

3.2 THE SURVEY CONTEXT

The survey in this study took place in Libreville in Gabon. The SMEs in Libreville that have been operating for an average of 3 to 5 years in different sectors, such as manufacturing, Information Technology (IT), retail, construction, agriculture, export/import and others were approached. The study primarily investigated SMEs' management functional activities and their business strategies.

3.3 RESEARCH DESIGN

According to Yin (1994), research design can be referred to as a rational order connecting the pragmatic information of the study's initial investigative questions and conclusions. Churchill and Iacobucci (2002) assert that a research design can be viewed as a framework or stratagem for studying, and can be categorised into multiple basic types. Those types are exploratory, descriptive or casual. A better understanding of those aspects is indicated as follows:

:

- Exploratory research approach is the finding of ideas and insights into the problematical fact, and other possible options.
- Descriptive research is related to determining the frequency of how things happen.
- Casual research is concerned with explaining cause and effect relationships, and that leads into experimental principle.

In this study, both exploratory and descriptive research approaches were used. Thus, the study investigated factors that affect SME in the context of Gabon so that business strategies can be proposed to guide the entrepreneurs to sustain and grow their businesses.

3.4 THE CHOICE OF SAMPLING METHOD

Research studies often involve the use of various sampling methods. According to Sarah (2012), random sampling, which refers to when the whole population is available, is one of the appropriate approaches to choose. However, researchers rarely have the extra time or money to assess the whole population, and then some concessions usually have to be made to conduct the evaluation. This study used non-probability sampling. The type of method sampling used is the convenience sampling, by which a limited number of subjects who are accessible or available were selected to respond to the copies of questionnaire by giving their opinion and accurately represent (without bias) the total SMEs in Libreville.

3.5 SELECTING THE TARGET POPULATION

Melville and Goddard (1996) refer “to a population as any group that is the subject of research interest.”

This study was based on SMEs in Libreville. For the purpose of a well-organised survey, it is important to select the most appropriate target population that is in line with the study’s problem (Sarah, 2012). More often than not, in the research, the population size makes it difficult and impracticable to consider all members of a specific population; therefore, a sample is taken that is used as a representative of the population. As mentioned in Chapter 1, the study used nonprobability sampling. In this method, the investigator has no mode of predicting or assuring the population’s elements that will represent the sample. In this study, the population’s sample was drawn from participants who were available to respond to the request of the study. The SMEs involved in this study understood the importance of it and were randomly selected.

3.6 THE SAMPLE SIZE

For this study, the sample size consisted of thirty SMEs. Thirty participants (n=30) were considered as effective for an exploratory study and enough to facilitate a precision in representation and results of the target population. In this regard, Kidder and Jud (1987) claim that a common strategy for choosing a sample is to pick cases that are defined to be specific to the population with which one is concerned.

The theory of sampling in this study is as follows:

- The study wants to gather information about all the SMEs in Libreville (the population).
- The study can only observe 30 SMEs, which is a representative of the population.
- The findings from the sample (30 SMEs) are generalised to the population.

3.7 DATA COLLECTION

Researchers make use of different data collection techniques according to the type of study that is undertaken. Emory and Cooper (1995) identified three types of data collection techniques when doing a survey:

- Personal interviews.
- Telephone interviews.
- Self-administered questionnaires/surveys.

In this study, self-administered questionnaires were used for data collection technique. Questionnaires fall within the ambit of a broader explanation of ‘survey research’ or ‘descriptive surveys’ (Watkins, 2012). The word “survey” can refer to a collection of huge quantities of information considered as evidence and often converted to numbers using a questionnaire (Remenyi *et al.*, 2009). A pilot study was undertaken with a sample of 10 participants before starting the real survey. Collis and Hussey (2003) claim that it can be useful to pilot questionnaires before distributing them, even if it is just on colleagues and friends, as it might help to identify the quality of the questionnaire, correct errors and improve the nature of the survey by avoiding to bias. The pilot study has helped improving the structure of the questionnaire, moreover the logical progression and sequence of questions because the sentences were too long-winded. The language and technical composition were satisfactorily improved afterwards.

SME owners or entrepreneurs were approached on their premises where they operate in Libreville. The research provided a letter of permission to sign and confirmed confidentiality; it also guarantees the anonymity of the respondent. In some instances, questionnaires were translated into French due to the language barrier, so as to facilitate responses. The structure of the questionnaires gave respondents an average of 10 to 15 minutes to answer the questions. The survey was considered satisfactory in terms of data collection in regard to the issues facing SME performance in Libreville.

3.8 DATA ANALYSIS

A quantitative method was applied for driving this study. The study focused on gathering numerical data from respondents during the survey of SMEs in Libreville. The convenience

(non-probability) sampling technique was the functional procedure to reach the participants so that questionnaires can be fully responded to regarding the aim of the study. Data were studied using descriptive statistical techniques, frequency tabulation, and correlation from Excel, SPSS, and Moonstats. The inferential specific statistics are defined and described in Chapter 4. The quantitative method used in data analysis refers to a scientific approach that applies mathematical and statistical techniques so that data can be examined and interpreted effectively; this approach was used in this study. The outcome of the quantitative study should be constructed in a manner that allows others to repeat the experiment and attain similar results (Martyn, 2008).

3.9 SURVEY DESIGN

One of the key techniques to collect quality data from a survey is to develop a good survey questionnaire (Marketing Research, 1991). Questionnaires ensured that data can be captured in the interest of the study. The questionnaire for this study was designed in connection with the research objectives of the study.

The following steps were followed for the survey:

- **Step1:** Establish the goals of the research.
- **Step2:** Determine the sample.
- **Step3:** Choose interviewing methodology (i.e. a questionnaire).
- **Step4:** Create the questionnaire.
- **Step5:** Pre-test the entire questionnaire, if practical-test the questions.
- **Step6:** Give questionnaires to get feedback to your research.
- **Step7:** Analyse the data-produce the report.

3.10 RELIABILITY AND VALIDITY OF DATA

Reliability can be defined as an instrument that measures the consistency of the findings of a study (Mellville & Goddard, 1996), while validity is considered to be the degree to which the measurements or results are accurate, precise or correct (Collis & Hussey, 2003). The survey questions were organised and directed to guarantee a high degree of reality and validity (Babbie, 2005). The questionnaire falls within the ambit of the analysis and discussion of the findings in chapter 4. Statistical techniques will be used for analysis and making inferences from the data collected; the results will help in exploring the survey and thus responding to the objectives of the study.

3.11 THE RESEARCH QUESTIONNAIRE

A questionnaire can be considered as one of the appropriate tools for gathering information. This study used questionnaire for data collection through the research survey. In order for the questionnaire to be effective and provide the necessary data, the survey questionnaire was designed to be easy to understand and easy to complete. In this study the questionnaire gathered the opinion of participants. By exploring business strategy in line with SMEs' organisational philosophy, the questionnaire was formed and contained three main sections as follows:

- **Section 1:** Company's demographic variables.
- **Section 2:** Management of the company.
- **Section 3:** Company's previous outline.

These sections of the questionnaire (Annexure E) were considered to be significant for the investigation of the SME environment in Libreville.

3.12 SUMMARY

In this chapter, the research design and methodology employed in this study was outlined. The chapter highlighted the reason for selecting these designs and the importance of methods used to fulfil an understanding of the analysis of the study. The next chapter will provide the analysis of the findings of the study, and discussions will be developed according to each theme.

CHAPTER 4

ANALYSIS AND DISCUSSION

4.1 INTRODUCTION

Data analysis and interpretation of results reflects the approach in which researchers pursue data collection, analysis and interpretation. According to Anne and Anthony (2008), data can be considered as scientific facts that can reflect evidences once observed and interpreted carefully to address questions. The study's main research objective was to investigate the impact of insufficient business planning and good management of SMEs in Gabon. The investigation focused on the following questions:

- What factors are influencing insufficient planning by SMEs?
- What factors are hindering management of human capital information by SMEs?
- What management styles are required by SMEs?
- What control systems will influence SMEs' sustainability?
- What type of relationship SMEs must have with their clients to grow their client base?

In this section of the study, the data collected from the survey conducted will be presented and examined using major steps that are followed in most social research, including organisation and cleaning of the information composed during the survey (this process is known as data preparation), defining the information collected (using descriptive statistics), and analysing the research question that were considered.

4.2 METHOD OF ANALYSIS

4.2.1 Validation of survey results

The results from the descriptive analysis survey are reflected below. The responses to the questionnaires are represented in different tables and for specific purposes. Data validation reflects the process of making sure that a system is useful and operates correctly. The questionnaire assessed the selected SMEs' operation for the purpose of this study, in order to identify non-conformance and improve their performance in the context of Gabon. The following methods have been used:

- Descriptive statistics
- Frequency tabulation
- Correlation
- Research question

In addition to the following the author will make use of literature to validate the findings.

4.2.2 Data format

The questionnaire was designed and focused on the different areas of the study. The data collected after questionnaires were distributed and responded by SME owners (or managers) were captured as a database on Microsoft Excel. The process of coding qualitative variables in numerical form (Likert scale), which is an important part of developing interpretations in the survey, was used as follows:

- 'TERRIBLE' is coded "1".
- 'POOR' is coded "2".
- 'AVERAGE' is coded "3".
- 'GOOD' is coded "4".
- 'EXCELLENT' is coded "5".

The database was imported into SPSS and Moonstats for the purpose of analysis.

4.2.3 Decision rules

The study's analysis started by measuring the reliability of the process, which describes the internal consistency of the model using the Cronbach's Alpha Coefficient. The reliability was based on the statements in the questionnaires. The following table 4.1 labels how Cronbach's Alpha test is performed:

Table 4.1: Cronbach's Alpha: Internal consistency

Cronbach's alpha	Internal consistency
$\alpha \geq 0.9$	Excellent (High-Stakes testing)
$0.7 \leq \alpha < 0.9$	Good (Low-Stakes testing)
$0.6 \leq \alpha < 0.7$	Acceptable
$0.5 \leq \alpha < 0.6$	Poor
$\alpha < 0.5$	Unacceptable

Cronbach's alpha is a statistical tool; it generally considers as a measure of reliability of a model chosen. As the matter of fact, it is relevant when determining how well a group of variables measures one dimensional characteristic of individuals (Bland & Altman, 1997).

