

EXAMINING CANADIAN BUSINESS OWNERS' PERCEPTIONS OF SUCCESS

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Abstract

This paper reports on a study of Canadian business owners' perceptions about success. Factor analysis indicates that "success" appears to be a multi-dimensional concept, one that reflects four underlying dimensions: market acceptance, self-fulfillment, balance, and financial performance. Significant differences were observed between employers and non-employer businesses and male and female business owners. Employers weighted financial outcomes positively and significantly higher than "non-employers". Conversely, non-employers weighted positively and significantly higher than employers those criteria associated with personal-fulfillment. Women business owners were more likely than their male counterparts to value personal success criteria including self-fulfillment and balance. The implications of these findings for research and public policy are discussed.

Introduction

What constitutes success to the owner of a small business? Within the management sciences, "success" is most often delineated using financial criteria such as revenue, employment, productivity, profit, or return on investment.² To public policy makers, "success" is often defined in terms of job-creating start-ups and the expansions of small firms.³ Business owners, however, may not define success in the same terms. This paper reports on an empirical investigation of what "success" means to owners of small Canadian businesses.

Accordingly, this research paper presents the findings of an empirical examination of the various dimensions of success that business owners themselves identify. The study is part of a

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² For example, see Canadian work by Newton (1995, 2001) as well as related international studies by Freel (1999), Kalleberg et al., (1991) and Abraham, Karns, Shaw and Mena (2001).

³ Newton (2001, pp. 1) writes that the "...ultimate underlying concern is with innovation, higher productivity, enhanced competitiveness, growth and jobs in the small business sector of the economy, and that improved management skills are a critical factor in the achievement of these goals."

larger multi-disciplinary research program that focuses on perceptions of success, growth intentions, management competencies and firm performance. Understanding the cognitive aspects of entrepreneurship such as perceived success is important for several reasons. First, the profit motive is often assumed to be the driver of organizational decision-making. However, financial indicators do not consider non-pecuniary outcomes that owners may value (Ray and Trupin, 1993; Orser, 2003). As such, studies investigating the attributes of firm growth and business ownership suffer from missing variable bias.⁴ Second, policy makers' emphasis on job creation may not accord with the goals of all business owners. To the extent that there is a lack of congruence between the goals of public policy and those of business owners, government initiatives may be misdirected or ineffective. It is also conceivable that the definition of "success" may vary systemically across cultures, gender, or other salient dimensions. If so, the nature of training and incentives must account for the different ways in which people perceive "success". Finally, few management studies have focused on this aspect of decision-making. Hence, an understanding about the influence of perceived success will further assist academics, policy makers and other stakeholders develop appropriate training and public policy initiatives.

The paper proceeds with a review of the literature about perceived success. The research methodology and empirical findings are then described. The paper closes with a summary of the study results and directions for further research.

Previous Research: Understanding Perceived Success

The literature suggests that "success" reflects both *external* factors (for example, historical period, nationality, sector, employment structure and organizational setting) and factors *internal* to the individual (e.g., life cycle or life stage, experience, education, occupation,

⁴ This is also perhaps one of the reasons why trait-based researchers "...have generally met with failure due to weak, disconfirming, or non-significant results." (Mitchell et al., 2002, p. 95).

employment level, wealth, and gender). In addition, the literature also comprises definitions of success that encompass *personal* (e.g., self-fulfillment, freedom and work flexibility) and *commercial* dimensions (e.g., business growth, profit) (Ray and Trupin, 1989; Fagenson, 1993). For example, Parker and Chusmir (1992) qualify six dimensions of “life success” including: status/wealth; contribution to society; family relationships; personal fulfillment; professional fulfillment, and security. Schein (1975) defines professionals’ perceptions of success as “career values” that include inherently personal elements: autonomy/independence; security/stability; technical-functional competence; general managerial competence; entrepreneurial activity; service or dedication to a cause; pure challenge; and lifestyle. Orser (1997) categorizes perceptions of success to include outcomes associated with family, finances, professional mobility, the environment, and emotions.

In a cross-national study of business owners, Ray and Trupin (1989) questioned owner/managers of small firms about how they viewed success, the major challenges they faced with respect to achieving success, and success expectations. The authors suggested five categories of “entrepreneurial success” including: *financially-orientated* entrepreneurs (typified as young ventures with significant growth in a short period); *craftsman-inventor* (noted as owners of older, slow-growth firms); entrepreneurs that sought independence; business owners that framed their work as a “*calling*” (owners of young, growing ventures); and, entrepreneurs that exhibited a sense of *wonderment* that they became entrepreneurs. In terms of how business owners qualify “success”, the most important qualifiers of success among all national groups were “commercializing a product that was accepted by customers” and “gaining control over one’s life”. The least important factor judged as success by American, Canadians, French and Japanese respondents was “becoming rich”. The researchers found that among the major

challenges to overcome to achieve success, “satisfying customers” was the single most important. “Diversifying business opportunities”, “coping with a management crisis”, and “reconciling professional and private lives” were also found to be important. Cross-cultural differences were noted. When asked to ascertain how they determine whether they were successful, respondents from American bio-technology firms gave little credibility to comparing themselves with major competitors, whereas Japanese, French and Canadians were competitor-orientated. While this typology suggests that the concept of success is useful in characterizing operational attributes of the firm and owner, it fails to distinguish or delineate between the entrepreneur and his or her firm.

