UNIVERSITY OF GLOUCESTERSHIRE

FACTORS FOR SUCCESS IN SMEs: A PERSPECTIVE FROM TANGIER

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By

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This thesis is dedicated,
with deepest love and everlasting respect,
to the soul of my father, my mother, my brothers,
my wife, and my little daughter.
Without their support and encouragement,
I could not have reached this stage.

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DECLARATION

The following publications have been produced as a direct or indirect result of the research study discussed in this thesis:

Papers in journals

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ABSTRACT

Purpose

It is becoming increasingly difficult to ignore the importance of the small and medium enterprise (SME) sector in the economic and social development of a country. In view of their identified importance, this present study aims to develop a clearer understanding of the factors that influence success of small and medium enterprises in Tangier, as perceived by local owner-managers.

Design

The initial research framework, which emanated from a systematic literature review, was empirically investigated using a two-stage design, which incorporated both quantitative and qualitative approaches. The rationale behind the two-stage methodology was firstly to avoid common-method bias; and, secondly, to seek to illuminate findings arising from the survey by providing individual insights. Approaches were employed in succession with the findings from the quantitative phase informing the qualitative phase. Initially, a paper and online survey questionnaire was administered to a population of 365 industrial SMEs, identified from the official website of the Ministry of Commerce, Industry and New Technologies, the 2010 directory of the Association of the Industrial Zone of Tangier as well as its official website, and the website of the Tangier free zone. This survey was used in order to validate the initial conceptual framework and gain some insights on the perceptions of owner-managers of the factors influencing the performance of SMEs. Following the quantitative phase, fifteen in-depth face-to-face semi-structured interviews were conducted with selected owner-managers of SMEs, forming a judgmental sample, to explore their experiences, beliefs, and attitudes with respect to the drivers of success.

Findings & conclusions

The study found that there are three generalized influences on the success of SMEs based on the Tangier entrepreneurs' perceptions: the 'owner-manager attributes' with an emphasis on the language skills factor; partnership working with an emphasis on the financial and networking partnership; and business characteristics with a focus on the location factor, which was mainly associated with the ‘free zones’. The existence of these ‘free zones’ was a key factor in selecting Tangier as a location for this study.

The ‘language’ factor was of significant importance in relation to the performance of small firms (it relates to the level of bi-lingual competence of SME owner-managers). Although this could be something to do with education level in general, it can be concluded that it has to do with the access to higher order language skills in the particular context of Tangier, where French is the dominant business language.

Finance and networking partnership emerged as very important factors that were significantly correlated to success. Findings suggested that finance partnership based on profit and loss sharing seemed to hold out the prospect of a linkage between economic and spiritual success in an Islamic context. Furthermore, networking connections using the concept of *wasta* were important for the success of SME owner-managers.

For the location factor, the study concluded that the placement of the business in relation to the free zones became an important financial and emotionally significant perspective on equity in relation to success. In this context, ‘location’ may function as a higher-order concept (than say urban versus rural) in relation to, for example, choices between countries as jurisdictions in terms of location.

Originality/Value

This study is among those few studies located in the North Africa region* that explore the performance of SMEs from the perceptions of owner-managers themselves, and not based on aggregate or economic data. It adds to our understanding on the three generalized factors by offering a situational model based on the Tangier entrepreneurs’ perceptions. It also makes a contribution to the understanding of these factors that could be applied in other similar contexts.

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List of Abbreviations

AfDB: The African Development Bank
AFEM: Association des Femmes Chefs d'Entreprises du Maroc
AMITH: The Moroccan Association of Textile and Clothing
ANPME: Agence Nationale pour la Promotion de la Petite et Moyenne Entreprise
ANRT: National Agency for the Regulation of Telecommunications
AZIT: Association de la zone industrielle de Tanger
BTP: Bâtiments et travaux publics
CAQDAS: Computer-aided qualitative data analysis software
CGEM: Confédération Générale des Entreprises du Maroc
CIMR: Caisse Interprofessionnelle Marocaine de Retraite (Interprofessional Pension Fund)
CM: Cotisation minimale
CNSS: Caisse Nationale de Securité Sociale
EPZ: Exporting Processing Zones
GEM: The Global Entrepreneurship Monitor
HCP: Haut Commissariat au Plan
ILO: The International Labour Organization
KMO: Kaiser-Meyer-Olkin
LFZ: Logistics Free Zone
MENA: Middle East and North Africa
MICNT: The Ministry of Industry, Commerce & New Technologies
OECD: The Organisation for Economic Co-operation and Development
ONEP: Office National de l'Eau Potable
PCA: Principal Component Analysis
R & D: Research and Development
SME: Small and medium enterprise
SMIG: Le salaire minimum interprofessionnel garanti
SPMF: Small plastic manufacturing firms
SPSS: Statistical Package for the Social Sciences
TFZ: Tangier Free Zone
UNECA: The United Nations Economic Commission for Africa
UNIDO: The United Nations Industrial Development Organization
WBCSD: The World Business Council for Sustainable Development

CHAPTER ONE
INTRODUCTION & OVERVIEW OF THE STUDY

1.1 Introduction

The important contribution of a vibrant small and medium enterprises (SMEs) sector in the national economic and social development of a country has been widely recognized. In view of its increasing importance, the success of small and medium enterprises (SMEs) has been of interest to researchers, international organizations, and policy makers, at least since the Bolton report (1971), and therefore has become the subject of a great deal of analysis. Attention to the SME sector has heightened because of the globalizing economy and the increasingly severe competition that is inherent in this development.

In the light of this, the following research study seeks to understand and explore the factors that influence the success of SMEs in the city of Tangier in Morocco. This chapter aims to provide an overview of the research study by initially describing the research background and problem. Secondly, it briefly introduces the theoretical framework underpinning the present study. Next, the research objectives and questions are outlined followed by an explanation of the scope and justification of the study. Following that, the research methodology to be used in the research is briefly clarified, along with the significance of the study. Finally, the chapter provides an outline of the structure of the thesis.

1.2 Research background

The importance of SMEs is well recognized in academic and policy literature (e.g. Birch, 1989; Storey, 1994; Abdullah & Beal, 2003). Both developed and developing countries have realized the importance of SMEs in economic and social development. In Europe, the annual report of European SMEs confirmed that SMEs remain the European Union's economic backbone despite the global financial crisis (The European Commission, 2011).

Representing 99.8 per cent of all enterprises, SMEs contribute to 66 per cent of employment in the European Union.

Given the significant importance of SMEs to the economies of all nations, policy makers, throughout the world, have embarked in supporting SMEs at their various stages of development. Furthermore, with an attempt to reduce the worldwide phenomena of unemployment and poverty, worldwide organizations such as the International Labour Organization (ILO), United Nations Industrial Development Organization (UNIDO), and the World Bank have shown a great deal of interest in supporting businesses in the small sector. These international organizations usually publish reports to assess the business environment in several economies. For example, the *Doing Business* report series published by the World Bank includes annual reports going back to 2004. These reports assess regulations affecting domestic firms in 183 economies and rank the economies in 10 areas of business regulation, such as: starting a business, paying taxes, resolving insolvency, and trading across borders. One of the largest ongoing studies of entrepreneurial activity and its impact on economic growth is the Global Entrepreneurship Monitor (GEM). The study often publishes global, national, and special topic reports that assess and review the state of entrepreneurship in different countries.

SMEs in Morocco play a pivotal role in the development of the country. The importance of SMEs is evidenced by their high presence in the economic structure of the country. According to The United Nations Economic Commission for Africa (UNECA) (2008), 93% of all Moroccan industrial firms are SMEs and account for 38% of production, 38% of investment, 31% of exports and 45% of all jobs. The sectors occupying the top three highest shares of SME value-added in 2010 were chemical industry, food processing industry, and metal & engineering industry with 42%, 31% and 11% respectively. As for contribution to employment, the textile & leather industry, food processing industry, and chemical industry occupied the three highest shares with 35%, 21% and 20% respectively in 2010 (Ministry of Industry, Commerce, and New Technologies (MICNT, 2011).

Through the conclusion of a series of free trade agreements with its main trading partners (European Union, United States, Turkey, Egypt, Tunisia, Jordan), Morocco has embarked in a global economy characterized by fierce competition. This has left no choice for SMEs but to adapt to the hostile environment and engage in the process of identifying strategies to ensure their business success. Given this situation and being aware of the socio-economic importance of SMEs, the Moroccan government has been taking necessary measures and actions to promote the sector and ensure its success. In this regard, the government has deployed the Emergence Covenant that aims to develop a very competitive SME sector (MICNT, 2011).

1.3 Research problem

The selection of the current research topic started with a feeling of disquiet on the part of the author about the success of small firms in Tangier. This feeling developed as a result of his family's intentions to grow their business by setting up a small industrial firm. These intentions arose in 2009, with the aim of overcoming the severe competition in the market. Having undertaken a small market research project, the World Bank regional report "Doing business au Maroc: comparant la réglementation en 8 régions" (2007) caught his attention. Although Tangier has a very strategic location compared to other cities in Morocco, the report revealed that Tangier was the most difficult area in the ease of doing business. This left the author with a profound feeling of disquiet about the success of small firms in Tangier. With this feeling, it seemed as the moment was right to conduct this research.

The city of Tangier has a highly strategic geographical position, enjoys a special tax status and contains zones that have the status of free economic zones. Located in the Tangier-Tétouan region in the extreme north-west of Morocco, the city of Tangier is Morocco's second industrial centre after Casablanca and the first industrial city in the Tangier-Tétouan region. After decades of neglect, Tangier did not regain attention from the government until 1999. The Moroccan government has engaged since then in developing the economy of the city by creating an enabling business environment for large as well as small and medium companies. However, despite the government efforts in promoting the business environment, these efforts remain limited. According to the regional report (2007) of the World Bank, Tangier is considered to be a difficult area with respect to the regulations affecting four stages of a business's life: starting a business, dealing with construction permits, registering property, and enforcing contracts.

With respect to the SME sector, manufacturing SMEs in Tangier account for over half of the total firms in the Tangier-Tétouan region and contribute to 83% of employment (MICNT, 2007). However, despite their value in the regional economy, their contribution to the industrial value added remains limited with respect to the national economy. Recent available data from the MICNT showed that the contribution of the Tangier-Tétouan region to the industrial value added was only 7% in 2010 compared to 49% in the Greater Casablanca region (MICNT, 2011). This does not reflect the potential of the SME sector, especially after the recent remarkable economic developments in the Tangier-Tétouan region.

Recent economic developments in the Tangier-Tétouan region, and particularly in the city of Tangier, have been considerable. Among the recent biggest developments are: the Tangier-Med port, which is one of the largest ports in Africa and on the Mediterranean, and a series of 'free zones'. By virtue of these developments, as well as the strategic position of the city, its special tax status and the economic free zones, several local and international investments have been attracted to the city in the last 10 years, which have transformed the region into a competitive hub. SMEs in Tangier have been vulnerable to these business environment challenges which could have an impact on their performance. As argued by Man & Lau (2005), SMEs are more likely than larger firms to be affected by changes in their internal and external environment. Thus, an important issue arises concerning the ability of small and medium firms to cope in a very challenging environment. In attempt to address this issue, the present study has been undertaken with the aim of developing a clearer understanding of the factors that influence success of small and medium enterprises in Tangier, as perceived by local owner-managers.

1.4 Theoretical framework

The performance of SMEs has been of interest to many researchers, international organizations, and policy makers, at least, since the Bolton report (1971), and therefore has become the subject of a great deal of analysis. This performance may have two strategic outcomes that is often referred to in the literature as firm success or failure (See Dess & Robinson, 1984; Ostgaard & Birley, 1995). In a management field, success and failure can be interpreted as measures of good or indifferent management (Jennings & Beaver, 1997), but it may occur for other reasons such as luck (Storey, 2011).

Numerous terms have been used in the literature to describe firm failure, for example: bankruptcy, insolvency, liquidation, death, deregistering, discontinuance, ceasing to trade, closure, and exit (See for example: Storey, 1994: 78-81; Bruno et al. 1987). These terms overlap each other to some extent (Sten, 1998) and thus, the concept of failure is ambiguous, as it can have different interpretations by different people (Wickham, 2001). The many different interpretations and definitions of both success and failure make it very hard to compare research findings on the performance of small firms.

In the entrepreneurship literature, the concept of success remains a topic of debate (Gorgieveski et al., 2011). This is despite the evidence that the 'success' of small firms has been subject to a great deal of research. However, there is no general agreement in the literature on what is meant by the success of a firm. Indeed, a myriad of perspectives, ranging from mere survival to the achievement of certain levels of performance, exist about such a concept in the entrepreneurship literature. Very often, the terms 'success', 'survival', 'growth' are very closely linked and sometimes used interchangeably. Besides the multi-dimensional aspect of success, variables that contribute to the success of SMEs are not unanimously agreed upon by researchers. While some analysts suggested that the dynamics of the success of businesses remain a black box (Deakins & Freel, 1998; Dockel & Ligthelm, 2005; Ligthelm, 2010), others argued that the success of enterprises is a function of both external and internal factors (Penrose, 1959; McCline et al., 2000; Guzman & Santos, 2001; Markman & Baron, 2003).

Literature on the performance of SMEs usually identifies several causal factors with regard to the *internal* and *external* environment of the firm. In terms of *internal* factors, several researchers have attempted to investigate the characteristics of SMEs and characteristics of the entrepreneur as the *internal* factors that influence SMEs performance (Hambrick & Mason, 1984; Bates & Nucci, 1989; Storey, 1994). For the firm characteristics, several studies have revealed that size, age, and location of the firm could be related to business performance (for example: Bates & Nucci, 1989; Liedholm, 2002). On the other hand, other researchers have shown great interest in understanding the relationship between characteristics of the entrepreneur and business performance (for example: Hambrick & Mason, 1984; Boden & Nucci, 2000; Rogerson, 2001).

As for the *external* factors, it is widely recognized that successful organizations are those that best adapt to fit the opportunities and the constraints inherent in the environment in which they operate (Kalleberg & Leicht, 1991). According to Miller & Dess (1996), the external environment of the enterprise can be classified into two dimensions, namely the general and competitive environments. The general environment consists of the political-legal, macroeconomic, socio-cultural, technological, demographic and global factors that might affect the organization's activities. On the other hand, the competitive environment consists of other specific organizations that are likely to influence the profitability of the enterprise, such as customers, suppliers and competitors.

Several previous studies in both developed and developing countries have identified a range of external performance factors that relate to the general as well as the competitive environment of the firm (for example: Yusuf, 1995; Swierczek & Ha, 2003; Clover & Darroch, 2005; Beck et al., 2006; Nieman, 2006; Nabli, 2007; Ben Mlouka & Jean-Michel, 2008; Benzing et al. 2009; Olawale & Garwe, 2010; Jasra et al., 2011).

For the general environment, data from several sources have identified economic factors, in particular financial resources and taxation, as central for the success of businesses (Beck et al., 2006; Chu et al., 2007; Ben Mlouka &

Jean-Michel, 2008; World Bank, 2009; Benzing et al. 2009). Other studies have found that political legal factors significantly relate to business performance (Yusuf, 1995; Beck et al., 2005; Jasra et al., 2011). Much literature has focused on the technological factors. These studies have highlighted the positive relationship between technology, information, and infrastructure and business performance (Swierczek & Ha, 2003; Clover & Darroch, 2005; Nabli, 2007; Olawale & Garwe, 2010). The networking factor, which could be classified under the socio-cultural factors, has been subject to a great deal of research. Numerous studies have documented a positive association between networking and various aspects of firm performance (Duchesneau & Gartner 1990; Zhao & Aram, 1995).

On the other hand, a large and growing body of literature has investigated the competitive environment of the firm in relation to three stakeholders: customers, suppliers, and competitors. There is a large volume of published studies describing the role of customer relationship management as a key factor in business performance (Dwyer et al., 1987; Morgan & Hunt, 1994; Berry, 1995; Sheth & Parvatiyar, 1995). Similarly, an increasing amount of literature has highlighted the effect of suppliers on the performance of businesses (Dollinger & Kolchin, 1986; Gelinas & Bigras, 2004; Morrissey & Pittaway, 2006). Other researchers have argued that an analysis of the role of competitors and counter-competition intelligence and actions are crucial for the survival of an SME (Ligthelm & Cant, 2002; Rwigema & Venter, 2004; Nieman, 2006).

Whilst a number of previous studies, as well as international worldwide organizations reports, have focused on the underlying internal and external critical success factors for SMEs, very few research studies have attempted to develop a model that contains an exhaustive list of factors. The present study becomes more obviously required in the context of Morocco, as there is a dearth of research related to entrepreneurial performance among SMEs, particularly in Tangier. Furthermore, although there are a number of studies in Morocco, these studies have focused on a narrow range of performance measures (financial measures) which could be the wrong approach to understanding entrepreneurial success (Lumpkin & Dess. 1996). Furthermore, the majority of them adopted a quantitative approach which allowed a general understanding of the factors. Yet, these results remain limited and should be cautiously interpreted, since the researchers' perceptions on the importance of factors, derived from the literature in different contexts, were imposed on respondents.

1.5 Research objectives & questions

The overall aim of this research is to develop a clearer understanding of the factors that influence success of small and medium enterprises in Tangier, as perceived by local owner-managers. In order to achieve this overall research aim, three key objectives are set:

- To identify the salient factors for business 'success' in the opinion of SME owner-managers in the city of Tangier;
- To examine differences between owner-managers of 'successful' and 'less successful' SMEs in relation to the identified salient factors; and
- To explore the experiences of SME owner-managers of the perceived factors contributing to business success.

The intent of this research is to answer the following questions about the entrepreneurial success of SMEs in Tangier in respect to the theoretical framework identified from the literature review:

- What are the salient factors for business 'success' in the opinion of SME owner-managers in the city of Tangier?
- With reference to the identified salient success factors, what differences, if any, exist between the 'successful' and 'less successful' SMEs?
- How do SME owner-managers in Tangier see these factors for business 'success' in relation to their experiences in the city of Tangier?

1.6 Scope of the study

This research study seeks to develop a situational model of perceived critical success factors for SMEs in the city of Tangier in Morocco. Thus, the study is restricted to the context of Tangier. To this end, only participants from the city of Tangier were employed in the research.

The scope of this research study is also limited by applying the theoretical framework, derived from already established studies in different contexts, rather than seeking an understanding of the critical success factors from scratch. Even though the theoretical framework is based on several studies in different contexts, this present research study does not involve itself in providing a means of comparison between countries in terms of the critical success factors.

In view of the cardinal role of the owner-managers in the SMEs, they have been considered in most prior studies as the key stakeholder within the firm. Hence, this study explores the views of owner-managers and not other stakeholders.

This study focuses on small and medium sized enterprises that have already been established *for at least 2 years*. The definition of the SME has been adopted from the General Confederation of Enterprises of Morocco. Therefore, the present study focuses on firms with fewer than 200 employees. Micro enterprises, with fewer than 10 employees, have been left outside this study.

Furthermore, the present study is constrained to formal SMEs in the industrial sector. Identification of these formal industrial SMEs derived from the official website of the MICNT, website of the Association of the Industrial Zone of Tangier, **Association de la zone industrielle de Tanger** **(AZIT),** and website of the Tangier Free Zone **(TFZ)**. Hence, informal SMEs as well as SMEs in other sectors than the industrial one were not included in all the present thesis studies.

1.7 Research justification

The prime motive for conducting this study is the lack of a comprehensive model relating to the various success factors for SMEs., Although there have been a number of studies located in Morocco, these have focused solely on a narrow range of financial success measures. None of these prior studies adopted a systematic review process and the majority of them lie in the grey literature. Arguably, this limits their value and explains their limited research approaches.

The need for this present study seems therefore self-evident. Based on a systematic literature review, the study addresses this knowledge gap by developing a comprehensive model of various success factors in the context of Tangier, using both financial and non-financial measures of performance. It is the first study to be conducted in such context.

Tangier is unequivocally a cosmopolitan city, rich in historical and multi-cultural background. The choice of Tangier in rests firstly on its strategic location, secondly on the recent and increasing investment in the city and thirdly its role as the second most important industrial city in Morocco.

1.8 Research methodology

It has often been observed (Benbasat et al., 1987) very accurately that no single research methodology is intrinsically better than any other. The development of the conceptual framework in this study rests first on the use of a systematic literature review. Having developed the conceptual framework, based on the systematic literature review of several studies from different contexts, a two-stage design, incorporating both quantitative and qualitative approaches, was used in order to achieve the overall aim of the study. Approaches were employed in sequence with results from the quantitative phase informing the qualitative one. The argument behind the two-stage methodology is firstly in order to avoid common-method bias; and secondly to seek to illuminate results arising from the quantitative phase by providing individual insights.

The study started initially with a quantitative approach in which a paper and online survey questionnaire was administered to a population of 365 industrial SMEs. The population of interest was clearly defined based on the official definition of SMEs in Morocco and was drawn from the official website of the MICNT www.mcinet.gov.ma, the AZIT directory 2010 as well as its official website www.azit.ma, and the website of the Tangier free zone www.tfz.ma.

The quantitative data analysis aimed to achieve the first and second objectives of the present research study. Quantitative data were analysed using a descriptive analysis process, followed by an inferential analysis. The software that was used to analyse data was the Statistical Package for the Social Sciences (SPSS) software 16.0. Descriptive statistics were used to get a broad appreciation of the data collected. Factor analysis was then performed to confirm the validity and reliability of the constructs of the questionnaire related to the external factors. Based on the results of the factor analysis, only items loading significantly on the factors were then used in inferential analysis to test the hypotheses of the study.

Following the quantitative phase, a qualitative approach was adopted. More specifically, based on Geertz's (1973) concept of thick description, an ethnographic approach was embraced in order to explain not just the behaviour but also its context. To achieve the purpose of the thick description, fifteen in-depth face-to-face semi-structured interviews were conducted with owner-managers of SMEs in Tangier that were selected based on a judgmental selection.

The qualitative data analysis aimed to achieve the third objective of the study. Qualitative data analysis was performed using thematic analysis that followed closely the six phases described by Braun & Clarke (2006). The software QSR NVivo 9 was used to facilitate the analysis. While the organizational skills and automation facilities offered by QSR NVivo 9 software helped in easing the repetitive tasks, the analysis itself pertained to the researcher.

1.9 Significance of the study

The present study is expected to make a number of contributions in a number of ways.

From a theoretical perspective, the study adds new knowledge and extends the growing body of literature in the field of entrepreneurship. The study has the potential to contribute to the understanding of the critical success factors for SMEs in the city of Tangier. It is designed to give rise to a situational model, based on the Tangier entrepreneurs' perceptions, that enriches current research by offering new insights with rich information on the factors that tend to be perceived as associated with business success, which has not been done before in this geographical context.

From a practical perspective, understanding business success through the different perceived factors covered in this present study is very important. This study could provide owner-managers of SMEs with knowledge and guidance about the way they could manage and run their businesses in a very successful manner.

1.10 Definitions

The following are definitions or descriptions of key terms used in this study:

SME

This study uses the acronym SME to refer to small and medium enterprises/businesses. Definitions of what constitutes a SME vary in the literature (Hill & Stewart, 2000; Dawson et al., 2002). This study adopts the definition of the General Confederation of Enterprises of Morocco which defines it as:

'enterprises that employ less than 200 employees and have an annual turnover not exceeding 75 million Dirhams.'

Entrepreneur

One who starts or assumes control of a business or other independent enterprise, often employing innovation and more than an ordinary degree of risk (Entrepreneur, 2012).

Success

Defining the success of a firm is an extremely difficult task in any type of business but even more in the context of SMEs. In this study, the adopted definition of success is that of Ahmad and Seet (2006) who suggested that success is a personal design consisting of financial and non-financial indicators.

1.11 Thesis structure

The thesis is organized into nine chapters, which are structured as follows:

CHAPTER ONE: INTRODUCTION AND OVERVIEW OF THE STUDY

This is the present chapter. It has presented the research background as well as justification for the research. Three research questions mapped to three research objectives have been introduced with a clarification of the scope of the study. A brief explanation of the research methodology has been outlined as well as the significance of the study.

CHAPTER TWO: THE SYSTEMATIC LITERATURE REVIEW PROCESS

Chapter two discusses the review strategy that was carried out in order to search for and assess the stream of studies relevant to entrepreneurial success.

CHAPTER THREE: LITERATURE REVIEW

This chapter presents results of the systematic literature review process. A comprehensive review of relevant studies, derived from formal and grey literature, is presented. The chapter also draws attention to the gaps identified in the literature relating to entrepreneurial success.

CHAPTER FOUR: SMALL AND MEDIUM ENTERPRISES IN TANGIER

This chapter provides a brief overview of Morocco as well as the city of Tangier in order to contextualize the research. For the other part, a detailed description about the structure of small and medium enterprises in Tangier was outlined in order to identify any further gaps in the literature.

CHAPTER FIVE: RESEARCH METHODOLOGY

This chapter discusses the research methodology employed in the present research study to test the theoretical framework. Discussion and justification for the post-positivist philosophy as well as the two-stage approach (Quantitative & qualitative) are established. The chapter also discusses conceptualization and operationalization of the research constructs.

CHAPTER SIX: RESULTS OF THE QUANTITATIVE PHASE

This chapter reports the empirical research results of the quantitative phase. For clarity, the chapter outlines the adopted statistical analyses process. Following such process, the chapter presents preliminary analysis that included: data preparation, data classification, response rate, and non-response bias. Descriptive analyses were reported in this chapter. Finally, the chapter presents the inferential statistical analysis of each hypothesis of the study, using the Mann-Whitney test.

CHAPTER SEVEN: RESULTS OF THE QUALITATIVE PHASE

This chapter presents and analyses results of the qualitative phase. The chapter draws deep insights and illuminates results arising from the quantitative phase, which relate to the external factors. Using thematic analysis, the chapter highlights the emerging themes related to entrepreneurial success in the city of Tangier.

CHAPTER EIGHT: DISCUSSION OF FINDINGS

This chapter discusses the overall findings of the research study by incorporating results of both quantitative and qualitative phases. Discussion is made with reference to the previous work identified in the literature.

CHAPTER NINE: CONCLUSION

This chapter concludes the thesis with a summary of the main findings and a conclusion from all the research processes applied in the study. The chapter also illustrates the contributions of the study. Furthermore, the chapter highlights limitations of the study as well as its implications for practice, policy, and future research.

1.12 Summary

In summary, the present study focuses on the success of SMEs in the city of Tangier. The study acknowledges the influence of both internal and external factors on the success of SMEs. Thus, it investigates an exhaustive list of factors that incorporate business, entrepreneur, and environment related factors. By amalgamating these factors, the present study aims to provide a thorough and better understanding of SME success by developing a situational model in the context of Tangier. Such model could be applied in other contexts that have similar characteristics. The next chapter highlights the systematic review process that was undertaken in order to find out what is already known about entrepreneurial success.

CHAPTER TWO
THE SYSTEMATIC LITERATURE REVIEW PROCESS

2.1 Introduction

This chapter presents the systematic literature review process that was carried out in order to inform the research question. It aims to introduce the methodology for performing rigorous reviews of current empirical evidence concerning the performance (successful or otherwise) of SMEs. The chapter initially provides an overview of the systematic literature review and reasons behind its use. Secondly, it specifies details of the research design process. Next, the strengths and limitations of the systematic review process are examined. Finally, the chapter sums up the main findings of the systematic literature review.

2.2 Systematic literature review

2.2.1 Overview

Tranfield et al. (2003: 209) defined a systematic literature review as "a replicable, scientific, and transparent process that aims to minimize bias through exhaustive literature searches of published and unpublished studies and by providing an audit trail of the reviewer's decisions, procedures, and conclusions". Petticrew & Roberts (2006) pointed out that systematic reviews adhere closely to a set of scientific methods that explicitly aim to limit systematic error (bias), mainly by attempting to identify, appraise and synthesise all relevant studies (of whatever design) in order to answer a particular question (or set of questions). Seemingly, these definitions distinguish systematic reviews from the traditional reviews of the literature. Petticrew (2001), and Petticrew & Roberts (2006) clearly identified the differences between a traditional and a systematic literature review which are explained in Table 2-1:

Table 2-1: Differences between systematic and traditional literature reviews

Issues to consider	Good quality systematic reviews	Traditional reviews
Deciding on review question	Start with clear question to be answered or hypothesis to be tested.	May also start with clear question to be answered, but they more often involve general discussion of subject with no stated hypothesis.
Searching for relevant studies	Strive to locate all relevant published and unpublished studies to limit impact of publication and other biases.	Do not usually attempt to locate all relevant literature.
Deciding which studies to include and exclude	Involve explicit description of what types of studies are to be included to limit selection bias on behalf of reviewer.	Usually do not describe why certain studies are included and others excluded.
Assessing study quality	Examine in systematic manner methods used in primary studies, and investigate potential biases in those studies and sources of heterogeneity between study results.	Often do not consider differences in study methods or study quality.
Synthesising study results	Base their conclusions on those studies which are most methodologically sound.	Often do not differentiate between methodologically sound and unsound studies.

Source: Adapted from Petticrew (2001, p. 99) and Petticrew & Roberts (2006, p. 113)

2.2.2 Aim and objectives of the review

The aim of the systematic review is to ensure that a robust and sound evidence-base is established about the entrepreneurial success in Tangier. To achieve this aim, the following objectives were set out:

(i) review a range of published literature in entrepreneurial success-related research;
(ii) report on key messages and themes arising in the literature;
(iii) identify omissions in previous research; and
(iv) provide an analysis and commentary.

2.2.3 Reasons for the systematic literature review

Although a significant number of systematic reviews related to the entrepreneurial success of SMEs have been undertaken, no systematic reviews could be found in the context of Morocco, particularly in Tangier. This has motivated the researcher to take an action and undertake a systematic literature review about the critical success factors for SMEs in Tangier. The review builds on the systematic review of empirical research on knowledge and growth in small firms undertaken by Macpherson & Holt in 2004 (2007). In addition to this, other reasons that motivated the researcher to perform the systematic literature review are the following:

(i) to summarize all existing information about the entrepreneurial success in Tangier in a thorough and unbiased manner;
(ii) to identify any gaps in current research in order to suggest areas for further investigation; and
(iii) to provide a framework/background in order to appropriately position new research activities.

2.3 The review process

The process of undertaking a systematic literature review comprised five stages: searching, screening, data extraction, synthesis, and reporting & dissemination.

2.3.1 Searching

The first stage of the process aims to identify studies that are broadly concerned with the entrepreneurial success of SMEs in Tangier. The overall search for studies was carried out between July 2009 and February 2012. A search strategy was developed in order to ensure that all relevant studies are covered. The search strategy includes resources to be searched and the search terms to be used for each resource.

2.3.1.1 Identification of resources

The resources that were searched include appropriate electronic databases and websites. Three electronic databases were searched: Business Source Complete, Emerald, and Science Direct databases. Additional information about these electronic databases can be found in appendix A.1. In addition to the electronic databases, other internet websites were surveyed to search for relevant data as detailed in Table 2-2 below:

Table 2-2: Websites searched

Name of websites	Websites addresses
Portail national du Maroc	www.maroc.ma
Ministère de l'industrie, du Commerce et des Nouvelles Technologies	www.mcinet.gov.ma
Ministère du Tourisme	www.tourisme.gov.ma
Ministère de l'Agriculture et de la Pêche Maritime	www.mpm.gov.ma
Ministère de l'économie et des finances	www.finances.gov.ma
Ministry of Foreign Affairs and Cooperation	www.maec.gov.ma
Le Ministère du Commerce Extérieur	www.mce.gov.ma
Chambre de Commerce Internationale – Maroc –	http://www.iccmaroc.ma
Caisse de Dépôt et de Gestion	www.cdg.ma
Direction Générale des Impôts	www.tax.gov.ma
Observatoire du tourisme	www.observatoiredutourisme.ma
Trésorerie Générale du Royaume	www.tgr.gov.ma
Haut commissariat au plan	www.hcp.ma
Confédération générale des entreprises du Maroc	http://www.cgem.ma
Morocco Business News	www.moroccobusinessnews.com
Centre Marocain de Conjoncture	http://www.conjoncture.ma
Espace virtuel des entreprises du Maroc	www.evem.ma
Centre Régional d'Investissement. Tanger-Tétouan	www.investangier.com
Tanger Mediterranean Special Agency	www.tmsa.ma
Association de la zone industrielle de Tanger	www.azit.ma
Zone Franche d'Exportation de Tanger	www.tangerfreezone.com
Association Marocaine des Industries du Textile et de l'Habillement	www.amith.org.ma
The United Nations	www.un.org
The World Bank	http://www.worldbank.org
African Development Bank Group	www.afdb.org
The World Business Council for Sustainable Development	http://www.wbcsd.org
International Finance Corporation. World Bank Group	www.ifc.org
Doing Business. The World Bank Group	www.doingbusiness.org
The International Monetary Fund	www.imf.org
The Organization for Economic Co-operation and Development	www.oecd.org
Economic Commission for Africa	www.uneca.org
The Global Entrepreneurship Monitor	www.gemconsortium.org
The Egyptian Institute of Directors	www.eiod.org
Information for development program	www.infodev.org
Planet finance	www.planetfinance.org
Google Scholar	http://scholar.google.co.uk/

2.3.1.2 The use of search terms

The literature search begins with keywords and search terms (Tranfield et al., 2003). Ely & Scott (2007) expounded that keyword searches are the most common method of identifying literature. In this study, the keywords were carefully generated based on their relevance to the research questions of the study. The strategy used to construct the key words is as follows:

- derive major concepts from the questions by identifying the population, intervention and outcome;
- identify alternative spellings and synonyms for major terms;
- check the keywords in any relevant papers that are already available to the researcher;
- when database allows, use the Boolean OR to incorporate alternative spellings and synonyms; and
- when database allows, use the Boolean AND to link the major terms from population, intervention and outcome.

Based on the aforementioned strategy, the search terms under the main category headings were combined as depicted below:

- keyword 1 AND keyword 2
- keyword 1 AND keyword 2 AND keyword 3.

A log of the search strings used and the results was kept. In the event that a search string in a particular database return more than 1000 references, or the relevance of the returned references was poor, additional terms (keyword 3 words) were added to the string in order to more accurately focus the search. It should be mentioned that different results were yielded by the same search strings when applied to different electronic databases. Appendix A.2 lists some examples of successful search strings in the different electronic databases.

The initial search resulted in a total of 166427 references. The total number of potential papers was reduced to a manageable level within the available timeframe for the study. This was done by performing online screening of a significant proportion to determine their relevance for inclusion in the systematic literature review. During the online screening, the titles and in some instances the abstracts were read in order to exclude any references that were conducted before 1980; not written in English, French or Arabic or did not mainly address the research topic. Furthermore, whenever the database allows the facility to specify the date of publication in search terms, articles prior to 1980 were then eliminated from the outset.

With regard to the websites search, it should be noted that where possible, (because not all websites had a search facility), one or two broad search terms were systematically entered (again using Boolean logic as above, where possible).

2.3.2 Screening

The screening process was undertaken in order to select publications, found by the search terms, which meet the pre-determined inclusion and exclusion criteria. While the inclusion criteria identify a set of characteristics that would make a publication suitable for analysis, the exclusion criteria identify the characteristics that would make a paper nugatory to this study. Table 2-3 and Table 2-4 show the inclusion and exclusion criteria and the reasons for such criteria.

Table 2-3: Inclusion criteria

CRITERIA	Reasons for inclusion
Science Direct, Emerald, and Source Business Complete	They provide a wide access to articles
Publications written in Arabic, French, and English	To have a wide range of publications and ensure no invaluable information is missed in the languages the researcher could understand
All countries	To ensure a cross cultural view of the success factors
All industries & sectors	To gain a wide picture of the factors that impact the success of SMEs
Constraints barriers to success	To identify the factors that inhibit success
Enablers to success	To identify the factors that contribute to success
Quantitative & qualitative empirical studies	To capture all empirical evidence
Book chapters	They may report results of studies never published in journals

Source: Author

Table 2-4: Exclusion criteria

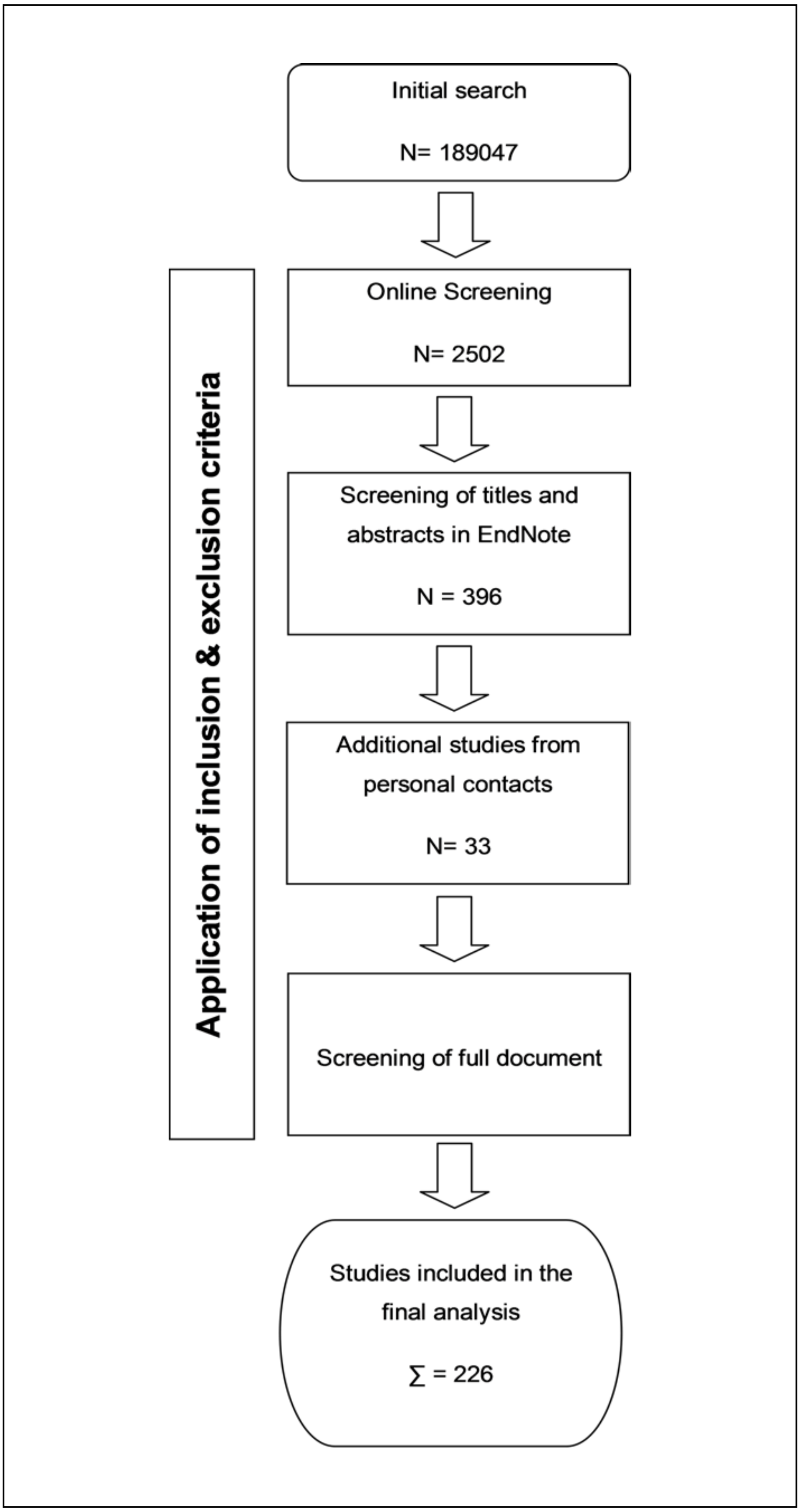
CRITERIA	Reasons for exclusion
Studies conducted before 1980	SME development did not start in Morocco until after 1980.
Studies in other languages than Arabic, English and French	The researcher can only review studies written in languages he understands
Other electronic databases other than: Emerald, Science Direct and Source Business Complete	Access is limited in other electronic databases
Studies about large enterprises	Beyond the scope of the current study

Source: Author

Following the initial search of the electronic databases, outlined previously in this chapter, the results of each search were assessed to ensure whether the documents were likely to meet the pre-determined inclusion and exclusion criteria. Next, the bibliographic information for those that met the inclusion criteria was exported to Endnote for screening by ‘title’ and ‘abstract’. The different databases were merged to create a single master database. Moreover, the bibliographic information for relevant articles identified from websites and personal contacts was entered into the master database manually. The master file, containing 537 references, was then sorted by ‘author’ to identify any duplicate references. All duplicates were removed, leaving a database with 396 references.

Having removed all the duplicates, the remaining references were screened by ‘title’, ‘abstract’ and ‘full text’, and exclusion criteria was applied hierarchically to remove all articles on the basis of the first criterion met. As a result, the master file was reduced to contain only the articles and papers that fulfil both the inclusion and exclusion criteria. The number of references totalled 226. Figure 2-1 illustrates the searching and screening process undertaken in the present research study.

Figure 2-1: Searching & screening process



Source: Author

2.3.3 Data extraction

Data extraction involves extracting, assessing and analysing data of the included studies. To provide a framework for this phase as well as to support the process of synthesising, reporting and dissemination, a data extraction form (see appendix A.3) was designed in order to accurately record all the information needed to address the review questions and the study quality criteria. The data extraction form included five sections: bibliographic information; focus of the study; methodology; findings; and analysis.

In addition to this, the quality of the included studies was assessed by undertaking an analysis of the strengths and limitations of the empirical studies, which were included in the 'Methodology' section of the data-extraction form. Three components, identified by The Evidence for Policy and Practice Information and Co-ordinating Centre (EPPI-Centre)[1], were used in this review to help assess the quality of studies in terms of 'weight of evidence': the soundness of studies (internal methodological coherence), based upon the study only; the appropriateness of the research design and analysis used for answering the review question; and the relevance of the study topic focus (from the sample, measures, scenario, or other indicator of the focus of the study) to the review question.

2.3.4 Data synthesis

Data synthesis involves collating and summarizing the results of the included primary studies. According to Tranfield et al. (2003), a good systematic review should present the primary research upon which the review is founded in a clear and coherent manner, which can be readily understood by the practitioner. Thus, the findings of the systematic literature review were synthesised by undertaking two phases: descriptive analysis; and thematic analysis. The aim of the descriptive analysis was initially to identify the publications by books, journals, conference proceedings, reports, and doctoral dissertations; and then identify the publications by countries. Whereas, the

[1] The Evidence for Policy and Practice Information and Co-ordinating Centre (EPPI-Centre) is part of the Social Science Research Unit at the Institute of Education, University of London. It offers support and expertise to those undertaking systematic reviews.

thematic analysis sought to highlight what is known and established within the selected documents; by identifying the main themes and concepts of the review question.

2.3.4.1 Descriptive analysis

A descriptive analysis was carried out on the selected papers in order to identify the publications by books, articles, conference proceedings, reports, and doctoral dissertations. The analysis went further to identify the selected papers by countries in order to have a broad overview of the factors that influence the success of SMEs in different contexts.

In terms of the distribution of publications by books, articles, conference proceedings, reports, and doctoral dissertations; articles had the highest number with 171 studies followed by reports and books, with 23 and 19 items respectively. As for the distribution of publications by countries, European countries had the strongest representation in terms of publications with 53 studies (The UK appeared most often, with 29 publications); 50 publications focused on African countries (Morocco appeared most often, with 48 publications); 26 publications were found for Asian countries (Malaysia appeared most often, with 6 publications); 22 publications were identified for the USA; 7 publications in Australia; 6 publications in Canada; 4 publications in Latin America; 2 publications in Russia; and one publication in New Zealand.

It is worth mentioning that although Morocco had a very highest representation in terms of publications; most of these publications were reports, conference proceedings, and doctoral theses. Surprisingly, only one article could be found in the context of Morocco. This suggests that there is a dearth of academic research concerning the Moroccan SME sector. Results of the analysis are shown in appendix A.4.

2.3.4.2 Thematic analysis

The main themes and concepts of the review question covered two main factors: internal and external factors. On the one hand, the internal factors incorporated the characteristics of the firm and the characteristics of the entrepreneur. Three factors were classified under the characteristics of the firm:

age of the firm, size of the firm, and location of the firm. The characteristics of the entrepreneur were classified as: (i) socio-demographic and background characteristics such as: age; gender; education; previous experience; and family background of the entrepreneur (ii) personality characteristics such as: need for achievement; locus of control; and propensity for risk-taking (iii) competences of the entrepreneur such as: managerial competences; entrepreneurial competences; and functional competences. On the other hand, external factors comprised the macro-environmental factors and micro-environmental factors. While the macro-environmental factors included: (I) economic factors such as: financial resources and taxation (II) political-legal factors such as: regulatory environment and government support (III) technological factors such as: technology and information (IV) socio-cultural factors such as: networking and infrastructure; the micro-environmental factors comprised: customers; suppliers; and competition.

2.3.5 Reporting and dissemination

The reporting and dissemination is the final phase in the systematic literature review and involves writing up the findings of the review and circulating them to potential interested parties. It is very important that the results of a systematic review are communicated effectively. The results of this review process were reported in conferences. It should be noted that other forms of dissemination could be considered in the future such as publication of the findings in an academic journal.

2.4 Strengths and limitations

2.4.1 Strengths of the review

- The systematic literature review did enable the conduct of a comprehensive, objective, and transparent assessment of available research about the entrepreneurial success in Tangier to provide a sound framework for policy makers, managers, entrepreneurs, practitioners and researchers.
- The review process has identified both potential gaps in the existing research and potential areas for future reviews.

2.4.2 Limitations of the review

Alike any method of literature review, the systematic review of the literature has its limitations. Some of these limitations that are relevant to this review include: accuracy; unobtainable texts; timeframe restrictions; and technical difficulties:

- It should be noted that some studies such as: unpublished reports and doctoral theses may have not been identified during the systematic review process. Although these studies may provide relevant research evidence, it is difficult to track them down. It may be argued that their lack of availability means that they do not contribute to the pool of knowledge. Hence, their value is limited.
- Some texts had to be excluded simply because of lack of availability. For example, some reports that were identified in the web searches were not available electronically and could not be obtained in time for data-extraction.
- The review was constrained by the fact that only a selected number of databases and websites were searched. However, the researcher is confident that the selected databases and websites were searched to their full extent.

2.5 Summary

This chapter was entirely dedicated to the systematic review process that was undertaken in order to identify relevant studies about entrepreneurial success. It could be concluded that the scope for this systematic literature review was extremely broad, with different aspects of the review question studied more extensively than others. However, the systematic review process was effective in achieving the aim and objectives of the review. On the one hand, the systematic review has helped to identify gaps in literature that this study is aiming to bridge, which will guide the empirical work. These gaps can be summarized as follows:

(i) No systematic review has been undertaken to identify factors that impact the success of SMEs in the context of Morocco, and particularly in Tangier.

(ii) No studies exist about the critical success factors for SMEs in Tangier.

On the other hand, the review process has resulted in a mixture of qualitative and quantitative studies that were synthesised in order to identify the key concepts and themes related to the success of SMEs, which are discussed in detail in the next chapter. This has helped in developing the conceptual framework to underpin the current research study.

CHAPTER THREE
LITERATURE REVIEW

3.1 Introduction

This Chapter is a literature review that considers previous research to provide the necessary background to identify the set of factors associated with business success for SMEs. This thorough review of the literature has discovered that variables that contribute to the success of small businesses are not unanimously agreed upon by researchers. While some analysts suggest that the dynamics of the success of businesses remain a black box (Deakins & Freel, 1998; Dockel & Ligthelm, 2005; Ligthelm, 2010), others have argued that the success of enterprises is a function of both external and internal factors (Penrose, 1959; McCline et al., 2000; Guzman & santos, 2001; Markman & Baron, 2003).

Many theories have been proposed to explain what contributes to the success of SMEs. However, although the literature covers a wide variety of such theories, this chapter should not be regarded as a *comprehensive* review, but as focusing on the two crucial themes that emerge repeatedly throughout the reviewed literature. These themes are the conceptualization of two determinants of success: internal factors and those external to the firm. The former refers to the characteristics of the owner or entrepreneur and the business; whilst the latter deals with factors beyond the control of the entrepreneur. This division between the internal firm and the external environment is a dominant approach when considering the performance of a firm. This view often modified in the case of small businesses where the individuals are considered to be important. These issues will be explored in this review.

The literature review chapter covers these two themes (internal and external factors) that attempt to describe the variables influencing business success among SMEs. However, it is first necessary to define SMEs and also to highlight their importance in the economy. Secondly, this review will identify the most relevant success criteria, *as perceived by entrepreneurs in SMEs*, since the appropriate measurement of performance and success (especially in SMEs) is pivotal to ensuring that those factors identified as ‘critical’ are those actually selected by the entrepreneurs from their perspective in the firms, rather than being derived from aggregate data. Murphy et al. (1996) said that this ‘accuracy’ in identifying the critical success factors of an SME is critical. Likewise, Watson et al. (2000) suggested that is essential to have ‘reliable and valid’ measures of SME success in order to explore the relationships between independent variables and business success, and to develop a plausible model of business success in smaller firms. Although previous research presents these variables in a variety of contexts, this study will primarily utilize their application in the Moroccan context in the city of Tangier.

Therefore, this chapter initially begins with a definition of SMEs as well as a description of their importance in modern economies. Secondly, the chapter proceeds with an identification of the measures of SMEs’ success. Next, the chapter reviews previous approaches to understanding the factors contributing to SMEs’ success. It proceeds with an investigation of the internal as well as external factors that influence SMEs’ success. Finally, the chapter sums up the main findings of the review of literature and shows how these findings are then related to the aims of this study.

3.2 Definition of SMEs

The definition of SMEs varies quite widely from country to country and even within single countries, depending on the business sector concerned[2]. The World Business Council for Sustainable Development (WBCSD) report (2007) stressed that there is no universally agreed definition of SMEs. Some analyses define them in terms of their total revenue, while others use the number of employees as an indicator. The International Finance Corporation (IFC) and

[2] The Government of Malaysia provides a good example of this multi-sector breakdown of the SME definition. See its “Definitions for small and medium sized enterprises in Malaysia”, September 2005.

The World Bank Group SME Department (2004) have adopted the following definition of SME for its programmes (seeTable 3-1):

Table 3-1: The common global SME definition of IFC and the World Bank Group-SME

SMEs Characteristics	No. of Employees	Capital investment	Annual turnover
Micro-enterprise	Less than 10	Less than $100,000	Less than $100,000
Small enterprise	10-50	$100,000 to $3 million	$100,000 to $3 million
Medium enterprise	51-300	$3 million to $15 million	$3 million to $15 million

Source: The World Bank, (2004, p. 33). 2004 annual review: small business activities, The World Bank, Washington, DC.

According to the Commission of the European Union (2003), the definition of an SME is as in the following table (see Table 3-2):

Table 3-2: The SME definition of the Commission of the European Union

Enterprise Category	Headcount	Turnover	or	Balance Sheet Total
Medium-sized	< 250	≤ € 50 million		≤ € 43 million
Small	< 50	≤ € 10 million		≤ € 10 million
Micro	<10	≤ € 2 million		≤ € 2 million

Source: Commission recommendation of 6 May 2003. Official Journal of the European Union (20/05/2003, p 36-41)

In Morocco, there is no single legal definition of SMEs, but several operational definitions. The definition of SMEs in Morocco has evolved based on provisions contained in the various policy documents that have sought to encourage this category of enterprises because of their individual small size and relative fragility despite their major contribution in the aggregate to employment and the economy more generally. The Law No. 53-00 forming the charter of small and medium enterprise (Dahir No. 1-02-188 of 12th Jumada I 1423 (23 July 2002), published in the gazette No. 5036 of 5/09/2002) defined a small and medium enterprise as: any company managed and / or administered directly by individuals who are owners, co-owners or shareholders, and is not owned for more than 25% of the shares, or voting rights, by an enterprise, or jointly by several enterprises, falling outside the definition of SME. This threshold can be exceeded if the company is owned by (i) collective investment funds, (ii) corporate of capital investment, (iii) venture capital organizations, and (iv) financial institutions duly authorized to use public savings to make financial investments, provided they do not, individually or jointly, exercise any control over the company. In addition, SMEs must meet the following conditions:

a. **For existing businesses,** have a permanent workforce not exceeding 200 people and have had over the last two fiscal years, an annual turnover (excluding tax) not exceeding seventy-five million dirhams, or an annual total of the balance sheet not exceeding fifty million dirhams; in the case of an SME that owns directly or indirectly more than 25% of the capital or voting rights in one or several companies, the total of permanent staff and annual sales (excluding tax), or annual totals of balance sheets of the said SME and other enterprises mentioned is made, but without the overall total of each of the criteria exceeding the thresholds above.

b. **For start-ups,** initiate a programme of an initial investment total not exceeding twenty-five million dirhams and respect a ratio of investment per job of less than two hundred and fifty thousand dirhams. A newly created company is any company with less than two years of existence.

The General Confederation of Enterprises of Morocco, ***la Confédération Générale des Entreprises du Maroc*** (CGEM) defines SMEs as enterprises that employ less than 200 employees and have an annual turnover not exceeding 75 million Dirhams.

3.3 Importance of SMEs

The review of the literature clearly shows that there are contrasting views about the importance of SMEs. While it has been widely argued in the small business literature that SMEs play a crucial role in the development of a country, some researchers showed their doubts about this ‘pro-SME’ view (Pack & Westphal, 1986; Rosenzweig, 1988; Brown et al., 1990; Pagano & Schivardi, 2001). These other researchers have supported *large* enterprises and have stressed *their* advantages. Particularly, they argued that large firms provide more stable jobs than small firms, with positive implication for poverty alleviation (Rosenzweig, 1988; Brown et al., 1990). They also posited that large enterprises may exploit economies of scale which can influence their productivity (Pack & Westphal, 1986; Pagano & Schivardi, 2001).

On the other hand, numerous studies have highlighted the important role of SMEs. Their significance is claimed to be associated primarily with their socio-economic role in stimulating economic growth. Many authors (e.g. Birch, 1989; Storey, 1994; Abdullah & Beal, 2003) and international organizations (e.g. The World Bank) have highlighted several important contributions of SMEs in this regard. Firstly, SMEs create employment opportunities because they are labour intensive. Secondly, SMEs play a vital complementary role in relation to larger firms. In many cases, large firms depend on SMEs as suppliers and distributors. The World Business Council for Sustainable Development (WBCSD) (2007) argued that by working closely with SMEs, large corporations can develop a new customer base that may not be accessible to the traditional distribution networks of these corporations. Finally, the presence of SMEs curbs the monopoly power of larger firms and provides the structure of the economy with greater flexibility.

In order to appreciate the socio-economic role of SMEs in Morocco, it seems important to compare the European SMEs in terms of their proportions of the business population, their contribution to the economic growth and their creation of employment. European SMEs have been selected as references for the following reasons:

- The European economy has a large number of SMEs, in almost the same proportion as that in Morocco (UNECA, 2008).
- The data for these economies are available.

In many OECD (The Organization for Economic Co-operation and Development) member countries, SMEs account for a large and growing share of employment, and are recognized to be a principal creator of jobs. In the Europe-25 economies, 23 million SMEs provide employment for two-thirds of the formal workforce (OECD, 2005).

Similar to all countries of the World, SMEs play a vital role in the socio-economic development of Morocco. In the industrial sector, 93% of all Moroccan industrial firms are SMEs (UNECA, 2008). The role of SMEs in creating jobs is crucial in Morocco, in view of the high rate of unemployment. Industrial SMEs contribute to 45% of all jobs (UNECA, 2008), with a contribution of 46% from the textile & leather industry, 18% from the food processing industry, 15% from the electrical & electronic industry, 12% from the chemical industry, and 8% from the metal and engineering industry (MICNT, 2010). Furthermore, SMEs account for 38% of production, 38% of investment, and 31% of exports (UNECA, 2008). Given their evident economic significance, it is perhaps no surprise that public policy seeks to support SMEs. Part of that support hinges on the ability of these small firms to stay in business and to grow – but it is not clear that these are the measures that define success for entrepreneurs. The next section moves on to consider the notions of ‘performance’, ‘success’, and ‘failure’’.

3.4 Performance, success, and failure

Laitinen (2002, p. 66) defines performance as “the ability of an object to produce results in a dimension determined a priori, in relation to a target”. Thus, in this definition, the basis of performance has been decided beforehand. A consequence is that performance is a dual variable. This performance may have two strategic outcomes that is often referred to in the literature as firm success or failure (See Dess & Robinson, 1984; Ostgaard & Birley, 1995). In a management field, success and failure can be interpreted as measures of good or indifferent management (Jennings & Beaver, 1997), but it may occur for other reasons such as luck (Storey, 2011).

Several terms have been used in the literature to describe firm failure, for example: bankruptcy, insolvency, liquidation, death, deregistration, discontinuance, ceasing to trade, closure, and exit (See for example: Bruno et al., 1987; Storey, 1994: 78-81). These terms overlap each other to some extent (Sten, 1998) and thus the concept of failure is ambiguous, as it can have different interpretations by different people (Wickham, 2001). The different interpretations and definitions of success make it very hard to compare research findings on failure of small firms.

In the entrepreneurship literature, the concept of success remains a topic of debate (Gorgieveski et al., 2011). This is despite the evidence that the ‘success’ of small firms has been subject to a great deal of research. However, there is no agreement in the literature on what is meant by the success of a firm. Indeed, a myriad of perspectives, ranging from mere survival to the achievement of certain levels of performance, exist about such a concept in the entrepreneurship literature. Very often, the terms ‘success’, ‘survival’, ‘growth’ are very closely linked and sometimes used interchangeably.

3.4.1 Success as survival

A considerable number of studies in the entrepreneurship field view the concept of success as similar to survival. For example, van Praag (2003) argued that the longer a business can survive and prevent involuntary exit, the more successful it has been. Reijonen & Komppula (2007) provided a more concise definition in relation to survival by defining success as continued business operations, and failure was going out of business. The authors who equate survival with success find support in the dynamic models of industrial organization. These models establish that young ventures that obtain profit decide to stay in the market, while those that make losses end up abandoning the activity (Harada, 2003). Conversely, there are other studies that uphold that success and survival are very different concepts and variables such as those related to the entrepreneur or the initial size of the business are associated with these two concepts in different ways (Kalleberg & Leicht, 1991; Gimeno et al., 1997). Furthermore, there are many reasons for the closure of a business, even in the event of moderate, or even excellent, profit and performance. The final decision to cease operations or stay in the market will partly depend on the entrepreneur, and more specifically on his/her personal and professional interests, since in most cases this decision will have a significant effect on his/her lifestyle (Pérez & Canino, 2009).

The literature on firm survival has identified several factors to influence the survival of SMEs. Brüderl et al. (1992) classified the evidence into three groups of factors: (i) Individual specific factors; (ii) firm specific factors and (iii) environmental factors. The individual characteristics of the founder are identified by the human capital theory as pre-requisites for the survival of SMEs. These characteristics are described in the literature by researchers from different fields. For example, sociologists tend to identify socio-demographic attributes of the founder; psychologists tend to list the personality traits.

There is a strong view in the literature that the success of an entrepreneurial business *must* be due to the entrepreneur. The business is a purposeful personal creation and thus the characteristics of the entrepreneur are seen to be important. However, ‘picking winners’ is often a post-hoc activity and trait theory has received heavy criticism (Cope, 2005; Landstrom, 2008). This criticism has motivated the movement to ‘values’ by researchers such as Gorgievski et al. (2011). While there may be limited success in linking traits to entrepreneurial success, the factors that are ‘competences’ have some link to success (Pansiri & Temtime, 2010).

As for the enterprise itself, most studies of the survival of firms primarily find that the age and size of a firm seemed to positively affect its survival (Freeman et al., 1983; Dunne et al., 1989; Mata & Portugal, 1994; Mitchell 1994; Audretsch & Mahmood, 1994; Henderson, 1999). For firm age, it is argued that new entrants firms face a phenomenon known as the ‘liability of newness’ effect, which was proposed by Stinchcombe (1965). This perspective suggests that new firms face a greater risk of failure as compared to older ones. This is because older and more established firms are likely to have more developed routines and established processes and greater access to resources in comparison to younger and less established firms (Sorensen & Stuart, 2000; Carroll & Hannan, 2000; Nelson & Winter, 1982). On the other hand, other studies have found that survival may decrease with firm age. The ‘liability of adolescence’ effect of Fichman and Levinthal (1991) and the ‘liability of senescence’ effect proposed by Hannan (1998) explain this relationship. The ‘liability of adolescence’ proposed an inverted U shaped, rather than linear, risk pattern. This suggests that firms are shielded from failure at first due to the initial resource endowments. However, firms may no longer be protected when these resource endowments become less adequate as they are confronted with a new market environment, leading to increased firm exit-risk during adolescence (Pérez et al., 2004). The mortality risk is however, not expected to start decreasing after the period of adolescence until firms adapts to the environment and consolidate their position in the market (Pérez et al., 2004). For the ‘liability of senescence’, Hannan (1998) posited that the probability of survival decreases over time and therefore older firms face a relatively high chance of market exit.

Besides the traditional factors of firm age and size, organizational strategies are found to have an impact on the survival of SMEs. Geroski et al. (2010) showed that there are two divergent views, based on economic and ecological arguments, regarding the impact of firm strategies on survival. While economists base their argument on the adaptive role of change by stressing that survival of firms is dependent on the success in *adapting* to new ways of doing business; ecologists on the other hand, emphasize inertia or *resistance to change* by arguing that firms that do not change are more likely to survive. This latter argument stresses that the greater the magnitude of change, the higher the likelihood of firm exit. It is in part linked to the scale of adaptive response by the firm to environmental stimuli.

The impact of environmental factors on the survival of firms has long been recognized in the literature. According to Geroski et al. (2010), two different perspectives exist in the literature. The first perspective, originating from the organizational ecology proposed by Hannan and Freeman (1977), is based on the concept of density or concentration, which is regarded as a force that increases mortality. This suggests that at lower levels of density, a rise in the number of firms in the market is expected to favour survival. However, after a certain threshold, further increases in the number of firms may lead to increased competition and hence increased chances of mortality (Geroski et al., 2010). The second perspective relates to researchers from the evolutionary economics field, who argued that survival of firms is very much dependent on the technology and market conditions that vary during the different stages of the firm’s life cycles (Suarez & Utterback, 1995)

In sum, having examined the available theoretical perspectives of survival, one must highlight the conclusion of Geroski et al. (2010) that there is no absolute superiority of any of the aforementioned theoretical perspectives over the others. Indeed, there are important elements in all of them to explain the survival of firms.

3.4.2 Success as growth

Another stream of the literature equates success with growth (for example: Low & MacMillan, 1988; Perren, 2000; Baum et al., 2001). Growth has long been used as a simple measure of success in business (for example: Storey, 1994). Much of the economic literature has focused on firm growth, due to its importance to the economy. However, divergence of theories is an apparent feature when reviewing relevant studies. A clear and coherent idea of the phenomenon of firm growth is not easy to distil from the literature (see Storey, 1994; Ardishvili et al., 1998; Wiklund, 1998). Indeed, signs of confusion and loss are shown when reading the relevant literature. Different theories have been postulated by researchers over the years to explain firm growth. Broadly speaking, the main theories can be divided into four groups: classic models, stochastic models, resource-based models, and models of learning and selection.

Classical economic theory has studied firm growth indirectly, since it aims to find the optimal firm size (Viner, 1932). The optimal size is therefore the lowest point on the U-shaped long-run average cost curve following the maximum profit assumption (Viner, 1932). The process of growth is exhausted to the point where the process of optimization is completed, as there is no incentive to grow beyond the optimal size (Hart, 2000). The main criticism of the classical economic theory is that it cannot explain the presence of firms whose size is larger than the optimal size and how the process of firm growth actually evolves over time.

Stochastic models assume that growth of firms is a random process and cannot be predicted using any group of factors. One of the earliest explanations of firm growth using a stochastic model was given by Gibrat (1931) in his so-called ‘Law of Proportional Effect’ which posited that firm growth is independent of size.

The resource based view, which was proposed by Penrose (1959), moves away from the traditional emphasis on the size of the firm and considers that the growth of firms depends on the availability and quality of managerial resources. This managerial approach highlights the importance of knowledge assets and processes of co-ordination within a firm (Penrose, 1959) and assumes that firm growth is associated with an internal and endogenous creation and accumulation process of specific resources (Penrose, 1959; Chandler, 1962). The aim of this approach is to explain why some firms are more competitive than others. However, although the approach provides an understanding about resources that result in superior performance and ultimately a sustained competitive advantage, it has been subject to considerable criticism. Criticisms include that it provides non-sufficient recognition of the role of the individual judgments or mental models of entrepreneurs and managers (Mahoney, 1995; Foss et al., 2008); the indeterminate nature of two of the RBV’s basic concepts - resource and value - and the narrow conceptualization of a firm’s competitive advantage.

Learning models have appeared more recently in the literature. These models - such as those of Jovanovic (1982), Ericson & Pakes (1995), and Pakes & Ericson (1998) - take into consideration the dynamics of the firms and their level of efficiency. Thus, as emphasized by Geroski (1995), the firm’s capacity to learn and adapt its strategies to the changing environment determines its growth prospects. This ability to learn and respond to the changeable environment is crucial to firm growth and is highly correlated with the firm’s age or the owner-manager’s experience (See further details in the subsequent sections entitled Previous experience (p. 59) & Age of the enterprise (p. 51)).

As for the growth process, the literature stresses the organizational development which denotes the stages through which organizations go in the process of their development. This is based on the assumption that organizations, just like human beings, have cycles of development, each characterized by its specific problems, crises, and practices as in the works of Steinmetz (1969), Greiner (1972), Churchill & Lewis (1982), Miller & Friesen (1984), Scott & Bruce (1987), Kazanflan (1988), Adizes (1989), Hanks et al. (1993), Greiner (1998), and McMahon (1998).

Study of the growth of SMEs gained more impetus after the development of Churchill & Lewis's (1982) model that extended the frameworks of Steinmetz (1969) and Greiner (1972). It proposed a five stage model in which SMEs progress through different stages of growth (existence, survival, success, take-off, and maturity).

Life cycle theory has proved to be one of the most powerful tools for understanding and predicting venture performance, at least in the entrepreneurship literature. Yet, it has been strongly challenged by a number of researchers for its extreme simplification of reality. For example, St-Jean et al. (2008) argued that the life cycle theory assumes a linear development path, when in reality firms experience periods of expansion, stability, and decline in no fixed order. Hence, contemporary thinking suggests a move away from a linear sequence of growth stages for firms to more heterogeneous patterns of growth outcomes where primary motivations are mediated by a variety of factors leading to numerous growth trajectories (e.g. Schreyer, 2000; Delmar et al., 2003).

Furthermore, it has been argued in a study conducted by the Small Business Research Centre of Kingston University in 2008 that stage models often prescribe how business owners and managers ***ought*** to behave rather than explaining how they ***do*** behave, i.e they are normative rather than descriptive. Hence, whilst the stage models can be useful in identifying the challenges posed by business growth, they offer less in the way of understanding the specific growth path of an individual business or the actual factors of growth. In addition to this, on the basis of the results of their study of high-growth firms, Willard et al. (1992:190) concluded that "the applicability of conventional wisdom regarding the leadership crisis in rapid growth entrepreneurial firms may no longer be valid, if, in fact, it ever was".

3.4.3 Success as high growth

During the last two decades, the research on firm growth has tended to focus on ‘high-growth SMEs’. The literature on HGFs (high growth firms) goes back to the 1970s, when Birch (1979) highlighted the economic importance of rapidly-growing firms. According to him, firms that survive and achieve a fast ‘growing’ stage have significant effects in the economy. The term ‘gazelles’ was coined later on by Birch (1981) to refer to these high growth firms, although the term is now increasingly taken to refer only to young, and usually small, high growth enterprises. The argument of Birch has subsequently been supported by several scholars (e.g, Davis et al., 1998; Henrekson & Johansson, 2009); see Henrekson and Johansson (2009) for a review of this literature. However, this argument has been questioned and has provoked a still unresolved debate which is very pertinent to policy makers. Should public policy concentrate upon the quality of new firms or the quantity? Is it better to have a large number of business start-ups, or a few firms that grow rapidly? The issue is known as ‘mice vs. gazelles’ (Birch et al., 1995; Davidsson & Delmar, 2006:156) or ‘flyers vs. trundlers’ (Storey, 1994).

Evidence that high-growth firms make a disproportionate contribution to the economy, through innovations and job creation (Parker et al., 2010) has sparked substantial interest among academics, policy makers, economists, and business managers alike in understanding the characteristics and strategies of these firms (for example: Cunneen & Meredith, 2007; Moreno & Casillas, 2007; Bjuggren et al., 2010; Parker et al., 2010) as well as the factors of growth within SMEs, particularly in relation to the high growing firms (Davidsson et al., 2005; Gilbert et al., 2006).

The ‘firm growth’ factors form an important topic in the firm growth literature. Contributions from the different growth theories have helped in understanding these factors. Indeed, several researchers from different disciplines have identified various different factors. However, the identified factors remain complex and erratic since considerable uncertainty and lack of consensus exist among researchers in relation to them (Weinzimmer, 2000).

Storey (1994) organized the evidence about growth factors into three categories: characteristics of the entrepreneur, characteristics of the firm, and business strategies associated with growth. These categories are considered to be dependent on each other. They all need to combine appropriately in order that the firm achieves high growth. Whilst the evidence of growth presented by Storey is important and tends to extend the broad view of the internal influences, it is, however, limited because it fails to take external influences into account. A rich understanding of the dynamics of SMEs growth cannot be achieved without including the external environment with all its aspects.

In this regard, more recently, based on an empirical study using 523 Dutch SMEs, Zhou & Wit (2009) have classified the determinants of growth into three categories: individual, organizational and environmental determinants. The ‘strategy as fit’ literature would emphasize the connection between organization and the environment. The important difference about the small firm is the higher importance of the individual. The question remains as to what is the proportionate influence of the individual and the organization here. It may also be the case that there are two levels of environment in a small business; the personal/family network and the wider social environment. This wider social environment may be the source of non-personal effects such as technology.

The individual determinants of Zhou and Wit in relation to growth concern the entrepreneur. For these determinants, firm growth is to a certain extent a matter of decisions made by an individual entrepreneur. Previous studies indicate that an entrepreneur’s personality traits, growth motivation, individual competencies and personal background are the most important determinants that determine the growth of a firm (Delmar, 1996; Baum et al., 2001; Shane et al., 2003).

The importance of the individual factors has been highlighted in several studies in relation to high-growth firms in particular (Rosa & Scott, 1999; Gompers et al., 2006; Dodds & Hamilton, 2007; Capelleras & Greene, 2008). Dodds & Hamilton (2007) identified four key founder-related variables that are associated with high growth: (i) start-up motivation, with the desire to exploit a market opportunity much more important than push-related motives; (ii) amount of education and educational subject along with soft skills such as search, foresight, imagination and communication emerge as important; (iii) experience – the role of prior entrepreneurial experience is a distinct advantage; and (iv) size of the management team – with larger teams linked to high growth on account of their greater resources and expertise

Storey (1994) had identified three important factors that have impact on high-growth. Findings of his study revealed that founders who start a business with the desire to exploit a market opportunity (‘pull’) are more likely to grow than those who start businesses for ‘push’ related factors. Secondly, high growth firms are more likely to have been started by teams rather than individuals. Thirdly, high growth firms are more likely to have been initiated by middle-aged entrepreneurs. In contrast, a study conducted by Turok (1991) of firms in West Lothian indicated no significant statistical differences between growth and stable firms in terms of the entrepreneur’s age profile, education, training, previous employment status, prior work experience or motives.

A considerable amount of literature has investigated the individual factors in relation to growth aspirations. These studies have related motivations of entrepreneurs to their aspirations (Davidsson, 1989; Wiklund et al., 2003; Baum & Locke 2004; Aidis & Mickiewicz 2006). Using interview data from a random sample of more than 400 Swedish small business owner-managers, Davidsson (1989) found positive relation between achievement motivation and growth aspiration. He established that expectations of financial reward and increased independence are the most important motivators that enhance growth aspirations. In their investigation of factors that affect SME owners' aspirations to grow their businesses in Lithuania, Aidis and Mickiewicz (2006) found that owner-managers’ ‘*learning by doing’* attributes, acquired through previous working experience or additional entrepreneurial experience, were positively related to growth aspirations. This leads to the conclusion that learning is intimately connected to the development of aspirations.

Organizational factors have been discussed in the literature as having more direct influence on firm growth. The most important factors covered in the literature are: firm attributes, firm specific resources, firm strategies and organizational structure. For ‘firm attributes’, most studies in the growth literature concentrated mainly on the impact of size and age. Having their origin in the Gibrat’s Law (1931), several empirical studies were conducted to test the relationship of size and age to growth. Indeed, Gibrat’s Law has been a much revisited benchmark for research on the determinants of firm growth since its formulation in 1931 (Sutton, 1997).

Although some of the earlier studies (Hart & Prais, 1956; Hart, 1962; Hymer & Pashigan, 1962) supported Gibrat’s Law by finding no relationship between firm growth and size of the firm, the majority of later empirical studies, which incorporated different countries and industries have found a negative relationship between size and growth of a firm (Kumar, 1985; Evans, 1987; Hall, 1987; Dunne & Hughes, 1994; Almus & Nerlinger, 2000; Bottazzi & Secchi, 2003; Geroski & Gugler, 2004; Reichstein & Dahl, 2004; Yasuda, 2005; Calvo, 2006) (See further details in section Size of the enterprise p. 50). Furthermore, several studies have also shown that smaller and younger firms grow at a higher rate than the larger and mature firms (Glancey, 1998; Hart, 2000) (See further details in section Age of the enterprise p. 51).

Another firm attribute that has been identified in the literature to have an influence on growth is location of the firm. Davidsson (1989) and Storey (1994) argued that firm location may determine firm’s growth, since the local market binds firms. Furthermore, Storey (1994) argued that some locations are more conducive to firm growth, with small firms in accessible rural locations growing faster than firms in urban areas. Whilst this seems to be plausible, as it is possible that in many cases the local market binds firm growth, it can however be argued that a firm does not necessarily restrain its sales to its local market. In fact, firms can expand into other geographic markets provided that they can access modern channels of communication and logistics. The influence of location on *high-growth* firms has not been covered extensively in the literature. Mason & Brown (2010) argued that evidence of the geographical dimension of HGFs is largely absent from the HGF literature. Some studies, conducted by economic geographers, suggest that HGFs do exhibit a distinctive geography. (For an example, see Gallagher & Miller,1991) (See further details in section Location of the enterprise p. 52).

With regard to the firm specific resources, financial resources and human capital are the most important resources for small business growth (Wiklund et al., 2009). The importance of financial resources in promoting firm growth has been documented. However, the empirical evidence still remains ambiguous. Some empirical studies have shown a positive effect of financial resources on small business growth (Cooper et al., 1994; Storey, 1994), while other studies have found only moderation effects (Coad, 2007) and even some negative effects (Hardwick & Adams, 2002). This could be explained by the large number of unexplained variations in the growth rate (Coad, 2007) (See further details in section Financial resources p. 70). On the other hand, human capital, which can be represented by knowledge, skills and experience, is considered to play a crucial role for the growth of SMEs (Heskel, 1999; Rauch et al., 2005) (See further details in section Previous experience p. 59 & section Competences & skills of the entrepreneur p. 63).

3.4.4 Issues remaining in the HGF literature

As discussed above, studies of small firm growth factors are no longer short in supply and indeed there is a growing body of the literature about the high growth firms. Yet, there are a number of methodological and conceptual weaknesses in the literature. First, there is a limitation to the conceptualization of the firm's growth. There is no universal definition of growth. Different definitions have been used in the studies that attempted to explain the growth of SMEs (Delmar et al., 2003; Barringer et al., 2005; Delmar & Wiklund, 2008). This, in its turn, leads to the complexity of defining 'high-growth' and consequently, there is no universally accepted definition of the high-growth firms. The nearest definition is the one from the OECD (2007) which defines high growth firms as: 'all enterprises with average annualised growth in employees or turnover greater than 20% per annum over a three year period, and with more than 10 employees at the beginning of the observation period'.

Moreover, the terms ‘high-growth’ and ‘fast-growth’ seem to be used interchangeably in the literature when these terms are literally different. It can be argued that ‘high-growth’ implies growth in quantity, whereas fast-growth refers to the speed of growth. Furthermore, the various terms associated with high-growth firms (for example: gazelles, trundlers) have lost their original precision. The OECD (2009: 28) has sought to bring precision to the term ‘gazelles’ by defining them as ‘the high growth enterprises born five years or less before the end of the three year observation period’. However, Mason & Brown (2010) argued that this leaves open the issue of the nature of growth: Should high-growth firms be restricted to those which grow organically, or should firms which grow through acquisition also be included. They further added that it is often not clear in studies of HGFs whether those which have expanded through acquisition are included.

Second, it follows from the first limitation that there is no unified growth measure that has been used consistently among researchers. Indeed, a wide range of growth measures have been used. Generally, firm growth has been measured by using absolute or relative changes in sales, assets, employment, productivity, profits, and profit margins (Delmar, 1997; Davidsson et al., 2005; Allinson et al., 2006). Each of these measures has its advantages and disadvantages in understanding growth. However, these variations have led to contradictory results reported by previous studies, which render the topic of growth to be problematic. Indeed, the different forms of growth, based on the different measures, may have different determinants and effects.

Third, the majority of studies about growth tend to use aggregate data obtained from longitudinal databases available in the developed world, such as: the Small Business Database in the USA, EXSTAT database and the Synthesis Life database in the UK. These aggregate databases facilitate making comparisons between countries, often between levels of development and/or the ‘ease of doing business’. The implication is that these are the most salient factors in business creation and management or, if they are not, they are at least indicative of similar results in less measurable factors. They do not, however, take account of entrepreneurial values.

3.5 Measurement of success

The measurement of business success, particularly in SMEs, is a vexed and controversial issue. A review of the literature clearly shows that there is a lack of agreement over what constitutes the best measure of success. While some researchers advocated the strict use of financial indicators, others, especially in recent studies emphasized the relevance of non-financial aspects of business of success (Buttner & Moore, 1997; Simpson et al., 2004; Walker & Brown, 2004). The former asserted that the use of traditional financial measures of success such as profitability, sales turnover, sales growth and return on investment, is paramount in gauging the extent to which a firm is successful or not (Brüderl & Preisendörfer, 1998). They argued that for organizations to be considered successful, it is important for them to generate income and increases in profit, and to demonstrate some level of growth, as indicated in their sales and income (Perren, 2000). Hall & Fulshaw (1993) added that growth indicates long-term achievement, whereas profitability reflects short-term achievement.

