OWNER OCCUPIER DRIVERS OF SUCCESS IN SMALL BUSINESS: COMPARING SOFT DRIVERS WITH HARD WORK.

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ABSTRACT

Despite small and medium sized enterprises accounting for the majority of business activity in most economies and its appeal as a driver of economic growth, there is a lingering uncertainty around the motivation for engaging in SME activities as most SME owners have no growth aspirations. The notion of understanding success and its drivers is prominent in that small business closure rates can reach 9 per cent of the total business stock of a country. To date little empirical evidence provides insight in person-oriented drivers of survival and success of small businesses. This paper addresses these shortcomings somewhat and reports on unstructured feedback collected from small business owners in respect of their perception and experience of driver of success.

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ABSTRACT

Small and medium sized enterprises account for the majority of business activities in most economies representing over 99 per cent of business entities in the USA and Japan and numbering almost 19 million entities in the European Union (Wong and Aspinwall, 2004). Likewise, Mueller and Thomas (2001) confirm the universal appeal of entrepreneurship, and therefore small business, as a driver of economic growth and development but claim a lingering uncertainty around the human motivation, particularly in the context of cultural and social influences and environments. Despite a well accepted notion that small business owners through their entrepreneurial activities enhance economic growth (van Praag and Versloot, 2007; Acs 2006) Henrekson (2005) claims that most persons involved in the establishment of a new firm have no growth aspirations. The notion of understanding success and more particularly the drivers of success is prominent in that small business closure rates range between 3 and 9 per cent of the total business stock of a country and, according to Stokes and Blackburn (2002) are most prominent amongst younger and smaller businesses. Van Praag (2003) claims that little empirical evidence provides insight in person-oriented drivers of business survival and success of small business owners. This paper addresses these shortcomings somewhat and reports on unstructured feedback collected from small business owners in respect of their perception and experience of driver of success.

DRIVERS AND MEASURES OF SUCCESS

Fundamentally various structural considerations influence performance of an organisation. Since the business environment is characterised by complexity, change and even hostility, it is imperative for the business owner to be able to deal with customers, suppliers, employers, financiers, technology and government regulations (van Gelderen et al., 2005). Coltman et al (2007) agrees that firms facing the same external pressures must overcome unique internal financial, business and organisational constraints leading to varying degrees of success. Ryan (2000) claims that serial entrepreneurs, i.e. those who undertake successive of simultaneous entrepreneurial activities, thrive off the psychological reward of making an impact as opposed to wealth. These entrepreneurs are also argued to revel in the challenge of the early stages of a business.

The paper ascertains wether hard work or soft drivers do indeed act as indicators of success as claimed by small business owners and, if so, to what extent this is linked to personal or business attributes.

Complexity and variety of measures

While a plethora of studies propagate the growth and expansion of a small business as a prominent measure of success, Feindt et al. (2002) remarks that only 3 per cent of small companies actually grow. In addition Burns (1996) reports that owner managers seem satisfied and comfortable with the

current levels of activity and do not seek to actively grow their business. Over time business success has been diligently and conscientiously measured on hard functional measures in the legal, financial and operational arena without corresponding attention to the more soft side of business engagement (Cullen et al. 2000). In an analysis of the success factors of SME enterprises in Taiwan Lin (1998) established that the more successful ventures place a greater emphasis on soft issues than hard issues in the business.

Chambers et al, (1988) confirm that the first two decades of research into measuring success of small business pivots around objective measures such as financials, turnover, ratios; arguably hard measurables. Jennings and Beaver (1997) lament the narrow, accountancy termed criteria based on financial analysis and ratios, including profitability, productivity and growth as the dominant measures of success for a small business and argue that attribution of success or failure requires a more holistic, pluralistic and comprehensive perspective. In their view a small business cannot possibly be expected to fulfil multiple criteria of success and may often simultaneously be considered a success and a failure from different perspectives. Murphy et al (1996) confirm that a certain variable may be positively linked to one specific performance measure but negatively to another.

An alternative definition of business success subscribed by van Praag (2003) is one where a business venture that can prevent an involuntary exit to its ongoing operations should be deemed successful, i.e. survival implies success. Churchill (1997) agrees with the more extreme view considering survival to be the only measure of success and identified four drivers for continuing operations being the owner's ability to do, ability to delegate, financials and lastly people, planning and systems. He reiterates the need for continual adaptation and flexibility. Minninti and Bygrave (2001) consider entrepreneurial learning as an iterative decision cycle consisting of a continual choice between old knowledge or gaining new knowledge. The reality is that most owner-managers of small business ventures lack managerial skills and competencies and have little formal management training (Wong and Aspinwall, 2004).

