

Organisational Factors of Rapid Growth of Slovenian Dynamic Enterprises

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The authors provide key findings on the internal and external environmental factors of growth that affect the rapid growth of dynamic enterprises in relation to individual key organisational factors or functions. The key organisational relationships in a growing enterprise are upgraded with previous research findings and identified key factors of rapid growth through qualitative and quantitative analysis based on the analysis of 4,511 dynamic Slovenian enterprises exhibiting growth potential. More than 250 descriptive attributes of a sample of firms from 2011 were also used for further qualitative analysis and verification of key growth factors. On the basis of the sample (the study was conducted with 131 Slovenian dynamic enterprises), the authors verify whether these factors are the same as the factors that were studied in previous researches. They also provide empirical findings on rapid growth factors in relation to individual organisational functions: administration – management – implementation (entrepreneur – manager – employees). Through factor analysis they look for the correlation strength between individual variables (attributes) that best describe each factor of rapid growth and that relate to the aforementioned organisational functions in dynamic enterprises. The research findings on rapid growth factors offer companies the opportunity to consider these factors during the planning and implementation phases of their business, to choose appropriate instruments for the transition from a small fast growing firm to a professionally managed growing company, to stimulate growth and to choose an appropriate growth strategy and organisational factors in order to remain, or become, dynamic enterprises that can further contribute to the preservation, growth and development of the Slovenian economy.

Keywords: organisational factors of rapid growth, dynamic enterprises, enterprise's internal environment, enterprise's external environment

1 Introduction

Every economy, including Slovenia's, has small, medium-sized and large enterprises that are growing and generating new jobs and garnering the largest share of economic growth. Such companies can even be found during times of crisis. Their growth is affected by individual internal and external factors of rapid growth that researchers recognised decades ago and that have only changed slightly over time. They include different organisational factors, as growth largely depends on the effects of key organisational relationships in a growing company, i.e. between administration, management and implementation. Andre (2008) states that individual relationships are characteristic of a specific organisation and can be described by using the specific characteristics or attributes by which they differ. In our case, these are individual descriptive attributes that best describe the seven recognised rapid growth key factors of dynamic enterprises that relate to the three key organisational functions.

In this article, the authors provide key findings on the already recognised factors of rapid growth of dynamic enter-

prises that were studied on the basis of different studies that were implemented both in Slovenia and abroad during different time periods (1990–1994, 1998–2002, 2006–2010). In a previous extensive study, the authors dealt with individual growth factors in detail and studied the effect of these factors that define the organisational characteristics of a growing company, especially a company transitioning from a small fast growing firm to a professionally managed growing (dynamic) company. The main goal of the research is to show the findings verifying the key growth factors of Slovenian dynamic enterprises in conjunction with some organisational factors that influence the (fast) growth, based on research findings from 2011, and compare them with the findings of dynamic enterprises and their key growth factors for the period of last twenty years (previous researches were made by Žižek and Liechtenstein, 1994; Mei-Pochtler, 1999; Pšeničny, 2002; Pšeničny et al., 2012). The research assumes that the key growth factors have not significantly changed in the last twenty years and that the factors depend on, or are related to, the effects of some key organisational relationships in a growing dynamic company (entrepreneur, manager, employees).

2 Purpose

The purpose of this article is to use the extensive study, which was conducted in 2011 and 2012, to provide findings for the posed main research question of whether rapid growth factors are still the same (congruent) as those studied by past researchers (Žižek and Liechtenstein, 1994; Mei-Pochtler, 1999; Pšeničny, 2002; Pšeničny et al., 2012), which attributes describe them the best and to what extent these factors depend on or are related to the effects of key organisational relationship in a growing dynamic company. In this respect, the authors focus on the key factors of rapid growth according to Žižek and Liechtenstein (1994). The research in 1994 was conducted with a sample of 150 dynamic Slovenian enterprises. The empirical data were obtained with the same survey, same number of descriptive attributes and questions. The enterprises were chosen from the database of all economic subjects in Slovenia in that time period with some excluding activities.