On the other hand, some other researchers emphasized the importance of non-financial indicators of success (Frese et al., 2002; Hoque, 2004; O'Regan & Ghobadian, 2004). Non-financial indicators include personal satisfaction, personal growth, skill improvement, flexible lifestyle, business survival, customer satisfaction, customer retention, and career progress (Cooper, 1993; Buttner & Moore, 1997; Walker & Brown, 2004). Jennings & Beaver (1997) argued that the attainment of personal objectives such as the desire for personal involvement, responsibility and the independent quality and life style, rather than financial outcome, is the best principal criterion of success for many business small owner-managers. Similarly, Beaver (2002) pointed out that, for many entrepreneurs, money is not a prime motivator but rather a pleasant by-product of having the freedom to take charge of their own future.

This "either-or" approach on investigating the indicators of success has received some criticism for being a poor reflection of reality. Parasuraman et al. (1996) indicated that studies on entrepreneurs have adopted a limited view of success, focusing almost exclusively on their business success as indicated by ‘hard’ measures of firm performance. They went further to say that with limited expectations, these studies have generally ignored the ‘softer’ more personally defined criteria of success that reflect the internal career. Accordingly, Wiklund (1999) suggested that financial and non-financial measures complement each other and provide a richer description of actual performance. While it may be insufficient to focus solely on financial performance, discarding this indicator of success may introduce bias into the measurement of business success (Buttner & Moore, 1997). This view is also reflected by Murphy et al. (1996), who argued that organizational performance is composed of multiple dimensions. Financial measures are necessary but not sufficient to capture total organizational performance. Future studies should continue to include financial measures, but non-financial measures need to be emphasized as well. Closer attention to these performance measurement issues will allow empirical studies to be more precise and their results to be more meaningful. As a result, a more reliable and consistent basis will be provided for theory building.

Therefore, although some studies argued that entrepreneurs value the attainment of their personal goals more than the financial gains, it may not be appropriate to rely solely on a non-financial measure since such a measure presumes that a certain level of financial security has been created (Walker & Brown, 2004). On one hand, financial success determines a firm’s ability to sustain and continue its operations, as well as its ability to grow in the industry. On the other hand, a non-financial measure of success, as indicated by overall satisfaction with goal attainment, would also seem to be relevant given that in smaller firms, achieving the entrepreneur’s personal objectives is perceived to be important (Walker & Brown, 2004). Therefore, focusing on a narrow range of success measures may be the wrong approach to understanding entrepreneurial success (Lumpkin & Dess, 1996) and consequently, multiple indicators of success are important to improve the explanatory power of predictors of business success (Murphy et al., 1996). In addition to this, given the complexity associated with evaluating the performance of smaller firms, and the difficulty in obtaining data on firm financial performance of small firms, Haber & Reichel (2005) recommended the use of multiple measures of performance. In the light of this, this present study includes both financial and non-financial measures to investigate the critical factors affecting the success of SMEs.

3.6 Success factors

Researchers have argued that the success of enterprises is a function of both external and internal factors (Penrose, 1959; McCline et al., 2000; Guzman & Santos, 2001; Markman & Baron, 2003). Furthermore, Beck & Demirguc-Kunt (2006) argued that for new SMEs to grow, it is important to strengthen not only the internal business environment but also the external environment. Literature on the success of SMEs usually identifies several factors with regard to the internal and external environment of the firm. A literature review table was created in order to identify different authors' perspectives of SMEs success. A purposive sample of the reviewed studies from both the formal and grey literature is included in appendix A.5.

3.6.1 Internal factors

Internal factors are also referred to as endogenous factors. According to Guzman & Santos (2001), the personal environment (internal or firm-based factors) has an impact on entrepreneurship and business success. It includes all firm-specific factors that are influenced by specific firm action, including the availability of resources, personal skills and abilities for pursuing entrepreneurial functions and the effective use of resources inside the firm (Nieman, 2006). These internal factors are thus potentially controllable since they involve the decisions, behaviour and actions of the entrepreneurs and his or her team (Kangasharju, 2000; Ligthelm & Cant, 2002). Thus, it can be argued that deficiencies in the internal environment are the proximate cause of SME failures, with over 65% of failure causes said to be firm based (Ligthelm & Cant, 2002; Dockel & Ligthelm, 2005).

Researchers have argued that characteristics of SMEs, characteristics of the entrepreneur, and strategies of the firm are among the internal factors that influence SMEs success and growth (Storey, 1994). Furthermore, some researchers have argued that a focus on the internal factors – especially those related to "people issues" (Dulewicz & Higgs, 2000) – may improve business success (Naffziger, 1995). In the light of this, this study groups internal factors into three categories: characteristics of the SMEs, characteristics of the entrepreneur, and strategies of the firm.

3.6.1.1 Characteristics of SMEs

Several studies have attempted to explain the link between firm characteristics and business performance (for example, Bates & Nucci, 1989; Storey, 1994; Baum & Locke, 2004). Storey (1994) identified characteristics of the SMEs among the key components that are important in analysing the performance of SMEs, particularly their growth. Business characteristics that affect business performance have been identified as age, size, and location of business (Kraut & Grambsch, 1987; Kallerberg & Leicht, 1991).

Size of the enterprise

In the developed country literature, researchers have paid close attention to the effect of firm size on its performance. Much evidence in the small business literature suggests that the probability of success increases as the size of a business increase. In their study, which investigated small business failure rates among a nationwide sample of SMEs in the USA, Bates & Nucci (1989) concluded that the larger the firm, the more likely it was to be successful. Similarly, McMahon (2001) found that enterprise size significantly linked to better business performance of the Australian manufacturing SMEs. This was confirmed by Davila et al. (2003), who argued that being small correlates negatively with survival rates, owing to the limited resources that SMEs find a key liability.

As for growth, which is a simple measure of success, a debate emerged in the 1980s on Gibrat's Law (1931), which posited that firm growth is independent of size. In line with this theory, in a 6-year longitudinal study, conducted by Baum & Locke (2004), analysis of data from 229 entrepreneur-chief executive officers and 106 associates in a single industry revealed that firm size was not associated with growth. However, contrary to the Gibrat's law, numerous empirical studies found that smaller firms in developed countries in fact grow more quickly (Kumar, 1985; Evans, 1987; Hall, 1987; Variyam & Kraybill, 1992; Dunne & Hughes, 1994).

For developing countries, some studies found a significant negative relationship between firm growth and firm size (Mansfield, 1962; Das, 1995; McPherson, 1996; Harabi, 2003). These studies suggested that smaller firms grow faster than larger ones. In an empirical analysis from Morocco, Harabi (2003) investigated the determinants of firm growth and found a negative correlation between firm size and growth. His findings revealed that the bigger was the firm in 1997, the less likely the firm was going to grow in the following years (1998-2000). However, the main weakness of the study is that the sample of firms under consideration was not statistically representative of the population. Furthermore, Harabi (2003) made no attempt to explain the source of the selected sample. A better study would lend evidence to the reader if the source of the sample was mentioned. In contrast to the findings of Harabi (2003), El Hamzaoui (2006) reported, in his study of a sample of 100 firms in Morocco, that small sized firms in Morocco (size was measured using the turnover) constituted the largest proportion of failures.

Age of the enterprise

The relationship between firm age and business performance has been investigated from a range of perspectives in particular, industry dynamics and organizational ecology. Hence, a number of studies have recognized the importance of the age dimension of the firm. However, the literature on the impact of age on firm performance is indecisive and often yields contradictory results depending on data and estimation methods used (Sutton, 1997; Nguyen et al., 2004).

In the developed country literature on small firm growth, the relationship between firm age and growth has been explored. The bulk of studies have found that older firms experience less growth (Evans, 1987; Variyam & Kraybill, 1992; Dunne & Hughes, 1994; Heshmati, 2001). In contrast to these studies, other studies have reported contradictory results. For example, the study of Bates & Nucci (1989) confirmed that the age of the firm had an impact upon survival. Their findings suggested that the older the firm, the more likely it was to remain in business. In a similar vein, Boyle & Desai (1991) also pointed out that statistics have shown that the longer a small business has been in operation, the better the chance that it will stay in business. In line with these studies, Storey (1994) alleged that younger firms have a higher death rate, but they demonstrate a faster growth rate in terms of employment, against more mature firms. A third group of studies report mixed results. For example, Heshmati (2001) found that while younger firms experience faster employment growth in Sweden, older firms experience faster growth in assets and sales.

In developing countries, the relationship between firm age and performance is robust. In line with the developed country literature, most studies in Africa, Asia, and Latin America showed that younger small firms are more likely to show high rates of growth compared with small firms that have been in existence longer (Mead & Liedholm, 1998). Consistent with this, Burki & Terrell (1998) suggested that the average growth rate of firms decreases with age. With respect to SMEs in Morocco, Harabi (2003) found that age is negatively related to the growth of the firm. He expounded that younger firms grow very fast.

Location of the enterprise

Sridhar & Wan (2010) defined location as choice of where a business is to be located which could be small, medium and large cities or urban or rural locations. Several studies have attempted to explain the role of location in business performance (for example: Liedholm, 2002; Harabi, 2003). Dahlqvist et al. (2000) argued that the geographic area, where a firm is located, has implications for its access to markets and resources such as: finance, skilled labour, subcontractors, infrastructure, and other facilities.

Liedholm (2002) investigated the determinants of survival and growth of small businesses in Africa and Latin America. Findings of his study showed that location of the firm was an important factor. Firms located in urban and commercial areas were more likely to survive, during a given year, than those located in rural areas. Urban and commercial location was also associated with faster growth, in terms of the number of employees hired in a given year.

In Morocco, Harabi (2003) found that the location factor was significant in explaining the performance of SMEs, particularly, their growth. Findings of his study showed that SMEs located in big urban areas such as: Casablanca and

Fez grow faster than those located in urban areas of medium size such as: Tangier and Rabat.

When examining the role of location, numerous studies have paid particular attention to the role of geographical clusters. While some studies argued that firms based in local or regional agglomerations benefit from locating in clusters as they outperform those located outside (Baptista & Swann, 1998; McCann & Folta, 2008), other studies highlighted the negative repercussions to locating in clusters, which derive from increased competition and potential knowledge leakage (Folta et al., 2006; Alcácer, 2006; Alcácer & Chung, 2007). Birkinshaw & Hood (2000: 142) defined clusters as “an aggregation of competing and complementary firms that are located in relatively close geographical proximity”. Tallman et al. (2004) added the role of the social networks aspect in their definition for a cluster, which was described as: “group of firms tied together by geographical co-location and complex social interaction”. This proximity and networking allow the flows of knowledge (Alemeida & Kogut, 1999), and resources mobilization (Stuart & Sorenson, 2003), which could then have an influence of the performance of firms (Porter, 1998; Cooper & Folta, 2000; Folta et al., 2006).

3.6.1.2 Characteristics of the entrepreneur

For many years, researchers have shown great interest in understanding the characteristics of entrepreneurs. Many have studied the characteristics associated with entrepreneurship in order to find out about the differences between entrepreneurs and non-entrepreneurs (Gartner, 1989). Characteristics of the entrepreneur (traits, values, attitudes) are often cited as the most influential factors related to the performance of SMEs and their competitiveness (Man et al., 2002; Simpson et al., 2004; Gurol & Atsan, 2006). According to Markman & Baron (2003), the closer the match between the individual’s personal characteristics and the characteristic requirements of being an entrepreneur, the more successful the individual will be. In this study, the success factors relative to the characteristics of the entrepreneur have been categorized into three groups: the socio-demographic characteristics of the entrepreneur, his background characteristics and his personality characteristics.

Socio-demographic characteristics

Literature on socio-demographic characteristics usually offers a great deal of statistical research and endless figures on origin, age, socio-economic status, and gender. However, given that in the case of this research, the study is limited to a specific geographical area which is Tangier in Morocco, and intends to describe subjective tendencies, the study will only cover the socio-demographic characteristics identified from the literature to have a significant relationship with SMEs success. These are age and gender of the entrepreneur.

Age of the entrepreneur

A considerable amount of literature has been published on the impact of the age of the entrepreneur on business performance. In their upper echelons perspective, Hambrick & Mason (1984) argued that age is generally associated with more conservative behaviour, and thus exerts a negative impact on the performances of the firm for three reasons. Firstly, an older manager is in principle less inclined to adopt innovative behaviour or to adhere to a new idea. Secondly, such a manager would be more attached to a certain organizational status quo. Finally, objectives related to wage and professional security, generate a more prudent behaviour. It has been suggested that younger individuals would, on the other hand, be more inclined to take risks and grow their business (Hambrick & Mason, 1984).

Reynolds et al. (2000) found that individuals aged 25-44 years were the most entrepreneurially active. Findings from another study in India by Sinha (1996) disclosed that successful entrepreneurs were relatively younger in age. In their exploratory study of owner-managers and firm characteristics in Nigeria, Woldie et al. (2008) reported that middle-age and older owner-manager tend to run more growth oriented firms. As far as Morocco is concerned, El Hamzaoui (2006) investigated the failure factors for SMEs in Morocco and found that young age of entrepreneurs (< 35 years) is related to the failure of firms.

Gender of the entrepreneur

A considerable amount of literature has been published on the effect of gender on performance of businesses. These studies usually produce mixed results. Storey (1994) explained that in the developed country literature on small firm growth, most studies do not find gender to be significantly associated with firm growth; those that do are in disagreement about whether women-owned firms are likely to grow faster or slower. In a quantitative and a qualitative study that set out to assess gender-related differences among 32 micro rural enterprises in Sweden, Sandberg (2003) concluded that there were few differences. Moreover, in examining whether the concept of 'performance' is itself gendered, Chell & Baines (1998) conducted a study on a sample of 104 micro businesses in business services in two locations: Newcastle upon Tyne and Milton Keynes in the UK. Their study found no effect of gender on performance. In another study which was based upon analyses of data collected annually over a three- year period from an initial group of 411 companies in the computer sales and software, food and drink, and health industries in South Central Indiana, Kalleberg & Leicht (1999) found that female business owners were not more likely to go out of business, nor less successful, than those owned by men.

Although a considerable amount of the developed country literature has established no association between gender and business performance, other studies have reported different results. Boden & Nucci (2000) examined the relationship between owner characteristics and business survival. Specifically, undertaking a survey study by analysing the Census Bureau's 1982 and 1987 Characteristics of Business Owners (CBO) of a sample of white male and female sole proprietors in the USA (the sample comprised 1802 male and 2174 female business owners for the year 1982 and 454 male and 451 female owners for the year 1987), their study reported that male business owners were characterized with higher tendency of survival than their female counterparts. Similarly, results of the analyses of a survey study conducted on Australian SMEs by Watson (2003) revealed that the rate of failure among female-owned businesses was higher compared to male-owned businesses.

The performance differences between male and female owned businesses could be explained by a number of variables that are highlighted in the literature. A number of studies have proposed that gender effect on performance is mediated by other variables such as: the level of experience (Kalleberg & Leicht, 1991; Fisher et al., 1993; Cliff, 1998), firm age (Rosa et al., 1994; Watson, 2002), the choice of industry (Rosa et al., 1994; Watson, 2002), entrepreneurs' values (Brush, 1992; Du Rietz & Henrekson, 2000), etc.

Many researchers have argued that women have been associated with lower levels of human capital and have had fewer opportunities to develop relevant experience, and consequently have greater difficulty in assembling resources (Ucbasaran et al., 2004; Martinez et al., 2007). According to Mazzarol et al. (1999), females were generally less likely to be founders of new business than male. Similarly, using a sample of 128 Norwegian undergraduate business students, Kolvereid (1996) found that males had significantly higher entrepreneurial intentions than females. However, although the developed country literature often construes women entrepreneurs as less likely than their male counterparts to seek firm growth, several researchers have argued that this applies only to a subset of women-owned firms (Hill et al., 2006; Harada, 2007; Chaston, 2008).

In the developing country literature, numerous gender-related challenges to SMEs performance are very often identified. Women typically face asymmetrical rights and obligations limiting their labour mobility and burdening them with disproportionate household responsibilities (Downing & Daniels, 1992). In Morocco, men are the main entrepreneurs in the country. This inequality can be explained by different variables as argued by Le Marois (1985:10): "to undertake, one must accumulate qualities, skills, motivations, examples, and resources in sufficient quantity and quality to overcome a series of obstacles. If the number of women is less than the number of men to go through, it is without doubt because the ratio of positive factors (qualifications, etc.) and negative factors (barriers) is not the same for them than their male counterparts, the first factors would act more weakly and the latter more strongly. The scale is distorted".

The Moroccan women entrepreneurs' association, ***Association des Femmes Chefs d'Entreprises du Maroc*** (AFEM) (2004) conducted a study about the status of women's entrepreneurship in Morocco, with the financial support of the European Commission and the support of The General Confederation of Enterprises in Morocco, ***la Confédération Générale des***

Entreprises du Maroc (CGEM). The study identified 2,283 companies that were run or managed by women. Of these, a sample of 579 firms were surveyed and documented. The findings of the study revealed that 59% of these registered firms were located in the greater Casablanca region, 14% in Rabat, a further 6% in each Fez/Meknes, Marrakech, and Tangier/Tétouan, 5% in Agadir/ Laayoune and in Oujda.

As for the success of SMEs, the study of Rachdi (2006) concluded that women entrepreneurs often suffer from a lack of technical expertise and knowledge management; hence, their low productivity and competitiveness. Cultural constraints are also another obstacle that hinders the success of women in the conduct of their affairs. This supports the view of many researchers who argued that women have been associated with lower levels of human capital and have had fewer opportunities to develop relevant experience and consequently have greater difficulty in assembling resources (Ucbasaran et al., 2004; Martinez et al., 2007).

Background Characteristics

Several previous studies found that the individual background of the entrepreneur, such as education and previous experience, had an impact on entrepreneurial intention and endeavour (e.g. Kolvereid, 1996; Mazzarol et al., 1999). In this section, a discussion of background characteristics for which there is significant empirical evidence from developing countries is covered, in particular: Education, previous experience and family background.

Education

Education is a means through which knowledge can be gained and includes all the teaching, formal and informal learning, tutoring and instructing individuals receive in their background years (Dahlqvist et al., 2000; Rwigema & Venter 2004; Ucbasaran et al., 2004). The importance of education on entrepreneurship has been extensively mentioned in the literature. While some studies noted the absence of a link between education of the entrepreneur and business performance (Brush & Chaganti, 1998), numerous studies, however, established that the level of education of the manager has a positive impact on performance (Dunkelberg & Cooper, 1982; Storey et al., 1989; Hall, 1995;

Westhead, 1995; Julien, 2000; Almus, 2002). Haynes (2003) contended that education increases the entrepreneurs' knowledge about the business and the industry, which may in turn improve entrepreneurs' skills and abilities. Correspondingly, Brush et al. (2001) argued that formal education is an important personal resource for entrepreneurs because it provides good technical knowledge that may be helpful in identifying business opportunities. In line with this, Sapienza & Grimm (1997), for example, argued that search skills, foresight, imagination, and computational and communication skills are enhanced through college education. In addition, specific forms of knowledge-intensive education, such as engineering, computer science, and biochemistry, provide the recipients of education an advantage if they start a firm that is related to their area of expertise. According to Rogerson (2001) and Martinez et al. (2007), a firm's capacity to compete is embedded in incumbent's education, which is related to knowledge, skills, problem solving ability, discipline, motivation, self-confidence and behaviour of entrepreneurs that allow them to identify market opportunities and gather resources required to set up the business.

Besides the general education identified in the literature, a number of studies have highlighted the importance of entrepreneurship education in the success of SMEs. Entrepreneurship education generally refers to programmes that promote entrepreneurship awareness for career purposes and provide skill training for business creation and development (Vesper, 1990; Bechard & Toulouse, 1998). It is distinguishable from other forms of business education when its purpose is creating a new product or service that results in higher economic value (Hanesmark, 1998). A study by Charney & Libecap (2000) found that entrepreneurship education produces self-sufficient enterprising individuals. Furthermore, they found that entrepreneurship education increases the formation of new ventures, the likelihood of self-employment, the likelihood of developing new products, and the likelihood of self-employed graduates owning a high-technology business. The study also revealed that entrepreneurship education of employees increases the sales growth rates of emerging firms and graduates' assets.

In the developing countries, the investigation of the effect of education on SMEs performance is complex. This is because SMEs owner-managers and workers often tend to have relatively low levels of education than do larger firms (Orlando & Pollack, 2000; Soderbom & Teal, 2001). With respect to Morocco, findings of the study conducted by El Hamzaoui (2006) identified poor education as a failure factor for SMEs. This finding was supported by the study of Gray et al. (2006) about motivations of Moroccans to be entrepreneurs. Gray et al. (2006) found that most of the interviewed entrepreneurs hold high school or university degrees. The education of the entrepreneurs was helpful for the success of their businesses, even though their degrees did not fit with the nature of the ventures. Gray et al. (2006) went further to say that this lends evidence to the observation that the typical entrepreneur in Morocco is more educated than the person who is not self-employed. However, a degree is not a prerequisite for a profitable venture because the less educated entrepreneurs were witnessing success and were competent at managing and running their businesses.

Previous experience

Previous experience includes work experience, business management experience, and industry-specific experience (Rauch & Frese, 2000; Gundry & Welsch, 2001; Guzman & Santos, 2001; Ucbasaran et al., 2004). Many researchers have argued that the greater the entrepreneurs' previous experience, the higher their entrepreneurial quality will be, as the experience will have involved a learning process that helps them to identify opportunities, reduce their initial inefficiency, and also improve their capacity in performing various tasks (Fielden et al., 2000; Guzman & Santos, 2001).

According to Deakins & Freel (1998), one of the key factors influencing the entrepreneurial process is the ability to assimilate experience and to learn from experience itself. While people lacking work experience have fewer capabilities and may find it more difficult to develop a good business idea (Robertson et al., 2003; Rwigema & Venter, 2004), most new firms are started by people who people who have worked (prior to start-up) in other jobs that gave them the relevant experience to identify a business opportunity and the technical ability to produce the product or give the identified service (McCline et al., 2000; Rwigema & Venter 2004). In an empirical analysis of 93 entrepreneurs in Western Australia, Mazzarol et al. (1999) found that respondents with previous experience in government employment were less likely to be successful founders of small-businesses. However, their study did not investigate the relationship between previous employment experience in private companies.

Other previous studies have indicated that in general, industry experience is a more important predictor of business success than managerial experience (Storey, 1994; Hinz & Jungbauer-Gans, 1999). Storey (1994) indicated that in-depth knowledge of an industry can help the individual identify gaps in the current business offerings. According to Dahlqvist et al. (2000), having professional experience in an organization that is in the same industry as the one in which the entrepreneur starts his new venture can increase the probability of survival and high performance. For SMEs in Morocco, the study of El Hamzaoui (2006) found that poor professional experience was a strong failure factor for these firms.

Family background

Much of the literature has supported the idea that a high percentage of entrepreneurs come from fathers who are entrepreneurs themselves (e.g. Hisrich & Brush, 1987; Gray et al., 2006). Bolton & Thompson (2004) argued that family background is important to the entrepreneur. Well-educated parents who encourage independence and self-reliance confer on their offspring an early advantage; while wealthy parents can assist with start-up capital (Rwigema & Venter, 2004). According to McCline et al. (2000), a youth whose environment instills confidence in entrepreneurial success is more likely to step forward. Gray et al. (2006) pointed out that more than half of the interviewed Moroccan entrepreneurs came from families where the father or mother, considered as their role model, is self-employed; others either followed the example of other relatives or close friends. They went further to add that less than thirty per cent of the respondents said that they had no role model.

Personality characteristics

Entrepreneurs' personality characteristics have been considered to have impact on organizational performance (Robinson & Sexton, 1994). Many studies found that personality characteristics such as high need for achievement, locus of control and propensity for risk-taking have often been associated with successful entrepreneurship (Begley & Boyd, 1987; McClelland, 1987; Miner, 1996; Brandstaetter, 1997). In his study, Kiggundu (2002) found that personality characteristics have direct influence on the success of African entrepreneurs. However, although providing some useful insights, these studies, when replicated, often produce conflicting findings (for example: Duchesneau & Gartner, 1990; Baum, 1995). As a result, personality characteristics have been criticized both on theoretical and empirical ground in the studies of entrepreneurship. Gartner (1988) in his research article entitled "Who is the entrepreneur?" mentioned that asking "Who" is the wrong question. He argued that entrepreneurs are seen as different, not because they share similar traits, but because of their "entrepreneurial acts" (Gartner, 1989).

Need for achievement

McClelland (1961) introduced achievement motivation into the entrepreneurship literature. He postulated that high need for achievement is characterized by a desire to do well in order to attain a feeling of accomplishment. McClelland (1987) identified the 'need for achievement' as the fundamental driving trait in the personality of successful entrepreneurs. (Rotter, 1966; Barkham, 1994; Jaafar et al., 2004) stated that entrepreneurial characteristics in forms of creativity and need for achievement are critical success factors. The need for achievement results in high ambition and self-drive, which are necessary if entrepreneurs are to realize large goals against many odds (Wickham, 2001; Stewart et al., 2003; Rwigema & Venter, 2004; Gurol & Atsan, 2006). However, other studies such as that of Bygrave (1993) have rejected the notion of 'need for achievement' as it was also found in comparable non-entrepreneurs.

In relation to Morocco, Gray et al. (2006) found in their study about "motivations of Moroccans to be entrepreneurs" that a high need for achievement was identified as a common trait for Moroccan entrepreneurs. They went further to say that this finding mainly implied their strong desire to solve problems, gain satisfaction from achieving goals they have pre-set and to surpass competitors.

Locus of control

Locus of control, a concept taken from a social theory developed by Rotter in the 1960s (Rotter, 1966), refers to the degree to which an individual perceives the outcome of an event to be either within or beyond his or her personal control (Morris & Zahra, 2000). People with an internal locus of control, who perceive the events within their control, believe in themselves to be in control of their destiny. People with an external locus of control, who consider the events beyond their control, believe they are under the control of others, fate and chance (Rauch & Frese, 2000; Mueller & Thomas, 2001).

One of the characteristics consistently found in successful entrepreneurs is the tendency for the entrepreneur to have internal locus of control (Mueller & Thomas, 2001; Gurol & Atsan, 2006). In An empirical investigation of 97 firms, Miller & Toulouse (1986) observed a positive relationship between internal locus of control and the performance of the firm, which nevertheless varies in function of environmental variables. On the other hand, Kalleberg & Leicht (1991) established an absence of link between growth and the fact that the entrepreneur has an internal locus of control.

In terms of locus of control for Moroccan entrepreneurs, a survey conducted among 201 interviewees – all of them are Muslims – revealed that the prevailing thought is that individuals should make their greatest effort to accomplish something, but the result is subject to their destiny, which is related to what God has predicted for their lives. In other words, 'en-sh-Allah', which means 'God willing'. Therefore, the success of a venture is due to hard work, but destiny and God's will are equally important. One can influence their success and failure, but fatality always plays an important role in the events of a business (Gray et al., 2006).

Propensity for risk taking

Numerous studies have been carried out in order to determine whether the propensity for risk taking could be considered as one of the fundamental characteristics of the entrepreneur (Brockhaus, 1982). However, authors are still far from reaching unanimity on this notion (Hull et al., 1980; Timmons et al., 1985). Risk-taking was the earliest identified characteristic of entrepreneurship, proposed by Cantillon (1755). Cantillon, and later Mill (1848), both portrayed an entrepreneur as an individual who assumed the risk for the enterprise. Palmer (1971) asserted that risk assessment, and risk taking constitute primary elements of entrepreneurship.

Propensity for risk taking combines all factors dealing with risk, including taking calculated risks, being realistic when analysing opportunities, and spreading one’s risk. All these are said to be key factors that impact positively on entrepreneurship (Hisrich & Peters, 2002; Stewart et al., 2003; Timmons & Spinelli, 2004; Gurol & Atsan, 2006). According to Delmar (1994), it is essential for the success and growth of a business that entrepreneurs perceive and manage risks appropriately in their environment. Conversely, Siegel et al. (1993) observed an absence of relationship between business growth and the willingness to take risks. Successful SME operators tend to be moderate risk-takers who make calculated risk assessments and they are not afraid of failing; rather they are intent on succeeding (Morris & Zahra, 2000). Less successful SMEs do not plan for contingencies and rely on luck alone, which can be characterised as reckless (Rwigema & Venter, 2004).

Competences & skills of the entrepreneur

A significant number of researchers have clearly suggested that the competencies of business owners in SMEs constitute an important factor in determining the success of the enterprise (Chandler & Jansen, 1992; Bird, 1995). Furthermore, Rogerson (2001) argued that in order to understand the factors leading to the success or failure of the entrepreneurship process, it is necessary to look at the capacity needed to be a successful entrepreneur or improve entrepreneurial conduct. Based on this premise, this section investigates competencies of the entrepreneur as key endogenous factors in the entrepreneurial process leading to business success, growth or failure. However, before going any further, it is necessary to have a clear understanding of the concept of a competency.

Many definitions of ‘competency(ies)’ appear in the literature, leading to considerable confusion around what exactly is meant by the concept. The most basic argument pertains to the difference between ‘competency(ies)’ and “competence”. These terms are often used interchangeably, despite being seen as distinct concepts by some scholars. For example, Rowe (1995) defined ‘competence’ as a skill or standard of performance, in contrast to ‘competency(ies)’ which he argued refers to a behaviour in which performance is achieved.

Chandler & Jansen (1992) suggested that, in order to explore the competencies required by entrepreneurs in managing their own businesses, researchers should first understand the roles played by entrepreneurs as owner-managers. The available literature suggests that entrepreneurs, particularly those in small businesses or SMEs, are engaged in three important roles: The entrepreneurial role, which assists with business development; the managerial role, which assists with functional needs which include humans resources management, marketing, operations, administration, finance and planning; and the technical or functional role, which is needed for functioning and producing products (Chandler & Jansen, 1992; Ucbasaran et al., 2004; Baum & Lock, 2004; Beaver & Jennings, 2005).

In the following sections, evidence is reviewed under the three competencies needed in these roles: entrepreneurial competencies, managerial competencies, technical or functional competences. Some studies appear under more than one sub-head as they combine more than one of the competencies listed above.

Entrepreneurial competences

Entrepreneurial competences depict the skills needed to perform the entrepreneurial role that involves various tasks to be performed, including developing a challenging but achievable vision, formulating strategies, recognizing unmet consumer needs, scanning the environment, spotting high quality opportunities, and producing superior products or services (Chandler & Jansen, 1992; Chandler & Hanks, 1994; Thompson, 1999; Wang & Ang, 2004). Lyons (2002) described entrepreneurial skills as the skills needed to develop innovative products and services and to generate solutions to emerging needs in the marketplace. He further mentioned that the three skills under entrepreneurial skills are:

- business concept: business plan, presentation skills;
- environmental scanning: recognize market gap, exploit market opportunity; and
- advisory board and networking: balance independence with seeking assistance.

The entrepreneurial role requires from entrepreneurs alertness, innovativeness and creativity (Thompson, 1999), commitment and strong dedication (McClelland, 1987; Man & Lau, 2000) and conceptual ability to seek, identify, assess, and size opportunities and transmit them into profitable outcome (Thompson et al., 1997). Wang & Ang (2004) suggested that the ability to select high quality opportunities and devise appropriate strategies to turn these opportunities into reality may have a considerable impact on venture performance.

Managerial competences

A major role of entrepreneurs is the managerial role, which essentially reflects the traditional role of managers in any organization. Most entrepreneurs in SMEs are owner-managers, who typically have no assistance from a specific unit or department to help them perform managerial tasks. Therefore, such tasks become the sole responsibility of the entrepreneur. According to Hellriegel et al. (2008), managerial competences are sets of knowledge, skills, behaviours and attitudes that contribute to personal effectiveness. Lyons (2002) described managerial competences as the skills needed to organize the work on a day-today basis. He further mentioned that the six skills under managerial competences are:

- management: planning, organizing, supervising, directing, networking;
- marketing/Sales: identifying customers, distribution channels, supply chain;
- financial: managing financial resources, accounting, budgeting;
- legal: organization form, risk management, privacy and security;
- administrative: people relations, advisory board relations; and
- higher-order: learning, problem-solving.

Managerial competences are very important to the performance SMEs. A study conducted by Ibrahim & Goodwin (1986) in Canada and the United States of America (USA), in which data were collected from 74 small firms in Montreal, and another 70 small firms in New York; via a questionnaire followed by interviews, reported that the concept of managerial skills of owner-managers was perceived as a key second factor to success after the entrepreneurial behaviour factor. Consistent with this, many studies found that majority of the business failure were due to the lack of management skills or competencies (O’Neill & Duker, 1986; Terpstra & Olson, 1993).

Bruno et al. (1987) studied ten failed high-technology firms in California's Silicon Valley in the USA, and concluded that there were three major reasons for the failure: financial difficulties, product/market problems and managerial problems. Hence, entrepreneurs who have the necessary competencies especially in the area of operations, finance, marketing and human resources, and management skills required for the business are more likely to be successful at start-up (Prahalad & Hamel, 1990; Swiercz & Spencer, 1992).

Morocco is a Muslim society but more particularly, an Islamic society, as Morocco is a religious state. In an Islamic society, an entrepreneur is thought to be one who works hard and possesses expertise and management skills (Al-Omar & Abdel-Haq, 1996). Tazi (1993) conducted a study in Morocco on a sample of 56 bankrupt enterprises in order to investigate the causes of bankruptcy for Moroccan SMEs. The study revealed that 70% of failures are due to poor leadership and mismanagement. In line with this, at a seminar of economic policy entitled “The concepts of the SME and the entrepreneur owner-manager”, Ibnabdeljalil (1997) noted that the management within bankrupt SMEs was characterized by:

- unstructured communication system;
- informal working relationships;
- undefined functions: decision-makers and designers are also performers;
- imprecision of the rights and duties: everyone must accept what is requested from him/her in terms of work; and
- remunerations and promotions that are not made based on skills and qualifications, but are influenced by family, friendship, and personal considerations.

Functional competences

Functional competences refer to the skills needed by entrepreneurs to perform their functional role. Undertaking this role requires entrepreneurs to possess the ability to utilize tools, technical knowledge, and procedures relevant to the specific business (Chandler & Jansen, 1992; Martin & Staines, 1994; Baum, 1995; Winterton, 2002). The importance of having technical capabilities in conducting business have been highlighted in many studies (Chandler & Jansen, 1992; Baum, 1995; Winterton, 2002) suggesting that possessing specific skills in job-related activities is a vital requirement for entrepreneurs. These competencies are needed because the entrepreneur must make decisions about the business and its systems as well as training staff. Furthermore, Baum et al. (2001) argued that technical or industry-related skills are an important source of “expert” power that legitimizes the entrepreneur in the eyes of his/her staff, and assists in the implementation of the entrepreneur’s plan.

3.6.1.3 Firm strategies

Numerous researchers have argued that the performance of a firm is determined by the business strategy it adopts (Storey, 1994; Olson & Bokor, 1995; Pearce & Robinson, 2009). The effectiveness of the overall business strategy depends substantially on how well activities in the various functional areas are integrated to form a pattern (Galbraith & Schendel, 1983; Porter, 1991). This pattern, as suggested by Mintzberg & Quinn (1991), defines the firm's business strategy and therefore competitive position within the industry. In the growth literature, HGFs have been characterized by successful strategies (Curran, 1996; Chan & Foster, 1999). In his review of twelve studies, Storey (1994) identified fourteen elements of business strategy. Out of these fourteen elements, four emerged as key variables influencing the growth of high-growth small firms, using increase in employment as the criterion for growth: planning, marketing, technology, and training strategies.

One of the key strategies in marketing linked to growth is innovation. As explained by Schumpeter (1934), innovation means new or improved products, new production techniques, new processes, new markets, new marketing or sales methods, new channels of distributions and promotions, new or improved services, new methods of financing, new technologies, new organizational structure, and new methods of management. The effect of innovation on growth has been recognized in several studies. Ashton & Sung (2006) argued that innovation in product and services are essential to sustaining competitive advantage for firms offering differentiated good and services. Furthermore, the bulk of the high growth literature suggests that high-growth firms tend to exhibit high levels of innovation (For example: Freel, 2000; Coad & Rao, 2008; Mason et al., 2009).

On the other hand, other studies have reported a negative relationship between innovation and high growth. In a study of small manufacturing firms, O'Regan et al. (2006) found that innovation does not influence high growth. Mixed results were reported in another study of businesses in Scotland and Northern England conducted by Freel and Robson (2004). This observed a negative relationship between product innovation (both incremental and novel) and growth in sales or productivity, but a positive relationship between novel product innovation and growth in employment for both manufacturing and service sector.

3.6.2 External factors

External factors have been found to have an impact on the performance potential of firms. Organizational ecology, introduced by Hannan & Freeman (1977), suggests that organizations are constrained by the external environment they operate in and, consequently, the firm's growth is determined largely by these external forces. Dess & Beard (1984) argued that the environments vary along several dimensions such as: dynamism, heterogeneity, hostility and munificence. Several studies have recognized the effect of these environmental factors on the growth of firms. However, the effect is not regarded as substantial compared to other factors. Davidsson et al. (2005) argued that growth to a considerable extent is a matter of aspirations and skill, but the fundamental facilitators and obstacles in the environment cannot be disregarded. The growth effects of a dynamic environment have been clearly demonstrated in the literature. Several studies showed rapidly growing firms are more often found in industries and regions that are more dynamic (Jovanovich, 1982; Carroll & Hannan, 2000; Davidsson & Delmar, 2001).

Dahlqvist et al. (2000) pointed out that external factors present opportunities, threats and information with the potential to affect all entrepreneurs within their environment, regardless of their background, education or business concept. Guzman & Santos (2001) listed external factors to include socio-demographics, markets (local, international, emerging and established markets), cultural, economic, political, institutional, legal, productive, technological, infrastructure and other physical factors of that particular environment. Mazzarol et al. (1999) pointed out that these macro-environmental factors are not controllable and the success of the SME often depends on management's ability to deal with them. According to Miller & Dess (1996), the external environment of the enterprise can be classified into two, namely, general and competitive environments. The general environment consists of the political-legal, macroeconomic, socio-cultural, technological, demographic and global factors that might affect the organization's activities. On the other hand, the competitive environment consists of other specific organizations that are likely to influence the profitability of the enterprise, such as customers, suppliers and competitors. In the light of this, this section covers the macro-environmental factors that affect the general environment and the micro-environmental factors affecting the competitive environment.

3.6.2.1 Macro-environmental factors

Simpson et al. (2004) defined the macro-environment as containing factors external to the company that present situational variables which may facilitate or inhibit entrepreneurship at start-up and during the SME lifecycle. Hunger & Wheelen (2000) argued that the macro-environment includes more general forces, those that do not directly touch the short-run decisions or short-run activities of organization but those can, and often do, influence its long-run decisions. These more general forces include: economic forces that regulate the exchange of materials, money, energy, and information; technological forces that generate problem-solving inventions; political-legal forces that allocate power and provide constraining and protecting laws and regulations; and socio-cultural forces that regulate the values, mores, and custom of society (Hunger & Wheelen, 2000).

Economic factors

Several researchers have argued that the general state of an economy, in which a firm competes, influences the performance of a business (Boddy, 2002; Ligthelm & Cant, 2002; Baron, 2004; Gurol & Atsan, 2006; Nieman, 2006). Thompson (2001) pointed out that economic conditions affect how easy or how difficult it is to be successful and profitable at any time because they affect both capital availability and cost, and demand. The economic factors considered in this study are: access to finance and taxation.

Financial resources

Data from several sources have identified financial resources as a fundamental element for the success of businesses. Indeed, entrepreneurs need to have sufficient financial resources in order not only to help their businesses during the start-up phase but also throughout the lifetime of the business. Beck et al. (2006) argued that in a competitive business environment, availability of financial resources is cardinal for the development process as it facilitates entry, exit and growth of firms.

Generally, constraints related to the availability of financial resources are frequently mentioned in the literature when covering the theme. Several empirical studies about finance have demonstrated that access to finance constitutes a major constraint to SMEs financing. SMEs find it more difficult than larger firms to obtain external finance for several reasons: information asymmetry, lack of collateral, and the higher cost of serving smaller transactions (The International Finance Corporation, 2010). This is supported in the works of several authors such as: Schiffer & Weder (2001), Beck et al. (2006), Beck & Demirgüç-Kunt (2006), and Beck et al. (2008). In a study of 10.000 firms across 80 countries, Shiffer & Weder (2001) found that credit was mentioned more frequently by smaller firms as a constraint on growth. Similarly, based on data from a firm-level survey in 48 countries, Beck et al. (2008) concluded that smaller firms in countries with underdeveloped financial and legal systems use less external finance.

According to the OECD and the African Development Bank (AfDB) report 'African economic outlook 2009' (2009), access to credit in Africa is more difficult than other regions of the world. This is mainly because of the lack of credit information and collateral requirements. In an Economic Commission for Africa report, Elhiraika & Nkurunziza (2006) argued that African SMEs often lack credit history, adequate collateral, legal status, and are vulnerable to shocks. Hence, they are viewed as risky by banks that adhere to international standards. This argument is supported in the expert group report of the European Commission (2006), which concluded that access to finance is particularly difficult for SMEs in the Middle East and North Africa (MENA) region.

Morocco does not constitute an exception with regard to the financial constraint. According to the World Bank (2012), Morocco stands at 98 in the ranking of 183 economies on the ease of getting credit. Although Morocco did strengthen access to credit by establishing a new private bureau that began operation in March 2009 (World Bank, 2009), access to credit still remains difficult, especially in the current global economic crisis. This is evidenced by several empirical studies. For example, in her exploratory study about feminine entrepreneurship in Morocco, which was conducted using a survey questionnaire on a sample of 579 owner-managers, Rachdi (2006) found that the second most frequent problem faced by entrepreneurs, after the administrative burden, was access to finance. Similarly, in another study where 100 enterprises, selected by using the quota method on the geographic distribution of newly created businesses in Morocco, were surveyed, El Hamzaoui (2006) showed that insufficient financial resources was among the failure factors of SMEs. The World Bank (2007) conducted an enterprise survey in order to identify the obstacles experienced by private sector firms in Morocco. Business owners and top managers in 659 manufacturing firms were interviewed from January 2007 through June 2007. The analysis of data showed that 32 per cent of these firms identified access to finance as a major constraint. The main constraint in getting credit was the collateral. While the proportion of loans requiring collateral in order to get the financing was 90 per cent, the value of collateral needed for a loan was 172 per cent of the loan amount (The World Bank, 2007).

Taxation

According to the World Bank (2012) report "Doing business 2012: Morocco", governments need revenues to provide public amenities, infrastructure, and services that are crucial for a properly functioning economy. To finance these services, the vast majority of governments must levy taxes. However, the challenge for governments, as stressed by the report, is to find a way to do so that ensures public revenues while encouraging compliance.

Taxation can have important effects on many parts of the economy, including impacts on firm creation and on the development of SMEs. Developing an environment conducive to SME growth whilst ensuring tax compliance is a challenge all countries face. Robertson et al. (2003) pointed out that one of the key factors inhibiting SME development is taxation. If tax rates are high, they reduce the profit incentive drastically (Ahwireng-Obeng & Piaray, 1999).In a study about Kenyan SMEs, complicated tax forms, heavy control by government, and outright misinterpretation of laws were common problems faced by small business owners in Kenya (Pratt, 2001; Chu et al., 2007). In line with this, Ufuk & Ozgen (2001), in their study of Turkish women entrepreneurs, found that the heaviest burden imposed on entrepreneurs was debt and tax payments.

According to the World Bank Report “Doing Business 2012” (2012), Morocco is ranked 112 overall for paying taxes compared to good practice and selected economies. The World Bank (2011) report “Doing Business 2011: Middle East and North Africa” showed data over three years about the tax that a small and medium-sized enterprise must pay or withhold in a given year, as well as measures of the administrative burden in paying taxes. These measures included the number of payments an entrepreneur must make; the number of hours spent preparing, filing, and paying; and the percentage of their profits they must pay in taxes. Data showed that the number of payments required for an entrepreneur to pay taxes in Morocco is 28 payments per year. In contrast, the average for the MENA region is only 22.9 payments per year with Qatar being the economy requiring the least number of payments in the region[3]. The report goes further to stress that Morocco’s overall business tax rate, which measures the amount of taxes and mandatory contributions payable by a small and medium sized company during the second year of operation, is very excessive. The total tax rate (as a percentage of profit) facing a small and medium sized company in Morocco is 41.7 per cent. This compares unfavourably with the MENA region’s average which is 32.8 per cent. Besides the number of payments and the tax rate, the report measures the required time for an entrepreneur to pay taxes. The total hours a small and medium-sized company spends preparing, filing, and paying taxes in one year gives a good indication of the administrative burden created by a tax system. According to the report, an average medium-sized business in Morocco spends 358 hours per year paying its taxes. In contrast, similar enterprises in the MENA region spend 194.1 hours per year paying their taxes.

Political-legal factors

Political and legal systems vary from country to country. These systems, very often, affect the way business is conducted, by defining what firms can and

[3] Qatar economy requires one payment in order to pay taxes.

cannot do at a particular point in time (Boddy, 2002). The political-legal factors considered in this study are: government support and regulatory environment.

Government Support

The importance of government support to small business success has been reported in a number of studies. Yusuf (1995), in his study on 220 small business entrepreneurs in the South Pacific region, listed nine factors that would contribute to the success of small businesses; but among the most critical factors was satisfactory government support. The finding of Yusuf (1995), however, made a distinction between entrepreneurs in terms of ethnic backgrounds. According to him, government support was more critical for the success of small indigenous entrepreneurs than the non-indigenous ones. Similarly, Sarder et al.(1997) conducted a study of 161 small enterprises in Bangladesh and found that firms receiving support services, such as marketing, management education and training, technical, extension and consultancy, information, and common facilities from the public or private agencies experienced a significant increase in sales, employment and productivity. In a recent quantitative study about the determinants of business success of small and medium enterprises in Pakistan, Jasra et al. (2011) found that government support was highly correlated with business success.

In contrast to these studies, other studies have found that government support was unimportant to small business success. Using a comparative case study approach on small plastic manufacturing firms (SPMFs) and entrepreneurs in Nigeria, Mambula (2004) found that firms receiving credit and other forms of assistance did not perform better than those less privileged ones. This was consistent with the findings of Kirpalani & Macintosh (1980) who studied 34 small and medium firms in the USA and Canada, and found that internal factors such as involvement of top management, research and development (R & D), technology, marketing mix, and production function, and not government assistance that determined the firm success in international marketing. To them, government assistance is regarded as a hygiene factor in the sense that it is an enabling condition for small firms to compete in global markets, but insufficient for their success.

Aware of the socio-economic importance of SMEs, the Moroccan government has launched a number of programmes, as part of the deployment of the National Covenant for Industrial Emergence that covers the period 2009 - 2015, in order to support SMEs and strengthen their competitiveness (MICNT, 2009). To this end, two programmes have been initiated: ***Imtiaz*** and ***Moussanada*** programmes. On the one hand, *Imtiaz* programme aims to support 50 SMEs with high-potential per year by granting them a premium, for tangible and intangible investment, corresponding to 20% of the investment and not exceeding 5 million dirhams. Beneficiaries must provide at least in equity, 20% of the total investment. Selection is done through a national competition for investment. On the other hand, *Moussanada* programme aims to support 500 SMEs per year by improving their productivity through functional programmes that include expertise and information systems.

Regulatory environment

In recent years, there has been an increasing amount of the developed country literature on the perceived effect of the regulatory environment on the performance of SMEs. The related literature has been categorized into three types of studies: business burden studies; compliance-cost studies; and business decision making and competitiveness studies (Kitching, 2006). However, these studies have tended to produce mixed evidence, with respect to the effect of regulation on business performance. An explanation for this is that the bulk of these studies fall in the quantitative camp which is, as argued by Kitching (2006), the least satisfying in terms of enhancing understanding of the impact of regulation on small business performance.

On the one hand, several studies found a negative effect of regulation on the performance of Small businesses. The Small Business Survey 2010 of the Department for Business Innovation and Skills (2011), in which 4,580 computer assisted telephone interviews were undertaken in the UK, reported that 47 per cent of respondents cited ‘regulation’ as an obstacle to business success. The main regulations considered to be obstacles to business success were: health and safety; tax-related; sector-specific; employment; planning; and environmental regulations with 35%, 20%, 16%, 14%, 7%, and 7% respectively.

However, despite the apparent burden of these regulations, some studies have found that firms responding positively to these regulations are more likely to be proactively managed and profitable (Smallbone et al., 1996; Vickers at al., 2003). In their study, Smallbone et al. (1996) identified a small number of firms that viewed changes in the regulatory regime as an opportunity to be ‘one step ahead of the pack’ by making the necessary investment to comply with regulations that were about to be introduced two or three years later.

On the other hand, other studies that attempted to investigate the effect of regulation on business performance revealed that the picture is complex. For example, in their study of employment legislations, which used case studies of 18 firms from three sectors, Edwards et al. (2004) made four conclusions: first, perceptions of effects tend to be broad and general, rather than reflections of concrete experience; second, 'the law' is not uniform, with older laws being largely taken for granted; third, effects depend on competitive conditions, which are more important influences on firms than are regulations; where conditions are benign, regulations can be absorbed, but in other circumstances employment regulations can exacerbate competitive pressures; fourth, a degree of informality in small firms further eases responses. Using the Global Entrepreneurship Monitor data, van Stel et al. (2007) examined the link between regulation and new firm formation, across 39 countries. Their findings revealed that the minimum capital requirement, required to start a business, as well as labour market regulations lowered entrepreneurship rates across countries.

Compared to the developed countries, the regulatory environment in developing countries is burdensome, which often hampers the performance of small businesses. A considerable amount of the developing countries literature described the regulatory environment as a burden for SMEs. Based on an econometric analysis of firm level data of over 4000 firms in 54 countries, Beck et al. (2005) suggested that legal challenges disproportionately constrain the growth of small firms. The World Bank (2005) found that smaller firms more frequently report government policies to be unpredictable. This uncertainty about the policies reduces growth-enabling investments.

In Morocco, the study of Harabi (2003) reported that government policies such as labour regulations, anti-trust policy and environmental policy promoted the growth of firms, whereas government policies such as regulations of foreign trade and policies that promote domestic price volatility hindered business growth. In addition, Vallé (2005) pointed out that the Moroccan judiciary system constrains the success and growth of SMEs. He further added that this is because of corruption and the lack of professionalism of the judges of commerce courts. However, according to the 2009 African competitiveness report (World Economic Forum, World Bank, and African Development Bank, 2009), Morocco boasts a regulatory environment that is conducive to business activity and to business creation, ranking 19th and 22nd for the number of procedures and time required to start a business.

Technological factors

Technological factors can affect all aspects of a business, from its overall strategic position to how it manages marketing, design, production, and distribution (Boddy, 2002). The technological factors considered in this study are: access to technology, access to information, and access to infrastructure.

Access to technology

Technology is widely recognised by various literature on strategic management (Capon & Glazer, 1987; Johnson & Scholes, 1993; Jan, 2002; Thomas et al., 2004), as part of the organization and the industry part of the model as it is used for the creation of competitive advantage. According to Olawale & Garwe (2010), technology not only helps in evolving a multi-pronged strategy, but also in maximizing business opportunities. According to Rogerson (2001), SMEs need access to appropriate technology if they are to have competitive advantage. Inability to secure technology at start-up can impact negatively on the entrepreneurship development process in today’s world of globalization (Clover & Darroch, 2005).

In their study about Vietnamese SMEs, Swierczek & Ha (2003) found that lack of equipment and outdated technology are among hindrances to SME development. In their study in the USA, Gundry et al. (2003) found that technological change innovations had significant relationship with market growth. Furthermore, Gibbons & O'Connor (2003) undertook a study on a sample of 336 SMEs in order to test whether firm strategic posture mediates the relationship between technology policy and firm performance. The findings suggested that strategic posture does not mediate the relationship between technology policy and return on investment (ROI), but does mediate the relationship between technology policy and sales growth.

Access to information

Access to new information is indispensable for the initiation, survival and growth of firms (Mead & Liedholm, 1998; Kristiansen, 2002; Duh, 2003; Swierczek & Ha, 2003). The availability of new information is found to be dependent on personal characteristics such as the level of education, infrastructure qualities such as media coverage and telecommunication systems, and on social capital such as networks (Kristiansen, 2003). The establishment of an active SME sector and the effective utilization of quality business information have been identified as crucial in attaining long-term and sustainable economic growth for developed and developing countries alike (Corps, 2005). In a study about the importance of the information use for the success of SMEs in Belgium, which was carried on 208 SME owner-managers, Lybaert (1998) found that there is a positive relation between the extent of information use and the performance of a SME. Moreover, she found that SME owner-managers with a greater strategic awareness, with less firm experience prior to their present position at that time, and with a greater desire for growth use more information. Also, the findings showed that smaller family ownership and intervention in strategic management, as well as greater delegation of decision making, led to a higher information use. In another study conducted by Makhbul (2011) in Malaysia, in which 163 entrepreneurs were surveyed, results showed that the ability of entrepreneurs to access information was a critical factor that influenced entrepreneurial success.

However, in most developing countries, lack of sufficient market information poses a great challenge to small enterprises. Many small enterprises continue to rely heavily on private or even physical contacts for market related information.

Access to infrastructure

It is hard to find a precise definition of the concept of infrastructure in the literature. The World Bank report (1994:2) stressed that: “infrastructure is an umbrella term for many activities, referred to as "social overhead capital" by such development economists as Paul Rosenstein-Rodan, Ragnar Nurkse, and Albert Hirschmanit". Generally, the literature distinguishes between two types of infrastructure: economic infrastructure and social infrastructure.

Despite the broadness of the infrastructure term, the crucial role of infrastructure services for business performance has been widely highlighted in the literature, in particular the economic infrastructure. Good quality and accessibility of infrastructure services encourage investments, productivity and growth of businesses; whereas, poor quality and inaccessibility of such services affect the conduct of business by slowing productivity and growth (The World Bank, 1994; Clover & Darroch, 2005; Nabli, 2007; Bottasso & Conti, 2010). Conducting a principal component analysis (PCA) of owners’ perceived constraints on agribusiness SME survival and growth in KwaZulu-Natal in South Africa, Clover & Darroch (2005) found that the factor, which was labeled ‘lack of services’, explained the highest variance in the data. This factor included: access to electricity, inadequate business premises, lack of own transport, access to water, roads, postal services and telecommunications, and crime.

The reliability and availability of infrastructure and the provision of utility services is crucial for development. According to “Doing Business 2010: Reforming through difficult times” (2009) report, managers responding to World Bank Enterprise Surveys in 89 economies between 2006 and 2009 estimated that their spending on such items as fuel, electricity, telecommunications and water amounted to 9% of annual sales, more than for machinery. They reported losses due to electricity outages amounting to 3.2% of sales. Furthermore, when managers were asked about the biggest constraint to the operation and growth of their business, more managers identified weak electricity services and access to finance than any other issues.

For the MENA region, an important constraint to growth that has been highlighted in the literature is the lack of adequate infrastructure, an important exception being the Gulf countries. As Nabli (2007) noted, according to the World Bank's Investment Climate Assessments, almost half of private businesses in the MENA region complain that infrastructure is a moderate to major obstacle to conducting business. Telecommunications and transport, two backbone services, are significantly underdeveloped. Page & Van Gelder (2001) argued that the problem here is both with an institutional framework that does not align prices with costs, and with lack of an enabling environment that would permit and entice provision by the private sector.

According to the Africa competitiveness report (2009), Mauritius, Namibia, and Tunisia were the top-ranked countries in Africa, ranked 43rd, 33rd, and 34th, respectively. The report went further to say that these countries are characterized by good transportation infrastructure by regional standards, particularly their roads and ports. On the other hand, according to the same report, Morocco was ranked 70th in terms of the infrastructure. This highlights the deplorable state of the basic infrastructure in Morocco such as transportation, telecommunication, water and electricity. The World Bank measures the infrastructure barriers for getting electricity by the number of procedures officially required and the time required (measured in calendar days) and official costs required (measured as a percentage of the economy's income per capita) for a business to obtain an electricity connection for a newly constructed building. According to the report "Getting electricity: A pilot indicator set from the Doing Business project" (2010), getting electricity in Morocco required five procedures. The time required to obtain such a connection was 71 days and the cost was 2295 DH.

Socio-cultural factors

Several researchers in the field of entrepreneurship have emphasized the importance of socio-cultural environment and background of the people in the development of entrepreneurship as well as in small business development

(Dosoglu-Guner, 2001; Fogli & Fernández, 2009; Halkos & Tzeremes, 2011). The socio-cultural factors involve the social and cultural aspects of the environment. These consist of customs, lifestyles, and values that characterize the society in which firms operate. Several researchers argued that these factors have far-reaching influence on the business performance (Wasilczuk, 2000; Boddy, 2002; Gurol & Atsan, 2006). The socio-cultural factor considered in this review is access to networking.

Access to networking

A network is a specific type of relation linking a defined set of persons, objects or events or a set within which certain types of mutually rewarding relationships exist. From such a network, an entrepreneur can obtain resources and get critical support for the development and growth of a business (Dodd & Patra, 2002; Harris & Wheeler, 2005). Networks can be categorized as those that provide personal support, professional support (entrepreneurial networks) or public support (social networks) (Jack & Robson, 2002; Dodd & Patra, 2002; Markman & Baron, 2003; Hite, 2005).

In business, entrepreneurs are required to deal with many people including suppliers, customers, employees, government authorities, competitors, and other stakeholders. This contact gives them access to information and other resources (Jenssen & Greve, 2002). Resources that can be obtained through networking include information about business opportunities, innovation, referrals, business linkages, shared costs, networks of business partners, professionals, technicians, specialists, generalised consultants, the supply chain, potential contractors, bankers, distributors, clients, customer linkages, sector-based trade associations, professional memberships, chambers of commerce, institutional ties as well as networks of collaboration and coordination (Zhao & Aram, 1995; Li & Ferreira, 2006; Batjargal, 2006). Evidence has suggested that small firms in particular are critically dependent on their networks, because it is through these that they gain advice and support from professionals and experts such as lawyers, accountants, and consultants (Ramsden & Bennett, 2005), government bodies, research and training institutes, and even suppliers and customers (Ritter &

Gemunden, 2004). This is consistent with the resource dependency theory (Barringer & Harrison, 2000), which suggested that entrepreneurs use their social relations to get the resources they need to support their business (Hansen, 2001; Jenssen, 2001).

Network theory suggests that the ability of owners to gain access to resources not under their control in a cost effective way through networking can influence the success of business ventures (Zhao & Aram, 1995). Florin et al. (2003) suggested that networking can provide value to members by allowing them access to the social resources embedded within a network; that is, networking can provide the means by which SME owners can tap needed resources that are 'external' to the firm (Jarillo, 1989). Julien (1993) observed that this form of cooperation can facilitate the achievement of economies of scale in small firms without producing the diseconomies caused by large size. Using networks can, therefore, potentially lower a firm's risk of 'failure' and increase its chances of 'success'. A number of studies have documented a positive association between networking and various aspects of firm performance. For example, Duchesneau & Gartner (1990) found that successful firms were more likely to have used professional advice. Kent (1994) found that the financial performance of a group of small pharmacy businesses was positively related to using external management advisory services. Donckels & Lambrecht (1995) found that network development, particularly at the national and international level, was positively associated with firm growth. In a longitudinal study conducted by Watson (2007) on Australian firms, findings indicated a significant positive relationship between networking (particularly with formal networks such as external accountants) and both firm survival and, to a lesser extent, growth, but not return on equity. Larsson et al. (2003) found that a lack of contacts with outside expert advisers was an obstacle to the expansion of small businesses. Hustedde & Pulver (1992) found that entrepreneurs who failed to seek assistance were less successful in acquiring equity capital and, similarly, Carter et al. (2003) reported that the more varied the group of business advisers a women business owner consulted, especially professional advisers, the more likely she was to succeed in securing equity financing.

However, although the arguments in favour of networking appear compelling and most of the existing literature is premised on the belief that networking is beneficial (Havnes & Senneseth, 2001), there has been little empirical evidence to date of an association between firm performance and the owner's use of networks, particularly for established businesses. Indeed, Aldrich & Reese (1993) were unable to find any evidence linking an entrepreneur's use of networks to business survival or performance and, similarly, Cooper et al. (1994) were unable to find a significant relationship between the use of professional advisers and firm survival.

Networking in Morocco, which is a Muslim and Arab country, works in a different way than it does in Western countries. Hutchings & Weir (2006) argued that Muslim societies are wholly networked and all business activities revolve around these networks. Weir (2002) expounded that networking is intrinsically tied to trust, social structures, and family connections. Thus, building relationships and connections – the concept of *wasta* – prior to transacting business, which could be costly, is essential for the success of the firm. The focus here is not on the product or the service provided, but is on the *wasta* concept. Arab owner-managers of SMEs could secure markets contracts, grab opportunities, and increase their chance of success based on the strong connections (*wasta*) they have. This is in total contrast with the Western practice that emphasises the immediate transaction itself and not the relationship. The latter may only develop later as a separate function to the business transaction (Hutchings & Weir, 2006).

3.6.2.2 Micro-environmental factors

The business dictionary (2012) defines the micro-environmental factors as “factors or elements in an organization's immediate area of operations that affect its performance and decision-making freedom. These factors include competitors, customers, distribution channels, suppliers, and the general public. Generally, deficiencies in the internal micro-environment are the major causes of small business failures. It is perceived that the major causes for these failures are mainly due to the lack of managerial skills, good leadership skills, and financial knowledge.

Customer relationships

There is a large volume of published studies describing the role of customer as a key factor in business performance. The justification for the importance of the customer stems from the marketing concept, which encourages positioning the interests of the customer first. Understanding the customer and keeping the rest of the organization informed about customer changes so that superior value can be delivered is a major function of marketing as a management function. Several studies therefore recognize the long term benefits of current and potential customers and therefore draw our attention to customer relationship management (Dwyer et al., 1987; Morgan & Hunt, 1994; Berry, 1995; Sheth & Parvatiyar, 1995; Hung et al., 2011).

Baumeister (2002) argued that establishing and managing a good customer relationship is a strategic endeavour. In a survey of 203 SMEs in the republic of Botswana, conducted between April and November 2002, Temtime & Pansiri (2004) found that customer relationship was rated highly by the respondents in its impact on the performance of their firms. The finding could be explained by the strong rivalry characterising today's business environment. As noted by Kalakota & Robinson (2001), in order to survive in the global markets and in the increasing competitive environment, focusing on the customer is a key factor for SMEs; and therefore, a company's strategy should focus on how to find and retain the most profitable customers possible instead of just providing superior products or service (Kalakota & Robinson, 2001). It is important here to recognize that many studies have focused on the different strategies used by firms in order to develop and manage strong customer relationships. In the study of Temtime & Pansiri (2004) mentioned earlier, service and merchandising firms spent much time and resources to retain their customers. Clearly, this indicated that customer loyalty and retention were the main strategy for these firms to achieve competitiveness. This view was supported in the study of Ben Mlouka & Jean-Michel (2008), which revealed that among the five important factors related to the competitive ability of firms in Tunisia was marketing strategy where customer loyalty and customer retention were important. Baumeister (2002) argued that customer retention is in particular important, in view of the limited resources available to SMEs.

Supplier relationships

In recent years, there has been an increasing amount of literature on the effect of suppliers on the performance of businesses. Several studies have identified supplier relationships as critical to any organization. Suppliers could directly influence production costs, quality and schedules as well as the timeliness of delivery of goods and services. The literature has further highlighted that supplier relationships are of particular importance to SMEs. As suggested by Gelinas & Bigras (2004), small businesses of all sizes need an established supply chain function to be successful in a complex business environment. Dollinger & Kolchin (1986) conducted a study of 81 small businesses in the Lehigh Valley (Pennsylvania) and found that purchasing was considered as a vital task for SMEs due to their dependence on external resources (such as gaining access to valuable supplier capabilities and information), particularly in lean times. This view is echoed by Ellegaard (2006) who argued that SMEs rely on their networking capabilities in order to access external resources. Similarly, Jones (1996) emphasised the importance of supplier capabilities in his study, reporting that some SMEs in Australia adopted a progressive mind-set and worked closely with suppliers for mutual gain. Morrissey & Pittaway (2006) provided further evidence that the majority of SMEs reported having good relationships with their suppliers; in many cases it was felt that these relationships were better even than those with customers. As for the selection of suppliers, studies of SMEs' desired supplier capabilities are somewhat fragmented. Pearson & Ellram (1995) found that quality and cost factors were the dominating criteria used when evaluating suppliers. This is broadly in line with Quayle's (2002, 2003) findings, who reported that SMEs emphasized price, quality, capability to support, product and service reliability and time to market as key supplier priorities. Other studies, however, concluded that factors beyond cost and quality are also of importance. More specifically, 'personal attention to client needs', and 'provision of specialized expertise' have been reported as major factors contributing most to the competitive advantage of SMEs (Cambridge Small Business Research Centre, 1992; Kitson & Wilkinson, 1996).

Competitors

Nowadays, SMEs operate within a global context characterized by intensified competition and unknown competitive rivals (Ligthelm & Cant, 2002). Competitive concentration, along with market actions and strategies of competitors have an impact (positive or negative) on the entrepreneurial process (Kangasharju, 2000; Baron, 2004). Therefore, an analysis of the role of competitors and counter-competition intelligence and actions is crucial for the success of an SME (Ligthelm & Cant, 2002; Rwigema & Venter, 2004; Nieman, 2006).

A considerable amount of literature has been published on the resource-based view. These studies emphasised the utilization of internal resources and capabilities of a firm in order to sustain a competitive advantage (Rockart, 1982; Taggart & Taggart, 1997; Gadenne, 1998). According to Dunning (1973) and Oviatt & McDougall (1994), the stronger the capabilities of SMEs, the greater will be the competitive advantage enjoyed over existing or potential local competitors and hence the better their performance. According to Porter (1998), one of the foremost academics on the subject of competition and competitive strategies, the key for competitive success is the strategy. Porter (1998) suggested three generic competitive strategies for business success: cost leadership, differentiation, and focus on a small group of customers. The study of Gadenne (1998) revealed that the success of small firms in the manufacturing industry may depend on maintaining a competitive advantage, which involves a combination of (i) acquiring knowledge of competitors' activities; and (ii) pricing products lower than competitors.

3.7 Success, survival, and growth: questions of perception

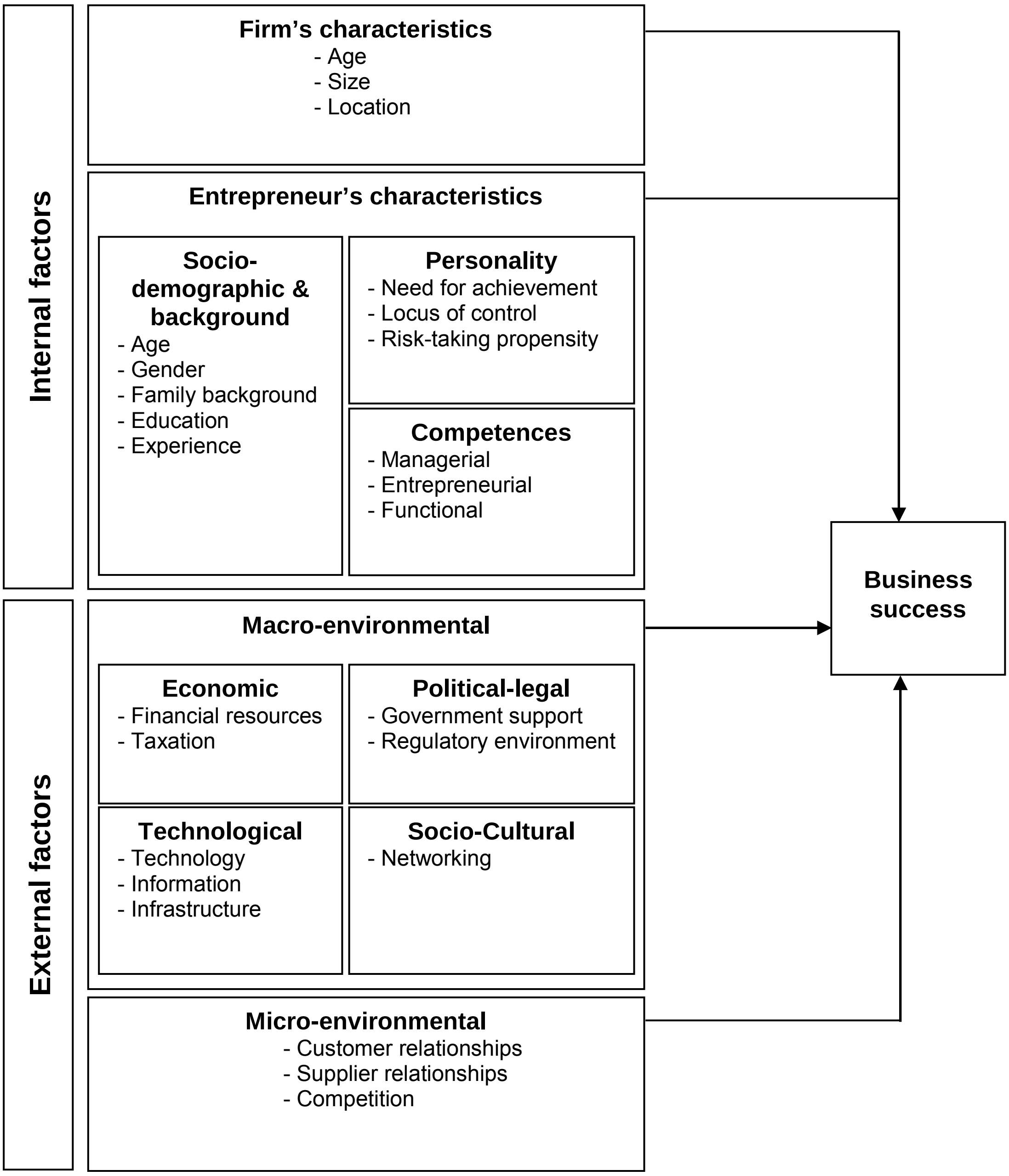
Having covered above the external perspectives on the concept of success (in SMEs) by linking it survival and growth, it is important to highlight here that the focus of this study aims to explore the *perceptions* of entrepreneurs themselves of success factors. Simpson et al. (2004) argued that every entrepreneur has his/her own perception of business success. They further stated that success determined from outside has little relevance if the entrepreneurs do not see themselves as successful. Therefore, 'success' in this study is examined from a broad perspective where not only entrepreneurs' ***objective*** but also ***subjective*** perceptions of success are considered. Many studies about the 'success' of SMEs contain an implicit assumption of the links between 'success' (usually defined in financial terms) and associated set of causal variables. Often, the important (i.e. more powerful explanations/causal variables) are labeled as critical success factors (CSFs). Few CSFs identified, however, are stable over a range of studies. In general, the CSFs are not examined through the perceptions of entrepreneurs, but through the use of aggregate data. A few studies, such as that of Teng of SMEs in Singapore (2011) have used perceptual measures obtained directly from SME owner-managers. This study follows in this tradition, eschewing aggregate data, and focusing on SME owner-managers' perceptions of the success factors.

Examining the perceptions of entrepreneurs in relation to success factors is important for three major reasons. Firstly, not all business owners are profit-motivated and have the intention of growing. The emphasis on growth and its quantity is often derived from perspectives that try to promote growth for the benefit of society. Whilst this may be consistent in a macro-economic perspective, it is true that this adoption of high-growth is not always the life world of SMEs. In a number of studies, owner-managers of small firms stated clearly that they have no intention of growing and that profit maximization is not an important goal (Greenbank, 2001; Walker & Brown, 2004). Indeed, it must be established here that despite the great deal of research about growth, the latter is not the norm within SMEs. Most firms start small, live small and die small. They never embark on a significant growth trajectory (Curran, 1986; Stanworth & Curran, 1986; Storey, 1994; Reynolds & White, 1997; Aldrich & Ruef, 2006). In this regard, financial indicators do not measure non-pecuniary results that owners may value (Ray, 1993; Orser & Hogarth-Scott, 2002). Consequently, studies investigating the attributes of firm growth and business ownership suffer from missing variable bias. Secondly, the success criteria embraced by policy makers who put emphasis on job creation may not accord with those envisaged by SME owners. While 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. Hence, it can be argued here that the majority of studies about the success of SMEs often tend to respond to the interests of policy makers and policy practitioners. The identification of policies in relation to the success factors tends to be viewed from an economic development approach and lends itself to the construction of international comparisons of the business environment. Whilst these comparisons are important and whilst informing policy and practice is also important, the reports produced hardly do justice to the dynamics of small business engagement in the economy. It is important to highlight here that unless there is congruence between the goals of public policy and those of business owners, government initiatives may be misdirected or ineffective. Thirdly, the definition of 'success' is conceived to vary across cultures, gender, or other salient dimensions. Studies investigating the behavioural dimensions of entrepreneurship have found differences in motivations, management styles, entrepreneurial behavior and the meaning of success for individuals from different cultures. For example, there are individuals who choose entrepreneurship because of a need of approval, perceived instrumentality of wealth or a need for personal development. This clearly shows the impact of culture on entrepreneurial activity (Hofstede, 1980a, 1980b; Scheinberg & Macmillan, 1988; Mitchell et al., 2000; Shane & Venkataraman; 2000; Mueller & Thomas, 2001; Kollinger et al., 2007). Furthermore, several studies found that the success tends to be differently defined by women and men. While men tend to place a greater emphasis on economic values and quantitative measures of success, women are inclined to assign more importance to social features and qualitative criteria (Larwood & Gutek, 1987; Williams; 1987; Unger & Crawford, 1992). Therefore, the very different ways in which people may perceive success and success factors should be considered.

3.8 Development of the conceptual framework

This literature review has explored and critically discussed the factors that are considered to be influential on the success of a small business. From these factors, a conceptual model was developed (see Figure 3-1). This model was then used to construct hypotheses that could be tested within the context of the city of Tangier in Morocco. In the proposed framework, the factors were treated as independent variables, while the dependent variable was the perceived business success.

Figure 3-1: Conceptual framework of the study



Source: Author

3.9 Hypotheses of the study

Based on the systematic literature review of the business success factors, 25 statistical, non-directional hypotheses were developed to describe the causal link between factors and perceived business success. These hypotheses use all the factors that have been identified to influence business success in the literature review of the present study. It is worthwhile to mention that the present study uses the term 'hypothesis' rather than the term 'proposition' because many business research authors state that a hypothesis is a testable proposition (Cooper & Schindler, 2001; Zikmund, 2003). Table 3-3 shows the null statistical non-directional hypotheses (H_0) that were formulated.

Table 3-3: Hypotheses of the study

Research Hypotheses
Hypothesis 1 (H_0^1) There are no significant differences between successful and less successful businesses in relation to the self-reported age of the business.
Hypothesis 2 (H_0^2) There are no significant differences between successful and less successful businesses in relation to the self-reported size of the business.
Hypothesis 3 (H_0^3) There are no significant differences between successful and less successful businesses in relation to the self-reported location of the business.
Hypothesis 4 (H_0^4) There are no significant differences between successful and less successful businesses in relation to the self-reported gender of the entrepreneur.
Hypothesis 5 (H_0^5) There are no significant differences between successful and less successful businesses in relation to the self-reported age of the entrepreneur.
Hypothesis 6 (H_0^6) There are no significant differences between successful and less successful businesses in relation to the self-reported education of the entrepreneur
Hypothesis 7 (H_0^7) There are no significant differences between successful and less successful businesses in relation to the self-reported years of work experience of the entrepreneur.
Hypothesis 7a (H_0^{7a}) There are no significant differences between successful and less successful businesses in relation to the self-reported relevance of experience of the entrepreneur to the business.
Hypothesis 8 (H_0^8) There are no significant differences between successful and less successful businesses in relation to the self-reported education background of the parents of the entrepreneur.
Hypothesis 8a (H_0^{8a}) There are no significant differences between successful and less successful businesses in relation to the self-reported self-employment background of parents of the entrepreneur.
Hypothesis 9 (H_0^9) There are no significant differences in the self-reported need for achievement of the entrepreneur between successful and less successful businesses.
Hypothesis 10 (H_0^{10}) There are no significant differences in the self-reported locus of control of the entrepreneur between successful and less successful businesses.

Table 3-3 (continued)

Research Hypotheses
Hypothesis 11 (H_0^{11}) There are no significant differences in the self-reported propensity of risk-taking of the entrepreneur between successful and less successful businesses.
Hypothesis 12 (H_0^{12}) There are no significant differences between successful and less successful businesses in relation to their perceptions on entrepreneurial competences.
Hypothesis 13 (H_0^{13}) There are no significant differences between successful and less successful businesses in relation to their perceptions on managerial competences.
Hypothesis 14 (H_0^{14}) There are no significant differences between successful and less successful businesses in relation to their perceptions on functional competences.
Hypothesis 15 (H_0^{15}) There are no significant differences between successful and less successful businesses in relation to the self-reported availability of finance.
Hypothesis 15a (H_0^{15a}) There are no significant differences between successful and less successful businesses in relation to the self-reported cost of finance.
Hypothesis 16 (H_0^{16}) There are no significant differences between successful and less successful businesses in relation to the self-reported taxation.
Hypothesis 17 (H_0^{17}) There are no significant differences between successful and less successful businesses on their perceptions of the regulatory environment.
Hypothesis 18 (H_0^{18}) There are no significant differences between successful and less successful businesses on their perceptions of government support.
Hypothesis 19 (H_0^{19}) There are no significant differences between successful and less successful businesses on the self-reported access to technology.
Hypothesis 20 (H_0^{20}) There are no significant differences between successful and less successful businesses on the self-reported access to information.
Hypothesis 21 (H_0^{21}) There are no significant differences between successful and less successful businesses on their perceptions of the availability of infrastructure.
Hypothesis 21a (H_0^{21a}) There are no significant differences between successful and less successful businesses on their perceptions of the cost of infrastructure.
Hypothesis 22 (H_0^{22}) There are no significant differences between successful and less successful businesses on the self-reported access to networking.