Perceptions of Success and Owner Gender

Differences in perceived success have also been studied with respect to management status and gender. In setting the stage for such research, early scholars suggested that the entry of women into the paid workforce has resulted in increased complexity and interdependent “multiple-role relationships” in determining criteria of success (Sekaran and Hall, 1989). Drawing on the work of Gallos (1989) and Marshall (1989), Sekaran and Hall (1989, p. 161) suggest “more internal, less linear models of success must be given greater weight”.

In an investigation of perceptions of success among managers and non-managers, Parker and Chusmir (1992) noted that male and female managers differed significantly on two dimensions. Personal fulfillment and security were more important to women managers than to male managers. Among non-managers, no gender differences in the perceived value of security, professional fulfillment, and social contribution were found; however, women were more likely than men to value personal fulfillment and importance of family relationship. Men valued status and wealth higher than women. Women managers viewed status/health and professional

fulfillment as more important than non-managerial women. Similarly, Slipowitz (1992) in a study of professional women's concepts of success, reports on the interface between personal, family, and entrepreneurs' social environments. Success was seen as a process rather than a final outcome.

Employing a female-only sample of women entrepreneurs, Lee-Gosselin and Grise (1990, p. 428) identified three types of success criteria. While the primary criterion related to financial aspects of the firm (for example, increased revenues; profits; and, earning income), success was also defined in terms of the owner/managers' environment (e.g., people have confidence in the company, being visible and known in the community) and to respondents' personal frameworks (i.e. having control of their own business or market). The authors noted that these results were "...especially interesting given that half of the respondents talked about staying in business because they find opportunities to create and actualize themselves, all criteria reflecting very personal motives". When Lee-Gosselin and Grise (1990) asked respondents to rate the level of success of the company and their personal success, the majority of these women considered both the firm (96%) and themselves (94%) to be successful. The authors then matched these high rating of attained success with the modest financial performance of the respondent firms leading the authors to conclude that female owners had particularly modest financial expectations (e.g., salaries would not be acceptable if working for someone else).

Orser and Dyke (2000) examined the concept of perceived success using qualitative data and sought to refine the collective understanding of the elements of what comprises "success". Based on in-depth analysis of transcribed, open-ended interviews with both managers and business owners, the researchers created a conceptual map of potential responses across the dimensions of "personal – commercial" and "intrinsic – extrinsic" dimensions that had been

suggested from a review of the literature and analysis of transcript data drawn from an earlier phase of the work (see Figure 1: Conceptual Map of Success Criteria).

(Insert Figure 1 about here)

Virtually all of the previous studies of perceptions of success suggest that definitions of success are multi-dimensional and transitory: they may evolve over time, may be role sensitive, and likely include pecuniary and non-pecuniary outcomes. The literature also illustrates the importance of avoiding gender-based stereotypical assumptions about success, as illustrated below (Ibrahim, 1995, p. 90).

“Definitions of business and personal success can also be seen as congruent with gender realities, and differ greatly for male and female small-business owners. Consistent with the characteristics male reality, success is defined as wealth achieved through high income growth. ...Furthermore, women owners view business and personal success in terms of balance between work and family in which growth is multi-faceted rather than simply a function of profit.”

These observations serve to inform the following hypotheses.

HYPOTHESES

The literature reviewed in the preceding section leads to the development of several null hypotheses about the nature of success and the underlying constructs of perceived success in the context of the firm ownership. The literature is ambiguous in regards to the number of underlying dimensions that comprise “success”. There remains the need to identify both the *value* that business owners ascribed to the various dimensions of success and the extent to which these values differ across salient personal attributes such as gender and employer status (e.g., employer versus non-employers). It was also seen that a variety of outcomes are identified with success. It is not clear the value or weighting of the dimensions of success relative to personal

and business attributes or how the criteria differ among Canadian business owners. To investigate these questions, the following hypotheses are advanced.⁵

Hypothesis 1: Success is multidimensional construct.

Hypothesis 2: Success spans two dimensions in the SME context: the personal—commercial continuum and the intrinsic—extrinsic continuum.

Hypothesis 3: The weightings accorded the various dimensions of success differ systematically across gender of the primary owners of SMEs.

Hypothesis 4: The weightings accorded the various dimensions of success differ systematically across size of firm.