As mentioned in the Introduction, an extensive study was conducted in 2011 encompassing 4,511 dynamic Slovenian enterprises that were chosen from the AJ PES database of Slovenian companies employing strict previously determined criteria for dynamic enterprises. A survey was sent to the companies in the form of an online survey and covered over 130 questions or more than 250 descriptive attributes of seven factors of rapid growth. The study was conducted on a sample of 131 dynamic Slovenian enterprises.

3 Theoretical background

The importance of organisational factors that influence growth was already studied by Gamble and Blackwell (2002) who determined three basic sets: 1. the individual, 2. the organisation, 3. the environment. Maier (2007) states that in terms of factors affecting success of management, 10 % relate to technology management, 20 % to the organisational processes and 70 % to human resources. Kreitner and Kinicki (2004), on the other hand, stress the importance of technology, which represents only 20 percent of knowledge management with the remaining 80 percent being people. Dimovski et al. (2005:34) similarly stresses that every company, small or large, dynamic or static (Tajnikar, 2006:84-86) usually creates the three mentioned basic functions or roles in the company (administration – management – implementation). In a broader sense, organisational culture, management, communication, information technology and human resources management could be emphasised as key organisational factors of knowledge management (similar findings also indicate by O’Gorman, 2001; Fischer and Reuber, 2003; Prajogo and McDermott, 2005; Rebelo, and Gomes, 2011).

In relation to dynamic enterprises and the importance of individual organisational factors, Rozman (2012:6-8) establishes that when a new company is set up, the entrepreneur starts by implementing all the activities himself (he is the owner of the company, administers it, freely uses it, plans, organises, controls and also implements the activities) – 1. administration (administrators). Chrusciel and Field

(2006:505-506) understand administration as a function of owners. When an entrepreneur eventually wishes to remove himself from the numerous obligations and remain as only the owner (administrator) of the company, he hires a manager who assumes the remaining obligations. In doing so, the owner still manages and uses the company, i.e. determines its main directions and aims, its vision and success criteria. He also decides on the division of assets and the company’s activities – 2. management (managers). Robbins (2001) believes that management is the main function of managers. Managers receive their tasks and authority to implement from administrators, i.e. owners. Their essence lies in harmonising technically dispersed work. With the company’s growth, especially the growth of dynamic enterprises, the scope of work expands thus generating the need for additional employment. All gaps in production, development, marketing, finances and administration need to be filled with the best experts or other workers – 3. implementation (implementers). Rozman (2000:5-6) establishes that implementation is performed by implementers (specialists) who implement their part of the task (they cannot transfer it to others).

4 Dynamic enterprises

Through time, changes in ownership result in changes in organisational relationships in a company, especially in a dynamic enterprise. The entrepreneur is being replaced by the hired management, the number of implementers increases as well as the complexity of the information, decision-making and implementation process. Organisational changes, which are the result of rapid growth, are substantial and many companies are unable to transition from a small firm to a professionally managed growing company. This transition requires knowledge and competencies that are held by educated, qualified and highly motivated individuals. Many researchers, including Kingstone (1987:225-232) and others call these dynamic entrepreneurs, dynamos.

Different researchers use the term dynamic enterprises for companies that grow swiftly or (develop) at an above-average rate (Širec and Rebernik, 2010:46), intensively employ labour and are always a step ahead of the competition (adapted from Birch, 1987; Žižek and Liechtenstein, 1994; Roure, 1999; Mei-Pochtler, 1999; Pšeničny, 2002; Acs and Mueller, 2008; Bavdaž et al., 2009; Littunen and Virtanen, 2009; Hölzl, 2009; Haisu and Zhongxiu, 2010; Mateev and Anastasov, 2010; Rebernik et al., 2012). The aim of such companies is not merely to survive but, above all, to succeed. Pšeničny (2002) states that dynamic enterprises, according to chosen criteria (e.g. growth of sales), in a time interval of at least five years record growth levels that place them among the top 5 or even 10 % of companies in the economy or sector. On the basis of these facts, the authors verified key (internal and external environmental) growth factors that affect the rapid growth of Slovenian dynamic enterprises and their congruence with the findings of Žižek and Liechtenstein (1994). In doing so, they were not only limited to the internal and external factors of establishing an organisation’s structure, but were able to verify all relevant factors.