Table 3-3 (continued)

Research Hypotheses
Hypothesis 23 (H_0^{23}) There are no significant differences between successful and less successful businesses on their perceptions of the importance of customers.
Hypothesis 24 (H_0^{24}) There are no significant differences between successful and less successful businesses on their perceptions of the importance of suppliers.
Hypothesis 25 (H_0^{25}) There are no significant differences between successful and less successful businesses on their perceptions of the importance of competition.

3.10 Summary

This chapter reviewed the literature on the success factors for SMEs. As the idea of success and small businesses are international concepts, the development of these ideas was considered in the general literature available on these topics. Its relevance to the specific situation in Tangier was also investigated. This study enabled a more complete understanding of the identified factors that could impact on the success of SMEs in Tangier. A conceptual model was developed that was designed to determine the perception of these success factors by owner-managers of SMEs in Tangier.

CHAPTER FOUR
SMALL AND MEDIUM ENTERPRISES IN TANGIER

4.1 Introduction

A thorough understanding of the factors affecting the success of small and medium enterprises in Tangier requires the description of different contexts, in particular the economic context. This descriptive chapter presents a brief overview of Morocco and then the city of Tangier, covering the geographical, demographic, historical, political and economic contexts. Then, the detailed information about the structure of SMEs in the economy of Tangier follows. Finally, the external business environment in Tangier is outlined.

4.2 Overview about the Kingdom of Morocco

4.2.1 Geographical description

The Kingdom of Morocco is located in the extreme north-west corner of the African continent. It is bounded on the north by the straits of Gibraltar (15 km) and the Mediterranean Sea, south by Mauritania, east by Algeria and the west by the Atlantic Ocean. Appendix A.6 shows a map of the country of Morocco. Morocco borders both the Mediterranean Sea and Atlantic Ocean. Running through the middle of the country is the Atlas mountain range, which leads to the fertile plains and sandy beaches of the Atlantic coast. The Middle Atlas range sweeps up from the south, rising to over 3000m (9850ft), covered with woodlands of pine, oak and cedar, open pastureland and small lakes. The Rif Mountains run along the north coast. The area of Morocco is 710850 sq km (about three times the size of the UK) in which Western Sahara, claimed by Morocco, has an area of about 266,000 square kilometres. The territory is divided into 16 regions. These in turn are divided into 40 provinces called prefectures, or Wilayas[4].

[4] Wilaya is an administrative division created since 1981 that brings together many provinces or prefectures or both at the same time.

4.2.2 Demographic characteristics

According to the website of the Haut Commissariat au Plan (HCP) (2006), the results of the 2004 general census of population and housing showed that the total population of Morocco was 29 680 069 with 55.1% of the population living in urban areas and 44.9% in rural areas. Between the 10 year census of 1994 & 2004, the average annual rate of demographic growth was 1.4%. Based on projections on census results of 2004, the population is estimated to be 32.597.000 in 2012.

4.2.3 Historical background

Without considering classical antiquity, the history of Morocco spans over 12 centuries in which Berber[5] and Arab[6] dynasties traded power, starting from the Idrisid dynasty[7] in 780 until the current Alaouite Dynasty[8] that has ruled since 1664. Compared to other dynasties, the reign of the Alaouite is considered as the longest and the most stable in the history of Morocco. Following the Tangier crisis[9] in 1905 and the Agadir crisis[10] in 1911, the Treaty of Fez was signed in 1912, effectively dividing Morocco into a French and Spanish protectorate. After 44 years of colonization, Morocco regained independence from France as the Kingdom of Morocco in 1956.

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[5] The Berber Dynasties that ruled in Morocco are: Almoravids, Almohads and the Merinid

[6] The Arab Dynasties that ruled in Morocco are: The Idrissid, the Saadians and the Alaouites dynasties.

[7] The Idrissid Dynasty was established by Idriss I. It represented the first Islamic state in Africa autonomous of the Arab Empire

[8] The Alaouites Dynasty is the name of the current Moroccan Royal family. The name Alaouite comes from its founder, Moulay Ali Cherif who claimed descent from the Prophet Muhammad.

[9] The first Moroccan crisis (also known as the Tangier crisis) refers to the international crisis over the colonial status of Morocco between March 1905 and May 1906. It grew out of a disagreement between Germany on one side and France (with English support) on the other, when the German Kaiser went to Tangier and made a speech in favour of Moroccan independence.

[10] The second Moroccan crisis (Also known as The Agadir crisis or the Panthersprung) was the international tension sparked by the deployment of the German gunboat Panther, to the Moroccan port of Agadir on July 1, 1911.

4.2.4 Political background

Morocco is currently a hereditary monarchy with a bicameral parliament and a multi-party political system. It is one of the oldest monarchies in the world. It is governed by a constitution promulgated in 1996. Morocco's Head of State is the King Muhammad VI who assumed the throne after the death of his father in 1999. Granted by the constitution, the King is also the highest religious leader known as 'The Commander of the Faithful'.

Similar to the UK, Morocco has a constitutional monarchy. This means that the King does not rule the country, but appoints the government chosen by people in democratic elections. However, following the pressure caused by a wave of pro-democracy demonstrations, led by the 20 February movement, which swept through the country since February 2011, the King introduced a new constitution which raised a number of reforms restricting his powers. One of the main powers restrictions was that the King cannot choose any prime minister he wants anymore, but must respect election results and name "the president of the government," as the prime minister is now called, from the party that received the most votes.

The system of government in Morocco is a parliamentary democracy. The Parliament is composed of two houses: The House of Counselors (upper house) and the House of Representatives. The House of Councilors consists of 270 members that are elected by indirect vote to serve 9-year terms. In the Chamber of Representatives, 295 members are elected through a closed-list proportional representation system to serve 5-year terms and 30 members are reserved for women to serve 5-year terms.

4.2.5 Economic context

Morocco's economy has been increasingly dominated by the service sector since 1988, in terms of the gross domestic product (GDP). According to the World Bank report "Morocco at a glance" (2009), the service sector comprises 55% of the GDP, whereas the industry and agricultural sectors comprise 30.3% and 14.6% of the GDP respectively.

4.3 Overview of Tangier

4.3.1 Geographical description

Tangier is a city located in the far northern part of Morocco. It lies on the North African coast at the western entrance to the Strait of Gibraltar where the Mediterranean meets the Atlantic Ocean off Cape Spartel. It is bordered on the north by the Mediterranean Sea and the Strait of Gibraltar, south by the province of Larache, east by the province of Tétouan and the West by the Atlantic Ocean. It is the capital of the Tangier-Tétouan Region and of the Tangier-Assilah Prefecture within that region. The area of the Tangier-Tétouan region is 11.570 sq km, which constitutes 1.6% of the total land area of the country. A map of the Tangier-Tétouan region is provided in Appendix A.7.

4.3.2 Demographic background

According to HCP (2006), the results of the 2004 general census of population and housing (RGPH) showed that the population of the Tangier-Tétouan region accounted for 2 470 372 inhabitants in 2004 compared to 2 036 032 inhabitants identified in the 1994 census. Report of the 2004 census highlighted that in terms of average annual growth, the region's population has grown at 2% between the 10 year census of 1994 & 2004. The report further stressed that the annual growth remained relatively stronger than the national annual growth (1.4%). With regard to the distribution of the population in terms of age, 33% of the inhabitants of the region were under 15 years, 59% were aged between 15 and 59 years and nearly 8% were 60 and over. The rate of activity in the region is about 45.7% and the unemployment rate is relatively low, 8.6% against 9% nationally.

Within the Tangier-Tétouan region, the total population of Tangier was 853 461 which accounted for nearly 35% of the total population of the region and almost 3% of the whole population of Morocco, with 58% of the population living in urban areas and 42% in rural areas. The density of the population in Tangier is the highest in the region with 816 inhabitants per square km compared to 213 inhabitants per square km in the Tangier-Tétouan region.

Since 2004, data about the population of the Tangier-Tétouan region was based on projections on census results of 2004. According to the report “Maroc en chiffres” of the HCP (2009), the population of the Tangier-Tétouan region was estimated to 2.6 million inhabitants in 2009; of which 952 000 constituted the population of Tangier.

4.3.3 Historical background

The strategic position of Tangier (access to both the Mediterranean Sea and the Atlantic Ocean), has made it highly desirable. The city was first occupied by ancient Phoenician, Roman and Arab conquerors. The Portuguese captured the city in 1471 and then gave it to England as part of the royal dowry that Catherine of Braganza brought to Charles II in the 17th century. While the rest of Morocco was divided between Spanish and French protectorates in 1912, Tangier was granted special status after ongoing ownership disputes between England and France. It officially became an international city, governed by an international commission in 1923. The international city status of Tangier drew people from all over the world, and from all walks of life. Following the achievement of Moroccan independence from France in 1956, Tangier was integrated with the Moroccan state. It has remained notable for its cosmopolitan character until today.

4.3.4 Political background

Appointed by the King and regional councils, Wali (the governor) is responsible for managing the region of Tangier-Tétouan. Tangier has a local government consisting of a centrally appointed governor and an assembly elected by municipal councils. These provincial governments handle local responsibilities delegated to them by the central government, such as rural investment and some social services. Each municipality has a mayor and an elected municipal council, which are responsible for basic services involving public health and safety. Local governments lack autonomy from the central government, which is responsible for taxation and budgeting at all levels of public administration. However, in recent years the central government has been trying to boost the authority of local governments.

4.3.5 Economic context

The economy of Tangier is the third biggest of all Moroccan cities, after the economic capital Casablanca and the political capital Rabat. Tangier is Morocco's second most important industrial center after Casablanca. The industrial sectors are diversified: textile, chemical, mechanical, metallurgical and naval (Wikipedia, 2010). Further details about the economy is covered in the next section about the structure of SMEs in Tangier.

4.4 The structure of SMEs in Tangier

In the absence of reliable statistics, and given the large share of the informal economy, the attempt to examine the small and medium sized business sector of Morocco remains hindered by a lack of systematic information on its size and structure. Therefore, it is difficult to present a real and clear national or regional level picture on the SME sector in Morocco due to a lack of information. Nevertheless, according to available statistics from the website of the MICNT (2007), SMEs are present in all the sectors of the economy in Tangier: primary, secondary and tertiary. The following sections provide a description of the structure of SMEs in Tangier in each of these sectors.

4.4.1 The primary sector

The primary sector of the economy involves changing natural resources into primary products. The major activities associated with the primary sector in Tangier include agriculture and fishing. The agriculture sector plays a vital role in the Moroccan economy since it accounts for 11% and 20% of the GDP and employs 40% of the active population. With respect to the fishing sector, the Tangier-Tétouan region has two coastlines of a sea area of 370 km in which five ports are established: M’diq, Jebha, Tangier, Assilah and Larache. In 2007, the production via these ports was estimated at 32,253 tons, worth 410,126 thousand dirhams. The port of Tangier contributes to the production of 27.7% of this volume. The fishing sector employs nearly 14,100 people whose largest part is active in the ports of Tangier, M’diq and Larache with percentages of 30.3%, 26% and 18.3% respectively.

4.4.2 The secondary sector

The secondary sector includes those economic sectors that create a finished, usable product. The major activities associated with the secondary sector in Tangier are: industry, crafts, and construction activities.

After the region of Great Casablanca, the region of Tangier-Tétouan is the second industrial region in the Kingdom with nearly 10% of active enterprises and nearly 17% of employees at the national level (MICNT, 2007). The available data from the MICNT (2007) showed that the region of Tangier-Tétouan has more than 760 industrial companies. The industry activity of the region consists mainly of SMEs with a rate of 88 per cent of the total of the existing units. More than half of these enterprises are of small size (Less than 50 employees) (MICNT, 2007). Table 4-1 shows the distribution of the industrial SMEs in the region of Tangier-Tétouan using the number of staff criteria.

Table 4-1: Distribution of the industrial SMEs in the Tangier-Tétouan region

Province	All enterprises	%	Number of SMEs	%
Tangier	384	50	310	46
Tétouan	303	40	296	44
Larache	60	8	56	8
Chefchaouen	18	2	18	2
Total	**765**	**100**	**680**	**100**

Source: Ministry of Industry, Commerce, and New Technologies (2007)

The city of Tangier is Morocco's second most important industrial centre after Casablanca and the first industrial city in the region of Tangier-Tétouan. According to the website of the MICNT (2007), there are 384 industrial enterprises in Tangier. Although these enterprises cover a diversity of industries, the industry activity remains dominated by the textile sector which represents 75% of the industrial workforce. The city essentially comprises seven industrial zones, of which four are free zones:

- The Tangier Free Zone (TFZ), which was founded in 1999 and became operational in 2000. The zone covers 345 hectares and meets international norms regarding the quality of fittings and services, and the security of goods and persons. Furthermore, it enjoys some significant fiscal advantages. To date, TFZ has been very successfully marketed, accommodating nearly 300 companies. It is crowded by foreign firms from France, Germany, Italy, Japan, Portugal, Spain, and the United States engaged in more than 100 export-integrated activities: textiles and leather, electrical parts (wiring looms for Volkswagen), electronic components (Phillips), mechanical parts (Airbus parts); fish industry, chemical products (paramedical equipment), manufacturing (textiles), plastic products, and offshore services.

- Tanger Med Logistics Free Zone (LFZ): Established in December 2008, the free zone is located within the Tanger Med port, one among the biggest port in Africa. The zone covers 250 hectares which is exclusively dedicated to value added logistics activities (assembly, packaging, knitting, etc.). Because of its strategic location, the zone represents an ideal platform to create value-added products at the service of logistics operators working with Europe, North Africa and West Africa.

- Exporting Processing Zones (EPZ) Melloussa I: The zone covers a total land area of 600 hectares

- Exporting Processing Zones (EPZ) Melloussa II: 120 hectares

- The industrial zone of Tangier situated on the road to Tétouan (called M'ghogha), which was created in 1975 and is located on the road from Tangier to Tétouan. Initially, the zone had 118 lots, but because of fragmentation and new extension of the area, the total number is currently 136 lots on a total land area of 138 hectares. According to the **Association de la zone industrielle de Tanger (AZIT)**[11] (2011), 136 firms are established within the zone and nearly 45% of the installed units operate in the field of ready-made clothes, textiles, and leather.

[11] L'Association de la zone industrielle de Tanger (AZIT), was established in 1990. The main activity of the association is the management and the maintenance of the industrial zone of Tangier, the organization of training and awareness activities and the representation of Tangier industrial fabric in its various dealings with the authority, elected officials, administration and public and private organizations.

- The industrial zone Al Majd, which is the smallest and oldest industrial estate covering only a total land area of 18.5 hectares.

- Finally, the industrial zone of Gzenaya, located near TFZ at 15 km from Tangier and covering a total land area of 129 hectares. This area does not meet international standards in terms of infrastructure.

The principal **industrial sectors, in the Tangier-Tétouan region**, consist of: chemical industry, electrical & electronic industry, food processing industry, metal & engineering industry, and textile & leather industry. Table 4-2 shows the distribution of SMEs in different activity branches of such sector in the region Tangier-Tétouan.

Table 4-2: Distribution of SMEs in the activity branches in the region Tangier-Tétouan

Activity Branches	Tangier		Tétouan		Larache		Chefchaouen	
	No of SMEs	%	No of SMEs	%	No of SMEs	%	No of SMEs	%
Textile & Leather Industry	161	52	19	6	0	0	1	6
Chemical Industry	67	22	103	35	13	23	6	33
Metal & Engineering Industry	39	13	69	23	16	29	1	6
Food Processing Industry	35	11	100	34	26	46	10	55
Electrical & Electronic Industry	8	2	5	2	1	2	0	0
Total	**310**	**100**	**296**	**100**	**56**	**100**	**18**	**100**

Source: Ministry of Industry, Commerce, and New Technologies (2007)

With respect to the crafts sector, according to the Ministry of Tourism and Crafts (2010) report, the craft sector is experiencing continuous progress with an evolution of 13% of turnover in the sector in 2010 compared to 2009 and an improvement of 4.6% in terms of employment. The region Tangier-Tétouan is the fourth major centre of craft production in Morocco after Casablanca, Fez and Marrakech. The production structure of the craft in the region is characterized by the predominance of garment wood and wrought iron trades which represent three quarters of the turnover and employment of the region. The region also enjoys a craft reputation especially in the art pottery and silver jewellery industries. As for the craft SMEs, the Ministry of Tourism and Crafts

(2009) asserted that their contribution to turnover and employment in the craft sector remains very modest in the region Tangier-Tétouan with the same percentage of 2% out of the total turnover and also out of the total employment of SMEs in the country.

For the construction sector, according to the report of the Department of Statistics of the HCP (1999), the construction activity which is entitled **Bâtiments et travaux publics (BTP)** includes all the activities related to: (i) site preparation; (ii) construction of buildings or civil engineering; (iii) installation work; (iv) finishing work; and (v) lease of construction equipment with operator. The construction industry in Tangier has experienced a boost from major infrastructure improvement projects, including government financed port facilities and roads, the creation of public housing, and the development of several coastal tourism destinations. It is possible to appreciate the evolution of the construction activity by using indirect indicators which are the volume of sales of cement and the given construction permits.

4.4.3 The tertiary sector

The tertiary sector (also known as the service sector or service industries) involves the provision of services to consumers and businesses. The major activities associated with the tertiary sector in Tangier are: tourism and commerce activities.

For the tourism sector, the privileged location of Tangier with its two maritime coasts along the Atlantic and the Mediterranean, its history and cultural diversity, provide valuable assets for developing the sector. The classified tourist accommodation establishments in Morocco are divided into 11 categories namely: 1 star hotels, 2 star hotels, 3 star hotels, 4 star hotels, 5 star hotels, Village of tourist holidays, tourist residences, guest houses, hostels, motels and boarding houses. According to the Ministry of tourism of Morocco (2008), the region of Tangier-Tétouan is ranked the third after the Souss-Massa-Daraa and Marrakech-Tensift-Al Haouz regions in terms of the total of the classified tourist accommodation establishments. It has a total of 116 establishments in which Tangier comprises 48 establishments. Table 4-3 shows the breakdown of these establishments in the region of Tangier-Tétouan.

Table 4-3: Classified hotels in the region of Tangier-Tétouan (31st December 2008)

City	*	**	***	****	*****	V.T.H	T.R	G. H	Hostels	Motels	B.H	Total
Tangier	9	8	9	6	2	1	3	9	-	-	1	48
Tétouan	4	7	9	4	1	2	1	1	-	-	-	29
Asilah	2	2	2	-	-	-	4	5	-	-	2	17
Chefchaouen	2	3	-	1	-	-	-	10	1	-	-	17
Larache	1	4	-	-	-	-	-	-	-	-	-	5
Total	18	24	20	11	3	3	8	25	1		3	116

*: 1 Star; **: 2 Star; ***: 3 Star; ****: 4 Star; *****: 5 Star
V.T.H: Villages of Tourist Holidays
T.R: Tourist Residences
G.H: Guest Houses
B.H: Boarding Houses

Source: The Ministry of Tourism (2008)

During the month of November 2010, the overnight stays in classified establishments in Tangier have increased by 7% compared to same month in 2009. Furthermore, the occupancy rate during November 2010 improved by 1% compared to the same month in 2009, reaching a rate of 45%. Table 4-4 shows in detail the volume of nights spent in classified establishments in Tangier compared to other regions in Morocco for November 2009 and 2010.

Table 4-4: Volume of nights spent in classified establishments in Tangier

City	Nights spent in classified accommodation establishments			Occupancy rate (%)	
	Nov-09	Nov-10	Variation 2010/2009 (%)	Nov-09	Nov-10
Marrakech	431 053	466 610	8	47	47
Agadir	259 350	318 963	23	43	51
Casablanca	117 497	123 561	5	49	51
Fez	61 521	57 642	-6	37	33
Tangier	49 044	52 585	7	44	45
Rabat	48 097	48 363	1	53	53
Ouarzazate	35 154	29 199	-17	23	18
Essaouira	15 621	24 346	56	23	26
Meknès	15 766	17 312	10	25	28
El Jadida-Mazagan	7 050	18 883	55	26	34
Tétouan	9 227	8 752	-5	15	15
Oujda-Saidia	7 050	7 125	1	32	17

Source: Ministry of Tourism. Department of Tourism and the Observatory of Tourism (2010)

4.5 The external business environment in Tangier

4.5.1 The regulatory environment

In order to develop a deep understanding about the regulatory environment of Tangier, this section presents the World Bank's 'Doing Business' data which offer quantitative indicators of the quality of business regulation. The World Bank's 'Doing Business' data was collated after conducting a regional 'Doing Business' study that sought to identify and compare the business practices in eight cities in Morocco including Tangier. The methodological approach used in the Doing Business exercise raises some debate. Nonetheless, the findings are useful in indicative terms and in highlighting the areas of strengths and weaknesses, in terms of doing business in Tangier. According to their regional report "Doing Business au Maroc" (2007), the regulations affecting four stages of a business's life are measured: starting a business, dealing with construction permits, registering property and enforcing contracts.

- **Starting a business**

According to the World Bank report "Doing Business au Maroc" (2007), which studied the regulations that promote or limit the economic activity, the procedures for starting a business in Morocco are similar in all regions. This represents an average of 8 procedures, 11 days and 17% of gross income per capita. However, in practice, there are great differences as to what a SME spends in order to fulfil all the formalities required. Tangier is ranked 8 out of 8 regions in Morocco and is considered to be the most difficult area for starting a business whereas Kenitra and Settat are the simplest areas. The World Bank report goes further to say that in order to start a business in Tangier, 8 procedures are required. These procedures take 13 days and the cost of starting such a business, measured as a percentage of the country's income per capita, is 20.5% and the minimum capital, also measured as a percentage of the country's income per capita is 59.8%. In terms of the paid-in minimum capital, entrepreneurs must deposit at least 15% of per capita income in a bank account in order to obtain a business registration number in all regions of Morocco. Appendix A.8 shows the average regional ranking in terms of procedures, time, and cost to create and begin managing a limited liability company. Cities represent the corresponding regions. The appendix also shows the total number of days required to start a business and the cost that a firm has to bear.

- **Dealing with construction permits**

For dealing with construction permits, according to the World Bank report "Doing Business au Maroc" (2007), building a warehouse in Tangier requires 20 procedures, takes 112 days and costs 350.8% of per capita income. Appendix A.8 highlights the average regional ranking in terms of procedures, time, and cost to build a warehouse. Cities represent the corresponding regions. Furthermore, the appendix shows the total number of days required to build a warehouse and the cost that an entrepreneur has to bear.

- **Registering property**

The World Bank regulatory barriers for registering property are measured by the number of procedures officially required to register property and the time to register property (measured in calendar days) and official costs to register property (measured as a percentage of the property value). According to the World Bank report "Doing Business au Maroc" (2007), registering property in tangier requires 8 procedures, takes 82 days and costs 4.9% of the property value. Appendix A.8 highlights the average regional ranking in terms of procedures, time, and cost to register property. Cities represent the corresponding regions. The appendix also shows the total number of days required and the cost that an entrepreneur has to bear in order to register property.

- **Enforcing contracts**

The World Bank regulatory barriers for registering property are measured by the number of procedures, defined as any interaction between the parties or between them and the judge or court officer, and the time to enforce a contract (measured in calendar days from the moment the seller files the law suit in court until payment is received) and official costs (measured as a percentage of the claim) The costs include: courts costs (including expert fees), enforcement costs (including costs for a public sale of buyer assets) and attorney fees. According to the World Bank report “Doing Business au Maroc” (2007), enforcing contracts in Tangier requires 40 procedures, takes 599 days and costs 23.8% of the property value. Appendix A.8 highlights the average regional ranking in terms of procedures, time, and cost to enforce contracts. Cities represent the corresponding regions. The appendix also shows the total number of days required and the cost that an entrepreneur has to bear in order to enforce contracts.

4.5.2 The tax system

Enterprises in Morocco are subject to a number of taxes: registration fees, stamp duty, value added tax (VAT), corporate tax, urban tax, tax in respect of dividend distributions and share proceeds transfers, and customs duty. By virtue of its geographical situation, Tangier has some significant advantages with regards to the tax policy. The tax policy applied in Tangier differs in the following areas: The Wilaya of Tangier, the export free zones and the free zone of the port of Tangier. Below is a discussion of the tax policy in each of these areas:

4.5.2.1 Tax regime applicable to the Wilaya of Tangier

- ***Corporate tax***

As its name suggests, this is a direct tax that applies to corporations. According to the articles 6-I-D-2, 19-II-C and 247-XIV of the general tax code (2011), enterprises that are installed in the province of Tangier, and whose main activity is within the said province, benefit from a reduced rate of 17.5% for corporate tax[12]. This rate is increased by two and a half points (2.5) for each fiscal year during the period beginning from 1st January 2011 to 31st December 2015. From 1st January 2016, the rate of the general business tax in force will apply, which is currently 30%.

[12] This reduction is combined with the benefits provided for export and crafts enterprises.

- ***Income tax***

The income tax is a direct tax that applies to the following categories of income: professional income, income from agricultural operations, wage income, income from lease of fixed assets, income from capital of furniture. According to the articles 31-I-C-2, 73-II-F-7 and 247-XIV of the general tax code (2011), enterprises that are installed in the province of Tangier, and whose main activity is within the said province, benefit from a reduced rate of 20% for income tax[13]. This was applicable on the income earned from 1st January 2008 to 31st December 2010. This rate is increased by two points per year from 1st January 2011 to 31st December 2015. From 1st January 2016, the normal rate of the income tax should be applied. This reduction is combined with the benefits for exporters and crafts.

4.5.2.2 Tax regime applicable to the export free zones

- ***Corporate tax***

According to the articles 6-II, 19-II-A and IV-II of the general tax code (2011), enterprises installed in the export free zones of Tangier get a total exemption from the corporate tax for a period of 5 consecutive years from the date of commencement of exploitation. Following that, the rate is to 8.75% for 20 years. Beyond this period, enterprises join the common law in relation to corporate tax.

- ***Income tax***

According to the article 6 of the general tax code (2011), enterprises installed in the export free zones of Tangier get a total exemption from income tax for a period of 5 consecutive years from the date of commencement of operation. Following that, they get a reduction of 80% of income tax for 20 years. Beyond this period, enterprises join the common law in relation to income tax.

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[13] This reduction is combined with the benefits that are provided for export and crafts enterprises.

4.5.2.3 Tax regime applicable to the free zone of the port of Tangier

Corporate tax & income tax

According to the articles 6-I-A and 31-I-A of the general tax code (2011), enterprises installed in the Free Zone of the Port of Tangier, created by the Dahir No. 1-61-426 of 22nd Rajab 1381 (December 30th, 1961), are exempt from corporate tax with regards to the operations performed within this area.

4.6 Summary

This chapter was mainly dedicated to the description of the SME sector in the city of Tangier. The chapter emphasised that in view of the large share of the informal economy, it was difficult to present a real and clear regional picture of SMEs in Tangier. Yet, an attempt was made to use available official sources to try to overcome this limitation. Thus, the chapter highlighted the structure of the SME sector as well as the business environment in Tangier. It was found that although the SME sector is thriving in Tangier and the latter is considered to be the second most important industrial city after Casablanca, the regulatory environment still poses several challenges making the Tangier-Tétouan the most difficult region in terms of the ease of doing business. Furthermore, despite the important financial incentives that SMEs in Tangier seem to benefit from, it is concluded that such benefits will cease to be in place for SMEs located outside the free zones by 2016, which could have an impact on the business conduct of these enterprises.

CHAPTER FIVE
RESEARCH METHODOLOGY

5.1 Introduction

The term ‘methodology’ describes the research logic employed by a researcher in a particular project, including basic knowledge related to the subject and research methods in question and the framework employed in a particular context (Sarantakos, 2005). Having undertaken a systematic literature review and consequently developed a theoretical framework, the next stage of this research study is to provide a detailed explanation of how the research was conducted and processed. Thus, the purpose of this chapter is to provide the reader with an understanding of the methodology adopted in this research study to test the theoretical framework concerning the entrepreneurial success in the city of Tangier.

The chapter initially discusses the research philosophy, approaches and strategies employed as well as the reasons for their selection. Secondly, the chapter lays out the suggested research design that has been followed in the current research study, including research phases and process, with a discussion of data collection instruments and analysis. Finally, the chapter ends with a discussion of the ethical considerations that are associated with data collection.

5.2 The research philosophy

The first question that any researcher should raise before conducting a research project is what research philosophy will be adopted. The research philosophy refers to the scientific practice based on assumptions about the world and the nature of knowledge (Collis & Hussey, 2003). Each and every research philosophy is grounded in a particular paradigm or ‘world view’. For Denzin (2000), paradigms are theories about how the world works, what the character of humankind is and what it is feasible to know and not know. Guba &

Lincoln (1994) have made a very useful contribution to articulating and differentiating competing paradigms of inquiry. They stated that a paradigm offers a way of categorising a body of complex worldviews that guide action. They go further to say that a paradigm comprises three fundamental sets of beliefs, namely ontology, epistemology, and methodology, which they define as follows:

(i) Ontology raises the basic questions about the nature of reality to be known.

(ii) Epistemology is concerned with how we know the world and what the relationship between the inquirer and the known is. It represents the assumptions about the nature of the relationship between the knower, or the would-be knower, and what can be known. The term epistemology comes from the Greek word epistêmê, term for knowledge.

(iii) Methodology focuses on how we obtain knowledge about the world. It indicates which research techniques are considered appropriate for collecting valid empirical evidence (Guba & Lincoln, 1994).

Furthermore, Guba & Lincoln (1994) identified and described positivism, post-positivism, critical theory, and constructivism or interpretivism as the major paradigms that frame research. Table 5-1 illustrates the differences between these paradigms and their associated strategies, approaches and methods based on Guba and Lincoln’s interpretations.

Table 5-1: Differences between the major paradigms, their associated strategies, approaches and methods.

Philosophical Aspect	Positivism	Post-Positivism	Critical theory	Constructivism / Interpretivism
Ontology	*Realist, Naïve Realism*: *real* reality exists independent of humans. It is unproblematically apprehensible, measurable and operates according to fixed laws of a cause-effect form.	*Critical realism: real* reality is assumed to exist but only imperfectly. It is probabilistically apprehensible due to the imperfectability of human cognitive and intractable nature of phenomena.	*Historical realism: virtual* reality shaped by social, cultural and ethnic values historically crystallizes over time. Humans are not confined to existing in a particular state	*Relativist*: reality is relative to observer, as there are many socially constructed realities that are not subject to any natural laws. Humans continuously construct and reconstruct their reality.
Epistemology	*Dualism/ Objectivism*: The observer and the observed *object* don't affect each others. The aim of the inquiry is to establish cause-effect relationships between the objects of its study. Empirical testing results are assumed to reflect *true* explanation of object's aspects.	*Modified Dualism/ Objectivism*: Preference is given to critical tradition and critical community. The aim of the inquiry is explanation and prediction of knowledge. Findings are *probably true* but always subject to falsifications.	*Transactional/ Subjectivist*: Preference of long-term historical and ethnographic studies. The aim of the inquiry is critique and transformation of knowledge. Findings are *value mediated.*	*Transactional/ Subjectivist*: The observer and the object are interlocked. The aim of the inquiry is understanding and reconstruction of knowledge. Findings are thus created by the observer's interpretation and by the investigation process.
Methodology	*Experimental/ Manipulative:* The inquiry process seeks to verify hypotheses established as facts or laws, and eliminate confounding factors so as to explain the phenomenon as it really is. The aim is to predict and control using empirical quantitative tests.	*Modified Experimental/ Manipulative*: Hypotheses are initially assumed to be false; they are probable facts or laws. Inquiries are done in more natural settings and while collecting more situational data. Multiplism of several methods that may include qualitative techniques.	*Dialogic/ Dialectical*: The inquiry involves a dialogue between the investigator and the participants to transform ignorance into more informed consciousness, initiating changes in the social relations and practices.	*Hermeneutic/ Dialectical*: The inquiry involves a continuous argumentative that seeks to critique, analyse and reanalyse. The aim is to reach a joint construction of a phenomenon by those parties to it.

Source: Adapted from Guba & Lincoln (1994, p. 109)

5.2.1 The adopted research philosophy

The selection of the research philosophy that guided this research study was based on the relevance of such a philosophy to the research questions as well as the research objectives set out in Chapter One. Such a selection, of course, reflects the a priori preferences of the researcher, which will also have informed the selection of research questions to investigate. Bearing this in mind, a post-positivist philosophy was seen as appropriate to answer the research questions and achieve the objectives of the research study. A principal stance within post-positivism that has attracted particular interest in management and organizational studies is critical realism (Al-Amoudi & Willmott, 2011). The reasons for regarding this (post-positivist, critical realist) stance as an appropriate choice are two-fold: First, this research study aims to develop a situational model of critical success factors for SMEs in Tangier. Therefore, the identification of these factors should be put within this context. This suggests that various factors could influence reality construction such as: culture, age, religion, language, etc., since Tangier is unequivocally a cosmopolitan city, rich in historical and cultural influences. Consequently, this research study logically can be labelled as post-positivist, as it posits that reality does not exist within a vacuum, but rather its composition is influenced by context, and many constructions of reality are therefore possible (Hughes, 1994). Al-Amoudi and Willmott (2011, p. 30) quote a personal communication from Roy Bhaskar (considered by many to be the progenitor of the critical realist approach): “The criteria for preferring one explanation rather than another is [*sic.*], at least in part, dependent on the historico-cultural community in which debates about competing claims are staged”. Knowledge, it can be said, is historically transient and contingent on our perspectives, histories and experiences.

Second, post-positivist philosophy may stress the use of multiple methods, which might include quantitative and qualitative techniques. According to Healy & Perry (2000), within a critical realist framework, both qualitative and quantitative methodologies are seen as appropriate for researching the underlying mechanisms that drive actions and events. This is entirely suitable for satisfying the research objectives of this study. The first two objectives are descriptive in nature and seek to identify the perceived critical success factors for SMEs in Tangier, as well as the differences that exist between less successful and successful enterprises, in relation to the identified perceived success factors. To achieve these objectives, quantitative methods can potentially be used. The third objective is exploratory and seeks to understand and gain insights of how do SME owner-managers in Tangier see these factors for business ‘success’ in relation to their experiences in the city of Tangier. This implies the use of qualitative methods.

More generally, in relation to the four key features of critical realism in management and organization studies (Al-Amoudi & Willmott, 2011), the study draws on a specific recognition that knowledge does not exist in a separate world, but rather referents and referenced co-exist. ‘Success’ (the intransitive object of the entrepreneur’s knowledge) may become greater or lesser, just as the meaning invested (transitive object in the entrepreneur’s mind) in the concept of ‘success’ itself may change over time. Secondly, the generative mechanisms for knowledge deal with the empirical (the entrepreneur’s experiences of success), the actual (the events or occurrences that define the success) and the real, the mechanisms that underpin the experiences (measurements, accounting devices). Judgemental rationality rests on shared reference points – the theories and explanations are, thirdly, recognized as being different not just because of their suppositions, but because, though they concern the same world, they grow from different beginnings. Fourthly, epistemological relativism informs the initial stance: the research sets out with a recognition that the choice of Tangier as a setting for the study will mediate the generative mechanisms and other aspects to produce insights that are both bounded by, but rendered more interpretable by, the confines of the study.

5.3 The research purpose

According to Saunders et al. (2007), three main purposes of research activity are most often identified in the literature; these are exploratory, descriptive, and explanatory purposes. They further argue that research may have more than one purpose.

Exploratory research studies what has not previously been studied and attempts to identify new knowledge, new insights, new understandings, and new meanings and to explore factors related to the topic (Brink & Wood, 1998). Descriptive research provides an accurate account of characteristics of a particular individual, event or group in real-life situations (Polit & Hungler, 1999). Burns & Grove (1993) expounded that the purpose of a descriptive research is to provide the perceptions and views of the respondents about the phenomenon studied. As for explanatory research, it concerns with determining cause-and-effect relationships (Zikmund et al., 2010). Moreover, explanatory research moves beyond description to seek to explain the patterns and trends observed (Veal, 2005).

Jackson (1994) contended that the researcher should identify the purpose(s) by correlating the research questions to the research objectives. Based on this contention, in this research study, the research questions were correlated to the research objectives and one could conclude that the research is descriptive and exploratory. It is descriptive because it attempts to answer the first two descriptive questions of the research study and eventually identify and describe the factors that contribute to the success of SMEs in Tangier in Morocco.

The study is also exploratory since it attempts to answer the last exploratory question in order to understand and gain insights of how do SME owner-managers in Tangier see these factors for business 'success' in relation to their experiences in the city of Tangier. Furthermore, few studies exist in the context of Morocco and as far as the researcher is aware, no previous studies exist in the context of Tangier. Therefore, achieving the last objective by answering the exploratory question will help in identifying new knowledge, new insights, new understandings, and new meanings and to explore factors related to the entrepreneurial success in Tangier.

5.4 The research approach

According to Creswell (2003), the selection of the research approach is a critically important decision. The research approach does not simply inform the research design but it gives the researcher the opportunity to consider critically how each of the various approaches may contribute to, or limit, his study, allow him/her to satisfy the articulated objectives and design an approach which best satisfies the research's requirements (Creswell, 2003).

The research approach, as explained by Hair et al. (2003) embraces the quantitative versus the qualitative and the deductive versus the inductive. Each set of approaches is commonly perceived of as referring to polar opposites (Hair et al., 2003). Below is a description of these approaches with an indication of the research approaches adopted for this research and the reasons behind their selection.

5.4.1 Deductive and inductive approach

According to Hussey & Hussey (1997), deductive research is a study in which a conceptual and theoretical structure is developed which is then tested by empirical observation; particular instances are deducted from general influences. In contrast to the deductive approach, the inductive research is defined by Hussey & Hussey (1997) as a study in which theory is developed from the observation of empirical reality; general inferences are induced from particular instances, since it involves moving from individual observation to statements of general patterns or laws.

The major differences between inductive and deductive approaches are described in the following Table 5-2:

Table 5-2: The major differences between inductive and deductive approaches to research

Induction emphasizes	Deduction emphasizes
- Gaining an understanding of the meanings humans attach to events - A close understanding of the research context - The collection of qualitative data - A more flexible structure to permit changes of research emphasis as the research progresses - A realization that the researcher is part of the research process - Less concern with the need to generalize	- Scientific principles - Moving from theory to data - The need to explain causal relationships between variables - The collection of quantitative data - Researcher independence of what is being researched - The application of controls to ensure validity of data. - The operationalization of concepts to ensure clarity of definition - A highly structured approach - The necessity to select samples of sufficient size in order to generalize conclusions.

Source: Saunders et al. (2007, p. 120)

5.4.2 Quantitative and qualitative approach

In social sciences, there are two main types of research in terms of the essentially different types of data that are generated by fundamentally different research approaches: quantitative and qualitative research.

Quantitative research attempts to be objective in nature (Naoum, 1998). It is defined as 'an inquiry into a social or human problem, based on testing a hypothesis or theory composed of variables, measured with numbers, and analysed with statistical procedure to determine whether the hypothesis or theory hold true (Creswell, 1994). According to Brannen (1992), quantitative research is concerned with attitudes and large-scale surveys rather than simply with behaviour and small-scale surveys.

On the other hand, qualitative research consists of detailed descriptions of events, people, interactions and observed behaviours (Patton, 1992) and general opinion. It seeks to describe and explain both perspectives and behaviour of the people studied (Brannen, 1992). Information gathered in qualitative research can be classified under two categories, namely exploratory and attitudinal research (Naoum, 1998). According to Hancock (1998), the main examples of methods of collecting qualitative data are individual interviews, focus groups, direct observation and case studies. Table 5-3 illustrates the differences between the quantitative research and the qualitative research highlighted by Gall et al. (1996)

Table 5-3: Differences between quantitative and qualitative research

Quantitative Researchers	Qualitative Researchers
Assume an objective social reality.	Assume that the participants in it construct social reality.
Assume that social reality is relatively constant across time and settings.	Assume that social reality is continuously constructed in local situations.
View causal relationships among social phenomena from a mechanical perspective.	Assign human intentions a major role in explaining causal relationships among social phenomena.
Take an objective, detached stance toward research participants and their setting.	Become personally involved with research participants, to the point of sharing perspectives and assuming a caring attitude.
Study populations or samples that represent populations.	Study cases.
Study behaviour and other observable phenomena.	Study the meanings that individuals create and other internal phenomena.
Study human behaviour in natural or contrived settings.	Study human actions in natural settings.
Analyse social reality into variables.	Make holistic observations of the total context within which social action occurs.
Use preconceived concepts and theories to determine what data will be collected.	Discover concepts and theories after data have been collected.
Generate numerical data to represent the social environment.	Generate verbal and pictorial data to represent the social environment.
Use statistical methods to analyse data.	Use analytic induction to analyse data.
Use statistical inference procedures to generalize findings from a sample to a defined population.	Generalize case findings by searching for other similar cases.
Prepare impersonal, objective reports of research findings.	Prepare interpretive reports that reflect researchers' constructions of the data and an awareness that the readers will form their own constructions from what is reported.

Source: Gall et al. (1996, p.30)

5.4.3 The adopted research approach

The post-positivist philosophy adopted in this research study stresses the use of multiple methods, which might include quantitative and qualitative techniques. Moreover, in descriptive research, the techniques most often used to collect, analyse and summarize data are quantitative techniques, whereas an exploratory study often uses qualitative techniques. Therefore, a mixed methods approach, incorporating both quantitative and qualitative data, is deemed to be appropriate to carry out this study in order to improve the quality of the research (Kaplan & Duchon, 1988). It should be clarified here that the research used a sequential mixed-methods strategy whose logic became emergent during the course of the research – in other words, he mixed-methods approach developed as the research went along. The study initially followed the tradition used in entrepreneurship research, which has historically been primarily positivist in its paradigmatic stance, using purely quantitative approaches (Curran & Blackburn, 2001; Grant & Perren, 2002; Ahl, 2003; Lewis et al., 2007). Although there has been some movement away from purely quantitative approaches, attention to qualitative methods has generally been limited (Cromie, 1987b; Marlow, 1997). Although results found from the adoption of the quantitative approach were important, they were however inconclusive since constructs used in the survey, derived from the literature, were imposed on respondents. This did not allow an enough understanding of participants' personal view of the salient factors that influence business success. Due to the inconclusive nature of the quantitative survey, it was decided to conduct further research using a qualitative strategy. The quantitative research, however, was vital in order to provide a spring board for the qualitative phase. It aimed to profile respondents according to financial and non financial criteria (e.g. turnover, personal satisfaction) and provided the selection of interviewees that would be able to respond to the issues that were explored further. The reason for the second phase is then derived from the need to illuminate the quantitative findings and potentially enhance our understanding of the salient factors of success in Tangier. Thus, the combination of a mixed methods approach is used in order to provide richer in-depth understanding and insights into participants' perspectives of entrepreneurial success. Furthermore, the mixed methods approach is used to avoid common method bias that could affect the results of this research study. Having critically reviewed the literature systematically and built the theoretical framework, a quantitative approach, using deductive reasoning, was utilised in order to gather appropriate data, test the theoretical framework and gain general understanding of the factors that influence the success of SMEs in Tangier. Following that, a qualitative approach, using inductive reasoning was adopted. The qualitative approach was carried out at this second stage in order to gain an in-depth understanding over the generalized data and to enable the building of the final situational model related to the success of SMEs in Tangier.

5.5 The research strategy

According to Saunders et al. (2007), the main research strategies are experiment, survey, case study, action research, grounded theory, ethnography and archival research. They further argued that a researcher may select one, or even all seven of these strategies, depending on the research question(s) and objectives, the extent of existing knowledge, the amount of time and other resources that are available to the researcher, as well as the philosophical underpinnings of the researcher.

According to the different types of research, there are many different data collection techniques such as interviews, questionnaires, survey, observation, focus group, and documentation review and so on (Saunders et al., 2007). The different data collection techniques have their different advantages and disadvantages, and should be adopted according to the different research purposes. In this research, the data collected include both quantitative and qualitative data, so different methods of data collection have to be adopted to collect the different types of data.

5.5.1 The survey strategy

Saunders et al. (2007) pointed out that the survey strategy allows the researcher to collect quantitative data which can be analysed using descriptive and inferential statistics. Furthermore, according to Galiers (1992), the survey provides a representative sample of the area of study and serves as an efficient and effective means of looking at a far greater number of variables than is possible with experimental approaches. Bryman (2008) argued that a survey can take several forms including a questionnaire, interview, or normative survey.

Based on this and in order to achieve the first and second objectives of this research study, a survey – in the form of a questionnaire – was carried out in order to obtain desired information on the perceived factors that affect the success of SMEs in Tangier in Morocco. The survey method was deemed appropriate for this study for several reasons: Firstly, surveys are cost effective method of collecting data from a large number of respondents (Page & Mayer, 2000). This allows for the quantification of information about the population (Zikmund, 2003) and the use of statistical data analysis (Lukas et al., 2004). Secondly, surveys are perceived to be valuable for sensitive issues (Aaker et al., 2007). In this study, questions related to business success are likely to be viewed as sensitive information and thus utilization of surveys could help facilitate disclosure. Thirdly, due to the length of the questionnaire, surveys are appropriate because they offer a degree of flexibility for the respondents, enabling them to complete the questionnaire at their own time and pace (Aaker et al., 2007).

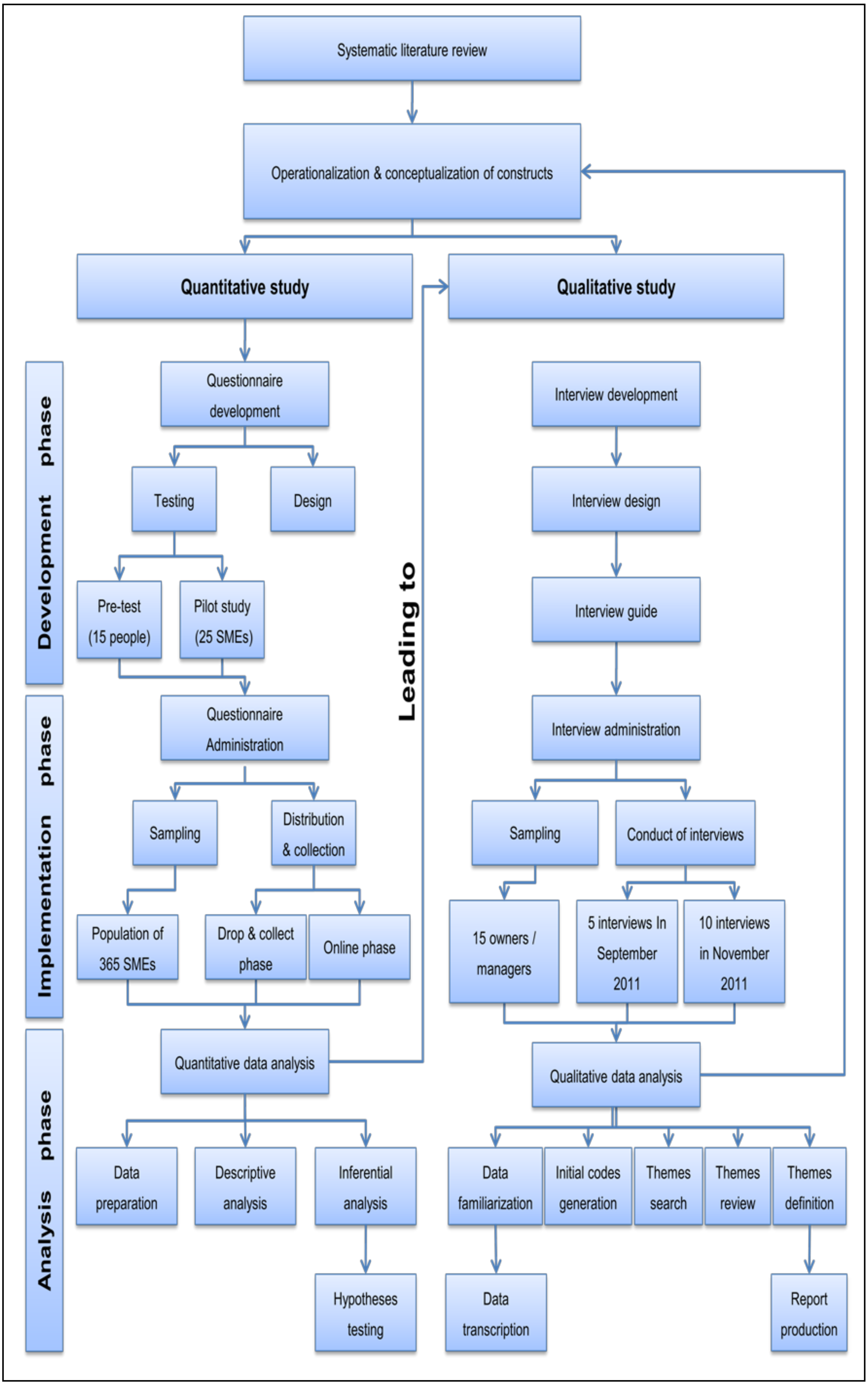
5.5.2 The interview strategy

According to Bowling (2002), interviews are a useful data collection method for enabling respondents to give detailed responses about complex issues. Interviews allow the collection of qualitative data. Interviews can be: structured or semi-structured. In order to explore perceptions and views of owner-managers about success factors, in relation to their experiences in the context of Tangier, semi-structured interviews were used as they are flexible in process and allow the interviewee’s own perspectives to be explored (Bryman, 2008). This helped in achieving the third objective of this study.

5.6 The research design

Babbie (2010) defined a research design as a plan, of how the researcher intends to conduct his or her research. The research design of this research study comprises three phases namely: a developmental phase, an implementation phase, and an analysis / validation phase. Figure 5-1 shows the research design flow chart that was followed. For the sake of clarity, the research design is discussed separately in each phase of the research for the quantitative phase as well as the qualitative phase.

Figure 5-1: Research design flow chart



Source: Author

5.6.1 The developmental phase

The developmental phase involved the conceptualization and opeartionalization of research constructs and the development of the instrument used to measure these constructs. It is worth mentioning here that the theory of levels of measurement (Nominal; ordinal; interval, and ratio), described by Stevens in 1946, was not considered in this study to measure the constructs. The reason for that is that the theory is not based on mathematical grounds. Although Stevens' theory of measurement is very well known in the field of psychophysics and is still referenced in social sciences, there have been several scathing critiques of the theory (Lord, 1953; Duncan, 1984).

5.6.1.1 Conceptualization & Operationalization

The detailed description of research constructs in this study is achieved by each in terms of its conceptualization, operationalization, and source. Construct conceptualization refers to the definition of the construct and what it represents; the operationalization of the construct refers to the translation of the identified constructs to specific concrete measurable items (Cohen et al., 2007); and finally the construct source refers to published literature, from where the construct was taken. Table 5-4 depicts the detailed description of research constructs in terms of their conceptualization, operationalization, and source. In addition, appendix B.1 illustrates the conceptualization and the operationalization of the constructs that have been used in this research study.

Table 5-4: Detailed description of the research constructs

Constructs	Construct conceptualization	Construct operationalization	Construct source
Size of the enterprise (SIZE)	It reflects the understanding of how the size of the enterprise could influence the success of SMEs.	The construct was treated as a classificatory and was measured by two questions representing size of sales and number of employees.	Harabi (2003)
Age of the enterprise (AGE)	It reveals the understanding of the influence of the age of the enterprise on the success of SMEs.	Considered as a classificatory construct, age of the enterprise (AGE) was measured with one question.	Harabi (2003)
Location of the enterprise (LOCT)	It indicates the understanding of how location of the enterprise could influence the success of SMEs.	Classificatory construct which was measured with one question.	Harabi (2003)
Gender of the entrepreneur (GENDER)	It reflects the understanding of the impact of gender on the success of SMEs.	Classificatory construct which was measured with one question.	Rachdi (2006)
Age of the entrepreneur (AGE 1)	It shows the understanding of the impact of age of the entrepreneur on business performance.	Classificatory construct which was measured with one question.	El Hamzaoui (2006)
Education of the entrepreneur (EDUC)	It reflects the understanding of how education influences business performance of SMEs.	Classificatory construct which was measured with one question.	El Hamzaoui (2006), Gray (2006)
Previous experience (PEXP)	It reveals the understanding of how previous experience influences the success of SMEs.	Classificatory construct , which was measured with 3 questions.	Dahlqvist et al. (2000)
Family background (FBAC)	It indicates the understanding of the influence of family background on the success of SMEs.	Classificatory construct which was measured with 2 questions.	Gray (2006), McCline et al. (2000)
Need for achievement (NACH)	The construct reflects the understanding of how the need for achievement quality could impact the success of SMEs.	The measurement of scale was made up of 3 items designed in a 5 likert style format.	Gray et al. (2006)
Locus of control (LCON)	The construct reveals the understanding of the impact of locus of control characteristic on the success of SMEs.	The measurement of scale was made up of 2 items designed in a 5 likert style format.	Gray et al. (2006)
Risk-taking propensity (RTAK)	The construct indicates the understanding of how the propensity for risk taking affects the success of SMEs.	The measurement of scale was made up of 3 items designed in a 5 likert style format.	Delmar (1994)
Managerial competences (MANC)	The construct indicates the understanding of the impact of management competences on the success of SMEs.	The measurement of scale was made up of 3 items designed in a 5 likert style format.	Tazi (1993)
Entrepreneurial competences (ENTC)	The construct exhibits how entrepreneurial competences could affect the success of SMEs.	The measurement of scale was made up of 4 items designed in a 5 likert style format.	Wang & Ang (2004)
Functional competences (FUNC)	The construct expresses how entrepreneurial competences could affect the success of SMEs.	The measurement of scale was made up of 3 items designed in a 5 likert style format.	Baum et al. (2001)

Table 5-4 (Continued)

Constructs	Construct conceptualization	Construct operationalization	Construct source
Financial resources (FINR)	The construct reflects the understanding of the impact of financial resources on the success of SMEs. It was designed to cover: importance of finance, and constraints related to finance.	The measurement of scale was made up of 6 items designed in a 5 likert style format.	El Hamzaoui (2006); Rachdi (2006); Beck et al. (2006)
Taxation (TAXA)	The construct reflects the understanding of how taxation influences the success of SMEs. It was designed to cover: importance of taxation, and constraints related to taxation.	The measurement scale consisted of 3 items in 5 points likert scale format.	Benzing et al. (2009)
Government support (GSUP)	The construct reflects the understanding of how the support of government affects the success of SMEs. It was designed to cover: importance of government support, and constraints related to government support.	The measurement scale consisted of 8 items in 5 points likert scale format.	Jasra et al. (2011); Yusuf (1995)
Regulatory environment (RENV)	The construct reflects the understanding of how the regulatory environment impacts the success of SMEs. It was designed to cover: importance of regulatory environment, and constraints related the regulatory environment.	The measurement scale consisted of 15 items in 5 points likert scale format.	Baron (2002)
Technology (TECH)	The construct reveals the understanding of technology by SMEs. It was designed to cover: importance of technology, and constraints related to technology.	The measurement scale was made up of 3 items designed in a 5 likert point scale format.	Olawale & Garwe (2010)
Information (INFO)	The construct reflects the influence of information on the success of SMEs. It was designed to cover: importance of information, and constraints related to information.	The measurement of scale was made up of 5 items designed in a 5 likert style format.	Swierczek & Ha (2003); Duh (2003); Mead & Liedholm (1998)
Infrastructure (INFR)	The construct reflects the understanding of how infrastructure could impact the success of SMEs. It was designed to cover: importance of infrastructure, and constraints related to infrastructure.	The measurement scale consisted of 7 items in 5 points likert scale format.	Nabli (2007); Clover & Darroch (2005); Tustin (2001)
Networking (NETW)	The construct reflects the understanding of the impact of networking on the success of SMEs.	The measurement scale consists of 4 items in 5 points likert scale format.	Zhao & Aram (1995); Florin et al. (2003)

Table 5-4 (Continued)

Constructs	Construct conceptualization	Construct operationalization	Construct source
Customers (CUST)	The construct reflects the understanding of how customers could impact the success of SMEs. It was designed to cover: importance of customers and constraints related to customers.	The measurement scale consisted of 2 items in 5 points likert scale format.	Temtime & Pansiri (2004); Ben Mlouka & Jean-Michel (2008)
Suppliers (SUPP)	The construct reflects the understanding of how suppliers affect the success of SMEs.	The measurement scale consisted of 2 items in 5 points likert scale format.	Morrissey & Pittaway (2006)
Competition (COMP)	The construct reflects the understanding of the impact of competition on the success of SMEs.	The measurement scale consisted of 5 items in 5 points likert scale format.	Gadenne (1998)

Source: Author

5.6.1.2 Instrument development

Questionnaire design

Bryman (2008) defined a questionnaire as a paper and pencil investigation in which information is obtained by asking participants to respond personally to a series of pre-determined questions. The success of any questionnaire survey and the accuracy of data collected largely depend on the careful design of the questionnaire’s contents, structure and form of response (Akintoye et al., 2000). In this study, a structured questionnaire was developed. A covering letter was attached to the questionnaire to explain the purpose and the importance of the study as well as to give instructions on how to complete the questionnaire. The primary consideration, in developing the questionnaire, was that, as a whole, it should adequately capture all the information needed to answer the research questions (Dunn & Huss, 2004). Therefore, the self-designed questionnaire was constructed based on a thorough review of literature and an analysis of previously used and tested instruments. The questions were designed by focusing on the constructs and variables that have been identified in the literature. It should be noted that some of the questions were developed specifically for this study. However, most questions came from and / or were adapted from previous studies such as those used by Benzing et al. (2009) in his study about the success of SMEs in Turkey.

The questionnaire was first designed in English (see appendix B.2) and comprised 26 questions. Since the study is in a Moroccan context, translation of the questionnaire became a very obvious requirement. Given that Arabic is the official language in Morocco and French is the business language, the questionnaire had to be translated into these two languages to allow participants to respond to the questionnaire in the language that they are most comfortable with. Thus, the questionnaire was translated by the researcher (From English to Arabic and from English to French), and then back-translated independently by a professional certified translator, (From Arabic to English and from French to English), to ensure that the meaning of each question was as consistent as possible with the English version. The two English versions were compared to make sure they match. Appendix B.3 and appendix B.4 show the Arabic and French versions of the questionnaire respectively. The design of the questionnaire involved selecting appropriate question wording and content, response format and finally sequencing of questions.

Question wording and content

The questions were designed to be precise, simple and comprehensible by avoiding ambiguous, vague, estimation, generalization, leading, double-barrelled, and presumptuous questions. Clear instructions were also provided for each question. Some of the questions were expressed positively and some negatively in order to encourage respondents not to respond automatically, but to think about every item.

Response format

Three types of response format were chosen: dichotomous closed-ended, multiple choice closed-ended and open ended questions. For this research, labelled Likert scales were appropriate to measure responses. Likert scales are a method of survey that is appropriate to determine indicators of particular attitudes. They are generally considered to yield results that are categorical variables. This scale was adopted based on the following reasons:

• It yields higher reliability coefficients with fewer items than the scales developed using other methods (Hayes, 1998).

• This scale is widely used in market research and has been extensively tested in both marketing and social science (Garland, 1991).
• It offers a high likelihood of responses that accurately reflect respondent opinion under study (Wong, 1999; Zikmund, 2003; Burns & Bush, 2004).
• It helps to increase the spread of variance of responses, which in turn provide stronger measures of association (Wong, 1999; Aaker et al., 2007).

With respect to the number of scale points, there is no clear rule indicating an ideal number. Many researchers acknowledge that opinions can be captured best with five to seven point scale (Malhotra, 1999; Sekaran, 2003; Aaker et al., 2007). In fact, researchers indicate that a five-point scale is just as good as any other (Parasuraman et al., 2004; Malhotra, 1999; Sekaran, 2003). That is, an increase in scale does not improve the reliability of the ratings (Elmore & Beggs, 1975) and may cause confusion to the respondents (Hair et al., 2003; Aaker et al., 2007). Thus, a five-point Likert scale type was used in this research.

Sequence of questions

The questionnaire began with less complex and less sensitive questions and progressed to opinion-based questions. It consisted of five sections:

- Achievements of the enterprise: In this section, the concept of success among SMEs is explored. Two investigative questions are constructed in order to assess the concept of successful SMEs in Tangier.
- Success constraints: The aim of this section was to identify which problems most seriously inhibit business success. Seven questions were set to investigate the correlation between the SMEs' success and the constraints of the external environment.
- Success factors: This section aimed to understand the perceptions of the respondents with regard to the factors that impact the success of SMEs in Tangier.
- Personal Information: In this section, socio-demographic information about owner-managers were sought in order to assess whether they impact success of SMEs or not. The owner-managers' factors included age, gender, level of education, and previous experience. This section is important since statistical significance variance can be checked for all

demographic variables that impact business performance (Kangasharju, 2000; Stewart et al., 2003). These demographic factors were measured with mainly closed multiple choice single response questions.

- Business Information: This section asked for general characteristics of the firm. The firm factors included: number of employees, age of the business, form of business, location and the type of activity of the firm. This section ended with a free response open-ended question that invited respondents to provide additional unstructured suggestions or comments on the success of small and medium enterprises.

Testing the questionnaire

Researchers seldom begin a study unless they are confident that the chosen methods are suitable, valid, reliable and effective and free from problems or errors or at least that they have taken all precautions to avoid any problems in the preparatory stages of the research (Sarantakos, 2005). Therefore, the items and questions need to be tested for comprehension, clarity, ambiguity and difficulty of response. In order to do this, two broad categories of testing were used before carrying out the main survey: pre-testing and field testing.

Pre-testing

Polit & Hungler (1999) argued that when a questionnaire is used as a data gathering instrument, it is necessary to determine whether questions and directions are clear to subjects and whether they understand what is required from them. Thus, having designed the questionnaire for the current research study, a pre-test was conducted to determine the clarity of the items, consistency of the responses and identify possible problems with the completion of the questionnaire. The preliminary questionnaire was given to fifteen people[14] who did not form part of the research sample. They were asked to complete the questionnaire and comment on the questions and instructions given on the questionnaire. The major anomaly detected was the labelling of the

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[14] Out of these fifteen participants, five completed the English version, another five completed the French version and the Arabic version of the questionnaire was completed by 5 participants.

scale measurement. Participants found it very difficult and confusing to complete the questionnaire using the numerical label scale since it was not clear to them. To make the task easy for the participants, the researcher had to use verbal labels instead of the numerical one and allow the participants to tick the box of the appropriate verbal label. This was in line with Krosnick & Berent (1993) who suggested that reliability is higher when all points are labelled with words than when only some are. Moreover, some other minor problems in terms of wording were identified.

Field testing

To perform the field test, a pilot study of the questionnaire was conducted to determine whether or not any alterations or rewording of questionnaires are necessary due to any jargon, inconsistencies or leading questions. The piloting of the questionnaire was conducted by choosing a sample of SMEs in Tangier. The questionnaire was distributed by referrals and snowball sampling to a total of 25 SMEs. Participants were owner-managers of SMEs in the manufacturing sector. Participants were asked to complete the questionnaire and comment on any ambiguous statements or instructions and difficulties they face during the process. They were also asked to indicate the time taken to complete the survey. In order to obtain initial rough estimates of the reliabilities of the scales, Cronbach alpha reliabilities were calculated at this stage.

Interview design

Saunders et al. (2007) argued that the quality of the data to a large extent depends upon the structure of the interview as well as the design of each individual question. According to Cornford & Smithson (2006), keeping interviews to the topic is very important and the researcher needs to carefully plan the questions and take control. Thus, to provide guidance and to ensure consistency throughout the interview process, an interview guide was developed. However, a flexible design was taken into account when developing such guide. This was based on the advice of Hammersley & Atkinson (2007: 117) that stated: “Ethnographers do not usually decide beforehand the exact questions they want to ask, and do not ask each interviewee precisely the same questions, though they will usually enter the interviews with a list of issues to be covered. Nor do they seek to establish a fixed sequence in which relevant topics are covered; they adopt a more flexible approach, allowing the discussion to flow in a way that seems natural". Therefore, it was not the researcher's intention to use directional prompting or even to ask all questions at every interview, but rather to cover the subject matter of the topic during the course of the interview.

The interview guide consisted of an introduction, main questions, additional questions and clarifying questions. The main questions sought to explore how SME owner-managers in Tangier see business success factors in relation to their experiences. In order to obtain more information on perceptions and views of the success factors, a question on the advice that the participants would give to someone who wants to start his or her own business was included in the main questions. Clarifying questions were used in order to elicit the maximum amount of information. Appendix B.5 depicts the interview guide that was used in the Interview. The questions of the interview guide were first designed in English. They were then translated by the researcher (From English to French), and then back-translated by a professional certified translator (From French to English), to ensure that the meaning of each question is as consistent as possible with the English version. The interviews were conducted in French as this is the business language in Tangier. It is worth noting that it was not necessary to undertake the pilot study of the interviews since the survey questionnaire developed the topics for the qualitative phase.

5.6.2 The implementation phase

The implementation phase involves the collection of data. During this phase, the questionnaire developed in the developmental phase was administered in order to collect primary data.

5.6.2.1 Data collection

Creswell (2007) sees data collection as a circle of series of interrelated activities aimed at gathering information to answer research questions. It involves locating the site or individual (s) to study; gaining access and establishing rapport so that participants will be willing to provide information;

determining strategy for purposeful sampling of site or individual(s), and determining the rationale for the selected site or individual. After deciding on the site and respondents, the researcher needs to choose the appropriate data collection approaches, which range from e-mail messages to interviews, observations, documents and so on. The process ends with the storage of data. However, the most important rule for all data collection is to report how the data were created and acquired (King et al., 1994). This suggests a detailed presentation of techniques and procedures of data collection. To this end, the following section introduces the issues about data collection, which includes sampling, and data collection techniques.

Sampling used in the quantitative phase

Population

To carry out a census, the population of interest has to be clearly and accurately defined. Burns & Grove (1993) defined a population as all elements (individuals, objects and events) that meet the sample criteria for inclusion in a study. According to Polit & Hungler (1999), a population is the totality of all subjects that conform to a set of specifications, comprising the entire group of persons that is of interest to the researcher and to whom the research results can be generalized. In order to define the population of this study, several steps were required to come up with the list of SMEs to be studied. The first step was to decide on the SMEs definition that will be used to define the population. As mentioned previously in chapter three (see section: 3.2 Definition of SMEs, page 30), there is no universally agreed definition of SMEs. The definition varies from country to country depending on the size of the economy. In Morocco, several definitions exist. However, the official definition was used based on the number of employees. The latter was chosen in accordance with the argument of Child (1973) who argued that employment is an adequate criterion for the measurement of the size of an organisation, because it is above all human beings who are 'organized'. Therefore, this research study considered enterprises with a headcount between 10 and 200 employees as SMEs. Having decided on the definition to be used for SMEs to define the population in Tangier, the second step consisted of the selection of an official and reliable source of information to identify the SMEs. The first official and reliable source was the website of the MICNT (www.mcinet.gov.ma). Having checked this website, all SMEs operating in Tangier in Morocco were identified. However, the generated SMEs list was dated 2007, which is quite old. In order to include up-to-date information about SMEs, other up-to-date sources of information were needed. Therefore, the researcher checked the AZIT directory 2010 as well as its official website (www.azit.ma). The website of the TFZ (www.tfz.ma) was also checked in order to include SMEs operating in the free zone of Tangier. Having checked the directory and the websites, the identified SMEs were cross-checked with the SME list generated from the MICNT. The cross checking task resulted in deleting four enterprises from the identified initial list since they had more than 200 employees. Having completed all these steps, a final list of up to date SMEs, comprising 365 enterprises, was created.

In the light of this, it should be noted here that the population identified by researcher was less than 500 SMEs in Tangier. That is why a census was considered to collect and analyse data from every possible case. As a result, all the concepts of sampling were not used at this stage.

Selection of respondents for the qualitative phase

The owner-managers who completed the questionnaire became the ‘sample population’ for the qualitative study. With regard to the selection of particular SME owners from this list, a judgment method was used. The selection criteria were:

- Sector: Firms operating in different sectors were selected. The sectors included: textile, agri-food, chemical, electrical and metal & engineering sectors.
- Location: Firms operating in different locations were selected. Locations included: Free zones, industrial zones, the city and the peripheral.
- Gender: Gender was taken into account to ensure the inclusion of a female entrepreneur.

These three factors were used to avoid structural bias in the construction of what was a small sample.

The judgmental sampling strategy was deemed appropriate for this phase of the study since this phase was exploratory in nature. The intention of the researcher was to explore perceptions and views of business success in relation to the experiences of owner-managers of SMEs in Tangier, and not to generalize the results to a wider population. As for the size of the sample, in judgmental sampling the researcher uses his/her judgment to decide when enough participants have been selected. As suggested by Kvale (1996), new interviews might be conducted until a point of saturation, where further interviews yield little new knowledge. In the qualitative study, this position was reached when fifteen interviews had been conducted. The cut-off point was not predetermined, but emerged from the research process and concurrent data analysis (Babbie, 2010).

Questionnaire distribution and collection

Following the refinement of the questionnaire, data collection was carried out. The questionnaire was distributed to the business owner-managers of the selected firms. The distribution of the questionnaire was done in two phases: The 'drop and collect' phase and the online phase.

Drop and collect phase

This phase took place in November 2010. Companies were approached in person. The purpose of the study was explained to them, and they were briefed about the ethical considerations and then were asked to fill in the questionnaire. It should be noted here that network connections were used in order to ease the access to these enterprises. Some owner-managers did fill in the questionnaire on the spot, whereas, some others requested their collection at a later time. A time frame of one week was agreed in order to allow these owner-managers to fill in the questionnaire at their convenience. The process was completed in three weeks, precipitating a total of 97 collected questionnaires.

The online phase

The questionnaire was also administered online using the website www.formstack.com , where French and Arabic versions were developed. Screen shots of the French survey website (www.formstack.com/forms/questionnaire-french) as well as the Arabic survey website (www.formstack.com/forms/questionnaire-arabic) are included in appendix B.6 and appendix B.7 respectively. This phase took place in December 2010 and January 2011. Emails were sent to the distribution list, created in a mail box 'feedbackmorocco', which contained the list of SMEs with email addresses identified from the MICNET, AZIT and TFZ websites.

A number of steps were incorporated in this phase. In the first step, an email giving an overview about the study and its purpose was sent on the 17th December 2010 to 130 enterprises. The email invited the owner-managers of the enterprises to fill in the online French questionnaire following the link that was clearly included in the email. The online questionnaire was designed in such a way that respondents could stop in the middle of the survey, if they wished, by using the 'postpone' and 'resume later' buttons. This function was to allow respondents to complete the questionnaire at their own convenience. The deadline was set for 24th December 2010. Only one enterprise filled in the French questionnaire and did provide its name and address in order to get the results of the study.

Having received only one response, a move to the second step was then required. A first reminder (see appendix B.8) was sent to the enterprises, excluding the enterprise that replied to the first email and the enterprises whose emails bounced. The reminder addressed again the purpose of the study and explained that an Arabic version of the questionnaire has also been developed besides the French version. The owner-managers of SMEs were then invited to fill in the questionnaire in the language they feel most comfortable with. The deadline was set for 8th January 2011. A further five enterprises filled in the French questionnaire and none filled in the Arabic version of the questionnaire.

Following the low number of responses, a decision to move to the third step was taken by sending a second courtesy reminder (see appendix B.9). The reminder explained that few responses had been received but that, to get more accurate and robust results, the research still needed more participants to share their views about the study. Therefore, the reminder provided an extension of deadline to the participants. The deadline was set for 22nd January 2011. This step triggered only one response.

The low number of responses could be explained by the fact that January is a month in which enterprises undertake their inventory audits and thus they were busy and did not have time to fill in the questionnaires. Moving to the last step, the researcher gave the owner-managers of SMEs, another opportunity to fill in the questionnaires by sending a third reminder on 25th January 2011 (see appendix B.10). Being aware of the business of the owner-managers at the beginning of the year, the reminder explained that the deadline of submitting the questionnaire was extended to the 12th February 2011. After sending the last reminder, no additional replies were received.

In total, 104 questionnaires were returned: 97 in the initial ‘drop and collect’ phase and 7 after prompting. This was an overall response rate of 27.71%. Of the 104 questionnaires received, 5 were discarded as incomplete, meaning that 99 fully completed questionnaires were returned, providing a net response rate of 28.28%.

It should be made clear that this study is not unusual in terms of difficulty experienced in obtaining responses from SME owner-managers, as other researchers have reported similar problems. Reid et al. (1999) suggest that a major difficulty in any research that involves surveying small businesses is achieving an adequate response rate, with many studies reporting rates as low as 10%.

Interview administration

The data collection for the qualitative phase took place from September 2011 to November 2011. It was carried out in two separate time frames due to logistical and practicable reasons. It was very difficult to get hold of the owner-managers of SMEs in the month of September 2011 since the majority of them were still on holiday, and therefore only five initial interviews took place within this month. Arrangements were made to meet up with owner-managers in November 2011 to carry out more interviews. As a result, another ten interviews were conducted within this month totalling to a number of fifteen interviews. The break between the two interview periods did provide time to reflect on the preliminary analysis of the interviews. All interviews were individual, face-to face interviews and were conducted using the French language. The duration of the interviews ranged from 32 to 65 minutes. With regard to the settings, the strategy was to allow all informants to choose the location so as they could feel more relaxed. The strategy resulted in nine interviews being conducted at the participants' business premises, five in a coffee shop, and one while driving a car.

Prior to undertaking each interview, a verbal brief about the aim of the study and issues related to confidentially was given to participants. The permission to audio record the interview by a digital recorder was sought from the interviewee. Permission was granted and all the fifteen interviews were audio recorded. Furthermore, ownership and copyright of transcripts were established at this stage and participants were informed that transcripts will be destroyed once the research study has come to an end.

During the interview, an open-ended flexible approach to interviewing, which is strongly recommended by Patton (1990), Bogdan & Biklen (2007), and Hammersley & Atkinson (2007), was used. Thus, open-ended questions were deliberately asked to encourage participants to engage in the conversation. The flexible approach was useful and did result in new emerging issues to be explored. Furthermore, participants' responses were frequently rephrased and repeated in order to ensure accurate understanding of the main points and encourage the interviewees to expound their views on these points.

At the end of the interview, a standard form was given to participants to fill in their personal characteristics such as: age, gender, and educational background, as well as the firm characteristics such as: legal status, activity of the enterprise, years in business, and number of employees (see appendix B.11). Moreover, participants were reassured again about the confidentiality issues and were alerted that they could be contacted should the researcher need more clarification.

Before conducting the interview, time and location should be agreed with the participants. The interview schedule and location was established at the convenience of the participants. At the start of each interview, participants were reassured that all information will be kept confidential and that their anonymity will be respected. Furthermore, participants were asked whether they have any objection to the use of audio recorder during the interview. The interviewer then explained the nature and aim of the research. During the interview process, notes were taken in addition to the audio recording, in case of any technical failure with the equipment used. At the end of the interview, the participant was thanked for taking part and reassured again that confidentiality and anonymity will be respected.

5.6.3 The analysis / validation phase

Having completed the data collection in the implementation phase, the analysis of such data has to be undertaken. Analysis of data is a process of inspecting, cleaning, transforming, and modeling data with the goal of highlighting useful information, suggesting conclusions, and supporting decision making (Wikipedia, 2012). A more precise definition by the Mosby's Medical Dictionary (2009) states that the data analysis is the phase of a study that includes classifying, coding, and tabulating information needed to perform quantitative or qualitative analyses according to the research design and appropriate to the data. Data analysis follows collection of information and precedes its interpretation or application. Data analysis provides researchers with facts and figures that allow them to interpret results in the context of the community and to make statements about the significance of the findings for the individual and society (Sarantakos, 2005). Malhotra (1999) argued that research elements, namely the research problem, objectives, characteristics of data and the underlying properties of the statistical techniques should be considered when selecting the data analysis strategy. In this research study, the data collected includes both quantitative and qualitative data. Therefore, different methods of data analysis have to be adopted to analyse the different types of data.

5.6.3.1 Quantitative data analysis

Quantitative data refers to numerical and standardized data, which usually can be analysed through using of diagrams and statistics (Saunders et al., 2007). In this research study, the process of analysing quantitative data included: data preparation, descriptive analysis, inferential analysis, and content analysis. In order to analyse the data, the software SPSS was used. The reason for this is that the software allows the discovery of differences and relationships in data (Babbie et al., 2010). As mentioned previously in section the developmental phase, the levels of measurement were not considered in this study. Therefore, Stevens' ideas are not applied in relation to the statistical analysis used in this study.

Data preparation

Data preparation consists of editing the data, coding the data, capturing the data and cleaning the data. These four steps of the data preparation are explained below:

Editing the data

Editing ensures that the questionnaire has been filled out properly and completely (McDaniel et al., 2005). It includes checking of data collection forms of omission, legibility and consistency in classification as well as discarding of completed responses that have missing data; identifying potential error in data collection and discussing its implications (Zikmund, 2003). In the view of this, field editing was conducted to check that the questionnaire was completed and that the handwriting of the respondents was legible. Moreover, central editing, when capturing the data, was conducted to ensure that the information was correct, consistent with other information and complete. According to Emory & Cooper (1991), incomplete questionnaires could have a negative impact on the validity of the information collected. Different strategies exist in order to handle incomplete questionnaires or non-responses. First, the respondent can be contacted again. This was not possible in this study because of the anonymity of the respondents. Secondly, the whole questionnaire can be disregarded as it is not useable (known as case-wise deletion). This method was used in this research study when it was clear that the respondent was not cooperating.

Coding the data

Coding is the assignment of numerals or other symbols to answers to enable the responses to be grouped into a limited number of classes or categories (Cooper & Schindler, 2008). This task involves identifying, classifying and assigning a numeric or character symbol to data, which may be done in two ways: pre-coded and post-coded (Luck & Rubin, 1987; Wong, 1999). Glen (1999) defined pre-coding as the assignment of codes to the different responses of the questionnaire before the questionnaires are distributed. In this study, pre-coding was used for the closed-ended questions, multiple choice questions, and scale questions since the answers to these questions could be anticipated beforehand. Thus, a coding sheet for responses to the questionnaire items was developed (see appendix B.12). However, for the open-ended question, post-coded was used since the answers cannot be anticipated. Furthermore, the post-coded technique was utilized to assign a unique number to the questionnaires once they were received.