4.2.4 Inferential statistics

Inferential statistical techniques that will be used in the analysis:

- i. Bar Charts or Bar Graphs are charts with rectangular bars used with proportion; these charts have been used in this study.
- ii. Descriptive statistics describe a statistical approach of summarising and reading the analysed information. Explanations of some statistical symbols used in the table 4.3 - 4.8 from the interpretation of SPSS and Moonstat software are indicated as follows:
 - **Variable:** variable's name whose descriptive statistics have been intended.
 - **N:** represents the total number of variables.
 - **Mean:** the average value (from the total cases).
 - **StdDev:** the standard deviation.
 - **Minimum:** the smallest number (value obtained).
 - **Maximum:** the largest number (value obtained).
 - **Median:** it indicates the middle value when the values or numbers are arranged from smallest to largest. Most values are considered to be smaller than the mean when the median is smaller than the mean. However, when the median is higher than the mean, it symbolises that most values are superior or larger than the mean.
- iii. Frequency tabulation is a listing of the values or scores and how often these values occur.
 - The "**Cum. %**" (cumulative percentage) column displays the percentage of cases obtained for a variable.
- iv. The quality "r" is named as linear correlation coefficient, and it measures the direction and strength of the relationship between two variables.
 - The "r" value: $-1 < r < +1$. The + and – signs designate positive and negative linear correlation (Bland & Altman, 1997).
- v. When Using SPSS or Moonstat software, a P-value (Probability value) that shows statistical significance is useful when trying to draw a comparison among variables because it determines the relationship of the variables that are studied. A P-value

smaller than 0.05 characterises an acceptable level on a 95% confidence interval ($p \leq 0.05$) (Cooper & Schindler, 2001).

- vi. The F-statistic=MSR/MSE in the ANOVA table. The further this value is from 1, the more significant the regression model. The P_value for the F_statistic: if this value is less than 0.05 then the null hypothesis (Ho) should be rejected, thus the conclusion will be that the regression model is statistically useful.

4.3SAMPLE

The target population was SMEs in Libreville (Gabon), and a sample of 30 SMEs was realised the target population.

4.4ANALYSIS

The analysis mainly used inferential statistical techniques and frequency tabulation. These statistical tools are useful for the analysis and provide a better understanding of the study.

4.4.1Section-by-section analysis of the questionnaire

The questionnaire (Annexure E) is presented, as displayed below, with three main sections: Section 1 represents the company profile, titled as the company's demographic variables; Section 2 shows the variables that are regarded as part of the management of the company in this study; and Section 3 provides an overview of the company profitability. It is relevant to highlight that the variables used in this questionnaire are based on the whole sample used in this study.

The different sections in the questionnaire are:

Section 1: Company's demographic variables (N=30)

- A. Age Group: Min=16-20; Max=35 +
- B. Gender: Male and Female
- C. Number of employees: Min=none , Max=20>
- D. Academic qualification
- E. Work experience: Min=none, Max=20>
- F. How old is the business? Min=1<, Max=10>
- G. Did the individual receive entrepreneurial training before? Yes or No
- H. Owned a business before: Yes or No
- I. Parents own/owned a business: Yes or No
- J. Do you have partner(s)? Yes or No

- K. Start-up Capital: Min=Poor, Max=Excellent
- L. Size of turnover
- M. Business' Sector
- N. Locations

Section 2: Management of the company

The characteristics of the main variables of this section are:

- A. The company's business plan
- B. Human capital of the company
- C. The company's management styles
- D. The company's control systems
- E. The relationship between the company and the client
- F. Alternative mechanisms to maintain a small business

Section 3: Company's profitability growth data

The survey of the following years: 2015, 2016, and 2017 (years 2015, 2016, and 2017, respectively, denoted by 1, 2, and 3). The following variables are discussed:

- A. Company Turn Over
- B. Company Profit
- C. Client Growth
- D. Job Creation
- E. Job Satisfaction
- F. Personal Success

For the purpose of this study it is necessary to take a note that the Section 3 of the questionnaire will be used as dependent variables and describes business results. An assessment of business results during the last three years (2015, 2016 and 2017) is used to give an indication of organisation sustainability. The questionnaire is provided in Annexure E.

4.4.2 Sample characteristic variables

This study used variables to define and measure the characteristics of the SMEs and participants that responded to the questionnaires. Different concepts were considered that vary between units of the sample selected. A list of variables indicated the following information: participant's gender, age, qualification and work experience, as well as whether or not participants received entrepreneurial training and previously owned a business.

Furthermore, the characteristics also reflected the number of employee(s) of the organisation, the age of the business, the size of turnover, the business category and its location. The survey found that those participants that have responded to the questionnaire (Annexure E) managed their own businesses as entrepreneurs. The study therefore reflects the opinion of participants. Table 4.2 below depicts the results of the characteristic variables of the respondents of the study.

Table 4.2: Demographic characteristic variables

Personal Characteristics	Description	Count	Percentage%
Gender	Male	22	73,33%
	Female	8	26,67%
Age (Respondent)	16-20 years old	0	0%
	20-25 years old	2	6,67%
	25-30 years old	4	13,33%
	30-35 years old	8	26,67%
	+35 years old	16	53,33%
Number of employee(s)	None	0	0%
	<5	11	36,67%
	5-10	8	26,67%
	10-20	8	26,67%
	>20	3	10,00%
Work Experience (in years)	None	2	6,67%
	<5	19	63,33%
	5-10	7	23,33%
	10-20	1	3,33%
	>20	1	3,33%
Academic Qualification of respondent	Lower than grade 12	0	0%
	Grade 12 with diploma/certificate	2	6,67%
	Undergraduate degree	15	50,00%
	Post graduate degree	11	36,67%
	Doctorate	2	6,67%
Age of the business (in years)	<1	0	0%
	1<3	8	26,67%
	3<6	18	60,00%
	6<10	4	13,33%
	>10	0	0%
Participant receiving entrepreneurial training	Yes	13	43,33%
	No	17	56,67%
Participant owned a business before	Yes	8	26,67%
	No	22	73,33%

Personal Characteristics	Description	Count	Percentage%
Participant's parent owns/owned a business	Yes	14	46,67%
	No	16	53,33%
Partner(s) or not in the business	Yes	7	23,33%
	No	23	76,67%
Start-up Capital	Poor	7	23,33%
	Fair	19	63,33%
	Good	4	13,33%
	Excellent	0	0%
Size of Turnover (Rand)	<50000,00	1	3,33%
	50<100000,00	6	20,00%
	100<150000,00	9	30,00%
	150<250000,00	12	40,00%
	+250000,00	2	6,67%
Business Category	Manufacturing	4	13,33%
	IT(Information Technology)	4	13,33%
	Commercial Services	8	26,67%
	Retail	5	16,67%
	Construction	2	6,67%
	Agriculture	3	10,00%
	Export/Import	4	13,33%
Location	County Town	3	10,00%
	Town	14	46,67%
	Uptown	2	6,67%
	Suburb	9	30,00%
	Township	2	6,67%

A summary of the nominal (actual) demographic variables is provided in Annexure C.

4.4.3 Reliability testing

Testing the overall questionnaire's reliability using Cronbach's Alpha, as mentioned above, was conducted on the group of statements/questions of the 30 SMEs. Reliability tests (Cronbach's Alpha Coefficient) are conducted on the groups of questions/statements. It shows the correlation between the respective item and the total sum score (without the respective item) and the internal consistency of the scale (Coefficient Alpha) if the respective item were to be deleted. By deleting the items (statements) one by one, each time deleting the statement with the highest Cronbach Alpha value, the Alpha value will increase.

This, however, was not necessary as the measuring instruments are reliable.

The results of the reliability tests are shown in Tables 4.3 - 4.8, which display the Cronbach's Alpha Coefficients for raw material of the main components (from Part A to Part F) of section

2 of the questionnaire. The correlation between individual items and the total sum score was also included.

Table 4.3 presents the reliability test for each measuring instrument of SMEs' business plan.

Table 4.3: Cronbach's Alpha Coefficient for all items - Part A

Questionnaire Statements	Variable Code	Correlation with Total	Cronbach's Alpha Coefficient
Part A: The company's business plan			
An effective business plan is set up when starting a business.	A1	0.664	0.759
The business plan gives a clear indication of the mission and vision of the company.	A2	0.680	0.756
A technical analysis of the marketing plan and financial plan determines whether the business plan offers interesting perspectives for the future.	A3	0.508	0.804
Business plan's Information is useful for banks and organisations that assist entrepreneurs in order to analyse a business's potential and profitability.	A4	0.682	0.764
An assessment of a business plan is combined with an objective judgment of the entrepreneur, which needed to see whether the entrepreneur will carry through the business successfully.	A5	0.529	0.800
Cronbach's Alpha Coefficient for Standardised Variables			0.819
Cronbach's Alpha Coefficient for raw variables			0.814

The Cronbach's Alpha Coefficients for each variable presented in table 4.3 are more than 0.70 (the conventional level according to Nunnally (1978) for each of the measuring instrument for all the items in each scale), and the Cronbach's Alpha Coefficients for raw variables is 0.81, which indicates an acceptable level of consistency for all items measured.

Table 4.4 presents the reliability test for each measuring instrument of SMEs' human capital.

Table 4.4: Cronbach's Alpha Coefficient for all items - Part B

Questionnaire Statements	Variable Code	Correlation with Total	Cronbach's Alpha Coefficient
Part B: Human capital of the company			
Employees have the required skills or training to perform their work.	B6	0.711	0.845
The business owner has the knowledge to effectively run the business.	B7	0.626	0.864
The employees have sufficient experience to maintain the performance of the company.	B8	0.722	0.842
The employees' level of education affects the company growth.	B9	0.842	0.811
Employee is motivated by rewards.	B10	0.613	0.868
Cronbach's Alpha Coefficient for Standardised Variables			0.873
Cronbach's Alpha Coefficient for Raw Variables			0.874

The Cronbach's Alpha Coefficients for each variable in table 4.4 are more than 0.80, and the Cronbach's Alpha Coefficients for raw variables is 0.87, which indicates a high level of consistency for all items measured.

Table 4.5 presents the reliability test for each measuring instrument of SMEs' management procedure.

Table 4.5: Cronbach's Alpha Coefficient for all items - Part C

Questionnaire Statements	Variable Code	Correlation with Total	Cronbach's Alpha Coefficient
Part C: The company's management styles			
The company has a well-defined management strategy to improve and sustain the potential of the organisation.	C11	0.626	0.783
The company has planning skills in terms of time, cost, and quality.	C12	0.680	0.770
The company has monitoring system to assess an effective work progress.	C13	0.766	0.741
The management procedures are established to attract and motivate employees.	C14	0.511	0.817
The company has procedures for the recruitment and selection of employees.	C15	0.514	0.815
Cronbach's Alpha Coefficient for Standardised Variables			0.824
Cronbach's Alpha Coefficient for raw variables			0.822

Table 4.5 shows that the Cronbach's Alpha Coefficients for each variable are more than 0.70, and the Cronbach's Alpha Coefficients for raw variables is 0.82, which proves to be reliable for all items measured.

Table 4.6 presents the reliability test for each measuring instrument of SMEs' control system.