5 Organisational factors of rapid growth

In relation to organisational sciences, external factors include values, institutional conditions, the market and the development of science and technology and internal factors encompassing everything from the business strategy, technology and the production programme to the organisation's employees, size, location, management and tradition. Both sets of factors are somehow connected by the company's organisational culture. From the viewpoint of this study, special emphasis was placed on establishing the effect of the main factor – the entrepreneur and holder of the administrative/governance (ownership) and management function – and searching for eventual congruence/differences among these three main organisational functions from the viewpoint of a dynamic enterprise.

The main condition for the growth of each company is undoubtedly stemmed from the desire of the owner (the entrepreneur) to see his company to grow. In this respect, the entrepreneur, with all his characteristics, abilities, knowledge and motivation, is the fundamental and most important factor of rapid growth. Tajnikar (2006:78 80) establishes that there are also many other factors that affect growth intensity, such as an open economy, a developed financial system, connectivity between research and development of different institutes and entrepreneurs and the possibility of withdrawal, cashing in and collecting yields. In their operation, companies are also subject to different individual internal and external factors that affect their success and "speed" of growth. Different authors wrote about rapid growth factors (Penrose, 1959; Žižek and Liechtenstein, 1994; Charan and Tichy, 1998; Mei-Pochtler, 1999; Roure, 1999; Pšeničny; 2002; Pšeničny and Novak, 2012a).

The main internal and external factors that affect rapid growth and that are mentioned by the majority of these authors are: 1. the enterprise's external environment, 2. the entrepreneur or the entrepreneurial team, 3. the business strategy, 4. the management system, 5. employees, 6. innovations and implementation of changes, 7. growth financing. These factors of dynamic entrepreneurship can be described by a number of characteristics (attributes) that affect them from either the external or the internal environment of the enterprise. Each attribute describes a certain area of operation, or characteristics of the entrepreneur and the company, and is included in the form of a statement or question in the extensive survey. Mei-Pochtler (1999:97 104) calls them "facilitators and inhibitors of fast growth of enterprises". In a previous study, the authors verified the congruence of these attributes or variables and their connectivity in common sets (factors) that best describe an individual factor of rapid growth (Pšeničny and Novak, 2012a).

6 Methodology – verifying the congruence of factors of rapid growth of Slovenian dynamic enterprises

In their previous study, the authors established or verified which factors affect rapid growth of enterprises and whether

these factors change through time. The obtained and arranged results of the implemented study were processed in the SPSS statistical program and were used to facilitate the verification and relevance of the posed question. The obtained data allowed the authors to establish the congruence of factors and individual descriptive attributes of rapid growth and thus compare them to the previous findings of researchers. They searched for a connection between individual descriptive attributes and the key organisational factor – the entrepreneur.

6.1 Sample

In 2011, Slovenian dynamic enterprises exhibiting growth potential during the time period of 2006 2010 were chosen from the database of all economic subjects (excluding activities such as banks, insurance companies, public institutions and similar) on the basis of criteria that were shaped pursuant to available findings on dynamic enterprises. From this list, all companies whose 2006 and 2010 data did not meet the criteria to be listed as dynamic enterprises were excluded. From the database covering the operation of 126,976 companies, a database of 4,511 companies (including 1,010 sole proprietors and 3,501 commercial companies) that cumulatively met all previously determined criteria was compiled. Among the 4,511 dynamic companies covered by the survey, the detailed structure of the companies was as follows (companies covered in the survey represent altogether 3,50 % of all commercial enterprises in Slovenia – excluding activities such as banks, insurance companies, public institutions and similar):

- 1,004 micro and small sole proprietors (1,41 % of all sole proprietors);
- 6 medium-sized sole proprietors (54,55 % of all medium-sized sole proprietors) and
- 3,501 commercial companies (6,28 % of all commercial companies).