Data capturing

Data entry or capturing is the task involved in the direct input of coded data into a software package that will ultimately allow the researcher analyst to manipulate and transform the raw data into useful information (Cant et al., 2003). Data from the completed questionnaires were entered into an SPSS spreadsheet.

Cleaning the data

Data cleaning is an error checking process conducted after data entry and before data analysis to identify omissions, ambiguities and errors in the responses made during data entry (Diamantopoulos & Schlegelmilch, 2000). Tustin et al. (2005) stated that researchers have to attempt to clear the data set of possible coding and data capturing errors.

Descriptive analysis

Descriptive analysis refers to the transformation of raw data into a form that would provide information to describe a set of factors in a situation that will make them easy to understand and interpret (Zikmund, 2003; Sekaran &

Bougie, 2010). Salkind (2006) described descriptive statistics as the characteristics of the sample. According to Cooper & Schindler (2008), descriptive statistics are used to point out location tendency (mean, median, mode), spread (variance, standard deviation, range, interquartile range) and shape (skewness and kurtosis). In order to have a broad appreciation and overview of the data collected, and to provide guidelines for a more advanced statistical analysis, descriptive statistical techniques were used to describe characteristics of the population in terms of shape, spread and skewness. The following descriptive statistics were performed in the present study:

- The calculation of frequencies and percentages. These were expressed as tables.
- Measurement of the central tendency: the mean. The mean is the arithmetic average, obtained by dividing the sum of the individual scores in a distribution by the number of scores.
- Measurement of dispersion of the data using the standard deviation (SD) of the measurements. The standard deviation is a measure of how much, on average, the scores in a distribution deviate from the mean score. This will provide a reflection of how homogeneous or heterogeneous a population is. Moreover, the SD provides an indication of the average distance from the mean. A low standard deviation would mean that most observations cluster around the mean, whereas, a high standard deviation would indicate considerable variation in the responses.
- Calculation of skewness and kurtosis of responses. While skewness provides information on the symmetry of the distribution, kurtosis provides information on the peakedness of the data distribution.

Inferential analysis

Inferential analysis refers to the cause-effect relationships between variables. According to Cozby (2008), inferential statistics allow researchers to make inferences about the true differences in the population on the basis of the sample data. While descriptive analysis allows the researcher to summarize and describe characteristics of the population or sample; inferential analysis allows the researcher to make inferences or to generalize from a sample to an entire population (Zikmund et al., 2010).

The SAS Institute Inc.[15] (2003) identified two types of tests that can be conducted when using inferential analysis: Tests of group differences and tests of association. In tests of group differences, the researcher wants to know whether two populations differ with respect to their mean scores on some response variable. However, in tests of association, the researcher examines whether there is a relationship between two or more variables within a single population. The present research study explored the differences between successful and less successful SMEs in terms of success factors. Thus, using inferential analysis, both tests of group differences were performed.

Factor analysis

To give statistical meaning the analysis, factor analysis was undertaken before testing the hypotheses in order to reduce the number of variables and to detect structure in the relationship between variables as well as to discover the underlying constructs that explain the variance (Cooper & Schindler, 2008). Factor analysis was also performed to confirm the validity and reliability of the constructs of the questionnaire. Based on the results of the factor analysis, only items loading significantly on the factors were used in inferential analysis to test the hypotheses of the study.

Hypotheses testing: Mann-Whitney U test

The Mann-Whitney U test is a non-parametric-test equivalent to the t-test (Bergmann et al., 2000; Field, 2009). It is used to test differences between two independent groups on a continuous measure (Pallant, 2011) by comparing the

[15] **SAS Institute Inc.** (pronounced "sass"), headquartered in Cary, North Carolina, USA, has been a major producer of software since it was founded in 1976 by Anthony Barr, James Goodnight, John Sall and Jane Helwig. SAS was originally an acronym for *Statistical Analysis System* but, for many years, has been used as a tradename to refer to the company as a whole and its line of software products, which have long since broadened beyond the statistical analysis sphere. SAS Institute is one of the largest privately-held corporations in North Carolina and in the software business.

means of two groups. In this research study, the Mann-Whitney U test was used to test for any significant differences between successful and less successful groups.

Content analysis

The last question of the questionnaire asked for suggestions or comments of the respondents. This implies that qualitative data was provided. Therefore, content analysis was used in order to analyse the content of text and convert it to numerical variables to allow quantitative analysis.

5.6.3.2 Validity and reliability of the quantitative phase

Validity

Validity measures the degree to which a study succeeds in measuring intended values and the extent to which differences found reflects true differences among the respondents (Cooper & Schindler, 2008). Cooper & Schindler (2008) went further to add that there are three types of validity tests: content, construct and criterion-related validity tests.

Content validity

According to Cooper & Schindler (2008), content validity refers to the degree to which the content of the items adequately represent the universe of all relevant items under study. The content validity of this research was validated by determining the variables which have been defined and used previously in the literature (Churchill & Iacobucci, 2009). Furthermore, three marketing professors were asked to review the questionnaire before it was pre-tested. Moreover, in order to elicit comments about the content validity, respondents were asked to describe any difficulties they had in completing the questionnaire accurately.

Construct validity

Construct validity refers to the extent to which the constructs hypothetically relate to one another to measure a concept based on the theories underlying a research (Parasuraman et al., 2004; Malhotra, 1999; Zikmund, 2003). In this study, factor analysis was performed to measure the dimensions of a concept as well as to identify which items were appropriate for each dimension. Furthermore, to achieve construct validity, the measurement should be assessed through convergent validity and discriminant validity. Convergent validity refers to the items purporting to measure the same construct correlates positively with one another (Parasuraman et al., 2004; Malhotra, 1999). On the other hand, the latter requires that an item does not correlate too highly with other items of different constructs (Malhotra, 1999; Hair et al., 2003). In this study, the correlation matrix and inter-construct correlation was used to analyse convergent and discriminant validity.

Criterion-related validity

Criterion-related validity deals with the instrument's ability to measure an item accurately and analyse it. As Grove & Savich (1979) noted, a major aspect of criterion-related validity is performance measure. According to them, the type of response scale is an important attitude research factor in measuring performance. Measurement in this study is mainly with a five-point Likert-type scale. This is a popular scaling technique that is used widely in management research. Grove & Savich (1979), drawing on the work of Osgood et al. (1957), noted that the use of a five-point scale tends to provide roughly equal frequencies. On the other hand, the use of a seven-point scale may provide quite lower frequencies, and the use of a three-point scale may cause subjects' frustration "at not being able to discriminate finely enough"(Grove & Savich, 1979).

Reliability

Babbie (2010) described reliability as a condition in which the same results will be achieved whenever the same technique is repeated to do the same study. Hayes (1998) argued that the most common method used for assessing the reliability for a measurement scale with multi-point items is the Cronbach coefficient alpha. Therefore, to test the reliability of the questionnaire, the Cronbach coefficient alpha was used.

5.6.3.3 Qualitative data analysis

McMillan & Schumacher (2001) argued that qualitative data analysis tends to be primarily an inductive process of organizing data into categories and identifying patterns (relationships) among categories. The analysis of qualitative data was carried using the thematic coding techniques that match semi-structured interviews conducted in this study (Cornford & Smithson, 2006). Braun & Clarke (2006) defined thematic analysis as a method for identifying, analysing, and reporting patterns (themes) within data. It minimally organises and describes your data set in (rich) detail. However, it also often goes further than this, and interprets various aspects of the research topic (Boyatzis, 1998). In this study, the analysis process follows the six phases described by Braun & Clarke (2006) which are: familiarization with the data, generation of initial codes, searching for themes, reviewing themes, definition of themes, and report production.

To facilitate qualitative data analysis and to make qualitative analysis more reliable and transparent (Fielding & Lee, 1998), the software QSR NVivo 9 was used. Since the software supports the French Language, analysis was done for the French transcripts. Several reasons explain the choice of this computer-aided qualitative data analysis software (CAQDAS). Firstly, the software provides organisational skills and automation facilities that facilitate the qualitative analysis. Secondly, the software was available and easy to learn. Finally, the software is widely used in social science. It is worthwhile to highlight that the software QSR NVivo 9 enabled the researcher to reduce and display data in a thematic links, which added a great value to the research process and facilitated the qualitative analysis. However, while the organisational skills and automation facilities offered by QSR NVivo 9 software helped in easing the monotonous tasks, the analysis itself pertained to the researcher as Kelle (1997) suggests: “The role of the computer remains restricted to an intelligent archiving [‘code-and-retrieve’] system, the analysis itself is always done by a human interpreter” (p. 5.7).

Now, turning back to the six phases of the thematic analysis identified by Braun and Clarke (2006), a description of each phase is detailed below:

Data familiarization

Transcribing the data

Braun & Clarke (2006) argued that it is important to be familiar with all aspects of the data. According to Riessman (1993), while the process of transcription may be seen as time-consuming, frustrating, and at times boring, it can be an excellent way to start familiarising with the data. Furthermore, Saunders et al. (2007) believed that there is a need “to create a full record of the interview soon after its occurrence as one means to control bias and to produce reliable data analysis”. This view is reinforced by Healey (1991), Healey & Rawlinson (1993) and Robson (2002), who also believed that a full record of interview should be compiled as soon as possible after it has taken place. Therefore, to achieve familiarity with the data, the recorded interviews were fully transcribed as soon as possible after each interview had taken place. Once the transcripts had been typed into Word files, they were then printed out and read, several times over. The interviews transcripts were then imported into the QSR Nvivo 9 software to be ready for exploration. A French sample of an interview conducted with a business owner-manager is provided in appendix B.13. The English version of the sample is shown in appendix B.14. To ensure an accurate identification of data, all interviews were labelled when introduced into QSR Nvivo 9 software. These labels appear throughout this phase of the study. For example, with the label ENint01, the abbreviation EN represents the entrepreneur; int means interview; and 01 refers to the number of order of introduction into QSR Nvivo 9 software.

Initial codes generation

Several researchers insisted that following their transcription, interviews must be coded (Miles & Huberman, 1994; Merriam, 1998; Sekaran & Bougie, 2010). Coding facilitates later analysis of the data and ensures both the accuracy and relevancy of the analysis. In other words, the coding process contributes to the quality of the qualitative data analysis (Miles & Huberman, 1994). Bazeley & Richards (2000) advised that coding has an organisational and an analytical role. They further add that coding is one way that could be used to manage data and store knowledge gained from the documents, or interpretations made. According to Braun & Clarke (2006), the coding phase involves the production of initial codes from the data. Within this study, headings from the interview guide which were directly related to the empirical model developed from results of the quantitative study were used as the major themes or nodal titles.

Themes search

According to Braun & Clarke (2006), this phase re-focuses the analysis at the broader level of themes, rather than codes. They further added that it involves sorting the different codes into potential themes, and collating all the relevant coded data extracts within the identified themes. The relationship between codes, between themes, and between different levels of themes could be explored at this stage. Some initial codes may go on to form main themes, whereas others may form sub-themes, and others still may be discarded (Braun & Clarke, 2006). In this study, all transcripts were read to their entirety, with each section of the text showing relevance to the research question stored in the appropriate node(s). As the analytical process proceeded, new ideas became apparent from examining the stories of the owner-managers with respect to entrepreneurial success in the city of Tangier. This has led to the creation of new themes and sub-themes.

Themes review

Braun & Clarke (2006) advised that the review of themes should be carried out at two levels. Firstly, the themes should be reviewed in relation to the coded extracts (level 1) and secondly, they should be checked whether they work in relation to the entire data set (level 2). In this study, all the data extracts, related to each theme, were re-read to ensure that the data fits into each theme in a coherent manner. In addition, each theme was checked in relation to the entire data set. Relationships between the themes were visualized in an initial map to ensure that they reflect the meaning of the data as a whole.

Themes definition

According to Braun & Clarke (2006), this phase consists of reviewing the themes further in order to refine the specifics of each theme, and the overall story the analysis tells. By the end of this phase, clear definitions and names for each theme should be generated. This process was followed in the qualitative study analysis. After continuous revision of the themes in relation to the data, a final thematic map was generated (see appendix C.7). The map shows the final defined themes that were identified from the analysis.

Report production

This is the last phase which involves the final analysis and write-up of the report. At this final phase (the write-up of it, including data extracts), a concise, coherent, logical, non-repetitive, and interesting account of the story the data tell – within and across themes – should be provided (Braun & Clarke, 2006). In this thesis, vivid extracts which capture the essence of the study were selected. In addition, the analysis of the reported extracts was done in relation to the research question and available literature.

5.6.3.4 Trustworthiness of the qualitative results

Trustworthiness is the term used in qualitative research to measure the quality of the research. It is closely related to the term ‘validity & reliability’ in quantitative research (Marshall & Rossman, 2010). According to Graneheim & Lundman (2004), research findings should be as trustworthy as possible and every research study must be evaluated in relation to the procedures used to generate the findings. In qualitative research, several authors suggested that the concepts of credibility; transferability; dependability, and confirmability or objectivity can be used to establish the trustworthiness of the qualitative study (Guba, 1981; Lincoln & Guba, 1985; Patton, 1987; Polit & Hungler, 1999; Schwandt et al., 2007; Marshall & Rossman, 2010). In this research, these four concepts were used to evaluate the trustworthiness of the research findings.

Credibility

Credibility deals with the focus of the research and refers to confidence in how well data and processes of analysis address the intended focus (Polit & Hungler, 1999). Credibility is parallel to internal validity in quantitative research which describes how research findings match reality. However, in qualitative research, most rationalists would propose that there is not a single reality to be discovered, but each individual constructs a personal reality (Smith & Ragan, 2005). One method to increase credibility of qualitative research studies is the inclusion of member checking into the findings. Lincoln & Guba (1985) argued that the most critical technique for establishing credibility is the inclusion of member checking into the findings. In this research study, the qualitative findings were checked by one professor and two doctors from the academic field to gain further feedback on the findings.

Transferability

According to Polit & Hungler (1999), transferability refers to the extent to which the findings can be transferred to other settings or groups. It is comparable to the concept of external validity used in quantitative research which specifies the extent to which the findings can be generalized. Seale (1999) advocated that transferability can be achieved by providing a detailed, rich description of the settings studied to provide the reader with sufficient information. Seale (1999) expounded that such sufficient information should enable readers to make judgments about the applicability of the findings to other setting that they know. In this study, a detailed description of the thematic analysis process, which helped in identifying the themes, was addressed. Furthermore, a thick description of the qualitative findings was provided to allow readers to assess the findings and judge their transferability. In addition, in this study, chapter four provided a detailed picture about SMEs in the context of Tangier in order to make readers aware of such context and assist them in making use of the research findings in other contexts. Lewis & Ritchie (2003) argued that it is a matter of judgment of the context and phenomena found which allows others to assess the transferability of the findings to another setting. Thus, it can be said that the issue of transferability is complex in qualitative research and has to be resolved by the reader based on how close the present research’s and the reader’s contexts are.

Dependability

According to Merriam (1998), dependability refers to the extent which findings can be replicated. It is the term used in qualitative research in preference to reliability used in the quantitative research. This suggests that if the study is repeated, in the same context, with the same methods and with the same participants, similar results should be obtained. Lincoln & Guba (1985) stressed the close link between credibility and dependability. They argued that, in practice, a demonstration of the former goes some distance in ensuring the latter. To achieve dependability, Lincoln & Guba (1985) stressed the process of auditing in which others can examine the inquirer’s documentation of data, methods, decisions and end product. According to Schwandt (2007), inquirers are responsible for ensuring that the process of research is logical, traceable and clearly documented. In this study, dependability was achieved by providing an in-depth coverage of the processes within the present study. In addition, to address the issue of change over time, interviews were conducted in different periods (5 interviews in September 2011; 10 interviews in November 2011), and similar results seemed to be obtained from informants.

Confirmability

Confirmability is concerned with establishing that interpretations of the findings are not figments of the inquirer’s imagination, but are clearly derived from the data (Tobin & Begley, 2004). The concept of confirmability can be comparable with objectivity in quantitative research. Lincoln & Guba (1985) argued that auditing could also be used in order to authenticate confirmability. In this study, an audit trail was undertaken by providing a transparent description of the research steps taken from the start of a research project to the development and reporting of findings. To further establish confirmability, triangulation of data collection methods was used in this study. Besides interviews’ transcripts, additional information was sought using field notes.

5.7 Ethical issues

One of the most important parts of the research process is the careful consideration of the ethical implications of the study. According to Saunders et al. (2007), research ethics refer to the appropriateness of researchers’ behaviour in relation to the rights of those who become the subject of your work and are affected by the work. They are likely to occur during the whole process of your research: seeking access, data collection, and data analysis and reporting (Sekaran & Bougie, 2010). In this research, the following ethical considerations were explored in order to minimize any identified risks: consent, confidentiality, debriefing, protection of participants, and withdrawal from participation.

5.7.1 Consent

Informed consent was sought from participants to take part in the study prior to administering the questionnaires and the interviews. No written consent was sought, participants were informed that they were to feel free to hand back their uncompleted questionnaires should they wish not to take part in the study.

5.7.2 Confidentiality

In the quantitative phase of the study, the questionnaire was anonymous and the participants were informed about that before they gave their consent. To achieve the anonymity of the questionnaire, participants were not required to state their name, the name and address of their firms. The questionnaires were numbered instead for identification purposes in the analysis. The anonymity of participants was also taken into consideration in the qualitative phase. The anonymity of participants was protected as individuals were not identified at any point in the study. Interview transcripts were assigned a code which was then used when presenting transcript quotations in the report of findings. Furthermore, confidentiality was made clear to the participants. The information collected was used only for the purpose of the study. Data collected for the study were treated in the strictest of confidence. The computer on which data was stored was password protected and paper records were kept in a locked filing cabinet. Only the researcher had access to the data. On completion of the study, completed questionnaires will be destroyed and audiotapes of recorded interviews will be wiped.

5.7.3 Debriefing

Debriefing is useful way of explaining further the purpose of the research to participants. A verbal briefing of the study was given to all the owner-managers of the SMEs before the questionnaire was handed out and before the conduct of the interviews.

5.7.4 Protection of participants

The primary responsibility of the researcher is to protect participants from physical and mental harm during the investigation. However, this may extend beyond the data collection stage. Participants were informed about the means of contacting the researcher after the experiment in the event that they perceive that they have suffered harm or have questions to ask.

5.7.5 Withdrawal from participation

It was made clear from the start that withdrawal from participation is possible at any point. Participants were verbally advised that they were not obliged to take part in the study and may, at their discretion, not to fill in the questionnaire, end the interview or make suggestions for a different approach at any stage, even after they have consented to take part. The way of how participants should inform the researcher of their intention to withdraw from the research was considered. Contact details (Email, Fax and telephone, Post) of the researcher were provided to make it easy for the participants to get in touch and inform the researcher if they wish to withdraw. Clearance from the University Ethics Committee was not required since this study involves adults over the age of 18 years.

5.8 Summary

The chapter presented the adopted research methodology that guided the present research study. In summary, to achieve the aim of the study, a two-methodological approach, incorporating quantitative and qualitative approaches, was utilized. This approach was deemed appropriate, but extremely challenging.

Given the large body of literature that exists with respect to entrepreneurial success in different contexts, it was considered appropriate to start with a quantitative phase and test the hypotheses drawn from the literature in the specific context of Tangier. It should be emphasised that the aim of the quantitative phase was to draw definitive conclusions about the factors that influence the business success in SMEs. The results of this survey were inconclusive. Therefore, in the qualitative phase, these issues were explored in more depth. Thus, the quantitative data generated by the quantitative phase served as a base and provided a referencing item pool for designing the interview guide instrument used in the qualitative phase.

CHAPTER SIX
RESULTS & ANALYSIS OF THE QUANTITATIVE PHASE

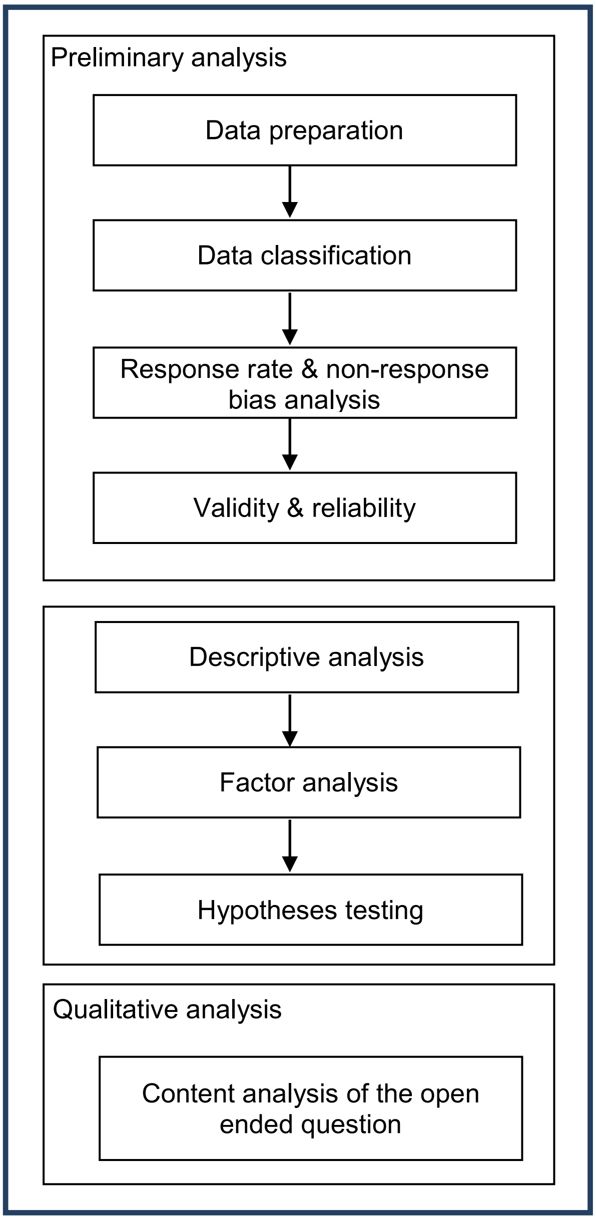
6.1 Introduction

The methodology to collect data for this research was described in the previous chapter. The data collected included both quantitative and qualitative data. This chapter aims to report the empirical research results of the quantitative data analysis. The analysis of data of the quantitative phase aims to answer the first and second research questions of this study. The chapter begins with a preliminary examination of the data by describing the process involved in data cleaning and screening, data classification, response rate and non-response bias analysis. Within this phase, the reliability and validity of the survey instrument was reported. The chapter then proceeds to address the first research question by reporting descriptive statistics and factor analysis. Subsequently, the chapter tests and discusses the research hypotheses using the inferential Mann-Whitney test and provides a summary of the results. Finally, responses to the open-ended qualitative question of the questionnaire are analysed and discussed.

6.2 Data analysis

The quantitative data analysis was carried out by using the Statistical Package for the Social Sciences (SPSS), version 16.0. The statistical analyses, performed in this research study, follow the process outlined in Figure 6-1. Initially, a preliminary analysis process is undertaken; this includes data preparation, data classification, response rate and non-response bias analysis, and assessment of the reliability and validity of the research instrument. Secondly, descriptive statistics were compiled to gain a general understanding of each of the variables of this study. The descriptive statistics were also used to partly answer the first question of this research study by identifying the internal factors that impact the success of SMEs. Next, factor analysis was performed in order to complete the answer to the first question by identifying the external factors. In the fourth phase, the hypotheses of the research study were tested with a discussion of the results. Finally, a qualitative analysis was executed by using content analysis of the survey open-ended question.

Figure 6-1: Statistical analyses process



Source: Author

6.2.1 Data preparation

Data preparation was undertaken prior to the data analysis. It consisted of editing the data, coding the data, capturing the data and cleaning the data. (For more details of this process, see sub-section Data preparation under section Quantitative Data Analysis in the research methodology chapter). At this phase, a frequency test was run for every variable to detect any illegal and missing responses. The data preparation resulted in the discard of 5 questionnaires due to missing responses and therefore, the total number of cases that were used in the analysis was 88 cases. This procedure, as mentioned in the previous chapter, is known as case-wise deletion and was preferred to other methods since it maintains consistency, ensuring that, all analyses are conducted with the same cases (Kline, 2010).

6.2.2 Data classification

Before analysing the critical factors that influence the success of SMEs in Tangier, it is necessary to distinguish between the successful and less successful SMEs based on the answers of the respondents. (It should be noted here that the word less successful SMEs was used instead of non-successful because if they were non-successful, they may not have survived to take part in the study). A number of questions, incorporating financial and non-financial measures, were used to categorise whether SMEs fell into the successful or less successful group. The financial measures included the profit and the turnover while number of employees and personal satisfaction variables were used as non-financial success indicators.

The respondents were asked to rate their agreement with statements relating to the success of their business on a rating scale from 1 to 5, with 1 being strongly disagree and 5 strongly agree. Most of these statements stemmed from the definitions used for ‘successful business’ as discussed in chapter three. Of the 99 completed questionnaires, 11 responses were difficult to classify since they did not fully meet both the aforementioned financial and non-financial criteria. These responses were therefore excluded from the statistical analysis, leaving a total of 88 cases.

Of the useable responses, 33 out of 88 showed no increase in profit or in the turnover. Moreover, the responses indicated no growth in the number of employees and the dissatisfaction of the owner-managers about their career progress. These respondents were then classified as ‘less successful’ SMEs. The other 55 out of 88 respondents agreed that their businesses had been profitable during the previous financial year, the sales of their businesses have increased over the past two years and the profit had been increasing over the past two years. Moreover, the responses indicated definite growth in the number of employees and the satisfaction of the owner-managers about their career progress. Having met these criteria, these respondents were then classified as 'successful' SMEs

6.2.3 Non-response bias

Non-response is a common problem that can occur in any survey. Nevertheless, Churchill & Iacobucci (2009) stated that, although non-response can contribute to a sampling error or bias, it is difficult to assess this bias. It should be noted that, bearing this in mind, the researcher did use four methods to distribute the questionnaire namely: In person, post, email, and website. This was done in order to encourage participants to fill in the questionnaire using the method they feel most comfortable with.

The non-response bias was tested using a similar approach taken by Bebbington et al. (1994) in which the responses from the first mailings of the survey questionnaire and those from the subsequent reminders were compared to determine any significant differences. This approach is based on the argument of Rogelberg & Luong (1998) that the late respondents would have been non-respondents if the survey deadline was observed. Therefore, as suggested by Miller & Smith (1983), late respondents can be used as substitutes for non-respondents.

In this phase of the study, a number of 53 replies were received after the first mailings of the survey questionnaire, whereas, a balance of 35 was received after the subsequent reminders were sent out. Consequently, the non-parametric Mann-Whitney U Test was conducted to determine whether there were significant differences in the response ratings between the two groups. Appendix C.2 shows the results of Mann-Whitney U Test. The results indicated that there were no significant differences between early respondents and late respondents in terms of their perceptions of business success measurement and success factors.

6.2.4 Reliability and validity

6.2.4.1 Reliability

The reliability of an instrument refers to the consistency with which it measures a construct. Generally, Cronbach's alpha can be used to test the internal consistency of an instrument (Cronbach, 1951). In this study, the reliability of the questionnaire was evaluated by calculating the Cronbach's alpha scores for all the variables. The higher the Alpha is, the more reliable the test. Generally, there is no agreed cut-off. Nunnally (1978) argues that 0.7 and above is acceptable. In this phase, to improve the overall reliability, the Cronbach's Alpha if Item Deleted was also calculated (see appendix C.3). Table 6-1 shows the Cronbach Alpha for each of the variables in this phase of the study after refinement of the items. The findings show the success variables were reliable with internal consistency values ranging from .63 to .97.

Table 6-1: Internal consistency of the survey instrument

Variables		No. of items	Cronbach's Alpha	Cronbach's Alpha if item deleted
1	Need for achievement	3	.76	.76
2	Locus of control	2	.72	.72
3	Risk taking propensity	3	.78	.96
4	Managerial competences	3	.87	.97
5	Entrepreneurial competences	4	.79	.75
6	Functional competences	3	.86	.88
7	Finance	6	.81	.81
8	Taxation	3	.72	.96
9	Government Support	8	.77	.80
10	Regulatory environment	15	.68	.70
11	Technology	3	.67	.90
12	Information	5	.86	.93
13	Infrastructure	7	.59	.63
14	Networking	4	.76	.89
15	Competition	5	.64	.75

Source: Author

6.2.4.2 Validity

To confirm the construct validity, the measurement was assessed through convergent and discriminant validity. Convergent validity is shown when items that are used to measure the same variable correlate highly with one another.

Discriminant validity is shown when items correlate more highly with items intended to measure the same variable than with items used to measure a different variable.

In this phase of the study, exploratory factor analysis was performed to assess the convergent and discriminant validity. The factor analysis was performed on Part 2 of the questionnaire that measure the external factors that impact the success of SMEs with the exclusion of the items with low internal consistency. Thus, 48 items were subjected to the factor analysis using the principal component analysis as the extraction technique and varimax with Kaiser Normalization as the rotation method. Appendix C.4 shows the rotated component matrix using the principal component method and varimax rotation with 14 factors specified and significant factor loadings emphasized. Steenkamp & van Trijp (1991) argued that substantial and statistically significant factor loadings signify the existence of convergence validity with the recommended value of > .50 (Hildebrandt, 1987). Thus, the appendix confirms the convergent validity of all the constructs by showing that all of the items loading were significant and well above the acceptable cut-off-point of > .50.

6.2.5 Descriptive analysis

Parasuraman et al. (2004) stated that before analysing a data set by using sophisticated statistical techniques, a researcher should get a feeling for what the data is like. In this phase of the study, descriptive statistical techniques were used to inspect the data before testing formal research questions. Descriptive analysis refers to the transformation of raw data into a form that would provide information to describe a set of factors in a situation that will make them easy to understand and interpret (Zikmund, 2003; Sekaran & Bougie, 2010). It involves examining the characteristics of individual variables by enabling the researcher to obtain a better understanding of each of the variables as they are, without manipulation or attempt to establish causality.

In the light of this, descriptive characteristics of the sample are presented in this following section of this chapter. They are divided into three main categories:

1. Demographic characteristics of the respondents.
2. Demographic characteristics of the businesses
3. Critical factors that contribute to the success of SMEs

6.2.5.1 Demographic characteristics of the respondents

The questions in section 6 of the questionnaire requested participants to provide general background information about their profile including gender, age, education, previous experience, and family background. To analyse the respondents' profile data, frequency distributions were calculated for all cases in this research and were summarized in Table 6-2:

Table 6-2: Demographic characteristics of the respondents

Characteristics of respondents	Frequency	%	Cum %
Gender			
Male	86	98	98
Female	2	2	100
Age			
25-45	60	68	68
> 45	28	32	100
Education			
Upper secondary level	7	8	8
Diploma	21	24	32
Bachelor degree	39	44	76
Master degree	15	17	93
Doctorate	6	7	100
Did any of your parents own a business?			
Yes	58	66	66
No	30	34	100
Education of father			
None	7	8	8
Primary level	5	6	14
Upper secondary level	29	33	47
Diploma	47	53	100
Education of mother			
None	8	9	9
Primary level	18	20	29
Lower secondary level	20	23	52
Upper secondary level	42	48	100
Do you have any work experience?			
Yes	88	100	100
Years of experience			
< 2 years	12	14	14
2-5 years	2	2	16
6-10 years	50	57	73
11-20 years	7	8	81
> 20 years	17	19	100
Experience relevant to the business			
Yes	67	76	76
No	21	24	100
Total	**88**	**100**	**100**

Source: Author

Observations

The following observations are derived from Table 6-2:

- Out of the 88 respondents, male entrepreneurs outnumbered the female ones at 98%, whereas female entrepreneurs were under-represented at 2%. This reflects the social structure of the Moroccan society.
- Out of 88 respondents, more than half (68%) of the respondents were between the age of 25 and 45, while 32% were more than 45 years old. Moreover, no respondents aged between the age range of 18-24 were found. These results reflect the age structure of the Moroccan population that is characterised by the predominance of youth.
- More than half of respondents (68%) had a higher qualification (Bachelor, Master and Doctorate degree); while a substantial number (24%) had a diploma. Of the respondents, 8% had an upper secondary level.
- The majority of respondents (66%) came from parents who did own a business. This suggests that the parents may have a significant influence on the choice of self-employment as a career.
- Over half of the respondents (53%) had fathers who have carried on their education to a diploma level, while one third (33%) completed their upper secondary education.
- More than half of the respondents (71%) had mothers who did secondary education, while a substantial number (20%) only completed primary education.
- All respondents claimed to have previous work experience, of which more than half (67%) had between 2 and 20 years of experience. A substantial number (19%) had more than 20 years' experience and only 14% had less than 2 years' experience. Of the respondents, three quarters (76%) of respondents had experience relevant to the business, whereas, a small number (14%) claimed that their experience was not relevant to their business.

6.2.5.2 Demographic characteristics of the businesses

The survey also captured information about the respondents' businesses. The variables for which data was obtained are: legal status, size of the business, age of the business, location of the business, activity of the business and description of the business. The demographic characteristics of the businesses were analysed by calculating the frequency distributions for all cases in this research study and were summarized in Table 6-3:

Table 6-3: Demographic characteristics of the businesses

Business characteristics	Frequency	%	Cum %
Legal status of the business			
Private Limited Company	74	84	84
Public Limited Company	8	9	93
Sole Trader	6	7	100
Activity of the business			
Textile & leather industry	53	60	60
Chemical industry	20	23	83
Electrical & electronic industry	8	9	92
Food processing industry	5	6	98
Metal & engineering industry	2	2	100
Location of the business			
Industrial Zone	40	46	46
New Medina	31	35	81
Suburb	9	10	91
Old Medina	8	9	100
Business description			
Wholly family owned	51	58	58
Partly family owned	20	23	81
Privately owned	17	19	100
Age of the business			
3-5 years	8	9	9
> 5 years	80	91	100
Number of employees			
11-50	49	56	56
51-100	21	24	80
101-200	18	20	100
Annual turnover			
0-500.000	11	13	13
500.001-1.000.000	20	23	36
1.000.001-75.000.000	48	54	90
> 75.000.000	9	10	100
Total	**88**	**100**	**100**

Source: Author

Observations

The following observations are derived from Table 6-3:

- The majority of the businesses (84%) were constituted as private limited companies, while only a small number were constituted as public limited companies and sole traders with percentages of 9% and 7% respectively.
- More than half of the businesses (60%) were in the textile and leather industries. A substantial number (23%) was in the chemical industry and only small numbers (9%, 6%, and 2%) were in the electrical & electronic, food processing and metal & engineering industries respectively.
- Almost half of businesses (46%) were located in the industrial zone, over a third (35%) in the new medina, 10% in the suburb and 9% in the old medina.
- Over three quarters of the respondents reported family ownership of their businesses. While over half (58%) of the businesses were wholly family owned, approximately a quarter (23%) of them were partly family owned. Only a substantial number (19%) of businesses were owned independently of other family members. Interestingly, these findings suggest the concept of familism that characterizes Moroccan society.
- Approximately all businesses (91%) have been in operation for more than 5 years, while only 8 businesses (9%) have been in operation between 3 and 5 years.
- Over half of the businesses (56%) employ between 11 and 50 employees. The remaining percentage was shared on nearly an equal basis with 24% of businesses employing between 51 and 100 employees, and 20% of those employing between 101 and 200 employees.
- Three quarters of the businesses (77%) reported that their annual turnover was between 500.001 DH and 75.000.000 DH. Of the respondents, only 10% reported that their annual turnover is more than 75.000.000 DH and 13% had an annual turnover under 500.000 DH.

6.2.5.3 Success factors

This section investigates the factors that influence the success of SMEs in Tangier. Several internal and external factors were identified from the systematic literature review as influencers of business success. A full analysis of descriptive results of these factors is presented in appendix C.5 for both less successful and successful businesses. A summary of the key findings is discussed below.

Internal factors

Business characteristics

Size

Results showed that nearly three quarters of less successful businesses (73%) had less than 50 employees compared to only almost half of their successful counterparts (47%). Furthermore, over half of successful businesses (53%) employ over 50 and up to 200 employees compared to only slightly over a quarter (27%) of less successful firms.

Age

Results with regard to the age of the business show that all successful businesses (100%) were established for more than five years compared to three quarters (76%) of less successful businesses. The remaining quarter (24%) of less successful firms were in operation for three to five years.

Location

With respect to location of the business, data in appendix B.19 show that a small proportion of both successful and less successful firms were located in the suburb with 13% and 16% respectively. Slightly over a third of businesses from both groups were located in the New Medina. However, what is interesting in the data is that less successful firms (58%) had a higher representation in industrial zones than their successful counterparts (38%). In addition to this, while less successful businesses had no representation in the old Medina, almost a quarter of successful businesses (14%) were in such location.

Characteristics of the entrepreneur

Socio-demographic characteristics

Gender

While no significant differences existed between the successful and less successful male-owned businesses as they represented a high proportion with 100% and 94% respectively, the most striking result to emerge from the data is that female-owned businesses had a representation of 6% in the less successful firms and surprisingly a null representation among the successful businesses.

Age

Over half of entrepreneurs in both successful and less successful businesses were found to be of a relatively young age interval. However, successful businesses have the highest proportion (76%) of entrepreneurs aged between 25 and 40 compared to 55% of their counterparts in less successful businesses.

Background characteristics

Education

Owner-managers of successful firms were found to have relatively higher levels of education compared to their counterparts in less successful businesses. Approximately all owner-managers in successful firms (96%) had a further or higher education qualification compared to nearly half (45%) of their counterparts in less successful firms.

Education of parents

Owner-managers of successful firms have relatively more educated parents than their counterparts in less successful firms. More than half of owner-managers in successful firms (69%) come from fathers who have attained a diploma compared to only a quarter (27%) of their counterparts in less successful firms. Furthermore, mothers of more than three quarters of owner-managers of successful businesses have reached secondary education.

Self-employment of parents

Self-employment of parents of the owner-manager was found to be related with the differential success of SMEs in Tangier. Two-thirds of respondents (66%) from the total sample reported that their parents were self-employed. However, owner-managers of the successful firms were much more likely to have self-employed parents (87%) than owner-managers of less successful firms (30%).

Work experience

Nearly all owner-managers of successful firms (96%) had more than six years of experience compared to only over half (63%) of their counterparts in less successful firms. One third of owner-managers in less successful businesses (33%) had less than two years of experience compared to a tiny proportion of owner-managers in successful businesses (2%). Owner-managers of both successful and less successful firms that had between 2 to 5 years of experience represented a small proportion with 3% for owner-managers in less successful firms and 2% of their counterparts in successful firms. However, an interesting result, in relation to the relevance of experience to the business is that while all owner-managers (100%) of successful firms claimed to have relevant previous work experience to their businesses, only over a third (36%) of their counterparts in less successful businesses had such relevant experience.

Personality characteristics

The personality variables included need for achievement, locus of control and propensity for risk taking. Questions 11a, 11b, 11c, 11d, 11e, 11f, 11g and 11h were used to obtain data for these variables.

The data presented in appendix B.19 shows that the successful and less successful SMEs' mean scores for need for achievement are 4.25 and 4.11 respectively. This shows that both groups consider the need for achievement an important factor for the success of SMEs. For locus of control, data from the appendix shows that both successful and less successful SMEs consider locus of control an important personality characteristic that influences business success. The successful and less successful SMEs' mean scores are 4.21 and 4.12 respectively. With respect to the risk-taking propensity, it can be seen from the appendix that the mean scores for successful and less successful SMEs' are 4.06 and 3.41 respectively. The data clearly shows that both groups consider the propensity for risk taking an important personality characteristic that influences the success of SMEs.

Competences of the entrepreneur

The competences variables included managerial competences, entrepreneurial competences and functional competences. Questions 9p, 10a and 10e were used to obtain data for the managerial competences variable. Questions 9q, 10b, 10d and 10g were used to obtain data for the variable entrepreneurial competences and finally, the functional competences' variable was measured by questions 9n, 10c and 10f.

As shown in appendix B.19, the successful and less successful SMEs' mean scores for managerial competences are 4.62 and 4.39 respectively. It is apparent from this appendix that both groups believe that managerial competences are important for the success of SMEs. Negative skewness for both groups shows that respondents' opinions are varied. However, for the less successful group, the small positive kurtosis value indicates a concentration of responses around the mean. This suggests a general consensus among the respondents about the importance of the management competences. The appendix also shows that the successful and less successful SMEs' mean scores for entrepreneurial competences are 4.55 and 4.51 respectively. This indicates that both groups consider entrepreneurial competences important for the success of SMEs. This suggests that entrepreneurs from both groups place a high importance on the ability to scan the environment and identify customer needs in order to be successful. From the appendix, we can also see that the successful and less successful SMEs' mean scores for functional competences are 4.21 and 4.44 respectively. This indicates that both groups consider functional competences as important competences for the success of SMEs.

External factors

Macro-environmental factors

The macro-environmental factors included economic factors, political-legal factors, technological factors and socio-cultural factors. To better undertake the analysis of the study and get a thorough understanding of the macro-environmental factors that impact the success of SMEs in Tangier, items related to each factor were divided into sub-themes wherever it was possible.

Economic factors

Economic factors included two variables: financial resources and taxation.

Financial resources

Items 3c, 3p, 7e, 7f, 7g and 9g of the questionnaire were used to obtain data for the financial resources variable. These items were divided into sub-themes to better understand the variable. The sub-themes are: Importance of financial resources and the constraints associated with financial resources.

From the descriptive statistics shown in appendix B.19, the following observations are made with respect to the financial resources variable:

- The mean score for the importance of access to finance was relatively high for both successful and less successful SMEs with scores of 4.71 and 4.94 respectively. This is an indication that both groups view access to finance as a very important factor that contributes to the success of SMEs.
- With regard to the constraints related to access to finance, both successful and less successful firms perceived the finance constraints to influence business success. However, the mean score for the less successful businesses was higher (4.34) than their successful counterparts (3.89).

Taxation

Questions 4c, 4f and 9f of the questionnaire were used to obtain data for the taxation variable. These items were divided into sub-themes to better understand the access to taxation variable. The sub-themes are: Importance of taxation and the regulations related to taxation.

Both less successful and successful entrepreneurs agreed that having an efficient tax system is important for the success of their business. The mean scores for less successful and successful groups are 4.33 and 4.31 respectively.

Political-legal factors

Political-legal factors included two variables: government support and regulatory environment.

Government Support

Items 3b, 3m, 3o, 5a, 5b, 5c, 5d, and 9h of the questionnaire were used to obtain data for the government support variable. These items were divided into sub-themes to better understand the access to government support variable. The sub-themes are: Importance of government support and the constraints associated with government support.

The successful and less successful groups' mean scores for government support are 4.67 and 4.79 respectively. This shows the high importance of government support considered by both groups in the success of their businesses. This was also indicated in the mean sores for the constraints related to the government support. With a mean score of 4.06, it is clear that less successful respondents do agree that the government support is not satisfactory and with a score of 3.85, one could say that the successful respondents also tend to agree that the government support is not satisfactory.

Regulatory environment

Items 3i, 4a, 4b, 4c, 4d, 4e, 4f, 4g, 7i, 8a, 8b, 8c, 8d, 8e and 9k of the questionnaire were used to obtain data for the regulatory environment variable. The items were divided into sub-themes to better understand the regulatory environment. The sub-themes are: Importance of regulatory environment and the constraints associated with regulatory environment.

The mean scores for the importance of the regulatory environment for both successful and less successful groups were 4.27 and 3.85 respectively. This clearly indicates that both groups agree on the importance of the regulatory environment on the success of SMEs. In terms of the regulatory constraints, both successful and less successful SMEs agree that the top regulatory constraints are corruption and bureaucracy. The successful and less successful respondents' mean scores for corruption are 4.75 and 4.71 respectively while for bureaucracy are 4.19 and 4.21.

Technological factors

Technological factors included three variables: access to technology, access to information, and access to infrastructure.

Access to technology

Questions 3f, 3j and 9e of the questionnaire were used to obtain data for the technology variable. The items were divided into sub-themes to better understand the access to technology variable. The sub-themes are: Importance of technology and the constraints associated with technology.

Access to technology was considered as an important factor for the success of the business with mean scores for both successful and less successful businesses of 4.53 and 4.30 respectively. However, the mean scores were significantly different in terms of the constraints associated with technology accounting for a mean score of 2.76 for less successful businesses and 4.05 for successful businesses. This clearly indicates that limited access to technology has an impact on the success of SMEs since less successful businesses find it very difficult to access the technology in comparison to successful businesses that have wide access to technology.

Access to information

Questions 3a, 3e, 3g, 3k and 9i of the questionnaire were used to obtain data for the access to information variable. These items were divided into sub-themes to better understand the variable. The sub-themes are: Importance of information and the constraints associated with information.

The less successful and successful respondents' mean scores information were 4.12 and 4.13 respectively, indicating that both groups consider information as an important factor for the success of SMEs. On the other hand, the mean score for the constraints related to access to information was 3.52 for the less successful businesses and 4.11 for the successful ones.

Access to infrastructure

Questions 5e, 5f, 5g, 6a, 6b, 6c and 9j of the questionnaire were used to obtain data for the infrastructure variable. The items were divided into sub-themes to better understand the variable. The sub-themes are: Importance of infrastructure and the constraints associated with infrastructure.

The less successful and successful respondents' mean scores for the importance of access to infrastructure were 4.58 and 4.82 respectively. This clearly indicates that both groups considered access to infrastructure very important to the success of the business. The constraints associated with access to infrastructure were classified into two themes namely: reliability of infrastructure and cost of infrastructure. The reliability mean scores for both successful and less successful businesses were 4.04 and 3.99 respectively. This indicated that both groups agree that the infrastructure is reliable. However, the mean scores for the cost of infrastructure are 4.14 for less successful businesses and 3.98 for successful ones. This suggested that both groups considered the cost associated with access to infrastructure a high cost.

Socio-cultural factors

Socio-cultural factors included the variable access to networking.

Access to networking

Questions 3l, 3n, 3q and 9l of the questionnaire were used to obtain data for the networking variable. The items were divided into sub-themes to better understand the networking variable. The sub-themes are: Importance of networking and the constraints associated with networking.

Both successful and less successful respondents consider networking important for the success of their businesses. The mean scores were nearly the same for both groups with a mean score of 4.07 for successful businesses and 4.09 for less successful ones. While successful respondents agreed that they have access to friends/ family that can support their businesses (Mean score: 4.04) and also agreed that they have a professional affiliation (Mean score: 4.07), the less successful businesses indicated their disagreement about the professional affiliation (Mean score: 2.73) and showed a neutral opinion about the help of friend and family (Mean score: 3.58).

Micro-environmental factors

The micro-environmental factors included three variables: customers, suppliers, and competitors.

Customer relationships

Questions 3d and 9m of the questionnaire were used to obtain data for the customer variable. Both successful and less successful respondents consider customers very important for the success of their businesses. The mean scores were nearly the same for both groups with a mean score of 4.58 for successful businesses and 4.55 for their less successful counterparts. While successful businesses agreed that they have access to customers with a mean score of 4.02, less successful businesses indicated their disagreement with a mean score of 2.70.

Supplier relationships

Questions 3h and 9r of the questionnaire were used to obtain data for the supplier variable. The less successful and successful respondents' mean scores for the importance of suppliers were 4.27 and 4.07 respectively. This clearly indicates that both groups consider access to suppliers very important to the success of their businesses. Less successful businesses tend to agree about their ability to access suppliers with a mean score of 4.48. For the successful businesses, the mean score was 3.89, which is neutral. However, one can assume their agreement about the ability to access suppliers since the mean is very close to 4.

Competition

Questions 7c, 7d, 7h, 7j, and 9o of the questionnaire were used to obtain data for the competition variable. The items were divided into sub-themes to better understand the variable. The sub-themes are: Importance of competitive advantage and the constraints associated with competition. Both successful and less successful groups view the competitive advantage as an important variable in ensuring the success of their businesses. The mean scores for the importance of the competitive advantage were 4.39 and 4.53 for less successful and successful groups respectively. With regard to the constraints related to competition, the mean scores for all the items for both successful and less successful respondents were above 4 with the exception of the constraint: competition in foreign market which was 2.85 for the less successful group and 3.45 for the successful group. This indicates that both groups agree that the increasing competition in domestic market, black market and the smuggling of foreign goods constrain the success of SMEs. However, while competition in foreign market was not seen as a constraint by the less successful group, successful businesses opted for a neutral view.

6.2.6 Exploratory factor analysis

To identify the external factors that impact on the success of SMEs, exploratory factor analysis was performed. In this study, the exploratory factor analysis was carried out in order to find relationships or factors where variables are maximally correlated with one another and minimally correlated with other variables; and then group the variables accordingly. A principal component analysis (PCA) was conducted on 48 items of the survey instrument with orthogonal rotation (varimax). The Kaiser-Meyer-Olkin (KMO) measure verified the sampling adequacy for the analysis, KMO = .56, which is above the acceptable limit recommended by Kaiser (1974). The KMO is considered as mediocre since it is between 0.5 and 0.7 (Hutcheson & Sofroniou, 1999). Bartlett's test of sphericity was highly significant at < 0.001, suggesting large correlations between items for PCA. An initial analysis was run to obtain eigenvalues for each component in the data. Fourteen components had eigenvalues over Kaiser's criterion of 1 and in combination explained 82.59 %

of the variance. Only variables with loading more than 0.5 were retained (see appendix B.18).

The matrix confirmed all the research constructs with the emergence of some different themes under the specific constructs, which are:

- Two themes, related to this specific construct “Finance” emerged. The first theme was availability of finance which was measured with items Q3c, Q3p. The second theme being cost of finance which was represented by items Q7e, Q7f, and Q7g.

- Under the specific construct “regulatory environment”, four themes namely: Business registration, regulations, Bureaucracy and corruption, emerged. Business registration was measured by items Q3i, Q4a and Q4b. The theme regulations was measured by items Q4d, Q4e and Q4g. Items Q8a, Q8b and Q8c measure the theme bureaucracy and finally the theme corruption was represented by items Q7i, Q8d and Q8e.

- For the specific construct “Government support”, two themes emerged namely: Availability of support and the service of government institutions. The availability of support was measured by items Q3b, Q3m, Q3o, whereas, the service of government institutions was represented by items Q5a, Q5b, Q5c and Q5d.

Moreover, the exploratory factor analysis highlighted the relationship between some of the constructs, as depicted below:

- Access to information and access to technology
- Bureaucracy and corruption

Based on the results of the exploratory factor analysis, that was performed on the items that measure the external factors affecting the success of SMEs, all the research constructs and the new emerged ones are valid. Furthermore, some of the hypothesized relationships were recommended. Therefore, all these constructs were retained for the hypotheses testing phase.

6.2.7 Hypotheses testing

The second objective of this research study was to compare the successful SMEs to the less successful SMEs in terms of their perceptions of the impact of the critical factors identified in the first objective on business success. To achieve this, a set of null hypotheses were identified based on the systematic review of the literature. This section aims therefore to test these null hypotheses and ascertain whether they hold true or false. Mann Whitney U test was used to test for any differences between successful and less successful SMEs. Appendix C.6 shows the results of the Mann-Witney test in relation to all the variables tested in these hypotheses. Each null hypothesis is discussed in further details below:

Hypothesis 1

H_0^1 There are no significant differences between successful and less successful businesses in relation to the self-reported age of the business.

Hypothesis 1 was related to the testing of differences between successful and less successful entrepreneurs in relation to the self-reported age of the business. At the significant level of 5%, there is evidence of differences between successful and less successful businesses in relation to the self-reported age of the business. This can be noted by the large differences in the mean ranks and statistically significant p-values shown in appendix C.6. The finding suggested that self-reported age of the firm is associated with high business success. The older is the firm, the more likely it is to be more successful. In view of these findings, it follows that the null hypothesis 1 was rejected.

Hypothesis 2

H_0^2 There are no significant differences between successful and less successful businesses in relation to the self-reported size of the business.

Hypothesis 2 was related to the testing of differences between successful and less successful entrepreneurs in relation to the self-reported size of the business. Two variables related to the size of the firm, were used: number of employees and annual turnover. The null hypothesis 2 was rejected since significant differences were found between successful and less successful firms for both variables (appendix C.6). The findings indicated that successful businesses were larger than the less successful ones.

Hypothesis 3

H_0^3 There are no significant differences between successful and less successful businesses in relation to the self-reported location of the business.

Hypothesis 3 was related to the testing of differences between successful and less successful entrepreneurs in relation to the self-reported location of the business. Contrary to what was hypothesised, self-reported location differ significantly for both groups. This could be noted by the results of the Mann-Whitney test that show large differences in the mean ranks and statistically p-values presented in appendix C.6. The finding suggested that location of the business could yield more business success. In consideration of this finding, the null hypothesis 3 was rejected.

Hypothesis 4

H_0^4 There are no significant differences between successful and less successful businesses in relation to the self-reported gender of the entrepreneur

Hypothesis 4 was related to the testing of differences between successful and less successful entrepreneurs in relation to the self-reported gender of the entrepreneur. At a significance level of 5%, the Mann-Whitney test showed no significant differences between the two groups ($p=.066 > 0.05$). This finding could be due to the fact that because the majority of respondents were from the male gender, a fair comparison was not possible between the two groups. In view of this, the null hypothesis 4 was accepted.

Hypothesis 5

H_0^5 There are no significant differences between successful and less successful businesses in relation to the self-reported age of the entrepreneur

Hypothesis 5 was related to the testing of differences between successful and less successful entrepreneurs in relation to the self-reported age of the entrepreneur. Contrary to what was hypothesised, the findings of the Mann-Whitney test showed significant differences between the two groups. The large differences in the mean ranks suggested that successful entrepreneurs (Mean rank = 41) have a younger self-reported age than their less successful counterparts (Mean rank = 51). This disclosed that entrepreneurs of successful businesses were younger than their less successful counterparts. Hence, the null hypothesis 5 was rejected.

Hypothesis 6

H_0^6 There are no significant differences between successful and less successful businesses in relation to the self-reported education of the entrepreneur.

Hypothesis 6 was related to the testing of differences between successful and less successful entrepreneurs in relation to the self-reported education of the entrepreneur. At a significant level of 5%, the null hypothesis 6 was rejected owing to the significant differences found between successful and less successful firms. This can be noted by the large differences in the mean ranks of both groups (Successful = 58, less successful = 23). The related finding suggested that entrepreneurs from successful businesses were more educated than their counterparts in less successful firms.

Hypothesis 7

H_0^7 There are no significant differences between successful and less successful businesses in relation to the self-reported years of work experience of the entrepreneur.

Hypothesis 7 was related to the testing of differences between successful and less successful entrepreneurs in relation to the self-reported years of experience of the entrepreneur. Results of the Mann-Whitney test revealed no significant differences between the two groups. Both groups reported that they had previous work experience before starting their businesses. On that account, the null hypothesis 7 was accepted.

Hypothesis 7a

H_0^{7a} There are no significant differences between successful and less successful businesses in relation to the self-reported relevance of experience of the entrepreneur to the business.

Hypothesis 7a was related to the testing of differences between successful and less successful entrepreneurs in relation to the self-reported relevance of experience of the entrepreneur to the business. In view of the significant differences found between the two groups, the null hypothesis 7a was rejected. The large differences in the mean ranks suggested that successful entrepreneurs (Mean rank = 55) have more relevant work experience than their less successful counterparts (Mean rank = 27). However, when linking these results to the results of hypothesis 7, the most striking observation to emerge from the data comparison is that although less successful entrepreneurs have work experience that could influence business success, relevance of such experience to their businesses is more likely to be more success influential.

Hypothesis 8

H_0^{8} There are no significant differences between successful and less successful businesses in relation to the self-reported education background of parents of the entrepreneur.

Hypothesis 8 was related to the testing of differences between successful and less successful entrepreneurs in relation to the self-reported education background of parents of the entrepreneur. Self-reported education of both the father and the mother of entrepreneurs were tested in this hypothesis. At a significance level of 5%, results of the Mann-Whitney test showed significant differences between the two groups with p values of .000 for the self-reported education of the father and .001 for the self-reported education of the mother. The finding suggested that entrepreneurs from successful firms had more educated parents than their counterparts from less successful ones. As a result, the null hypothesis 8 was rejected.

Hypothesis 8a

H_0^{8a} There are no significant differences between successful and less successful businesses in relation to the self-reported self-employment background of parents of the entrepreneur.

Hypothesis 8a was related to the testing of differences between successful and less successful entrepreneurs in relation to the self-reported self-employment background of parents of the entrepreneur. There were significant differences between the two groups. This can be noted from the large differences of mean ranks between successful entrepreneurs (53.9) and less successful ones (28.83). The finding proposed that entrepreneurs from successful businesses came from more self-employed parents than entrepreneurs from less successful businesses did. In light of this finding, it follows that the null hypothesis 8a was rejected.

Hypothesis 9

H_0^{9} There are no significant differences between successful and less successful businesses in their perceptions of the need for achievement of the entrepreneur.

Hypothesis 9 was related to the testing of differences between successful and less successful entrepreneurs in relation to their perceptions of the need for achievement of the entrepreneur. Contrary to what was hypothesised, at a statistically significant value of 5%, the two groups displayed significant differences with a p value of .018. The large differences in the mean ranks shown in appendix C.6 suggested that the perceived importance of need for achievement differs significantly for the two groups. The successful group of entrepreneurs (Mean rank = 49) considered need for achievement to be more important than the less successful group (Mean rank = 37). In view of this finding, the null hypothesis 9 was rejected.

Hypothesis 10

H_0^{10} There are no significant differences between successful and less successful businesses in their perceptions of the locus of control of the entrepreneur.

Hypothesis 10 was related to the testing of differences between successful and less successful entrepreneurs in relation to their perceptions of locus of control of the entrepreneur. Results showed that entrepreneurs from both groups considered locus of control important for business success (Successful = 44, Less successful = 45). This resulted in accepting the null hypothesis 10.

Hypothesis 11

H_0^{11} There are no significant differences between successful and less successful businesses in their perceptions of the importance of the risk-taking propensity of the entrepreneur.

Hypothesis 11 was related to the testing of differences between successful and less successful entrepreneurs in relation to their perceptions of the importance of risk-taking of the entrepreneur. In contrast to what was hypothesised, there were significant differences between successful and less successful businesses, in terms of their perceptions of the importance of the risk-taking propensity. The large differences in the mean ranks shown in appendix C.6 indicated that entrepreneurs from successful firms considered the risk-taking propensity more important than their counterparts in the less successful businesses. Therefore, the null hypothesis 11 was rejected.

Hypothesis 12

H_0^{12} There are no significant differences between successful and less successful businesses in relation to their perceptions of the importance of entrepreneurial competences.

Hypothesis 12 was concerned with testing whether there are differences between successful and less successful entrepreneurs in relation to their

perceptions of the importance of entrepreneurial competences. As can be seen from appendix C.6, the importance of entrepreneurial competences for successful entrepreneurs (Mean rank = 45.57) did not differ significantly from less successful entrepreneurs (Mean rank = 42.71, U = 848.5, z = -.536, p = 0.599). This finding indicated a high level of agreement between the two groups in their perceptions of the importance of entrepreneurial competences. This resulted in accepting the null hypothesis 12.

Hypothesis 13

H_0^{13} There are no significant differences between successful and less successful businesses in relation to their perceptions of the importance of managerial competences.

Hypothesis 13 was concerned with testing whether there are differences between successful and less successful entrepreneurs in relation to their perceptions of the importance of managerial competences. Contrary to what was hypothesised, the findings associated with the null hypothesis 13 suggested that the importance of management competences for successful entrepreneurs did differ significantly from less successful entrepreneurs. The successful group of SMEs considered management competences to be more important than the less successful group. This can be noted by the large differences in the mean ranks and statistically significant p-values shown in appendix C.6. As a result, the null hypothesis 13 was rejected.

Hypothesis 14

H_0^{14} There are no significant differences between successful and less successful businesses in relation to their perceptions of the importance of functional competences.

Hypothesis 14 was concerned with testing whether there are differences between successful and less successful entrepreneurs in relation to their perceptions of the importance of managerial competences. The null hypothesis 14 was rejected since related findings revealed that the views of less successful and successful entrepreneurs differ significantly in relation to the importance of functional competences. Successful businesses considered functional competences to be more important than the less successful. This can be noted by the large differences in the mean ranks and statistically significant p-values shown in appendix C.6.

Hypothesis 15

H_0^{15} There are no significant differences between successful and less successful businesses in relation to the self-reported availability of finance.

Hypothesis 15 was concerned with testing whether there are differences between successful and less successful businesses in relation to the self-reported availability of finance. A comparison of the two results revealed significant differences between the two groups. The Mann-Whitney test yielded a p value of .000 which is less than the significant level of 5% ($p = 0.05$). The large differences in the mean ranks signified that the majority of successful businesses reported their ability to access to finance compared to less successful businesses. Hence, the null hypothesis 15 was rejected.

Hypothesis 15a

H_0^{15a} There are no significant differences between successful and less successful businesses in relation to the self-reported cost of finance.

Hypothesis 15a was concerned with testing whether there are differences between successful and less successful businesses in relation to the self-reported cost of finance. Results of the Mann-Whitney test show no significant differences between less successful and successful businesses. The Mann Whitney test yielded a p value of .569 which is greater than 0.05. This implies that both groups tend to agree that constraints of access to finance (High interest rates, guarantees, documentation) are very challenging and consequently inhibit their success.

Hypothesis 16

H_0^{16} There are no significant differences between successful and less successful businesses in relation to the self-reported taxation.

Hypothesis 16 was concerned with testing whether there are differences between successful and less successful businesses in relation to the self-reported taxation. There were significant differences between the two groups. Results of the Mann-Whitney test indicated a p value that was less than 0.05.

Hypothesis 17

H_0^{17} There are no significant differences between successful and less successful businesses on their perceptions of the importance of the regulatory environment.

Hypothesis 17 was concerned with testing whether there are differences on the perceptions of successful and less successful entrepreneurs in relation to the importance regulatory environment. The regulatory environment was represented by four variables that emerged from the factor analysis namely: Corruption, bureaucracy, regulations and business registration. As indicated from appendix C.6, the Mann-Whitney test for these variables, in relation to the less successful and successful businesses show that there were no significant differences on the perceptions of the two groups. Findings proposed that corruption, bureaucracy, regulations difficulty and business registration difficulty were considered by both groups to be burdensome problems that constrain the success of their businesses. Based on these findings, it follows that the null hypothesis 17 was accepted.

Hypothesis 18

H_0^{18} There are no significant differences between successful and less successful businesses on their perceptions of government support.

Hypothesis 18 was concerned with testing whether there are differences between successful and less successful entrepreneurs in relation to their

perceptions of government support. No significant differences were found between the two groups. Both groups consider the service of government institutions not satisfactory with a significance value of $p = .692$. Moreover, they agreed that availability of support does not reach the satisfactory level ($p = .080$).

Hypothesis 19

H_0^{19} There are no significant differences between successful and less successful businesses on the self-reported access to technology.

Hypothesis 19 was concerned with testing whether there are differences between successful and less successful entrepreneurs in relation to the self-reported access to technology. At a significance level of 5%, the Mann-Whitney test showed that there were significant differences between less successful and successful SMEs with regards to the self-reported access to technology variable ($p < .05$).

Hypothesis 20

H_0^{20} There are no significant differences between successful and less successful businesses on the self-reported access to information.

Hypothesis 20 was concerned with testing whether there are differences between successful and less successful entrepreneurs in relation to the self-reported access to information. No significant differences were found between the two groups with relation the access to information variable ($p = .054$).

Hypothesis 21

H_0^{21} There are no significant differences between successful and less successful businesses on their perceptions of the availability of infrastructure.

Hypothesis 21 was concerned with testing whether there are differences between successful and less successful entrepreneurs in relation to their

perceptions of the availability of infrastructure. The null hypothesis 21 was accepted in view of the non-existence of significant differences between less successful and successful firms in terms of their perceptions of the availability of infrastructure. Findings revealed that a reasonable good infrastructure (Electricity, water, telecommunication) was available, according to both groups.

<u>Hypothesis 21a</u>

H_0^{21a} There are no significant differences between successful and less successful businesses on their perceptions of the cost of infrastructure.

Hypothesis 21a was concerned with testing whether there are differences between successful and less successful entrepreneurs in relation to their perceptions of the cost of infrastructure. At a significance level of 5%, no significant differences were found between the two groups. Findings related to the hypothesis unfolded that the perceived high cost of such infrastructure was considered by both groups, a major problem that touches on their daily activities. Hence, the null hypothesis 21a was accepted.

<u>Hypothesis 22</u>

H_0^{22} There are no significant differences between successful and less successful businesses on the self-reported access to networking.

Hypothesis 22 was concerned with testing whether there are differences between successful and less successful entrepreneurs in relation to the self-reported access to networking. Contrary to what hypothesised, the finding linked to the null hypothesis 22 unravelled significant differences between the successful and less successful firms. Successful firms reported more access to networking than their less successful counterparts. Results of the Mann-Whitney test indicated large differences in mean ranks of the two groups (Successful = 54, Less successful = 29) and a p value of .000 which is less than the statistical significant level of 5%. On the grounds of these findings, the null hypothesis was rejected.

Hypothesis 23

H_0^{23} There are no significant differences between successful and less successful businesses on their perceptions of the importance of customers.

Hypothesis 23 was concerned with testing whether there are differences on the perceptions of successful and less successful entrepreneurs in relation to the importance of customers. At a significance level of 5%, no significant differences were found between the two groups. Findings suggested that both groups considered customers to be important for the performance of their businesses. As a result, the null hypothesis 23 was accepted.

Hypothesis 24

H_0^{24} There are no significant differences between successful and less successful businesses on their perceptions of the importance of suppliers.

Hypothesis 24 was concerned with testing whether there are differences on the perceptions of successful and less successful entrepreneurs in relation to the importance of suppliers. Contrary to what hypothesised, significant differences were found between the two groups. The related findings attested that entrepreneurs from less successful firms (Mean rank = 49) considered suppliers to be more important for business performance than their counterparts from successful businesses (Mean rank = 42). In consequence, the null hypothesis 24 was rejected.

Hypothesis 25

H_0^{25} There are no significant differences between successful and less successful businesses on their perceptions of the importance of competition.

Hypothesis 25 was concerned with testing whether there are differences on the perceptions of successful and less successful entrepreneurs in relation to the importance of competition. There were no significant differences between the two groups. The Mann-Whitney test revealed a p value of .143 which is greater than .05. These findings alleged that both groups were in total agreement about the competition hurdles (competition in domestic market, competition in foreign market, black market and smuggling of goods) that hinder their performance. Given that no significant differences between less successful and successful entrepreneurs, with respect to their perceptions on the importance of competition, were found; the null hypothesis 25 was accepted.

6.2.8 Open ended question analysis

The last question in the questionnaire was designed as an open ended question in order to give the respondents the opportunity to add any comments or suggestions related to the topics that have been addressed in the questionnaire or any other subjects related to the success of small and medium enterprises. The qualitative question aimed to get more insight into the respondents' thoughts and ideas.

A relatively low percentage of participants (7%, 6 out of 88) answered the opened-ended question. This might be related to the fact that respondents found it difficult to write from their own mind and therefore preferred to choose an option from the closed questions rather than writing elaborate details. Another possible reason could be that this type of questions requires more thought and time on the part of respondents, of which they did not have.

The analysis of data was done manually by means of a coding process and results of analysis can be summarized as follows:

- Over three quarters (83%) of respondents (5 out of 6) cited that having sufficient financial resources is important, as it influences business success.
- Over half (67%) of respondents (4 out of 6) stressed the importance of market research in ensuring the competitiveness of their firms. As noted by a respondent: *'We believe in market research as a key to competitiveness. Thus, we consistently invest in such research'*.
  This suggests that market research can offer market intelligence, which is needed in order to encourage success, enhance competitiveness.

- Over half of respondents (67%) (4 out of 6) considered customers as important stakeholders that influence business success.
- One third of respondents (33%, 2 out of 6) highlighted the importance of infrastructure in business success.
- Two third of respondents (67% 4out of 6) stated that bureaucracy is a challenging impediment to business success in Tangier.

6.3 Summary

In summary, using a survey questionnaire, the quantitative data analysis aimed to achieve the first and second objective of the present research study. The analysis of this study included a descriptive analysis process, followed by an inferential analysis. For the first objective of the study, while descriptive statistics aimed to identify the internal factors influencing business success, the inferential factor analysis was performed to determine the external factors. From the analysis, it is clear that a combination of internal and external factors influence the success of SMEs in Tangier. With respect to the second objective, inferential analysis using Mann-Whitney test was used to test the null hypotheses developed from the literature. Table 6-4 below summarizes the study results in terms of hypotheses support. The statistical comparison between the successful and less successful groups of SMEs provided support for the effect of internal and external factors on business success. Appendix C.1 shows the results of the quantitative study in a diagram.

In general, the results of the quantitative phase offered a general understanding and some initial insights on the perceptions of owner-managers with regard to the factors that influence business success. However, these results remain limited and should be cautiously interpreted since the factors that respondents were asked to evaluate were derived from the literature in different contexts and thus ‘imposed’ on respondents. This did not allow sufficient understanding of participants’ personal views of the important factors in the specific context of Tangier, which might be different from other contexts. Hence, a qualitative study was needed to start to overcome this limitation.

All in all, the aim of the quantitative data analysis was not to draw definitive conclusions about the factors that influence business success in SMEs, but to incorporate the quantitative results into the qualitative ones, which are presented in the subsequent chapter.

Table 6-4: Summary of hypotheses results

Research Hypotheses	Results
Hypothesis 1 (H_0^1) There are no significant differences between successful and less successful businesses in relation to the self-reported age of the business.	**Not supported**
Hypothesis 2 (H_0^2) There are no significant differences between successful and less successful businesses in relation to the self-reported size of the business.	**Not supported**
Hypothesis 3 (H_0^3) There are no significant differences between successful and less successful businesses in relation to the self-reported location of the business.	**Not supported**
Hypothesis 4 (H_0^4) There are no significant differences between successful and less successful businesses in relation to the gender of the entrepreneur	**Supported**
Hypothesis 5 (H_0^5) There are no significant differences between successful and less successful businesses in relation to the age of the entrepreneur	**Not supported**
Hypothesis 6 (H_0^6) There are no significant differences between successful and less successful businesses in relation to the education of the entrepreneur	**Not supported**
Hypothesis 7 (H_0^7) There are no significant differences between successful and less successful businesses in relation to the years of work experience of the entrepreneur	**Supported**
Hypothesis 7a (H_0^{7a}) There are no significant differences between successful and less successful businesses in relation to the relevance of experience of the entrepreneur to the business	**Not supported**
Hypothesis 8 (H_0^8) There are no significant differences between successful and less successful businesses in relation to the education background of the parents of the entrepreneur.	**Not supported**
Hypothesis 8a (H_0^{8a}) There are no significant differences between successful and less successful businesses in relation to the self-employment background of parents of the entrepreneur.	**Not supported**
Hypothesis 9 (H_0^9) There are no significant differences in the self-reported need for achievement of the entrepreneur between successful and less successful businesses.	**Not supported**
Hypothesis 10 (H_0^{10}) There are no significant differences in the self-reported locus of control of the entrepreneur between successful and less successful businesses.	**Supported**
Hypothesis 11 (H_0^{11}) There are no significant differences in the self-reported propensity of risk-taking of the entrepreneur between successful and less successful businesses.	**Not supported**

Table 6-4 (continued)

Hypothesis 12 (H_0^{12}) There are no significant differences between successful and less successful businesses in relation to their perceptions on entrepreneurial competences.	**Supported**
Hypothesis 13 (H_0^{13}) There are no significant differences between successful and less successful businesses in relation to their perceptions on managerial competences.	**Not supported**
Hypothesis 14 (H_0^{14}) There are no significant differences between successful and less successful businesses in relation to their perceptions on functional competences.	**Not supported**
Hypothesis 15 (H_0^{15}) There are no significant differences between successful and less successful businesses in relation to the self-reported availability of finance.	**Not supported**
Hypothesis 15a (H_0^{15a}) There are no significant differences between successful and less successful businesses in relation to the self-reported cost of finance.	**Supported**
Hypothesis 16 (H_0^{16}) There are no significant differences between successful and less successful businesses in relation to the self-reported taxation.	**Not supported**
Hypothesis 17 (H_0^{17}) There are no significant differences between successful and less successful businesses on their perceptions of the regulatory environment.	**Supported**
Hypothesis 18 (SH_0^{18}) There are no significant differences between successful and less successful businesses on their perceptions of government support.	**Supported**
Hypothesis 19 (H_0^{19}) There are no significant differences between successful and less successful businesses on the self-reported access to technology.	**Not supported**
Hypothesis 20 (H_0^{20}) There are no significant differences between successful and less successful businesses on the self-reported access to information.	**Supported**
Hypothesis 21 (H_0^{21}) There are no significant differences between successful and less successful businesses on their perceptions of the availability of infrastructure.	**Supported**
Hypothesis 21a (H_0^{21a}) There are no significant differences between successful and less successful businesses on their perceptions of the cost of infrastructure.	**Supported**
Hypothesis 22 (H_0^{22}) There are no significant differences between successful and less successful businesses on the self-reported access to networking.	**Not supported**
Hypothesis 23 (H_0^{23}) There are no significant differences between successful and less successful businesses on their perceptions of the importance of customers.	**Supported**

Table 6-4 (continued)

Hypothesis 24 (H_0^{24}) There are no significant differences between successful and less successful businesses on their perceptions of the importance of suppliers.	**Not supported**
Hypothesis 25 (H_0^{25}) There are no significant differences between successful and less successful businesses on their perceptions of the importance of competition.	**Supported**

Source: Author

CHAPTER SEVEN
RESULTS & ANALYSIS OF THE QUALITATIVE PHASE

7.1 Introduction

As outlined in Chapter Five, the empirical results of the present research study are established upon the analysis of the quantitative data collected via the questionnaire, and the qualitative data obtained by the means of interviews. While the former have been presented and discussed in the previous chapter, this chapter presents the results of the qualitative phase, based on fifteen face-to-face semi-structured interviews, conducted with business owner-managers of industrial SMEs in Tangier.

The interviews provided rich data by exploring participant's experiences and stories. Based on thematic analysis with the aim of achieving the concept of thick description described by Geertz (1971), findings of the qualitative phase are reported, in relation to the external factors (Sefiani, 2013), which were confirmed in the quantitative study (Sefiani, 2012). The qualitative findings draw deep insights and illuminate results arising from the quantitative phase.

7.2 Profile of respondents

Table 7-1 below shows the profiles of the respondents who participated in the interviews:

Table 7-1: Profile of respondents of the qualitative phase

Participants	Respondents' characteristics			Business characteristics				
	G	A	E	LS	TA	L	NE	LO
Participant 1 (Enint 03)	M	37	University	PLC	Textile	> 5 years	106	IZ Al-Majd
Participant 2 (Enint 05)	M	33	University	PLC	Textile	> 5 years	97	IZ Mghogha
Participant 3 (Enint 04)	M	41	University	PLC	Textile	> 5 years	16	IZ Mghogha
Participant 4 (Enint 01)	M	39	SE	PLC	Agri-food	> 5 years	13	Medina
Participant 5 (Enint 09)	M	40	University	PLC	Agri-food	> 5 years	130	IZ Mghogha
Participant 6 (Enint 07)	M	38	University	PLC	Agri-food	> 5 years	64	IZ Mghogha
Participant 7 (Enint 10)	M	48	University	PLC	Chemical	> 5 years	93	IZ Mghogha
Participant 8 (Enint 06)	M	32	University	PLC	Chemical	> 5 years	78	IZ Mghogha
Participant 9 (Enint 08)	F	35	University	PLC	Chemical	> 5 years	18	TFZ
Participant 10 (Enint 15)	M	39	University	PLC	Electrical	> 5 years	35	IZ Mghogha
Participant 11 (Enint 11)	M	34	University	PLC	Electrical	> 5 years	21	IZ Al-Majd
Participant 12 (Enint 12)	M	40	University	PLC	Electrical	> 5 years	197	TFZ
Participant 13 (Enint 13)	M	43	SE	PLC	Metal & Engineering	> 5 years	80	Peripheral
Participant 14 (Enint 14)	M	37	University	PLC	Metal & Engineering	> 5 years	52	IZ Mghogha
Participant 15 (Enint 02)	M	37	University	PLC	Metal & Engineering	> 5 years	131	IZ Mghogha

G = Gender; **A** = Age; **E** = Education; **LS** = Legal status; **TA** = Type of activity; **L** = Longevity; **NE** = Number of employees; **LO; SE** = Secondary education; **PLC** = Private limited company; **IZ** = Industrial zone

Source: Author

7.3 Macro-environmental factors

7.3.1 Economic factors

7.3.1.1 Financial resources

Given the importance assigned to financial resources in the literature, there was no surprise to find many quotations stressing the importance of such factor. The finance theme was consistently regarded within the data as being a significant factor influencing the success of SMEs in Tangier, with 114 text units with 83 per cent of coverage, being referenced to the theme finance in QSR Nvivo 9. This fundamental importance of financial resources was supported by a business owner-manager who clarified that:

> *'Without having enough financial resources, we cannot survive. Any business needs funding in order to start or expand its business operations. Thus, choosing the right strategy to obtain funding is important for us. Also, the effective use and management of* financial resources *is significant.'* (Enint01)

Generally, many internal and external sources of finance are available. However, loans from banks remain the main source of finance for SMEs (Cosh & Hughes, 2003), despite the various financing constraints inherent in this type of finance (Kotey, 1999; Fraser, 2005). In these interviews, while there was a strong agreement among the business owner-managers that banks are available and can be approached in getting a credit, the majority of them did highlight the constraints imposed by banks. One business owner-manager indicated:

> *'Yes, of course. Banks are now available to help because there is a favourable climate for investment. But you need to know that you have to present a strong dossier. The fact that you present a strong dossier will encourage, persuade, and accelerate your application to give you the loan you need.'* (Enint05)

Another business owner-manager argued this point further by explaining how to present a strong dossier to the bank to get approval for the credit requested. According to him, to obtain a bank loan, you must give fixed assets for collateral.

> *'To get a bank loan, you must present a strong dossier. You must provide a certified balance sheet that is accredited by the tax authorities. Following a review of your certified balance sheet (financial situation, your turnover, your debts), the bank will make a decision based on whether the balance sheet gives a good picture about your business or not. In other words, if you have fixed assets, that is good and the bank will them as guarantees to allow a bank loan. Generally, the bank must get collateral.'* (Enint02)

The issue of collateral and its inherent difficulties was strongly reinforced by another business owner-manager who argued:

> *'Getting credit from banks is not so easy. Enterprises must at least provide guarantees because banks, as you know, do not get involved in investments if no guarantees are provided. To borrow money, you must normally give guarantees to the bank.'* (Enint06)

Another issue was raised in respect to finance by a business owner-manager expressed his concerns about perceived high interest rates charged by banks and described such issue as an impediment to investments.