Table 4.6: Cronbach's Alpha Coefficient for all items - Part D

Questionnaire Statements	Variable Code	Correlation with Total	Cronbach's Alpha Coefficient
Part D: The company's control systems			
Monitoring system observing employees performing their duties.	D16	0.756	0.886

Questionnaire Statements	Variable Code	Correlation with Total	Cronbach's Alpha Coefficient
Safety rules and guidance of the company.	D17	0.802	0.876
System of records of employee education, skills, training, and experience.	D18	0.783	0.883
Records of the results of corrective actions taken.	D19	0.700	0.900
Holding regular meetings to review reports and reporting system for improvement.	D20	0.794	0.878
Cronbach's Alpha Coefficient for Standardised Variables			0.908
Cronbach's Alpha Coefficient for raw variables			0.906

The Cronbach's Alpha Coefficients for each variable in table 4.6 are on average more than 0.87 and the Cronbach's Alpha Coefficients for raw variables is 0.91, which indicates a high level of reliability and consistency for all items.

Table 4.7 presents the reliability test for each measuring instrument of SMEs' relationship with client.

Table 4.7: Cronbach's Alpha Coefficient for all items - Part E

Questionnaire Statements	Variable Code	Correlation with Total	Cronbach's Alpha Coefficient
Part E: The relationship between the company and the client			
Client satisfaction of the company's business.	E21	0.643	0.845
The company understands needs, wants and preferences of its target audience.	E22	0.600	0.857
The company tracks customer behavior and adapts to accommodate shifts.	E23	0.719	0.828
The company has a marketing system to inform its customers of its product or service.	E24	0.766	0.814

Questionnaire Statements	Variable Code	Correlation with Total	Cronbach's Alpha Coefficient
The location of the company helps the company's client growth.	E25	0.704	0.830
Cronbach's Alpha Coefficient for Standardised Variables			0.865
Cronbach's Alpha Coefficient for raw variables			0.863

The Cronbach's Alpha Coefficients for each variable in table 4.7 are more than 0.80 and the Cronbach's Alpha Coefficients for raw variables is 0.86, which indicates an acceptable level of consistency for all items.

Table 4.8 presents the reliability test for each measuring instrument of SMEs' additional options for their development.

Table 4.8: Cronbach's Alpha Coefficient for all items - Part F

Questionnaire Statements	Variable Code	Correlation with Total	Cronbach's Alpha Coefficient
Part F: Alternative mechanism to maintain small business			
The company loans from a banking or commercial lending institution to run the business.	F26	0.522	0.813
The company's support from the government.	F27	0.607	0.789
The use of ISO 9000 certification as a contributor to quality in the company.	F28	0.717	0.755
Personal loan or equity line of credit for start-up capital is often used to run the business.	F29	0.534	0.811
Owner complies with laws that apply to small businesses.	F30	0.736	0.761
Cronbach's Alpha Coefficient for Standardised Variables			0.827
Cronbach's Alpha Coefficient for raw variables			0.822

The Cronbach's Alpha Coefficients for each variable are more than 0.70 and the Cronbach's Alpha Coefficients for raw variables is 0.82, therefore it indicates an acceptable level of reliability and consistency for all items measured in table 4.8.

The reliability tests for each part of the Section 2 of the questionnaire (Annexure E) indicate that the Cronbach's Alpha Coefficients for the raw variables of the overall model lies between 0.81 and 0.91; this means that the measurement instruments are reliable and satisfactory.

4.4.4 Descriptive statistics

The descriptive statistics and frequencies for all the categorical variables are listed in Table 4.9, below (Section 2 of the questionnaire in Annexure E). It is essential, for the understanding of the analysis, to indicate that for the application of the mean and the median as techniques of descriptive statistics, their interpretation will be as follows: when the value of the median is smaller than the value of the mean, it demonstrates that most values are smaller than the mean. Moreover, if the mean is close to 5 then most of the respondents agree to be excellent, if less than 2.5 or close to 1 then they agree to be poor and terrible.

Table 4.9: Descriptive statistics-Mean and Median of category variables for Section 2

Variables		N	Mean	Std Dev	Median	Range
A. The company's business plan						
1.	An effective business plan is set up when starting a business.	30	2.47	0.86	2.50	3
2.	The business plan gives a clear indication of the mission and vision of the company.	30	2.60	1.00	2.50	3
3.	A technical analysis of the marketing plan and financial plan determines whether the business plan offers interesting perspectives for the future.	30	2.30	0.75	2.00	3
4.	Business plan's information is useful for banks and organisations that assist entrepreneurs in order to analyse a business's potential and profitability.	30	2.20	0.66	2.00	2
5.	An assessment of a business plan is combined with an objective judgment of the entrepreneur needed to see whether	30	2.63	0.85	3.00	3

Variables		N	Mean	Std Dev	Median	Range
	the entrepreneur will carry through the business successfully.					
B. Human capital of the company						
6.	Employees have the required skills or training to perform their work	30	2.50	0.68	3.00	3
7.	The business owner has the knowledge to effectively run the business.	30	2.67	0.60	3.00	2
8.	The employees have sufficient experience to maintain the performance of the company.	30	2.67	0.66	3.00	2
9.	The employees' level of education affects the company growth.	30	2.90	0.66	3.00	2
10.	Employee is motivated by rewards.	30	2.70	0.65	3.00	2
C. The company's management styles						
11.	The company has a well-defined strategy management to improve and sustain the potential of the organisation.	30	2.53	0.78	2.50	3
12.	The company has planning skills in terms of time, cost, and quality.	30	2.37	0.67	2.00	3
13.	The company has monitoring system to assess an effective work progress.	30	2.47	0.73	2.00	3
14.	The management procedures are established to attract and motivate employees.	30	2.37	0.77	2.00	3
15.	The company has procedures for the recruitment and selection of employees.	30	2.30	0.75	2.00	3
D. The company's control systems						
16.	Monitoring system observing employees performing their duties.	30	2.47	0.73	2.00	3
17.	Safety rules and guidance of the company.	30	2.50	0.78	2.00	3
18.	System of records of employees' education, skills, training, experience.	30	2.67	0.66	3.00	2
19.	Records of the results of corrective actions taken.	30	2.47	0.82	2.00	3
20.	Holding regular meetings to review reports and reporting system for improvement.	30	2.70	0.79	3.00	3

Variables		N	Mean	Std Dev	Median	Range
E. The relationship between the company and Client						
21.	Client satisfaction with the company's business.	30	2.63	0.62	3.00	2
22.	The company understands needs, wants and preferences of his target audience.	30	2.67	0.66	3.00	2
23.	The company tracks customer behavior and adapts to accommodate shifts.	30	2.43	0.57	2.00	2
24.	The company has a marketing system to inform its customers of its product or service.	30	2.77	0.63	3.00	2
25.	The location of the company helps the company's client growth.	30	2.87	0.68	3.00	2
F. Alternative mechanism to maintain small business						
26.	The company loans from a banking or commercial lending institution to run the business.	30	2.33	0.55	2.00	2
27.	The company's support from the government.	30	2.33	0.55	2.00	2
28.	The use of ISO 9000 certification as a contributor to quality in the company.	30	2.53	0.63	2.00	2
29.	Personal loan or equity line of credit for start-up capital is often used to run the business.	30	2.77	0.57	3.00	2
30.	Owner complies with laws that apply to small businesses.	30	3.00	0.46	3.00	2

The analysis of the Table 4.9 demonstrates that, in average, medians are smaller than means; as a result, it indicates that most values are smaller than the value of the mean. Therefore, respondents mostly agree that SMEs' management activities are poorly and terribly executed.

4.4.5 Frequency statistics

Section 3 of the questionnaire (Annexure E) captured the information on SMEs' profitability growth from different category variables, which describes business results and gives an

indication of organisation sustainability. The results of the frequency analyses are presented in Table 4.10 below. The results are expressed in percentages and take into account the last three years: 2015, 2016 and 2017.

Table 4.10: Company's profitability growth data (for years 2015, 2016 and 2017, respectively, denoted by 1, 2, and 3)

Variables	N 30 (100%)	Frequency Value (%)				
		1	2	3	4	5
		Terrible	Poor	Average	Good	Excellent
A1	30	16.67	46.67	36.67	0.00	0.00
A2	30	0.00	26.67	73.33	0.00	0.00
A3	30	0.00	10.00	53.33	36.67	0.00
B1	30	6.67	53.33	36.67	3.33	0.00
B2	30	0.00	23.33	66.67	10.00	0.00
B3	30	0.00	10.00	66.67	23.33	0.00
C1	30	6.67	76.67	13.33	3.33	0.00
C2	30	0.00	40.00	56.67	3.33	0.00
C3	30	0.00	6.67	63.33	30.00	0.00
D1	30	40.00	50.00	6.67	3.33	0.00
D2	30	6.67	60.00	30.00	3.33	0.00
D3	30	0.00	23.33	60.00	16.67	0.00
E1	30	0.00	73.33	26.67	0.00	0.00
E2	30	3.33	20.00	60.00	16.67	0.00
E3	30	0.00	10.00	50.00	33.33	6.67
F1	30	0.00	36.67	56.67	6.67	0.00
F2	30	0.00	20.00	56.67	23.33	0.00
F3	30	0.00	3.33	50.00	43.33	3.33

The respondents expressed the following during the survey (see Table 4.10)

- i. The results on the company's turnover (A1, A2 and A3) show that most respondents agree that the turnover of SMEs is mostly in average or in a poor state.
- ii. The results on the company's profit (B1, B2 and B3) demonstrate that most respondents agree that SMEs' profits are mostly poor or in an average state.

- iii. The results on the company's client growth (C1, C2 and C3) show that most respondents agree that SMEs' client growth is mostly poor and in average state; however, few agree that it is in a good state, especially in 2017 (30% in average).
- iv. The results on the company's job creation (D1, D2 and D3) prove that most respondents agree that SMEs' job creation is mostly poor (50% in D1, and 60% in D2) and in average state (60% in D3).
- v. The results on the company's job satisfaction (E1, E2 and E3) reveal that most respondents agree that SMEs' job satisfaction is mostly on average (60% in E2 and 50% in E3) in poor state (73.33% in E1).
- vi. The results on the respondents' personal success (F1, F2 and F3) attest that respondents mostly agree that their personal successes are on average state.