This justifies the attention shift from success factors to strategic objectives. Low and McMillan (1988) report that strategy conceptualisations have advanced from over generalised key success factor models to contingency models that consider a range of variables under varied circumstances and take

into account learning of past efforts. In a small business environment strategic objectives are pursued in a highly personalised manner and are strongly influenced by the personality, disposition, experience and ability of the owner-manager (Jennings and Beaver, 1997).

Hard measurables and soft unmeasurables

The focus on profit oriented (hard measurables) business success criteria largely ignores the emotions, goals and ambitions of the owner-operator (soft unmeasurables) (Weber et al., 2011).

Wang and Ang (2004) argued strongly for the more appropriate use of subjective measures due to the incomparability, inaccuracy and lack of transparency of objective measures in the small business arena. In addition, they argue that subjective or soft measures provide a kind of information that objective measures cannot capture, some possibly able to be predictive instead of post-facto. Indeed, prior studies have described the success correlation by firms being both intrinsically and extrinsically motivated (Kuratko et al. 1997, Walker, 2000, Weber 2006). Intrinsic motivation is arguably subjective and expressed through soft measures such as passion, commitment and joy while extrinsic motivators can be observed more objectively and include financials, time and resources.

Perez and Canino (2009) conclude that the concept of success has a multidimensional nature and therefore requires different dimensions of performance to be taken into consideration. Indeed, Luk (1996) reports that small business success is a result of a web of factors. Along similar lines Gardner (1985) and Martin (1984) classify the creation of a business venture to comprise four dimensions: personal/individual, competitiveness/organisational, market/environmental and actions/process. The first dimension clearly referring to the role of the owner operator. It is becoming increasingly clear that soft measures (intrinsic motivators) such as work life balance, autonomy, freedom; predominantly value driven, are likely to play a key role in success considerations by business owners (Hollick and Braun, 2005; Lewis, 2008). Put more directly by Gorgievski et al, (2011, p255) '... traditional business goals are conflicting with self-transcendence values which are important guiding principles in life… and also for most business owners'.

OWNER OPERATOR AND SOFT MEASURES

Contribution to success

In some cases the endogenous circumstances that influence business operations are deemed to contribute to success in situations where a business venture without any fault or doing of its own is caught in market conditions that severely affect its position. Van Praag (2003) refers to the influence of good luck and good fortune as underlying factors for success. Luk (1996) attribiutes success to hard work, dedication and a commitment to service and quality. Both Van Praag (2003) end Luk (1996) in essences imply the impact of the attitude of the business owner-operator in its pursuit of success.

In the absence of growth and in the context of performance many small businesses can be seen to operate at an economic sub-optimal level and therefore arguably ineffective and merely surviving (Jennings and Beaver, 1997, Bosma et al. 2004). Amongst the factors contributing to relatively poor survival statistics of established family businesses Ward (1997) reports the absence of a hunger and drive of owner-operators and the inability or unwillingness of successors to work hard and be decisive and self reliant. These factors can be directly related back to personal attitude, values and behaviour of the owner-operator and confirm the importance of the soft side of a small business in its survival.

From a business survival perspective, i.e. a continuation of the business activities, the following three clusters of factors are put forward by Stokes and Blackburn (2002): Individual characteristics of the founder, attributes and strategies of the business and conditions of the business environment. Likewise, in an effort to determine factors that contribute to business failure Berryman (1983) identifies a range of financial factors but include exogenous, endogenous and behaviour of the owner/operator. Although an analysis of more than a dozen studies by Timmons (1982) confirms substantial variations and little theory to anchor differing viewpoints for enhancing chances of survival, he notes recurrent factors including the importance of the lead entrepreneur.

In measuring or identifying drivers of success Feindt et al. (2002) confirms that in most instances a combination of factors including motivation, resources, infrastructure, technology and people all make a contribution. They do however emphasize the soft side of the equation and point at the importance of the business founder, his motivations and abilities. Jennings and Beaver (1997) point out the apparently non-rational behaviour and decision making of the owner-manager who does not

follow the rules of classical management theories, possibly due to the consideration of personal drivers, mostly expressed as soft measures.