> *‘There is not a fixed interest rate. There are variable rates. That is why enterprises have to check different banks and negotiate the interest rate. I will say, here in Morocco, we have fairly large interest rates and view the current economic climate, it is usually an impediment to investments.’* (Enint09)

The issue of interest rates was further articulated by another business owner-manager who stated:

> *‘We should see possibility of lower interest rates in order to promote investment.’* (Enint03)

From the above qualitative results, it is clear that perceived success of SMEs is usually constrained by the perceived high cost of credit; not just interest rates and collaterals, but also the effort required to produce the dossier. The production of the dossier presents a considerable amount of work together with the identification of assets. The presentation of a weak dossier, which reflects weak financial information, and thus shows insufficient collateralizable assets, deters financial institutions from providing credit to SMEs, which usually do not have enough assets. As a result, they tend to be confronted with higher interest rates.

Very importantly, the issue of interest rates raised another issue that was of high concern to owner-managers who were not willing to breach their religious beliefs. Puzzlement was expressed by participants about the non-availability of Islamic banks in Morocco, which is a Muslim country. A business owner-manager revealed his wonder about this issue by stating:

> *‘The constitution stipulates that Morocco is a Muslim state and Islam is the state religion. Nevertheless, we do not have Islamic banks in Morocco in general and in Tangier in particular. I wonder why such banks do not exist. Indeed they could be useful for entrepreneurs who do not want to pay interest.’* (Enint01)

The issue of non-availability of Islamic banks was reinforced by another participant:

> *'Personally, I fear breaching my religious beliefs and therefore will not approach traditional banks. I would prefer to use an Islamic bank to get access to finance on a profit and loss sharing basis but unfortunately, they do not exist in Morocco.'* (Enint10)

The above quotes draw our attention to the Islamic economics literature, of which banking and finance is an offshoot. The main principle of Islamic economics is that all forms of interest are forbidden according to the Quran and Sunnah[16]. The Islamic economics literature developed since the late 1940s, and especially since the mid-1960s. This was recorded in the works of Naiem Siddiqi (1948) and Mahmud Ahmad (1952), followed by the works of Maududi in (1950 and1961) (Wikipedia, 2012).

Islamic banking and other Islamic financial institutions have been introduced many years ago, with the first Islamic bank founded in Egypt in 1963. They have seen great expansion in rich Arabic oil exporting countries.

Despite this, however, Morocco, which is a Muslim country, has no Islamic financial institutions at the time of this study; although some discussion about it has arisen lately on the part of the new government, led by the Islamist Justice and Development Party, who won in the elections of November 2011. Banks in Morocco operate in a similar fashion to traditional European banks, offering no alternatives to entrepreneurs but to deal with these banks. The idea of Islamic banking is seen as a possible alternative to the European model. This seems to hold out the prospect of a linkage between economic and spiritual success. This is clearly shown in the above quotes which reveal the importance of spiritual success that has to do with religious beliefs. This process also has consequences for the method of funding of small businesses in Islamic countries. It focuses greater emphasis on joint funding and profits rather than assets.

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[16] **Sunnah** is an Arabic word that means "habit" or "usual practice". It denotes the practice of the Prophet Muhammad that he taught and practically instituted as a teacher of the Shariah and the best exemplar (Islahi. 1989 (tr. 2009)). The Sunnah of the Prophet Muhammad includes his specific words, habits, practices, and silent approvals (Nasr, 1997). According to Muslim belief, this practice is to be adhered to in fulfilling the divine injunctions, carrying out religious rites and moulding life in accord with the will of God.

When exploring in depth the financial resources theme, a salient point was made with respect to seeking finance from others rather than banks. The majority of participants made it clear that there is possibility of seeking finance from people in return of shares in the company. This view was expressed by a business owner-manager who sold shares in order to extend his business:

> *'I can say that there are other ways to use in order to get access to finance. For example, a company can appeal to people who have money to promote an investment. With regards my enterprise, in order to extend the business, I plan to mount the extension with partners and these partners will be my future shareholders.'* (Enint05)

The business owner-manager went further to clarify that accessing finance through the use of share capital does not constitute a risk within the fast globalisation that is happening nowadays. In contrast, it is seen as a good practice to sustain his business and be competitive in the market.

> *'Normally, it was a risk many years ago. Today, in order to sustain and to guarantee the existence of the company, we have to think in a different way. As you know, Morocco signed the GATT agreement which is a free trade agreement. With this agreement in place as well as with the current economic climate, if we do not make use of either shareholders or people who have experience, we cannot normally persist in the market and cannot go further.'* (Enint05)

Thorough discussions with participants unfolded another strategy used by owner-managers of SMEs in the city of Tangier in order to tackle the constraints related to financial resources. Some owner-managers referred to the use of trade credits as an efficient external financing source to enhance the performance of their businesses. An owner-manager explained this point by indicating that most of his purchases of raw materials from suppliers are done on credit.

> *'Because of our strong relationship with our suppliers, we are able to get a trade credit. Thus, we buy raw materials without immediate payment. This enables us to sell our finished products and then pay at a later time. This is very useful for us because it helps to ease our cash flow management by having more cash inflows at a particular time than cash outflows.'* (Enint07)

The use of share capital and trade credit not only allowed businesses to find an alternative to the banks, but this also was appropriate for the Islamic approach to finance. There was no interest charged but there was mutual business development and a partnership method of being successful.

Another issue with respect to finance, was raised during further discussions with participants. Businesses that are not located in the free zones showed concerns about the services offered by off-shore banks and felt they are not treated equally compared to businesses located in the free zones of Tangier. A clear and strong message was put forward by a participant who argued that SMEs located in the free zones do benefit from the low cost of services offered by the off-shore banks. The participant, who is located in the normal industrial zone, predicted that the future is truly for businesses located in the Free zones of Tangier.

> *'Off-shore banks provide services that are much lower compared to other banks. Truly, businesses located in the Tangier free zone benefit from this and therefore we are not on the same footing. That is why I can say that future investments will be in the free zones.'* (Enint02)

The issue was further explained by another business owner-manager who expounded:

> *'Off-shore banks are not located within the free zone. They are located outside the zone. The Tangier free zone (TFZ) is considered to be outside the territory of Morocco and therefore we cannot imagine a bank outside the territory of Morocco because all banks are headed by Bank al Maghreb. However, these banks have off-shore services. They provide services to off-shore companies that are in the free zone.'* (Enint04)

In brief, the location of the firm with respect to the free zone became an important factor of perceived success, in relation to the financial services. The development of free zones in a country has profound effects on the perception of location as a factor of success. Being outside the free zone made it feel as the company was in a less favoured position.

7.3.1.2 Taxation

Taxation was considered to be very important in the success of SMEs in the city of Tangier. The results of searches using QSR Nvivo 9 confirm the importance of this theme with 97 text units, with 89% of coverage, referenced to the theme. In this research study, the importance of the taxation in the city of Tangier is explained by an interviewee who stated:

> *'The tax rate in Morocco is generally very high, but in Tangier, the tax rate is half compared to the rest of Morocco. This is because after independence, Tangier enjoyed a special status.'* (Enint12)

Despite the lower tax regulations in Tangier, which are due to its special status, business owner-managers, specifically those of firms located outside the free zones shed light on a number of constraints related to taxation. A salient point was raised by business owner-managers of firms located outside the free zones indicating that regulations related to taxation constitute a hurdle to their success compared to their counterparts that are located in the free zones. A strong and clear message was laid by a business owner-manager by stating that taxation regulations give an unfair advantage to firms located in free zones over their counterparts outside the free zones.

> *'Firms in the trade free zone benefit from tax incentives that are far better than what we have. Indeed, this is unfair.'* (Enint03)

Another business owner-manager further emphasised this point by stating:

> *'We are not on the same footing compared to firms located in the trade free zone.'* (Enint02)

Clearly, the above results related to taxation identify location as a vital ingredient for success.

Another issue that was initiated during conversations with participants was the legal minimum amount of corporate tax (*Cotisation minimale* or CM), which is based on annual turnover at a rate of 0.5%. This has to be paid by firms, irrespective of their profits or losses. This effectively means that such companies would have to pay taxes out of their capital. A business owner-manager expressed his concern about this by stating:

> *'In the last three years, we engaged in many investments and therefore had many expenses. Yet, by the end of each year, we still had to pay the legal minimum amount of corporate tax'* (Enint02)

This apparently shows a linkage between taxation and financial resources. The obligation to pay a minimum amount of corporate tax, regardless of whether a loss or a profit is made, constitutes a burden on SMEs, especially when no profits have been made. Payment of the compulsory minimum amount of tax may exacerbate difficulties in obtaining financial resources, particularly for SMEs that need such resources to improve their business performance.

Furthermore, in-depth discussions with participants revealed that serious concerns about the new tax regulations, which were approved by the parliament in the government's 2008 finance law, were expressed by business owner-managers of firms located outside the free zone of Tangier. The 2008 finance law determined that the corporate tax rate in the region of Tangier, with an exception of the free zones, will be aligned at the national level by the year 2016. As indicated by a business owner-manager, this could have a negative impact on the success of his firm:

> *'Within three or maximum 4 years, we will lose the advantage of paying taxes at a half rate compared to the rest of Morocco. This will have a negative impact on investment in Tangier.'* (Enint05)

> *'However, nowadays, the government wants to align all taxes at the national level, that is to say by 2016, the tax rate will normally be the same in all the cities of Morocco.'* (Enint02)

Continued discussion with participants provided possible explanations about the reasons behind alignment of tax rates at the national level. A business owner-manager explained:

> *'At the national level, unions have made claims and protestations against the large taxation benefits applied in Tangier. Thus, the government has mitigated this problem by implementing a process in order to align taxation at the national level by 2016.'* (Enint13)

Furthermore, another business owner-manager claimed that another possible explanation could be that the government seeks to prevent concentration of firms in Tangier.

> *'The government is going to align taxation at the national level in order to prevent a concentration of companies in the region of Tangier.'* (Enint01)

To put the taxation theme in context, taxation regulations are clearly constraining the success of SMEs, in particular the ones located outside the free zones. Thus, the location becomes an important financial and emotional ingredient of success. The changes to taxation have added a high degree of uncertainty to the small businesses' chances of success.

7.3.2 Political-legal factors

7.3.2.1 Government support

Given its vital importance, government support was reported by participants to be a significant theme. The qualitative data analysis has reinforced the importance of government support for the success of SMEs in Tangier, with 61 text units, with coverage of 65%, being directly referenced through QSR Nvivo 9. During an interview, a business owner-manager went to great lengths to explain the importance of government support in accessing technology namely: the National Agency for the Promotion of Small & Medium Enterprise (*L'Agence Nationale pour la Promotion de la Petite et Moyenne Entreprise*: ANPME) program. The ANPME program aims to accelerate the use of information technology by SMEs to improve their productivity through access to business information systems.

> *'The government assists SMEs in order to get them involved in everything related to the information system. Today, there is the ANPME program that will encourage businesses to invest in software and information systems. In return, there are government grants that are intended for these businesses.'* (Enint15)

The importance of the theme government support was further supported by another participant who went to great lengths to report his experience in getting support to enhance the training of his employees.

> *'The government gives a budget for training. This budget has a threshold of 30% up to 40% for unplanned training activities, and 70% to 80% for planned training. 'For planned training, it is the OFPPT (office that promotes training) which set a threshold of 70% to 80%. The government gives us a period of one month starting from the month of March in order to give a summary of training that will take place the following year and so on. Unplanned training is training that arises unexpectedly and is subsidized from 30% to 40%.'* (Enint05)

The majority of participants did agree that although the government has implemented some support programmes for SMEs, this support remained not sufficient and not effectively practiced or widely used. The government support was restricted to technology and training. These programmes, although useful, were difficult to relate to business success.

7.3.2.2 Regulatory environment

The majority of participants referred to the lack of an enabling regulatory environment in Tangier as a severe hindrance to their operating in Tangier. The importance of the theme regulatory environment for the success of SMEs in Tangier was consistently highlighted with 87% of coverage in 96 text units retrieved in a QSR NVivo 9 query search. A thorough analysis of regulatory environment data revealed a number of significant issues that were classified into sub-themes. Of particular significance were the sub-themes: employment regulations, corruption and bureaucracy. Each of these sub-themes is explored separately in this chapter.

Employment regulations

Employment regulations emerged as a significant theme with a query search using QSR Nvivo 9 showing 35 texts units, with 58 per cent of coverage, referenced to the theme. The frequent rapid changes in employment regulations such as: regulations related to the guaranteed inter-professional minimum wage or *Le salaire minimum interprofessionnel garanti* (SMIG), and regulations related to the social security system, were identified as the main challenges that put pressures on businesses.

In Morocco, the salary is freely negotiated between the employer and employee. However, it must meet the SMIG. As a business owner-manager pointed out, with respect to the SMIG:

> *'Before, the SMIG was 8 DH/h. The government did increase it to 9 DH/h, then 10 DH/h, and now it is 11.7 DH/h. In July 2012, the SMIG will be 12 DH/h. All these changes have happened in a very short time interval of 4 years. Indeed, these frequent rapid changes trouble our operations.'* (Enint02)

During the discussions with the informants, it was apparent that business owner-managers did not question the payment of the SMIG to their employees but they argued that the uncertainty with regard to labour regulations, caused by frequent changes, troubled their business operations and increases turbulence.

Turning to the social security system, two funds for social security exist in Morocco: the *Caisse Nationale de Securité Sociale* (CNSS)[17], which is mandatory; and the *Caisse Interprofessionnelle Marocaine de Retraite* (CIMR)[18], which is optional. All employers must register at the CNSS and pay employers' contributions. They are also responsible for enrolling their employees in this social security system.

With regard to the employer's contributions, a business owner-manager clarified that frequent and rapid changes are happening in relation to the threshold of such contributions:

> *'There will be another change in the employment regulations with regards to CNSS. The threshold of the employer's share will not be 6000 DH anymore. The government will increase the threshold to 8000 DH.'* (Enint03)

The increase of the employer's share threshold was further reinforced by another business owner-manager who elucidated:

> *'For the CNSS regime, we have employee shares and employer shares. Before, the employer's share was limited to 6000 DH but now it will be increased to 8000 DH. That is an increase of 2000 DH. Therefore, parallel to the increase in the minimum wage, this constitutes a big burden for the business.'* (Enint02)

In sum, it appears to be some evidence that unpredictable changes in employment regulations lead to both a burden on businesses which reduces the elements of success (for example: lower profits, reduced satisfaction) and the idea of unpredictability of success (will I be successful this year?).

[17] The CNSS was instituted in 1961. It is a public organization devoted to the management of the social security system for employees of the private sector. It offers three types of services: family benefits, short-term services (daily allowances related to professional sicknesses and/or labour accidents, maternity and death) and long-term services: pensions of invalidity, old-age and survivor.

[18] The CIMR was founded in 1949. It was the first pension fund for the private sector in Morocco.

Corruption

The theme corruption emerged as a significant theme that has impact on the operations of businesses with 75% of coverage in 33 text units referenced to the theme. Generally, corruption is seen as an obstacle that affects business operations of smaller firms just as much as the business operations of larger firms. However, surprisingly, the data analysis related to this theme revealed that the majority of participants, in this research study, considered corruption as a way to facilitate the operations of their businesses. A business owner-manager explained:

> *‘I have to admit that corruption makes our lives easier. It has its advantages as it has its drawbacks. However, in terms of work inspection as well as in terms of CNSS, really, we only speak about advantages.’* (Enint02)

Another business owner-manager further stressed this point by comparing corruption to gifts that are given to people.

> *‘Even if you give money, it is not for the purpose of corruption and bribery. The money given is considered as a gift’* (Enint14)

In further discussions with participants, corruption practices were mentioned when dealing with business inspections conducted by public officials. An example illustrating the importance of corruption in facilitating the operations of his business, with respect to business inspections, was given by a business owner-manager who declared that bribes are often given to public officials in return for favourable treatment or reports:

> *‘In the past, health and safety regulations were not 100% respected. So, when inspectors visited our company, we gave them some money in order to write good reports about the working conditions within the company. Also, because of our connections, we got away with it’* (Enint15)

Although corruption was seen as a way to facilitate business operations, many participants acknowledged the risk associated with it. This was expressed in the view of a business owner-manager who conceded:

> *‘Corruption is a risk to take. Because giving corruption means that something is wrong and you do not respect regulations. If this goes on without problems, then it is good. However, when problems happen for example one day or another, there is a fire or*

> *a bad thing happens, then it is risky. Because the inspectors will try to find out why there was a fire. Eventually, they will conclude that you do not have good working conditions. Sometimes there is a risk that staff will make a claim. They, themselves, can go to the work inspectors and make a claim against the company.'* (Enint02)

The data analysis clearly showed that corruption is likely to occur in the course of dealing with public officials. However, participants asserted that corruption practices are unlikely to happen with educated officials recruited by the government. This strong and clear message, conveyed by participants, indicates that education plays an important role in corruption.

> *'But currently there is a new generation of work inspectors. The government has undertaken a massive recruitment of young educated officials. These young educated officials do not accept corruption. We have had experiences with them and have noticed that they do not accept corruption.'* (Enint02)

Following the above results linked to the corruption's theme, it is clear that corruption does smooth the wheels for businesses. The reduction or avoidance of costs associated with regulations, through influence, ease and speed up business operations. Hence, the concepts of "ease" and "speed" became important influences of perceived success. The means to achieve influence were often related to bureaucracy, which is discussed next.

Bureaucracy

Bureaucracy was identified as a major problem faced by businesses in Tangier. The significance of the problem was reinforced in a QSR NVivo 9 query search, in which 45 text units, with 77% of coverage, referenced to the theme, were retrieved. The bureaucracy challenge was confirmed by a business owner-manager who argued:

> *'Bureaucracy is very heavy in Tangier. As I mentioned before, we have the impression that Tangier runs at double speed and therefore administrations of the city of Tangier do not accompany the major work projects in Tangier.'* (Enint02)

The speed which the businessman saw as applying to his business was not the same as the way government operated. A salient point was made by another business owner to explain further the reasons behind this bureaucracy.

His view was that employees in the public sector feel secure about their jobs and therefore, they work at their pace:

> *‘The mentality that prevails in the public sector is very bad. People say that they work for the government and thus no one can fire them or kick them out. As a result, people work at their pace.’* (Enint04)

Given the challenges presented by the bureaucracy in Tangier, and the specific characteristics of the Tangieriens, identified later in data analysis of the theme workforce, there was no surprise to find a business owner-manager blaming Tangieriens, and not the government, in causing such issue by their laid-back attitude:

> *‘Bureaucracy is very heavy in Tangier. However, it is not an issue caused by the government. It is ultimately a cultural problem, a problem of mentality of the Tangieriens.’* (Enint08)

A different business owner-manager went to great extent to illustrate his experience with the social security department (CNSS) in dealing with daily administration tasks:

> *‘For example, you go to the CNSS to get a paper; you ask the person who is in charge but he tells you that he is busy and that you must come back tomorrow. You know that the person is not busy and that he is just trying to complicate things for you. Thus, Tangier is a problem of culture and* mentality.’ (Enint12)

The majority of business owner-managers affirmed that in their daily business activities, they are always confronted with many corrupt bureaucrats. Further analysis of the theme bureaucracy revealed a close link between bureaucracy, corruption, and the processes used to ameliorate these effects, which have an influence on business success. This links with the ideas of ease and speed being related to business success: ‘getting where I need to go to’.

7.3.3 Technological factors

7.3.3.1 Technology & information

Technology emerged as an important theme for the success of SMEs in Tangier. The importance of such theme was strongly reinforced in the interview data in this study with 20 text unit, with 52% coverage, referenced to the theme in a QSR Nvivo 9 query search. The importance of technology was a consistent topic across all participants in the qualitative study. The issue of government support for technology was discussed above. The importance of technology was reflected in a discussion with a business owner-manager who explained that technology helps in achieving success and a competitive advantage:

> *'Technology is seen as a key to realising ambitions for our business success and achieving a competitive advantage.'* (Enint15)

In addition, further discussions with participants revealed two interesting points linked to the technology factor namely: innovation and research and development. According to an informant, the importance of technology stems from its innovative role:

> *'Technology is very important for us. It helps in providing innovative products as well as applying innovative processes within our production'* (Enint05)

The point of innovation was further highlighted by a different business owner-manager who asserted:

> *'Our key to success is innovation. We always innovate and diversify our products. We ensure the sale of diversified products in order to increase the turnover.'* (Enint03)

To achieve innovation, a business owner-manager drew attention to the research and development theme which was described as a pillar for success. He explained that engaging in research and development is linked to business success since such engagement enables innovative processes, products and technologies.

> *'The second pillar of our success is the research and development. We have a team in the technical department which is responsible for research and development. It is not really research and development because we just imitate the formulas that have already been developed by Japanese companies. So, we have very close relations with suppliers abroad especially in Japan and our technical director benefits from these relations and learn about these formulas. In fact, the team tries to apply, in the best possible conditions, formulas that are already tested and developed by Japanese companies.'* (Enint02)

The business owner-manager went further to add:

> *'Our technical director often goes to Japan to get the latest about research and development. When he comes back to Tangier, he tries to train staff about the latest technology and the new work procedures.'* (Enint02)

The majority of owner-managers subscribed to the importance of technology in their business. It was seen as being able to keep up with the market and remain successful. The exchange of technology was also evidence of partnership working with organizations. This has already been seen in the discussions on Islamic finance and trade credit financing. This partnership allowed exchange of technology and information to aid the success of the business.

7.3.3.2 Infrastructure

Predominantly, the interviewees indicated that one of the major obstacles that constrain the success of their businesses is the quality of infrastructure with one informant stressing that the poor quality of infrastructure is an impediment to investment in Tangier:

> *'Access to infrastructure in Tangier is difficult and I find this an impediment to investment. This problem has to be addressed in order to improve the infrastructure.'* (Enint11)

Another interviewee further highlighted this issue by comparing the infrastructure of Tangier to the one of the economic capital Casablanca and the political capital Rabat:

> *'The infrastructure of Tangier is not very good in comparison with other cities of the kingdom such as Casablanca or Rabat.'* (Enint02)

Given its vital importance, infrastructure was considered to be a significant theme. The qualitative data analysis has reinforced the importance of good infrastructure for the success of SMEs in Tangier, with 132 texts units with coverage of 86%, being directly referenced through QSR Nvivo9 to the theme. The majority of interviewees did agree that despite the fact that several infrastructure developments have been implemented (e.g. implementation of Tangier-Med, the largest port in Africa), these improvements are very modest and there are still great things to do. This was highlighted in the following extracts:

> *'The city of Tangier is driven to run at double speed. High speed for the projects, but in terms of infrastructure; really, there are great things to do.'* (Enint02)

> *'The Tangier region is in its full expansion. The infrastructure is being implemented. However, we can say that there are many things to put in place to successfully complete the projects in this region.'* (Enint05)

> *'Tangier is really growing in terms of projects, but unfortunately, in terms of infrastructure, there are still major projects to do.'* (Enint01)

Exploring the data further provided insights to why the factor to infrastructure was very important for the success of SMEs in the city of Tangier. These were highlighted by some interviewees who mentioned the problems caused by heavy floods that struck Tangier in 2008. One interviewee from the industrial zone Mghogha stated:

> *'In 2008, we had flooding events that really were a disaster. Businesses have incurred very important losses.'* (Enint02)

A deeper analysis of infrastructure data revealed a number of significant sub-themes, namely: Electricity, water, telecommunications, roads and transport. Each of these sub-themes is explored separately in this chapter.

Electricity

Electricity infrastructure was prominent in the minds of participants. Summaries generated from the data, using QSR Nvivo 9 indicated that 86 text units with 72% coverage, were referenced to the theme electricity infrastructure. A number of concerns related to the electricity infrastructure were expressed by participants, in particular, the difficulty faced in terms of the cost and reliability. High cost of electricity was consistently emphasised by participants. One business owner-manager furiously expressed his consternation in respect to the expensive electricity bills charged by the privatised company AMENDIS, the local affiliate of Veolia Environment, an international private utility company, which operates the electrical and wastewater collection networks as well as the drinking water distribution in the Tangier-Tétouan region in Morocco, by stating:

> *'We really have serious problems with the company Amendis – The provider of utilities– because it sends us bills that far exceed our consumption. We have technicians that can tell us how much*

> *KWH we consume exactly because we do cost accounting. Thus, we know exactly how much we consume. However, when we receive the invoice, it is the surprise.'* (Enint02)

Another business owner-manager further highlighted the cost burden of the electricity that his business has to bear by stressing that it has a negative impact on investments:

> *'The cost of electricity in Tangier is very high. If we make a comparison to the year 2000, there is really an exponential increase in the cost of electricity. For our company, we pay the installed capacity, which is the capacity installed in power transformers. We pay per KWH, of which the price has tripled nowadays. This has a negative impact on investment.'* (Enint12)

This point has been reinforced further by another participant who described his experience in contacting the company to solve the problem, often in vain:

> *'We have contacted many officials in the company Amendis so that they reduce our billing and save electricity.'* (Enint06)

As far as the reliability of the electricity infrastructure is concerned, some participants did explain that electricity infrastructure is reliable:

> *'We cannot complain about the reliability of infrastructure. It is reasonably reliable.'* (Enint05)

However, the majority of respondents have argued that natural disasters, in particular, inundations that happened in Tangier in 2008, have revealed the non-reliability of electricity supply as well as the sanitation and sewerage infrastructure. With regards to electricity, one informant did describe his experience with power cuts, due to inundations, by stressing the enormous impact:

> *'Due to power cuts, we had a stop that lasts 10 days and you can see the impact that must have such a problem especially on the image of the business because the business image is very important for us.'* (Enint09)

Given the challenges faced by businesses due to power cuts, a business owner shed lights on the temporary solution implemented to deal with such a problem:

> *'We have found a temporary solution which is to install the power generator in order to stabilize the electricity. Once there is a power cut, the generator will automatically start and therefore we can continue the production without stopping les machines.'* (Enint05)

Another business owner strengthened this point by stating:

> *'We have a high consumption of electricity. Machines need to be supplied by electricity. Therefore, we are thinking about the possibility of setting up a power generator to be able to overcome the various problems especially in power cuts that happen unexpectedly.'* (Enint09)

The point has been further solidified by another business owner-manager who asserted:

> *'We always have electricity backup in the form of generators. These can be used during natural disasters where we have regular power cuts.'* (Enint03)

Water & sanitation infrastructure

The prominence of the theme of water & sanitation infrastructure was noticeable in the discussions with the participants. In a QSR Nvivo 9 search, water & sanitation infrastructure was consistently identified as a significant theme by participants for the success of their businesses with 70 texts units with 57% coverage, referenced to the theme. Deeper discussions with business owner-managers resulted in raising a number of issues related to access to water and sanitation, in particular, the difficulty faced in terms of the cost and reliability. The perceived high cost of water & sanitation infrastructure was consistently emphasised by participants:

> *'Tariffs of water are high in the city of Tangier.'* (Enint01)

> *'The company Amendis charges exorbitant rates for water.'* (Enint06)

> *'When we get water invoices from the company Amendis, it is really a big surprise as the amounts are excessive.'* (Enint02)

One business owner-manager further clarified the reason behind the perceived high cost of water & sanitation infrastructure by indicating:

> *'Amendis buys water from ONEP which is installed in Casablanca. Thus, during the transportation of water from Casablanca to Tangier, there are losses of water due to the poor transport. In every way, there is a loss of 40% of water. Therefore, to compensate the 40%, Amendis reviews the prices up.'* (Enint02)

This point was further reinforced by another business owner-manager who illustrated:

> *'To compensate the losses of water transported from Casablanca to Tangier, Amendis charges its customers high tariffs.'* (Enint04)

Exploring the perceived high cost issue further, a participant further explained that sanitation projects, implemented by the company Amendis in peripheral suburban areas, that are mainly inhabited by poor people and often lack adequate infrastructure, have a cost that is automatically passed on to consumers:

> *'Tangier is not very well equipped in terms of sanitation. For example, we, in the region of Mghogha, are near the so-called Bir Shiffa, khawma Seddam that are very popular neighbourhoods. These popular neighbourhoods do not have sanitation. Thus, the government signed the contract with the company Amendis, and asked it to make investments in these areas. Amendis did introduce sanitation to these areas and therefore these investments have a cost that will be borne by the population of Tangier.'* (Enint02)

In further discussions with participants, reliability of the sewerage infrastructure was consistently mentioned during the discussions with participants with one participant stressing that despite the high tariffs of such infrastructure, the city always drowns in floods when it rains heavily.

> *'Amendis' tariffs are very high in Tangier, yet whenever it rains we end up with floods.'* (Enint08)

A good and reliable infrastructure is paramount to business success. Bearing this mind, it comes at no surprise to find another informant, located in the industrial zone Al-Majd, expressing serious concerns about the flooding events that struck Tangier in 2008. Importantly, the owner-manager highlighted the concepts of 'conduct', 'equipments' and 'commitments'. According to him, the conduct – the way he manages his business – relates to both equipments used in the production and the ability to deliver to his customers:

> *'As you know, not long ago, about 2 years ago, we had floods especially in the area where we exist today, the industrial zone Al-Majd, so we had real problems of flooding. We have had floods that really had a negative impact, whether on the conduct of our business, or on the equipments that were damaged and also on the level of productivity and the commitments we had with our customers. Thus, we had a problem of late deliveries caused by the floods. Due to power cuts, we had a stop that lasts 10 days and you can see the impact that must have such a problem especially on the image of the business because the business image is very important for us.'* (Enint03)

It is worth to mention that some of the industrial areas were built on marginal lands, which were often low lying and lack poor infrastructure. This explains why that particular industrial zone Al-Majd and another industrial zone Mghogha were impacted heavily by the floods in 2008.

Telecommunications

Telecommunications infrastructure was found to be pivotal for the success of SMEs in Tangier with a business owner-manager indicating that telecommunications infrastructure influences the information that allows activity:

> *'Good access to telecommunications enables the movement of information that is central in the day-to-day activities of the business.'* (Enint07)

Results of searches using QSR Nvivo 9 confirm the importance of this theme with 51% of coverage in 25 texts units referenced to the theme. In a situation that is dissimilar to water infrastructure which is characterised by the monopoly of the French company Amendis in the North region of Morocco, three operators operate in the telecommunications sector in Morocco, covering all the main segments (Fixed, mobile and internet). This enables an increased competition which is important, according to a business owner-manager, since it offers the opportunity to select the best provider in terms of quality and price:

> *'Previously, there was a single operator. Nowadays, we have three operators. This is very important because when you have multiple operators, you have the opportunity to select the operator that offers best services in terms of quality as well as price.'* (Enint05)

The importance of telecommunications services was further highlighted by participants; not only for their reliability but also for the cost of such services.

The majority of owner-managers of SMEs expressed their concerns about the prohibitively high tariffs of telecommunications services. The concerns were markedly related to the mobile telephony. A business owner-manager clearly showed his consternation by comparing the mobile telephony tariffs in Morocco to those of France and Tunisia:

> *'The mobile telephony is very expensive here in Tangier and in Morocco in general. If we compare the mobile telephony tariffs in Morocco to the ones in France or Tunisia, there is a big difference.'* (Enint15)

The issue of the mobile telephony high tariffs was further reinforced by another business owner-manager who unfolded that mobile telephony tariffs are still high despite the increasing competition between the three operators in the telecommunications sector:

> *'Prices of the mobile telephony seem to be the most expensive in the world. We had a belief that following the liberalisation of the telecommunications sector, prices would follow a downward trend due to the increasing competition between the three operators: Maroc telecom, Meditel and Inwi. However, tariffs still remain exorbitantly high.'* (Enint09)

The issue about high mobile telephony prices was further clarified by another informant, who explained that phone companies are stealing their customers. He expounded that phone companies know how to manipulate offers to trap their customers.

> *'Operators in the telecommunications sector steal their customers with respect to the mobile telephony. They know how to manipulate tricky offers to trap their customers.'* (Enint11)

The transport infrastructure

Transportation systems move goods and people to facilitate trade and production. Thus, an efficient transport infrastructure is important. The transport infrastructure was central to the success of SMEs with a business owner-manager suggesting that an efficient transport infrastructure facilitates the operations of the firm and enables for a wider market access.

> *'Transport infrastructure is very crucial to achieve business success. An efficient infrastructure enables the movement of our production to a wider market.'* (Enint13)

Results of searches using QSR Nvivo 9 confirm the importance of this theme with 68% of coverage in 71 texts units coded to the theme. When exploring the theme further, strong reference was made to the new port Tanger-Med by participants. It was stressed that such port, which is the largest in Africa, has contributed to the success of SMEs, in particular to the industrial firms that are located in the free zone associated with the port. Reducing the logistic cost was strongly highlighted in the view of a business owner-manager:

> *'Nowadays, there is the new port that has given success to the free zone of Tangier Med. It normally has a positive impact on the development of our business especially in terms of logistics cost. As you know, the logistics cost is very important. Thus, if we try to optimize them, we can be competitive with our competitors.'* (Enint09)

The point was further reiterated by another business owner-manager who further drew the attention to why logistics are important for a free zone:

> *'Enterprises located in the free zone of Tangier Med take advantage of a good infrastructure. They are very, very close to the port. Thus, in terms of the transport costs, they are already very low and in terms of logistical operations, they are very easy since the port is close to these enterprises.'* (Enint02)

Linked to the transport theme, the road infrastructure emerged as significant for the perceived success of SMEs in Tangier, with searches using QSR Nvivo 9 showing 36 texts units, with 56 per cent of coverage, referenced to the theme. Poor quality of roads appears to be a problem that constrains the success of businesses. This was highlighted by a business owner-manager who stated:

> *'We have another problem which is the problem of roads. Sometimes, our coaches that transport personnel may get involved in accidents simply because the roads really are not very well maintained.'* (Enint02)

The informant went further to emphasise another issue that has to do with traffic:

> *'To arrive to the industrial zone, one must go through the roundabout of Tétouan which is really a disaster because it is the heart of Tangier. And therefore we have really a problem of traffic.'* (Enint02)

A different business owner-manager elaborated on this point by linking the issue of traffic to delays which affects production and commitments which are related to business success:

> *'Because of traffic congestion, our personnel transport arrives late. This causes delay in our production lines which in turn delay the respect of our commitments. This really distorts our business image.'* (Enint06)

Essentially, the factor of infrastructure was mentioned extensively by the interviewees. It seems to indicate the importance of this factor, as detrimental to success. The other issue is the domination of this area by international companies, which adopt different methods of working than the small businesses.

7.3.4 Socio-cultural factors

7.3.4.1 Networking

In this phase of the study, the theme networking was identified as a significant factor affecting the success of SMEs in Tangier. The data analysis using QSR Nvivo 9 has reinforced the importance of such theme with 93 text units with 79 per cent coverage, referenced in the search.

> *'Due to the structure of our enterprise which has two partners, one Moroccan and one foreigner, we benefit from the network of relationships provided by the foreign partner in order to acquire new markets abroad.'* (Enint02)

Continuing discussions with a business owner-manager further reinforced the importance of networking for the success of his business. This view was strongly borne from his involvement in the Chamber of Commerce and Industry, in which his experience as a member was viewed as very supportive for his business:

> *'We have the Chamber of Commerce and Industry in Tangier. We do hold meetings in this chamber regularly to discuss with business owner-managers important issues related to our businesses.'* (Enint10)

A different owner-manager, in the textile sector, further highlighted the importance of networking as one of the strongest business tools to get latest information related to the business environment. According to him, his business membership in the Moroccan Association of Textile and Clothing (AMITH) enables him to get the latest information in the textile sector.

> *'We have the Moroccan Association of Textile and Clothing (AMITH). It is an association that defends and represents the general interests of the enterprises in the textile sector. It is a very important network to us. When we meet, we get the latest information in our sector and share between us many things that are important. Furthermore, we address crucial issues that we face in our business and try to find solutions.'* (Enint05)

The business owner-manager went further to say that:

> *'Nowadays, there is a new developed textile industry in Tangier. Given that the Renault factory is currently setting up a plant in Tangier, the automobile textiles evolved as an opportunity for us to achieve more success.'* (Enint05)

Thorough analysis of the data resulted in revealing a close relationship between the themes of networking and workforce. This was expressed in the view of a business owner-manager who indicated that one of the great sources of access to labour was word of mouth:

> *'With respect to networking, generally, it is the word of mouth that works in Tangier or in Morocco in general. For instance, to recruit personnel in Tangier, Most SMEs use the word of mouth. The human resources manager uses his network relations to recruit staff.'* (Enint02)

It can be seen that that networking connections are important in getting the latest information about the business environment, and also about recruiting the workforce. Clearly, this links to the concept of *Wasta* (the Arabic word for 'connection'), which is a common feature in Arabic countries. Indeed, this concept plays an important role in business success.

7.3.4.2 The workforce

The workforce emerged as a new and significant theme with 51 text units, with coverage of 74 per cent, referenced to the theme in a QSR Nvivo 9 query search. A clear and strong message coming from the data indicated that the workforce is a key factor for the success of SMEs in Tangier. This was highlighted by a business owner-manager who illustrated:

> *'Our success is based on the involvement and commitment of our employees. Commitment, motivation and involvement is our strength for success.'* (Enint13)

Another participant reinforced this point by describing the workforce as a third pillar for the success of his business, out of the first and second pillars which are respectively: network relations, mainly with customers and suppliers; and research and development:

> *'Our company is based on three main pillars in terms of key success. First, it is our network relationships with customers and suppliers, whether national or international. The second pillar is research and development and the third pillar of our success is the staff.'* (Enint02)

Continuous discussions with participants have revealed valuable insights about why the workforce was considered important for the success of businesses in Tangier. A salient point was made by a business owner-manager who described Tangieriens (people from Tangier) as lazy:

> *'As you know the population of Tangier is different from other populations of the kingdom. This is my opinion and I believe it is shared by almost all Moroccans. The population of Tangier is a bit lazy.'* (Enint04)

This point was reinforced by another business owner-manager, who further added:

> *'The population of Tangier is lazy. Young people do not want to work in a factory 8 or 10 hours just to get an hourly rate of 11.7 DH. Instead of getting 11.7 DH / H, they prefer that their parents give them money without actually doing work.'* (Enint02)

This point was further reiterated by another business owner-manager who related perceived indolence to the specific characteristics of the population of Tangier namely their culture.

> *'We Tangieriens, have our own culture. What dominates is really laziness. Tangieriens work at their pace, they do not want the stress; they do not want someone to tell them that you must meet this deadline and you must respect this schedule. They work at their own rhythm.'* (Enint11)

This reference to the specific characteristics of Tangieriens was strongly reinforced in the views of most participants, with a business owner-manager illustrating his experience with his staff:

> *'When we started our company, we really wanted to develop the northern region of Morocco. Thus, we appealed to young Tangieriens but it did not really work. After few months, they started demanding higher wages while they were still in the trial period. This was not acceptable. Had we been satisfied about their work, we would have satisfied their needs. Unfortunately, it was not the case. They do not meet the work schedules. Transport goes to fetch them from their homes at 8am. Them, they leave their houses at 8.10. So, 10 min per person, that's accumulation. Punctuality is important for us. The chain must start at 8am, so it's at 8 am, because it is bound by time and if deadlines are not met, then we bear penalties.'* (Enint02)

Clearly, the above quote highlights the workforce disruption caused by infrastructure problems that made the firms commitments and success to be challenged.

Continuous discussions with participants resulted in the emergence of a strong and clear message that distinguished female staff from male staff. This was pointed out by a participant who emphasised that Tangieriens female staff work harder in comparison with Tangieriens male staff:

> *'Here in Tangier, we have a very bad culture that does not exist in other cities. We have a prevailing culture that men do not want to work and it is women who work'* (Enint02)

While the workforce was identified as an important factor for the success of SMEs, a competent workforce was strongly viewed as a pre-requisite in the process of recruitment to ensure such success. This was expressed in the view of a business owner-manager who argued:

> *'Our activity is a bit technical and therefore we need competent staff. We need serious staff especially as in the production of brake pads, we use delicate materials. Thus, we really need staff that is very competent as well as aware of the risk and health and safety issues when working with these materials. We do not want incompetent staff neither work-related accidents. That is why we try all our best to motivate our competent staff.'* (Enint02)

Given the vital importance of access to competent labour and the laid back characteristics of the male population of Tangier, there was no surprise to find a business owner-manager going so far by stating that he prefers to recruit male staff not born in Tangier:

> *'Mainly we recruit people that are not from Tangier because the mentality of Tangieriens really kills me. The people from Casablanca, Rabat are dynamic, committed, serious, and have a sense of responsibility.'* (Enint11)

The majority of participants strongly argued the importance of access to competent labour for the success of their businesses. However, they went further to emphasise that such success cannot be ensured without motivating the staff. They argued that a number of strategies have to be adopted in order to attract and retain competent labour. A business owner-manager explained:

> *'Our personnel are a key component of our business success. We always make sure that they are well respected and make them feel they are important. We always ensure that they are involved in our planning by asking them for ideas about improvements. Furthermore, we have a promotion system and bonus plan for exceptional performance'* (Enint05)

This point was further reiterated by another business owner who elucidated the different incentives used within his business to motivate his employees:

> *'We motivate them by wages, by premiums of responsibility, premiums of performance. We also motivate them by training'* (Enint06)

This point of getting employees motivated by training was further expounded by another business owner-manager who went to great length about his experience in training his employees about the latest technology and the new work procedures.

> *'We motivate our staff by training. Our technical director often goes to Japan to get the latest about research and development. When he comes back to Tangier, he tries to train staff about the latest technology and the new work procedures. This is already a very good motivation for our staff. Each time, the staff has the opportunity to see something different.'* (Enint02)

Briefly, it seems that an unmotivated and indolent workforce restrains the success of businesses. Clearly, this relates to the concept of speed, which is central for business success. However, such speed is moderated by the involvement and commitment of the human capital in the context of Tangier, in particular the male workforce.

7.4 Micro-environmental factors

7.4.1 Customers

The theme of customers emerged as a significant theme with 62 text units with 68%, referenced in a query search in QSR Nvivo 9. The importance of customers for business success was supported by a business owner-manager who claimed that:

> *'The customer is king, and normally it must be satisfied. We are aware of this and we make large and continuous effort to satisfy our clients whether in terms of time, cost, or quality.'* (Enint08)

Unsurprisingly, given the importance of customers, many participants stressed that developing relationships with customers is a key marketing strategy that could move the business forward and potentially ensure its success. To measure the on-going relationships with his customers, a business owner-manager explained the strategy adopted within his firm by undertaking customer satisfaction surveys. He argued that customer satisfaction surveys are important tools for identifying the needs of customers and learn about their satisfaction levels. He further added that such surveys help in developing strategies to improve the customer service.

> *'We have developed strong relationships with our customers. Thus, nowadays, we conduct a customer satisfaction survey in order to find about the obstacles, problems, and things to improve. We give special attention to these surveys in order to fulfil the needs and meet the requirements of our clients.'* (Enint14)

Establishing strong relationships with customers was further reinforced by another business owner-manager who articulated that such strong relationships should ensure customer loyalty. He further added that such loyalty can be nurtured by providing low prices. Clearly, the business owner-manager was referring to the Japanese theory of lean production. This draws attention to the elimination of non-value added which might have an effect on business success.

> *'In a very competitive market, you have to play on the prices. We are inspired by the Japanese theory and therefore we try to reduce the cost of production in order to sell products at low prices.'* (Enint02)

A different owner-manager revealed another strategy related to prices, which is used within his business to achieve the loyalty of his customers:

> *'We offer discounts to customers who make higher purchase levels. This way we can achieve customer loyalty.'* (Enint10)

The loyalty of customers was further reinforced by another entrepreneur who raised a central point by stating that building and fostering a relationship between customers and the products and services of the enterprise is essential for the success of their business. This can be achieved by providing high quality products or services.

> *'We have to improve the quality of our products and services in order to gain the trust of our customers. We also must meet the requirements that are expressed or implied by our clients.'* (Enint05)

To summarise the customers' theme, it could be claimed that developing relationships with customers is very important for the success of SMEs. However, the development of relationships with customers is not enough on its own. Indeed, it should be coupled with the measurement of such relationships in order to develop a robust marketing strategy. In addition, not only developing relationships with customers is important but also building and fostering a relationship between customers and the products of the firm is essential.

7.4.2 Suppliers

The importance of suppliers was clearly indicated by all participants in this qualitative phase. The suppliers theme was consistently identified as an important factor for the success of SMEs in Tangier with 56% coverage in 48 text units retrieved in a QSR NVivo 9 query search. The following extracts denote the importance of such theme on the success of SMEs:

> *'The importance of suppliers cannot be underestimated. They are involved in the production process within the firm especially in the supply of the raw materials.'* (Enint03)

The selection of suppliers is a very crucial decision that could impact the success of firms. During the discussions with participants, it was made clear that the selection of suppliers is governed by quantitative and qualitative factors. A business owner-manager indicated that price and quality are criteria used in selecting his suppliers:

> *'The majority of our suppliers are overseas. We import raw materials from several destinations. Sometimes, we even get raw materials from China. It depends on pricing, quality and communication system. Indeed, the supplier must be involved with us in the manufacturing process.'* (Enint13)

This point was confirmed by another business owner-manager who further added the issue of meeting deadlines:

> *'We have local as well as overseas suppliers. We normally choose suppliers that provide us with the best quotes, quality as well as reliable deadlines, which are very important for the production of our products'* (Enint05)

Usually, firms establish close connections with their suppliers. According to Dyer & Forman (1992), this leads to the concepts of partnership, privileged suppliers, long-term agreement, etc. During the interviews, a strong emphasis was placed by participants on the importance of developing relationships under the formal mechanism of partnerships with suppliers. A business owner-manager argued that such partnerships with suppliers of raw materials enhance the exchange process by avoiding any conflict or opportunism. This ultimately, according to the business owner-manager enables his firm to undertake negotiations to obtain best price and quality with best conditions.

> *'Suppliers are very important to us. To avoid any opportunism or conflict, we develop a partnership with them, especially with ones that provide us with raw materials in order to negotiate the time, price and quality. It is necessary to ensure that they optimize their prices, reduce the lead time and also improve the quality of the products.'* (Enint09)

The point was further reiterated by another business owner-manager who threw light on the technology used to enhance the relationship with his suppliers which could have a great effect on time. He further revealed implicitly that governing relationships with suppliers in the form of partnerships help in removing all that is non-value added factor for the productivity of the firm:

> *'We have a win-win partnership with our suppliers because nowadays, the supplier is involved in the production process especially in the acquisition of the raw material. Thus, a computerized data exchange system has been adopted within our firm to manage orders automatically. Furthermore, we have mounted with our suppliers a partnership in order to decrease from one year to another the prices of raw materials, that is to say, a production that is based on improving the manufacturing process in order to reduce the cost of acquisition. To develop this sense of partnership, we continually seek to improve our relationships with suppliers in order to remove all that is non-value added factor for productivity.'* (Enint02)

On the whole, it could be argued that developing relationships with suppliers is very important for the success of SMEs. This links to the concept of 'partnership working' being related to business success. However, more importantly, using a formal mechanism to govern this partnership working should ensure such success, by avoiding opportunism and conflict in the mutual relationships.

7.4.3 Competition

The theme of competition was strongly emphasised by all participants of the qualitative phase of the study. A search in QSR Nvivo 9 revealed that competition emerged as a significant theme with 60 text units, with 77 % of coverage, referenced to the theme. A clear and strong message coming from the data indicated that unfair competition constitutes a hurdle for the majority of participants. Many participants asserted that their businesses are harmed by the unfair competition illustrated in the absence of principles of fair competition, between firms in the free zone and firms outside it, and the illegal trade of smuggled goods from the occupied city Ceuta.

In-depth discussions with participants revealed valuable data about the unfair competition that exists between firms located in the free zones of Tangier and their counterparts outside the free zones. A business owner-manager of a firm located outside the free zone came up with a strong message indicating that his firm does not stand on the same footing as its competitor which is located in the free zone. He further argued that the competitor benefits from many favourable and advantageous conditions and incentives that could enhance his competitiveness:

> *'I think we are not on the same footing compared to our competitor who is located in the free zone. The competitor has several financial advantages that can be used to go far in the business and go ahead of us.'* (Enint02)

In further discussions with participants, owner-managers of agri-food firms shed further light on the issue of smuggling activities, in relation to the unfair competition. They proclaimed that the industrial production of their firms suffers considerably from the unfair competition of smuggled goods.

> *'Due to its closeness to Ceuta, Tangier is well known for the illegal trade of smuggled goods, in particular food products. The smuggling activities devaluate our local products which impact our agri-food industrial production'* (Enint09)

Another participant in the food business further explained that the evasion of customs duties on smuggled food products enables smugglers to sell the products at lower prices. According to him, in the current economic crisis, consumers seek to minimise their costs by buying cheap products. Thus, they prefer to buy the cheap smuggled products.

> *'Owing to the non-payment of customs duties, smuggling goods are sold with cheap prices in the market. Consumers prefer to buy these cheap products especially in the current economic crisis. Thus, this has an impact on our production.'* (Enint07)

In a market characterised with increasing globalisation, with implications for Moroccan SMEs, there was no surprise to find businesses attempting to achieve a competitive advantage over their rivals. Different strategies are adopted by firms in order to attain such advantage. A business owner-manager has emphasised this point by identifying implicitly the concepts of lean production. According to him, the adoption of this Japanese theory should optimize production costs, which then enable competitive pricing.

> *'In a very competitive market, you have to play on the prices. We are inspired by the Japanese theory and therefore we try to reduce the cost of production in order to sell products at low prices.'* (Enint02)

A different business owner-manager has reinforced this point by shedding light on a different strategy. For him, diversification of products is a way to differentiate from competitors and hence should lead to the gain of a competitive advantage.

> *'To gain a competitive edge against our rivals, we engage ourselves in diversifying our products.'* (Enint03)

In brief, competition seemed to be all about perceived unfair competition (smugglers) and location (as allowing this to happen). It was recognized that unfair competition (smugglers from the city of Ceuta, financial & fiscal incentives in the free zones), damage the performance of the SMEs in Tangier. Owner-managers of firms could wonder: Are we in the right location? Again, the location factor can be seen here as significantly related to the perception of success.

7.5 Summary

In summary, the semi-structured interviews enabled an in-depth understanding of the participants' experiences, knowledge and attitudes. They also gave the opportunity to understand the several factors that influence business success from the perspective of the participants. This is in line with Gill & Johnson (1991) who argued that a qualitative study allows the researcher to understand participants' personal views of the important issues surrounding them rather than imposing the researcher's own perception of what is important.

The qualitative data analysis provided a number of important additional insights, with respect to participants' perceptions of success factors. A number of emergent factors, which were not generated from the literature review and the subsequent quantitative survey, were revealed. The workforce factor denoted the importance of partnership working in influencing business success. Involvement and commitment of human capital was seen as having a positive effect on business operations. The location factor was further elaborated in the qualitative study. The emotional and financial impact of this factor on the success of small firms was very significant. The study also reinforced the strong view held by participants that success could be influenced by a partnership working. Several types of partnership working were highlighted. Finance partnership based on profit and loss sharing seemed to be perceived as an ingredient for financial and spiritual success. In addition, technology and information partnership appeared to be an important concept that could make businesses more successful. These findings added substantially to the understanding of owner-managers' views of the factors that contribute to business success in the context of Tangier.

CHAPTER EIGHT
DISCUSSION OF FINDINGS

8.1 Introduction

At the outset, it was stated that the overall aim of this research study was to develop a clearer understanding of the factors that influence success of small and medium enterprises in Tangier, as perceived by local owner-managers. To achieve this aim, the study utilized a “mixed-method” approach. In the first phase, a quantitative approach was employed in the form of a survey questionnaire, in order to identify the critical success factors for SMEs in the city of Tangier as perceived by owner-managers and to classify and compare successful and less successful SMEs with respect to the identified factors. The second phase adopted a qualitative approach to explore how SME owner-managers see the factors that facilitate business ‘success’ in relation to their experiences in Tangier.

The present chapter discusses the findings of both the quantitative and qualitative phases, introduced in chapters six and seven. Discussion of the findings is made in accordance to the objectives of the study, with reference to the theoretical overview outlined in the systematic literature review.

8.2 Success factors

As mentioned, the research objectives of this research study were as follows:

- To identify the salient factors for business ‘success’ in the opinion of SME owner-managers in the city of Tangier;
- To examine differences between owner-managers of ‘successful’ and ‘less successful’ SMEs in relation to the identified salient factors; and
- To explore the experiences of SME owner-managers of the perceived factors contributing to business success.

The subsequent sub-sections discuss the overall findings of the research study by integrating the results of both the quantitative and the qualitative phases of the study.

8.2.1 Internal factors

8.2.1.1 Characteristics of the business

Size of the enterprise

The quantitative data analysis revealed a strong correlation between the self-reported size of the firm and business success. Descriptive statistics indicated that the average number of employees and the average annual turnover were far higher for the successful firms than for the less successful ones. Furthermore, results of the inferential analysis, using Mann-Whitney test, showed significant differences between successful and less successful SMEs in Tangier, in relation to the self-reported size of the firm. Although the findings suggested that the bigger the firm, the more likely it is to be more successful, a conclusion about causality or even directionality cannot be established simply because of the observation of such correlation.

The findings of this quantitative phase, however, corroborates the findings of Bates & Nucci (1989) and McMahon (2001), who concluded that the larger the firm, the more likely it was to be successful. Conversely, the finding seems to be at odds with Harabi (2003), at least in terms of growth. In his study, Harabi (2003) suggested that size has a negative impact on growth of firms in Morocco. His study found that smaller firms grow very fast. However, it can be argued here that size is perhaps a manifestation of past success, which might have generated growth. Furthermore, as this quantitative phase of the research study asked owner-managers to evaluate the success of their firms, the existence of a larger business might also tend to make these owner-managers rate them as successful.

Age of the enterprise

The findings of the quantitative phase suggested that the self-reported age of the firm has an impact upon the success of SMEs in Tangier. Descriptive statistics indicated that the majority of businesses in the sample which have existed for more than five years could be described as successful. Furthermore, results of the inferential analysis, using the Mann-Whitney U test, showed significant differences between successful and less successful SMEs in Tangier, in relation to the self-reported age of the business. Findings seemed to indicate that the older the business, the more likely it is to be successful. Again, a conclusion about causality or directionality cannot be established here. It can be argued that this finding derived as a result of previous success, in which, perhaps, several causal factors mediated between age and success. For example, it can be suggested that the ageing of a firm tends to increase its network of relationships, and this could engender the appreciation of success.

The study of Harabi (2003) found a negative correlation between firm age and growth of firms in Morocco. The relationship between growth and success is complex. In this study, it can be suggested that successful firms learn how to be successful as they grow older. Furthermore, the present finding seems to be consistent with the study of El Hamzaoui (2006), who found that the young firms tend to have a high failure rate; age demonstrated a lack of failure. In addition, the result of this study corroborates the findings of a great deal of the previous work in different contexts between age and business success (Bates & Nucci, 1989; MacMahon, 2001; Davila et al., 2003).

Location of the enterprise

The quantitative phase of the study found location of the firm to be significantly related to business success. Results of the inferential analysis, using the Mann-Whitney test, showed significant differences between successful and less successful SMEs in Tangier, in relation to the location of the business. This suggests that location plays an important role in the success of businesses.

Despite the fact that location was only used to classify the firms, this was mentioned extensively in the qualitative study. Analysis of the qualitative data provided important further insights into this factor, showing that the issue of location is complex and problematic. Findings revealed that firms located outside the free zone of Tangier do not benefit from the low cost of services offered by off-shore banks, compared to firms established in the free zone. The issue of location became an important success factor in this situation. In addition, entrepreneurs of firms located outside the free zones expressed their worries about the alignment of tax to the national corporate tax rate of 30% by the end of the year 2015. The expression of concerns about this factor had a negative impact on the perception of success. The placement of the business in relation to the free zones thus became a financial and emotional aspect of success.

8.2.1.2 Characteristics of the entrepreneur

Socio-demographic characteristics

Age of the entrepreneur

Findings of the quantitative phase revealed a significant association between the age of the entrepreneur and business success. Descriptive statistics indicated that the majority of successful entrepreneurs were between the age of 25 and 45. Moreover, results of the inferential analysis, using the Mann-Whitney U test, showed significant differences between successful and less successful SMEs in Tangier, in relation to the age of the entrepreneur. Findings suggested that the entrepreneurs in the younger age category were more likely to be owner-managers of successful businesses. Not surprisingly, the findings reflect the age structure of the Moroccan population that is characterised by the predominance of youth.

The finding of the present study would appear to be at odds with the research of El Hamzaoui (2006) who found that among the failure factors of SMEs in Morocco is the relatively young age of the entrepreneurs (< 35 years). It also contradicts the findings of Woldie et al. (2008) who undertook an exploratory study of owner-manager and firm characteristics to identify the factors affecting the growth of SMEs in Nigeria. Specifically, using a survey self-administered questionnaire on a sample of 523 SME owner-managers, their study reported that middle-age and older owner-managers tend to run more growth oriented firms. However, it is consistent with those undertaken in different contexts, such as the study of Reynolds et al. (2000) who found that individuals aged 25-44 years were the most entrepreneurially active. A possible explanation of the findings from this study is that while some of the younger owner-managers in Tangier do indeed make serious mistakes and fail, those that survive tend to manage with a stronger growth orientation.

Gender

In the quantitative phase of the study, the gender variable was found to have no significant association with business success. Descriptive statistics indicated that the majority of industrial firms were owned or managed by men. In fact, only two of the respondents were female; and this did not allow for statistical analysis. This could be explained by different factors related to the social structure of Morocco. In addition, results of the inferential analysis, using Mann-Whitney test, showed no significant differences between successful and less successful SMEs in Tangier, in relation to the gender of the entrepreneur. An explanation is that given a sample within which the vast majority of respondents are of the same gender, a valid comparison between genders is impossible.

Background characteristics

Education

The quantitative data analysis revealed that education of the entrepreneur seems to have a paramount importance in ensuring the success of SMEs in Tangier. Descriptive statistics revealed that the proportion of owner-managers who have attained high levels of education is higher in successful firms compared to their counterparts in less successful firms. Additionally, results of the inferential analysis, using the Mann-Whitney U test, revealed significant differences between successful and less successful SMEs in Tangier, in relation to the education of the entrepreneur. Findings of both descriptive and inferential statistics suggested that owner-managers of successful firms are characterised with relatively higher levels of education than their counterparts in less successful SMEs in Tangier. This suggests that there is a strong link between the education of the entrepreneur and success of the firms. The finding shows similarities to previous studies conducted in Morocco. Specifically, the finding supports the study of Gray (2006) who found that education of the entrepreneurs was helpful for the success of their firms. Furthermore, it seems to be consistent with the study of El Hamzaoui (2006), who showed that the poor education of entrepreneurs represented a factor for the failure of firms in Morocco.

Linked to education, the language factor emerged as an issue from the qualitative phase of the study. This was clearly indicated by a business owner-manager who stated:

> *‘Education of owner-managers is important for the success of their businesses. Unfortunately, the Moroccan education system does not help towards business success. The teaching of business studies is conducted in French, which is not our native language. Personally, I think this is not helpful as the success of any nation in any sector is achieved through the use of its native language in all sectors: business, education, health, etc. Foreign languages should also be learnt but only for communication purposes.’* (Enint10)

Analysis of the qualitative data from the above quote showed that one of the impacts on business development is the teaching of business. Business studies are undertaken in a second language (French). This may have an impact on the way that people think about the pursuit of a business. It leads to the separation of business education from ordinary general understanding of business context. This could make the application difficult where an intuitive approach is required. It is possible that it has an impact on the development of business in the context of its local market. It also might prevent the successful development of sizeable business from small scale roots.

Previous experience

In the quantitative phase of the study, previous work experience was considered to have a great impact on the success of SMEs in Tangier. Descriptive statistics indicated that owner-managers of both successful and less successful SMEs tend to have a reasonable number of years of work experience. However, the relevance of the work experience to the business was more highly correlated for the successful firms than their less successful counterparts. Results of the inferential analysis, using the Mann-Whitney U test, corroborate the findings of the descriptive analysis and further revealed interesting findings with respect to the previous experience factor. Contrary to expectations, the study did not find significant differences between owner-managers of successful and less successful SMEs in Tangier, in relation to the number of years of work experience. However, significant differences were found between the two groups in relation to the relevance of experience to the business. The finding supports the study of El Hamzaoui (2006) who found that poor professional experience was a strong failure factor for SMEs in Morocco.

Family background

The quantitative phase unveiled important findings about the family background factor. Data analysis indicated that family background tends to influence the success of SMEs in Tangier. Descriptive statistics showed that owner-managers of successful firms have relatively more educated parents than owner-managers of less successful firms. This result, shown in the descriptive analysis, seems to corroborate the study of Gray et al. (2006) about motivations of Moroccans to be entrepreneurs. Specifically, Gray et al. (2006) found that half of the interviewed Moroccan entrepreneurs came from families where the father or mother, considered as their role model, was self-employed. In addition, The inferential analysis, using the Mann-Whitney U test, further supports the results of descriptive statistics by illustrating significant differences between the owner-managers of less successful and successful SMEs in Tangier, in relation to family background.

Personality characteristics

Need for achievement

From the quantitative phase, the variable need for achievement was found to have positive impact on the success of SMEs in Tangier. Descriptive statistics identified the need of achievement as a common trait for owner-managers of both successful and less successful SMEs in Tangier. This result conforms to the findings of Gray et al. (2006) who found that high need for achievement was identified as a common trait for Moroccan entrepreneurs. However, interestingly, significant differences were found between the two groups. Results of the inferential analysis, using Mann-Whitney U test, revealed that the need for achievement was higher for owner-managers of successful firms than for their less successful counterparts.

Locus of control

In the quantitative phase of the study, the variable locus of control was found to have no significant association with business success. It was apparent from the descriptive statistics that owner-managers of both successful and less successful firms expressed a neutral opinion in relation to locus of control. In addition, the results obtained from the inferential analysis, using Mann-Whitney U test, showed no significant differences between the two groups. Respondents believed in working hard to achieve success but that destiny plays a major role in determining such success. A plausible explanation for this result could be related to the religious background of the respondents who were Muslims. In Islam, Muslims must believe in destiny, or more accurately, divine destiny (Qadar). This finding is in agreement with the Gray et al.'s (2006) findings which revealed that the prevailing thought among Moroccan entrepreneurs was that individuals should make their greatest effort to accomplish something, but that the result is subject to their destiny, which is related to what God has predicted for their lives. Conversely, the result of the present study does not support some other studies in different contexts (Miller et al., 1986; Alpkan et al., 2002) which found that internal locus of control was positively correlated with entrepreneurial success.

Propensity for risk taking

Interesting findings were found about the propensity for risk taking. Although descriptive statistics revealed that owner-managers of both successful and less successful firms tend to agree about the importance of taking risks in ensuring the success of their businesses, the inferential analysis, using Mann-Whitney U test unfolded significant differences between the two groups. The finding suggests that the owner-managers of successful SMEs have higher propensity for risk-taking than their less successful counterparts. This finding shows similarity to several studies in different contexts (Delmar, 1994; Morris & Zahra, 2000). However, it is not consistent with the study of Siegel et al. (1993).

Competences & skills of the entrepreneur

Managerial competences

Quantitative data analysis showed that managerial competences are crucial for the success of SMEs in Tangier. Results of the descriptive analysis revealed that managerial competences were regarded as having great importance by owner-managers of both successful and less successful firms. The finding of the study corroborates the finding of Tazi (1993) which revealed, based on a sample of 56 bankrupt enterprises in Morocco; that 70% of failures were due to poor leadership and mismanagement. In addition, the finding is consistent with that of other studies in different contexts and supports the finding of Yusuf (1995) which revealed that good management skills are one of the factors most critical to the success of South Pacific islanders' entrepreneurial activities.

However, although managerial competences were considered to be very important, it was apparent that the magnitude of such importance varied for both groups. Results of the inferential Mann-Whitney U test indicated that the perceived importance of managerial competences for the success of SMEs was stronger for owner-managers of successful businesses than for their less successful counterparts. It should be noted here that the level of managerial competences could be linked to size of the firm which was discussed above. As argued by Greiner (1972), as firms grow, entrepreneurs need to develop their leadership and management capabilities in response to the successive internal crises.

Entrepreneurial competences

The quantitative phase of the study revealed that entrepreneurial competences were considered to be important for the success of SMEs in Tangier. Descriptive statistics indicated that owner-managers of both successful and less successful businesses viewed entrepreneurial competences as crucial for the success of their businesses. Specifically, a high importance was placed on the ability to scan the environment and identify customer needs. The results confirm Wang & Ang's (2004) view that the ability to select high quality opportunities and devise appropriate strategies to turn these opportunities into reality may have a considerable impact on venture performance. Furthermore, results of the inferential analysis, using the Mann-Whitney U test, showed no significant differences between owner-managers of both successful and less successful SMEs in Tangier, in relation to the importance of entrepreneurial competences. This suggests that both groups confirmed that entrepreneurial competences are strong factors of business success.

Functional competences

Findings of the quantitative phase of the study suggest that functional competences play an important role in the success of SMEs in Tangier. Descriptive statistics indicated that owner-managers of both successful and less successful businesses viewed functional competences as central to the success of their businesses. Specifically, a high importance was placed on the business-related competences. This conforms to the argument of Baum et al. (2001) who argued that technical or industry-related skills are an important source of “expert” power that legitimizes the entrepreneur in the eyes of his/her staff, and assists in the implementation of the entrepreneur’s plan. In addition, findings of the quantitative phase are in line with the view of Barney (1991) who claims that it is essential for entrepreneurs to acquire venture-specific skills to provide sustainable competitive advantage for their ventures.

The findings of the quantitative phase confirm that functional competences are strong factors of business success for owner-managers of both successful and less successful SMEs in Tangier. However, significant differences on the importance of such competences existed between the two groups. Results of the inferential analysis, using the Mann-Whitney U test, revealed that the perceived importance of functional competences to the success of SMEs was stronger for the owner-managers of the successful businesses than for the less successful ones.

8.2.2 External factors

8.2.2.1 Economic factors

Financial resources

The financial resources factor was rated as having the greatest impact on the success of enterprises. In the quantitative phase of the study, descriptive statistics showed that owner-managers of both successful and less successful businesses viewed financial resources as a very important factor that influences the success of their enterprises. The importance of finance was further reinforced by participants in the qualitative phase. This finding is in line with other previous studies in the context of Morocco. Rachdi (2006) undertook an exploratory study about feminine entrepreneurship in Morocco. Specifically, using a survey questionnaire on a sample of 579 women owner-managers, her study reported that the second most frequent problem faced by entrepreneurs and which was common for both women and men was lack of finance. In another study conducted by El Hamzaoui (2006), findings revealed that insufficient financial resources were among the failure factors of SMEs.

Results of this quantitative phase of the study also accord with a large number of other previous studies in different contexts. In a quantitative study about the factors related to the competitive ability of firms in Tunisia, Ben Mlouka & Jean-Michel (2008) identified finance, an aspect of management of the financial resources, as a very important factor for business competitiveness. In addition, Beck et al. (2006), for example, argued that in a competitive business environment, access to finance is an important component that facilitates entry, exit and growth of firms and therefore is essential for the development process.

The constraints related to financial resources and their impact on the success of businesses, have been covered extensively in the literature. In the quantitative phase of the research study, results of inferential analysis using the Mann-Whitney U test showed no significant differences between owner-managers of both less successful and successful SMEs, in relation to the constraints related to financial resources. This implied that both groups were in total agreement that financial constraints are very challenging and can consequently inhibit their success. The perceived high cost of credit was considered by respondents to be a key obstacle to the success of the business. This confirms the survey responses of the Investment Climate Assessment (ICA) survey about the difficulty of obtaining credit. Four out of five firms that participated in the survey mentioned the cost of credit as a strong constraint (World Bank, 2005). In addition, the findings support Beck et al. (2005, 2006, and 2008) who showed that owner-managers of SMEs perceive access to finance and cost of credit to be greater obstacles than do those of large firms and that these factors affect their growth.

Semi-structured interviews did provide important insights about the constraints related to finance. Findings revealed that obtaining credit from financial institutions can be achieved provided that the enterprise presents a strong dossier (business plan) that includes all of the information required to request a loan. However, banks are very selective in granting credit. This could be explained by the high demand for credit in Morocco that far exceeds supply. Interviewees indicated that banks usually demand asset collaterals which are normally very high. Furthermore, perceived high interest rates charged by banks were held to be an impediment to business success. The high interest rates could be explicable because of the risk associated with lending to small and medium businesses. The constraints of collaterals and interests are very often mentioned in the literature. Indeed, the findings of this study conform to the findings of The International Finance Corporation (2010) and several authors (Schiffer & Weder, 2001; Cosh & Hughes, 2003). However, what was very interesting is the fact that the production of a strong dossier presents a physical as well as an emotional pressure on business owner-managers which could have an influence on their success. The need to commit to such a process was often a constraint on the perception of success. This might be the case in other more developed countries, but in the context of Moroccan relationship-based enterprise, this process was alien to the usual method of doing business.

Findings revealed another issue related to the services offered by off-shore banks. The issue applied specifically to Tangier and other cities that have free trade zones. It was found that, unlike SMEs that are not established in free zones, SMEs located in the free zones do benefit from the low cost of services offered by the off-shore banks. The findings suggested that the location of the firm with respect to the free zone became an important influence of business success. Other companies benefited from this arrangement and they were excluded from it.

The qualitative data analysis disclosed another issue that was of high concern to entrepreneurs, in particular the ones that do not want to breach their religious beliefs. Findings suggested that non-availability of Islamic banks in Morocco has an impact on the performance of SMEs. The non-availability of Islamic banks in Morocco could be explained by the history of colonisation and the link to western terms of trade. The introduction of Islamic capital funding was seen by some business owner-managers as an expression of spiritual success.

In tackling the constraints related to financial resources, findings revealed that some owner-managers of SMEs use trade credit as an external financing source to enhance their performance. The use of trade credit by owner-managers of SMEs in Tangier is in line with the academic literature that considers trade credit as an external source of finance for small and medium companies in countries with less developed financial markets (Biais & Gollier, 1997; Bougheas et al., 2009; Bellouma, 2011). The use of trade credit also becomes part of an Islamic method of joint funding for Islamic SMEs. Both of these two can be seen as relationship building: as a method of finance, and as a contributor to success.

Taxation

Both quantitative and qualitative phases of the study indicated that an efficient tax system is important for the success of SMEs. Participants in both phases stressed that a good and efficient tax system should promote investment and influence the success of businesses. This supports the view of James (2009), from the Investment Climate Department of the World Bank Group, who suggested that an efficient tax system should allow taxpayers to calculate their tax liability easily, pay their taxes and file their tax returns, and redress their grievances with limited costs. In addition, it should include taxpayer-friendly methods for tax administrators to verify tax liability and ensure that correct taxes have been paid. The findings also correspond to the study of Benzing et al. (2009) about entrepreneurs in Turkey. Using simple random sampling, 139 entrepreneurs were surveyed in order to identify motivations, success factors and problems. Results of the survey revealed that the complex and confusing tax structure was considered the most serious problem faced by entrepreneurs and one that inhibits the success of their businesses.

Regulations related to taxation and their impact on the success of businesses, have been covered extensively in the literature. Numerous Investment Climate Surveys, Doing Business surveys, and the work of the Foreign Investment Advisory Service in Sub-Saharan Africa and the Middle East and North Africa reported that tax constitutes a significant barrier to investment. Vague tax provisions, multiple tax instruments, arbitrary implementation of tax laws, limited opportunities for redress of taxpayers' grievances, and laws that give excessive discretion to tax authorities both trouble investors and discourage potential investors. In the quantitative phase of this study, results of inferential analysis using the Mann-Whitney U test found significant differences between owner-managers of less successful and successful SMEs, in relation to the regulations related to taxation. This implies that views of both groups differ widely on regulations related to taxation. An explanation of this disagreement could be that the majority of successful businesses are located in zones that benefit from tax incentives such as: free trade zones, and therefore regulations related to taxation do not constitute a burden for them.

The qualitative phase of the study has reinforced the findings of the quantitative phase with regard to the regulations related to taxation. Not surprisingly, findings showed that regulations related to taxation were considered, by the majority of SMEs located outside the free trade zones, to be an inhibitor to the success of their businesses. Conversely, firms located in the free zones of Tangier did confirm the attractive incentives they benefit from, in comparison with the national tax system. The placement of the business in relation to the free zones thus became a financial and emotional aspect of success. This placement often determined the outlook that businesses adopted when seeing their own business. The only way to get into the free zone was to have a foreign investor; accordingly, many Moroccan firms were excluded from these potential contributions to success.

8.2.2.2 Political-legal factors

Government support

The analysis of both quantitative and qualitative data indicated that the support of the government is crucial for the success of businesses in Tangier. In the quantitative phase, descriptive statistics indicated that owner-managers of both successful and less successful firms considered government support as a key factor in ensuring their success. In addition to this, results of inferential analysis using the Mann-Whitney U test showed no significant differences between owner-managers of less successful and successful SMEs, in relation to the government support factor. Both groups were in agreement that the service of government institutions is not satisfactory and the availability of support does not reach a satisfactory level.

Although, these results differ from some published studies (Kirpalani & Macintosh, 1980; Mambula, 2004), they are consistent with other several previous studies in different context. For instance, Yusuf (1995) explored the critical success factors in the South Pacific region. Specifically, based on a survey of 220 entrepreneurs, his study demonstrated that government support was more critical for the success of small indigenous entrepreneurs than the non-indigenous ones. Furthermore, in a quantitative study about the determinants of business success of small and medium enterprises in Pakistan, Jasra et al. (2011) found that government support can have both positive and significant impact on business success.

The in-depth semi-structured interviews provided more insights about the government support factor. Findings show that the majority of participants subscribed to the influence of government support in business success, through technology and training programmes. However, the influence of these programmes on success remains questionable.

Regulatory environment

The findings of the quantitative phase of the study associated with the regulatory environment suggest that an enabling regulatory environment was considered important to the success of small and medium businesses in Tangier.

The constraints related to the regulatory environment and their impact on the success of businesses have been covered extensively in the literature. In the quantitative phase of this research study, results of inferential analysis using the Mann-Whitney U test showed no significant differences between owner-managers of both less successful and successful SMEs, in relation to the constraints of the regulatory environment. This implies that both groups were in total agreement that constraints related to the regulatory environment are very challenging and consequently inhibit their success. Corruption and bureaucracy were considered by respondents to be the key obstacles to the success of their businesses.

Semi-structured interviews did provide deeper insights into the constraints related to the regulatory environment. Surprisingly, findings of the qualitative phase in relation to corruption appear to contrast with findings of the quantitative phase. The majority of participants in the qualitative phase of the study viewed corruption as a means to improve efficiency in how public regulations are administered as well as to reduce or avoid the costs associated with these regulations. Drawing these apparently contradictory responses together, one could infer that although SMEs recognized corruption an issue that they have to be prepared to deal with, this issue is regarded by businesses as improving the efficiency of the extensive regulatory environment. As a result, corruption is not regarded as being a matter of concern for owner-managers of SMEs and thus is not a hindrance to their success. The qualitative empirical findings of this study are consistent with the findings of Bhattacharya & Wolde (2009) who found that the corruption was statistically insignificant in explaining growth performance in the MENA region. They further expound that one explanation could be that economies develop informal mechanisms over time to deal with these constraints so that they become less binding over the long run.

However, Kaufmann & Wei (1999) drew a different conclusion from a study that examined the relationship between bribe payment, management time wasted with bureaucrats, and cost of capital. Contrary to the ‘efficient grease’ theory, their findings showed that firms that pay more bribes are also likely to spend more, not less, management time with bureaucrats negotiating regulations, and face higher, not lower, cost of capital.

Perhaps not surprisingly, another finding related to corruption, revealed that the majority of participants believed that corruption is likely to occur in the course of dealings with public officials. Furthermore, more importantly, findings of the qualitative phase showed a close and profound relationship between corruption and bureaucracy. The majority of participants asserted that in running their day-to-day activities, they frequently have to deal with a chain of corrupt bureaucrats that could create problems for their businesses.

Another interesting finding from the qualitative phase was that corruption and bureaucracy is mostly prevalent among non-educated officials. Although the majority of participants attested that they frequently have to deal with corrupt bureaucrats, they confirmed that it is likely to happen with non-educated officials. This suggests that education has an important role in bureaucracy and corruption. This confirms the view of Treisman (2000) who proposed that education does play a role in diminishing corruption. Furthermore, it supports the studies of Dreher et al. (2007) and Dininio & Orttung (2005), who found that highly educated societies typically exhibit lower levels of corruption.

With regard to regulations, an important finding of the qualitative phase was that the frequent fast changes of employment regulations were considered as major risk that impact any medium to long term planning of SMEs. This suggests that uncertainty with regard to the regulations could have an impact on the success of SMEs.

8.2.2.3 Technological factors

Access to technology

The findings of the quantitative phase of the study revealed that technology is an important factor for the success of SMEs in Tangier. Descriptive statistics showed that owner-managers of both successful and less successful businesses viewed technology an important factor that contributes to the success of their enterprises. The importance of technology was further reinforced by participants in the qualitative phase. This finding is in line with Olawale & Garwe (2010) who argued that technology not only helps in evolving a multi-pronged strategy, but also in maximizing business opportunities.

With regard to the constraints related to the technology factor, descriptive statistics indicated that owner-managers of less successful businesses find it more difficult to access new technology or to maintain current technology than their successful ones. Moreover, results of inferential analysis using the Mann-Whitney U test found significant differences between owner-managers of less successful and successful SMEs, in relation to the constraints linked to the technology factor. Results of both descriptive and inferential analysis clearly indicate that owner-managers of successful businesses have a wide access to technology, whereas, the ones from less successful businesses are characterised as having limited access to technology. This implies that access to technology has a crucial impact on the success of SMEs in Tangier.