4.5 INFERENCE STATISTICS

The regression statistical analysis has been used to make sense of the overall model and variables. The latent explanatory variables have been created according to the six blocks of Section 2 of the questionnaire (Annexure E) to measure the validity of the linear regression analysis. The following group statements are formulated:

- Var A Total= The company's business plan
 - $\text{Var A Total} = (A1+A2+A3+A4+A5)/5$
- Var B Total= Human capital of the company
 - $\text{Var B Total} = (B6+B7+B8+B9+B10)/5$
- Var C Total= The company's management style
 - $\text{Var C Total} = (C11+C12+C13+C14+C15)/5$
- Var D Total= The company's control systems
 - $\text{Var D Total} = (D16+D17+D18+D19+D20)/5$
- Var E Total= The relationship between the company and its client
 - $\text{Var E Total} = (E21+E22+E23+E24+E25)/5$
- Var F Total= Alternative mechanisms to maintain small business
 - $\text{Var F Total} = (F26+F27+F28+F29+F30)/5$

It is important to note that the Var X (X characterises any category variables)Total represents the proportion of each category.

4.5.1 Correlation coefficients

The Pearson correlation 2 tailed tests of the latent variables proves that the independent variables are not interrelated with one another (Annexure A) and Figure 4.1 below shows that the normal probability plots is linear; this indicates that data are normally distributed. The criteria for a regression analysis of the overall model are justified and valid.

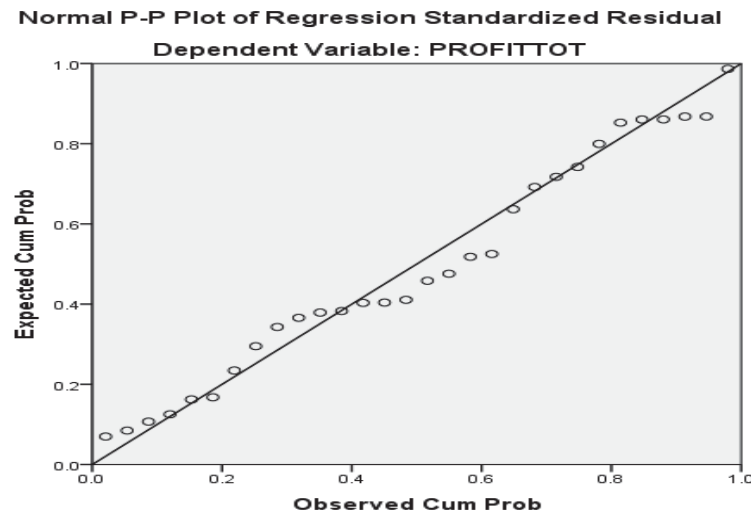


Figure 4.1: Normal Probability of Regression Standardised Residual

4.5.2 Coefficient of determination testing

The statistical program SPSS was used to perform the analysis. The whole model analysis shows the results in table 4.11. The estimated multiple linear regression equation:

Variables of the equation:

- Dependent variable: **Y**= Business Performance
- Independent Variables: **X1**= VarAtotal, **X2**= VarBtotal, **X3**= VarCtotal, **X4**= VarDtotal, **X5**= VarEtotal, **X6**= VarFtotal.

Equation of the model: $Y = b_0 + b_1X_1 + b_2X_2 + b_3X_3 \dots b_6X_6 + E$

The coefficient of determination test (table 4.11) shows the negative relationship between the absence of a business proposal or plan and business performance, the lack of a company control system and business performance, the lack of customer satisfaction and business performance, the lack of financial strategy and the lack of leadership and business performance. The results of this experience are displayed in table 4.11. The adjusted R^2 test was performed to examine the goodness of fit of the regression equation model.

Table 4.11: Coefficient of determination

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.707 ^a	.499	.368	.403

a. Predictors: (Constant), VARFTOTAL, VARETOTAL, VARBTOTAL, VARDTOTAL, VARCTOTAL, VARATOTAL

The coefficient of determination $R^2=0.499$. It tells that 49.9% of the business performance is accounted for by VarAtotal, VarBtotal, VarCtotal, VarDtotal, VarEtotal, VarFtotal. The Adjusted $R^2= 0.368$ which means that there is a weak relationship between Business Performance and the independent variables.

4.6 SUMMARY OF RESULTS

4.6.1 Demographic findings

Section 1 of the survey questionnaire captured the demographic information of the respondents and the SMEs that are directly related to the study. The demographic information of the sample is representative of the SME population in Libreville. Of the 30 SMEs that formed part of the study, 22 respondents (73.33%) were males, whereas 8 were females (26.67%). In terms of the age of the respondents, 53.33% of the respondents were more than 35 years old, 26.67% were 30 to 35 years old, 13.33% were 25 to 30 years old, and 6.67% were 20 to 25 years old. 11 SMEs had fewer than 5 employees, while 8 SMEs had 5 to 10 employees, and another 8 had 10 to 20 employees. Only 3 of the SMEs had more than 20 employees. Most of the respondents agreed (56.67%) that they had not previously received any entrepreneurial training, and 76.67% of them do not have business partners. Table 4 summarises the demographic information.

Prior to responding to the main objective of this study, which is to audit factors that may affect the running of SME's in the context of Gabon and to propose business management that aims at guiding the entrepreneurs to ensure business sustainability, several points were discussed which covered different questions related to the study.

4.6.2 SMEs Planning and performance

The study indicates that the absence of a business plan has negative effect on the business progress and performance. The analysis of the results indicates 33.6% ($R^2=0.336$) of the business performance is accounted for by the components including in business plan

(Annexure B), which means that business plan was not significantly worth to explain business performance. The results support evidence of the importance of a business plan in SMEs as espoused in the literature. As Timmons and Spinelli (2007) note, there is a need to engage in planning for the entrepreneur whose aims are to clarify and guide their decision-making, so that companies can achieve their desired business performance. In the absence of a well-structured business plan, SMEs are more likely to be incompetent at realising their objectives and that can result in failure.

4.6.3 SMEs management and performance

The results of the study reveal that the lack of management styles leads to poor business performance. The lack of management styles within SMEs includes the following areas: strategic management, planning skills in terms of cost, quality, and time, procedures to attract as well as motivate both customers and employees and, finally, the recruitment and selection procedures. The absence of all these factors negatively affects the performance and development of SMEs. The findings support the claim, from the literature, that management style is a key aspect within a company and that can significantly affect business performance. The importance of strategy or business style is supported by Michael (2012), who advocates that one of the effective ways for managers to attain organisational sustainability is to implement an effective business strategy.

4.6.4 Control system and performance

The results indicate that 90% of the respondents were not pleased with the operational control systems. The results of the descriptive statistics, using the F Test technique, indicated that the lack of SME control systems has a negative effect on business improvement. The literature mentioned that SMEs' lack of financial resources compromise the use of an effective control system. Thus, creating different systems to observe and evaluate workers' (employees) performance against business result is an essential principle for any business management company (Armash *et al.*, 2010). In this respect, Bower (2002) puts forward that a control system is imperative in ensuring that the status of a mission is accurately reported to the management so that problems can be acknowledged before any harmful influence becomes evident.

4.6.5 Customer and SMEs relationship

According to Nordlund *et al.* (2011), most SMEs become unsuccessful because of a lack of a real daily interaction with their clients and customers, the lack of initiative in terms of promotions, the fluctuation of prices flexible to customers, and new product features. These results are in line with the literature, as it is indicated that 33.8% ($R^2=0.338$) of the business

performance is accounted for by variables related to the relationship between SMEs and customers (E21, E22, E23, E24 and E25). This is a signal that the absence of customer relationship has negative influence on the effectiveness of the business in terms of profits, since there is no business without potential customers. The literature mentions the importance of keeping customers on track in terms of information related to the product and service offered, as well as communicating to them so that companies can identify customers' needs and desires, which will lead to meeting their expectations. In spite of slight satisfactory indicators in terms of business locations, 33.33% of the sample (30) responded to be in average state regarding the location of the company and client growth, 26.67% agreed that the situation was good and 3.33% said that it was excellent (see Annexure C). There was an important absence in other criteria such as customer satisfaction, concrete business procedure to understand and track customer needs, wants, preferences, as well as effective marketing; this is not ideal for SMEs that intend to prosper.

4.6.6 Influence of customer satisfaction

In line with business performance and organisational sustainability, the respondents agreed that customers were not satisfied. 60% of the respondents agreed that customer satisfaction is poor, while 30% regarded it as average (see Annexure C). Customers are a key part of the business process and when their expectations are not met, it can lead to negative outcomes for corporations in terms of trade and revenue, thus resulting in failure. The literature points to the fact that customer dissatisfaction leads to a decline in business performance. This is supported by Feigenbaum (1991), who points out that the accomplishment of and maintaining customer satisfaction beyond the stage of a satisfactory level represents a major feature for business improvement and growth. SMEs should, therefore, take customer satisfaction into consideration as a crucial aspect of their business strategies for the benefit of their organisations.

4.6.7 Employee satisfaction and business performance

The survey results indicate that the lack of employee satisfaction has a negative impact on SME productivity. Negative productivity in terms of business can result in the organisation's failure. The literature specifies that employee satisfaction represents a critical part of companies that need to evolve. In fact, according to Longenecker *et al.* (2003), if entrepreneurs do not build an environment that inspires collaboration, workers will never perform at their best level. Longenecker *et al.* (2003)'s suggestion supports the findings of this study, since the lack of customer satisfaction leads to the poor performance and productivity of SMEs.

4.6.8 SMEs financial management and performance

The analysis indicates that a lack of financial strategy also negatively affects organisational performance. The respondents were not convinced with their implementation of the financial management strategy. The financial management strategy assessment demonstrates that SMEs do not have adequate financial systems in place for their businesses, and that shows how little knowledge entrepreneurs have of the financial management part of the business. By making use of the mean and median, Table 4.9 on financial management (C11: Part C, Section 2) indicates that the mean and median were respectively 2.53 and 2.50, that means that most of the respondents were in favour to the fact that financial management should be well-established and needed. The results show that there is no well-defined financial management system used among SMEs, which can lead to negative SMEs' performance. Amarijit and Nahum (2012) support these findings by explaining that barriers to SME growth are the lack and deficit encountered in terms of financial management skills and of financing. Moreover, the literature clearly asserts that there is a need for any business organisation to adapt financial strategies into the analysis of decision-making that can have an impact on the firm's competitiveness (Amarijit & Nahum, 2012).

4.6.9 Leadership and performance in business

The findings related to leadership in line with business performance show that the absence of leadership has a negative impact on SMEs organisation, hence on performance. 26% ($R^2=0.260$) of the business performance was accounted for by entrepreneur's leadership. This means that absence of leadership has influence on business performance (Annexure B). Fry and Matherly (2006) support these findings as they claim that the business style used has an apparent positive effect on the organisational commitment, the productivity, and the growth of a company (Noor & Song, 2016).

4.7 SUMMARY

As for the analysis of this study the questionnaire (Annexure E) was described and piloted to determine the reliability of data. Demographic information from respondents has been presented and the study's results indicated business components that affect SMEs performance in many aspects. The next chapter will highlight the conclusion drawn from the research findings, and indicate recommendations accordingly.