Ward (1997) claims the widespread perception that family business do not survive over the long term mostly due to the action, or often inaction, by the owner-manager, substantiated by the fact that over a sixty year period only 15 per cent of businesses survived as independent entities. Wong and Aspinwall (2004) argue that managers of small businesses are more often than not central to the business operations as they single handedly maintain power and control and are therefore the main agent for success. The inherent disadvantage of this is that they are frequently constrained by conflicting demands on their time and often end up dealing with the most urgent tasks to ensure the day to day survival of the business.

Owner Operator Motivations and Passion

According to Hessels et al. (2008) the most important motive for pursuing business opportunities for entrepreneurs are independence and the motive to increase wealth. Further analysis indicated that there is however no evidence of either a relationship between the increase-wealth motivation and innovation or independence driving variety. Jennings and Beaver (1997) claim that contrary to popular belief money and the pursuit of personal financial gain are not as significant as the desire for personal involvement, independence and lifestyle for many small business owners.

Mueller and Thomas (2001) conclude that entrepreneurship research has confirmed that personal characteristics are instrumental in motivating entrepreneurial behaviour, thereby implying that the reason why actions are taken are very much driven by the person who decides. Arguably the who in business ventures guides the why and what. Littunen (2000) confirms that the motivation of the owner manager will be instrumental in explaining the attitudes and reasons for decisions and actions.

Theoretically the notion of importance of a person's attitude in achieving an objective refer back to the theory of Shumpeter (1934) who argues that psychological factors – arguably the unmeasurable soft measures – are significantly more important than the human resource factors – arguably the measurable hard factors. More recently Rauch and Frese (2007) confirm the crucial role of personality traits towards success in the entrepreneurial environment.

Owner Operator Attitudes and Beliefs

Entrepreneurial activities are predominantly driven by personal circumstances (exogenous) and personality traits (endogenous) factors and entrepreneurs can be distinguished from the general population on the basis of motivation, values and attitude (Mueller and Thomas, 2001). In this context values, and for that matter behaviour, are quoted to be closely associated with personal attributes of independence, control, self reliance, confidence, initiative and resourcefulness (Mc Clelland, 1987; Solomon and Winslow, 1988). Schmitz (1995) reflects on personal attributes of informal small business owners mainly operating in an environment of business survival pivoting around dedication, initiative, hard work, readiness and preparedness.

Coltman et al. (2007) considered the influence of cognitive and structural aspects of organisations in an attempt to determine the future of the business. Cognitive drivers such as beliefs and commitment are arguably at the soft side of measures while the structural drivers such as resources and infrastructure are more measurable and represent more hard measures. Divinney at al. (200) explained the soft measures as the ways in which managers react to business opportunities and their beliefs and convictions in decisions, independent of the firm's capability to do so. Van de Ven et al. (1984) confirms that research on distinctive traits, personalities and psychic images of entrepreneurs are inconclusive but postulate that motivation or willingness to work hard is often included in the list of drivers.

HARD WORK

Although the term 'hard work' is not prominent in research, possibly due to its subjective nature, it has crept into some literature. Luk (1996) identified hard work as one of three core contributors to success for Hong Kong small business owners while Hung et al. (2007) established hard work as one of two critical success factors reported by Kenyan and Ghanaian entrepreneurs.

In the Western culture the underlying protestant sectarian espoused values of diligence in calling, thrift and individualism duly contribute to the notion of working hard, which alongside thrift and economic rationality, contributes to business survival or success for small business owners (Light, 1984, Low and Mc Milan, 1988). Indeed, Auster and Aldrich (1984) confirm that early North American enterprising individuals acted out of their cultural values of hard work, thrift. Rationality and self-denial.

One of the few studies that considers the notion of hard work, and more particularly its drivers, was the investigation of a Chinese cultural context by Harrell (1985). Similar to the protestant values, the Chinese values indicate that one of the most positive traits of an adult individual is to show a willingness to work hard and make maximal use of work time underpinned by the belief that the requirement to work is accepted as a law of nature. Other drivers and motivators for hard work include economic rationale such as the betterment of living conditions, increased security and a contribution to the economic family.