The qualitative phase of the study provided further insights into the technology factor. The findings accentuated the importance of technology in ensuring the success of SMEs in Tangier. Interestingly, one third of participants conceded that innovation is a pillar to their success in view that it enables their businesses to maximise profits. Furthermore, a small number of those interviewed reported that research and development is a key for their success because it facilitates the gaining of a competitive advantage over their rivals. These results may be explained, as suggested by Wright et al. (2005), by the fact that a highly hostile competitive environment influences innovativeness.

Access to information

Findings of the quantitative phase of the study suggest that information plays an important role in the success of SMEs in Tangier. Descriptive statistics indicated that owner-managers of both successful and less successful businesses viewed information as fundamental to the success of their businesses.

With regard to the constraints related to the information factor, descriptive statistics indicated that owner-managers of both less successful and successful businesses have reasonable access to information. Specifically, both groups agreed that information about finance sources, regulations, technologies and the market are satisfactorily accessible. Moreover, results of the inferential analysis further confirmed the results of the descriptive analysis. Using the Mann-Whitney U test, no significant differences were revealed between owner-managers of both less successful and successful SMEs in Tangier, in relation to the perceived constraints from limited access to information. Results of both descriptive and inferential analysis clearly indicated that the owner-managers of both successful and less successful businesses felt that they have a more or less acceptable degree of access to information related to their businesses, while viewing it as being very important to the success of SMEs in Tangier.

Access to infrastructure

The findings of the quantitative phase of the study showed that owner-managers of both less successful and successful SMEs considered that a good infrastructure is very important for the business success. Descriptive statistics showed that both groups viewed infrastructure an important factor that influences the success of their enterprises.

With regard to the constraints associated with the infrastructure factor, results of the descriptive analysis indicated that both groups reported the high cost of infrastructure in Tangier. Reliability of such infrastructure did not pose any problems as both groups reported their satisfaction with it. Furthermore, results of the inferential analysis further corroborate results of the descriptive analysis. Using the Mann-Whitney U test, no significant differences were found between less successful and successful businesses, in relation to the constraints associated with the infrastructure factor.

On the other hand, the qualitative phase provided rich and insightful data and therefore enabled a deeper analysis of the infrastructure factor. The semi-structured interviews further revealed a number of significant sub-themes related to the infrastructure factor, namely: electricity, water, telecommunications, and transport. Findings related to each theme are discussed separately in the following sections.

Electricity

The qualitative data analysis showed that all participants considered electricity one of the biggest constraints hindering the success of their businesses. The constraints stem from inadequacies in several aspects of the electricity service, namely the cost of electricity and the reliability of supply.

Electricity in Morocco is produced by the National Office of Electricity (ONE). However, the distribution of such energy is done either by ONE itself or by private companies in the country's main cities. In the region Tangier-Tétouan, distribution of electricity is done by the private company AMENDIS, the local affiliate of Veolia Environnement which is a French international private utility company.

The perceived high cost of electricity in Tangier was consistently emphasized by participants. The qualitative phase of the study found that high cost of electricity was felt to have a negative impact on the success of SMEs and to deter investments. The findings support results of the firm analysis and competitiveness survey (2000) that was carried out between October 2000 and February 2001, based on a sample of 1000 firms and 8375 workers, selected from the regions of Grand Casablanca, Tanger-Tétouan, Rabat-Sale-Zemmour, Fes-Boulmane, Oriental, and Chaouia-Ouardigha. However, the results of the survey revealed that problems with electricity are concentrated geographically on Fès, Oujda and Settat. Firms in Morocco spend 5% of the value of their annual sales on energy, and according to the survey, the problem seems to be electricity used as fuel, rather than power. It is clear from the survey results that Tangier-Tétouan region was not identified as a region with severe electricity problems. This could be explained by the fact that the survey was carried out before the 25 year concession to run the electricity and water distribution in the region Tangier-Tétouan, was awarded to AMENDIS in 2001. Findings of this qualitative phase showed that expensive electricity bills caused consternation among many business owner-managers. This explains the sit-in that was held by hundreds of protesters at Tangiers city hall, on the 19th of February, 2011, to demand the termination of the city's privatization contract with Veolia's subsidiary Amendis. Hundreds of protesters, fed up with high utility charges, then marched to and attacked offices associated with the French firm (Al Jazeera, 2011; Souhail, 2011).

As for the reliability of supply, although some participants explained that electricity supply is generally reliable, the majority of respondents have argued that natural disasters, in particular, inundations that happened in Tangier in 2008, have revealed the non-reliability of electricity supply as well as the sanitation and sewerage infrastructure. Findings suggested that non-reliability of supply has negative impact on the success of businesses. The investment climate survey carried out by Zeufack et al. (2000) indicated that problems with power varied across regions in Morocco: outages were lowest for firms in Casablanca and Fes and highest in Oriental, Rabat-Sale, and Settat. However, although the region Tangier-Tétouan was included in the sample surveyed, no results were reported for the region. To overcome the challenges caused by power cuts, participants in the qualitative phase reported their use of power generators. This is in line with the findings of the investment climate survey (2000) which reported that about 17% of firms in the sample had their own power generator.

Water & sanitation services

The qualitative data analysis suggested that water & sanitation services are central to the success of SMEs in Tangier. Findings revealed that constraints related to these services, in particular, cost and reliability were considered to inhibit the success of SMEs.

In Morocco, water is produced by the national producer, the National Office of Potable Water (*Office National de l'Eau Potable*: ONEP). However, service provision is privately managed by AMENDIS in the region Tangier-Tétouan. The perceived high cost of water and sanitation services was repeatedly highlighted by participants. The finding of the qualitative phase revealed that high cost of water and sanitation services negatively influences business success. Findings further suggested that the costs of infrastructure improvements are passed on to consumers in the form of higher charges, as seems to be similar to practice in Western Europe.

With respect to reliability of sanitation services, the majority of participants expressed their concerns about the sewerage infrastructure which was described as poor. The finding shows that non-reliability of sanitation and sewerage infrastructure has a negative impact on business success. The qualitative findings highlighted the concepts of 'conduct', 'equipment', and 'commitments', which clearly explained the importance of a good infrastructure. Another interesting finding was the explanation of the non-reliability of infrastructure in terms of 'losses', which became an emerging theme and could possibly be related to business success.

Telecommunications services

The quality and price of telecommunications services have a significant and direct impact on business costs. In Morocco, although telecoms services are modern due the increased competition among the three operators (Maroc Telecom, Meditel, and Inwi) which operate in all main sectors (Fixed, Mobile, Internet and Data), the price of such services still remains high, particularly for mobile cellular services. This was confirmed by the report of the World Economic Forum and the Business School for the World (Dutta & Mia, 2011), in which Morocco ranked 118th out of 138 economies for its mobile cellular tariffs. However, the latest report of the National Agency for the Regulation of Telecommunications in Morocco (ANRT) (2011) claimed that mobile telephony tariffs have experienced a downward trend in last quarter of the year 2011.

The exorbitantly high tariffs of mobile telephony were consistently emphasized by participants in the qualitative phase of the study, arguing that extremely high prices of mobile telephony have a negative influence on the conduction of business activities. The findings support the earlier study of the ANRT in Morocco (2004), which indicated that firms considered the tariffs of both fixed and mobile telephony as excessive. From a general perspective, the findings also accord with the study of Hashim et al. (2009) who illustrated the empirical relationships between telecommunication infrastructure and economic development in Pakistan. The analysis concluded that investment in the telecommunication sector showed positive and significant impact on economic development.

Transport infrastructure

The qualitative phase of the study found that a good transport infrastructure is important for the success of businesses in Tangier. It was revealed that a good transport infrastructure enables a significant reduction in transport costs and delivery times. This corroborates the findings of several studies that associated the quality of infrastructure with reduction in transport costs, which in turn improve trade volumes (Limao & Venables, 2001; Clarke et al., 2004; Nordås & Piermartini, 2004; Wilson et al., 2005).

Linked to the transport infrastructure, the qualitative analysis further highlighted the impact of the roads infrastructure on the productivity of businesses. Although roads are generally adequate, traffic congestion is becoming a major concern for SMEs. Findings of the qualitative phase revealed that stifling traffic congestion in the city of Tangier delays the manufacturing productivity of firms, which could then have a negative influence on their success. This is in line with the findings of Bottasso & Conti (2010), which exhibited the significant impact of investment in roads on manufacturing productivity. The findings further support the study of Montolio & Solé-Ollé (2009) that looked at road infrastructure investments as a determinant of total factor productivity (TFP) growth in Spain for the period 1984–1994.

The qualitative analysis further identified another important service that was linked to the transport infrastructure, which is the port service. Although the

Tangier-Med port has been established recently, results indicated that this port could influence the success of businesses, in particular export companies, in the future. Specific reference was made to the advantage of logistics operations in terms of costs and delivery times that such a port can offer. This finding is in agreement with Hausman et al. (2005) who investigated the role of logistics costs, time and variability in time, and the complexity of export procedures on bilateral trade flows for 2005, based on a composite measure of logistics performance. Their study found that poor logistics performance significantly reduces trade flows. Findings of the qualitative phase of the present study also accord with the study of Djankov et al. (2010) that focused on aggregate bilateral trade flows. Their study, which was based on answers to a detailed World Bank questionnaire completed by trade facilitators at freight-forwarding companies in 146 countries in 2005, revealed a statistically and economically significant reduction in seaborne exports when there are longer export times and this mattered more for time-sensitive perishable goods.

8.2.2.4 Socio-cultural factors

Networking

Networking was widely considered by participants to have a pivotal impact on the success of SMEs in Tangier. In the quantitative phase of the study, descriptive statistics showed that owner-managers of both successful and less successful businesses viewed networking a very important factor that influences the success of their enterprises. Furthermore, results of inferential analysis using the Mann-Whitney U test found significant differences between the two groups in relation to the networking factor. While owner-managers of successful businesses tended to have a wide access to networking, those from less successful businesses were characterised as having limited access to networking.

The importance to networking was further reinforced by participants in the qualitative phase of the study. Furthermore, findings revealed that business networking has a great impact on financial performance. Participants in the qualitative phase further highlighted the importance of networking as one of the strongest business tools to get the latest information related to the business environment. Information could be very helpful in scanning new opportunities in the market. This finding suggests a close relationship with the information factor that was discussed above. It can be suggested that the ability to develop relationships and to build a method of business that strengthens and manages relationships is a significant factor in Moroccan business and society in general.

Workforce

The effect of the workforce on success of SMEs did not emerge from the initial literature review but did so during the qualitative phase. The qualitative data analysis showed that the workforce is a key factor for the success of SMEs in Tangier. The role of the workforce in influencing success is a factor that has been noted by several authors. For example, in his review of the determinants of firm growth in Morocco, Harabi (2003) found that among the main factors that hinder business performance, in particular growth, is lack of access to skilled workers and managers. In his study of the success of SMEs in Turkey, Benzing et al. (2009) found that unreliable employees were considered to be among the problems that inhibit the success of SMEs in Turkey.

The in-depth discussions with participants in the qualitative phase unfolded a very interesting finding about the workforce in Tangier. According to business owner-managers, the major problem is not shortage of manpower but the lack of motivated workers in Tangier. Over half of the participants in the qualitative phase reported that Tangierien workers, in particular males, are indolent and unmotivated. It is difficult to explain this result, but it might be related to the specific characteristics of the male workforce in Tangier. This finding is somewhat consistent with the study of Benzing et al. (2009). However, the study has been unable to demonstrate that the lack of access to skilled labour hinders business performance, and particularly growth, as argued by Harabi (2003). This could be explained by the high rate of unemployment in Morocco. While it would appear that with a high rate of unemployment, there should be an available pool of skilled labour, this is significantly reduced by migration to Europe on the part of qualified workers. This may be a particularly acute issue in the Tangier region because of its proximity to main land Europe and its historical exposure to influence from that region.

In contrast to their views on the male workforce, owner-managers of textile firms, as well as car spare parts manufacturing firms, disclosed that female employees tend to show high levels of commitment and hard work. There are several possible explanations for this result. It may be that local women work really well with dexterous tasks, or their position in society encourages them to develop dependability.

8.2.2.5 Micro-environmental factors

Customer relationships

In the quantitative phase of the study, the owner-managers of both less successful and successful SMEs identified customer relationships as very important to business success. Descriptive statistics indicated that the owner-managers of both successful and less successful firms considered customer relationships vital for ensuring success. Moreover, results of inferential analysis using the Mann-Whitney U test showed no significant differences between the two groups on their perceptions about the importance of customer relationships. Findings of the quantitative phase support results of different studies on critical success factors of SMEs in many contexts. These studies revealed that customer service was considered to be the most important factor (Benzing et al., 2005; Coy et al., 2007; Hussain & Yaqub, 2010).

The findings were further validated by the qualitative phase where the interviewees did stress the importance of developing strong relationships with customers in its impact on the success of SMEs. This is consistent with the findings of a study by Temtime & Pansiri (2004). Specifically, their study that undertook a survey questionnaire among 203 SMEs in 3 cities in the Republic of Botswana revealed that the quality customer relationships was rated high in its impact on the performance of firms.

Interviewees in the qualitative phase of the study further highlighted the importance of customer relationship in achieving competitive advantage in the market. This is in line with the findings of a quantitative study by Ben Mlouka & Jean-Michel (2008), where direct contact was made with chief executive officers (or managers) or members of the management team of 96 enterprises in

Tunisia. The study revealed that among the five important factors related to the competitive ability of the firm was marketing strategy, where customer loyalty and customer retention were important.

Given the importance of maintaining strong relationships with customers, reference to certain strategies were revealed in the qualitative phase. For those in business-to-business markets, the link between equipment and commitments was developed through investment in lean production and pricing strategies. The elimination of non-value added elements in the production process could enable firms to charge low prices to customers and therefore ensure their retention.

Supplier relationships

Survey responses in the quantitative phase of the study indicated that owner-managers of both successful and less successful SMEs considered suppliers very important to the perceived success of their businesses. Descriptive statistics showed that both groups considered suppliers important to business success. However, results of inferential analysis using the Mann-Whitney test found differences between owner-managers of less successful and successful SMEs in relation to their perceptions of such importance. Surprisingly, results suggested that owner-managers of less successful businesses considered suppliers more important for business performance than their successful counterparts.

Semi-structured interviews confirmed the findings of the quantitative phase. Participants emphasized the importance of developing relationships with suppliers to the success of their businesses. This corresponds to the findings of Jones (1996). Based on a survey of Australian boat-builders, Jones (1996) contended that small-firm success was associated with greater investment in the supplier relationship.

Findings of the qualitative phase further revealed that relationships between the buyer and the supplier can result in opportunism and conflict. Hence, governing such relationships is a crucial task for business owner-managers to ameliorate the exchange process. Business owner-managers referred to the word “partenariat” as the formal mechanism used to govern such relationships. The findings support results of the study of Bellouma (2011) that was carried out over a six-year period from 2003 to 2008 in Tunisia. Using panel data of 386 Tunisian export companies, the study supports the role of contracts as a formal governance tool in reducing inter-firm opportunism, which corroborates transaction cost economics.

Competition

Having a competitive advantage over competitors was considered by owner-managers as an important factor contributing to the success of SMEs in Tangier. In the quantitative phase of the study, descriptive statistics and results from the Mann-Whitney U test showed that owner-managers of both successful and less successful businesses considered competitive advantage as an important factor in ensuring the success of their businesses. The importance of competitive advantage was further stressed by participants during the in-depth semi-structured interviews undertaken in the qualitative phase of the study.

The constraints related to competition and its impact on the success of businesses, have been covered extensively in the literature. In the quantitative phase of this study, results of inferential analysis using the Mann-Whitney U test showed no significant differences between owner-managers of both less successful and successful SMEs, in relation to the constraints of competition. This suggests that both groups consented that constraints related to competition are very challenging and consequently have an inhibiting effect on their success.

Surprisingly, an important finding, in relation to the competition constraints, was that the wide spread of smuggling activities constitute a hurdle, especially for agri-food firms, in achieving competitive advantage. Participants in the qualitative phase argued that products or goods smuggled from the Spanish-occupied Moroccan city of Ceuta, which is about 29 miles far from Tangier, create an environment of unequal competition that hampers the thriving and success of their businesses. They further highlighted that the smuggled products are transported to the different markets spread all over the country.

During discussions with participants, a number of strategies were raised whose purpose was to gain a competitive advantage over their rivals. Findings of the qualitative phase suggested that the concepts of lean production are used in order to stay competitive by offering lower prices than competitors. Furthermore, findings clearly indicated that in a very competitive environment, product diversification is a very efficient strategy that has positive influence on the performance of firms. Engaging in the process of product diversification could help businesses to attain a competitive advantage in the market.

8.3 Summary

This chapter attempted to bring theoretical relevance to the research findings of both quantitative and qualitative phases of the study. The qualitative data results provided evidence of the universality of some of the success factors and at the same time generated more evidence about the possible cultural underpinnings of these factors. Results showed that the cultural orientations of the entrepreneurs have an influence on the perceived importance of the success factors.

The research found that the ability to develop a ‘partenariat’ way of working was to be found in a number of factors that differentiated the successful from the less successful firms. The impact of location was also very significant. The number of factors that related to location came out very strongly in the link to success and the ability to achieve that success.

CHAPTER NINE
CONCLUSION

9.1 Introduction

The aim of this research was to develop a clearer understanding of the factors that influence the success of small and medium enterprises in Tangier, as perceived by local owner-managers. A two-stage design, incorporating both quantitative and qualitative approaches, was used in order to achieve the overall aim of the study. Approaches were employed in sequence with results from the quantitative phase informing the qualitative phase. For the quantitative survey, a survey questionnaire was administered to a population of 365 industrial SMEs in hard copy and online forms. The broad aim of the survey was to build a general picture of the factors influencing the performance of local SMEs, as seen by their owner-managers. Following the quantitative phase, fifteen in-depth face-to-face semi-structured interviews were conducted with owner-managers of SMEs to explore their experiences and personal views of the impacts of these factors. The findings from both phases of the research were presented and analysed in chapters 6 and 7 and comparatively discussed in chapter 8.

This final chapter aims to summarize the main findings and to draw conclusions from the research. These findings are synthesised and contextualized in relation to the findings of previous research, as discussed in the literature review (Chapters 3 and 4). Next, this study's contributions to knowledge are highlighted and discussed and the limitations of the research acknowledged. Finally, the chapter draws on insights obtained from the research study to highlight the implications for practice, policy, and future research.

9.2 Research questions and objectives revisited

This research study sought to explore issues surrounding the successful performance of SMEs in Tangier from the perspective of local owner-managers, informed by the theoretical framework identified from the literature review. The questions that guided and focused the study were as follows:

- What are the salient factors for business 'success' in the opinion of SME owner-managers in the city of Tangier?
- With reference to the identified salient success factors, what differences, if any, exist between the 'successful' and 'less successful' SMEs?
- How do SME owner-managers in Tangier see these factors for business 'success' in relation to their experiences in the city of Tangier?

The overall aim of this research was to develop a clearer understanding of the factors that influence success of small and medium enterprises in Tangier, as perceived by local owner-managers. To achieve the research aim, three key objectives were set out:

- To identify the salient factors for business 'success' in the opinion of SME owner-managers in the city of Tangier;
- To examine differences between owner-managers of 'successful' and 'less successful' SMEs in relation to the identified salient factors; and
- To explore the experiences of SME owner-managers of the perceived factors contributing to business success.

9.3 Research conclusions

This study has shown that understanding the success of small businesses from the perspective of entrepreneurs is a complex challenge. This complexity is not eliminated by the small size of the business but magnified, because of the personal nature of small firms (Simpson et al., 2012). As argued by Simpson et al. (2012), success in business is a matter of opinion and may be related to the degree to which objectives are met or exceeded, some of which may be critical for success. The complexity is further illustrated when attempting to unravel the critical success factors (CSFs). Findings of the two phases of the study showed that a host of internal as well as external factors, which are usually moderated by other variables, seem to influence business success in Tangier. However, while many factors are conceptually similar to other studies in different contexts, others are context-based and closely linked to the specific characteristics of the situation in Tangier. Furthermore, the perceived salience of these factors often varies from one owner-manager to another. This is in accordance with the work of Pansiri and Temtime (2010) who concluded, in their examination of the perceived CSFs of SMEs in the Republic of Botswana, that these factors varied from firm to firm depending on size, age, industry, and management profile. Watson et al. (1998) reviewed previous research attempting to define clear characteristics shared by the owners of small businesses which affect their success and concluded that “there is no simple pattern” (Watson et al., 1998, p. 222). They refer to the absence of a general theoretical framework and develop their own framework based on extant literature. This study confirms that general finding of diversity and specificity but offers a conceptual model that summarizes the key factors identified by owner-managers in this research (see Figure 9-1).

This elaborated model introduces three *generalized* influences on the success of SMEs in Tangier: the owner-managers’ attributes, partnership working, and business characteristics. These three influences were identified from factors uncovered in both the quantitative and qualitative phases. The reader should be reminded here that findings of this research derived from two phases of research that were employed in succession. The first phase used a quantitative approach in order to address the first and second objectives of the study. For the first objective of the study, descriptive as well as inferential analysis showed that a combination of internal and external factors seem to influence the success of SMEs in Tangier. With respect to the second objective, the statistical comparison between the successful and less successful groups of SMEs provided further evidence for the impact of a range of internal and external factors on business success. The qualitative phase of the research was informed by and built upon the quantitative phase, addressing the third objective of the study by exploring the personal perceptions and experience of owner-managers in greater depth. This phase of the research added richness to the findings from the first phase but also generated a number of new insights into the specific circumstances of SMEs operating in the Tangier region.

Each of the three generalized influences introduced by the elaborated model (derived from synthesizing the findings from both research phases) is introduced and discussed below, along with an indication of the 'underlying' factors that were seen to impact on business performance.

9.3.1 Owner-manager attributes

The quantitative phase of the research found that age, education, experience, family background, need for achievement, risk-taking propensity, managerial competences, and functional competences of the entrepreneur were significantly related to business success. These factors can be grouped under the category of 'owner-manager attributes'. For reasons of time and contextual relevance, these owner-manager attributes were not explicitly explored in the qualitative phase, although some further insights were generated. While the findings tended to confirm those of research conducted in other geographical contexts, others reflected the economic and cultural context of North Africa, Morocco, and of the Tangier region. This is a potentially rich field for future research.

Age

Findings from the quantitative phase of the research suggested a significant association between the age of the entrepreneur and business success. Descriptive statistics indicated that the majority of the owner-managers of the 'successful' firms were between the age of 25 and 45. Moreover, the inferential analysis using the Mann-Whitney test showed significant differences between 'successful' and 'less successful' SMEs in Tangier, in relation to the age of the entrepreneur. This indicates that generally entrepreneurs between 25 and 45 seem to be associated with business success. At face value, this is unsurprising, since the findings reflect the age structure of the Moroccan population that is characterized by the predominance of youth, so that the 25-45 age band reflects the median age of the population.

The finding of the present study would appear to be at odds with the research of El Hamzaoui (2006) who found that among the failure factors of SMEs in Morocco is the relatively young age of the entrepreneurs (< 35 years). It also contradicts the findings of Woldie et al. (2008) who undertook an exploratory study of owner-manager and firm characteristics to identify the factors affecting the growth of SMEs in Nigeria. Specifically, using a survey self-administered questionnaire on a sample of 523 SME owner-managers, their study reported that middle-aged and older owner-managers tend to run more growth oriented firms. However, it is consistent with those undertaken in different contexts, such as the study of Reynolds et al. (2000) who found that individuals aged 25-44 years were the most entrepreneurially active. A possible explanation of the findings from this study is that while some of the younger owner-managers in Tangier do indeed make serious mistakes and fail, those that survive tend to manage with a stronger growth orientation.

Education

Findings from the first phase of research showed that owner-managers of successful firms are characterized by relatively higher levels of education than their counterparts in less successful SMEs in Tangier. This suggests that there is a strong link between the education of the entrepreneur and success of the firms. The finding supports the study of Gray (2006) who found that education level of Moroccan entrepreneurs was associated with successful performance of their firms in Morocco. Furthermore, it is consistent with the findings of El Hamzaoui (2006), who showed that poor education of the entrepreneur was a factor in the failure of firms in Morocco. Also linked to education, the language factor emerged as an issue, from the qualitative phase of the study, revealing that language skills were of significant importance to the performance of small firms. This emerged in this phase because of the particular bilingual context of Morocco. This may actually be a reflection of a more general point; that is that the higher or the more developed an owner-manager's language skills are, the more likely they are more able to benefit from the advisory materials published in whatever language. So, if owner-managers have relatively undeveloped language skills, for example in French, their ability to profit from materials published in that language, related to business development and entrepreneurship will be reduced, imposing a potential constraint on the success of their firms. While this is a general issue, it seems clear that access to higher order language skills is an important issue in a bilingual context such as Morocco and perhaps particularly in Tangier, where the francophone influence is particularly strong.

Experience

The relevance of the owner-manager's prior experience to the business seemed to be a very important influence on the success of SMEs. Findings from the quantitative phase revealed that relevance of prior work experience to the business was more strongly correlated with performance for the successful firms than their less successful counterparts. This finding supports the study of El Hamzaoui (2006), who found that poor professional experience was a strong failure factor for SMEs in Morocco. It should be noted here that experience is embedded within the accumulated learning of owner-managers and in their decisions and actions. These are very complex issues, whose in-depth exploration was beyond the scope of this research. However, this could be a rich field of investigation in future work.

Family background

The family background of the owner-manager was found to be related with the differential success of SMEs in Tangier. Two-thirds of respondents (66%) from the total sample reported that their parents were self-employed. However, owner-managers of the successful firms were much more likely to have self-employed parents (87%) than owner-managers of less successful firms (30%). At a broad level, this finding is line with a substantial literature that supports the notion that a high percentage of entrepreneurs come from parents who are entrepreneurs themselves (e.g. Hisrich & Brush, 1987; Bolton & Thompson, 2004; Gray et al., 2006). In their study about motivations of Moroccans for self-employment, Gray et al. (2006) found that half of the interviewed Moroccan entrepreneurs came from families where the father or mother, considered as their role model, was self-employed. There was a striking difference in parental self-employment between the owner-managers of the successful and less successful firms, suggesting a relationship between this factor and successful performance. However, while this may be the case, it would be unwise to suggest a causal relationship without more research.

Family culture in Morocco is very important and affects all aspects of business life. Morocco is a highly collectivistic country and family culture certainly has an effect on the performance of businesses and on the way success is perceived. A traditional Moroccan family is very extended and includes children, parents, grandparents, uncles, aunts, and cousins, who may have varying forms of involvement or influence in the businesses of family members. Looked at positively, this could contribute to the success of business by providing finance and strengthening networks and social relationships in the market, although there could also be negative impacts such as confused stakeholding and obligations. As discussed above, it was beyond the scope of this research to explore these issues in depth but they would provide a rich field of study for future work.

Need for achievement

The variable need for achievement was related to success of SMEs in Tangier, in that the need for achievement was higher for owner-managers of successful firms than for their less successful counterparts. This result conforms to the findings of Gray et al. (2006) who found that a high need for achievement was identified as a common trait among Moroccan entrepreneurs. This suggests that the desire to achieve financial success, satisfaction and a good social status could motivate owner-managers to achieve personal and business goals. However, the causality of this relationship is complex and deeply rooted in culture, requiring exploration in further qualitative research.

Risk taking propensity

The study found that owner-managers of the successful SMEs showed a higher propensity for risk-taking than owner-managers of the less successful ones. This finding shows a similarity to several studies in different contexts (Delmar, 1994; Morris & Zahra, 2000). However, it is not consistent with the study of Siegel et al. (1993) who found no relationship between business growth and the willingness to take risks. Risk taking propensity is a complex psychological trait which may reflect both personal characteristics, cultural values and the specific context. An in-depth exploration of these issues was beyond the scope of this research but could provide rich insights in a further study.

Managerial competences

The quantitative phase of research revealed that managerial competences were regarded as having great importance by owner-managers of both 'successful' and 'less successful' firms. This is perhaps unsurprising as a response and it is widely supported in the literature (e.g. Duchesnau and Gartner, 1990: Storey, 1994; Yusuf, 1995; Luk, 1996) (1995). However, there are many antecedents and sub-variables that may contribute to this measure, including prior experience, age, education and family background. Further variables that are possibly linked to management competences are the age and size of the firm: as argued by Greiner (1972), as firms grow, entrepreneurs must develop their management capabilities in order to deal with successive organizational crises that arise from growth.

Functional competences

Owner-managers of both successful and less successful businesses placed a high importance on functional competences, particularly on business-related competences. This conforms to the argument of Baum et al. (2001) who argued that technical or industry-related skills are an important source of "expert" power that legitimizes the entrepreneur in the eyes of his/her staff, and assists in the implementation of the entrepreneur's plan. These findings are also in line with the view of Barney (1991) who claims that it is essential for entrepreneurs to acquire venture-specific skills to provide sustainable competitive advantage for their ventures.

On the face of it, this finding is unexceptional, as owner-managers in most contexts might be expected to agree that functional competences are important to business success. However, the high level of informed agreement is probably a reflection of the relatively high levels of education of the sample owner-managers, who may thus be more likely to acknowledge the importance of specific competences. Again, this is potentially an interesting field for future research.

9.3.2 Partnership working

In both the quantitative and qualitative phases of the study, relationships and partnership working were identified by owner-managers as being important to success. This general perception embraced many areas of the business, including finance, technology, networking, and supplier relationships. These findings all highlighted the importance of collaborative working, and were therefore grouped under the heading of ‘partnership working’.

Financial Partnership

Both phases of the study (quantitative and qualitative) have shown that financial partnership was seen by owner-managers as playing an important role in achieving success, primarily through facilitating access to financial resources. This is in line with previous studies, both in the context of Morocco such as Rachdi (2006) and El Hamzaoui (2006) and in other contexts such as the study of Ben Mlouka & Jean-Michel (2008), who identified finance as a very important factor for business competitiveness. Furthermore, Beck et al. (2006) argued that in a competitive business environment, access to finance is an important component that facilitates entry, exit and growth of firms and therefore is essential for the development process.

It was also clear from the research that SMEs in Tangier face difficulties in accessing external sources of finance. Findings revealed that the high cost of credit, not just in the form of interest rates and collateral, but also the requirement for a strong ‘dossier’ (business plan), has great influence on the success of small businesses. The production of the dossier requires a considerable amount of work and cost, as well as the identification of the assets to be offered as collateral. The presentation of an unsatisfactory dossier with weak financial information and insufficient collateralizable assets deters financial institutions from providing credit to SMEs. Even when granted loans, firms typically do not have sufficient assets and as a result they tend to be confronted with higher interest rates. Hence it can be concluded here that the requirement for the presentation of a strong dossier to the banks presents not only a financial, but also a physical and emotional pressure on business owner-managers that could have an influence on their success. This requirement to produce a dossier in the correct form has the tendency to impose a ‘western’ style financial management approach on firms, whereas the importance of relationship building is central to their way of life.

The qualitative phase of the study disclosed another issue that was of high concern to some owner-managers, in particular those who did not want to breach their religious beliefs. Findings showed that participants expressed surprise about the non-availability of Islamic banks and finance in Morocco, which is a Muslim country. Some of them avoided borrowing from existing banks because of the interest charged, which is forbidden in Islam. The non-availability of Islamic banks in Morocco could be explained by the history of colonization and the link to western terms of trade. It can be argued that they are two pressures here: The imposition of both western styles of management and large-business methods of financial rectitude. The findings suggest that non-availability of Islamic banks in Morocco has a perceived impact on the performance of SMEs. Hence, it can be concluded that the introduction of Islamic capital funding holds out the prospect of a linkage between economic and spiritual success. This process also has consequences for the method of funding of small businesses in Islamic countries, with greater emphasis on joint funding, risk taking and profits, rather than assets.

Technology Partnership

The findings of both quantitative and qualitative phases of the study accentuated the importance of technology in ensuring the success of SMEs in Tangier. The majority of owner-managers subscribed to the importance of technology in their business. It was seen as helping them keep up with the market, maximize opportunities and thus remain successful. This finding is in line with those of Olawale & Garwe (2010) who argued that technology not only helps in evolving a multi-pronged strategy, but also in maximizing business opportunities.

The findings of the qualitative phase of the study further revealed that the importance of technology stems from its innovative role through its importance to research and development. Interestingly, one third of participants conceded that innovation is a pillar to their success, in that it enables their businesses to maximize profits. Furthermore, a small number of those interviewed reported that research and development are key to their success because they ensure the gain of a competitive advantage over their rivals. These results may be explained, as suggested by Wright et al. (2005), by the fact that the highly hostile competitive environment encourages innovativeness. It has been noticed that the adoption of innovation is derived from exchange of technology, through partnership working with other organizations as well as the government. This lends evidence to conclude that technology partnership is an important concept, which could allow exchange of technology and information to aid the success of the business. This process of working with partners to develop the technology in the firm was the preferred route to technical advancement, 'partnership' in this instance is perhaps another form of 'knowledge exchange'. It may be argued that this form of innovation through technology exchange allows the Moroccan firm to be innovative in the application and customization, and perhaps even the delivery of such technology.

Networking Partnership

Both quantitative and qualitative phases of the study found that networking was a significant influencing factor in the success of SMEs. The concept of *wasta*, the Arabic word for connections, emerged from the qualitative phase. This concept is particularly important in Arab countries and it is seen as a force in every significant decision in Arab life (Cunningham & Sarayrah, 1993). Arab societies are densely networked and business activities revolve around these networks. Findings show that using *wasta*, through politico-business networks is important since it enables access to current information that is crucial for the success of SMEs (see the comments by ENint05 and ENint10 on page 218). This accords with Hutchings and Weir (2006) who argued that *wasta* is intrinsic to the operation of many valuable social processes, central to the transmission of knowledge, and the creation of opportunity. The concept of *wasta* was also mentioned in relation to financial resources and suppliers. Findings revealed that strong relationships with suppliers enable firms to get financial resources in the form of trade credits. Furthermore, the relationship between *wasta* and human resources was also revealed. Findings showed that owner-managers use their network relations through *wasta* in order to recruit their staff. These findings suggest that networking relations using the concept of *wasta* could provide a strong impetus for successful firms in Tangier to be really adept at partnership working.

It should be noted here that although *wasta* seems to have positive connotations that are influential for the success of businesses, negative connotations of corruption can also exist. Hutchings & Weir (2006) argued that it is possible to refer to good *wasta* and negative *wasta*. An example of the negative influence of *wasta* was illustrated in the quotation of ENint15 (see page 205), in which money and connections were used to get away with the consequences of non-compliance with health & safety legislation. Another example that can be considered as negative *wasta*, though it has some positive aspects, is that of ENint02, who used personal connections to recruit staff (see section 7.3.4.1, page 218). It can be concluded here that the prevalence of negative *wasta* can make the success of small firms dependent on their connections rather than their efforts, skills, or compliance with regulations. Perhaps most significant in this study was the evidence that *wasta* was an important factor in firms' ability to locate within the free zones, which conferred numerous benefits and was an important contributor to success (see 9..3.3 below).

Workforce Partnership

The prominence of the workforce partnership emerged from the qualitative phase of the study. The latter unfolded a very interesting finding about the workforce in Tangier. According to business owner-managers, the major problem is not shortage of manpower but the lack of motivated workers in Tangier. Over half of the participants in the qualitative phase reported that Tangierien workers, in particular males, are indolent and unmotivated. Whilst it is difficult to explain this result, it might be related to the specific characteristics of the male workforce that has been historically exposed to geographical and colonial influence. This finding is in part consistent with the study of Benzing et al. (2009). However, it does not support Harabi (2003) who argued that the lack of access to skilled labour hinders business performance, and particularly growth, in Morocco. While it would appear that with a high rate of unemployment in Morocco, there should be an available pool of skilled labour; this is significantly reduced by migration to Europe on the part of qualified workers. This may be a particularly acute issue in the Tangier region because of its proximity to mainland Europe and its historical exposure to influence from that region.

In response to these workforce challenges, owner-managers generally tended to employ staff (both males and females) that came originally from other regions of Morocco rather than Tangier. However, owner-managers of textile firms, as well as wiring loom manufacturing firms, appeared to recruit Tangierien female employees since they tended to show higher levels of commitment and hard work than their male counterparts. There are several possible explanations for this result. It may be that local women work really well with dexterous tasks, or their position in society encourages them to develop dependability.

9.3.3 Business characteristics

Of significant interest in the conclusions of this study are the findings related to business characteristics, namely the geographic and demographic characteristics of the sample firms. The issues discussed here are the location, age, and size of the business.

Location

One of the most significant findings to emerge from this study is that for local owner-managers location is a highly salient factor as an influencer of the success of SMEs in Tangier. Although at the research design stage it was considered a classificatory variable, location was mentioned extensively in the interviews, particularly in relation to the ‘free zones’. Findings from the qualitative phase showed that firms located within the free zones enjoyed favourable conditions, in particular those related to taxation and competition, compared to their counterparts located outside the free zones, which were excluded from these benefits. Taxation regulations gave a perceived unfair advantage to firms located in the free zones over their counterparts placed outside. Furthermore, unfair competition (smugglers from the city of Ceuta, financial & fiscal incentives in the free zones) was seen by owner-managers as detrimental to the performance of SMEs in Tangier.

Owner-managers whose businesses were located outside the free zones not only felt multiply disadvantaged but also resentful of the ‘unfairness’ of the advantages enjoyed by businesses with the more favourable location. This resentment was amplified by the fact that *wasta* was a key requirement for relocation within the free zone and without it the chances of enjoying those were very low or non-existent. The strength of feeling expressed by owner-managers who felt both disadvantaged by the free zones and excluded from them was very clear in the interviews. Most respondents had strong views about the free zones, whether positive or negative, to the extent that location of the business in relation to the free zones was an issue that had a strongly personal emotional dimension as well as a managerial one, concerned with business and financial success.

Age of the business

The findings of the quantitative phase of research indicated that the older the business, in general the more likely it is to be successful. It can be argued here that this is a result of previous success, in which, perhaps, several causal factors mediated between age and success. For example, it can be suggested that with age, a firm tends to expand and strengthen its network of relationships, and this could increase the probability of success. Harabi (2003) found a negative correlation between firm age and growth of firms in Morocco. The relationship between growth and success is complex. From the quantitative phase of this study, it can be suggested that successful firms learn how to be successful as they grow older. Furthermore, the present finding seems to be consistent with the study of El Hamzaoui (2006), who found that the young firms tend to have a high failure rate; age demonstrated a lack of failure. In addition, the result of this study corroborates the findings of many previous studies in different contexts of business age and success (Bates & Nucci, 1989; MacMahon, 2001; Davila et al., 2003). Although the findings of the quantitative phase of the study suggest that firm age is correlated with success, a conclusion about causality or even directionality cannot be established.

Size of the business

The quantitative phase of the study showed that successful businesses tend to be older and bigger than less successful ones. This corroborates the findings of Bates & Nucci (1989) and McMahon (2001), who concluded that the larger the firm, the more likely it was to be successful. Conversely, the finding seems to be at odds with Harabi (2003), at least in terms of growth. In his study, Harabi (2003) suggested that age has a negative impact on the growth of the firm in Morocco. His study found that smaller firms grow very fast. However, it can be argued here that, perhaps, size is a manifestation of past success, which might have been caused by growth. Furthermore, as the quantitative phase of this research study asked owner-managers whether they consider their businesses to be successful, at an emotional level the pride of owning a larger business might also make these owner-managers evaluate it as successful. Again here, although the findings of the quantitative phase suggest that firm size is correlated with success, a conclusion about causality or even directionality cannot be established. However, there is nothing here to challenge the conclusion that more successful firms do grow. In addition to the age- and experience-related benefits of learning and accumulated social and human capital, size enables a firm to withstand shocks (financial, physical, etc) and reinforces sustainability.

9.4 Research contributions

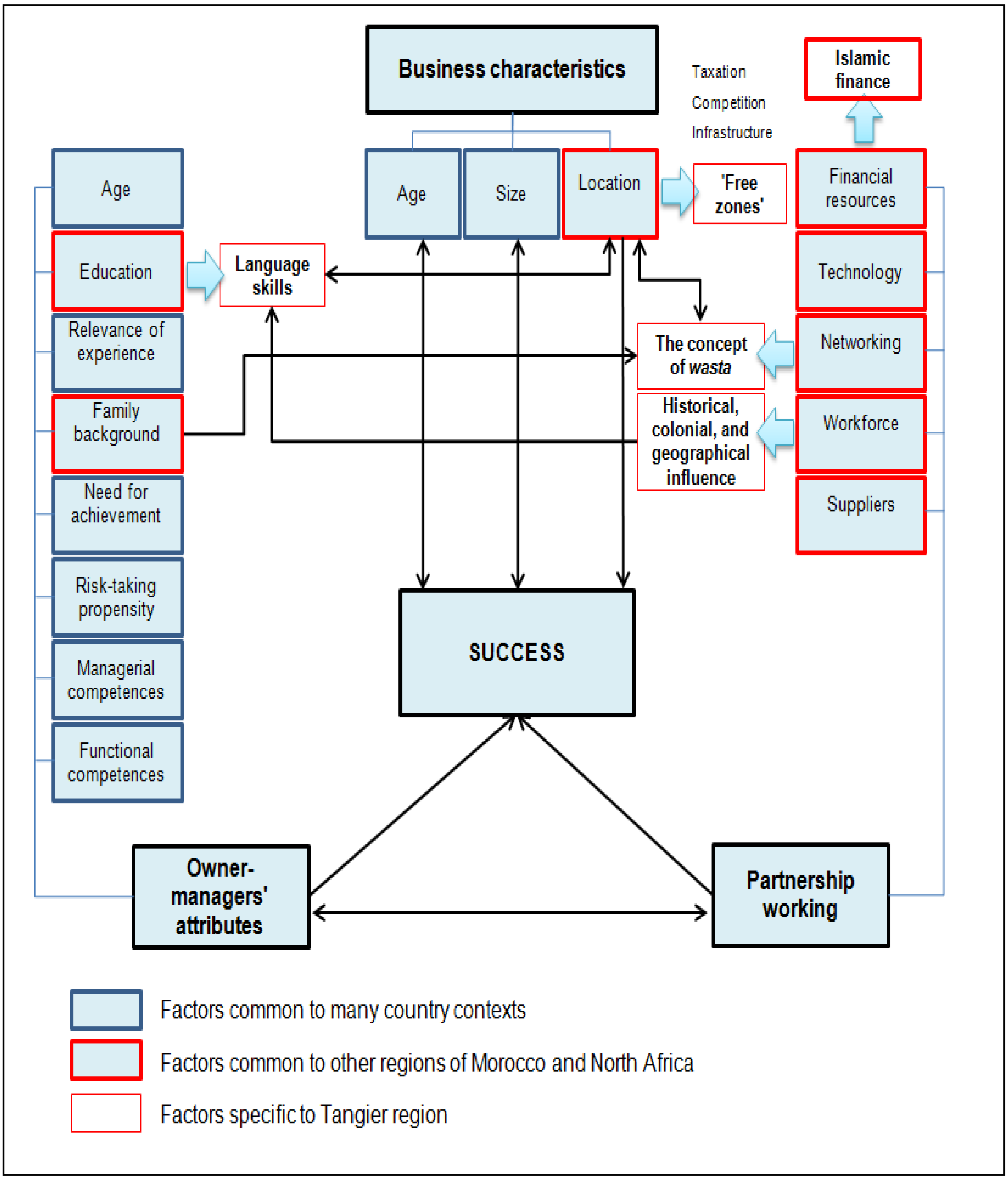
9.4.1 Introduction

The majority of studies of the success of SMEs, particularly those based in developing economies, tend to respond to the interests of policy makers and practitioners. These studies tend not to explore in depth the dynamics of small business engagement in the economy since the majority have an economic development approach. Often, these studies are based on the collection of accessible data. A fresh approach to this situation is therefore justified. This study has significance because it is among very few studies located in the MENA region that explored the performance of SMEs from the perceptions of owner-managers themselves and not based on aggregate or economic data.

This research study makes a number of theoretical contributions to literature. In terms of theory building, this research study integrates and extends well-accepted studies about business success and then offers a model, based on the Tangier entrepreneurs' perceptions and experiences, that offers new insights into factors that tend to be associated with business success in a complex economic and cultural context.

The situational model introduced at the commencement of this study has been refined by the key findings relating to this context and is illustrated in Figure 9-1:

Figure 9-1: The situational model developed from the study



Source: Author

Figure 9-1 shows the key factors that emerged from the research as influencers of business success, as perceived by the owner-managers in the sample. These factors are arranged into three groups: owner-managers' attributes, business characteristics, and dimensions of partnership working.

The colour coding differentiates between three levels of generality of these factors: (i) those highlighted by other studies in many parts of the world (blue); (ii) those factors which are specific to the social and economic contexts of all regions of Morocco and possibly other countries in North Africa (bold red); and (iii) factors that are specific to the Tangier region (fine red) that emerged from the qualitative phase of the study.

The arrows in the upper part of the Figure 9-1 highlight a number of complex inter-relationships between these key factors. As may be seen, the four Tangier-specific factors are both central issues and are linked in complex and inter-dependent ways with other factors. These inter-relationships are discussed in the following sections.

9.4.2 The impact of location

This research contributes to the understanding of SME development in that it highlights the issue of location as a particularly significant factor in the geographical context of Tangier but also illustrates its inter-relatedness with other contextual factors, such as the prevalence of *wasta*, family and other networks, Tangier's historical links with Europe, the local employment market, the importance of infrastructure, and what may be described as corruption in public services.

For the owner-managers and businesses in the sample, location was a much more acute and multi-faceted issue than in most other studies. For example, Storey (1994) and Liedholm (2002) stressed the impact of urban versus rural locations. Other studies, such as that of (McCann & Folta, 2008) and (Alcacer & Chung, 2007) have paid particular attention to the role of geographical clusters. While the findings of these studies are important and generalizable across many geographical contexts, the current study found that they are insufficient in explaining the critical role of location in the context of Tangier, where owner-managers' perspectives of location were mainly associated with the 'free zones'. These free zones had profound effects on their perception of location as a factor of success especially when this location governs the access to other factors such as: taxation, financial resources and a degree of protection from competition, which may reveal that the unique situation of Tangier gives rise to effects not seen elsewhere. These insights produced through the particularities of Tangier inform, in turn, the general principles (see the comments by Enint02 and Enint04 concerning financial resources on page 199 and the comments of Enint02, Enint03, and Enint05 concerning taxation on pages 200-201 in chapter 7).

Being located within the free zones meant the enjoyment of favourable conditions (exempt or reduced taxation, no smuggling of goods, cheap financial resources, better infrastructure, good logistics), whereas being outside the free zone made owner-managers feel deeply that their firms were in a less favoured position. Location is therefore significant in the way that firms are excluded from benefits that accrue to other firms that operate under a different regime. Thus, the placement of the business in relation to the free zones became an important financial and emotionally significant perspective on equity in relation to success. In this way, location was universally seen as a very important success factor but also deeply felt to be a disadvantage by those owner-managers who felt unable to locate within the free zones. There could also be a feeling of disappointment with the lack of appropriate *wasta* to facilitate free zone entry. As this process requires a foreign partner, the employment of *wasta* as a facilitator does not guarantee entry. However, once the foreign partner is identified then *wasta* will help to speed the application process and could facilitate a better position in the free zone.

As discussed above, the language factor emerged as an important issue from the qualitative phase of the study, revealing that language skills were of significant importance to the performance of small firms. As specific issue, language skills were clearly related to the ability to conduct business with a foreign partner and thus to facilitate entry to the free zones.

Furthermore, location was also perceived as important to both competitiveness and protection from competition. Dahlqvist et al. (2000) argued that the geographic area where firm is located has implications for its access to markets and resources such as finance, skilled labour, subcontractors, infrastructure, and other factors. However, the present study has gone some way towards enhancing our understanding of the competition factor in relation to location. Perceptions of ‘unfair competition’ were related to the location of the firm and seen as important to success. In addition, the alignment of corporate tax in Tangier with the rest of Morocco (except the free zones), which will happen in 2016, has added a higher degree of uncertainty to owner-managers’ expectations of success, in comparison to firms placed within the free zones. In this respect, the location factor can be seen here as an important financial and emotionally significant perspective on equality in relation to success.

It has often been argued that SMEs need a ‘level playing field’. One of the benefits of this study is that it demonstrates the effects occurring due to the removal of the ‘level playing field’. It can therefore be postulated that in the context of Tangier, ‘location’ may function as a higher-order concept (than say urban versus rural or industrial clustering) in relation to, both the placement of business within a country, and choices between countries as jurisdictions in terms of location. There have been few studies on what might be called the psycho-geography of small business, given the predominant view that we are seeing the ‘death of distance’ (Cairncross, 2001). It can also be suggested that the effects of factors linked to location, although appear to be separate, they can become cumulative and therefore the inter-relationships between these factors and location may have a large influence on the success of SMEs in Tangier.

9.4.3 Networking, partnership, and *wasta*

The qualitative phase of the study adds significantly to our understanding of the concept of partnership. The study found that owner-managers strongly believed that success could be positively influenced by a partnership working. Several types of partnership working were highlighted such as finance, technology, networking, workforce, and suppliers’ partnerships. These factors emerged from the qualitative phase and disclosed the importance of partnership working. It is perhaps true that these factors show an almost universal feature of firms everywhere. Every business needs partnerships with others in order to succeed. Beck et al. (2006) argued that in a competitive business environment, access to finance is an important component that facilitates entry, exit and growth of firms and therefore is essential for the development process. As for networking, the resource dependency theory (Barringer & Harrison, 2000) suggests that entrepreneurs use their social relations to get the resources they need to support their business (Hansen, 2001; Jenssen, 2001). Moreover, good relationships and working closely with suppliers was reported in a number of studies (Morrissey & Pittaway, 2006; Jones, 1996). However, what was interesting and does add to our understanding are the particular *ways* in which entrepreneurs prefer to conduct their businesses using these partnership in the Moroccan context, which seem to be different from the Western context. Financial partnership emerged as a very important factor that was significantly correlated to success. In an Islamic context, finance features in partnership because in using a Sharia compliant Islamic finance model, there is risk sharing, rather than a capital and interest. An Islamic form of finance would have therefore allowed the owner to conduct his or her affairs through a means of social interaction. It can be postulated that financial partnership based on profit and loss sharing seemed to hold out the prospect of a linkage between economic and spiritual success, as illustrated in the quotations of ENint01 and ENint10 in the discussion of financial resources in chapter 7 (pages 196-197). In Sharia compliant business jurisdictions, the fact that there is that base for partnership in the provision of finance stimulates more strongly the need for partnership working.

Financial partnership was manifested not only in the conduct of a partnership with banks, but also with suppliers through trade credit. The use of trade credit by SMEs in Tangier supports other research that highlights trade credit as an external source of finance for small and medium companies in countries with less developed financial markets (Biais & Gollier, 1997; Bougheas et al., 2009; Bellouma, 2011). However, this study makes a contribution to the literature by stressing that the use of trade credit not only allowed businesses to find alternative to the banks, but this also was seen as appropriate for the Islamic approach to finance. There was no interest charged, but there was mutual business development and a partnership method of being successful. Being personally responsible to others was a significant factor in the appreciation of success.

The significance of networking and its impact on the performance of SMEs has been highlighted in a number of studies (Wincent et al., 2009; Valkokari & Helander, 2007; Watson, 2007; Wincent & Westerberg, 2005; Florin et al., 2003; Zhao & Aram, 1995). There have been significant studies on the structural, relational, and cognitive dimensions of social capital in value creation (Tsai & Ghoshal, 1998). Even though the findings of these studies are interesting, they have not been fully applicable to the current research context, where it was clear that there are potentially significant differences in the concept of networking within Arabic culture. In this research, perspectives of SMEs owner-managers of networking were mainly associated with the concept of *wasta,* which emerged from the qualitative phase of the study. The influence of *wasta* on the success of SMEs was perceived to be very strong as the experiences of owner-managers (see, for example, the comments of ENint05 and ENint10, page 218), drew a different picture from the one that exists in traditional Western models. In this respect, this study confirms previous findings of Hutchings & Weir (2006) and contributes additional evidence that suggests the significance of *wasta* in an economy that functions on relationships and its major rôle in firms' success. Here, family background was an important element in facilitating *wasta*, as family networks provide a powerful resource in this respect. Thus, some families provide a richer pool of available *wasta* than others, to the relative advantage of owner-managers with such family background.

It can also be said that even though *wasta* is present to a small extent in the networking literature, it has not achieved the prominence or recognized significance accorded to gaunxi in China. Given that the concept of *wasta* is a broad Arabic one, then it may be a significant contributor to business success in a considerable number of countries and societies.

Recognizing the significance of these concepts has benefit in other contexts and other circumstances. So 'leverage' has a currency as a term in political, financial and commercial discourse in developed economies in the west – but it is not explicitly developed as a clear business success factor in the literature. The finding *here* tentatively suggests that the explicit inclusion of a success factor to reflect this knowledge [of *wasta*] might be beneficial in understanding firms' success more generally.

Of course, there is a suspicion, evident in recent anti-corrupt practices legislation in the UK and USA, that the inappropriate usage of *wasta* is or could be corrupt. The UK Bribery Act of 2010 makes it "illegal to offer, promise, give, request, agree, receive or accept bribes". Whilst this seems clear, bribery is defined as "giving someone a financial or other advantage to encourage that person to perform their functions or activities improperly or to reward that person for having already done so". This leaves possible contention around 'other advantage', 'encourage', 'improperly' or 'reward'. Tests of reasonableness and proportionality are placed on the actions of firms and individuals, which gives scope to further contention.

So perhaps it is safer to conclude that while some aspects of *wasta* could be seen from outside the context as corrupt, then it might seem different to those inside. This is because *wasta* is an embedded social concept with broad range in Arabic societies – which might alter the degree of proportionality or reasonableness perceived by those within, or belonging to, those societies. Determining the range over which *wasta* is seen as legitimate (by those within the societies concerned) is perhaps the most appropriate basis for considering the relationship of *wasta* to corrupt practices.

In relation to the specific issue of access to the free zones in Tangier, then a number of elements were of significance. Firstly, as companies wishing to locate there had to have an association with an overseas investor, then networks linked to countries outside Morocco become significant. *Wasta* may be significant in facilitating the initial introductions, as the strength of involvement of the overseas partner in the business shows considerable variation, based on the comments of respondents. As with any extended bureaucratic process, the possibility for the exercise of *wasta* occurs at each step – so moving on to the acquisition of cheaper plots/land within the free zone, and so on. *Wasta* may also have an impact on the speed with which applications are processed. It might therefore be appropriate to signal the need to consider explicitly the use of networks and leverage to secure particular economic or financial advantage within the specific governance frameworks that control particular locations.

It seems appropriate, based on this study, to recommend that for further research relating to small business success in the Mahgreb and other culturally Arabic areas, explicit recognition of the importance of *wasta* is advisable. More broadly, this research demonstrates the limitations inherent in the uncritical application of frameworks developed in the western business environment to other cultural contexts.

9.4.4 The value of a mixed methods approach

Investigating entrepreneurial success factors is extremely challenging as a myriad of perceptions and interpretations must be taken into account. The investigation becomes more complex when considering the study of several factors that were not previously explored in the study context (i.e. the city of Tangier). Further complexity is put on the study when investigating these factors, derived from studies in different contexts, in the context of Tangier. Leung & Zhang (1996) cautioned that the application of a model used in foreign contexts may be of little relevance to a different situation. Hence, a clear and non-biased picture of entrepreneurial success factors is unlikely to evolve from the use of a single method of enquiry; alternatively, a mixed methods approach is required.

The present research study addressed the aforementioned specific concerns by adopting a mixed methods approach that incorporated quantitative and qualitative methods. It can be argued that this is one of very few studies to do so since the majority of studies follow the tradition adopted in the field by adopting the quantitative approach. In adopting the mixed methods approach, this research study illustrated the power of quantitative methods in testing the statistical hypotheses developed from the literature. On the other hand, it demonstrated the value of qualitative methods in providing different and additional insights about the critical success factors in the context of Tangier. It is argued here that the two-methodological approach does not only compensate for the limitations of one method with the strengths of another but also provides integrated evidence that can lend confidence to the results of the study.

9.4.5 Overview

In sum, the city of Tangier provides a rich and complex location for the study of factors that influence perceived success of small businesses. It has a rich colonial history and the city has numerous and extensive contacts with Europe. It is also seen as the gateway to North Africa for a number of multi-national French, American, German, and Japanese firms. These factors are overlaid with a predominantly Arab but cosmopolitan culture. The operation of free zones within the city adds to this potent mix. Also, the city of Tangier has adopted a different development path from the rest of the country and often has special laws and customs. Thus, whilst this study is located in Tangier and describes many of the characteristics of that city, this multi-layered context does provide results that could have broader applicability to other countries that have similar development paths.

9.5 Research limitations

In common with any research, the present study has its limitations and it is important to discuss these here. These limitations spring mainly from the systematic literature review, issues in the research methodology, and the interpretation of the findings. Consequently, although the findings of this study are interesting and valuable, they should be viewed in the light of its limitations and therefore caution should be exercised when interpreting such findings. Intrinsic limitations of the present research study could be summarized as follows:

1. The present research study was conducted in a specific geographical context: the city of Tangier in Morocco. Many of the findings may be specific to this location, while others reflect the broader contexts of Morocco and North Africa, some may be shared by many developing countries and some may be representative of other parts of the world. For these reasons, generalization of the results could be limited. There has been a process that has discussed the findings in the light of their general applicability but this limitation should be noted. On the other hand, however, the findings have highlighted the interplay of factors that range from the general, such as owner-manager motivation, to the regional, such as aspects of Arabic culture, to the highly context-specific, such as Tangier's free zones.

2. A further limitation of this present study is that the SMEs studied were selected from the manufacturing sector. Some of the findings may therefore be sector-specific and therefore generalization of such findings to other sectors is inappropriate. In broad terms, while cultural issues are more likely to be pervasive across all sectors, while those that relate to regulatory, financial and competitive issues are more likely to be sector-specific.

3. Another limitation of the study relates to the systematic literature review. Three relevant databases and other relevant websites were searched. However, while the researcher is confident that the selected databases and websites were searched to their full extent, there may of course be other sources that were not identified or indexed in the datasets reviewed.

4. The research study employed a cross-sectional design. As the data collection for the qualitative phase involved semi-structured face-to-face interviews, all data were still subject to memory and recall bias (Alwin, 1977). Notwithstanding this bias, it is considered that the mixed methods used in this research study helped in mitigating this limitation.

5. The research study employs a cross-sectional design. Despite the in-depth investigation of the success factors of SMEs in Tangier, provided

by the semi-structured face-to-face interviews, all data were still subject to the memory and recall bias (Alwin, 1977) of the respondents. Notwithstanding this bias, it was believed that the mixed methods used in this research study helped in mitigating this limitation to some extent.

6. Due to the difficulties associated with the independent assessment of the variables associated with the success of SMEs, a self-reporting approach was adopted to collect data from respondents. It must be acknowledged that this approach may induce bias, since data could be subject to response distortions, such as those surrounding the social desirability of responses. In particular, the qualitative interviews could suffer from concealment or exaggeration in the construction of their narrative by the interviewees. In future studies, this bias could be reduced through triangulation by using multiple informants, such as government officials and employees, to minimize the possibility of response bias.

7. The reliance on self-reported financial and non-financial performance of SMEs could be similarly open to bias. However, this approach did help in the avoidance of collecting sensitive and private financial data which are typically not publicly available for small businesses (McGee & Peterson, 2000). Where possible, however, future research should consider the utilization of objective methods for the operationalization of business success; include accessing profit and loss statements of SMEs if they are available.

8. Non-response bias is another limitation in the quantitative phase of the present study. Unless the response rate is 100 per cent, the potential for non-response bias will always exist, regardless of how carefully the initial sample was selected (Shaughnessy & Zechmeister, 1991). In this research, even though the best efforts were made to maximize the number of returns using a within-method triangulation, the response rate of 24 per cent was favourable but still limited in this respect.

9. For both the quantitative and the qualitative phases of the study, the samples were designed to include firms from different manufacturing sub-sectors and at different stages of growth. While this sample design introduced these dimensions of diversity, the sub-sample sizes were necessarily small and the findings may only provide a partial picture of the factors that influence the success of SMEs in different growth stages and in different sub-sectors.

10. The sample was confined to owner-managers who are actively involved in the management of SMEs in the manufacturing sector and the research was designed to explore their personal perceptions of the factors that influence successful performance. Hence, the generalization of such findings to other stakeholders beyond this kind of personal engagement is limited.

9.6 Implications of the research

The present research study has generated a number of findings and conclusions that may have relevant implications for practice, policy, and research. The implications discussed here are by no means exhaustive but are intended to stimulate thinking on how the insights from this study might impact, in a very broad way, on practice, policy and research with respect to entrepreneurial activities in the context of Tangier.

9.6.1 Implications for practice

The findings deriving from this study regarding the interplay of factors that contribute to business success may be very important for practitioners, because they could provide owner-managers with an enhanced understanding of the ways in which they could manage the performance of their businesses. In broad terms, the study underlined the importance of skills and functional competences, which highlights the value of management training and development. More specifically, language skills were widely held to have a substantial impact on business success, especially in the Tangier region, suggesting that owner-managers should see language and communication skills development as a development priority.

The networking factor emerged as a significant influencer of the success of small businesses in Tangier. The way this factor works in the context of Tangier was different than in Western contexts due to the concept of *wasta*, which is a common concept to Arab countries. Since there are several international companies established in Tangier, this study could therefore be useful to international managers wishing to enhance their intercultural effectiveness by adjusting to culture-specific networking in Tangier.

9.6.2 Implications for policy

The successful operation of SMEs in a region like Tangier is considered to be crucial for balanced development of the country's economy. For this reason, some of the study's findings have potentially important policy implications, which are discussed below.

The evidence of this study suggests that the absence of Islamic finance in Tangier in particular, and in Morocco in general, was widely perceived to be a limitation on business success. Islamic finance has witnessed significant growth and has been adopted successfully in a number of countries. The government should learn from these countries and improve the availability of finance for entrepreneurs, in particular the ones who fear breaching their religious beliefs, by developing a uniform regulatory and legal framework for the Islamic Finance system. Availability of Islamic banks will enable owner-managers to get access to finance on a profit and loss sharing (PLS) basis instead of paying interest. As argued by Penrose (1959:39), "there is a relation between entrepreneurial ability and the finance a firm can attract, and that difficulties attributed to lack of capital may often be related to the existence of entrepreneurial services".

Supporting the implications highlighted by Hutchings & Weir (2006) from their study of understanding networking in China and the Arab World, the findings of this study also suggest the need for increased cross-cultural training of international managers to adjust to culture-specific networking in Tangier.

Thus, policy makers and teaching organizations could provide training programmes that are tailored to the needs of the international managers in order to assist their intercultural effectiveness in Tangier.

Another implication of the study relates to the different impacts on SME operation through routes to development using free ports, which has been adopted as a development strategy by Morocco and a number of other North African countries (Algeria, Egypt, and Tunisia). It has been demonstrated that this policy has a powerful impact on the performance of SMEs in Tangier, supporting those firms that are located within the free zones while constraining those firms that are not. The findings of the study clearly demonstrate a deep contrast in perceptions of the impact of free zones on the part of owner-managers, depending on the location of their firms. The study could therefore aid the government to understand more clearly the impact of this policy and to develop policies that will assist offer indigenous firms located outside the free zones advantages that are comparable to those that are available to those within the free zones.

9.6.3 Implications for research

Good research tends to generate more questions than it answers. The conclusions as well as the limitations of this research study suggest some fruitful and interesting possible directions for future research.

1. It has been argued that the dynamics of SME development can only be fully understood only in the light of longitudinal studies that seek to monitor the condition of the SME economy over a period of time (MacMahon & Murphy, 1999; Erikson, 2002). To generate richer findings, longitudinal studies of firm performance could be conducted to investigate the factors contributing to the success of SMEs over time. As discussed above, such research could also enrich understanding of stages of growth as a variable.

2. Further research using cross-sectoral studies could shed light on how sectoral characteristics influence the success of SMEs in Tangier. Furthermore, they could be useful in facilitating cross-sectoral

comparisons by exploring differences among sectors. The research could also usefully be extended to explore these impacts in other regions of Morocco and other MENA countries.

3. Findings of the qualitative phase of this study indicated that the absence of Islamic finance in Tangier in particular and in Morocco in general was felt by respondents to be a limitation on business performance. Hence, a comparative study on financing of small businesses between Morocco and other countries in North Africa, particularly Algeria, Tunisia, and Egypt that use Islamic finance in would be interesting and useful.

4. Networking practices in Arab countries are hitherto under-researched. Thus, the concept of *wasta*, in networking practices, constitutes an intriguing topic which could be usefully explored in further entrepreneurship research.

5. Owner-manager attributes and partnerships working emerged as strong factors influencing business success. These two factors appear to be correlated. Further investigation about the relationship between owner-manager attributes and partnerships working could be conducted, which should help in determining the direction of causality and the impact on performance, perhaps also contributing useful policy guidelines with regard to attributes development.

9.7 Personal reflections

The idea of embarking in my PhD ‘journey’, if it can be so described, came from my desire to follow an academic path. This desire was nurtured by exposure in the first year of Management Studies at the University of Muhammad Ben Abdellah in Fez. Several lecturers impressed me greatly – they were among the most influential role models in my life. Moreover, meeting many academics while studying in the UK (B.Sc. and M.Sc. courses) had a strong influence on me. They also enabled me to nurture and develop my passion for an academic career.

When reflecting on my research journey, two outcomes could be clearly discerned. First, the research has provided some new insights into the success of small businesses in Tangier. Second, the journey has also reflected my personal development as a researcher.

Insights into business success

For the success of small businesses in Tangier, it seems to me that there are three generalized influences on success: owner-managers' attributes, partnership working, and business characteristics. These three factors were developed from both the quantitative and qualitative phases of the research. The quantitative phase found that age, education, experience, family background, need for achievement, risk-taking propensity, managerial competences, and functional competences of the entrepreneur were significantly related to success. These factors can be grouped under the category of 'owner-managers' attributes'. From the qualitative phase, the language's skills factor emerged, and it can also be seen as part of this category. Whilst the owner-managers' attributes were significant in this research, it can, perhaps, be seen as a generic set of attributes. Every business needs competent owner-managers that have a set of attributes, which are consistently mentioned in the literature relating to both developed and developing countries. However, what was very interesting and may show some particularity in the context of Tangier was the significance of language skills. The latter emerged in the qualitative phase of the study because of the particular bilingual context of Morocco and Tangier. This may actually be a reflection of a more general point; that is that the higher, or the more developed anybody's language skills are, the more likely they are more able to pick up on the advisory materials published in whatever language. So, if owner-managers only have relatively undeveloped language skills for example in French, their ability to profit from language materials in French, related to business development and entrepreneurship will be reduced. This could influence their success. However, although this could be something to do with education level in general, it seems clearly that it has to do with the access to higher order language skills in the particular context of Tangier.

Taxation emerged as very important, which has not featured in other studies. It can be noted that whilst taxation was significantly correlated to success, the particular elements of taxation, which emerged from the qualitative phase were related to location, which will be discussed below. My insights are that taxation is probably featuring in this study because a number of the firms studied were involved in particular locations, which happened to have tax exempt or lower tax situations regimes. It can be argued then that taxation is a function of location here. Hence, in the context where these firms work, taxation, particularly as it relates to being exempt or paying lower tax, may be strongly related for the ability of the business to be successful, but where they are taxation advantages to be gained, in this case by location, I would also expect that factor to be particularly strong. However, in other jurisdictions for example, it could be that taxation advantages are associated with a particular kind of funding, or being in particular sectors. For example, the government may give taxation advantages to new start-up firms that draw in capital from a wide range of people or may also give taxation advantages to firms in a particular sector in order to promote that sector. So, if that is the case, then I would expect, in those regimes, taxation to be coupled to access to capital and/or sector rather than location. Indeed, wherever people can garner the advantage through location, through their structure, through access to capital, or through sectors, that I would expect taxation to be associated with. Hence, I would suspect that it may be worth looking at the data to see where the taxation figures as something related to success, and if and where it does, what other things may be coupled specifically with taxation?

Finance, technology, networking, and suppliers were revealed to be significantly connected to success from both the quantitative and qualitative phases. These factors disclosed the importance of partnership working, and therefore were grouped under the partnership working category. From the qualitative phase, the workforce factor emerged, which may also be regarded as part of this category. It is true that these factors show a universal feature of firms everywhere. Every business needs partnerships with others in order to succeed. However, what was very interesting and may show some particularity in the context of Tangier was the significance of finance & networking partnerships factors. Finance partnership emerged as a very important factor that was significantly correlated to success. This emerged because of the particular context. My insights are that in Islamic context, finance features in partnership because in using Sharia compliant Islamic finance model, there is risk sharing, rather than a capital and interest. In Sharia compliant business jurisdictions, the fact that there is that base for partnership in the finance stimulates more strongly the need for partnership working. It is also true that networking connections are particularly important in a number of Arabic cultures. Thus, here firms seem to have Sharia compliant finance and networking as being things that will work to encourage or support a partnership approach to business success. In societies that exhibit these characteristics, I would think that partnerships would feature more strongly as a cluster individual thing. This is likely to provide a strong impetus for successful firms in Tangier to be really adept at partnership working.

The quantitative phase of the study also found age, size, and location of the firm to be significantly related to success. Age and size could be the outcomes of success, rather than causes of success. I would expect them to be correlated because I would expect successful firms to last longer and also perhaps to grow. Here, I am not sure about the direction of the causality. From the qualitative phase, the location emerged as a salient factor, even though it was considered as a classificatory variable. Interestingly, it was mentioned extensively in the interviews, in relation to the other factors, in particular taxation and competition, which may reveal the uniqueness of Tangier in this aspect. Location became an important financial and emotionally significant perspective on equity in relation to success. Being in the right location meant the enjoyment of favourable conditions (exempt or reduced taxations, no smuggling of goods). However, if location conveys these things here, I can conceive of other things that may convey it in other jurisdictions. One of the other benefits of location is often held to be that businesses find themselves in clusters. These clusters are considered to provide several advantages. Hence, location could be reflected not simply through taxation advantages, or fair competition, but also through cluster advantages. That is whether there are high degrees of localized specialization of a particular industry; whether there is a good supply chain; whether there are good sub-contractors that firms can outsource to; whether there is availability of low-cost labour; and whether there is geographical proximity to clients, etc. All these could be a function of location.

Clearly, it appears that the enjoyment of these benefits related to location is achieved while working in partnerships with others. This creates a sense of developing the owner-managers' attributes in order to have a very strong and healthy two way partnerships. If the owner-managers' skills improve, the ability to develop partnership gets better. However, such partnerships may also develop these owner-managers' skills. The better the partnership gets, the more improvement may bring to the owner-managers' skills. Indeed, we have a double ended arrow here, revealing a two-way cause and effect relationship between these two factors. The question that arises then relates to the direction of the causality (which factor causes the other?). Although a conclusion about causality cannot be established simply because of the observation of such correlation, I would think that the direction is probably like to be owner-managers' skills to partnership working. The higher the owner-managers' skills, the better your partnership working is likely to be. However, if it is argued that the partnership working can substitute for a lack of skills, partnership working can then feed skills back into the skills set available to owner-managers. This point, clearly, requires further investigation in future work to better understand the success of small businesses in Tangier.

All in all, the combination of the three sets of factors has revealed a new understanding of the firms in the small business sector in Tangier, with a great emphasis on the location factor. The developed situational model, although may not be adopted, but at least start discussions among researchers and policy makers. Indeed, this is part of a small scale research that adds modestly to knowledge. In truth, the conclusion brings us back to the starting point of this journey; the location of Tangier was an inspiring factor in conducting this research study.

Insights into personal development

The journey has also reflected on my personal development as a researcher. The three years research journey was full of obstacles and hurdles. Despite these obstacles, perseverance and tenacity had always been a precious constant in order to make my desire a reality. Reflecting on my 'lonely' journey makes me feel I have undertaken a personal transformation, which resulted in a new born competent, mature, and independent researcher.

Doing the PhD was a first class voyage of discovery. A number of lessons were learned as the journey progressed. One of the first lessons was that life is complex and there is no one right way to do a Ph.D. Doing a Ph.D. is always contingent; it is contingent on the subject, setting, supervisors, and the researcher. Unlike undergraduate students who have to follow a set of prescriptive techniques, researchers rely on inspiration and insights which differ from one to another. This was clearly identified in several conferences and Ph.D. seminars, when presenting and discussing my work. I still remember how I learnt about the different views of researchers, which have really shaped my ability to defend my work.

The second lesson was that the destination can be reached by keeping the voyager on his toes. In my first few months in the journey, I came to realize that the journey was not as easy as it was when I did my Bachelor and Master degree. Indeed, it was definitely something completely different than in previous studies. Very often, there were moments of crisis, which are normally part of any Ph.D. journey. At the beginning, I was thinking I will be able to solve a substantial problem with some big questions and objectives. The picture did not become clear until after focusing and scoping the research, in which the questions and objectives went through a series of amendments until they got their final shape.

Building the platform that was used to situate the context was the heaviest task, which required a great deal of reading of a significant amount of materials. In this review of the large stream of the literature, there were times where I got lost and did not know what to do. I did not get out of such state until I got the inspiration from Macpherson & Holt (2007) to conduct a systematic literature review, which helped me in synthesizing the literature that fits with the studied context. Indeed, this enabled me to build a conceptual framework that guided the study and put it on track.

As for the research methodology, it was hard to tell which methods would work which left me in a state of uncertainty. This was dealt with in a rational manner by starting with a quantitative phase to which I was used to. It turned out later on that such phase did not allow an enough understanding; hence, adapting and making the methodology work became a priority. A qualitative phase was conducted to start to overcome such limitation.

At some other instances, particularly in the data analysis, I no longer felt that I was a clever person who has a Master's degree. I got too many headaches and felt I could not cope anymore. I really wanted to give up. Again, the trick here was to deal with such situation rationally and then avoid unhelpful worrying. Trying alternatives and adapting to change were the key things to make things work.

It was also a great challenge to maintain multiple objectives during the course of my studies. While it was nice to be able to concentrate on academic research, there were a number of factors that had required attention. I have had to earn money to support myself, my wife, and my little daughter by doing some work, which included tutoring students in secondary schools and supervising MSc/MBA students at the University. However, the supervision of MSc/MBA students did produce helpful insights that helped in my studies. The support of my family was very strong in helping me to complete this journey.

The third lesson was that research does not develop and flourish except in a healthy discussion environment, where the debate of ideas is done with respect, regardless of who said it and what position he holds. My two-way or sometimes three-way spirited and informative discussions with my supervisors left a great mark on me and encouraged me to complete my journey.

Last but not least, my journey has been a fruitful and eventful one, which has left a deep mark on me. Surely, it will remain engraved in my memory. I hope the readers have found the journey and its outcome exciting.

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APPENDIX A: LITERATURE REVIEW APPENDIX

APPENDIX A.1: Additional information about the electronic databases

The following information was taken from respective websites in 2009/2010.

Emerald http://www.emerald-library.com/
Emerald was established in 1967 by a group of senior academics who, dissatisfied with the international publishing distribution outlets of the time, formed MCB University Press, an alternative publishing house that focused on niche management disciplines including strategy, change management, and international marketing. In 2001 MCB University Press adopted the name Emerald as its new organizational identity, reflecting a renewed, high-level commitment to its guiding principles.
Publisher of the world's widest range of management and library and information services journals, as well as a strong specialist range of engineering, applied science and technology journals. Emerald currently publishes more than 150 journal titles in the fields of management and information science. Emerald full text offers an expanding collection of 40,000 articles from titles published by Emerald.
Includes approximately 135 full text titles, mainly Social Science.

ScienceDirect http://www.sciencedirect.com/
Since its launch in 1997, ScienceDirect has evolved from a web database of Elsevier journals to one of the world's largest providers of scientific, technical and medical (STM) literature. ScienceDirect® is a part of Elsevier (http://www.elsevier.com).
With ScienceDirect® you can: access over 1,800 scientific, technical and medical peer-reviewed journals; search over 60 million abstracts from scientific articles; and link out to articles from over 170 other publishers.

Business Source Complete http://www.ebsco.com/index.asp
Business Source Complete This is the world's definitive scholarly business database, providing the leading collection of bibliographic and full text content. As part of the comprehensive coverage offered by this database, indexing and abstracts for the most important scholarly business journals back as far as 1886 are included. In addition to the searchable cited references provided for more than 1,300 journals, *Business Source Complete* contains detailed author profiles for the 40,000 most-cited authors in the database. Journal ranking studies reveal that *Business Source Complete* is the overwhelmingly superior database for full text journals in all disciplines of business, including marketing, management, MIS, POM, accounting, finance and economics. Additional full text content includes financial data, books, monographs, major reference works, book digests, conference proceedings, case studies, investment research reports, industry reports, market research reports, country reports, company profiles, SWOT analyses, faculty seminars (videos), and more.