CHAPTER 5

CONCLUSION AND RECOMMENDATIONS

5.1 INTRODUCTION

Data collected from the survey were analysed in Chapter 4 to address the issue of the absence of business strategy in line with SMEs' organisational performances. This chapter draws conclusions and indicates recommendations based on the results of the research.

Firstly, the research problem will be revisited in order to make sure that the problem was better appreciated and not mitigated. Additionally, the research question and related investigative questions were revisited, to provide clear direction as to whether the study adds value in terms of the research questions. The research design and methodology will be evoked to highlight the approaches used throughout this study, in line with the investigative problem. Furthermore, the research objectives and findings will be restated and listed in this chapter. Finally, the theoretical importance of the study will be highlighted and recommendations will be provided in an attempt to improve the functioning of SMEs in Libreville, in order to make them competitive and sustainable; with this, suggestions will be made for further research.

5.2 THE RESEARCH PROBLEM REVISITED

The research problem addressed in this study is:

“insufficient business planning and good management of SMEs in Gabon have contributed to SMEs' ability to survive and grow in Libreville”

5.3 THE RESEARCH QUESTION REVISITED

The research question that has been addressed within this study is:

“what are the factors influencing insufficient business planning and good management of SMEs in Gabon to survive and grow?”

5.4 THE INVESTIGATIVE QUESTIONS REVISITED

The investigative sub-questions to be researched in support of the research question are:

- (a) What factors are influencing insufficient planning by SMEs?
- (b) What factors are hindering management of human capital information by SMEs?
- (c) What management styles are required by SMEs?
- (d) What control systems will influence SMEs' sustainability?

(e) What type of relationship SMEs must have with their clients to grow their client base?

5.5 THE RESEARCH DESIGN AND METHODOLOGY

This study used the exploratory and descriptive research approaches for analysis.

5.6 KEY RESEARCH OBJECTIVES

The research objectives that were considered in this study were:

- (a) To determine factors influencing insufficient planning by SMEs;
- (b) To determine factors hindering management of human capital by SMEs;
- (c) To determine the management styles for SMEs;
- (d) To determine the impact of control systems for SMEs' sustainability.
- (e) To determine the type of relationship SMEs must have with their clients to grow their client base;
- (f) To propose a general guidelines for SMEs growth and sustainability.

5.7 KEY FINDINGS AND CONCLUSION

The findings obtained through the study of business strategy and organisational sustainability of SMEs in Libreville is the following:

- i. The absence of business plan in SMEs has a negative influence on the functioning of those companies, and represents one of the reasons why SMEs are not performing and sustaining their businesses in Libreville (see 4.6.2).
- ii. The lack of management styles such as strategic management, planning techniques in terms of time, cost, and quality and employee motivation techniques negatively affect the business performance of SMEs in Libreville (see 4.6.3).
- iii. The absence of relationship between customer and SMEs does not guarantee the effectiveness of organisational sustainability (see 4.6.5).
- iv. The perception of employees is that they are dissatisfied, which negatively affects SME performance (4.6.7).
- v. Most of the SMEs in Libreville lack of customer, employee and financial business strategies (see 4.6.8).
- vi. Most of the SMEs do not use convenient business control systems (see 4.6.2)
- vii. Most of the SMEs are not ISO accredited.
- viii. Over the last three years, SMEs' job creation was mostly poor and client growth was not significantly improved.
- ix. Over the last three years, SMEs' job creation was very low and a large majority of employees were dissatisfied with their jobs in Libreville.

SMEs operate primarily mostly in commercial services and a large majority of them do not use an appropriate business system. SMEs that are managing to perform well are those whom entrepreneurs are highly educated, and have had entrepreneurial training. However, the study revealed that a vast majority of the respondents is running of the business without a clear understanding of the business knowledge and market environment. The results of the analysis concluded that most of the SMEs lack of management strategies and tools required to functioning successfully. The study has explored the operation of SME activity processes and tools in order to identify the challenges of SMEs and propose a respond that may guide entrepreneurs to making such SMEs' organisation sustainable. The overall investigation pointed out the absence of key components in the business' procedures in SMEs in Libreville (Gabon). Hence, this absence has a significant impact on the productivity and performance, as well as the sustainability of SMEs and requires an effective business strategy. The literature clearly supports the findings of the survey analysis and indicates evidence thereof.

5.8 PRACTICAL IMPORTANCE OF THE RESEARCH

This study highlighted significant issues related to organisational sustainability of SMEs. Selected valuable insights to be drawn from this study are:

- 1) According to the findings of this study (Annexure B), most of the SMEs do not use a proper business plan. This implies the absence of SMEs with clear direction in terms of the mission and vision of the organisations. From a corporate strategy point of view, SMEs must develop and implement strategy that will direct the goals set by the management of the organisation. This type of convenient business initiative can result to a competitive advantage and lead to SMEs being sustainable in the long run.
- 2) In terms of financial decision making and management (see 4.6.8 and 4.6.3), the study indicated that the entrepreneurs lack of specific business knowledge and entrepreneurial training; this reflects on SMEs running of the business. Therefore, the lack of knowledge and entrepreneurial training can result in the poor business performance encountered through the analysis of the responses to the survey. For that reason, an understanding of potential strategies and reliable business systems can be beneficial to decision makers since it can help managing business procedures, evaluating risks, motivating employees and gathering the entire organisation to achieve business objectives and goals such as better quality products and services, customer satisfaction, and attaining potential revenue.

- 3) This study revealed an interest from the government perspective in terms of supporting SMEs. SMEs represent an important aspect of any global economy and the failure of them in the short run is due to a huge number of business challenges in Libreville (see Table 4.10). These concerns must indicate to the government of Gabon that it should take a stance to really support those SMEs. A policy must be created to successfully promote SMEs and help them grow. Promoting SMEs can create more value for entrepreneurs and the government, and contribute to increasing job creation; this can have a positive impact on the economy and society.

5.9 RECOMMENDATIONS

Based on the results of the study, there is concern regarding how to address the problems previously mentioned in a way that can be beneficial. The following recommendations will play an important role in elaborating on effective management through the use of an appropriate business approach for SMEs in Libreville.

5.9.1 Improving training for entrepreneurs

First and foremost, the findings of the study demonstrated that most SME entrepreneurs in Libreville do not have a clear understanding of the business world. Thus, leadership can play an important role in SMEs. Having a defined strategy can be considered the ultimate factor of leadership. Entrepreneurs can oversee and make critical choices because company's leaders are the ones that can actually see the whole of the architecture of the organisation. Therefore, it becomes essential for entrepreneurs to have enough business knowledge or undergo entrepreneurial training to improve their ability to run businesses and efficiently monitor all the components involved in the process, in order to attain the organisational objectives. Specific critical aspects of leadership in line with SMEs are:

- Communicating,
- Enforcing business strategies,
- Avoiding distraction,
- Avoiding imitation.

5.9.2 Improving SMEs planning

The study revealed that there is absence of an effective use of business plans and this has been indicated having a negative influence on business performance. Many studies have already indicated that the development of strategies requires a clear direction for the business, which specifies its objectives. Therefore, each SME must prepare a suitable business plan that makes good business sense so that the strategy used to achieve the

goals can be properly established, implemented, and meet the expectations of the organisation. Each company uses a specific business strategy according to its vision and capital (i.e. funds). Hence, it is suggested that business plan must take into account all the relative aspects that will lead to the SME's aim, and the strategy will follow.

5.9.3 Improving SMEs control system

With the lack of training and skills of the employees, which can comprise to monitoring information within the organisation, effective control of the information system must be put in place by clarifying the process documentation, which remains the basis of defective prevention. The performance standards of processes should be clearly conventional in order to lead goals and objectives. Developing these standards can be crucial to the control process, because different people are in charge of the design and planning, as well as control responsibilities (Steingraber, 1990). SMEs can use the following control strategies:

- Those SMEs can use report or inspection system that quickly identifies incidences or mistakes. For instance the in-line inspection can be adapted to them, which is a system that detects problems with the purpose of correcting them and identify where the error lies on the production process.
- Defective products identified can be listed into different categories so that errors can be fixed easily or those requiring substantial re-working.
- An effective inspection at each stage involved in production and service can be useful to meet business objectives.

5.9.4 Improving business strategy

SMEs in Libreville must try to familiarise themselves with the idea of being unique. In fact, the worst error in the strategy used by SMEs in a business environment that is becoming more competitive is to compete with rivals on the same dimension. The idea of being unique, especially for SMEs, can be a better advantage and create the unique value that will empower the organisation to get a competitive advantage over others. Trying to be unique, instead of being the best, can give more sustainability to the organisation and result in success in the long run.

5.9.5 Improving management skills

The lack of employees' skills and training can lead to the impression that despite having a good strategy, it can still be poorly executed and contribute to the failure of SMEs. Therefore, it is important to strengthen staffs that are the main components of an organisation by providing them with education and training opportunities. The acquisition of employees' skills and techniques can be fundamental for SME success, since that can

facilitate employees in applying their full potential and increase the productivity of the business.

5.9.6 Improving employee performance

Empowering employees can be beneficial for SME sustainability. SME leaders can develop powerful contacts and relationship strategies within the organisation by making use of work-group techniques. Although sometimes it is hard to weigh the costs and benefits of political action, the entire organisation must be ethically clear while working together as a group (Robbins *et al.*, 2009). Playing political tactics do not worth the risk and can harm employees' work; however it can create an order or guideline to work sufficiently within the organisation. Aiming to acquire and maintain power over employees and all members of the organisation as a whole can be a road to success. Establishing good relationship among members of the group can be significant for the organisation. Thus, these alliances among members can make it easier to advance and develop contacts around organisations. Ideas and information sharing can be easy shared since members can eventually become more social. Organisational politics should also be involved in building positive relationships with network members. It is crucial to set up a tactic that will facilitate a direct link between members of the organisation including, for instance, superiors, subordinates and coworkers who work as a group for a specific organisation. Moreover, SMEs can be sustained by making sure that they maintain relationships between members of the group while working, while at the same time developing the supporting members who are struggling to raise their abilities and skills, as well as stimulating the productivity of the organisation.

5.9.7 Improving SMEs relationship with customer

SMEs that aim to perform well and sustain their businesses in the long run can create and maintain core trust with their clients and customers; that focus can become an important factor to increase the performance of the organisation. SME strategies that imply an effective communication link with clients and customers provide the right framework of collective action on a daily basis such as identifying the wants and needs of their target audience, implementing an effective marketing system to reach customers, determining client preferences using different types of communication options such as phone calls, emails, social media, podcasts, newsletters, newspapers, etc.