According to Rotter (1966) the notion of personal control and understanding is closely associated with the person's psychological mindset driving behaviour. In his interpretation a person with an internal locus of control believes to have influence over outcomes through ability, effort of skills while giving little credence to external forces such as destiny or luck. Mueller and Thomas (2001) agree that the association between entrepreneurial behaviour and an internal locus of control orientation has strong face validity and measured internal locus with statements such as ;When I get what I want it is usually because I worked hard for it'. In the context of this paper this implies that the attitude of hard work is likely to imply a strong internal locus of control in the ability to shape the success of the business venture. According to Van Praag (2003), the successful business owner needs to exert power of effective control, implying the presence of self-confidence and a disposition to act on one's own opinion and a belief in one's self made good luck.

From an experience perspective, Stokes and Blackburn (2002) established that as soft measures, alongside trust, self-management and motivation was frequently reported as the single most important useful experience of being involved in a small business. Their findings include direct reference to hard work, confidence, long hours, motivation and self-discipline. Interestingly, the notion of working long hours is also included as one of the factors to avoid when operating a small business.

Cullen at al. (2000) indicate that commitment in a business context has the emotional or affective component whereby the business assumes a position of importance and status and the owner-operator has a willingness to nurture and commit to it. They refer to the notion of attitudinal commitment whereby there is a willingness to make extra effort and go beyond normal contributions. In some sense it can be reasonably argued that this clearly overlaps with the willingness to undertake hard

work. In a study aimed at identifying success factors, Feindt et al. (2002) confirmed owner-operator commitment as the critical success factor for success. In a similar study Van Praag (2003) established that positive motivation where an owner operator has voluntarily ventured into the business does affect business performance positively whereas forced business ownership results in lower successes. Van De Ven et al. (1984) determined that owner operators that had been in business for a longer period of time not only worked harder but also exuded more confidence and involvement. Likewise Rauch and Frese (2007) include hard work as one of the parameters of the role of an entrepreneur.

METHODOLOGY

As in the study by Stokes and Blackburn (2002), the unit of study is not the business per se but the operator owner of the business. This echoes the interpretation by Van Praag (2003) who postulates that the person makes the difference in achieving success of a business venture through setting conditions, boundaries, generating and allocating resources. The topic of this is study is further based on the clear understanding from literature that business opportunities require initiative while each individual business venture will have its own set of key success factors (Low and McMillan, 1988)

This study reports on data collected as part of a larger study under the Western Australian Small Business Benchmark (Weber et al., 2009) aimed at establishing a longitudinal dataset allowing for comparison of performance and experiences amongst small business operators in various sectors. Data were collected through both paper based questionnaires and an online questionnaire distributed to separate lists of potential participants. A random sample of the Dunn and Bradstreet commercial database was used to select respondents for the paper version of the questionnaire. As the database was deemed to under represent home-based businesses a range of stakeholders in the small business advisory and support sector were invited to participate and promote the study to their stakeholders. More than 25 of these groups accepted the invitation to participate and distributed the online questionnaire to their stakeholders.

A total of 403 responses were received, 13 of which were incomplete and 39 of which were from organisations not deemed to be small businesses. Another 7 responses were omitted for various reasons including operating as not for profit or being inactive for over one year. The valid pool of responses was 344. The accuracy and comparability of the data proved problematic, confirming

findings by Wang and Ang (2004). In total 65 of the 304 respondents (19 per cent) elected not to disclose their turnover. This study sought to use turnover as a critical measure to avoid being accused of a bias towards very small or home based businesses. Therefore, where specific analysis relies on turnover data a lower pool of respondents (n=279) is available. Of these 279 respondents the sample mean for turnover was A$ 3,315,930 with a median value of A$ 700,000 implying turnovers ranging from A$ 1,000 to A$ 50,400,000 confirming the large diversity of the sample. Responses to the open ended question on driver of success were subjected to critical discourse analysis in order to establish distinct groupings of responses (Smith, 2010). Only the groupings of 'hard work' and 'soft measures', representing 70 and 82 respondents respectively were used in the further analysis. Once these groupings were established a range of other variables were matched for basic statistical analysis to determine significance, if any, of any of the variables to either of the two drivers.

FINDINGS

While considering the open ended responses in respect of factors of success and drivers of success it was intriguing to note the repetitive use of 'hard work' as a driver for success. An analysis of the particular research question asking the respondents to identify the drivers of success ensued. A separate paper (Weber et al., 2011) considered the lifestyle drawbacks and benefits of success and determined that it appears that seldom do small business consider the downside of long hours at work at the start-up phase.