An extensive survey with over 130 questions with more than 250 descriptive attributes of the seven factors of rapid growth was sent to all 4,511 companies. In its basic form, the survey was developed for researching European gazelles (Žižek and Liechtenstein, 1994). It was later completed and used to analyse the growth of dynamic enterprises in different studies (Pšeničny, 2002) and was subsequently updated for the study conducted in 2012 (Pšeničny et al., 2012).

6.2 Research question

With the aim of forming a new and fresh economic policy in Slovenia, an empirical study was designed in 2011 whose purpose was to analyse the growth of Slovenian companies in the last five years (2006 2010). The analysis focused on the fastest growing Slovenian companies – dynamic enterprises that generated growth in the last years. The authors used these guidelines to verify the success of dynamic enterprises in Slovenia on the basis of rapid growth factors, i.e. whether these factors are the same as the ones studied in the past by Žižek and Liechtenstein (1994) and which individual attributes describe them the best. Žižek and Liechtenstein (1994)

conducted their study employing a sample of 150 dynamic enterprises. The enterprises in the 1994 research were also chosen from the database of all economic subjects in Slovenia at that time. The empirical data were obtained with the same survey, same number of descriptive attributes and questions (excluding activities such as banks, insurance companies, public institutions and similar).

In this article, the authors paid special attention to searching for a connection between individual descriptive attributes that affect the key organisational factor – the entrepreneur – from the governance, management and implementation viewpoint.

6.3 Data Analysis

By employing factor analysis, which is used to cluster individual variables (attributes) and whose aim it is to determine a smaller number of linear combinations of the observed variables by using them to maximise the variance accounted for in the original data, 71 new factors were obtained explaining over 89 % of variance. We further named, described and verified all the newly obtained factors in terms of content. Using individual variables (attributes) that best describe and explain an individual factor and which were obtained via factor analysis we were able to, in the event that they would substantially differ from the ones we were verifying, form new nominal factors of rapid growth and compare them with the existing factors in terms of content. Based on the rotated matrix, we have examined all the strongest attributes (variables) for each new factor. To all 71 factors, we have added the corresponding strongest attribute (variable).

We further presented the interpreted and newly named factors (all seventy-one) that included only attributes with eigenvalues of over 0.5 or 0.4 if these were questions from the same set (based on key questions that describe the seven growth factors). In this manner, only the attributes with the highest eigenvalues remained or attributes that were the strongest for an individual factor. We later combined individual factors whose attributes describe similar fields (question sets) and obtained actual factors that best describe an individual field. It was on this basis that content-based factors of rapid growth were formed. After excluding the “weakest” attributes, we were left with 59 “new” factors comprised of attributes with the highest eigenvalues. Therefore, below are the results of combining similar factors that describe more or less the same or very similar fields.

7 Shaping and verifying congruence of factors of rapid growth

Congruence was verified for the seven main factors of rapid growth of dynamic enterprises that were primarily shaped according to Žižek and Liechtenstein (1994), summarised from Pšeničny (2002) and later verified and updated according to Pšeničny and Novak (2012a). The primary study has shown that the seven main factors of rapid growth are best described by 243 descriptive attributes. After verifying these factors and

their individual descriptive attributes, the authors established that all seven main factors of rapid growth remained the same but they managed to describe them with a smaller number of (the strongest) descriptive attributes, i.e. 150 recognised descriptive attributes. They established that in the last twenty years, rapid growth factors did not change substantially and there were also no fundamental changes in individual descriptive attributes of a specific rapid growth factor.

The main differences in the number of descriptive attributes were thus found in the first factor (the external environment), which they describe with 22 descriptive attributes compared to the primary study where 35 descriptive attributes were used to describe this factor. The second factor (the entrepreneur) was described with 16 attributes while in the primary study 39 descriptive attributes were used. The third factor (business strategy) is the most extensive factor that they described and interestingly enough used the same number of descriptive attributes, i.e. 68. The fourth factor (the management system) was initially described by 23 descriptive attributes; the authors described it with 7 descriptive attributes. The fifth rapid growth factor (the employees), which they later verified also from the organisational point of view, was described by 14 descriptive attributes, a difference from the initial 22. It was established that the sixth factor (innovations) is best described by 4 descriptive attributes; initially there were 11. For the last, seventh factor (financing), the authors established that it is best described by 19 descriptive attributes; initially there were 45.