5.9.8 Improving the quality of business

The study indicated that most of the SMEs were not ISO accredited. One of the means that can assure SMEs better performance in the long run is accreditation to ISO. The government must provide more information in this regard, while promoting SMEs, so that

SMEs are more aware of this; further, the government should support SMEs in getting the license. The ISO can represent an important business quality tool that will help to improve SMEs and eventually turn them to success. Opting for ISO is choosing to implement a quality policy.

5.10 RESEARCH LIMITATIONS

This explorative study has determined some setbacks of the operation of SME organisations and their lack of efficiency. However, the findings are not necessarily appropriate or applicable to different time periods and contexts in Libreville or elsewhere because the study is cross sectional research; this means that it provides specific information at one particular point in time. Moreover, during the process of data collection, the questionnaire had to be translated into French so that some respondents could understand what was asked of them. Language was a barrier to better communication throughout the study.

5.11 FURTHER RESEARCH

This study investigated business strategies in line with organisational sustainability of SMEs. Several areas would be beneficial for further investigation. Relevant questions to pursue for future research could be:

- Does an effective application of business strategies guarantee better SME organisational results?
- Why are SMEs still struggling to be competitive in the market and grow while applying useful business techniques?
- Do SME's in other cities in Gabon experience the same limitations as in Libreville?

The methods used in this dissertation, for a sample of thirty SMEs in Libreville (Gabon), could be applied to additional data to determine a broader picture of the current reality. Further investigation of these can add value to and propose a better understanding and appreciation of the SME sector worldwide and in Libreville in particular.

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ANNEXURES

Annexure A: Correlations Table

		Correlations					
		VARATOT	VARBTOT	VARCTOT	VARDTOT	VARETOT	VARFTOTA
		AL	AL	AL	AL	AL	L
VARAT	Pearson Correlation	1	-.093	.278	.146	.051	.462*
OTAL	Sig. (2-tailed)		.626	.137	.441	.790	.010
	N	30	30	30	30	30	30
VARBT	Pearson Correlation	-.093	1	.122	.179	.124	.070
OTAL	Sig. (2-tailed)	.626		.521	.344	.515	.712
	N	30	30	30	30	30	30
VARCT	Pearson Correlation	.278	.122	1	-.181	.220	.186
OTAL	Sig. (2-tailed)	.137	.521		.339	.244	.326
	N	30	30	30	30	30	30
VARDT	Pearson Correlation	.146	.179	-.181	1	-.066	.201
OTAL	Sig. (2-tailed)	.441	.344	.339		.727	.286
	N	30	30	30	30	30	30
VARET	Pearson Correlation	.051	.124	.220	-.066	1	-.062
OTAL	Sig. (2-tailed)	.790	.515	.244	.727		.745
	N	30	30	30	30	30	30
VARFT	Pearson Correlation	.462*	.070	.186	.201	-.062	1
OTAL	Sig. (2-tailed)	.010	.712	.326	.286	.745	
	N	30	30	30	30	30	30

*. Correlation is significant at the 0.05 level (2-tailed).

Annexure B: Descriptive Statistics Variables

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3.714	6	.619	3.820	.009 ^b
	Residual	3.727	23	.162		
	Total	7.441	29			

a. Dependent Variable: PROFITTOT

b. Predictors: (Constant), VARFTOTAL, VARETOTAL, VARBTOTAL, VARDTOTAL, VARCTOTAL, VARATOTAL

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.707 ^a	.499	.368	.403

a. Predictors: (Constant), VARFTOTAL, VARETOTAL, VARBTOTAL, VARDTOTAL, VARCTOTAL, VARATOTAL

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.580 ^a	.336	.198	.454

a. Predictors: (Constant), A5, A2, A3, A4, A1

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.510 ^a	.260	.106	.479

a. Predictors: (Constant), C15, C11, C14, C12, C13

Frequency table for E25

Value	N	%	Cum. %
Terrible	3	10,00	10,00
Poor	8	26,67	36,67
Average	10	33,33	70,00
Good	8	26,67	96,67
Excellent	1	3,33	100,00
TOTAL	30	100.00	

Missing cases:

E23

	Frequency	Percent	Valid Percent	Cumulative Percent
2	18	60.0	60.0	60.0
3	11	36.7	36.7	96.7
4	1	3.3	3.3	100.0
Total	30	100.0	100.0	

Statistics

	A1	A2	A3	A4	A5
N Valid	30	30	30	30	30
N Missing	0	0	0	0	0
Mean	2.47	2.60	2.30	2.20	2.63
Median	2.50	2.50	2.00	2.00	3.00
Std. Deviation	.860	1.003	.750	.664	.850
Range	3	3	3	2	3

Statistics

	B6	B7	B8	B9	B10
N Valid	30	30	30	30	30
N Missing	0	0	0	0	0
Mean	2.50	2.67	2.67	2.90	2.70
Median	3.00	3.00	3.00	3.00	3.00
Std. Deviation	.682	.606	.661	.662	.651
Range	3	2	2	2	2

Statistics

	C11	C12	C13	C14	C15
N Valid	30	30	30	30	30
N Missing	0	0	0	0	0
Mean	2.53	2.37	2.47	2.37	2.30
Median	2.50	2.00	2.00	2.00	2.00
Std. Deviation	.776	.669	.730	.765	.750
Range	3	3	3	3	3

Statistics

	D16	D17	D18	D19	D20
N Valid	30	30	30	30	30
N Missing	0	0	0	0	0
Mean	2.47	2.50	2.67	2.47	2.70
Median	2.00	2.00	3.00	2.00	3.00
Std. Deviation	.730	.777	.661	.819	.794

Range	3	3	2	3	3
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Statistics

		E21	E22	E23	E24	E25
N	Valid	30	30	30	30	30
	Missing	0	0	0	0	0
Mean		2.63	2.67	2.43	2.77	2.87
Median		3.00	3.00	2.00	3.00	3.00
Std. Deviation		.615	.661	.568	.626	.681
Range		2	2	2	2	2

Statistics

		F26	F27	F28	F29	F30
N	Valid	30	30	30	30	30
	Missing	0	0	0	0	0
Mean		2.33	2.33	2.53	2.77	3.00
Median		2.00	2.00	2.00	3.00	3.00
Std. Deviation		.547	.547	.629	.568	.455
Range		2	2	2	2	2

A1

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	5	16.7	16.7	16.7
	2	14	46.7	46.7	63.3
	3	11	36.7	36.7	100.0
	Total	30	100.0	100.0	

A2

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	8	26.7	26.7	26.7
	3	22	73.3	73.3	100.0
	Total	30	100.0	100.0	

A3

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	3	10.0	10.0	10.0
	3	16	53.3	53.3	63.3
	4	11	36.7	36.7	100.0

Total	30	100.0	100.0
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Annexure C: Data Collection Spread Sheet

Section 1: COMPANY'S DEMOGRAPHIC VARIABLES.

AA	BB(Gender)	CC	DD	EE	FF	GG	HH	II	JJ	KK	LL	MM	NN
5,00	1,00	2,00	4,00	3,00	2,00	2,00	1,00	1,00	2,00	2,00	4,00	4,00	4,00
5,00	1,00	4,00	3,00	1,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	3,00	2,00
5,00	1,00	4,00	4,00	3,00	3,00	1,00	2,00	1,00	1,00	2,00	2,00	3,00	1,00
4,00	1,00	2,00	3,00	2,00	2,00	2,00	2,00	1,00	1,00	2,00	3,00	3,00	3,00
4,00	2,00	2,00	3,00	2,00	4,00	2,00	2,00	1,00	2,00	1,00	1,00	3,00	4,00
2,00	2,00	3,00	4,00	2,00	4,00	2,00	2,00	1,00	2,00	2,00	2,00	3,00	2,00
5,00	2,00	2,00	3,00	3,00	3,00	2,00	1,00	1,00	2,00	2,00	3,00	2,00	2,00
3,00	1,00	3,00	3,00	2,00	3,00	2,00	2,00	1,00	1,00	3,00	4,00	7,00	2,00
5,00	1,00	3,00	4,00	2,00	3,00	1,00	2,00	2,00	2,00	2,00	3,00	1,00	4,00
5,00	1,00	4,00	4,00	2,00	3,00	2,00	2,00	2,00	1,00	2,00	3,00	1,00	2,00
4,00	1,00	5,00	3,00	2,00	3,00	1,00	1,00	1,00	2,00	3,00	4,00	3,00	2,00
5,00	1,00	3,00	4,00	2,00	3,00	2,00	1,00	2,00	1,00	2,00	4,00	4,00	2,00
4,00	2,00	4,00	3,00	2,00	2,00	1,00	1,00	1,00	2,00	2,00	4,00	6,00	4,00
3,00	2,00	2,00	3,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	3,00	7,00	2,00
2,00	1,00	2,00	4,00	5,00	3,00	1,00	2,00	2,00	2,00	2,00	4,00	2,00	1,00
5,00	1,00	4,00	3,00	3,00	3,00	2,00	2,00	2,00	2,00	1,00	2,00	7,00	2,00
4,00	1,00	3,00	5,00	2,00	3,00	1,00	1,00	1,00	2,00	2,00	4,00	1,00	4,00
5,00	1,00	3,00	3,00	2,00	2,00	1,00	2,00	2,00	2,00	1,00	2,00	4,00	4,00
5,00	1,00	3,00	3,00	3,00	3,00	2,00	2,00	2,00	2,00	2,00	4,00	5,00	1,00
5,00	1,00	2,00	4,00	2,00	3,00	1,00	2,00	2,00	2,00	2,00	4,00	3,00	2,00
5,00	1,00	5,00	4,00	3,00	4,00	1,00	2,00	2,00	1,00	2,00	5,00	1,00	4,00
5,00	1,00	4,00	3,00	2,00	3,00	2,00	2,00	2,00	2,00	1,00	3,00	4,00	4,00
4,00	1,00	3,00	3,00	2,00	2,00	1,00	2,00	1,00	2,00	3,00	4,00	2,00	2,00
4,00	2,00	2,00	2,00	4,00	4,00	2,00	2,00	1,00	2,00	1,00	3,00	6,00	5,00
5,00	1,00	2,00	4,00	2,00	2,00	1,00	2,00	2,00	2,00	2,00	4,00	7,00	2,00
3,00	1,00	2,00	3,00	3,00	3,00	1,00	1,00	1,00	2,00	1,00	2,00	2,00	2,00
5,00	1,00	4,00	3,00	2,00	3,00	2,00	2,00	2,00	2,00	2,00	4,00	4,00	4,00
5,00	2,00	4,00	2,00	1,00	3,00	2,00	2,00	2,00	1,00	2,00	3,00	6,00	5,00
3,00	1,00	2,00	5,00	2,00	3,00	1,00	1,00	1,00	2,00	1,00	3,00	5,00	3,00
4,00	2,00	5,00	4,00	2,00	3,00	2,00	2,00	2,00	2,00	3,00	5,00	3,00	2,00