RESEARCH METHODOLOGY

Sample Selection

In order to investigate empirically the hypotheses described above, the researchers were aided by having access to a sampling frame of 1,002 SME owners that had been drawn from a commercial database and who had responded to a previous (2001) questionnaire. This previous work required the assembly of a control group of Western Canadian business owners and these data were made available to the research team as an in-kind contribution to this study.⁶ The use of the 1,002 respondents to the 2001 control group sample as a sampling frame for the current work was selected for several reasons. First, the responses to the earlier questionnaire provided considerable baseline data such as: respondent age, education, gender, years of business and management experience, growth intentions in next two years; barriers to firm growth; anticipated

⁵ Moreover, additional hypotheses may be advanced. For example, it is conceivable that the weightings of the various dimensions of success may vary across time or across cultures, however, these questions – and others – are left for future research.

⁶ This sampling frame was drawn from previous research conducted on behalf of the Women's Enterprise Initiative (WEI) Research Committee during 2002. This respondent database was made available through an in-kind contribution to this research from the four Women's Enterprise provincial agencies including Women's Enterprise Society of British Columbia, Alberta Women Enterprise Initiative, Manitoba Women Enterprise Centre and Women Entrepreneurs of Saskatchewan.

level of annual sales in next 2 years, firm age, size (employees, revenues), and stage of firm. Second, re-sampling the 2001 WEI sample allowed the use of a shorter questionnaire than would otherwise have been required, arguably improving the response rate. Third, the use of this set of respondents as a re-sampling frame allows for quasi-longitudinal comparisons. Finally, because this is a pilot study, use of these data as a sampling frame allowed for the research to be conducted in a more cost effective way. The disadvantage is that the sample is not representative of the wider population of Canadian SMEs.

The next stage of the work comprised the development of the telephone survey. Portions of the survey were drawn from the work conducted by Dyke and Murphy (1998), Orser (1997), Orser and Dyke (2000) and Orser and Hogarth-Scott (2003). The draft interview survey was field-tested in June 2003 and modified as needed. The administration of the survey was preceded, in June 2003, by an introductory letter mailed to the 1,002 potential respondents from the project sponsor, Industry Canada. The 2003 telephone survey was then conducted in June and July. A total of 326 telephone surveys were completed in this fieldwork, a response rate of 46.2 percent of eligible respondents.⁷

Sample Description

Owner attributes. The personal attributes of the business owners who responded to the 2003 survey are summarized in Table 1.⁸ Most of the respondent business owners were well educated, a finding that appears to be consistent among self-employed Canadians across the four

⁷ Of the 1,002 respondents in the 2001 WEI sampling frame, interviewers were unable to contact 234 respondents; 60 potential respondents were no longer in business. Of the remaining 707 eligible respondents, 223 refused to participate, 142 failed to return 3+ calls and another 16 were eliminated for miscellaneous reasons. This reflects a 46.2% response rate among eligible respondents or 32.6 percent response rate within the sampling frame

⁸ A comparison between the 2001 and 2003 samples was undertaken to investigate survivorship bias. There were no statistically significant differences in owner or firm attributes.

Western provinces.⁹ Approximately half of the business owners surveyed were less than 50 years of age with the majority falling into the 30 to 49 year age group. Only 2 percent of respondents were less than 30 years of age. In addition to owners' age, education, and management experience several other salient demographic attributes were collected. Male business owners accounted for two-thirds of the sample (67.3 percent). Three-quarters of those surveyed created or participated in the creation of the business. Persons with disabilities accounted for 2.8 percent of respondents. Finally, aboriginal persons represented 3.1 percent of the sample while other visible minorities account for 4.7 percent of respondents. To investigate owners' growth intentions, respondents were asked, "*During the next two years, is it your intention to expand the size or scope of your business?*" Approximately 40 percent (42.4 percent) of the business owners reported that they were seeking expansion. Conversely, nearly six in 10 business owners (57.6 percent) did not intend to expand during the next two years. Other owner attributes are also summarized in Table 1.¹⁰

Firm attributes. As noted previously, the sectoral breakdown is not representative of the population of SMEs as a whole: respondent firms are relatively highly concentrated in the services and trade sectors, with few establishments in the goods-producing sector. This was expected and reflects that the sampling frame was originally selected in the WEI survey to serve

⁹ For example, according to Chambers and Rylska (2001), one-half of self-employed individuals (of both genders) possessed "high levels of education" in 1999. It is also worth noting that, according to Chambers and Rylska (p. 99), "education has not been found as a significant factor in explaining why people choose to work for themselves."