Below are the descriptions and depictions of congruence/differences among individual descriptive attributes of rapid growth factors. A more detailed aspect is the link or connection between basic organisational factors of rapid growth, i.e. between the entrepreneur as the administrator (owner and manager in one person) of the company, the entrepreneur as the manager and the company’s employees as implementers.

7.1 Descriptive fields and congruence between individual attributes

The study found that the external environment of a dynamic enterprise is the second most extensive factor of rapid growth. The key congruent attribute was the attribute describing the legislative field of dynamic entrepreneurship. This relates to the state’s tax policy, which is very discouraging and which does not encourage companies to make new investments. For this reason, for companies to grow faster, extensive changes in their financial and business environment that would stimulate new investments are needed.

The second factor is the entrepreneur. The authors established that he is defined by the following strongest attributes that describe his field and level of education, previous years of work experience, years and diversity of work experience, company ownership, training abroad and managerial experience.

The business strategy factor was recognised as the most extensive factor. The business strategy of dynamic enterprises is usually directed towards professional management and attitude towards the employees and final buyers while first choosing the legal form. The employees and the management

are involved in the company's operation or strategy. In order to grow, companies need to choose sales markets where they generate the largest share of profit assuming that in terms of competitiveness they are among the top 3 % in their industry. Competitive advantage is generated or maintained through low purchase costs, low labour costs, good organisation, good knowledge of market trends and needs, the orientation of the company's employees towards increasing efficiency of the production process, etc.

The management system in dynamic enterprises is very employee-centred and employees are well remunerated and managed by highly qualified and equally well remunerated managers. Dynamic enterprises pay special attention to logistics and information support, technological development, the company's main advantages over its competition, choice of suppliers, etc. The entrepreneur performs the same tasks as in the past or in the previous job while has at the same improved his organisational skills.

Dynamic enterprises predominantly see their advantage in the qualifications of their employees who are also difficult to find for a specific narrow work segment. They first need to train and qualify the employees for the work themselves, and these employees are later involved in continual training and education. Their central growth strategies include a good human resources policy and increased employment of new employees with the company's good results in business.

The majority of dynamic enterprises are definitively innovative in different fields, as this is required for their fast growth and development. The strongest and congruent attributes relate to innovations and the quality of work (of services or products). Dynamic enterprises allocate substantial resources to investments in research and development. This is also their key strategy that they intend to follow in the future. In order to facilitate growth, companies also focus in the field of making products.

The factor of financing is undoubtedly one of the most important factors in the growth of a dynamic enterprise. Companies need to finance their growth prudently while at the same time generate sufficient profit to be able to finance their future growth (mostly with own sources, savings and borrowing). The generated surplus is invested in development and their investments are financed with loans. More venture capital and changes in the financial environment would substantially facilitate growth of dynamic enterprises.

7.2 Verifying relationships between individual content-based descriptive attributes and the main organisational functions (entrepreneur, management, employees)

The authors found that even after twenty years, there were no fundamental changes in basic factors of rapid growth in Slovenian dynamic enterprises. They also found that their content-based descriptive attributes also did not change substantially. On this basis, they further verified or searched for the main content-based differences and deviations in individual content-based attributes related to the organisational relationship between the entrepreneur, the manager and employees on

the basis of empirical findings from 1994 and 2011 (Pšeničny and Novak, 2012b).