Respondents were requested to provide an indication of what they considered to be measures of success and drivers for success in a range of open ended questions. In an effort to establish a clearer picture of success as seen by the respondents the questionnaire firstly asked the question "In what ways do you measure or quantify your own business and personal success?". This was followed with a further prompting through the question "What do you think are the reasons for your current level of success?"

As measures of success the responses generally covered a wide array of answers that could be clustered along the lines of satisfaction (customer, staff, owner), some form of financials (turnover, profit, growth, bank balance) or market position (market share, reputation, repeat business). This confirms the multidimensional nature of success in a small business environment (Perez and Canino,

2009; Luk 1996). Despite the three possible clusters, the responses were extremely diverse in terminology and often comprised multiple elements. It was deemed impossible to report on the responses in a congruent manner.

As far as the drivers of success is concerned however a relatively unconventional trend was identified in that a significant amount of respondents used exactly the same wording to describe the drivers of success. A total of 70 respondents indicated 'hard work' to be a driver of success, of these 40 indicated this to be the sole driver of success, Since this stood out as a remarkable aspect from the first read of data, a decision was made to re-read the data multiple times to determine if clear classifications could be established. In the context of this the factors that contributed to success were analysed to identify patterns of drivers of success. The analysis focussed firstly on classifying data based purely on the use of 'hard work' as a reported contributing factor to success. A second round of analysis considered the composition of the other textual data along interpretative lines of differentiating contributing factors on the basis of hard measurables and soft measures. The former being clearly measurable and objective, and the latter being subjective and difficult to measure. Although it became obvious that most respondents had identified a range or combination of factors contributing to their success some clusters emerged. As summarised in table 1, the total data set can be clustered into four different groups - hard work, hard/tangible drivers, mixed drivers and soft/intangible drivers for success

Table 1: Clusters of drivers of success

Category	Examples
'Hard Work'	Predominantly or solely hard work.
'Hard / Tangible Drivers'	Long hours, Dollars, Time, Resources, Value for money, Market share/reputation, Quality staff, Product quality.
'Mixed Drivers'	A mixture of hard and soft drivers.
'Soft / Intangible Drivers'	Focus, Integrity, Perseverance, Attitude, Passion, Luck, Attitude, Unique, Courage, Confidence, Love, Religion, Fear of failure.

From Table 1 the following applies:

- The hard work segment reflects a reference to 'hard work' as either the only or amongst not more than two other drivers. A total of 21 respondents mentioned it alongside another driver

and only 9 had two other drivers for success. A total of 70 respondents are grouped in this cluster.

- The hard drivers cluster refers to those that are measurable in a relatively uniform way, be it finance, qualifications, years of experience, longevity, size of the organisation. These factors are labelled hard drivers as they can be expressed in a way that can be compared objectively and therefore arguably provides 'hard facts' about the entity in respect of other providers and its position to achieve success.
- The mixed drivers cluster includes respondents labelling various drivers for success with varying and different characteristics. Some of the drivers could be classified as hard drivers as explained above while others have more soft characteristics as described below. The mixed bag of drivers may reflect a more balanced approach to the business or may confirm the lack of clarity about what leads to success. A total of 187 respondents could be categorised as reporting mixed drivers.
- The soft drivers cluster summarizes a groups factors that reflect a more emotional and psychological aspect of the engagement of the business owners. This cluster includes aspects such as passion, love, perseverance, joy, integrity and luck, most of which are being used alongside other factors that contribute to success. A total of 82 respondents are grouped in this cluster.

Although the clustering of drivers is artificial in the sense that hard work as a hard driver could be argued to overlap with commitment as a soft driver the premise of this paper is that the actual choice of words by respondents is likely to reflect a personal position and attitude at the time of completing the questionnaire. This notion is argued to be even more valid in the context of the data collection being an open ended question without any reference or guidance to how success is to be measured or expressed.

For the purpose of this paper the cluster reporting hard work as a contributor to success is compared to the cluster that includes soft drivers as contributors to success. The data were clean in the sense only respondents that reported either of the elements were included. There were no cases where the

respondent had hard work as one of the maximum three factors of success and a soft driver simultaneously. Although there is an underlying difficulty with the categorisation of the drivers in that they are not mutually exclusive and factors do cross match in several categories the clustering of the hard work and soft drivers was undertaken so as to ensure there is no overlap between the clusters. The group statistics reported indicate trends of comparison between respondents that identified hard work and soft indicators underlying to their success. The comparisons are reported in terms of financials, assets and capabilities, results (including lifestyle and success) and years in business.