¹⁰ The sample used here differs from the population of Canadian SMEs in the following respects. The firms in the sample have survived sufficiently long to be listed in commercial databases and are therefore somewhat more mature than average and relatively fewer young firms and start-ups are represented. Early-stage firms, therefore, are considerably under-represented. While this is to be expected, it also introduces an important sampling bias that must be recognized in interpreting the results of the work: early-stage businesses would form an important segment of the target audience for policy measures that might be based on these findings. The sector distribution was also weighted towards firms in the retail and wholesale sectors, reflecting the original intention of the sampling frame in the earlier WEI survey.

as a benchmark against which WEI participants could be compared.¹¹ Size of business was investigated using the number of employees and annual sales volume. The distribution of survey participants by employment size is illustrated in Table 1. In summary, 65 percent of the respondent firms employed 5 or fewer full-time equivalents (FTE); 28 percent of the firms employed 5 to 20 employees or FTEs; while 7 percent employed more than 20 FTEs.¹²

(Insert Table 1 about here)

Data Analysis

To test the hypothesis pertaining to perceived success, business owners' were asked to rate the importance of each of 18 criteria that they might conceivably use to evaluate success. Based on a 5 point scale, Table 2 lists, in descending order, the average importance accorded each item, across gender and by owners of employer and non-employer firms. In general, business owners identify customer relations, maintaining personal relationships, and product or service quality as the most important success attributes. Financial criteria such as profitability and income generation are not the most-highly rated individual scales. These findings are suggestive that commercial (versus personal) performance criteria predominate. It appears that success of the commercial operation is key to business owners' sense of accomplishment, a finding that is consistent with the work of Lee-Gosselin and Grise (1990) and Ray and Trupin (1989).

¹¹ For example, Chambers and Rylska (2001) report that 55.3 percent of Western Canada SMEs are in the service sector, 12.3 percent are in the retail and wholesale trade sector, and 32.4 percent are in goods producing sectors. For self-employed individuals, this breakdown differs substantially by gender. For these smaller firms, 48.2 percent of men and 26.1 percent of women are in goods-producing sectors. Men comprise 51.8 percent of self-employed in the services sector whereas 73.9 percent of women business owners are in the services sector, with female self-employment being concentrated in retail trade (Chambers and Rylska, 2001, Ch. 3, p. 8).

¹² The proportion of firms with less than 5 employees is likely less than in the general SME population if one considers the profile of employer businesses and self-employed. For example, 35 percent of the firms in the sample used here reported more than five employees. Industry Canada (2003) reports that 42 percent of the 1.0 million Canadian business establishments (or *employer* firms) employ more than 5 people. This does not, however, take into account approximately 2.3 million self-employed individuals, 64 percent of which have no paid help.

Table 2 also reveals substantial differences between employer- and non-employer businesses: employers are relatively more concerned with generating income, profitability and operating performance. These differences are again reflected in the importance of both commercial (e.g., the firm's operating performance) as well as personal outcomes (e.g., personal goods acquisition).

(Insert Table 2 about here)

To further explore the construction and value of the success criteria, factor analysis using principal components with varimax rotation was applied to 14 success criteria scales.¹³ The results are shown in the first panel of Table 3. The analysis suggested four factors which together explained 56.7% of the variation. No additional factors with Eigenvalues in excess of 1.0 were identified; examination of the scree plot also suggested that a four factor solution was reasonable. In addition, each of the four factors included scales that loaded on the factor with loads near or above 0.8. According to Stevens (2002), this is a desirable property in principal component analysis. In summary, the four-dimensional construct reflected aspects of success associated with market acceptance, self-fulfillment, balance, and financial outcomes. Each of the four factors are now described.

1. The first factor or scale incorporates five variables that correlate with the extent to which the business' products or services have gained acceptance. Variables that loaded on this factor, in declining weight, include product or service quality, market acceptance, customer relations, environmental impact and operating performance. This factor is commercial in nature and is termed here *market acceptance*.
2. The second factor is associated with intangible, intellectual scales of spiritual well-being, pursuit of intellectual activities, etc. and is inherently personal. Variables included pursuing intellectual activities, spiritual well-being, maintaining professional

¹³ Only 14 of the 18 criteria were entered into the principal component analysis. The 3 variables pertaining to employees (e.g., employee relations, employee productivity, creating employment) and one variable pertaining to external investment (e.g., investor relations) were not used as they were not relevant to non-employer firms. This is because most owners of non-employer firms responded that these scales were "not applicable".

autonomy, environmental impact and community relations. The scales that most closely relate to this factor pertain to the owners' personal, inner, feelings. It is termed *personal-fulfillment*.

3. The third factor differs from the second in that it reflects relationships in the business and household environments. The variables include maintaining personal relationships, work life balance, personal goods acquisition and customer relations. It is termed *balance* for the purposes of this report.
4. The final factor contains variables that are commercial. The variables that load highly on this factor all appear to reflect various elements of *financial outcomes*. These included profitability, generating income, operating performance and personal goods acquisition.

These four factors appear to be intuitively sound and support the argument advanced by Sekaran and Hall (1989) regarding “multiple-role relationships” in determining criteria of success. Indeed, it appears that Canadian business owners perceive success as multi-dimensional and not according to a simple two-dimensional, linear construct.