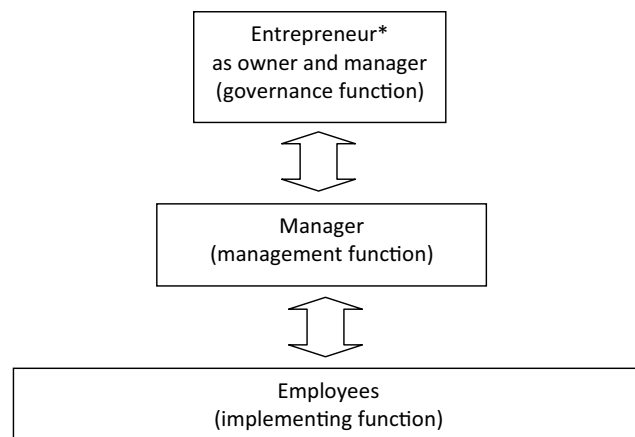


Figure 1: Basic organisational functions in a dynamic enterprise

Source: Own

* Entrepreneur (governance and administrative function in one person – from the beginning of the growth to the managing of the roles) – for the transition from a small fast growing firm to a professionally managed growing company

On the basis of empirical findings, the authors established that almost four fifths of dynamic enterprises are owned by the entrepreneur of the entrepreneurial management team. With respect to the 1994 findings, there were two thirds such companies. Over 90 % of all dynamic enterprises in both studies were set up by the entrepreneur. Another interesting aspect is that in the 1994 study, two thirds of entrepreneurs used to hold (in their previous job before setting up a dynamic enterprise) a management position, while in the 2011 study, such previous employment was found in “only” slightly less than two fourths. As the majority of dynamic enterprises were set up by the entrepreneur, the next in-depth question established that in 2011, slightly less than 40 % did so with the help of their family and friends. With respect to the 1994 findings, one third of companies were established in this manner.

In 1994, entrepreneurs emphasised the owner's or the management team's organisational skills and the entrepreneur's/management team's experience as the main reason behind the success of a dynamic enterprise. An interesting aspect of the 2011 study is that entrepreneurs did not emphasise any specific reason for the company's success but have, on average, highlighted almost all four of the listed options. More than three fourths of entrepreneurs participating in the 2011 study manage their dynamic enterprises themselves or perform all the important activities themselves. In 1994, only one third of entrepreneurs managed their dynamic enterprise themselves, while slightly more than one fourth managed their company with a good team comprised of non-owners and owners. The established differences in the monthly salary of entrepreneurs, managers and employees show that in the 2011 study employees in over two fourths of cases earned an average monthly net salary between EUR 800.00 and EUR 1,000.00. The same was seen in the 1994 study. The average monthly earnings of the management team in 2011 amounted

to between EUR 1,000.00 and EUR 1,500.00 in slightly more than one third of cases. In the 1994 study, manager salaries were substantially higher standing between EUR 2,000.00 and EUR 2,500.00. The average net monthly salary of one half of the entrepreneurs in the 2011 study amounted to between EUR 1,000.00 and EUR 2,000.00. Twenty years ago, entrepreneurs had substantially higher salaries with one fifth remitting between EUR 3,500.00 and EUR 4,000.00 to their account. One third of those entrepreneurs emphasised that they were not paying themselves more due to tax reasons or in order to prepare the company for a new investment. In both studies, one third of entrepreneurs had already thought about including their employees in the company's ownership structure but had not yet done so; however they planned to do so in the future.

From the viewpoint of the entrepreneurial function, it was established that dynamic enterprises were on average set up by the entrepreneur or by the entrepreneurial management team. The average age of the entrepreneur at that point was between 40 and 49 years with at least 10 years of work experience. Twenty years ago, dynamic enterprises were also set up by the entrepreneur or the management team. It is interesting to note that the average age of the entrepreneur at that point was also between 40 and 49 years with at least 10 years of work experience. The entrepreneur's motivation for faster growth of the company is predominantly influenced by anticipated higher yield, risk premiums and social recognition or the recognition of the business environment. For entrepreneurs, this was their first and only established company and they did not own other companies. For fast growth, membership of the entrepreneur in one of the entrepreneurial organisations is important, as they exchange important information, make

new acquaintances and conclude new business deals, socialise with other entrepreneurs and in general enjoy their time with other people. In order to facilitate growth, entrepreneurs also hire experienced consultants for specific fields. The emphasised fields for hiring a consultant were marketing, sales and purchase management. No substantial differences were found between individual descriptive attributes or their values.