APPENDIX A.2: Examples of search strings

Keyword 1	Keyword 2	Keyword 2	Keyword 2	Keyword 2	Keyword 2	Keyword 2	Keyword 3
Small and medium enterprises	Success factors	Social-cultural success factors	Access to network	Competences of the entrepreneur	Functional skills	Gender of the entrepreneur	Morocco
Small and medium sized enterprises	Entrepreneuri al success	Political-legal success factors	Access to finance	Management competences	Locus of control	Education of the entrepreneur	Tangier
SMEs	Failure factors	Technological success factors	Access to infrastructure	Entrepreneurial competences	Need for achievement	Suppliers	Middle East North Africa region
Small and medium sized firms	Success constraints	Firm characteristics	Enterprise characteristics	Functional competences	Propensity for risk taking	Customers	MENA region
Small and medium firms	Macro-environment factors	Entrepreneur characteristics	Business characteristics	Entrepreneurial traits	Age of the firm	Age of the enterprise	North Africa
Small and medium sized businesses	Micro-environment factors	Socio-demographic characteristics	Age of the business	Management skills	Size of the firm	Size of the enterprise	Africa
Small and medium businesses	Economic success factors	Size of the business	Age of the entrepreneur	Entrepreneurial skills	Location of the enterprise	competition	

APPENDIX A.3: Data extraction form

1. Biographical Information
Author(s)
Date of Publication
Title
Journal Title*
Journal Volume*
Journal Number*
Page Number*
Place of publication*
Publisher*
Commissioning body
2. Focus of the Study
Main topic focus of the study. If the study has a broad focus and this data extraction focuses on just one component, please specify here and provide details:
Broad aims of the study:
When the study was carried out:
Demographic details of participant population(s):
Location of the study:
3. Methodology
Theoretical approach:
Sampling strategy including sampling frame and sample size:
Data collection methods:
Data analysis methods:
Strengths of methodological approach (if applicable):
Limitations of the approach (if applicable):

APPENDIX A.4: Results of the descriptive analysis

Distribution of studies by articles, conference proceedings, reports and doctoral theses

Document type	Total documents
Books	**19**
Articles	**171**
Proceedings	**6**
Reports	**23**
Theses	**7**
Total	**226**

Distribution of studies by countries

Countries	Total documents	Countries	Total documents
Morocco	**42**	Norway	**1**
UK	**28**	Poland	**1**
USA	**22**	Denmark	**1**
Australia	**7**	Ireland	**1**
South Africa	**6**	Scotland	**1**
Germany	**6**	Finland	**1**
Sweden	**6**	Greece	**1**
Canada	**6**	Belgium	**1**
Malaysia	**6**	Slovenia	**1**
Turkey	**5**	Chili	**1**
Pakistan	**3**	Ecuador	**1**
Bangladesh	**2**	Peru	**1**
Nigeria	**2**	Argentine	**1**
Kenya	**2**	Mozambique	**1**
India	**2**	Ghana	**1**
China	**2**	Botswana	**1**
Japan	**2**	Namibia	**1**
Spain	**2**	Thailand	**1**
France	**2**	Vietnam	**1**
Russia	**2**	Indonesia	**1**
New Zealand	**1**	Singapore	**1**
Austria	**1**	Tunisia	**1**

APPENDIX A.5: Sample of reviewed studies

Formal literature

(Name, Year, Country)	Focus of the study	Sample	Methodology	Findings	Conclusions & Limitations
Hung et al. (2011) Malaysia	A preliminary study of top SMEs in Malaysia: key success factor vs. government support program	A sample of 20 top SMEs winners of Malaysia Enterprise Award 2004-2008 was selected and 11 of them responded.	Quantitative techniques: - A questionnaire was distributed to participants.	The top six KSFs in order of importance were: (1) a good networking; (2) a good product/services feature; (3) ability to identify and focus on market, (4) a good customer and client relationship; (5) a committed, supportive and strong management team; and (6) a visionary, capable and strong leadership	
Zafir Mohd Makhbul (2011) Malaysia	Entrepreneurial success: an exploratory study among entrepreneurs	Using simple random sampling technique, 163 entrepreneurs were surveyed.	Quantitative techniques: - Data were gathered through a self-monitored questionnaire survey.	- Religious duty/honesty factor was perceived as the most influential driver of entrepreneurial success. This is followed by communication skills and strong will. - Respondents also agree that other factors such as leadership, skill in taking opportunities, being a visionary, innovativeness, creativity, motivation, sacrifice, experience, risk-taking and access to information contribute to their success. - The political network is perceived as the factor that contributes the least to success. It was then followed by support and social network factors.	

(Name, Year, Country)	Focus of the study	Sample	Methodology	Findings	Conclusions & Limitations
Jasra et al. (2011) Pakistan	Determinants of business success of small and medium enterprises	Using convenient sampling technique, 520 small and medium sized businesses were selected in Islamabad, Rawalpindi and Lahore	Quantitative techniques: Questionnaire. Five points likert scale was used to measures the responses one is strongly and five strongly disagree.	Results of the regression analysis showed that independent variables (financial resources: p is 0.000, marketing strategy: p is 0.002, technological resources: p is 0.000, information access: p is 0.029, government support: p is 0.001, business plan: p is 0.004 and entrepreneur skill: p is 0.000) have substantial impact on the dependent variable business success.	The study concluded that financial resources, technological resources, government support, marketing strategies and entrepreneurial skills have positive and significant impact on business success. The research also found that financial resources were the most important factor that affected the SMEs success. Financial resources were the key factor on which whole business was depending upon. Due to less Government financial support, entrepreneurs were facing several problems. Due to less financial resources, entrepreneurs were not happy with the marketing activities of their product. The study also concluded that technology plays vital role in the productivity of the firms. However, it was found that Pakistani entrepreneurs usually had very less information related to new technology. The study also concluded that leadership skills, decision making skills, management skills and professional affiliation with the business were also very important in achieving success of the business. The survey in Pakistan was conducted in selected regions; therefore it may not reflect the views and practices of SMEs in other regions of Pakistan.

APPENDIX A : LITERATURE REVIEW APPENDIX

(Name, Year, Country)	Focus of the study	Sample	Methodology	Findings	Conclusions & Limitations
Benzing et al. (2009) Turkey	Entrepreneurs in Turkey: a factor analysis of motivations, success factors, and problems	Using simple random sampling, 139 entrepreneurs were surveyed	Quantitative techniques: - A questionnaire, translated to participants' native language, was used. - The questionnaire used in this study was developed by Hung M. Chu (Chu and Katsioloudes, 2001) and has been used in studies of entrepreneurs in Vietnam, Romania, India, Kenya, and Ghana.	The primary reasons for starting a business are to increase income, to obtain job security, and to secure independence. The most important business success variables are the entrepreneurs' reputation for honesty and friendliness, social skills and good customer service. The most serious problem faced by entrepreneurs is the complex and confusing tax structure. Other important problems include unreliable employees, the inability to maintain good records, and a weak economy.	Honesty may be cited as the most important ingredient of a successful business, in part because Islamic values play an important role in conducting business. Entrepreneurs are expected to adhere to Islamic values such as honesty, respect, and obedience to elders. Simplifying registration/licensing, revising the labor code, and reducing payroll taxes are a few ways to increase business income and encourage further SME development.

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(Name, Year, Country)	Focus of the study	Sample	Methodology	Findings	Conclusions & Limitations
Woldie et al. (2008) Nigeria	Factors influencing small and medium enterprises (SMEs): an exploratory study of owner-manager and firm characteristics	The sample consisted of 523 SME owner-managers. Data were collected from five major cities in Nigeria, where a large number of SMEs are located, namely: Lagos, Abuja, Ibadan, Anambra and Kaduna.	Quantitative techniques: Self-administered questionnaire	Result showed that SME growth is only influenced by certain owner-manager characteristics, namely: age, level of education, previous experience, and three motivational variables (finance, employment creation, and self fulfilment). Owner-manager characteristics such as gender and two motivational variables (desire to be independent and job satisfaction) were found not to have an influence on the growth of the firm. Results also showed that all the firm variables (firm age, firm size, legal status and firm industrial sector) have an effect on the growth of the firm.	Men and women have the same propensity to run growth oriented firms, middle-age and older owner-managers tend to run more growth oriented firms. The higher the level of education attained by the owner-manager, the higher the likelihood of growth is. Owner-managers with prior SME or professional experience run more growth oriented firms. Owner-managers driven by financial reasons and those driven by a need to create employment tend to own/manage growing firms. In addition, limited liability firms and sole proprietorships were associated with growth; larger and older firms have higher propensity for growth than smaller or newer firms; the industrial sector a firm operates in has an association with the level of growth the firm attains.

(Name, Year, Country)	Focus of the study	Sample	Methodology	Findings	Conclusions & Limitations
Ben Mlouka et al. (2008) Tunisia	La taille est-elle un facteur déterminant de la compétitivité des entreprises ?	96 enterprises using a stratified sampling method	Quantitative techniques: To collect data, direct contact was made with chief executive officers (or managers) or members of the management team during the first half of 2005.	Five important factors related to the competitive ability of firms emerged from the analysis: - "Industrial tool": It includes items related to the quality of technology, machine and labour, product and process innovation, flexibility of the productive apparatus, and quality control. - "Know-how": It covers aspects related to competences within the firm. - "Organization and management": It includes information systems, decision and control, behaviour of managers, as well as culture of the company. Aspects related to the management of financial and human resources (access to finance, access to labour) are also included, - "Marketing": It includes all aspects related to the management of product / market (marketing mix, retention of customers). - "Partnership": It relates to the management of relationships. Relations with subcontractors and with financial institutions.	The study concluded that: - For small Business (PE), the process that influenced competitiveness was relatively simple, since it involved neither the infrastructure, nor organization and management, or partnership. - For medium-sized enterprises (ME), the contributed to the average business competitiveness was more complex than the small business. Indeed, the process involved all the factors of competitiveness related to the environment (Legal and political system, quality of infrastructure, competition) as well as the ones related to the firm (Industrial tool, Organisation and management, marketing, know-how, partnership).

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(Name, Year, Country)	Focus of the study	Sample	Methodology	Findings	Conclusions & Limitations
Beck et al. (2006)	Small and medium-size enterprises: access to finance as a growth constraint		A review of empirical research	Financial and institutional development helps alleviate SMEs' growth constraints and increase their access to external finance and thus levels the playing field between firms of different sizes. Specific financing tools such as leasing and factoring can be useful in facilitating greater access to finance even in the absence of well-developed institutions, as can systems of credit information sharing and a more competitive banking structure.	- A competitive business environment, of which access to finance is an important component, facilitates entry, exit and growth of firms and is therefore essential for the development process. - Compared to large firms, SMEs are more constrained by different obstacles, and limited access to finance is an important one of these. - Both firm-level and industry-level studies suggest that small firms do relatively better compared to large firms in countries with better-developed institutions
Gray et al. (2006) Morocco	Motivations of Moroccans to be entrepreneurs	201 entrepreneurs from over 10 Moroccan urban areas. Industries covered: food industry, plastic manufacturing, telecommunications field, construction and building, home appliances and athletic shoes shops	<u>Qualitative techniques:</u> - Structured interviews conducted by graduate students who interviewed family members or friends of family who are entrepreneurs in Arabic and French	The findings were classified into three categories that emerged from the interviews and coding process: impetus, capacity and context. Impetus refers to the motivation for entering into entrepreneurship. Some entrepreneurs were opportunity-driven while others were necessity-driven. Capacity refers to enterprise capacity, knowledge and skill level of the entrepreneur entering into business. Finally, context looks at culture, which encompasses the political and economic environment in which the entrepreneur has to operate.	The decision to start a company cannot be solely explained by an entrepreneurial psychological profile, but rather is based on a combination of personal and environmental factors. In Morocco, success in business is looked upon positively and does result in the successful businessman as a role model. It is also clear that Morocco treats business failure much more harshly than the U.S., where failure is often looked on almost as a learning procedure and a source of invaluable experience. Individuals carrying a business failure on their backs may be tarred for life. This attitude is reflected in Moroccan bankruptcy laws, which include fines, career restrictions and even imprisonment. There is no respect for failure.

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(Name, Year, Country)	Focus of the study	Sample	Methodology	Findings	Conclusions & Limitations
Temtime & Pansiri (2004) Botswana	Small business critical success/failure factors in developing economies: some evidences from Botswana	250 SMEs in 3 cities in the Republic of Botswana	Quantitative techniques: Survey questionnaire	The findings showed that ten perceived critical success factors (PCSFs) (human resources development, organizational development, managerial background, managerial leadership and competitive strategy) affect the performance of SMEs. The PCSFs are strongly related among themselves, indicating the need for a holistic and systematic approach in addressing them. Important relationships were also found between the PCSFs and firm-specific demographic variables such as ownership status, experience and operating period.	The findings show three important implications for SME support groups including the government, practitioners in SMEs, and researchers and academics in the areas of entrepreneurship and small business development.
D. J. Storey (2002) USA	Education, training and development policies and practices in medium-sized companies in the UK: do they really influence firm performance?	2 samples. 501 firms that had previously participated in earlier studies of the UK Middle Market. A second group of respondents were derived from a random sample of companies from the ICC One Source database. This provides a total of 314 respondents who generally were the most senior person in the business.	a large-scale telephone interview	It is difficult to explain variations in the self-reported performance of medium-sized companies, implying the latter is strongly stochastic. Nevertheless, amongst MSCs, the larger firms perform better and location and sector are also influential. A more surprising finding is that the variables chosen to reflect strategy play a very weak role indeed in explaining performance.	The study was not able to make a judgment about the influence of either: education, training or development on the performance of SMEs since companies which perform well in one of these areas were also broadly positive in the other two. Within these broad areas, the author was unable to isolate individual policy initiatives which were particularly influential.

Grey literature

(Name, Year, Country)	Focus of the study	Sample	Methodology	Findings	Conclusions & Limitations
El Hamzaoui Abdelhakim (2006) Morocco Thesis	Les PME au Maroc: Etat des lieux et conditions d'emergence	Quantitative study 100 enterprises, among the ones affiliated to CNSS, randomly selected by using the quota method on the geographic distribution of newly created businesses.	Qualitative techniques Quantitative techniques	The findings showed that failure factors were: - age of the entrepreneur was relatively young (<35 years); - Poor professional experience and education of the entrepreneur - Insufficient staff training - Insufficient financial resources; - Uncompetitive means of production.	Among the regions, the Greater Casablanca and Tangier-Tetouan regions offer the most chances of business success. Conversely, the Souss-Massa-Dara and Marrakech Tensift-Al Haouz regions seem to be among the regions where companies face most difficulties.
Fatimaezzahra Rachdi (2006) Morocco Conference proceeding	L'entrepreneuriat féminin au Maroc : une étude exploratoire	579 femmes propriétaires dirigeantes (77 membres de l'AFEM (Association des Femmes chefs d'Entreprise au Maroc), et 502 non membres)	Quantitative techniques Survey questionnaire	The most frequent problem faced by entrepreneurs and which is common for both women and men is the administrative burden. The second problem is access to finance. The non availability of qualified manpower was third. This can be explained by different variables related to the social structure of Morocco which is hit by a high illiteracy rate Moroccan women report their needs in terms of assistance and training at different levels of their structures. These needs are mainly related to their managerial skills. They are unable to meet the challenges of globalization and open markets without aid from national and international traders.	It can be concluded that women entrepreneurs often suffer from a lack of technical expertise and knowledge management, hence their low productivity and competitiveness. Cultural constraints are also another obstacle that hinders the success of women in the conduct of their affairs.

Harabi, Najib (2003) Morocco	Determinants of Firm Growth: An Empirical Analysis from Morocco	370 enterprises. The sample includes firms of different sizes, over 100 workers , in five or less. It also covers all major economic sectors: manufacturing, construction, services and commerce.	Quantitative techniques A survey, in the form of a questionnaire, was conducted under the auspices of the World Bank in 1998.	The main factors promoting the growth of companies were: marketing strategies that focus on product diversification and expansion of market share, location in large urban centres, the legal status as a limited company, the presence of price competition, the presence in markets with high demand, and government policies such as labour regulations, antitrust policy and environmental policy. The main factors that hinder business growth are lack of access to skilled workers and managers, location in smaller population centres, and some other government policies such as regulation of foreign trade and policies that promote domestic price volatility.	The sample of firms under consideration is not statistically representative of the population.

APPENDIX A.6: Map of Morocco

Source: http://www.moroccanembassylondon.org.uk/en/MoroccoMap.html

APPENDIX A.7: Map of the Tangier-Tetouan region

Source: Haut Commissariat au Plan (HCP) (2009)

APPENDIX A.8: Business practices in 8 cities in Morocco

STARTING A BUSINESS

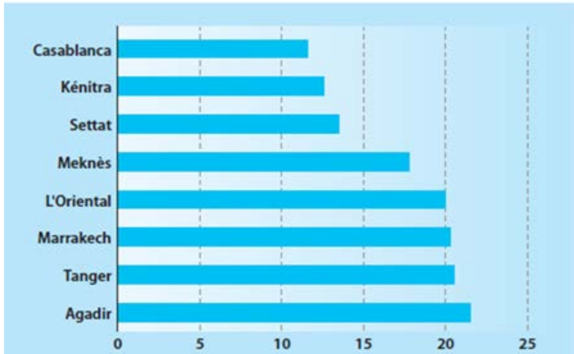
Where is it easy or difficult to create a business?

CITY	RANKING
Kénitra	1
Settat	2
Casablanca	3
Marrakech	4
Meknès	5
Agadir	6
L'Oriental	7
Tangier	8 (Difficult)

Number of days to start a business

Duration (Days)

Cost to start a business



Cost (% GNI per capita)

DEALING WITH CONSTRUCTION PERMITS

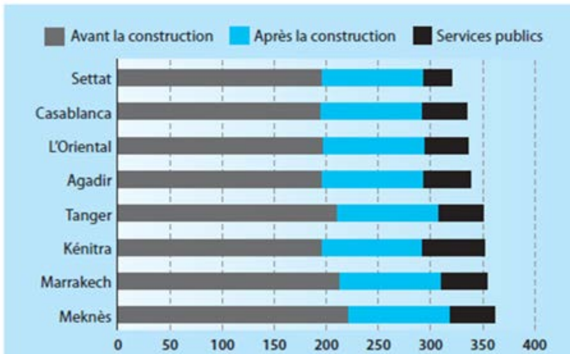
Where is it easy or difficult to build a warehouse?

CITY	RANKING
Agadir	1
Settat	2
Marrakech	3
Casablanca	4
Tangier	5
Kénitra	6
L'Oriental	7
Meknès	8 (Very Difficult)

Number of days to build a warehouse

Duration (Days)

Total cost to build a warehouse



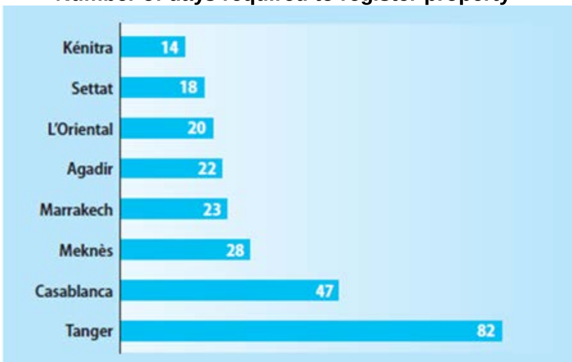
Cost (% GNI per capita)

REGISTERING PROPERTY

Where is it easy or difficult to register a property?

CITY	RANKING
Kénitra	1
Settat	2
L'Oriental	3
Agadir	4
Marrakech	5
Meknès	6
Casablanca	7
Tangier	8 (Very Difficult)

Number of days required to register property



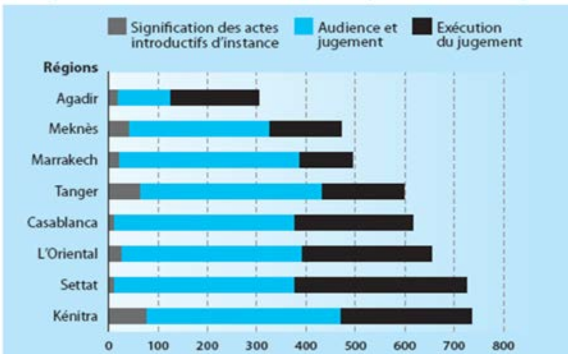
Duration (Days)

ENFORCING CONTRACTS

The average regional ranking in terms of procedures, time, and cost to enforce contracts

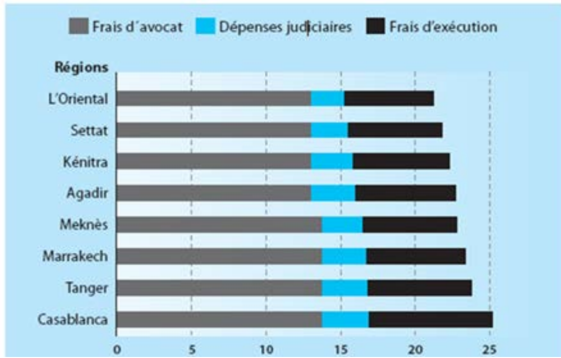
CITY	RANKING
AGADIR	1
Meknès	2
L'ORIENTAL	3
MARRAKECH	4
TANGER	5
CASABLANCA	6
SETTAT	7
Kénitra	8 (Most difficult)

The time (measured in calendar days from the moment the seller files the law suit in court until payment is received) to enforce a contract



Duration (Days)

The total of official costs (measured as a percentage of the claim) to enforce a contract



% of the claim

Source: Doing Business au Maroc (2007, p. 5-30). Comparant la réglementation en 8 régions.

APPENDIX B: RESEARCH METHODOLOGY APPENDIX

APPENDIX B.1: Conceptualization & operationalization of constructs

BROAD CONSTRUCT	SPECIFIC CONSTRUCT	THEME OF ITEMS OF CONSTRUCT	ITEMS OF CONSTRUCT
Business characteristics	Size of the enterprise (SIZE)	Number of employees	Q25
		Size of sales	Q26
	Age of the enterprise (AGE)	Age of the enterprise	Q24
	Legal status of the enterprise (LSTAT)	Legal status of the enterprise	Q20
	Activity of the enterprise (ACTV)	Activity of the enterprise	Q21
	Description of the enterprise	Description of the enterprise	Q23
	Location (LOCT)	Location	Q22
Socio-demographic characteristics	Gender of the entrepreneur (GENDER)	Gender	Q13
	Age of the entrepreneur (AGE 1)	Age	Q12
Background characteristics	Education of the entrepreneur (EDUC)	Education	Q14
	Previous experience (PEXP)	Previous experience	Q15, Q15a, Q16
	Family background (FBAC)	Business background	Q17
		Education of parents	Q18, Q19
Personality characteristics	Need for achievement (NACH)	Need for achievement	Q11a, Q11b, 11d
	Locus of control (LCON)	Locus of control	Q11c, Q11e
	Risk-taking (RTAK)	Risk-taking	Q11f, Q11g, Q11h
Competences of the entrepreneur	Managerial competences (MCOM)	Managerial competences	Q10a, 10e, 9p
	Entrepreneurial competences (ECOM)	Entrepreneurial competences	Q10b, 10d, 10g, 9q
	Functional competences (FCOM)	Functional competences	Q10c, 10f, 9n

BROAD CONSTRUCT	SPECIFIC CONSTRUCT	THEME OF ITEMS OF CONSTRUCT	ITEMS OF CONSTRUCT
Economic factors	Finance (FINA)	Constraints	Q3c, Q3p, Q8e, Q8f, Q8g
		Importance	Q9g
	Taxation (TAXA)	Constraints	Q4c, Q4f
		Importance	Q9f
Political-legal factors	Government support (GSUP)	Constraints	Q3b, Q3m, Q3o, Q5a, Q5b, Q5c, Q5d
		Importance	Q9h
	Regulatory environment (RENV)	Constraints	Q3i, Q4a, Q4b, Q4c, Q4d, Q4e, Q4f, Q4g, Q8i, Q9d, Q9a, Q9b, Q9c, Q9e
		Importance	Q9k
Technological factors	Technology (TECH)	Constraints	Q3f, Q3j
		Importance	Q9e
	Information (INFO)	Constraints	Q3a, Q3e, Q3g, Q3k
		Importance	Q9i
Socio-cultural factors	Infrastructure (INFR)	Constraints	Q5e, Q5f, Q5g, Q6a, Q6b, Q6c
		Importance	Q9j
	Networking (NETW)	Constraints	Q3l , Q3n, Q3q
		Importance	Q9l
Micro-environmental factors	Customers (CUST)	Constraint	Q3d
		Importance	Q9m
	Suppliers (SUPP)	Constraint	Q3h
		Importance	Q9r
	Competition (COMP)	Competition problems	Q7c, Q7d, Q7h, Q7j, Q9l

APPENDIX B.2: Survey questionnaire –English–

INTRODUCTION

Dear owner-manager,

Recognizing that the future of small and medium enterprises (SMEs) in Tangier is based largely on the efforts of the owner-managers of SMEs like you, we are very eager to learn about your own experiences. In particular, we seek information on what you consider to be key factors of the success of SMEs. Your contribution in this survey is therefore very important to identify these factors. By completing this questionnaire, the data you provide will lead to a series of recommendations to ensure the success of SMEs in Tangier.

PURPOSE

The purpose of the questionnaire is to obtain current information on the factors contributing to the success of SMEs in Tangier. This will lead to recommendations as to how to support the success of SMEs in the economy.

INSTRUCTIONS

- Please complete this questionnaire accurately and objectively. In the absence of an option that accurately reflects your views, please choose the answer that seems relevant, and add any comment or explanation that you deem useful to illustrate your answer.
- Most questions can be answered simply by ticking a box.
- All of the answers you provide in this questionnaire **WILL BE KEPT CONFIDENTIAL**. All information given will be used for the purpose of this research only. The study is being carried out in accordance with the UK Market Research Society's guidelines.
- The questionnaire should take **ABOUT 18 MINUTES** to complete.
- The results of this research will be presented in the thesis to be submitted to the University of Gloucestershire, as required by the doctoral degree.
- If you want a copy of the results of the study, please fill out your name, address or e-mail in the last page of the questionnaire.
- Please return the completed questionnaire **BEFORE 24th DECEMBER 2010.**

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Feel free to contact us if you would like any additional information.
Thank you very much for your cooperation

Yassine SEFIANI

RESPONDENT'S DETAILS

Your Position held in the company:
(Please tick the box that is relevant to you)

Owner[*] – active in business management –

Owner – not involved in day-to-day management –

Manager – not the owner –

[*] "Owner" means anyone who owns or controls the whole or any part of the business.

SECTION 1: THE BUSINESS ACHIEVEMENTS

This section seeks your views on the success of your business.

1. How would you describe the success of your business?

(Please indicate your opinion regarding each statement by ticking the appropriate box)

SA = Strongly agree; A = Agree; D = Disagree; SD = Strongly disagree; NO = No opinion

	STATEMENTS	SA	A	D	SD	NO
a	The business is very successful today					
b	The business has been profitable during the last financial year					
c	The profit has been increasing over the past two years					
d	The business has grown over the past two years					
e	The sales of the business have increased over the past 2 years					
f	The business is not successful					

2. With reference to your business performance over the past 12 months, to what extent are you pleased with the following achievements of your firm?

(Please select the appropriate answer by ticking the appropriate box)

VP = Very pleased; P = Pleased; U = Unpleased; VU = Very unpleased; NO = No opinion)

	ACHIEVEMENTS	VP	P	U	VU	NO
a	Size of sales					
b	Gained profit					
c	Number of employees					
d	Respect from customers					
e	Market share					
f	Personal satisfaction					
g	Career progress					
h	Customer satisfaction					
i	Customer Retention					
j	Employee Satisfaction					
k	Relationship with suppliers					
l	Business Image					
m	Industrial Relations					

SECTION 2: SUCCESS CONSTRAINTS

This section covers some of the constraints that inhibit the success of the enterprise.

3. Based on your experience in running the business so far and the actual condition of the business; please indicate your opinion regarding each of the following statements:

(Please select the appropriate answer by ticking the appropriate box)

SA = Strongly agree; A = Agree; D = Disagree; SD = Strongly disagree; NO = No opinion

	STATEMENTS	SA	A	D	SD	NO
a	I have access to information on technologies to support my business					
b	The government support is not sufficient					
c	Capital is not sufficient to maintain and expand the business.					
d	I have access to customers					
e	I have access to information on government regulations that are relevant to my business					
f	New technology is attainable					
g	I have access to information on market					
h	I have access to suppliers					
i	I got business permit and other permits easily and quickly					
j	Existing technology is easily maintainable					
k	I have access to information on finance sources					
l	I have reliable business network to run the business					
m	The government does not provide any solid assistance to the company					
n	I have professional affiliation / business association that support the business.					
o	The existing government programs on SMEs are not helpful					
p	The company struggles to get credit from banks					
q	I have many helpful colleagues / friends who support the business.					

4. Based on your experience in running the business, please grade the difficulty you have with the following regulations:

(Please select the appropriate answer by ticking the appropriate box)

VE = Very easy; E = Easy; D = Difficult; VD = Very difficult; NO = No opinion

	REGULATIONS	VE	E	D	VD	NO
a	Firm registration					
b	Licenses for start of business					
c	Customs regulations					
d	Regulations on employment					
e	Health & safety regulations					
f	Tax regulations					
g	Environmental regulations					

5. How would you grade the quality of service offered to your business by the following institutions?

(Please select the appropriate answer by ticking the appropriate box)

VS = Very satisfactory; S = Satisfactory; NS = Not satisfactory; NVS = Not very satisfactory; NO = No opinion

	INSTITUTIONS	VS	S	NS	NVS	NO
a	Police					
b	Chamber of Commerce					
c	Court for businesses					
d	Tax office					
e	Electricity suppliers					
f	Water suppliers					
g	Telecommunication services providers					

6. In your opinion, how would you rate the cost of the following services?

(Please select the appropriate answer by ticking the appropriate box)

VL = Very low; L = Low; M = Medium; H = High; VH = Very high

	SERVICES	VL	L	M	H	VH
a	Electricity Services					
b	Telecommunication Services					
c	Water Services					

7. With reference to your business, please evaluate the extent to which the following problems impact on your business success?

(Please select the appropriate answer by ticking the appropriate box)

(VC = Very challenging; C = Challenging; NVC = Not very challenging; I = Insignificant; NO = No opinion)

	PROBLEMS	VC	C	NVC	I	NO
a	Lack of market knowledge					
b	Lack of information on market opportunities					
c	Competition in domestic market					
d	Competition in foreign market					
e	High interest rates on bank loans					
f	Ensuring guarantees for bank loans					
g	Long loan application processing					
h	Imperfect competition "black market"					
i	Additional payments to corruption					
j	The smuggling of foreign goods					

8. How do certain ways of behaviour of institutions make problems when registering or getting official documents for the firm?

(Please select the appropriate answer by ticking the appropriate box)

(GD = Great difficulties; MD = Medium difficulties; SD = Small difficulties; ND = No difficulties; NO = No opinion)

	PATTERNS OF BEHAVIOUR	GD	MD	SD	ND	NO
a	Too much queuing in all offices					
b	Too long waiting for documents to be prepared and sent to firms					
c	Too many documents are needed for submission					
d	Corruption and bribery among officials					
e	It does not work without strings					

SECTION 3: SUCCESS FACTORS

This section is about factors that some studies in other countries have shown to be influential on the success of the enterprise.

9. Listed below are some factors that may contribute to your business's success. How important you believe these factors are?

(Please select the appropriate answer by ticking the appropriate box)

(NVI = Not very important; NI = Not important; I = Important; VI = Very important; NO = No opinion)

POSSIBLE FACTORS		NVI	NI	I	VI	NO
a	Education of the entrepreneur					
b	Previous work experience					
c	Location of the business					
d	Structure of the business					
e	Technology					
f	Efficient tax system					
g	Financial resources					
h	Satisfactory government support					
i	Information					
j	Good public infrastructure					
k	Good regulatory environment					
l	Network relations					
m	Customers					
n	Good functional competences					
o	Competitive advantage					
p	Good management competences					
q	Good entrepreneurial competences					
r	Suppliers					

10. Listed below are some skills that may contribute to your business's success. How important you believe these skills are?

(Please select the appropriate answer by ticking the appropriate box)

(NVI = Not very important; NI = Not important; I = Important; VI = Very important; NO = No opinion)

	STATEMENTS	NVI	NI	I	VI	NO
a	Plan the operations of the business					
b	Identify goods or services that the customers want					
c	Possess expertise in technical or functional areas					
d	Scan the environment to look for opportunities					
e	Organize resources					
f	Use specific techniques / tools relevant to the business					
g	Create a positive work climate through discussion and problem-sharing					

11. As an entrepreneur, to what extent you believe the following statements are important in order to ensure the success of your firm?

(Please select the appropriate answer by ticking the appropriate box)

(NVI = Not very important; NI = Not important; I = Important; VI = Very important; NO = No opinion)

	STATEMENTS	NVI	NI	I	VI	NO
a	Experiment new different ways of running the business when new way of running the business is not successful.					
b	Work hard.					
c	Accomplish a lot at work.					
d	Make high demands upon yourself when working					
e	Not to plan too far ahead since many things turn out to be a matter of good or bad fortune.					
f	Opening up new directions through initiating new ideas.					
g	Taking the risk of getting a new business venture off the ground.					
h	The excitement of creating something new whose success depends on me.					

SECTION 4: DEMOGRAPHIC INFORMATION

Here are some questions to seek socio-demographic information of the entrepreneur.

12. Your age:

☐ 18-24 ☐ 25-45 ☐ > 45

13. Your gender:

☐ Male ☐ Female

14. Your educational level?

☐ None ☐ Primary level ☐ Lower secondary level ☐ Upper secondary level
☐ University diploma ☐ Bachelor degree ☐ Master degree ☐ PhD degree
☐ Other (Please specify):

15. Have you had any previous work experience?

☐ Yes ☐ No

15a. If yes, for how long did you work before you started up your current business?

☐ < 2 years ☐ 2-5 years ☐ 6-10 years ☐ 11-20 years ☐ > 20 years

16. Was your previous work experience relevant to your current business?

☐ Yes ☐ No

17. Did any of your parents own a business?

☐ Yes ☐ No

18. What is the educational level of your father?

☐ None ☐ Primary level ☐ Lower secondary level ☐ Upper secondary level
☐ University diploma ☐ Bachelor degree ☐ Master degree ☐ PhD degree
☐ Other (Please specify):

19. What is the educational level of your mother?

☐ None ☐ Primary level ☐ Lower secondary level ☐ Upper secondary level
☐ University diploma ☐ Bachelor degree ☐ Master degree ☐ PhD degree
☐ Other (Please specify):

SECTION 5: BUSINESS INFORMATION

Finally, some questions about your current business.

20. Legal status of the business:

☐ Sole trader ☐ Private Limited Company ☐ Public Limited Company ☐ Other (Please specify):

21. Type of the activity of the business:

☐ Chemical Industry ☐ Electrical & Electronic Industry ☐ Food Processing Industry ☐ Metal & Engineering Industry ☐ Textile & Leather Industry ☐ Other (Please specify):

22. Where is the business located?

☐ Industrial Zone ☐ New Medina ☐ Old Medina ☐ Suburb ☐ Crafts Complex ☐ Rural Area ☐ Luxury District ☐ Other (Please specify):

23. How would you describe the business?

☐ Wholly family owned ☐ Partly family owned ☐ Privately owned

24. How long has the business been in operation?

☐ 1-2 years ☐ 3-5 years ☐ > 5 years

25. How many staff does the business employ?

☐ 10-50 ☐ 51-100 ☐ 101-200 ☐ Other (Please specify):

26. What is the annual turnover of the business (In DH)?

☐ 0 – 500.000 ☐ 500.001 – 1.000.000 ☐ 1.000.001 – 75.000.000
☐ > 75.000.000

SUGGESTIONS & COMMENTS

Please type any suggestions or comments you want to add regarding the topics that have been addressed in this questionnaire or any other subjects related to the success of small and medium enterprises.

APPENDIX B.3: Survey questionnaire –Arabic–

UNIVERSITY OF GLOUCESTERSHIRE
at Cheltenham and Gloucester

مقدمة

الأخ مالك / مدير المقاولة

إدراكا منا بأن مستقبل المقاولات الصغيرة والمتوسطة في طنجة يستند إلى حد كبير على الجهود التي يبذلها أصحاب ومدراء هذه المقاولات، نحن حريصون جدا للتعرف على الخبرات الخاصة بكم. نسعى على وجه الخصوص للحصول على المعلومات حول العوامل الرئيسية التي تعتقدون أنها تساهم في نجاح المشاريع الصغيرة والمتوسطة. من هذا المنطلق، كانت مشاركتكم في هذا المسح مهمة جدا لتحديد هذه العوامل. البيانات و المعلومات التي ستوفرونها من خلال إجابتكم على أسئلة هذا الإستبيان سوف تساهم في تقديم سلسلة من التوصيات و المقترحات من أجل ضمان نجاح المقاولات الصغيرة و المتوسطة بطنجة.

هدف الإستبيان

الغرض من هذا الإستبيان هو الحصول على المعلومات الحالية عن العوامل التي تساهم في نجاح ونمو المشاريع الصغيرة والمتوسطة الحجم في مدينة طنجة. هذا سوف يؤدي إلى تقديم توصيات بشأن كيفية دعم دور المشاريع الصغيرة والمتوسطة في الإقتصاد.

تعليمات عامة

- يرجى الإجابة على كل أسئلة هذا الإستبيان بصدق و بأقصى قدر ممكن من الدقة، و في حالة عدم وجود خيار من الخيارات المعطاة يعكس وجهة نظركم على نحو دقيق، يرجى اختيار الإجابة التي ترون أنها أقرب للصواب، والقيام بوضع أي تعليق أو تفسير ترون أنه مناسب لتوضيح إجابتكم.
- يمكن الإجابة ببساطة على معظم الأسئلة بوضع علامة في المربع المناسب.
- كونوا على ثقة أن جميع الأجوبة التي تقدمونها في هذا الإستبيان **سوف تعامل بسرية تامة**. جميع المعلومات المقدمة سوف تستخدم لأغراض هذا البحث العلمي فقط. هذه الدراسة تنفذ وفقا للمبادئ التوجيهية للجمعية البريطانية لأبحاث السوق.
- الإستبيان ينبغي أن يأخذ **حوالي ثمانية عشر دقيقة** لإكماله.
- نتائج هذا البحث سوف تعرض في رسالة الدكتوراه التي ستقدم إلى جامعة جلوسترشير ببريطانيا.
- إذا كنتم ترغبون في استلام نسخة من نتائج الدراسة يرجى كتابة اسمكم و عنوانكم في الصفحة الأخيرة من هذا الإستبيان.
- يرجى إعادة هذا الإستبيان **قبل تاريخ 30 نونبر 2010**:

البريد الإلكتروني	الفاكس	البريد
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لا تترددوا في الإتصال بنا إذا كنتم ترغبون في معلومات إضافية.

شاكرين لكم حسن تعاونكم، و لكم خالص التقدير و الإحترام.

ياسين السفياني

معلوما ت عامة عن المشارك

منصبكم فى المقاولة

(يرجى وضع علامة في المربع المناسب)

مالك المقاولة (أشارك في إدارة الأعمال بشكل يومي)

مالك المقاولة (لا أشارك في إدارة الأعمال)

مدير المقاولة (و ليس مالك المقاولة)

الجزء الأول: إنجازات المقاولة

تهدف أسئلة هذا الجزء للحصول على وجهات نظركم حول نجاح مقاولتكم.

1. كيف يمكن وصف نجاح المقاولة؟

(يرجى اختيار الإجابة المناسبة بوضع علامة √ لكل عبارة بناء على درجة الموافقة الموضحة أمامها)

	العبارات	أوافق بشدة	أوافق	لا أوافق	لا أوافق بشدة	دون رأي
أ	المقاولة ناجحة جدا اليوم					
ب	المقاولة حققت أرباحا خلال السنة المالية الماضية					
ت	الأرباح ازدادت خلال السنتين الماضيتين					
ث	عرفت المقاولة نموا في الحجم خلال السنتين الماضيتين					
ج	عرفت المقاولة نموا في حجم المبيعات خلال السنتين الماضيتين					
ح	الشركة لا تعرف نجاحا اليوم					

2. بالنسبة لأداء مقاولتكم خلال الأشهر 12 الماضية، ما هو مدى ارتياحكم بالنسبة للإنجازات المذكورة أسفله :

(يرجى بيان ارتياحكم بوضع علامة √ في الخانة المناسبة)

	الإنجازات	مرتاح جدا	مرتاح	غير مرتاح	غير مرتاح جدا	دون رأي
أ	حجم المبيعات					
ب	الأرباح المحققة					
ت	عدد العمال					
ث	الإحترام من الزبناء					
ج	الحصة من السوق					
ح	الإرتياح الشخصي					
خ	التقدم في حياتكم المهنية					
د	رضا الزبناء					
ذ	إخلاص الزبناء					
ر	رضا الموظفين					
ز	العلاقات مع الممونين					
س	صورة المقاولة					
ش	العلاقات في العمل					

الجزء الثاني: معوقات النجاح

يناقش هذا الجزء المشاكل التي تحول دون نجاح المقاولة.

3. استنادا إلى خبرتكم في إدارة مقاولتكم، إلى أي مدى توافقون على العبارات التالية؟

(يرجى اختيار الإجابة المناسبة بوضع علامة √ لكل عبارة بناء على درجة الموافقة الموضحة أمامها)

	العبارات	**أوافق بشدة**	**أوافق**	**لا أوافق**	**لا أوافق بشدة**	**دون رأي**
أ	أستطيع الوصول إلى المعلومات بشأن التكنولوجيات لدعم أعمالي					
ب	دعم الدولة غير كاف					
ت	رأس المال لا يكفي للحفاظ على المقاولة وتوسيعها					
ث	أستطيع الوصول إلى الزبائن					
ج	أستطيع الحصول على معلومات عن القوانين الحكومية والتي لها صلة بعملي					
ح	أستطيع بلوغ التكنولوجيا الجديدة					
خ	أستطيع الوصول إلى معلومات عن السوق					
د	أستطيع الوصول إلى الممونين					
ذ	حصلت على ترخيص العمل التجاري وغيرها من التصاريح بسهولة وبسرعة					
ر	صيانة التكنولوجيا الموجودة سهلة					
ز	أستطيع الوصول إلى المعلومات عن مصادر المال					
س	لدي شبكة من العلاقات التي يمكن الإعتماد عليها في تسيير المقاولة					
ش	الحكومة لا تقدم أي مساعدة حقيقية للمقاولة					
ص	لدي انتماء مهني أو جمعوي يساعدني في دعم المقاولة					
ض	البرامج الحكومية الحالية الخاصة بالمقاولات الصغيرة والمتوسطة ليست مفيدة					
ط	المقاولة تجد صعوبة من أجل الحصول على القروض من البنوك					
ظ	لدي العديد من الأصدقاء الذين يدعمون المقاولة					

4. استنادا إلى خبرتكم في إدارة مقاولتكم، يرجى بيان مدى صعوبة القوانين التي تواجهونـها في إدارة مقاولتكم:

(يرجى اختيار الإجابة المناسبة بوضع علامة √ لكل من القوانين بناء على درجة الصعوبة الموضحة أمامها)

	القوانين	سهل جدا	سهل	صعب	صعب جدا	دون رأي
أ	تسجيل المقاولة					
ب	التراخيص لبدء المقاولة					
ت	النظام الجمركي					
ث	قانون التشغيل					
ج	القوانين بشأن سلامة مكان العمل					
ح	النظام الضريبي					
خ	قوانين البيئة					

5. كيف يمكنكم تقييم جودة الخدمات المقدمة لقطاع الأعمال من جانب المؤسسات التالية؟

(يرجى وضع علامة √ أمام الخانة المناسبة)

	المؤسسات	مرضية جدا	مرضية	غير مرضية	غير مرضية جدا	دون رأي
أ	الشرطة					
ب	غرفة التجارة و الصناعة					
ت	المحاكم التجارية					
ث	مكتب المالية					
ج	شركة تزويد خدمات الكهرباء					
ح	شركة تزويد خدمات الماء					
خ	شركة تزويد خدمات الإتصالات					

6. في رأيكم ، كيف تقيمون تكلفة الخدمات التالية؟

(يرجى وضع علامة √ أمام الخانة المناسبة)

	الخدمات	منخفضة جدا	منخفضة	متوسطة	باهظة	باهظة جدا
أ	خدمات الكهرباء					
ب	خدمات الإتصالات					
ت	خدمات الماء					

7. المدرجة أدناه بعض المشاكل التي تواجهها المقاولات. الرجاء تقييم حجم المشاكل الخاصة بمقاولتكم في الجوانب الرئيسية لممارسة الأعمال التجارية:

(يرجى اختيار الإجابة المناسبة بوضع علامة √ لكل مشكل بناء على الحجم الموضح أمامه)

	المشاكل	**كبير جدا**	**كبير**	**صغير**	**صغير جدا**	**دون رأي**
أ	المعرفة بالسوق غير كافية					
ب	عدم توفر المعلومات عن الفرص المتاحة في الأسواق					
ت	المنافسة في السوق المحلية					
ث	المنافسة في الأسواق الخارجية					
ج	ارتفاع أسعار الفائدة على القروض المصرفية					
ح	إعطاء ضمانات لضمان القروض المصرفية					
خ	مدة تجهيز طلبات القروض طويلة					
د	منافسة غير عادلة "السوق السوداء"					
ذ	مدفوعات إضافية "الرشوة"					
ر	تهريب البضائع الأجنبية					

8. المدرجة أدناه بعض سلوكات المؤسسات، يرجى بيان مدى حجم الصعوبات التي تخلقها هذه السلوكات عند التسجيل أو الحصول على الوثائق الرسمية للمقاولة:

(يرجى اختيار الإجابة المناسبة بوضع علامة √ لكل من السلوكات بناء على حجم الصعوبات التي تخلقها)

	السلوكات	**صعوبات كبيرة**	**صعوبات متوسطة**	**صعوبات صغيرة**	**دون صعوبات**	**دون رأي**
أ	ينبغي طرق العديد من الأبواب					
ب	انتظار طويل لإعداد الوثائق وإرسالها للمقاولات					
ت	طلب العديد من الوثائق اللازمة للتقديم					
ث	الفساد بين المسؤولين "أخذ الرشوة"					
ج	لا يمكن قضاء الحوائج دون وساطة					

الجزء الثالث: عوامل النجاح

يركز هذا الجزء على العوامل التي أظهرت بعض الدراسات في بلدان أخرى على تأثيرها في نجاح أو فشل المقاولات الصغرى و المتوسطة

9. المدرجة أدناه هي بعض العوامل التي قد تسهم في نجاح المقاولة. حسب وجهة نظركم، ما هي درجة أهمية كل عامل من العوامل التالية في نجاح المقاولة؟

(يرجى اختيار الإجابة المناسبة بوضع علامة √ لكل عامل بناء على درجة الأهمية الموضحة أمامه)

	العوامل	غير مهم جدا	غير مهم	مهم	مهم جدا	دون رأي
أ	المستوى التعليمي لمالك المقاولة					
ب	خبرة سابقة في الأعمال					
ت	الموقع الجغرافي للمقاولة					
ث	الوضع القانوني للمقاولة					
ج	التكنولوجيا					
ح	نظام ضريبي جيد					
خ	الموارد المالية					
د	الدعم المرضي للدولة					
ذ	الحصول على المعلومات					
ر	الوصول إلى البنية التحتية العامة					
ز	بيئة تنظيمية جيدة					
س	شبكة العلاقات					
ش	الزبائن					
ص	مهارات عملية جيدة					
ض	ميزة التنافسية					
ط	مهارات إدارية جيدة					
ظ	مهارات جيدة في تنظيم المشاريع					
ع	الممونين					

10. المدرجة أدناه بعض المهارات التي يمكن أن تسهم في نجاح مقاولتكم. يرجى الإشارة إلى مدى أهمية كل من المهارات التالية:

(يرجى وضع علامة √ أمام الخانة المناسبة)

العبارات		غير مهم جدا	غير مهم	مهم	مهم جدا	دون رأي
أ	التخطيط لعمليات المقاولة					
ب	تحديد المنتجات / الخدمات التي يريدها الزبناء					
ت	امتلاك الخبرة التقنية أو العملية					
ث	تحليل البيئة للبحث عن الفرص					
ج	تنظيم الموارد					
ح	استخدام أساليب وأدوات محددة في المقاولة					
خ	خلق بيئة عمل إيجابية					

11. . كمقاول، إلى أي مدى تعتقدون العبارات التالية مهمة من أجل ضمان نجاح ونمو الشركة الخاصة بكم؟

(يرجى اختيار الإجابة المناسبة بوضع علامة √ لكل عبارة بناء على درجة الأهمية الموضحة أمامها)

العبارات		غير مهم جدا	غير مهم	مهم	مهم جدا	دون رأي
أ	تجريب طرق جديدة أخرى عند عدم نجاح طريقة لتسيير العمل.					
ب	العمل بجد					
ت	إنجاز الكثير في العمل					
ث	فرض متطلبات عالية في العمل					
ج	التخطيط على المدى البعيد لأن الأشياء كثيرا ما تتحول إلى مسألة سوء أو حسن حظ.					
ح	خلق اتجاهات جديدة للمقاولة من خلال الشروع في أفكار جديدة.					
خ	المخاطرة في الحصول على مشروع تجاري جديد.					
د	خلق شيء جديد في المقاولة و الذي نجاحه يعتمد علي					

الجزء الرابع: معلومات ديموغرافية

فيما يلي بعض الأسئلة للحصول على المعلومات الديمغرافية للمقاول.

12. ما هو عمركم؟

☐ 18 - 24 ☐ 25 - 45 ☐ 45 <

13. ما هو جنسكم؟

☐ ذكر ☐ أنثى

14. ما هو مستوى تعليمكم؟

☐ ليس لي أي تعليم رسمي ☐ مستوى إبتدائي ☐ مستوى إعدادي ☐ مستوى ثانوي
☐ حاصل على دبلوم ☐ حاصل على الإجازة ☐ حاصل على الماجستير ☐ حاصل على الدكتوراه

15. هل لديكم خبرة سابقة في مكان العمل؟

☐ نعم ☐ لا

15أ. إذا كان الجواب نعم ، ما هي مدة خبرتكم قبل بدء مقاولتكم؟

☐ < 2 سنوات ☐ 2 – 5 سنوات ☐ 6 – 10 سنوات ☐ 11 – 20 سنة ☐ > 20 سنة

16. هل خبرتكم في العمل كانت مفيدة جدا في النشاط الحالي الخاص بكم؟

☐ نعم ☐ لا

17. هل أحد من والديكم أو كلاهما كانا أصحاب أعمال؟

☐ نعم ☐ لا

18. ما هو مستوى تعليم أبيكم؟

☐ ليس له أي تعليم رسمي ☐ مستوى إبتدائي ☐ مستوى إعدادي ☐ مستوى ثانوي
☐ حاصلة على دبلوم ☐ حاصلة على الإجازة ☐ حاصلة على الماجستير ☐ حاصلة على الدكتوراه

19. ما هو مستوى تعليم أمكم؟

☐ ليس لها أي تعليم رسمي ☐ مستوى إبتدائي ☐ مستوى إعدادي ☐ مستوى ثانوي
☐ حاصل على دبلوم ☐ حاصل على الإجازة ☐ حاصل على الماجستير ☐ حاصل على الدكتوراه

الجزء الخامس: معلومات عامة عن المقاولة

وأخيرا ، بعض الأسئلة حول المقاولة الخاصة بكم.

20. ما هو الوضع القانوني للمقاولة؟

☐ شركة فردية ☐ شركة ذات مسؤولية محدودة ☐ شركة مجهولة الإسم
☐ آخر (يرجى التوضيح)

21. ما هو نوع نشاط المقاولة؟

☐ الصناعة الكيماوية ☐ الصناعة الكهربائية و الإلكترونية ☐ صناعة تجهيز الأغذية
☐ صناعة المعادن ☐ صناعة النسيج ☐ آخر (يرجى التوضيح)

22. ما هو موقع المقاولة؟

☐ المنطقة الصناعية ☐ المدينة الجديدة ☐ المدينة القديمة ☐ ضاحية المدينة
☐ مجمع الحرف ☐ المنطقة الريفية ☐ حي راقي ☐ آخر (يرجى التوضيح)

23. كيف يمكن أن تصف المقاولة؟

☐ مقاولة عائلية كليا ☐ مقاولة عائلية جزئيا ☐ مقاولة الخواص

24. كم هي مدة مزاولة نشاط المقاولة؟

☐ 1 – 2 سنوات ☐ 3 – 5 سنوات ☐ < 5 سنوات

25. كم عدد الموظفين الذين تشغلهم المقاولة؟

☐ 10 - 50 ☐ 51 - 100 ☐ 101 – 200 ☐ آخر (يرجى التوضيح)

26. ما هو حجم المبيعات السنوية للمقاولة (بالدرهم)؟

☐ 0 – 500.000 ☐ 500.001 – 1.000.000 ☐ 1.000.001 – 75.000.000
☐ < 75.000.000

ملاحظة

من فضلكم يرجى كتابة أي اقتراحات أو تعليقات ترغبون في إضافتها بخصوص المواضيع التي تم التطرق لها في الإستبيان أو أي مواضيع أخرى متعلقة بموضوع نجاح المشروعات الصغرى و المتوسطة.

APPENDIX B.4: Survey questionnaire –French–

INTRODUCTION

Cher propriétaire / manager,

Reconnaissant que l'avenir des petites et moyennes entreprises (PME) à Tanger repose largement sur les efforts de leurs propriétaires / dirigeants comme vous, nous sommes très désireux d'apprendre sur vos propres expériences. En particulier, nous cherchons des informations sur ce que vous considérez être facteurs déterminants du succès des PME. Votre contribution à cette enquête est alors très importante pour identifier ces facteurs. Les données que vous fournissez mèneront à une série de recommandations pour assurer le succès des PME à Tanger.

OBJECTIF

Le but du questionnaire est d'obtenir des renseignements à jour sur les facteurs qui contribuent à la réussite des PME à Tanger. Cela conduira à des recommandations quant à la façon de soutenir le succès des PME dans l'économie.

INSTRUCTIONS

- Merci de remplir ce questionnaire de manière précise et objective. En l'absence d'une option qui reflète exactement votre point de vue, choisissez la réponse qui vous semble pertinente, et ajoutez tout commentaire ou explication que vous jugerez utile pour illustrer votre réponse.
- La plupart des questions peuvent être résolues simplement en cochant une case.
- Soyez assuré que toutes les réponses que vous fournissez seront traitées **EN TOUTE CONFIDENTIALITE.** Toutes les informations fournies seront utilisées aux fins de cette recherche. L'étude est menée conformément aux lignes directrices de l'association britannique des études de marché.
- Le questionnaire devrait prendre **ENVIRON 18 MINUTES** à remplir.
- Les résultats de cette recherche seront présentés dans la thèse qui sera présentée à **L'UNIVERSITE DE GLOUCESTERSHIRE**, comme l'exige le grade de doctorat.
- Si vous désirez une copie des résultats de l'étude, Veuillez remplir votre nom, votre adresse ou e-mail à la dernière page du questionnaire.
- Veuillez retournez le questionnaire rempli **AVANT LA DATE DU 15 DECEMBRE 2010.**

Poste:
Mr. Yassine Sefiani
The University of Gloucestershire
The Park, Cheltenham
GL50 2RH, UK

Email: feedbackmorocco@glos.ac.uk
Fax: (0044) 01242 714 111

N'hésitez pas à nous contacter si vous désirez avoir des informations supplémentaires.

Merci beaucoup pour votre coopération

Yassine Sefiani

RENSEIGNEMENTS SUR LE REPONDANT

Votre poste occupé dans l'entreprise:
(Veuillez cocher la case qui vous concerne)

Propriétaire[19] – actif dans la gestion des affaires –

Propriétaire – pas impliqué dans la gestion quotidienne des affaires –

Manager – pas le propriétaire –

[19] «Propriétaire» désigne toute personne qui possède ou contrôle la totalité ou une partie de l'entreprise.

SECTION 1 : REALISATIONS DE L'ENTREPRISE

Cette section vise à obtenir votre point de vue sur *le succès* de votre entreprise.

1. Comment décrivez-vous la réussite de l'entreprise?

(Pour chaque phrase, veuillez sélectionner la réponse appropriée en cochant la case appropriée sur la base du degré de concordance ci-dessous)

(TA = Tout à fait d'accord ; PA = Plutôt d'accord ; PD = Plutôt en désaccord ; TD = Tout à fait en désaccord ; PO = Pas d'opinion)

	PHRASES	TA	PA	PD	TD	PO
a	L'entreprise connaît un grand succès aujourd'hui					
b	L'entreprise a été rentable au cours de la dernière année financière					
c	Le profit a augmenté au cours des deux dernières années					
d	L'entreprise a grandi au cours des deux dernières années					
e	Le chiffre d'affaires de l'entreprise a augmenté au cours des deux dernières années					
f	L'entreprise ne connaît pas un succès					

2. Concernant la performance de votre entreprise au cours des 12 derniers mois, comment êtes-vous satisfait des réalisations suivantes de l'entreprise?

(Pour chaque réalisation, veuillez sélectionner la réponse appropriée en cochant la case appropriée sur la base de degré de satisfaisance)

(TS = Tout à fait satisfait ; PS = Plutôt satisfait ; PU = Plutôt unsatisfait ; TU = Tout à fait unsatisfait ; PO = Pas d'opinion)

	REALISATIONS	TS	PS	PU	TU	PO
a	Taille des ventes					
b	Profits réalisés					
c	Nombre d'employés					
d	Le respect des clients					
e	Part du marché					
f	Votre satisfaction personnelle					
g	Le progrès dans votre carrière					
h	Satisfaction du client					
i	Fidélisation de la clientèle					
j	Satisfaction des employés					
k	Relations avec les fournisseurs					
l	Image de l'entreprise					
m	Relations du travail					

SECTION 2 : CONTRAINTES DE SUCCESS

Cette section aborde certains des problèmes qui entravent le succès de l'entreprise.

3. Sur la base de votre expérience dans la gestion de l'entreprise jusqu'à ce jour, veuillez indiquer votre opinion sur chacune des phrases suivantes:

(Pour chaque phrase, veuillez sélectionner la réponse appropriée en cochant la case appropriée sur la base du degré de concordance ci-dessous)

(TA = Tout à fait d'accord ; PA = Plutôt d'accord ; PD = Plutôt en désaccord ; TD = Tout à fait en désaccord ; PO = Pas d'opinion)

PHRASES		TA	PD	PD	TD	PO
a	J'ai accès à l'information sur les technologies pour assister mon entreprise					
b	Le soutien du gouvernement n'est pas suffisant					
c	Le capital n'est suffisant pour maintenir et développer l'entreprise.					
d	J'ai accès aux clients					
e	J'ai accès à l'information sur les règlementations du gouvernement qui sont pertinentes pour mon entreprise					
f	Les nouvelles technologies sont réalisables					
g	J'ai accès à l'information sur le marché					
h	J'ai accès aux fournisseurs					
i	J'ai obtenu le permis d'entreprise et autres permis facilement et rapidement					
j	La technologie existante est facilement maintenable					
k	J'ai accès à l'information sur les sources de finance					
l	J'ai un réseau des affaires fiable pour gérer l'entreprise					
m	Le gouvernement ne fournit aucune assistance concrète à l'entreprise					
n	J'ai une affiliation professionnelle / association des entreprises qui soutient l'entreprise					
o	Les programmes gouvernementaux existants sur les PME sont inutiles					
p	L'entreprise peine à obtenir du crédit auprès des banques					
q	J'ai beaucoup des amis utiles qui soutiennent l'entreprise					

4. Sur la base de votre expérience dans la gestion de l'entreprise, veuillez préciser le degré de difficulté que vous avez avec les réglementations suivantes:

(Pour chaque réglementation, veuillez sélectionner la réponse appropriée en cochant la case appropriée sur la base du degré de difficulté ci-dessous)

(TF = **Très facile**; PF = **Plutôt facile ; PD = Plutôt difficile ; TD = Très difficile ; PO = Pas d'opinion)**

	REGLEMENTATIONS	TF	PF	PD	TD	PO
a	Inscription de l'entreprise					
b	Licences pour le démarrage de l'entreprise					
c	Réglementation douanière					
d	Réglementation sur l'emploi					
e	Réglementation sur la sécurité au travail					
f	Réglementation fiscale					
g	Réglementation sur l'environnement					

5. Comment évaluez-vous la qualité des services offerts à votre entreprise par les institutions suivantes?

(Pour chaque institution, veuillez sélectionner la réponse appropriée en cochant la case appropriée sur la base de degré de satisfaisance)

(TS = **Très satisfaisant ; S = Satisfaisant ; PS = Pas satisfaisant ; PTS = Pas du tout satisfaisant ;** PO = Pas d'opinion**)**

	INSTITUTIONS	TS	S	PS	PTS	PO
a	Police					
b	Chambre de Commerce					
c	Tribunaux du commerce					
d	Bureau des impôts					
e	Les fournisseurs d'éléctricité					
f	Les fournisseurs d'eau					
g	Les fournisseurs de télécommunications					

6. A votre avis, comment évaluez vous le cout des services suivants?

(*Veuillez sélectionner la réponse appropriée en cochant la case appropriée***)**

(PTC = Pas du tout cher ; PC = Pas cher ; M = Moyen ; PLC = Plutôt cher ; TC = Tout à fait cher)

	SERVICES	PTC	PC	M	PLC	TC
a	Services d'électricité					
b	Services des télécommunications					
c	Services d'eau					

7. Voici quelques problèmes qui empêchent la réussite de l'entreprise. Veuillez indiquer votre opinion à propos de la gravité des problèmes suivants:

(Pour chaque problème, veuillez sélectionner la réponse appropriée en cochant la case appropriée sur la base de la grille ci-dessous)

(TG = Tout à fait grave; PLG = Plutôt grave ; PG = Pas grave ; PTG = Pas du tout grave ; PO = Pas d'opinion)

	PROBLEMES	TG	PLG	PG	PTG	PO
a	Insuffisance du connaissance du marché					
b	Insuffisance des informations sur les opportunités du marché					
c	La concurrence dans le marché intérieur					
d	La concurrence sur le marché étranger					
e	Taux d'intérêt élevés sur les prêts bancaires					
f	Assurer des garanties pour les prêts bancaires					
g	Longue traitement de demande de prêt					
h	La concurrence imparfaite "marché noir"					
i	Les paiements supplémentaires à la corruption					
j	La contrebande de biens étrangers					

8. Comment certains modes de comportement des institutions créent des problèmes lors de l'enregistrement ou de l'obtention des documents officiels de l'entreprise?

(Veuillez sélectionner la réponse appropriée en cochant la case appropriée)

*GD = Grandes difficult***és ; MD = Moyennes Difficultés ; PD = Petites difficultés ; PDD = Pas de difficultés ; PO = Pas d'opinion**

	MODES DE COMPORTEMENT	GD	MD	PD	PDD	PO
a	Trop de files d'attente dans tous les bureaux					
b	Longue attente pour les documents à préparer et envoyer à des entreprises					
c	Nombreux documents sont nécessaires pour soumission					
d	La corruption parmi les fonctionnaires					
e	Il ne fonctionne pas sans médiation (Piston)					

SECTION 3 : FACTEURS DE SUCCES

Cette section porte sur les facteurs que certaines études dans d'autres pays ont montré leur influence sur le succès de l'entreprise.

9. Voici quelques facteurs qui peuvent contribuer au succès de l'entreprise. Veuillez indiquer l'importance de chacun des facteurs suivants:

(Pour chaque facteur, veuillez sélectionner la réponse appropriée en cochant la case appropriée sur la base du degré d'importance ci-dessous)

(*TI* = **Très important ; AI = Assez important ; PI = Pas important ; PTI = Pas du tout important ;** PO = Pas d'opinion)

	FACTEURS	PTI	PI	AI	TI	PO
a	Education de l'entrepreneur					
b	Expérience précédente					
c	Localisation de l'entreprise					
d	La forme juridique de l'entreprise					
e	La technologie					
f	Système fiscal efficace					
g	Accès aux ressources financières					
h	Soutien satisfaisant du gouvernement					
i	l'information					
j	Accès à l'infrastructure publique					
k	Bon environnement réglementaire					
l	Le relationnel					
m	Les clients					
n	Bonne compétences fonctionnelles					
o	L'avantage concurrentiel					
p	Bonne compétences de gestion					
q	Bonne aptitudes entrepreneuriales					
r	Accès aux fournisseurs					

10. Voici quelques-unes des compétences qui peuvent contribuer au succès de votre entreprise. Veuillez indiquer l'importance de chacun des compétences suivantes:

(Veuillez sélectionner la réponse appropriée en cochant la case appropriée)

(*PTI* = **Pas du tout important ; PI = Pas important ; AI = Assez important ;** *TI* = **Très important ;** PO = Pas d'opinion)

	PHRASES	PTI	PI	AI	TI	PO
a	Planifier les opérations de l'entreprise					
b	Identifier les produits / services que les clients veulent					
c	Posséder l'expertise technique ou fonctionnelle					
d	Analyser l'environnement pour rechercher les opportunités					
e	Organiser les ressources					
f	Utiliser des techniques spécifiques et outils pertinents pour l'entreprise					
g	Créer un climat de travail positif					

11. En tant que propriétaire / manager, dans quelle mesure vous croyez que les phrases suivantes sont importantes pour assurer le succès et la croissance de votre entreprise?

(Veuillez sélectionner la réponse appropriée en cochant la case appropriée)

(*PTI* = **Pas du tout important ; PI = Pas important ; AI = Assez important ;** *TI* = **Très important ;** PO = Pas d'opinion)

	PHRASES	PTI	PI	AI	TI	PO
a	L'expérimentation de nouvelles façons pour diriger l'entrepris, lorsque une façon de diriger l'entreprise ne réussit pas.					
b	Travailler dur.					
c	Accomplir beaucoup de choses au travail					
d	Assez élevées exigences dans le travail					
e	Prévoir trop loin car beaucoup de choses se révèlent d'être une question de bonne ou mauvaise fortune.					
f	L'ouverture de nouvelles directions par l'initiation de nouvelles idées					
g	Prendre le risque de diriger une nouvelle entreprise.					
h	L'excitation de créer quelque chose de nouveau dont la réussite dépend de moi.					

SECTION 4 : INFORMATIONS DEMOGRAPHIQUES

Voici quelques questions pour obtenir des informations démographiques de l'entrepreneur.

12. Votre âge?

☐ 18-24 ☐ 25-45 ☐ > 45

13. Votre sexe?

☐ Masculin ☐ Féminin

14. Votre niveau d'éducation ?

☐ Aucun niveau ☐ Niveau primaire ☐ Niveau secondaire inférieur
☐ Niveau secondaire supérieur ☐ Diplôme ☐ Licence ☐ Master ☐ Doctorat

15. Avez-vous une expérience précédente dans le travail ?

☐ Oui ☐ Non

15a. Si oui, pour combien de temps avez-vous travaillé avant de commencer votre entreprise?

☐ < 2 ans ☐ 2-5 ans ☐ 6-10 ans ☐ 11-20 ans ☐ > 20 ans

16. Est-ce que votre expérience de travail a été pertinente à votre activité actuelle?

☐ Oui ☐ Non

17. Est-ce que un de vos parents ou les deux ont été propriétaires d'une entreprise?

☐ Oui ☐ Non

18. Quel est le niveau d'éducation de votre père?

☐ Aucun niveau ☐ Niveau primaire ☐ Niveau secondaire inférieur
☐ Niveau secondaire supérieur ☐ Diplôme ☐ Licence ☐ Master ☐ Doctorat

19. Quel est le niveau d'éducation de votre mère?

☐ Aucun niveau ☐ Niveau primaire ☐ Niveau secondaire inférieur
☐ Niveau secondaire supérieur ☐ Diplôme ☐ Licence ☐ Master ☐ Doctorat

SECTION 5: INFORMATIONS SUR L'ENTREPRISE

Enfin, quelques questions sur votre entreprise actuelle.

20. Quel est le statut juridique de l'entreprise?

☐ Personne Physique ☐ Société à Responsabilité Limitée (SARL) ☐ Société Anonyme (SA) ☐ Autres (SVP précisez) :

21. Quel est le type d'activité de l'entreprise?

☐ Industries chimiques ☐ Industries éléctriques & éléctroniques ☐ Industries agro-alimentaires ☐ Industries métalliques & mécaniques ☐ Industries textiles & cuir ☐ Autres (SVP précisez) :

22. Quel est le lieu de localisation de l'entreprise ?

☐ Zone industrielle ☐ Nouvelle Medina ☐ Ancienne Medina ☐ Quartier Périphérique ☐ Complexe artisanal ☐ Milieu rural ☐ Quartier de luxe ☐ Autres (SVP précisez) :

23. Comment pouvez-vous décrire l'entreprise ?

☐ Totalement familiale ☐ Partiellement familiale ☐ Propriété Privée

24. Depuis combien de temps l'entreprise est en opération?

☐ 1-2 ans ☐ 3-5 ans ☐ > 5 ans

25. Combien de personnes l'entreprise emploie?

☐ 10-50 ☐ 51-100 ☐ 101-200 ☐ Autres (SVP précisez) :

26. Quel est le chiffre d'affaires annuel de l'entreprise (en DH)?

☐ 0 – 500.000 ☐ 500.001 – 1.000.000 ☐ 1.000.001 – 75.000.000 ☐ > 75.000.000

SUGGESTIONS ET COMMENTAIRES:

Veuillez taper vos suggestions ou commentaires que vous souhaitez ajouter sur les sujets qui ont été abordés dans ce questionnaire ou de tout autres sujets reliés à la réussite de petites et moyennes entreprises.

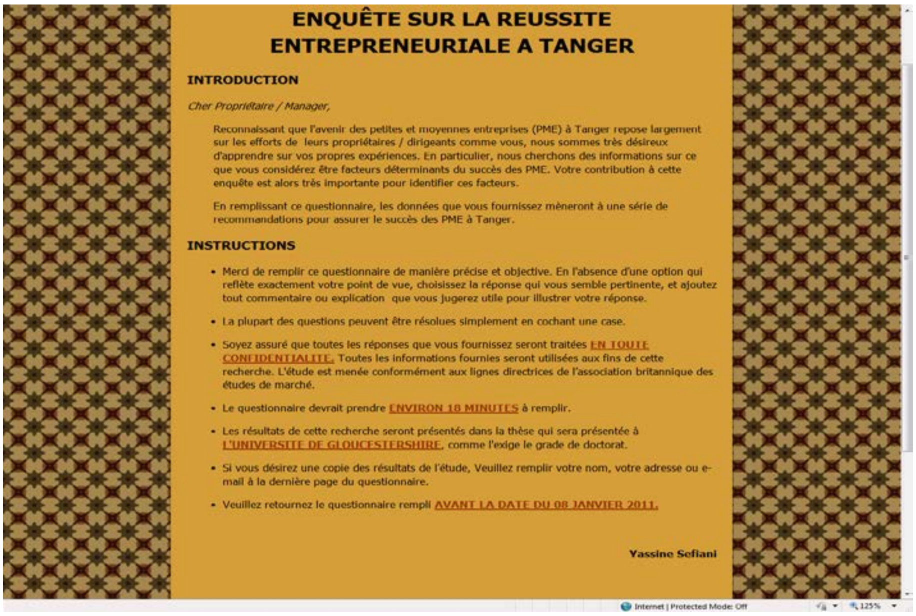
APPENDIX B.5: Interview guide

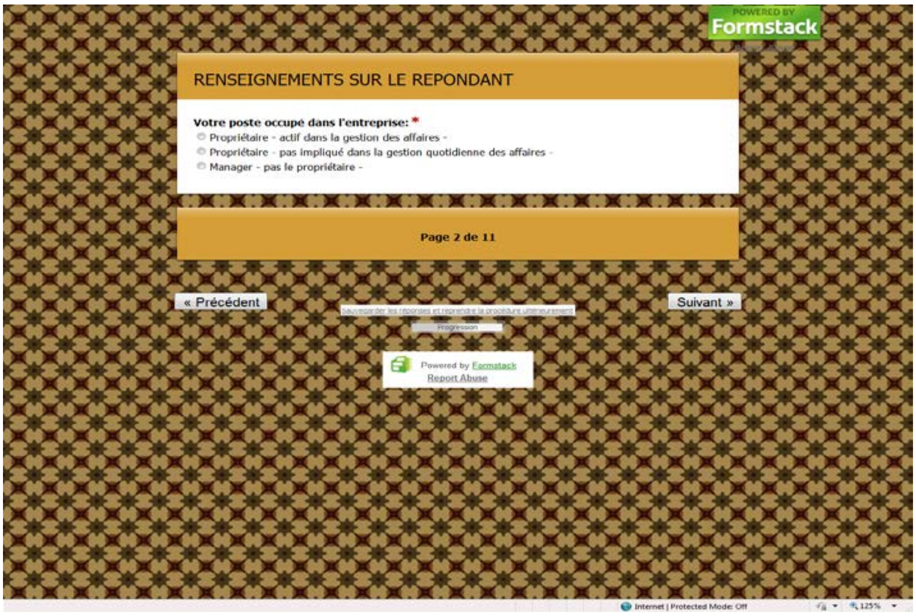
Introduction of interviewer

Hello, my name is ______________________________. Following the results of the quantitative study, I would like to ____________________. During the interview, I would like to discuss the different external factors: economic factors, technological factors, socio-cultural factors, political-legal factors and micro-environment factors. With these topics in mind…

Main questions	Clarifying questions
▪ What could you say about the importance of financial resources in the success of businesses? ▪ What could you say about the importance of Taxation in the success of businesses? ▪ What could you say about the importance of government support in the success of businesses? ▪ What could you say about the importance of regulatory environment in the success of businesses? ▪ What could you say about the importance of technology & information in the success of businesses? ▪ What could you say about the importance of infrastructure in the success of businesses? ▪ What could you say about the importance of networking in the success of businesses? ▪ What could you say about the importance of customers in the success of businesses? ▪ What could you say about the importance of suppliers in the success of businesses? ▪ What could you say about the importance of competition in the success of businesses? ▪ What advice would you give to someone who wants to start his or her own business?	▪ Could you expand a little on this? ▪ Could you tell me anything else? ▪ Could you give me some examples?

APPENDIX B.6: Screen shots for the French survey website





APPENDIX B.7: Screen shots for the Arabic survey website

APPENDIX B.8: First reminder

Dear participant,

We recently sent you an email with a questionnaire on the factors that affect the success of small and medium enterprises (SMEs). We did explain in the email that you were included in a sample of enterprises that are to take part in the research project about the success of SMEs. We hope that the email and questionnaire have reached you by now.

This email is just a reminder that the closing date of the survey has been extended to **08th January 2011**. The questionnaire was designed in **ARABIC** and **FRENCH**. Please check the following two sites and complete the questionnaire in the language you are most comfortable with:

http://www.formstack.com/forms/questionnaire-arabic

http://www.formstack.com/forms/questionnaire-french

Your views are important to the success of SMEs in Tangier. The questionnaire is simple to complete and should take **only 15 minutes** of your time. Be assured that all the answers you provide **will be treated confidentially**.

We thank you very much for your help and support.

Best regards,

Yassine Sefiani

APPENDIX B.9: Second reminder

Dear participant,

We have recently sent you an email with a questionnaire on the factors that affect the success of small and medium enterprises (SMEs) in Tangier.

To date, we have received some responses. However, they are not yet sufficient. To increase the response rate, the closing date of the survey has been extended to **January 22nd 2011**. The questionnaire is designed in **ARABIC** and **FRENCH**. Please check the following two sites and complete the questionnaire in the language you are most comfortable with:

http://www.formstack.com/forms/questionnaire-french

http://www.formstack.com/forms/questionnaire-arabic

Your views are important to the success and growth of SMEs in Tangier. The questionnaire is simple to complete and should take **only 15 minutes** of your time. Be assured that all the answers you provide **will be treated confidentially**.

We thank you very much for your help and support.

Best regards,

Yassine Sefiani

APPENDIX B.10: Third reminder

Dear participant,

We have recently sent you an email with a questionnaire on the factors that affect the success of small and medium enterprises (SMEs) in Tangier.

We understand that the questionnaire was sent at a time when companies are busy doing their inventories. Therefore, we have received only few responses so far which are not yet sufficient. To increase the response rate, the closing date of the survey has been extended to **February 12th, 2011**. The questionnaire is designed in **ARABIC** and **FRENCH**. Please check the following two sites and complete the questionnaire in the language you are most comfortable with:

http://www.formstack.com/forms/questionnaire-french

http://www.formstack.com/forms/questionnaire-arabic

Your views are important to the success of SMEs in Tangier. The questionnaire is simple to complete and should take **only 15 minutes** of your time. Be assured that all the answers you provide **will be treated confidentially**.

We thank you very much for your help and support.

Best Regards,

Yassine Sefiani

APPENDIX B.11: Standard interview form

Demographic information

What is your age?

What is your gender?

What is your education level?

Business information

What is the legal status of the business?

What is the type of the activity of the business:

Where is the business located?

How long has the business been in operation?

How many staff does the business employ?