To further test the construction of owners' success criteria, principal component analysis was repeated, first forcing a three-factor solution and then forcing a two-factor solution. These results are also reported in Table 3. A review of the various factor solutions found that three factor solution compressed into one factor, two of the dimensions identified in the four factor result. The resulting compressed dimension lacks coherence in that it combines traditional financial indicators with personal values. While the two-factor solution is parsimonious, each scale comprises both commercial and personal outcomes, as well as intrinsic and extrinsic scales. In summary, it seems clear that, in keeping with hypothesis 1, success is a multidimensional construct. However, it also appears that success is more complex than is described by the two-dimensional model advanced by Orser and Dyke (2000). These findings do not support hypothesis 2: success spans two dimensions in the SME context: the personal—commercial continuum and the intrinsic—extrinsic continuum. It appears that success is better described with

four dimensions. These findings, initially presented in a conceptual map of success criteria (Figure 1), are depicted in Figure 2: Conceptual Map of Canadian Business Owners' Success Criteria.

(Insert Figure 2 and Table 3 about here)

On the basis of this conclusion, the next stage of this work was to compare the weightings accorded by business owners to the four success dimensions across salient aspects of the businesses. This entails testing the two remaining hypotheses (repeated below for convenience):

Hypothesis 3: The weightings accorded the various dimensions of success differ systematically across gender of the primary owners of SMEs.

Hypothesis 4: The weightings accorded the various dimensions of success differ systematically across size of firm.

To test these hypotheses, the Anderson-Rubin factor scores corresponding to the four-factor solution were subjected to standard Student's t-tests across the categories of interest. These results of these tests are summarized in Table 4.

Gender differences. Statistically significant gender differences were noted in the values that owners accord the various dimensions of success. Women business owners indicated statistically significant (at p-values of 0.063 and 0.022, respectively) and higher values (than men) to success criteria associated with *personal fulfilment* and *balance*. Whereas the weightings of these two factors scores were positive for women, the average factor score scores for male business owners were negative. These findings are consistent with the exploratory results that suggested women business owners accord higher value to maintaining customer and personal relationships, spiritual well being and work life balance (see Table 2). These results also support arguments that women business owners are more likely than their male counterparts to value success criteria associated with the personal dimension. In addition, gender differences were noted in *market acceptance* (e.g., product or service quality, market acceptance, customer

relations, environmental impact and operating performance); however, the p-value for this findings was 0.102. Finally, no significant gender differences were noted regarding success criteria pertaining to *financial outcomes* (e.g., profitability, generating income, operating performance and personal goods acquisition). These results support the argument that most business owners are concerned about their firm's operational results.

Employer status. Statistically significant differences in weightings accorded success dimensions were also noted between businesses that were “employers” and those that were “non-employers”. Employers weighted the factor score associated with *financial outcomes* positively and significantly higher (p-value = 0.000) than did “non-employers”. Conversely, “non-employers’ weighted positively and significantly (p-value = 0.011) higher than “employers” the factor score associated with *personal-fulfilment*. No differences were noted between “employers” and “non-employers” regarding the factor scores of *market acceptance* (p-value of 0.838) and *balance* (p-value of 0.844).

It is not clear where causality lies. On the one hand, being an employer may put pressure on the business owners to achieve financial results in order to meet payroll and related operational demands. Alternatively, the *financial outcomes* may be one of the means by which some business owners (e.g., “employers”) achieve a sense of success. These results suggest that perceptions of success may be a means to delineate “employers’ and “non-employers”. These findings also support further exploration of potential differences in the cognitive profile of “employers” and “non-employers”.

(Insert Table 4 about here)

SUMMARY AND CONCLUSIONS

This work has found that, for a sample of business owners, “success” appears to embrace four dimensions. It was also found that all individuals accord some weight to each of the four dimensions but that the relative weightings differ by gender and employer status. That is, while the four success dimensions appear to be common to the business owners investigated here, the weightings of each differ across individuals. Therefore, the results challenge the implicit assumption that all business owners are profit-motivated. These findings also prompt the need to investigate further the links among the dimensions of success and traditional goals of economic development (e.g., job creation).

The results also point to the need for SME trainers and consultants to consider both personal and professional goals of their clients. For small business trainers, these results suggest that programs must address issues related to owners’ balance and personal fulfilment, as well as the anticipated financial outcomes of business ownership. It is not sufficient to focus exclusively on commercial or technical aspects of management, as many training initiatives do. A review of those scales that lie behind each of the factors provides a sense of some of the topics that might be addressed in training curricula. Business owners can be encouraged to refer to the typology of success criteria presented in Figure 2 to ensure that all dimensions of business ownership are considered in the planning of their firm.

This work has found that the success criteria embraced by SME owners may not correspond with those assumed by policy makers. Whereas public policy generally seeks to encourage outcomes that relate to job-creation and firm viability, business owners tend to focus on both personal and professional criteria of success. These findings emphasize the important of

targeting policy initiatives. To the extent that public policy seeks job creation, it would seem that a “one size fits all” approach is an inefficient use of public resources. These results underline that financial outcomes is only one aspect of firm performance, one that is not a priority for many SME owners.