Nominal variables (Actual)

Age	Number of Employees	Number of years of Education	Number of years of Experience	Age of the Business	Business Partners	Start-up Capital	Size of Turnover
35	2	6	5	2	0	50.000,00	200.000,00
55	17	3	3	3	0	25.000,00	70.000,00
47	20	6	7	5	5	35.000,00	90.000,00
34	2	3	2	4	1	30.000,00	110.000,00
32	2	2	3	2	0	30.000,00	90.000,00
25	0	6	2	3	0	10.000,00	40.000,00
33	5	3	6	3	0	40.000,00	120.000,00
29	7	3	2	4	1	50.000,00	200.000,00
41	9	5	1	3	0	45.000,00	110.000,00
37	18	5	2	5	2	55.000,00	130.000,00
34	25	4	1	4	0	60.000,00	230.000,00
45	9	5	3	5	1	75.000,00	250.000,00
31	10	3	1	3	0	60.000,00	160.000,00
28	3	3	2	3	0	60.000,00	120.000,00
40	21	6	1	3	0	65.000,00	240.000,00
40	15	3	6	3	0	35.000,00	90.000,00
34	10	6	2	5	0	55.000,00	240.000,00
45	10	4	2	3	0	32.000,00	80.000,00
51	9	4	5	4	0	50.000,00	160.000,00
43	5	5	3	5	0	60.000,00	240.000,00
45	20	5	1	5	1	65.000,00	210.000,00
41	12	2	2	4	0	40.000,00	140.000,00
33	6	3	1	3	0	70.000,00	150.000,00
31	4	-12	5	6	0	30.000,00	140.000,00
36	4	5	2	3	0	60.000,00	160.000,00
26	3	3	6	4	0	40.000,00	90.000,00
50	15	4	2	4	0	65.000,00	200.000,00
40	16	-12	0	4	1	60.000,00	140.000,00
29	5	8	3	3	0	30.000,00	110.000,00
34	18	5	4	5	0	70.000,00	260.000,00

Section 2: MANAGEMENT OF THE COMPANY

A1	A2	A3	A4	A5	B6	B7	B8	B9	B10	C11	C12	C13	C14	C15	D16	D17	D18	D19	D20	E21	E22	E23	E24	E25	F26	F27	F28	F29	F30	
3,00	4,00	4,00	3,00	3,00	2,00	3,00	3,00	3,00	3,00	3,00	2,00	3,00	3,00	3,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	3,00	3,00	2,00	2,00	2,00	3,00	3,00	
2,00	3,00	1,00	1,00	1,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	3,00	3,00	3,00	3,00	3,00	3,00	2,00	2,00	2,00	2,00	3,00	3,00	2,00	2,00	3,00	3,00	3,00	
3,00	3,00	2,00	3,00	4,00	3,00	4,00	3,00	3,00	3,00	3,00	3,00	3,00	3,00	3,00	3,00	2,00	3,00	3,00	3,00	3,00	3,00	2,00	2,00	3,00	3,00	3,00	3,00	4,00	4,00	
2,00	1,00	1,00	1,00	2,00	2,00	2,00	2,00	2,00	3,00	3,00	2,00	2,00	2,00	2,00	2,00	1,00	1,00	2,00	2,00	2,00	3,00	2,00	2,00	2,00	3,00	2,00	2,00	2,00	2,00	
1,00	1,00	2,00	2,00	3,00	3,00	3,00	2,00	3,00	2,00	2,00	2,00	2,00	3,00	3,00	3,00	3,00	3,00	3,00	3,00	3,00	3,00	3,00	3,00	3,00	3,00	2,00	2,00	2,00	2,00	3,00
3,00	4,00	3,00	3,00	3,00	2,00	2,00	3,00	3,00	3,00	3,00	3,00	3,00	3,00	3,00	2,00	2,00	2,00	3,00	3,00	2,00	2,00	2,00	2,00	3,00	3,00	2,00	2,00	2,00	3,00	3,00
3,00	3,00	2,00	2,00	2,00	3,00	3,00	2,00	3,00	3,00	3,00	2,00	2,00	2,00	2,00	3,00	3,00	3,00	3,00	4,00	4,00	2,00	2,00	2,00	3,00	3,00	3,00	3,00	2,00	3,00	3,00
3,00	4,00	3,00	2,00	3,00	3,00	2,00	2,00	3,00	3,00	2,00	2,00	3,00	3,00	3,00	2,00	3,00	3,00	3,00	3,00	4,00	3,00	3,00	3,00	2,00	2,00	2,00	2,00	2,00	2,00	3,00
4,00	3,00	2,00	3,00	2,00	2,00	2,00	2,00	3,00	3,00	2,00	3,00	3,00	2,00	1,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	3,00	3,00	3,00	3,00	2,00	3,00
3,00	4,00	2,00	2,00	3,00	2,00	3,00	3,00	3,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	3,00	3,00	3,00	2,00	2,00	2,00	2,00	2,00	3,00	3,00	3,00	2,00	3,00	3,00	3,00
3,00	2,00	2,00	2,00	3,00	3,00	3,00	3,00	4,00	4,00	3,00	2,00	2,00	2,00	1,00	3,00	2,00	2,00	2,00	2,00	3,00	3,00	3,00	2,00	3,00	2,00	2,00	2,00	2,00	3,00	3,00
3,00	3,00	3,00	2,00	3,00	3,00	3,00	4,00	4,00	4,00	3,00	2,00	2,00	2,00	1,00	3,00	2,00	2,00	3,00	3,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	3,00	3,00	3,00
1,00	1,00	2,00	1,00	2,00	3,00	3,00	3,00	4,00	4,00	3,00	3,00	3,00	2,00	1,00	2,00	3,00	4,00	4,00	3,00	3,00	3,00	3,00	2,00	2,00	2,00	3,00	2,00	2,00	2,00	2,00
2,00	2,00	3,00	2,00	3,00	3,00	3,00	3,00	4,00	4,00	2,00	2,00	3,00	3,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	3,00	4,00	4,00	4,00	4,00	3,00	2,00	3,00	3,00	3,00
4,00	4,00	3,00	3,00	4,00	2,00	2,00	2,00	2,00	2,00	4,00	3,00	4,00	3,00	3,00	2,00	3,00	3,00	3,00	3,00	3,00	3,00	3,00	3,00	4,00	2,00	2,00	3,00	3,00	3,00	3,00
2,00	2,00	1,00	2,00	2,00	3,00	3,00	3,00	3,00	3,00	1,00	1,00	1,00	1,00	2,00	2,00	2,00	2,00	2,00	2,00	3,00	2,00	3,00	3,00	3,00	3,00	2,00	3,00	3,00	3,00	3,00
4,00	4,00	3,00	3,00	4,00	2,00	2,00	3,00	3,00	3,00	2,00	2,00	2,00	3,00	2,00	4,00	4,00	4,00	4,00	4,00	4,00	3,00	2,00	2,00	2,00	3,00	4,00	4,00	4,00	3,00	4,00
2,00	2,00	3,00	3,00	2,00	3,00	3,00	3,00	2,00	2,00	2,00	2,00	2,00	1,00	4,00	4,00	4,00	4,00	5,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	3,00
2,00	2,00	3,00	2,00	2,00	3,00	3,00	3,00	2,00	2,00	3,00	2,00	3,00	2,00	3,00	3,00	3,00	3,00	2,00	3,00	2,00	3,00	2,00	2,00	2,00	2,00	3,00	3,00	3,00	4,00	4,00
1,00	2,00	2,00	3,00	3,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	1,00	2,00	2,00	2,00	2,00	3,00	2,00	2,00	2,00	3,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	3,00
2,00	2,00	3,00	2,00	2,00	3,00	3,00	2,00	3,00	2,00	2,00	3,00	2,00	2,00	2,00	3,00	2,00	3,00	3,00	3,00	3,00	4,00	4,00	3,00	4,00	4,00	2,00	2,00	2,00	3,00	3,00
2,00	1,00	2,00	2,00	3,00	3,00	3,00	3,00	3,00	3,00	4,00	4,00	4,00	4,00	3,00	2,00	2,00	2,00	1,00	2,00	3,00	3,00	3,00	3,00	3,00	3,00	3,00	3,00	2,00	2,00	3,00
2,00	2,00	3,00	2,00	3,00	4,00	4,00	4,00	3,00	4,00	3,00	3,00	3,00	3,00	3,00	3,00	3,00	3,00	3,00	3,00	4,00	4,00	4,00	3,00	4,00	4,00	4,00	2,00	2,00	2,00	3,00
3,00	3,00	2,00	2,00	3,00	1,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	3,00	2,00	3,00	3,00	3,00	3,00	3,00	3,00	4,00	2,00	2,00	2,00	3,00	3,00	3,00
3,00	2,00	2,00	2,00	3,00	2,00	2,00	2,00	2,00	2,00	1,00	1,00	2,00	2,00	2,00	3,00	3,00	3,00	1,00	2,00	3,00	3,00	3,00	3,00	3,00	3,00	2,00	2,00	2,00	2,00	3,00
2,00	3,00	2,00	3,00	2,00	3,00	2,00	2,00	2,00	3,00	3,00	3,00	2,00	2,00	2,00	3,00	2,00	2,00	2,00	2,00	2,00	3,00	3,00	2,00	2,00	2,00	2,00	2,00	3,00	3,00	3,00
1,00	2,00	2,00	1,00	1,00	3,00	3,00	3,00	3,00	3,00	3,00	3,00	3,00	3,00	3,00	3,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00
3,00	4,00	3,00	3,00	4,00	2,00	2,00	3,00	3,00	3,00	3,00	3,00	3,00	3,00	4,00	4,00	1,00	1,00	2,00	2,00	2,00	3,00	2,00	3,00	3,00	3,00	2,00	3,00	3,00	3,00	3,00
3,00	3,00	2,00	2,00	1,00	1,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	1,00	2,00	2,00	2,00	3,00	3,00	3,00	2,00	2,00	3,00	3,00	3,00