From the viewpoint of the management function, dynamic enterprises, in order to record faster growth, should consider the importance of the most important fields in creating their competitive advantage. This predominantly relates to lower labour costs, company organisation and marketing strategy. The companies should also consider the importance of individual fields for company growth, i.e. the orientation of employees towards meeting customer demands. The importance of the main elements of human resources management in order to improve operations is also of exceptional importance and companies should pay special attention to this field, including the personnel policy or the right choice of employees, financial remuneration of employees and establishing of teams. This rapid growth factor also does not show any substantial differences in the content-based descriptive attributes with regard to the previous study.

The third and final organisational function is the implementing function, where the key factors are the employees of a dynamic enterprise. In order for the company to be successful, a high educational structure of employees is required, i.e. at least secondary school or higher education. Twenty years ago, secondary school was emphasised as the highest educational level, however the majority of employees were appropriately qualified to perform their jobs. They acquired the majority of

Table 1: Individual emphasised and related organisational factors with regard to the entrepreneur – manager – employees relationship

Field	1994 study (N = 150)	2011 study (N = 131)
Company ownership	Entrepreneur or entrepreneurial management team	
Founder of the dynamic enterprise	The entrepreneur	
Previous job	Management position	
"Help" in setting up the company	Alone + family and friends	
Main reason for the success of the dynamic enterprise	Organisational skills of the owner or the management team	
Company management (entrepreneur alone or with the help of qualified managers)	The entrepreneur performs all the important activities himself	
Net monthly salary of employees	Between EUR 800.00 and EUR 1,000.00	
Net monthly salary of managers	Between EUR 2,000.00 and EUR 2,500.00	Between EUR 1,000.00 and EUR 1,500.00
Net monthly salary of the entrepreneur	Between EUR 3,500.00 and EUR 4,000.00	Between EUR 1,000.00 and EUR 2,000.00
Employee ownership in the company	It might work, it is planned for the future	It might work but it will not be implemented

Source: Pšeničny et al., 2012

Table 2: Values of descriptive attributes for the organisational factor of entrepreneur

Content-based descriptive field	Values
Ownership source of the dynamic enterprise	Entrepreneur or management team
Age of the entrepreneur	Between 40 and 49 years (44 mean)
Level of education of the entrepreneur	Secondary school or higher
Years of work experience of the entrepreneur prior to setting up the now dynamic enterprise	More than 10 years
The entrepreneur's ownership share (main shareholder) in another company	None or one
Number of previously successful start-ups	One or none
Membership of the entrepreneur in an entrepreneurial organisation	Important
Socialising with people	Yes
Hiring consultants for specific fields	Marketing, sales and purchase management
Willingness to meet other dynamic entrepreneurs	Yes
The effect of main factors on the entrepreneur's motivation for faster growth of the dynamic enterprise	Anticipated higher yield, risk premiums and social recognition or the recognition of the business environment

Source: Pšeničny and Novak, 2012b

Table 3: Values of descriptive attributes for the organisational factor of management

Content-based descriptive field	Values
Main fields in generating competitive advantage	Low labour costs, company organisation, the marketing strategy
The most important areas for company growth	The orientation of employees towards meeting customer needs
Key elements of human resources management in order to improve operation	The personnel policy or the right choice of employees, financial remuneration of employees and establishing of teams

Source: Pšeničny and Novak, 2012b

knowledge and skills while working for the dynamic enterprise where they were employed at the time of the study. In their growth, dynamic enterprises consider the appropriate number of employees from the start. In the first year of operation, this number should be from 1 to 4. The same number is recommended also for the third and fifth year of operation. This, however, generally does not correspond to the actual situation in dynamic enterprises that require successful employees for their growth and their number continually increases through a longer period of time until the company reaches a satisfactory growth level. A similar stipulation also applies to the hiring of consultants for specific fields in the company with 1 to 4 being the recommended number. For this organisational factor there were also no substantial content-based differences in the descriptive attributes.