The limitations and next steps of this work are noted. The sample, while reasonably large (N=236), was an opportunistic means to test the ideas advanced in this paper. The trade-off was that the composition of the sample was not fully representative of the population of Canadian firms. Further exploration is required to examine the linkages among success criteria and the outcomes associated with business ownership and firm performance. A larger, more rigorously-generated sampling frame is required to test further these associations. Future work is anticipated in several directions. These include an examination of the extent to which business owners felt that they had achieved success, according to how they had defined success. It would be particularly interesting to examine how, if at all, success criteria varies across cultures, communities, and ethnic grouping. Finally, work is now underway to examine potential differences in how success is defined between business owners and employed professionals.

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Table 1: Owner and Firm Attributes by Gender and Employer Status

| | Male | Female | Non-Employers | Employers | Total |
|------------------------------------|-------|--------|---------------|-----------|-------|
| Owner Attributes | N=219 | N=107 | N=102 | N=224 | N=326 |
| Age Category | | | | | |
| Less than 30 | 2.3 | 1.9 | 2.0 | 2.2 | 2.1 |
| 30 to 39 | 11.4 | 13.1 | 7.8 | 13.8 | 12.0 |
| 40 to 49 | 33.3 | 32.7 | 35.3 | 32.1 | 33.1 |
| 50 to 59 | 40.2 | 43.9 | 40.2 | 42.0 | 41.4 |
| More than 59 | 12.8 | 8.4 | 14.7 | 9.8 | 11.3 |
| Total | 67.2 | 32.8 | 31.3 | 68.7 | |
| Persons with a disability | 2.7 | 3.0 | 0.5 | 1.8 | 2.8 |
| Aboriginal persons | 4.0 | 1.0 | 4.0 | 2.7 | 3.1 |
| Visible minority | 6.3 | 1.0 | 7.2 | 3.6 | 4.7 |
| Management Experience | | | | | |
| Less than 5 | 2.7 | 10.3 | 6.9 | 4.5 | 5.2 |
| 5 to 9.9 | 8.2 | 19.6 | 10.8 | 12.5 | 12.0 |
| 10 to 14.5 | 15.1 | 21.5 | 19.6 | 16.1 | 17.2 |
| 15 to 19.9 | 15.1 | 15.0 | 16.7 | 14.3 | 15.0 |
| 20 to 24.9 | 16.4 | 15.9 | 14.7 | 17.0 | 16.3 |
| More than 25 | 42.5 | 17.8 | 31.4 | 35.7 | 34.4 |
| Owner is manager | 97.3 | 97.0 | 98.0 | 96.9 | 97.2 |
| Owner is founder | 80.4 | 73.7 | 89.2 | 73.3 | 78.3 |
| Intends to expand 2001 | 48.8 | 49.4 | 38.9* | 53.9 | 49.0 |
| Intends to expand 2003 | 42.8 | 38.5 | 27.7 | 48.1 | 41.5 |
| Firm Attributes | | | | | |
| Sector | | | | | |
| Wholesale | 6.2 | 1.0 | 3.9 | 4.9 | 4.6 |
| Retail | 47.6 | 50.5 | 46.1 | 49.6 | 48.5 |
| Professional services ^a | 9.8 | 11.9 | 18.6 | 6.7 | 10.4 |
| Other services ^b | 14.7 | 23.8 | 11.8 | 20.1 | 17.5 |
| Primary & Construction | 2.2 | 0.0 | 0.0 | 2.2 | 1.5 |
| Manufacturing | 10.2 | 6.9 | 8.8 | 9.4 | 9.2 |
| Other | 9.3 | 5.9 | 10.8 | 7.1 | 8.3 |
| Annual Revenues | | | | | |
| Less than \$100,000 | 21.7 | 34.0 | 65.6 | 9.6 | 24.6 |
| \$100,000 to \$500,000 | 31.4 | 41.5 | 27.9 | 35.9 | 33.8 |
| \$500,000 to \$1,000,000 | 19.4 | 9.4 | 1.6 | 22.8 | 17.1 |
| More than \$1,000,000 | 27.4 | 15.1 | 4.9 | 31.7 | 24.6 |
| Employees (FTE) | | | | | |
| No Employees | 16.7 | 29.0 | 60 | 2.7 | 20.5 |
| 1 to 4.9 Employees | 44.1 | 45.0 | 38 | 47.3 | 44.4 |
| 5 to 19.9 Employees | 30.2 | 22.0 | 1 | 39.6 | 27.6 |
| More than 20 FTE | 9.0 | 4.0 | 1 | 10.4 | 7.5 |

a Includes professional, scientific and technical services, transportation, warehousing, couriers, information and cultural industries, real estate, rental and leasing, administrative support, waste management, remediation services, educational and health care assistance.

b Includes arts, entertainment, recreation, accommodation and food services.