Table 2: Hard work and soft drivers as measures of success

	Success Drivers	N	Mean	Std. Deviation	Std. Error Mean
Turnover	Hard Work	59	$4,519	$9,023	$1,175
	Soft Measures	49	$2,403	$3,583	$512
Capacity	Hard Work	60	.7012	.28801	.03718
	Soft Measures	60	.6757	.27945	.03608
Success Score	Hard Work	65	11.6308	4.94523	.61338
	Soft Measures	64	12.6563	5.00862	.62608
Lifestyle	Hard Work	65	(*)2.97	1.104	.137
	Soft Measures	64	(*)3.36	1.418	.177
Years in Business	Hard Work	65	(**)18.26	15.971	1.981
	Soft Measures	64	(**)12.05	9.197	1.150
Net Profit	Hard Work	52	$ 635,542	$ 1,352,519	$ 18,7560
	Soft Measures	46	$ 405,104	$ 676,209	$ 9,9701
Return on assets	Hard Work	42	2.3041	6.98695	1.07811
	Soft Measures	37	.7790	.90744	.14918
Total assets	Hard Work	54	2979.7241	6485.49844	882.56455
	Soft Measures	43	3544.9302	11197.52375	1707.60636
Indiv owners avg annual wage	Hard Work	49	$ 75,180	$ 74,959	$ 10,708
	Soft Measures	40	$ 69,162	$ 63,686	$ 10,069
Owner Hourly Pay Rate	Hard Work	49	$ 28.73	$ 31.33	$ 4.48
	Soft Measures	40	$ 31.53	$ 27.10	$ 4.28

Significance *>sig 0.1; **>0.01

In terms of financials the respondents that focus on hard work seem to be able to generate two thirds more turnover and about 50 per cent more profit and almost 10 per cent higher annual wage. This trend was reversed marginally when considering the hourly pay rate of the owner-manager. The mean

of the turnover reported sees a difference of 68 per cent with, despite a large difference in both standard deviation and error mean, some marginal significance. A similar trend appears when net profit is considered, with a 58 per cent higher profit for the hard work cluster and both a standard deviation and error mean of double those of the soft measure clusters. The strength of the hard work cluster was only marginal when considering the average wage of the owner-manager. The respondents of the hard work cluster reported an average annual income of about A$75,180 compared to a A$69,162 average wage for the soft measure cluster, a difference of merely 9 per cent. It appears thus that the hard work has the capability to deliver a better financial return.

The figures of the hourly pay rate are slightly different where the hourly rates of the hard work respondents at A$ 28.73 are only marginally lower than those of the soft measures respondents at A$ 31.53. This result seems logical in that the hourly pay rate for the owner-manager of the respondent businesses is marginally lower for the group of hard work respondents, most likely offset by the hard work translating in longer hours worked. In terms of statistical significance however the only measure with a hint of statistical significance was the turnover data, all other data proved not to be statistically different.

The two groups seem to have different levels of assets available and more importantly return differences in terms of returns on assets. While the soft measure respondents report to have almost 20 per cent more resources (assets) (3,544 as compared to 2,979) this is undermined to some extent by a higher standard deviation and error mean confirming the uneven spread of these amongst individuals in the cluster. Not surprisingly, the cluster of hard work respondents report a more than two and half time the return on assets, equally unevenly spread as evidenced by the relatively large standard deviation and error mean. In essence however it could be considered that the hard work respondents claim to work with fewer assets but, arguably due to the hard work, are able to orchestrate a better return on their assets. The asset argument does however not influence the capacity of the different groups as the data on capacity is virtually identical between the two groups.

In terms of lifestyle it does not come as a surprise to note that the respondents focussing on the soft measures report a marginally better lifestyle than those focussing on hard work. The difference is however not extremely large at slightly above 10 per cent but does carry some statistical significance

($p>0.1$). Although not tested it seems logic that the almost 10 per cent higher wages and the higher profit reported by the owner operators with a hard work approach is offset by a better lifestyle achieved by the soft measure approaches. This notion seems to confirm the various drivers of different owner –managers and the notion that lifestyle and other subjective motivations impact on the perceived success. This if further enhanced when comparing the success scores of the two groups.