In the final part of the article, the authors provide their findings on verifying the relationships between individual content-based descriptive attributes (studies implemented in 2011 and in 1994) and the basic organisational functions (entrepreneur, management, employees).

8 Findings

8.1 Results

The comparative analysis of study results from the early nineties, late nineties and the beginning of this century has shown that with rapidly growing or dynamic enterprises we can easily point out seven key factors of rapid growth and 250 (Žižek and Liechtenstein, 1994) descriptive attributes that describe or determine these factors. The authors did not find any essential content-related differences but they did successfully reduce the number of the required attributes to define rapid growth factors from 250 to 150 key descriptive attributes, facilitating future recognition of rapidly growing dynamic enterprises in Slovenia.

The main organisational factors of rapid growth (entrepreneur, management – manager and employees) in rapidly growing dynamic enterprises in Slovenia also did not substantially change in the last twenty years, i.e. pursuant to the content-

Table 4: Values of descriptive attributes for the organisational factor of employees

Content-based descriptive field	Values
The number of employees in the first year of operation (n)	From 1 to 4
The number of employees in year (n + 1)	From 1 to 4
The number of employees in year (n + 5)	From 1 to 4
The number of employees in the year of the survey	From 1 to 4
The number of outsourced employees in year (n + 3)	From 1 to 4
The number of outsourced employees in year (n + 5)	From 1 to 4
The number of outsourced employees in the year of the survey	From 1 to 4
The educational structure of employees	Primary, apprentice, secondary
Appropriate qualifications of employees	The majority are appropriately qualified
The manner of acquiring qualifications of company employees for successful work	At seminars outside the school system, at previous jobs, while working for the current company

Source: Pšeničny and Novak, 2012b

based descriptive attributes that were obtained for these factors on the basis of a study conducted in 2011. The fact is that the most important aspect of a company's sustainable growth is the successful transition from a small firm managed by the entrepreneur – manager.

8.2 Managerial implications

The study has shown that the majority of small growing companies are managed by the entrepreneur himself and that this individuality even increased in fast growing companies with regard to the study conducted twenty years ago. In other words, today's entrepreneurs are more reluctant to work in an entrepreneurial management team than they were two decades ago. The same as two decades ago, dynamic enterprises are still not inclined towards including their employees in the ownership and management structure or in the participation of profit, which is one of the main characteristics of dynamic enterprises across the world (Pšeničny, 1999, 18 21). Only in the case of a company with over 50 employees, the entrepreneur is required to strengthen the company with professional managers, hire consultants and, to a greater extent, include employees in the decision-making and management processes. It is also interesting to note that three quarters of entrepreneurs are planning on adding 1 to 9 new jobs in the future, which will additionally facilitate the need to introduce new consultants and managers.

8.3 Discussion of results

The content analysis of differences in answers has thus shown that the main organisational relationships between the entrepreneur, the manager and the employees have not substantially changed. There are many signs that the rapidly growing companies, which were analysed, are not ready for the transition

from a small growing company to a professionally managed rapidly growing dynamic enterprise. Deliberation on and the search for reasons for stagnation or the lagging behind of the "entrepreneurial spirit" in rapidly growing companies should be the focus of further research, while on the other hand actual opportunities for the development of organisation in rapidly growing companies should be established in order to facilitate and enable faster progress, development and growth of these companies in future years.

8.4 Conclusions

It could also be emphasised that there are certain obstacles that hinder and hold entrepreneurs back, keeping them at a minimal growth level and impeding extensive organisational interventions, i.e. professionalisation of management and operation. These obstacles mainly relate to individual obstacles in the financial and business environment (poor possibilities of taking on long-term loans, high interest rates, poor economic possibilities, high tax burdens, limiting governmental decrees, etc). In all this, the continuation of the currently running business is still affected by the entrepreneur's motivation to set up a dynamic enterprise, i.e. to realise his idea and vision. This corresponds to the key growth strategy for the future, which is undoubtedly developing and offering existing and new products and services to new markets.

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