Table 2: Perceived value of success criteria by gender and employer status

| | Male | Female | p-value | Non-Employers | Employers | p-value |
|---|--------------|--------------|--------------|---------------|--------------|--------------|
| (Complete) Success criteria scales | N=219 | N=107 | | N=102 | N=224 | |
| Customer relations (for example, corporate image or good will.) | 4.69 | 4.88 | 0.001 | 4.75 | 4.75 | 0.995 |
| Maintaining relationships with friends, family and/or partner. | 4.53 | 4.76 | 0.004 | 4.62 | 4.60 | 0.825 |
| Product or service quality (for example on-time delivery). | 4.51 | 4.69 | 0.051 | 4.40 | 4.65 | 0.026 |
| Maintaining professional autonomy or independence in decision making. | 4.35 | 4.52 | 0.079 | 4.47 | 4.38 | 0.363 |
| Managing work and life demands | 4.25 | 4.53 | 0.004 | 4.33 | 4.35 | 0.882 |
| Generating income (for example, salary and financial security). | 4.27 | 4.47 | 0.057 | 4.03 | 4.47 | 0.000 |
| Market acceptance (for example, recognition or product quality). | 4.28 | 4.35 | 0.582 | 4.22 | 4.34 | 0.323 |
| Profitability (for example, return on capital invested and net profit). | 4.24 | 4.38 | 0.251 | 3.87 | 4.47 | 0.000 |
| Pursuing intellectual activities, such as acquiring new knowledge. | 3.97 | 4.09 | 0.293 | 3.99 | 4.02 | 0.783 |
| Employee relations (for example, employee retention or employee satisfaction). | 4.03 | 3.87 | 0.370 | N/A | 4.57 | |
| Community relations, such as community recognition or working relationships in the community. | 3.91 | 4.01 | 0.460 | 3.81 | 4.00 | 0.147 |
| Operating performance (for example inventory turnover or financial ratios). | 3.80 | 4.06 | 0.064 | 3.60 | 4.02 | 0.006 |
| Ability to acquire personal goods such as a house, car or the ability to travel. | 3.79 | 3.86 | 0.580 | 3.59 | 3.91 | 0.007 |
| Employee productivity (for example revenue per employee). | 3.73 | 3.60 | 0.501 | N/A | 4.25 | |
| Environmental impact, for instance recycling or emission standards. | 3.58 | 3.59 | 0.909 | 3.58 | 3.58 | 0.975 |
| Spiritual well-being for instance faith and spiritual needs. | 3.27 | 3.74 | 0.003 | 3.47 | 3.40 | 0.638 |
| Creating employment opportunities by hiring people. | 3.06 | 2.86 | 0.244 | N/A | 3.46 | 0.000 |
| Investor relations (for example shareholder or banking relations). | 2.89 | 3.07 | 0.362 | N/A | 3.15 | |

Table 3: Principal Component Analysis of Success Criteria (2, 3 and 4 Factor Solution)

| (Abridged) Success Criteria Scales | Four Factor Solution | | | | Three Factor Solution | | | Two Factor Solution | |
|------------------------------------|----------------------|-------|-------|--------------|-----------------------|-------|--------------|---------------------|--------------|
| | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 1 | 2 |
| Product or service quality | 0.718 | | | | | 0.718 | | | 0.654 |
| Market acceptance | 0.682 | | | | | 0.712 | | | 0.517 |
| Customer relations | 0.591 | | 0.446 | | | 0.557 | | | 0.531 |
| Environmental impact | 0.516 | 0.490 | | | | 0.568 | | 0.436 | |
| Pursuing intellectual activities | | 0.787 | | | 0.735 | | | 0.770 | |
| Spiritual well-being | | 0.681 | | | 0.595 | | | 0.585 | |
| Maintaining professional autonomy | | 0.518 | | | 0.623 | | | 0.648 | |
| Community relations | | 0.421 | | | 0.496 | | | 0.549 | |
| Maintaining personal relationships | | | 0.803 | | | | 0.432 | 0.450 | |
| Work life balance | | | 0.661 | | 0.589 | | 0.523 | 0.632 | |
| Personal goods acquisition | | | 0.492 | 0.466 | | | 0.625 | 0.412 | |
| Profitability | | | | 0.856 | | | 0.748 | | 0.646 |
| Generating income | | | | 0.599 | | | 0.636 | | 0.629 |
| Operating performance | 0.433 | | | 0.561 | | 0.493 | 0.479 | | 0.676 |
| Eigenvalues | 4.15 | 1.45 | 1.29 | 1.04 | 4.15 | 1.45 | 1.29 | 4.15 | 1.45 |
| Percent of Variance Explained | 15.41 | 14.90 | 13.44 | 12.96 | 17.14 | 16.71 | 15.43 | 20.34 | 19.69 |
| Cumulative % of Variance Explained | 15.41 | 30.32 | 43.76 | 56.72 | 17.14 | 33.85 | 49.28 | 20.34 | 40.04 |