While both groups of respondents reported very similar self-assessment data of success it is to be expected that the cluster reporting on soft measures reports a marginal better outcome, partly due to their attitude to business not being about hard measurables and partly due to the slightly better lifestyle and hourly pay rate data. In essence this group of respondents seemingly 'work to live' whereas the hard work respondents adopt a more 'live to work' approach. The last measure of comparison between the two groups is the only measure that generates a solid statistical significance ($p>0.01$). The years in business measure confirms that the cluster of hard work respondents have on average been in business for over 18 years while the soft measure respondents have business engagement for just over 12 years. The standard deviation and error mean are almost exact ratios of the mean confirming the solid trends in the data. Although the 12 year old business ventures that rely on soft measures to achieve success confirm the ability to start, develop and settle a business on internal drive and subjective measures of contributors to success it appears that over time it is undeniable that it takes hard work to maintain the momentum of success beyond the maturation and probably reinvention of the business to adapt to ever changing market conditions, customer needs and competitive environments. The old school in small business comprises wisdom generated over the years and a realisation that had work is, in the long run, a crucial driver of success.

CONCLUSION

Although the realisation that hard work is required in the longer term may at first glance seem to undermine or contradict the notion of soft measures, this is most likely not the case. Although hard work is traditionally associated with physical labour, duress, long hours of activity and often a disproportionate relationship with returns, this is not necessarily the case in the 21st century. Since the term hard work used in this paper emerged in an open question it is clear that the term cannot be retrospectively defined to fit the research. In an era of increased reliance on information technology

and a business environment of constant and fast change it is very likely that hard work also includes a reference to never ending training, a highly stressful climate and endless segmentation of markets that put extra pressures on time, administrative and regulatory requirements and contribute to the reality of having to work hard to maintain a successful business. It would be of interest to undertake a longitudinal study to analyse the change in perceptions over time, if any, of small business owners to establish if business success in the long term is characterised by various cycles, some of which are characterised by hard work while others may allow the luxury of considering the personal passion, integrity and love for the business venture at hand.

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Appendix 1: Independent Samples Test

		Levene's Test for Eq of Variances		t-test for Equality of Means						
									95% Confidence Int of Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Turnover	Eq variances assumed	5.994	.016	1.542	106	.126	$2,115.384	$1,371.728	$-604.201	$4,834.968
	Eq variances not assumed			1.651	78.689	.103	$2,115.384	$1,281.469	$-435.473	$4,666.241
Capacity	Eq variances assumed	.003	.955	.492	118	.624	.02546	.05181	-.07713	.12806
	Eq variances not assumed			.492	117.893	.624	.02546	.05181	-.07713	.12806
Success Score	Eq variances assumed	.102	.750	-1.170	127	.244	-1.02548	.87639	-2.75969	.70873
	Eq variances not assumed			-1.170	126.898	.244	-1.02548	.87648	-2.75988	.70892
Lifestyle	Eq variances assumed	9.865	.002	-1.745	127	.083	-.390	.224	-.833	.052
	Eq variances not assumed			-1.742	118.902	.084	-.390	.224	-.834	.053
Years in Business	Eq variances assumed	4.459	.037	2.703	127	.008	6.215	2.299	1.665	10.765
	Eq variances not assumed			2.713	102.552	.008	6.215	2.290	1.672	10.757
Net Profit	Eq variances assumed	2.461	.120	1.045	96	.298	230438.35251	220447.03730	-207145.55806	668022.26308
	Eq variances not assumed			1.085	76.932	.281	230438.35251	212413.39116	-192536.69038	653413.39540
Return on assets	Eq variances assumed	5.128	.026	1.317	77	.192	1.52505	1.15802	-.78085	3.83096
	Eq variances not assumed			1.401	42.567	.168	1.52505	1.08838	-.67052	3.72063
Total assets	Eq variances assumed	1.032	.312	-.311	95	.756	-565.20616	1815.47782	-4169.38533	3038.97301
	Eq variances not assumed			-.294	63.826	.770	-565.20616	1922.19658	-4405.43636	3275.02405
Indiv owners avg annual wage	Eq variances assumed	.177	.675	.403	87	.688	6018.65447	14944.20478	-23684.57072	35721.87966
	Eq variances not assumed			.409	86.845	.683	6018.65447	14699.32054	-23198.57210	35235.88104
Owner Hourly Pay Rate	Eq variances assumed	.000	.999	-.446	87	.657	-2.80154	6.28751	-15.29865	9.69557
	Eq variances not assumed			-.452	86.684	.652	-2.80154	6.19567	-15.11674	9.51366