Section 3: COMPANY'S PROFITABILITY GROWTH DATA

A013	A014	A015	B013	B014	B015	C013	C014	C015	D013	D014	D015	E013	E014	E015	F013	F014	F015
3,00	2,00	2,00	3,00	3,00	3,00	4,00	3,00	3,00	4,00	4,00	4,00	3,00	3,00	2,00	4,00	3,00	4,00
2,00	2,00	3,00	2,00	2,00	3,00	1,00	2,00	3,00	1,00	3,00	3,00	2,00	2,00	3,00	2,00	2,00	3,00
3,00	3,00	4,00	3,00	4,00	4,00	3,00	4,00	4,00	3,00	3,00	3,00	3,00	4,00	4,00	4,00	2,00	3,00
2,00	3,00	3,00	2,00	3,00	3,00	2,00	3,00	3,00	1,00	2,00	2,00	2,00	3,00	3,00	3,00	3,00	3,00
2,00	3,00	3,00	3,00	3,00	3,00	2,00	3,00	3,00	1,00	1,00	2,00	2,00	3,00	3,00	3,00	3,00	3,00
3,00	3,00	3,00	4,00	4,00	4,00	2,00	2,00	2,00	1,00	2,00	3,00	2,00	2,00	1,00	3,00	3,00	2,00
2,00	3,00	4,00	2,00	3,00	3,00	2,00	3,00	4,00	2,00	2,00	2,00	2,00	3,00	3,00	3,00	4,00	4,00
3,00	3,00	4,00	2,00	3,00	3,00	2,00	3,00	4,00	2,00	3,00	4,00	3,00	4,00	5,00	3,00	3,00	4,00
2,00	3,00	3,00	3,00	3,00	2,00	2,00	3,00	3,00	1,00	2,00	3,00	2,00	2,00	2,00	2,00	2,00	3,00
2,00	3,00	4,00	2,00	3,00	4,00	2,00	2,00	3,00	1,00	2,00	2,00	2,00	3,00	3,00	3,00	3,00	3,00
3,00	3,00	3,00	2,00	2,00	3,00	2,00	2,00	3,00	2,00	3,00	2,00	3,00	2,00	2,00	2,00	2,00	3,00
3,00	3,00	4,00	3,00	3,00	3,00	2,00	2,00	3,00	3,00	3,00	4,00	2,00	3,00	4,00	3,00	3,00	4,00
3,00	3,00	4,00	3,00	3,00	3,00	2,00	2,00	3,00	3,00	3,00	3,00	4,00	2,00	3,00	3,00	3,00	4,00
3,00	3,00	2,00	1,00	2,00	2,00	2,00	2,00	2,00	1,00	2,00	3,00	2,00	3,00	2,00	3,00	3,00	2,00
2,00	3,00	3,00	3,00	3,00	3,00	2,00	3,00	3,00	2,00	2,00	3,00	2,00	3,00	2,00	3,00	4,00	3,00
3,00	3,00	3,00	3,00	3,00	3,00	2,00	2,00	3,00	2,00	3,00	3,00	2,00	3,00	3,00	3,00	3,00	4,00
3,00	3,00	4,00	3,00	3,00	3,00	2,00	2,00	3,00	2,00	3,00	3,00	2,00	3,00	3,00	3,00	3,00	4,00
2,00	3,00	3,00	3,00	3,00	4,00	2,00	3,00	3,00	2,00	3,00	4,00	3,00	4,00	4,00	3,00	3,00	4,00
1,00	2,00	3,00	2,00	3,00	3,00	2,00	2,00	3,00	2,00	3,00	3,00	3,00	2,00	3,00	2,00	3,00	3,00
1,00	2,00	3,00	2,00	3,00	3,00	2,00	2,00	3,00	2,00	3,00	2,00	3,00	2,00	2,00	2,00	3,00	4,00
2,00	3,00	4,00	2,00	3,00	3,00	2,00	3,00	3,00	2,00	2,00	2,00	2,00	3,00	3,00	3,00	3,00	2,00
2,00	3,00	4,00	2,00	3,00	3,00	2,00	3,00	4,00	2,00	2,00	2,00	2,00	3,00	3,00	3,00	3,00	4,00

Annexure D: Letter to Respondents



Business strategy and organizational sustainability of selected enterprises in Libreville, GABON

Background

I am Bekale Be Ndong Gael, post graduate student at Cape Peninsula University of Technology from the faculty of Business and Management Sciences. I am inviting you to contribute to a study by the mean of a survey interview.

- *This survey is voluntary, and respondents will be anonym unless permission to use your name is granted.*
- *You have the right not to answer any question you are not comfortable with.*
- *Information collected during interview will remain confidential and properly analysed.*
- *Interview information will be safely stored.*

Aim/Objective of the research

This study intends to develop a framework to optimise business strategies and promote successfully SMEs (Small and Medium Enterprises) organisations in Libreville (Gabon).

Annexure E: Questionnaire



SECTION 1: COMPANY'S DEMOGRAPHIC VARIABLES.

“Please tick the relevant box on the following” and “fill up the empty box”.

A. Age Group:

1. 16-20 years <hr/>	2. 20-25 years <hr/>	3. 25- 30year s <hr/>	4. 30- 35year s <hr/>	5. 35+years <hr/>
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➤ Actual age:

B. Gender:

Male	Female
1. <hr/>	2. <hr/>

C. Employee's number:

1. none <hr/>	2. <5 <hr/>	3. 5-10 <hr/>	4. 10-20 <hr/>	5. >20 <hr/>
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➤ Actual Number of employees:

D. Academic qualification:

Lower than grade 12	1. <hr/>
Grade 12 with diploma/certificate	2. <hr/>
Undergraduate degree	3. <hr/>
Post graduate degree	4. <hr/>

Doctorate	5. _____
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➤ Actual Number of years of education:

E. Work experience:

1. none _____	2. <5 _____	3. 5<10 _____	4. 10<20 _____	5. 20> _____
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➤ Actual Number of years of experience:

F. How old the business is? Year = Y

1. <1 Y _____	2. 1<3 Y _____	3. 3<6 Y _____	4. 6<10 Y _____	5. > 10 Y _____
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➤ Actual age of the business:

G. Did the individual receive entrepreneurial training before?

1. Yes _____	2. No _____
-----------------	----------------

H. Owned a business before:

1. Yes _____	2. No _____
-----------------	----------------

I. Parents own/owned a business:

1. Yes _____	2. No _____
-----------------	----------------

J. Do you have partner (s)?

1. Yes _____	2. No _____
-----------------	----------------

➤ If yes, Number of partners:

K. Start-up Capital:

<u>1. Poor</u>	<u>2. Fair</u>	<u>3. Good</u>	<u>4. Excellent</u>
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➤ Actual start-up Capital:

L. Size of turnover:

<u>1. R50000 <</u>	<u>2. R50 <100000</u>	<u>3. R100<150000</u>	<u>4. R150<250000</u>	<u>5. R250000 ></u>
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➤ Actual amount of turnover:

M. Business' Sector:

<u>1. Manufacturing</u>	<u>2. IT (Information Technology)</u>	<u>3. Commercial services</u>
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<u>4. Retail</u>	<u>5. Construction</u>	<u>6. Agriculture</u>	<u>7. Export/Import</u>	<u>8. Others: (Specified)</u>
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N. Locations:

County Town	Town	Uptown	Suburb	township
<u>1.</u>	<u>2.</u>	<u>3.</u>	<u>4.</u>	<u>5.</u>

SECTION 2: MANAGEMENT OF THE COMPANY

Please check the questionnaire to ensure that you have completed all the pages/items. Indicate by numbering from 1-5 the order of importance.

1	2	3	4	5
Terrible	Poor	Average	Good	Excellent

To what extent do you agree on the following:

A. The company's business plan

1.	An effective business plan is set up when starting a business.	1	2	3	4	5
2.	The business plan gives a clear indication of the mission and vision of the company.	1	2	3	4	5
3.	A technical analysis of the marketing plan and financial plan determines whether the business plan offers interesting perspectives for the future.	1	2	3	4	5
4.	Business plan's information is useful for banks, organizations that assist entrepreneurs in order to analyze a business's potential and profitability.	1	2	3	4	5
5.	An assessment of a business plan is combined with an objective of judgment of the entrepreneur needed to see whether the entrepreneur will carry through the business successfully.	1	2	3	4	5

B. Human capital of the company

6.	Employees have the required skills or training to perform their work.	1	2	3	4	5
7.	The business owner has the knowledge to effectively run the business.	1	2	3	4	5
8.	The employees have the sufficient experience to maintain the performance of the company.	1	2	3	4	5
9.	The employees' level of education affects the company growth.	1	2	3	4	5
10.	Employee is motivated by rewards.	1	2	3	4	5

C. The company's management styles

11.	The company has a well-defined strategy management to improve and sustain the potential	1	2	3	4	5
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	of the organization.					
12.	The company has planning skills in terms of time, cost, and quality.	1	2	3	4	5
13.	A monitoring system to assess an effective work progress.	1	2	3	4	5
14.	The management procedures are established to attract and motivate employees.	1	2	3	4	5
15.	The company has procedures for the recruitment and selection of employees.	1	2	3	4	5

D. The company's control systems

16.	Monitoring system observing employees performing their duties.	1	2	3	4	5
17.	Safety rules and guidance of the company.	1	2	3	4	5
18.	System of records of employees' education, skills, training, experience.	1	2	3	4	5
19.	Records of the results of corrective actions taken.	1	2	3	4	5
20.	Holding regular meetings to review reports and reporting system for improvement.	1	2	3	4	5

E. The relationship between the company and Client

21.	Client satisfaction with the company's business.	1	2	3	4	5
22.	The company understands needs, wants and preferences of its target audience.	1	2	3	4	5
23.	The company tracks customer behavior and adapts to accommodate shifts.	1	2	3	4	5
24.	Company has a marketing system to inform its customers of its product or service.	1	2	3	4	5
25.	The location of the company helps company's client growth.	1	2	3	4	5

F. Alternative mechanism to maintain small business						
26.	The company loans from a banking or commercial lending institution to run the business.	1	2	3	4	5
27.	The company's support from the government.	1	2	3	4	5
28.	The use of ISO 9000 certification as a contributor to quality in the company.	1	2	3	4	5
29.	Personal loan or equity line of credit for start-up capital is often used to run the business.	1	2	3	4	5
30.	Owner complies with laws that apply to small businesses.	1	2	3	4	5

SECTION 3: COMPANY'S PROFITABILITY GROWTH DATA

For the following years: 2015, 2016, and 2017.

Please check the questionnaire to ensure that you have completed all the pages/items. Indicate by numbering from 1-5 the order of importance.				
1	2	3	4	5
Terrible	Poor	Average	Good	Excellent

A. Company's Turn Over:

2015	1	2	3	4	5
2016	1	2	3	4	5
2017	1	2	3	4	5

B. Company's Profit:

2015	1	2	3	4	5
2016	1	2	3	4	5
2017	1	2	3	4	5

c. Client Growth:

2015	1	2	3	4	5
2016	1	2	3	4	5
2017	1	2	3	4	5

D. Job Creations:

2015	1	2	3	4	5
2016	1	2	3	4	5
2017	1	2	3	4	5

E. Job Satisfaction:

2015	1	2	3	4	5
2016	1	2	3	4	5
2017	1	2	3	4	5

F. Personal Success:

2015	1	2	3	4	5
2016	1	2	3	4	5
2017	1	2	3	4	5