Table 4: T-Test on 4 Factor Scores by Employer Status, Gender of Owner and Growth Intention

| | Employer Status | | | Gender of Owner | | |
|-----------------------|-----------------|---------------|--------------|-----------------|--------------|--------------|
| | Non-Employer | Employer* | p-value | Male | Female | p-value |
| Market Acceptance | -0.054 | -0.020 | 0.838 | -0.095 | 0.139 | 0.102 |
| Self-fulfillment | 0.279 | -0.057 | 0.011 | -0.032 | 0.214 | 0.063 |
| Balance | 0.047 | 0.019 | 0.844 | -0.049 | 0.219 | 0.022 |
| Financial Performance | -0.407 | 0.241 | 0.000 | 0.005 | 0.195 | 0.175 |

*Employer firms are defined as firms with at least one paid employee in addition to the owner.

Figure 1: Conceptual Map of Success Criteria (Orser and Dyke, 2000)

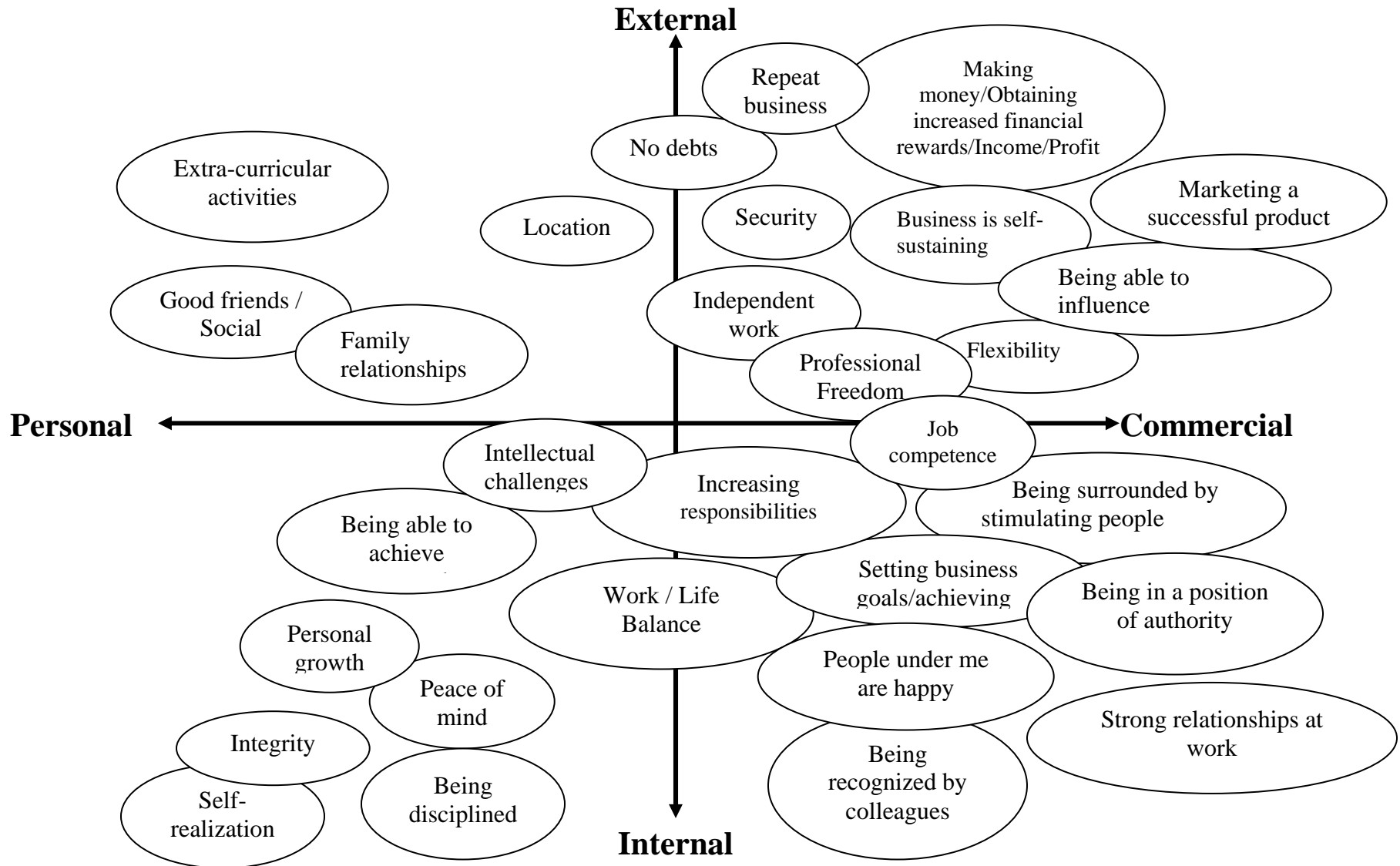


Figure 2: Conceptual Map of Canadian Business Owners' Success Criteria