APPENDIX B.12: Questionnaire coding

		Values = Value Labels			Values = Value Labels
MSubmission	1	In person	RespType	1	Early respondents
	2	Online		2	Late respondents
PRespondent	1	Owner -active in business management-	Q1a.BVST	1	Strongly Disagree
	2	Owner -not involved in day-to-day management-		2	Disagree
	3	Manager -not the owner-		3	Agree
Q1b.BPFY	1	Strongly Disagree		4	Strongly Agree
	2	Disagree	Q1d.BGTY	1	Strongly Agree
	3	Agree		2	Agree
	4	Strongly Agree		3	Disagree
Q1c.PITY	1	Strongly Disagree		4	Strongly Disagree
	2	Disagree	Q1f.BINS	1	Strongly Agree
	3	Agree		2	Agree
	4	Strongly Agree		3	Disagree
Q1e.SITY	1	Strongly Disagree		4	Strongly Disagree
	2	Disagree	Q2b.AGP	1	Very Unpleased
	3	Agree		2	Unpleased
	4	Strongly Agree		3	Pleased
Q2a.ASOS	1	Very Unpleased		4	Very Pleased
	2	Unpleased	Q2d.ARFC	1	Very Unpleased
	3	Pleased		2	Unpleased
	4	Very Pleased		3	Pleased
Q2c.ANOE	1	Very Unpleased		4	Very Pleased
	2	Unpleased	Q2f.APS	1	Very Unpleased
	3	Pleased		2	Unpleased
	4	Very Pleased		3	Pleased
Q2e.ASOM	1	Very Pleased		4	Very Pleased
	2	Pleased	Q2h.ACS	1	Very Unpleased
	3	Unpleased		2	Unpleased
	4	Very Unpleased		3	Pleased
Q2g.ACP	1	Very Unpleased		4	Very Pleased
	2	Unpleased	Q2j.AES	1	Very Unpleased
	3	Pleased		2	Unpleased
	4	Very Pleased		3	Pleased
Q2i.ACR	1	Very Pleased		4	Very Pleased
	2	Pleased	Q2l.ABI	1	Very Unpleased
	3	Unpleased		2	Unpleased
	4	Very Unpleased		3	Pleased

		Values = Value Labels			Values = Value Labels
Q2k.ARWS	1	Very Unpleased		4	Very Pleased
	2	Unpleased	Q3a.AIT	1	Strongly Disagree
	3	Pleased		2	Disagree
	4	Very Pleased		3	No Opinion
Q2m.AWIR	1	Very Unpleased		4	Agree
	2	Unpleased		5	Strongly Agree
	3	Pleased	Q3c.CSB	1	Strongly Disagree
	4	Very Pleased		2	Disagree
Q3b.SGS	1	Strongly Disagree		3	No Opinion
	2	Disagree		4	Agree
	3	No Opinion		5	Strongly Agree
	4	Agree	Q3e.AIR	1	Strongly Disagree
	5	Strongly Agree		2	Disagree
Q3d.ATC	1	Strongly Disagree		3	No Opinion
	2	Disagree		4	Agree
	3	No Opinion		5	Strongly Agree
	4	Agree	Q3g.AIM	1	Strongly Disagree
	5	Strongly Agree		2	Disagree
Q3f.TIA	1	Strongly Disagree		3	No Opinion
	2	Disagree		4	Agree
	3	No Opinion		5	Strongly Agree
	4	Agree	Q3i.BPE	1	Strongly Agree
	5	Strongly Agree		2	Agree
Q3h.TSI	1	Strongly Disagree		3	No Opinion
	2	Disagree		4	Disagree
	3	No Opinion		5	Strongly Disagree
	4	Agree	Q3k.AIC	1	Strongly Disagree
	5	Strongly Agree		2	Disagree
Q3j.ETM	1	Strongly Disagree		3	No Opinion
	2	Disagree		4	Agree
	3	No Opinion		5	Strongly Agree
	4	Agree	Q3m.GAC	1	Strongly Disagree
	5	Strongly Agree		2	Disagree
Q3l.TSP	1	Strongly Disagree		3	No Opinion
	2	Disagree		4	Agree
	3	No Opinion		5	Strongly Agree
	4	Agree	Q3o.GPH	1	Strongly Disagree
	5	Strongly Agree		2	Disagree
Q3n.PAB	1	Strongly Disagree		3	No Opinion
	2	Disagree		4	Agree
	3	No Opinion		5	Strongly Agree
	4	Agree	Q3q.FSB	1	Strongly Disagree
	5	Strongly Agree		2	Disagree

		Values = Value Labels			Values = Value Labels
Q3p.SBC	1	Strongly Disagree		3	No Opinion
	2	Disagree		4	Agree
	3	No Opinion		5	Strongly Agree
	4	Agree	Q4b.LSB	1	Very Easy
	5	Strongly Agree		2	Easy
Q4a.FR	1	Very Easy		3	No Opinion
	2	Easy		4	Difficult
	3	No Opinion		5	Very Difficult
	4	Difficult	Q4d.ER	1	Very Easy
	5	Very Difficult		2	Easy
Q4c.CR	1	Very Easy		3	No Opinion
	2	Easy		4	Difficult
	3	No Opinion		5	Very Difficult
	4	Difficult	Q4f.TR	1	Very Easy
	5	Very Difficult		2	Easy
Q4e.HSR	1	Very Easy		3	No Opinion
	2	Easy		4	Difficult
	3	No Opinion		5	Very Difficult
	4	Difficult	Q5a.PS	1	Very Satisfactory
	5	Very Difficult		2	Satisfactory
Q4g.ER	1	Very Easy		3	No Opinion
	2	Easy		4	Not Satisfactory
	3	No Opinion		5	Not Very Satisfactory
	4	Difficult	Q5c.CFB	1	Very Satisfactory
	5	Very Difficult		2	Satisfactory
Q5b.CCI	1	Very Satisfactory		3	No Opinion
	2	Satisfactory		4	Not Satisfactory
	3	No Opinion		5	Not Very Satisfactory
	4	Not Satisfactory	Q5e.ES	1	Not Very Satisfactory
	5	Not Very Satisfactory		2	Not Satisfactory
Q5d.TO	1	Very Satisfactory		3	No Opinion
	2	Satisfactory		4	Satisfactory
	3	No Opinion		5	Very Satisfactory
	4	Not Satisfactory	Q5g.TSP	1	Not Very Satisfactory
	5	Not Very Satisfactory		2	Not Satisfactory
Q5f.WS	1	Not Very Satisfactory		3	No Opinion
	2	Not Satisfactory		4	Satisfactory
	3	No Opinion		5	Very Satisfactory
	4	Satisfactory	Q6b.CTS	1	Very low
	5	Very Satisfactory		2	Low

		Values = Value Labels			Values = Value Labels
	1	Very low		3	Medium
	2	Low		4	High
Q6a.CES	3	Medium		5	Very high
	4	High		1	Not Very Challenging
	5	Very high		2	Not Challenging
	1	Very low	Q7a.LMK	3	No Opinion
	2	Low		4	Challenging
Q6c.CWS	3	Medium		5	Very Challenging
	4	High		1	Not Very Challenging
	5	Very high		2	Not Challenging
	1	Not Very Challenging	Q7c.CDM	3	No Opinion
	2	Not Challenging		4	Challenging
Q7b.LIO	3	No Opinion		5	Very Challenging
	4	Challenging		1	Not Very Challenging
	5	Very Challenging		2	Not Challenging
	1	Not Very Challenging	Q7e.HIR	3	No Opinion
	2	Not Challenging		4	Challenging
Q7d.CFM	3	No Opinion		5	Very Challenging
	4	Challenging		1	Not Very Challenging
	5	Very Challenging		2	Not Challenging
	1	Not Very Challenging	Q7g.LPA	3	No Opinion
	2	Not Challenging		4	Challenging
Q7f.GBL	3	No Opinion		5	Very Challenging
	4	Challenging		1	Not Very Challenging
	5	Very Challenging		2	Not Challenging
	1	Not Very Challenging	Q7i.APC	3	No Opinion
	2	Not Challenging		4	Challenging
Q7h.BM	3	No Opinion		5	Very Challenging
	4	Challenging		1	No Difficulties
	5	Very Challenging		2	Small Difficulties
	1	Not Very Challenging	Q8a.TMQ	3	No Opinion
	2	Not Challenging		4	Medium Difficulties
Q7j.SFG	3	No Opinion		5	Great Difficulties
	4	Challenging		1	No Difficulties
	5	Very Challenging		2	Small Difficulties
	1	No Difficulties	Q8c.MDS	3	No Opinion
	2	Small Difficulties		4	Medium Difficulties
Q8b.LWD	3	No Opinion		5	Great Difficulties
	4	Medium Difficulties	Q8e.DWS	1	No Difficulties
	5	Great Difficulties		2	Small Difficulties

		Values = Value Labels			Values = Value Labels
Q8d.CBO	1	No Difficulties		3	No Opinion
	2	Small Difficulties		4	Medium Difficulties
	3	No Opinion		5	Great Difficulties
	4	Medium Difficulties	Q9b.PE	1	Not Very Important
	5	Great Difficulties		2	Not Important
Q9a.EE	1	Not Very Important		3	No Opinion
	2	Not Important		4	Important
	3	No Opinion		5	Very Important
	4	Important	Q9d.SB	1	Not Very Important
	5	Very Important		2	Not Important
Q9c.LB	1	Not Very Important		3	No Opinion
	2	Not Important		4	Important
	3	No Opinion		5	Very Important
	4	Important	Q9f.ETS	1	Not Very Important
	5	Very Important		2	Not Important
Q9e.ATT	1	Not Very Important		3	No Opinion
	2	Not Important		4	Important
	3	No Opinion		5	Very Important
	4	Important	Q9h.SGS	1	Not Very Important
	5	Very Important		2	Not Important
Q9g.ATF	1	Not Very Important		3	No Opinion
	2	Not Important		4	Important
	3	No Opinion		5	Very Important
	4	Important	Q9j.API	1	Not Very Important
	5	Very Important		2	Not Important
Q9i.AI	1	Not Very Important		3	No Opinion
	2	Not Important		4	Important
	3	No Opinion		5	Very Important
	4	Important	Q9l.SFF	1	Not Very Important
	5	Very Important		2	Not Important
Q9k.ETS	1	Not Very Important		3	No Opinion
	2	Not Important		4	Important
	3	No Opinion		5	Very Important
	4	Important	Q9n.GFS	1	Not Very Important
	5	Very Important		2	Not Important
Q9m.GCS	1	Not Very Important		3	No Opinion
	2	Not Important		4	Important
	3	No Opinion		5	Very Important
	4	Important	Q9p.GMS	1	Not Very Important
	5	Very Important		2	Not Important

		Values = Value Labels			Values = Value Labels
Q9o.CA	1	Not Very Important		3	No Opinion
	2	Not Important		4	Important
	3	No Opinion		5	Very Important
	4	Important	Q9r.AC	1	Not Very Important
	5	Very Important		2	Not Important
Q9q.GES	1	Not Very Important		3	No Opinion
	2	Not Important		4	Important
	3	No Opinion		5	Very Important
	4	Important	Q10b.IPS	1	Not Very Important
	5	Very Important		2	Not Important
Q10a.PEO	1	Not Very Important		3	No Opinion
	2	Not Important		4	Important
	3	No Opinion		5	Very Important
	4	Important	Q10d.SEO	1	Not Very Important
	5	Very Important		2	Not Important
Q10c.TFE	1	Not Very Important		3	No Opinion
	2	Not Important		4	Important
	3	No Opinion		5	Very Important
	4	Important	Q10f.UTE	1	Not Very Important
	5	Very Important		2	Not Important
Q10e.OR	1	Not Very Important		3	No Opinion
	2	Not Important		4	Important
	3	No Opinion		5	Very Important
	4	Important	Q11a.END	1	Not Very Important
	5	Very Important		2	Not Important
Q10g.PCW	1	Not Very Important		3	No Opinion
	2	Not Important		4	Important
	3	No Opinion		5	Very Important
	4	Important	Q11c.WLJ	1	Not Very Important
	5	Very Important		2	Not Important
Q11b.LWH	1	Not Very Important		3	No Opinion
	2	Not Important		4	Important
	3	No Opinion		5	Very Important
	4	Important	Q11e.WPF	1	Not Very Important
	5	Very Important		2	Not Important
Q11d.DHW	1	Not Very Important		3	No Opinion
	2	Not Important		4	Important
	3	No Opinion		5	Very Important
	4	Important	Q11g.TRB	1	Not Very Important
	5	Very Important		2	Not Important

		Values = Value Labels			Values = Value Labels
Q11f.INI	1	Not Very Important		3	No Opinion
	2	Not Important		4	Important
	3	No Opinion		5	Very Important
	4	Important	Q12.AE	1	18-24
	5	Very Important		2	25-45
Q11h.CSN	1	Not Very Important		3	>45
	2	Not Important	Q14.EE	0	None
	3	No Opinion		1	Primary Level
	4	Important		2	Lower Secondary Level
	5	Very Important		3	Upper Secondary Level
Q13.GE	1	Male		4	Diploma
	2	Female		5	Bachelor Degree
Q15.PEE	0	No		6	Master Degree
	1	Yes		7	Doctorate
Q16.ERA	0	No	Q15a.YEE	1	<2 years
	1	Yes		2	2-5 years
Q18.EOF	0	None		3	6-10 years
	1	Primary Level		4	11-20 years
	2	Lower Secondary Level		5	>20 years
	3	Upper Secondary Level	Q17.POE	0	No
	4	Diploma		1	Yes
	5	Bachelor Degree	Q19.EOM	0	None
	6	Master Degree		1	Primary Level
	7	Doctorate		2	Lower Secondary Level
Q20.LSB	1	Sole Trader		3	Upper Secondary Level
	2	Private Limited Company		4	Diploma
	3	Public Limited Company		5	Bachelor Degree
	4	Other		6	Master Degree
Q22.LOB	1	Industrial Zone		7	Doctorate
	2	New Medina	Q21.TAB	1	Chemical Industry
	3	Old Medina		2	Electrical & Electronic Industry
	4	Suburb		3	Food Processing Industry
	5	Crafts Complex		4	Metal & Engineering Industry
	6	Rural Area		5	Textile & Leather Industry
	7	Luxury District		6	Other
	8	Other	Q23.DB	1	Wholly family owned
Q24.AB	1	1-2 years		2	Partly family owned
	2	3-5 years		3	Privately owned
	3	>5 years	Q25.SBE	1	0-3
Q26.ATB	1	0-500.000		2	10-Apr
	2	500.001-1.000.000		3	Nov-50
	3	1.000.001-75.000.000		4	51-100
	4	> 75.000.000		5	101-250

APPENDIX B.13: A sample of a conducted interview – French –

Intervieweur	Bonjour, je m'appelle Yassine Sefiani. Suite aux résultats de l'enquête quantitative menée en Décembre 2010 et Janvier 2011, je voudrais procéder à un entretien afin de mieux comprendre en profondeur l'importance des facteurs critiques de succès dans la ville de Tanger. Pendant l'entretien, je tiens à discuter des différents facteurs externes: facteurs économiques, facteurs technologiques, facteurs socio-culturels, les facteurs politico-juridiques, et les facteurs concernant le micro-environnement. Avec ces sujets dans l'esprit, je vous serais très reconnaissant si je peux prendre un peu de votre temps pour en apprendre davantage sur vos histoires.
Interviewé	Avec plaisir monsieur Sefiani.
Intervieweur	Pourriez-vous me parler de la réussite de votre entreprise?
Interviewé	Notre société est basée sur trois piliers principaux en termes de clé de réussite. Tout d'abord, c'est notre réseau relationnel avec les clients et les fournisseurs, que ce soit national ou international. Le deuxième pilier est la recherche et le développement et le troisième pilier de notre succès, c'est le personnel.
Intervieweur	Qu'entendez-vous par le réseau relationnel avec les clients?
Interviewé	Je veux dire les relations avec les clients.
Intervieweur	Pourriez-vous développer davantage sur ce sujet s'il vous plaît?
Interviewé	Oui. Notre entreprise opère dans un environnement qui est caractérisé par une concurrence féroce et acharnée. Nous ne sommes pas la seule entreprise qui produit des plaquettes de frein au Maroc. Ainsi, notre succès en affaires dépend vraiment de nos relations avec les clients. C'est pourquoi l'une des principales stratégies est la fidélisation des clients.
Intervieweur	Alors, comment voyez-vous l'importance de la clientèle dans la ville de Tanger ?
Interviewé	Comme vous le savez, les investissements à Tanger bénéficient de plusieurs mesures d'encouragement de l'investissement. Ok. Ainsi, nous ne sommes pas la seule entreprise à produire des plaquettes de frein à Tanger. Il ya trois autres concurrents, dont deux sont situés dans la même zone industrielle où nous nous trouvons (zone industrielle de Mghogha), et un autre situé dans la zone franche de Tanger. Par conséquent, il ya une concurrence féroce et acharnée. C'est pourquoi j'ai vraiment insisté sur la fidélisation des clients. Quant à Casablanca, les entreprises produisent des plaquettes de frein pour le marché local. Cependant, pour notre société, car nous avons eu des difficultés à acquérir les segments sur le marché local, nous essayons vraiment d'exporter nos produits et ici je dois mentionner que parce que la structure de la société est de deux partenaires, un Marocain et un étranger, notre société principalement profite du réseau relationnel de notre associé étranger pour pouvoir acquérir de nouveaux marchés à l'étranger.
Intervieweur	Et qu'est ce que vous pouvez dire à propos des relations avec les fournisseurs?

Interviewé	je peux vous avouer qu'aujourd'hui nous avons un partenariat gagnant gagnant surtout au niveau avec nos fournisseurs parce que aujourd'hui le fournisseur est impliqué dans le processus de fabrication surtout au niveau acquisition de la matière première. Donc, nous avons développé ce qu'on appelle un système d'échange des données informatisées pour pouvoir gérer les commandes automatiquement Nous avons aussi monté avec nos fournisseurs un partenariat pour pouvoir baisser d'une année à une autre les prix de la matière première, c'est-à-dire une production sur l'amélioration de processus de fabrication pour faire baisser le coût d'acquisition. Pour pouvoir développer dans ce sens le partenariat, nous améliorons sans cesse d'une manière continue nos relations avec les fournisseurs pour pouvoir supprimer tous ce qui est facteur sans valeur ajoutée pour la productivité.
Intervieweur	Pourriez-vous me parler de deuxième pilier de votre réussite qui est la recherche et développement?
Interviewé	Oui. Le deuxième pilier de notre succès est la recherche et le développement. Nous, on a développé un département ou bien une cellule dans le département technique qui se charge de la recherche et développement mais ce n'est pas vraiment de la recherche et développement parce que nous ce qu'on fait on se contente vraiment d'imiter les formules qui ont été déjà élaborées par les sociétés japonaises. Donc, et la vraiment nous avons des relations très étroites avec les fournisseurs à l'étranger surtout au Japon et le directeur technique fait d'effort bien assez souvent pour qu'il voit comment ils procèdent. Donc, il prend les formules et nous ce qu'on fait c'est vraiment on copie les formules. Donc, ce n'est pas vraiment de la recherche et développement mais vraiment cette cellule essaie d'appliquer dans les meilleures conditions possibles les formules qui sont déjà testées, déjà élaborées par les entreprises japonaises. Et pourquoi on fait ça ? Parce que comme vous savez dans un marché qui est très concurrent, il faut jouer sur les prix donc nous on s'inspire de la théorie des japonais pour qu'on puisse produire avec le prix le plus bas possible et justement pour qu'on puisse fidéliser notre clientèle avec un prix qui est bas.
Intervieweur	Cela pourrait avoir un impact sur la qualité ? N'est-ce pas ?
Interviewé	Oui, comme vous savez ça c'est un dilemme. La question de qualité et la question de prix, ça c'est vraiment un dilemme, donc nous on essaye d'avoir le rapport prix qualité le plus optimal possible
Intervieweur	Qu'est-ce que vous pouvez dire concernant le troisième pilier ?
Interviewé	Oui, le troisième pilier c'est le personnel. c'est notre personnel.
Intervieweur	Pourriez-vous développer un peu sur ce pilier?
Interviewé	La population tangéroise est un peu paresseuse. Les jeunes ne veulent pas travailler dans une usine 10 h ou 8h rien que pour avoir un taux horaire de 11.7 DH/H, ils préfèrent que leurs parents leur donnent de l'argent sans vraiment faire le travail. Notre activité est un peu technique et donc nous avons besoin de personnel compétent. Nous avons besoin des gens sérieux particulièrement dans notre domaine de la production de plaquettes de freins, dont nous utilisons des matériaux délicats. Ainsi, nous avons vraiment besoin d'un personnel qui est très compétent ainsi que conscient du risque et la sécurité lorsqu'ils travaillent avec ces matériaux. Nous ne voulons pas personnel incompétent ni les accidents du travail. C'est pourquoi nous essayons tous de notre mieux pour motiver et fidéliser notre personnel compétent.
Intervieweur	Pourriez-vous me dire qu'est ce que vous faites pour améliorer les compétences de votre personnel ?
Interviewé	Déjà La majorité de notre personnel est en dehors de la population tangéroise
Intervieweur	Comment ça ?

Interviewé	Quand nous avons commencé notre entreprise, nous avons voulu vraiment développer la région nord du Maroc. Ainsi, nous avons fait appel à des jeunes tangérois mais malheureusement ça na pas très vraiment réussi. Après quelques mois, ils ont commencé à exiger des salaires plus élevés alors qu'ils étaient encore dans la période d'essai. Ce n'était pas acceptable. Si nous avions été satisfaits de leur travail, nous aurions pu satisfaire leurs demandes, mais malheureusement, ce n'était pas tous le cas. Ils ne respectaient pas les horaires de travail. Le transport venait et partait leur chercher de leur foyer à 8h. Eux, ils sortent de leur maison à 8h 10. 10 min par personne, ça fait du cumul. Donc, nous, on est ponctuel, la chaîne doit commencer à 8h, donc c'est à 8h, parce qu'on est tenu par des délais et si on ne respecte pas les délais donc des pénalités. Pour cette raison, on a changé notre stratégie. Donc, on est passé à des jeunes qui ne sont pas tangérois, surtout des gens de Casa, de Rabat. Cela a vraiment donné du résultat parce que surtout avec notre métier on fait appel surtout à des hommes. Les femmes c'est très risqué. Je dois mentionner ici que les femmes de Tanger travaillent dur et donnent de résultat. Les femmes sont différentes des hommes. Les hommes sont exigeants, ils ne font pas vraiment un bon travail, ne sont pas sérieux alors que les femmes tangéroises non. Ici sur Tanger, on a une très mauvaise culture qui malheureusement n'existe pas, enfin qui heureusement n'existe pas dans les autres villes. Ce que la, on a une culture qui règne ce que les hommes ne veulent pas travailler et ce sont les femmes qui travaillent. Ce sont les femmes qui sont vraiment les responsables de la famille. On dit un bon père de famille, la c'est vraiment une bonne mère de famille qui est sur Tanger. Donc, justement pour vraiment fidéliser cette population qui n'est pas tangéroise parce qu'une personne étrangère de la ville a de loyer, de dépenses, etc. Donc, nous on leur motive par les salaires, on leur motive par des primes de responsabilité, de rendement. On les motive également par les formations, donc on a le directeur technique qui part au Japon pour voir la recherche et le développement donc lorsqu'il vient sur Tanger donc il essaie de former le personnel à ces nouvelles technologies, à ces nouvelles procédures de travail. Et là, c'est déjà une très bonne motivation pour le personnel. A chaque fois, il a la possibilité de voir une chose différente.
Intervieweur	Que pourriez-vous dire sur l'importance de la fiscalité dans le succès des entreprises à Tanger?

Interviewé	Oui, oui effectivement comme bon je vais vous expliquer Tanger a plusieurs régimes fiscaux. On n'a pas un seul régime pour Tanger donc Tanger est devisée en trois parties : la ville de Tanger, les zone franches et les zones industrielles et surtout pour les entreprise qui font de l'export. d'accord ? Pour les entreprises qui sont dans la zone industrielle et qui font de l'export, donc avant c'était quoi le régime fiscal ? C'est que Tanger bénéficiait des mesures d'encouragement des investissements et bénéficiait de 5 ans de 50% de l'impôt mais en 2008, on a plus cet avantage. Je m'explique en 2008, ils ont abroge le dahir de Hassan 2 de l'année 1963 qui a donné cette 50% aux entreprises de Tanger. Ils ont introduit le taux réduit de 17.5. Donc vraisemblablement ça n'a rien a changé alors que implicitement, ils ont fait passer an alourdissement de l'impôt. Je m'explique. Avant c'était 35%, avec 50% c'est 17.5%. Avec la loi de finance de 2008, ils ont introduit le taux réduit de 17.5%. alors vraisemblablement, ça n'a rien change. Mais là, coté cotisation minimale, ça changeait parce que la cotisation minimale était 0.5% avec les 50% c'était 0,025 alors que lorsque ils ont introduit le taux réduit, ils ont parlé uniquement du 17.5, ils n'ont pas parlé de la cotisation minimale. Donc le coût sur Tanger, ils ont alourdi la charge fiscale avec la CM, et je reviens sur le cas de notre entreprise, c'est que nous les trois dernières années, on a dû payer vraiment la CM parce que on s'est lancé dans ces mesures de l'investissement donc la CM le coût a changé. Autre chose, c'est que la loi finance 2008, ils ont dit qu'à partir de 2011, il y' aura une augmentation de 2.5% de l'impôt pour que à la fin de l'année 2015, la ville de Tanger sera comme les autres villes de royaume. Donc, et pour les investisseurs qui font l'export c'est à dire qui vendent en dehors du territoire national, qu'est ce qu'ils ont fait parce que nous avant c'était 8.75% avant nous ce qu'on paie c'est 8.75% on était presque dans le même pied que la zone franche pourquoi Tanger en principe le taux c'est 35% divisé par 2 c'est 17.5% et nous lorsque 'on faisait de l'export c'est également moins 50%. Donc 17.5% divisé par 50% ça fait 8.75% et la zone franche c'est 8.75%. Donc avant on était la même chose. Il n'y avait de différence entre la zone industrielle de Mghogha et la zone franche mais après la loi de finance 2008 il y a une différence. C'est quoi cette différence ? donc ils ont donné 3 ans pour les entreprises industrielles pour bénéficier de 8.75 2008, 2009 et 2010
Intervieweur	Est-ce que ça c'est seulement pour les entreprises qui existent dans les zones industrielles?
Interviewé	Oui, oui, il est donc de 17,5%.
Intervieweur	Et les entreprises situées dans la zone franche ?
Interviewé	La zone franche est 8.75%. Donc, vraiment là c'est un encouragement pour les sociétés qui sont dans les zones franches. Pour nous, malheureusement, c'est comme si le gouvernement est en train de nous dire : vous avez 3 ans pour préparer votre valise pour partir. Lorsqu'on dit augmentation de la charge fiscale, automatiquement on parle de l'augmentation des prix et maintenant, malheureusement, la Tunisie et les pays d'Asie sont en train de créer vraiment des plateformes industrielles avec des taux d'encouragement fiscales très, très encourageant.
Intervieweur	Alors, voulez-vous dire que la fiscalité constitue une contrainte pour votre succès?

Interviewé	Oui, malheureusement. En effet, la majorité des entreprises ont été installés à Tanger à la suite de cette incitation fiscale de moins 50%. C'est la raison principale pour laquelle les entreprises viennent ici sur Tanger sachant que l'infrastructure de Tanger n'est pas très, très bonne en comparaison avec d'autres villes du royaume, pour Casa par exemple, à Rabat. Si ça n'est pas été cette question fiscale, on aurait dû par exemple investir sur Casa et non pas sur Tanger. Actuellement, on est en train de réfléchir sur cette question mais là, il y a un petit avantage enfin un avantage de Tanger c'est le port Tanger-Med. Donc, nous, on est entrain actuellement de faire de recherche pour savoir si vraiment le port Tanger-Med va nous réduire le coût du transport Si c'est le cas, il pourrait compenser cette charge fiscale. Pour qu'on puisse prendre une décision, il faut que nous ayons une idée sur tous les critères, tous les volets. Donc, nous avons chargé une équipe de nos cadres de faire cette étude. Quels sont les avantages que peut nous procurer Tanger-Med. Nous préparons cette étude en collaboration avec nos fournisseurs et avec nos clients parce que ça c'est un point qui est très, très important. Si vraiment il s'avère que le coût de transport sera réduit d'une manière très, très importante. Ça se serait une très bonne chose. Pourtant, on n'a pas encore une idée claire.
Intervieweur	Mais à votre avis, qu'est ce que vous prévoyez pour l'avenir ? Est-ce que les entreprises vont s'installer ici dans l'avenir ?
Interviewé	Ils vont s'installer sur Tanger mais pas dans les zones industrielles, mais, je pense, plutôt dans les zones franches.
Intervieweur	Est-ce que ça pour bénéficier des incitations fiscales ?
Interviewé	Oui. Et aussi pour bénéficier d'une infrastructure qui est bonne surtout pour la zone franche de Tanger-Med. Les entreprises sont très, très proches du port d'accueil. Donc, coté coût transport, il est déjà très réduit, coté logistique, il est facile, le port est à deux pas des entreprises. Mais, sur la zone Mghogha, je ne pense pas car ces dernières années, il y a eu un problème des inondations qui a révélé une qualité insuffisance de l'infrastructure.
Intervieweur	Comme vous avez évoqué le sujet de l'infrastructure, pourriez-vous me dire de plus sur ce sujet s'il vous plait ?
Interviewé	En effet, Tanger a vraiment une infrastructure très modeste. Très, très, très modeste. En 2008 et 2009, nous avons eu des événements des inondations qui étaient vraiment la catastrophe. Les entreprises ont subi des pertes très, très importantes. Nous avons un autre problème qui est le problème des routes. Ce que parfois, nos autocars qui transportent le personnel risquent de faire des accidents rien parce que vraiment les routes ne sont pas très bien entretenues. Ca d'une part, d'autre part, pour arriver à la zone industrielle, on doit passer par le rond-point de Tétouan et le rond-point de Tétouan ça c'est vraiment la catastrophe parce que c'est le cœur de Tanger. Et on a vraiment un problème d'embouteillage. Donc, au lieu de commencer à 8h, parfois, les transporteurs font de retard rien qu'à cause des embouteillages. Donc, vraiment Tanger est en train de se développer, coté projets mais malheureusement, coté infrastructure, il y a encore des grands chantiers à faire. Donc Tanger, avec le port Tanger Med, avec les zones franches, avec les projets commerciaux, donc vraiment, il y a un avenir très important sur Tanger mais malheureusement c'est comme si la ville est entrain de rouler à double vitesse. Une grande vitesse pour les projets mais coté infrastructure, coté mentalité des gens, coté discipline, coté implication. C'est vraiment, il y a des grandes choses à faire.
Intervieweur	Maintenant, pourriez-vous me parler du sujet concernant les ressources financières?
Interviewé	Est-ce que vous parlez des crédits auprès des banques ?
Intervieweur	Oui, auprès des banques.

Interviewé	Je peux vous dire qu'un prêt bancaire est la seule source de finance mise à part le soutien des associés. Si les associés ont la capacité financière pour soutenir leur entreprise, ça c'est une bonne chose. Mais, souvent même si les associes ont de quoi, ils veulent contracter des emprunts auprès des banques et là, les banques si tu as un dossier qui est solide, en principe, il n'y a pas un problème.
Intervieweur	Pourriez-vous développer de plus sur ce sujet s'il vous plaît?
Interviewé	Pour obtenir un prêt bancaire, vous devez présenter un dossier solide. Vous devez fournir un bilan certifié qui est accrédité par les autorités fiscales. Suite à un examen de votre bilan certifié (situation financière, votre chiffre d'affaires, vos dettes), la banque prendra une décision sur la base de votre bilan. Ça veut dire si le bilan donne une bonne image de votre entreprise ou non. En d'autres termes, si vous avez des actifs fixes, c'est est bon et la banque va les utiliser comme des garanties pour permettre un prêt bancaire. En règle générale, la banque doit obtenir des garanties.
Intervieweur	Comme Tanger a des zones franches, est-ce que vous avez ici à Tanger des institutions financières qui sont localisées à la zone franche et qui aident les PME ?
Interviewé	Non, des banques dans la zone franche, non. Mais on a des banques off-shore qui sont situées aux frontières de la zone franche.
Intervieweur	Que pourriez-vous dire de leurs services? Pensez-vous qu'ils sont importants pour le succès de l'entreprise?
Interviewé	Les banques off-shore fournissent des services qui sont beaucoup plus bas par rapport à d'autres banques. Vraiment, les entreprises situées dans la zone franche de Tanger bénéficient de cela et donc nous ne sommes pas sur le même pied d'égalité. C'est pourquoi je peux dire que les futurs investissements seront dans les zones franches. Je dois mentionner ici que le gouvernement accorde beaucoup d'appui aux entreprises situées dans les zones franches.
Intervieweur	Comme vous avez évoqué le sujet de l'appui du gouvernement, pourriez-vous élaborer sur ce sujet s'il vous plaît? Est-ce que votre entreprise obtient du soutien du gouvernement qui pourrait avoir une influence sur le succès de l'entreprise?
Interviewé	Pas de soutien. Pas du tout. En effet, nous avons choisi Tanger pour deux raisons principales. Premièrement, c'est l'avantage fiscal et deuxièmement la main d'œuvre est basse. Mais, récemment, en Juillet 2011, il y a eu une augmentation des coûts de main-d'œuvre et, par conséquent, nous devons penser différemment. Comme je vous ai déjà dit, à partir de 2008, les propriétaires d'entreprises ont commencé à se questionner sur l'environnement des affaires à Tanger en particulier et au Maroc en général.
Intervieweur	Pourriez-vous expliquer davantage sur la question du coût du travail ?
Interviewé	Avant, le SMIG était de 8 DH / h. Le gouvernement l'a fait passer à 9 DH / h, puis 10 DH / h, et maintenant il est de 11,7 DH / h. En Juillet 2012, le SMIG sera de 12 DH / h. Tous ces changements ont eu lieu dans un intervalle de temps très court de 4 ans. En effet, ces changements fréquents rapides troublent nos opérations. En outre, il y a un autre changement concernant la CNSS. Le plafond ne sera plus de 6000 DH, il augmentera à 8000 DH.
Intervieweur	Pourriez-vous clarifier sur ce point de la CNSS s'il vous plaît?
Interviewé	Pour le régime de CNSS, on a des parts salariales et des parts patronales. Avant la part patronale était plafonnée à 6000 DH. Maintenant, elle sera augmentée à 8000 DH soit une augmentation de 2000 DH donc parallèle à l'augmentation de SMIG ça fait beaucoup pour les entreprises.

Intervieweur	Maintenant, en parlant de l'environnement réglementaire, ne pensez-vous pas qu'un environnement des affaires, dépourvu de la corruption, influence la réussite de l'entreprise?
Interviewé	La corruption est un risque à prendre. Parce que si tu donnes de la corruption, ça veut dire que quelque chose ça ne va pas. Ça veut dire que tu ne respectes pas les réglementations. Si cela continue sans problème, alors c'est bien. Toutefois, lorsque des problèmes se produisent par exemple, un jour ou l'autre, il y a un incendie ou une mauvaise chose se passe, alors là c'est risqué. Parce que les inspecteurs vont essayer de trouver pourquoi il y avait un incendie. Finalement, ils concluront que vous n'avez pas de bonnes conditions de travail. Parfois, il y a un risque que le personnel fera une réclamation. Ils peuvent partir eux même chez les inspecteurs de travail pour faire de réclamation contre la société. Toutefois, je tiens à dire que la corruption rend nos vies plus faciles. elle a ses avantages comme elle a ses inconvénients. Toutefois, en termes de l'inspection du travail ainsi que sur le plan de la CNSS, vraiment, on ne parle que des avantages. Mais la actuellement, il y a une nouvelle génération d'inspecteurs du travail et c'est hors question de leur donner de l'argent. Le gouvernement a fait un recrutement massif de jeunes fonctionnaires instruits. Ces jeunes fonctionnaires instruits n'acceptent pas de la corruption. Nous avons eu des expériences avec eux et j'ai remarqué qu'ils n'acceptent pas la corruption.
Intervieweur	Alors, qu'est-ce que vous faites avec eux ?
Interviewé	On essaie de respecter la réglementation c'est pour ça c'est plus comme avant. Avant on jouait sur cette question impôt, sur cette question personnel, question corruption. On gagne d'ici et là mais là je vois que les critères sur lesquelles principalement on décide de s'investir sur Tanger ne sont plus là. Donc, vraiment on est en train de mener une réflexion sérieuse sur cette question de Tanger et d'ailleurs nos amis ont déjà fait leurs valises et sont partis en Tunisie. Elle offre des avantages nettement meilleurs.
Intervieweur	Dans le cadre de gestion de votre entreprise, avez-vous souvent dû offrir de l'argent pour obtenir vos droits?
Interviewé	Oui, ça c'est très, très courant, très souvent. Je vous explique. Si par exemple pour avoir un document, tu dois attendre 24h, lorsque on donne la corruption, on l'obtient dans une heure donc à la rigueur ça ce n'est pas grave coté mentalité marocaine ce n'est pas grave. Le problème c'est lorsque passe les 24h et tu n'as encore ton document c'est ça le problème. Parce que là les gens se sont habitués à avoir de l'argent. Donc ils ne font pas la distinction entre la personne pressée de la personne qui veut attendre. Ils traitent les gens de la même manière donc même si tu veux attendre les 24h, bien sûr il ne va pas te donner ton papier même s'il est prêt même si il est déjà établi, il ne va pas te donner jusqu' à ce que tu lui donne de l'argent. Ça c'est mauvais. A la rigueur lorsqu'on donne de l'argent pour faciliter une chose pour faire gagner du temps ça c'est bien mais parfois on ne donne pas de l'argent pour une raison ou une autre.
Intervieweur	Pourriez-vous donner un exemple ici s'il vous plaît?
Interviewé	Par exemple, on ne connaît pas la personne et c'est la première fois avec qui on aura du travail, donc, on ne donne pas de l'argent et on voit la réaction. Si passé les 24h, il ne donne pas, il essaie de te créer des excuses. Le patron n'est pas là, le patron est parti, il est sorti donc c'est un langage que nous, on peut le décrypter d'accord donc on décrypte et on comprend ce que cette personne veut de l'argent. Ça je vois que c'est un problème.
Intervieweur	Il y a une autre chose qui proche de la corruption. C'est la bureaucratie. Comment voyer vous la bureaucratie à Tanger ?

Interviewé	C'est très lourde. C'est comme je vous ai expliqué. On a l'impression parfois que Tanger roule à double vitesse donc vraiment les administrations de la ville de Tanger n'accompagnent pas ces grands chantiers de travaux, ces projets, pas du tout on a un problème de mentalité. Ici à Tanger, les fonctionnaires travaillent à leur rythme. Ils ne veulent pas du stress, ils ne veulent pas que l'on leur dise il faut respecter ce délai, il faut respecter ce planning non pas du tout.
Intervieweur	Je voudrais revenir au sujet de l'infrastructure. Alors, on a parlé de l'infrastructure transport. Maintenant, pourriez-vous nous parler de l'infrastructure de l'électricité et de l'eau à Tanger?
Interviewé	Oui. Pour Tanger, la société qui gère l'eau et l'électricité s'appelle Amendis.
Intervieweur	Est-ce que cette société Amendis est étatique ou bien privée ?
Interviewé	Il s'agit d'une entreprise Française privée. L'Etat marocain a lancé cette affaire de privatisation dans la région depuis 2001 et c'est la catastrophe. On a vraiment des problèmes sérieux avec Amendis parce qu'il nous envoie des factures qui dépassent de loin notre consommation. Nous, on a des techniciens qui peuvent nous dire combien on a consomme de KWH parce que nous on fait de la comptabilité analytique donc on sait combien on consomme et lorsque on reçoit la facture, c'est la grande surprise.
Intervieweur	A votre avis, qu'il est le problème ici?
Interviewé	Ok. Laissez-moi vous expliquer. Amendis achète de l'eau de l'ONEP qui est installé à Casablanca. Ainsi, lors du transport de l'eau de Casablanca à Tanger, il y a des pertes d'eau dues à la mauvaise qualité des transports
Intervieweur	Qu'entendez-vous par la médiocrité des transports ?
Interviewé	Les camions qui transportent l'eau sont des camions qui reviennent à l'Etat (ONEP) et sont dans un état catastrophique. Elles ne sont pas entretenues. Donc l'Etat ne revoit pas son parc automobile et l'Etat est conscient de ça. Dans chaque trajet, les camions perdent 40% d'eau. Donc, Amendis pour compenser les 40%, il revoit le prix à la hausse. D'autre part, je tiens à souligner que Tanger n'est pas très bien équipée en termes d'assainissement. Par exemple, nous, dans la région Mghogha, on est près de ce qu'on appelle Bir Shiffa, khawma Seddam qui sont des quartiers très populaires, Ces quartiers n'ont pas d'assainissement. Il y a des maisons qui n'ont pas d'eau. Donc, l'Etat lorsqu'il a signé le cahier de charge avec Amendis, il lui a demandé de faire des investissements dans ces régions. Amendis a introduit les conduites, l'assainissement,… et ces investissements ont coût donc et Amendis ce coût sera supporté par la population tangéroise. Ce sont les principales raisons pour laquelle la facture Amendis est chère. Premièrement, c'est les pertes d'eau et deuxièmement, c'est les grands investissements justement coté mauvaise infrastructure. Donc, l'Etat veut vraiment faire introduire l'eau pour que la population tangéroise puisse bénéficier. Alors que sur casa, il n'y a pas ce problème. L'ONEP est sur Casa, Il n'a pas du coût. Le problème de la perte n'est plus là. C'est pour ça, que lorsque la population tangéroise dernièrement est sortie pour réclamer que Amendis parte, l'Etat ne réagit pas parce qu'il est consciente que voilà les deux principales raisons pour lesquels les prix de Amendis sont chers.
Intervieweur	Mais, ça c'est au niveau des prix, concernant la qualité de service l'infrastructure de l'électricité, de l'eau? comment vous voyez ça ?

Interviewé	Généralement, le service est bien. Cependant, à cause des inondations qui ont frappé la ville en 2008 et 2009, l'infrastructure de l'eau et d'électricité a révélé d'être pauvre. À la suite de ces inondations, le gouvernement a commencé à penser à déménager les entreprises de la zone industrielle de Mghogha à une autre zone industrielle. Il est vrai qu'il est encore un projet potentiel en vue de remédier à ce problème d'infrastructure dans cette région. Comme vous le savez, il n'y a rien de facile que de parler. Ok ? Mais sur le côté pragmatique, il est très difficile.
Intervieweur	Comment voyez-vous l'influence des réseaux relationnels dans le succès de l'entreprise?
Interviewé	Je vous explique le côté relationnel sur Tanger et sur Maroc en général. C'est le bouche à oreille qui fonctionne. Nous on n'a pas cette culture par exemple rien que coté recrutement par exemple, généralement les entreprises qui sont sur Tanger ont pas cette culture de faire une annonce dans un journal, une annonce sur le site Internet non, non. C'est la bouche à oreille. Le directeur des RH fait appel à ses amis, à ses connaissances, est ce que vous connaissez quelqu'un ? Ca ce qui marche. Donc cet exemple de recrutement, on peut l'extrapoler sur n'importe quel service. Donc, on n'a pas ce souci de matérialisation de nos offres, de nos besoins donc si tu connais la personne, tu peux avoir une idée sur ce besoin la mais si tu ne le connais pas, si tu essaies de chercher dans les journaux, dans des sites Internet de l'entreprise. Pas du tout. Même les sites Internet sont très pauvres. C'est uniquement la présentation de la société, un mot du directeur général mais on n'a pas un site qui est gérée en temps réel qui nous donne une idée sur la gestion réelle de l'entreprise en terme de ses besoins. Non pas du tout. Donc, on a une culture de bouche à oreille. C'est pour ça que j'ai dit c'est très important de faire jouer les connaissances.
Intervieweur	Qu'est-ce-que vous pouvez dire concernant l'utilisation du réseau relationnel pour obtenir des ressources financières? Par exemple, de la famille ou des amis?
Interviewé	Non, non. Des crédits auprès de la famille. Non pas du tout. Parce que la chacun réfléchit à ses propres intérêts. A la rigueur il peut t'avancer de l'argent en contrepartie, il va te dire je serai ton associé,… mais avancer de l'argent gratuitement ça non. Et là, lorsqu'on est dans un secteur industriel, les crédits chiffrent et je ne pense pas que une personne ou un particulier aura cette somme disponible parce que la culture de Tanger – tu as fait bien de parler de ça- parce la culture de Tanger c'est quoi ? On a une culture actuellement de l'immobilier. Si la personne a de quoi, elle a de l'argent, elle ne va pas le laisser comme ça. elle va faire des investissements en immobilier et actuellement la tendance c'est la création des entreprises de promotion immobilière donc vraiment l'avenir de Tanger n'est pas dans l'industrie coté l'intérieur de Tanger. J'ai eu l'occasion de voir dernièrement les statistiques de la chambre de la commerce et industrie qui étaient fait en collaboration avec le CRI, vraiment 70% des entreprise qui se créent sur Tanger ce sont des entreprises qui font la promotion immobilière. Donc, c'est pour ça c'est difficile d'imaginer une personne de la famille qui va te donner de l'argent.
Intervieweur	Pourriez-vous me parler de la concurrence à Tanger?
Interviewé	Bon, Le concurrent qui est sur la zone franche, je vois qu'on n'est pas dans le même pied d'égalité. Le concurrent dispose de plusieurs avantages financiers qui peuvent être utilisés pour aller loin dans l'entreprise et pour avancer par rapport à nous.
Intervieweur	Comme Tanger n'est pas trop loin de la ville occupée de Ceuta, Qu'est-ce que vous pensez de la contrebande de marchandises? A-t-elle un impact sur le succès de l'entreprise?

Interviewé	La contre bande représente une menace pour les entreprises de l'agro-alimentaire. Pour nous, coté industrielle non parce que ils ne partent pas acheter des plaquettes de freins de Ceuta. A la rigueur pour les entreprises agro-alimentaires, ça représente une grande, grande menace
Intervieweur	Je pense que nous avons abordé tous les sujets de l'étude. Maintenant, la dernière question est : Quel conseil donneriez-vous à quelqu'un qui veut commencer son entreprise ?
Interviewé	Si vraiment les gens veulent s'investir, ils n'ont qu'à partir aux zones franches parce que vraiment les investissements à la zone franche sont très importants. Coté fiscalité, coté logistique, parce que avec la fiscalité, ils ne paient pas la patente 15 ans, alors que nous c'est au bout de 5 ans on paie de la patente. Coté douanier, les entreprises de la zone franche ont un taux de frais de douane très, très bas alors que nous c'est 2.5%, donc, c'est plus cher, c'est beaucoup plus cher. Donc, l'avenir c'est pour les zones franches.
Intervieweur	Merci beaucoup pour votre temps.
Interviewé	Ça fait un grand plaisir

APPENDIX B.14: A sample of a conducted interview – English –

Interviewer	Hello, my name is Yassine Sefiani. Following the results of the quantitative survey conducted in December 2010 & January 2011, I would like to conduct an interview in order to gain deep insights about the importance of critical success factors in the city of Tangier. During the interview, I would like to discuss the different external factors: economic factors, technological factors, socio-cultural factors, political-legal factors, and micro-environment factors. With these topics in mind, I would be very grateful if I can take some of your time to learn about your stories.
Interviewee	With pleasure.
Interviewer	Could you tell me about the success story of your business?
Interviewee	Our company is based on three main pillars in terms of key success. First, it is our network relationships with customers and suppliers, whether national or international. The second pillar is research and development and the third pillar of our success is the staff.
Interviewer	What do you mean by network relationships with customers?
Interviewee	I mean relationships with customers.
Interviewer	Could you expand more on this topic please?
Interviewee	Yes. Our company operates in an environment that is characterized with fierce competition. We are not the only company that produces brake pads in Morocco. Thus, our business success really depends on our relationships with customers. That is why one of the main strategies is customer retention.
Interviewer	How do you see the importance of customers in the city of Tangier?
Interviewee	As you know, investments in Tangier benefit from several incentives. Ok. Thus, we are not the only company to produce brake pads in Tangier. There are three other competitors of which two are located in the same industrial zone where we are located (Industrial zone of Mghogha), and another one located in the Tangier free zone. Therefore, there is a fierce competition. That is why I really insist on customer retention. As for Casablanca, companies produce brake pads for the local market. However, for our company, since we had difficulty acquiring segments on the local market we really try to export our products and here I should mention that because the structure of company is two partners, one Moroccan and one foreigner, our company primarily benefits from the relational network of our foreign partner in order to acquire new markets abroad.
Interviewer	What about relationships with suppliers?
Interviewee	We have a win-win partnership with our suppliers because nowadays, the supplier is involved in the production process especially in the acquisition of the raw material. Thus, a computerized data exchange system has been adopted within our firm to manage orders automatically. Furthermore, we have mounted with our suppliers a partnership in order to decrease from one year to another the prices of raw materials, that is to say, a production that is based on improving the manufacturing process in order to reduce the cost of acquisition. To develop this sense of partnership, we continually seek to improve our relationships with suppliers in order to remove all that is non-value added factor for productivity.

Interviewer	Could you tell me about the second pillar “Research & development”?
Interviewee	Yes, the second pillar of our success is the research and development. We have developed a cell in the technical department which is responsible for research and development. It is not really research and development because we just imitate the formulas that have already been developed by Japanese companies. So, we have very close relations with suppliers abroad especially in Japan and our technical director benefits from these relations and learn about these formulas. In fact, the cell tries to apply, in the best possible conditions, formulas that are already tested and developed by Japanese companies. The reason behind this is that in a very competitive market, you have to play on the prices. We are inspired by the Japanese theory and therefore we try to reduce the cost of production in order to sell products at low prices.
Interviewer	This could have an impact on quality? Do not you think?
Interviewee	Yes, as you know, it is a dilemma. The question price versus the question quality is really a dilemma. However, in our company, we try with every effort possible to get the most optimal price-quality ratio.
Interviewer	What about the third pillar?
Interviewee	Yes, the third pillar is the staff. It is our staff.
Interviewer	Could you elaborate a little on this pillar?
Interviewee	The population of Tangier is lazy. Young people do not want to work in a factory 8 or 10 hours just to get an hourly rate of 11.7 DH. Instead of getting 11.7 DH / H, they prefer that their parents give them money without actually doing work. Our activity is a bit technical and therefore we need competent staff. We need serious staff especially as in the production of brake pads, we use delicate materials. Thus, we really need staff that is very competent as well as aware of the risk and health and safety issues when working with these materials. We do not want incompetent staff neither work-related accidents. That is why we try all our best to motivate our competent staff.
Interviewer	Could you tell me what do you do to improve the competences of your staff?
Interviewee	The majority of our staff is not from Tangier.
Interviewer	How is that?

Interviewee	When we started our company, we really wanted to develop the northern region of Morocco. Thus, we appealed to young Tangieriens but it did not really work. After few months, they started demanding higher wages while they were still in the trial period. This was not acceptable. Had we been satisfied about their work, we would have satisfied their needs. Unfortunately, it was not the case. They do not meet the work schedules. Transport goes to fetch them from their homes at 8am. Them, they leave their houses at 8.10. So, 10 min per person, that's accumulation. Punctuality is important for us. The chain must start at 8am, so it's at 8 am, because it is bound by time and if deadlines are not met, then we bear penalties. Because of this, we have changed our strategy, we mainly recruit staff from Casablanca, Rabat,… This really gave the result because our business appeals particularly to men since it is a very risky job for women. I have to mention here by the way that women of Tangiers work hard. Tangieriens women are different from men. Men are demanding, they do not really do a good job, are not serious while Tangieriens women are not. Here in Tangier, we have a very bad culture that does not exist in other cities. We have a prevailing culture that men do not want to work and it is women who work. It is women who are really responsible for the family. We say a good father, here, it is really a good mother in Tangier. So, in order to retain this population that is not from Tangier because someone not from the city has rent and many expenses, we try to motivate them by wages, liability, and performance premiums. We also motivate our staff by training. Our technical director often goes to Japan to get the latest about research and development. When he comes back to Tangier, he tries to train staff about the latest technology and the new work procedures. This is already a very good motivation for our staff. Each time, the staff has the opportunity to see something different.
Interviewer	What could you say about the importance of taxation in the success of businesses in Tangier?
Interviewee	Yes, indeed, Tangier has many tax regimes. There is no single regime for Tangier. The city is divided into three parts: the city of Tangier; the free zones, and the industrial zones. For companies that are in the industrial zones and which are for export, so what was it before the tax? It is that these companies benefited from investment incentives and enjoyed five years of half taxation (50%) but in 2008, was that advantage. Let me explain in 2008, they repealed the Dahir of Hassan II of 1963 which gave this 50% to companies in Tangier. They introduced the reduced rate of 17.5%. So it probably has nothing changed while implicitly, they passed a year higher taxes. Let me explain. Before it was 35%, 50% is 17.5%. With the Finance Act of 2008, they introduced the reduced rate of 17.5%. Then presumably, it has nothing changes. But, beside minimum contribution, because it changed the minimum contribution was 0.5% with 50% while it was 0.025 when they introduced the reduced rate, they speak only of 17.5, and they are not talking about the minimum contribution. So the cost of Tangier, they increased the tax burden with the CM, and I return to the case of our company is that we are the last three years, we really had to pay the CM because it was launched in these measures of investment, therefore the CM cost has changed. Another thing is that the 2008 Finance Act, they said that from 2011, there 'will be an increase of 2.5% of the tax that was the end of 2015, the city of Tangier will be like other cities of the kingdom. Therefore, and for investors who are export that is selling outside the country, what they have done before us because it was 8.75% before we get what you pay c is 8.75% it was almost the same footing as the Tangier free zone in principle why the rate is 35% divided by 2 is 17.5% and we when we had to export it is also less than 50 %. So 17.5% divided by 50% it is 8.75% and the free zone is 8.75%. So before there was the same. There was no difference between the industrial zone and free zone Mghogha but after the Finance Act 2008 there is a difference. What is the difference? So they gave three years for industrial companies to benefit from 8.75 in 2008, 2009 and 2010
Interviewer	Is this only for businesses that exist in the industrial zones?
Interviewee	Yes, yes it is therefore 17.5%.

Interviewer	What about companies in the free zones?
Interviewee	The free zone is 8.75%. So really it is an encouragement for companies that are in the free zones. Unfortunately, it is like the government is saying to us: You have 3 years to prepare your suitcases to go. When there is an in the tax burden, automatically we talk about price increases and now unfortunately, Tunisia and Asian countries are creating truly industrial platforms with very, very encouraging tax incentives.
Interviewer	So, do you mean that taxation constitutes a constraint for your success?
Interviewee	Yes, unfortunately. Indeed, the majority of businesses were installed in Tangier as a result of this tax incentive of 50%. This is the main reason why companies come here knowing that Tangier's infrastructure is not very, very good in comparison with other cities of the Kingdom, for example Casa, Rabat. Had it not been this tax incentive, we would have invested for example in Casablanca and not Tangier. Currently, we are reflecting on this question but I have to say that there now in Tangier there is a small advantage which is the new port Tanger-Med. Currently; we are undertaking some research to see if really the port Tanger-Med is going to reduce the cost of transport. If it does, it could offset this tax burden. In order to make a decision, we must have some idea on all criteria, all aspects. So we commissioned a team of our staff to do this study. We prepare the study in collaboration with our suppliers and our customers because this is very, very important. If indeed it turns out that the cost of transport will be reduced, it would be a very good thing Yet, we are not really clear.
Interviewer	In your opinion, do you think more companies will be installed in Tangier in the future?
Interviewee	Yes, but not in the industrial zones, I think, but rather in the free zones.
Interviewer	Is this because of the fiscal incentives?
Interviewee	Yes. And also to benefit from an infrastructure which is good especially for the free zone of Tangier Med. They are very, very close to the harbor. Therefore, In terms of cost, the cost of transportation is already very small. In terms of logistics, it is easy as the port is close to the companies. But the industrial zone of Mghogha, I do not think because in recent years, there has been a flooding problem and the zone has revealed a poor infrastructure.
Interviewer	As you have evoked the subject of infrastructure, could you tell more about this?
Interviewee	Indeed, Tangier has a very modest infrastructure. 'In 2008, we had flooding events that really were a disaster. Businesses have incurred very important losses. We have another problem which is the problem of roads. Sometimes, our coaches that transport personnel may get involved in accidents simply because the roads really are not very well maintained. On the other hand, to arrive to the industrial zone, one must go through the roundabout of Tétouan which is really a disaster because it is the heart of Tangier. And therefore we have really a problem of traffic. . So instead of starting at 8 am, sometimes, our personnel transports are late simply because of traffic jams. So, the city of Tangier is seen to run at double speed. High speed for the projects, but in terms of infrastructure; really, there are great things to do. With the port Tanger Med, the free zones, commercial projects, it seems that there is a very important future for businesses in Tangier but unfortunately, the city is running at double speed. A high speed for projects, but in terms of infrastructure, mentality of people, their discipline and involvement, really, there are great things to do.
Interviewer	Now, could you tell me about the availability of finance?

Interviewee	I can tell you that nowadays a bank loan is the only source of funding apart from the support of partners. If the partners have the financial capacity to support their business, that is a good thing. But, although associates often have the financial capacity, they prefer to borrow money from banks. For the banks, if you have a solid record, in principle, there should be no problem.
Interviewer	Could you expand more on this please?
Interviewee	To get a bank loan, you must present a strong file. You must provide a certified balance sheet that is accredited by the tax authorities. Following a review of your certified balance sheet (financial situation, your turnover, your debts), the bank will make a decision based on whether the balance sheet gives a good picture about your business or not. In other words, if you have fixed assets, that is good and the bank will use them as guarantees to allow a bank loan. Generally, the bank must get collateral.
Interviewer	As Tangier has free trade zones, are there any off-shore financial institutions in the free zones that help SMEs?
Interviewee	No, banks in the free zones, no. However, there are offshore banks that are located on the borders of the zone.
Interviewer	What could you say about their services? Do you think they are important for business success?
Interviewee	Off shore banks provide services that are much lower compared to other banks. Truly, businesses located in the Tangier free zone benefit from this and therefore we are not on the same footing. That is why I can say that future investments will be in the free zones. I should mention here that the government is providing a great deal of support to enterprises located in free zones.
Interviewer	As you have evoked the topic of government support, could you elaborate on this subject please? Does your company get support from the government which might have an influence on business success?
Interviewee	No support. Not at all. Indeed, we chose Tangier for two main reasons. Firstly, for the tax incentives and secondly for the labour cost that is low. But, recently in July 2011, there has been an increase in labour costs and therefore, we must think differently. As I already said, from 2008, owners of businesses started questioning themselves about the business environment in Tangier in particular and in Morocco in general.
Interviewer	Could you explain more the issue of labour costs?
Interviewee	Before, the SMIG was 8 DH/h. The government did increase it to 9 DH/h, then 10 DH/h, and now it is 11.7 DH/h. In July 2012, the SMIG will be 12 DH/h. All these changes have happened in a very short time interval of 4 years. Indeed, these frequent rapid changes trouble our operations. Furthermore, there is another change that relates to the CNSS, the threshold will not be 6000 DH anymore; it will increase to 8000 DH.
Interviewer	Could you clarify this point of CNSS please?
Interviewee	For the CNSS regime, we have employee shares and employer shares. Before, the employer's share was limited to 6000 DH but now it will be increased to 8000 DH. That is an increase of 2000 DH. Therefore, parallel to the increase in the minimum wage, this constitutes a big burden for the business. OK?
Interviewer	Now talking about the regulatory environment, do not you think that a business environment, devoid of corruption, influences business success?

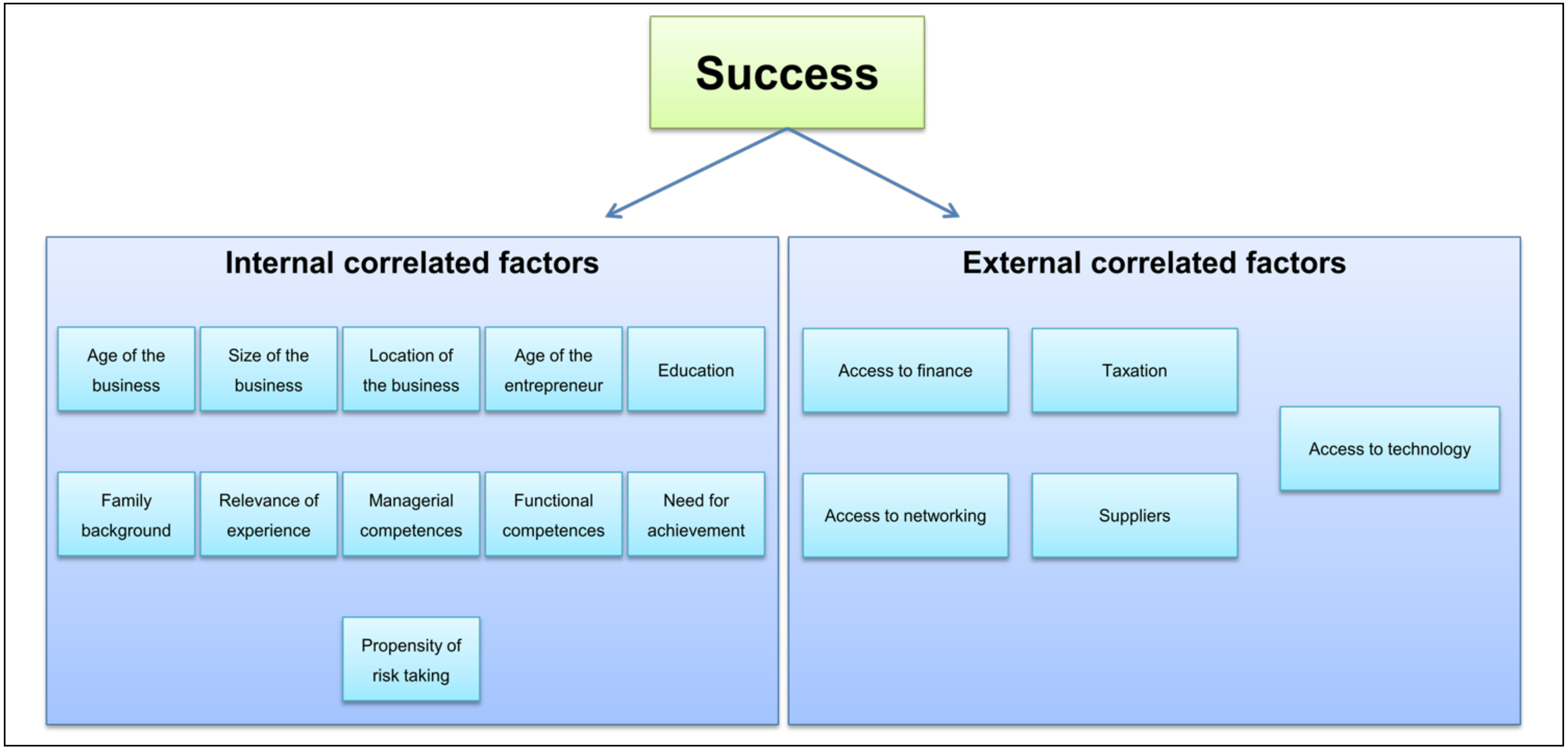
Interviewee	Corruption is a risk to take. Because giving corruption means that something is wrong and you do not respect regulations. If this goes on without problems, then it is good. However, when problems happen for example one day or another, there is a fire or a bad thing happens, then it is risky. Because the inspectors will try to find out why there was a fire. Eventually, they will conclude that you do not have good working conditions. Sometimes there is a risk that staff will make a claim. They, themselves, can go to the work inspectors and make a claim against the company. However, I would like to say that corruption makes our lives easier. It has its advantages as it has its drawbacks. However, in terms of work inspection as well as in terms of CNSS, really, we only speak about advantages. But currently there is a new generation of work inspectors. The government has undertaken a massive recruitment of young educated officials. These young educated officials do not accept corruption. We have had experiences with them and have noticed that they do not accept corruption.
Interviewer	So, what do you do with them?
Interviewee	We try to respect the rules. That is why it's no longer the same as before. Before, we played on these tax incentives, labour costs and the corruption issue. So, you win from here and there, but now we can see that the main criteria on which we decided to invest in Tangier are starting to disappear. So, indeed, we are reflecting seriously on this issue of Tangier. Some of the businesses moved to Tunisia as it offers much better benefits.
Interviewer	In the course of running your business, do you often have to offer corruption or bribes to get your own rights?
Interviewee	Yes, that is very, very common, very often. Let me explain. If for example you need a document that can be obtained in 24 hours, when we give corruption, it is obtained within one hour. So, strictly speaking it is not a serious problem as long as you get the document within the 24 hours. What constitutes a problem is when after the 24 hours, you still do not get the document. Officials are used to getting corruption and bribes. So, they do not distinguish between people that are in hurry and people who could wait. Even though you can wait for the 24 hours, you will not receive the paper (although it is ready) unless you give some money. This is bad. On the other hand, when you give money to facilitate things in order to save time, this is good. However, sometimes we do not give corruption or bribes for one reason or another.
Interviewer	Could you give an example here please?
Interviewee	For example, we do know the person and it is the first time we have dealt with him. So, we do not give money and we try to see the reaction. If after the 24hours, we do not get the paper and officials start making excuses, then it is a sign that they need corruption and bribes.
Interviewer	Linked to corruption, there is bureaucracy. What could you say about this topic?
Interviewee	Bureaucracy is very heavy in Tangier. As I mentioned before, we have the impression that Tangier runs at double speed and therefore administrations of the city of Tangier do not accompany the major work projects in Tangier. Here in Tangier, officials work at their own pace. They do not want the stress, they do not want to tell them that they must meet deadlines, they must respect schedules. Not at all.
Interviewer	I would like to return to the theme infrastructure of which we covered the transport infrastructure previously. Could you tell us about the electricity & water infrastructure in Tangier?
Interviewee	In Tangier, the company that manages the electricity and water infrastructure is a company called Amendis.
Interviewer	Is it a public or private company?

Interviewee	It is a private French company. The Moroccan government has launched this case of privatization in the Tangier-Tétouan region since 2001 and it is a catastrophe. We really have serious problems with the company Amendis –The provider of utilities– because it sends us bills that far exceed our consumption. We have technicians that can tell us how much KWH we consume exactly because we do cost accounting. Thus, we know exactly how much we consume. However, when we receive the invoice, it is the surprise.
Interviewer	In your opinion, what is the problem here?
Interviewee	Ok. Let me explain. Amendis buys water from ONEP which is installed in Casablanca. Thus, during the transportation of water from Casablanca to Tangier, there are losses of water due to the poor transport.
Interviewer	What do you mean by poor transport?
Interviewee	ONEP trucks that transport water to Tangier as well as roads are not well maintained. In every way, there is a loss of 40% of water. Therefore, to compensate the 40% loss, Amendis reviews the prices up. On the other hand, I would like to emphasise that Tangier is not very well equipped in terms of sanitation. For example, we, in the region of Mghogha, are near the so-called Bir Shiffa, khawma Seddam that are very popular neighbourhoods. These popular neighbourhoods do not have sanitation. Thus, the government signed the contract with the company Amendis, and asked it to make investments in these areas. Amendis did introduce sanitation to these areas and therefore these investments have a cost that will be borne by the population of Tangier.
Interviewer	What about the quality of the electricity and water infrastructure?
Interviewee	Generally, it is acceptable. However, due to the floods that struck the city in 2008 & 2009, the water and electricity infrastructure revealed to be poor. As a result of these floods, the government has started thinking about relocating companies from the industrial zone of Mghogha to another industrial zone. It is true that it is still a potential project in order to address this infrastructure problem in this area. As you know, there is nothing easy that to talk. Okay. But on the pragmatic side, it is very difficult.
Interviewer	How do you see the influence of networking in business success?
Interviewee	With respect to networking, generally, it is the word of mouth that works in Tangier or in Morocco in general. For instance, to recruit personnel in Tangier, Most SMEs use the word of mouth. The human resources manager uses his network relations to recruit staff. Indeed, we do not have this concern for materialization of our offers, our needs. If you have network relations, you can get an idea of what the need is, but if you do not, then you try to look in newspapers, in the company websites. Even the websites, they are very poor. They only have a presentation about the company, a word from the general director. Just basic things. Companies do not have websites that are managed in real time which give an idea about the actual management of the company in terms of their needs. Not at all. So, we really have this culture of word of mouth. That is why it is very important to use personal networks.
Interviewer	What about using network relations to get financial resources? For example, from family or friends?
Interviewee	No, no. Getting credits from family or friends. Not at all. Because everyone thinks about his/her own interests. Now, real estates sector is booming in Tangier and the trend is the creation of real estate development companies. Thus, if a person has money, he prefers to make investments in real estates than to lend it to others. I had the opportunity to see recent statistics from the chamber of commerce and industry that were done in collaboration with the regional investment centre (CRI), really 70% of companies, being created in Tangier, are companies that promote real estates. So that is why it is hard to imagine using network relations to get financial resources from family or friends.

Interviewer	Could you tell me about competition in Tangier?
Interviewee	I think we are not on the same footing compared to our competitor who is located in the free zone. The competitor has several financial advantages that can be used to go far in the business and go ahead of us.
Interviewer	As Tangier is not too far from the occupied city Ceuta, What do you think about smuggling of goods? Does it have an impact on business success?
Interviewee	Smuggling of goods, from the occupied city Ceuta, represents a threat to businesses in the agri-food sector. For us, it does not represent a threat as smugglers do not smuggle brake pads from Ceuta. They mainly smuggle food products which constitute a big threat to agri-food companies.
Interviewer	I think we have covered all the topics for the study. Now the last question is what advice would you give to someone who want to start his or her own business?
Interviewee	If people really want to invest, they should do that in the free zones because really investments in the zone are very important from different perspectives. From the fiscal side, firms do not have to pay corporate tax for the first 5 years and the registration tax for 15 years. On the logistical perspective, the zone has a very good infrastructure and logistical operations are easy as the port is close to the companies. For customs side, firms in the zone have a rate of customs duties very, very low while it is 2.5% for us, therefore, it is more expensive, it is much more expensive. Thus, I think the future is for the free zones.
Interviewer	Thank you very much for your time.
Interviewee	With pleasure.

APPENDIX C: RESULTS APPENDIX

APPENDIX C.1: Diagram of the quantitative results



APPENDIX C.2: Results of mann-whitney test between late & early respondents

Variables	Mann Whitney U Statistic	Mean Rank (Early respondent)	Mean Rank (Late respondent)	Z value	Significance
Age of the business	847	46.01	42.21	-1.37	**.17**
Number of employees	694	40.10	51.16	-2.11	**.03**
Annual turnover	768	41.49	49.06	-1.50	**.13**
Legal status	878	43.58	45.9	-.66	**.51**
Location of the business	873	45.52	42.96	-.50	**.62**
Gender of the entrepreneur	892	45.16	43.50	-1.16	**.25**
Age of the entrepreneur	889	43.78	45.59	-.40	**.69**
Education of the entrepreneur	811	42.30	47.83	-1.03	**.30**
Years of work experience	916	44.71	44.19	-.10	**.92**
Relevance of experience to the business	824	42.55	47.46	-1.19	**.23**
Education of father	892	45.17	43.49	-.34	**.74**
Education of mother	852	45.92	42.36	-.68	**.49**
Self-employment of parents	886	43.73	45.67	-.43	**-67**
Need for achievement	749	47.86	39.41	-1.62	**.11**
Locus of control	889	43.78	45.59	-.41	**.68**
Propensity for risk-taking	872	45.54	42.93	-.53	**.59**
Entrepreneurial competences	744	41.04	49.74	-1.60	**.11**
Managerial competences	835	42.76	47.13	.839	**.40**
Functional competences	633	38.94	52.91	-2.80	**.005**
Finance	813	42.35	47.76	-.98	**.32**
Taxation	764	47.58	39.84	-1.48	**.14**
Government support factor	758	41.31	49.33	-1.47	**.14**
Regulatory environment	821	46.51	41.46	-.92	**.36**
Technology	790	41.92	48.41	-1.23	**.22**
Information	775	47.38	40.14	-1.46	**.14**
Infrastructure	881	43.63	45.81	-.40	**.69**
Network	875	43.51	46	-.49	**.62**
Customers	803	42.15	48.06	-1.15	**.25**
Suppliers	772	47.42	40.07	-1.50	**.13**
Competition	638	39.04	52.77	-2.51	**.01**

APPENDIX C.3: Cronbach's alpha if item deleted

Items	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Risk taking propensity					
Q11f	7.33	4.11	.31	.10	.96
Q11g	7.82	1.25	.90	.91	.38
Q11h	7.76	1.77	.91	.91	.34
Management competences					
Q10a	9.14	.88	.86	.90	.72
Q10e	9.12	.87	.87	.90	.70
Q9p	9.06	1.25	.56	.32	.97
Entrepreneurial competences					
Q9q	13.6	1.48	.66	.46	.70
Q10b	13.44	1.61	.60	.41	.73
Q10d	13.48	1.63	.56	.33	.75
Q10g	13.85	1.41	.57	.36	.75
Functional competences					
Q9n	8.65	.74	.73	.62	.81
Q10c	8.53	.83	.65	.46	.88
Q10f	8.61	.77	.83	.70	.72
Finance					
Q3c	21.33	8.80	.56	.56	.79
Q3p	21.22	9.09	.58	.54	.78
Q7e	20.76	9.03	.68	.94	.75
Q7f	20.77	9.21	.65	.93	.76
Q7g	21.03	10.72	.62	.46	.78
Q9g	20.28	12.14	.47	.28	.81
Taxation					
4c	8.40	.98	.79	.86	.27
4f	8.36	.95	.78	.86	.28
9f	8.12	2.09	.17	.03	.96
Government support					
3b	27.65	9.52	.59	.78	.73
3m	27.74	9.21	.71	.92	.70
3o	27.69	9.41	.63	.89	.72
5a	27.91	11	.42	.51	.76
5b	27.76	11.1	.54	.49	.74
5c	27.82	10.24	.58	.53	.73
5d	27.94	12.38	.19	.39	.79
9h	27.50	13.33	.04	.03	.80

Regulatory environment					
Q3i	53.97	21.69	-.12	.68	.70
Q4a	54.03	21.32	-.04	.84	.70
Q4b	54.01	21.35	-.04	.88	.70
Q4c	54.01	18.79	.33	.87	.66
Q4d	55.51	16.67	.48	.78	.64
Q4e	55.56	17.08	.41	.87	.65
Q4f	53.98	18.64	.34	.87	.66
Q4g	55.6	16.95	.42	.86	.65
Q7i	53.38	20.08	.26	.65	.67
Q8a	53.57	19.03	.29	.51	.67
Q8b	54.07	17.72	.47	.97	.64
Q8c	54.05	17.7	.46	.97	.64
Q8d	53.26	19.96	.35	.67	.67
Q8e	53.76	18.18	.37	.53	.65
Q9k	54.05	20.64	.09	.45	.69
Technology					
Q3f	7.94	1.59	.74	.70	.13
Q3j	8.07	2.06	.72	.69	.19
Q9e	7.12	4.45	.11	.02	.90
Information					
3a	15.09	5.92	.81	.79	.79
3e	15.87	6.78	.77	.72	.80
3g	16.09	5.67	.84	.90	.78
3k	16.11	5.92	.88	.92	.77
9i	15.56	10.41	-.02	.09	.93
Infrastructure					
5e	24.90	3.52	.28	.69	.57
5f	24.91	3.60	.23	.64	.58
5g	24.86	3.38	.33	.55	.56
6a	24.63	2.51	.48	.66	.48
6b	25.25	2.26	.38	.24	.54
6c	24.73	2.50	.55	.65	.45
9j	24.18	3.64	.03	.05	.63
Network					
3l	11.51	2.92	.83	.88	.55
3n	11.74	2.47	.69	.48	.65
3q	11.44	2.85	.84	.88	.54
9l	11.23	5.95	-.13	.05	.89
Competition					
Q7c	16.01	4.56	.58	.47	.50
Q7d	16.86	3.87	.39	.17	.61
Q7h	16.02	4.27	.59	.45	.49
Q7j	15.85	3.94	.62	.49	.46
Q9o	15.61	7.07	-.20	.04	.75

APPENDIX C.4: Rotated component matrix

Items	Component													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Q3a	.80													
Q3d	.86													
Q3e	.78													
Q3f	.80													
Q3g	.84													
Q3j	.86													
Q3k	.86													
Q7a	-.52													
Q7b	-.54													
Q3l		.88												
Q3n		.77												
Q3q		.88												
Q3b			.88											
Q3m			.92											
Q3o			.91											
Q3p				.78										
Q3c				.77										
Q4a					.88									
Q4b					.93									
Q3i					.74									
Q4c						.89								
Q4f						.89								
Q4d							.89							
Q4e							.92							
Q4g							.89							
Q5a								.81						
Q5b								.76						
Q5c								.76						
Q5d								.65						
Q5e									.91					
Q5f									.86					
Q5g									.85					
Q6a										.91				
Q6b										.64				
Q6c										.87				
Q7c											.81			
Q7d											.62			
Q7h											.79			
Q7j											.82			
Q7e												.94		
Q7f												.94		
Q7g												.71		
Q7i													.86	
Q8d													.84	
Q8e													.61	
Q8a														.70
Q8b														.95
Q8c														.95

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 8 iterations.

APPENDIX C.5: Descriptive statistics

Characteristics of respondents

Characteristics of respondents	Less successful firms			Successful firms		
	Frequency	%	Cum %	Frequency	%	Cum %
Gender						
Male	31	94	94	55	100	100
Female	2	6	100	0	0	100
Age						
25-45	18	55	55	42	76	76
> 45	15	45	100	13	24	100
Education						
Upper secondary level	18	55	55	2	4	4
Diploma	9	27	82	6	11	15
Bachelor degree	6	18	100	27	49	64
Master	0	0	100	15	27	91
Doctorate	0	0	100	5	9	100
Did any of your parents own a business?						
No	23	70	70	7	13	13
Yes	10	30	100	48	87	100
Education of father						
None	5	15	15	2	4	4
Primary level	3	9	24	2	4	8
Upper secondary level	16	49	73	13	23	31
Diploma	9	27	100	38	69	100
Education of mother						
None	6	18	18	2	4	4
Primary level	10	31	49	8	14	18
Lower secondary level	8	24	73	12	22	40
Upper secondary level	9	27	100	33	60	100
Do you have any work experience?						
Yes	33	100	100	55	100	100
Years of experience						
< 2 years	11	34	34	1	2	2
2-5 years	1	3	37	1	2	4
6-10 years	10	30	67	40	73	77
11-20 years	3	9	76	4	7	84
> 20 years	8	24	100	9	16	100
Experience relevant to the business						
No	21	64	64	0	0	100
Yes	12	36	100	55	100	100

APPENDIX C: RESULTS APPENDIX

Characteristics of the business

Characteristics of the business	Less successful firms			Successful firms		
	Frequency	%	Cum %	Frequency	%	Cum %
Legal status						
Private limited company	24	73	73	50	91	91
Sole trader	5	15	88	1	2	93
Public limited company	4	12	100	4	7	100
Other	0	0	100	0	0	100
Activity of the business						
Textile & Leather Industry	16	49	49	37	67	67
Chemical Industry	12	36	85	8	15	82
Electrical & Electronic Industry	4	12	97	4	7	89
Food Processing Industry	1	3	100	4	7	96
Metal & Engineering Industry	0	0	100	2	4	100
Location of the business						
Industrial Zone	19	58	58	21	38	38
New Medina	12	36	94	19	35	73
Suburb	2	6	100	7	13	86
Old Medina	0	0	100	8	14	100
Crafts Complex	0	0	100	0	0	100
Rural Area	0	0	100	0	0	100
Luxury District	0	0	100	0	0	100
Other	0	0	100	0	0	100
Business description						
Wholly family owned	16	48	49	35	64	64
Partly family owned	10	30	79	10	18	82
Privately owned	7	21	100	10	18	100
Age of the business						
> 5 years	25	76	76	55	100	100
3-5 years	8	24	100	0	0	100
1-2 years	0	0	100	0	0	100
Number of employees						
11-50	15	46	46	26	47	47
0-3	6	18	64	1	2	49
101-200	5	15	79	13	24	73
51-100	4	12	91	10	18	91
4-10	3	9	100	5	9	100
Annual turnover						
1.000.001-75.000.000	16	49	49	31	56	56
500.001-1.000.000	7	21	70	10	18	74
0-500.000	6	18	88	5	9	83
>75.000.000	4	12	100	9	17	100

APPENDIX C: RESULTS APPENDIX

Critical success factors

Variables	Items	Less successful					Successful				
		N	M	SD	SK	KU	N	M	SD	SK	KU
Need for achievement	Importance										
	11a	33	4.33	.48	.74	-1.55	55	4.65	.48	-.67	-1.61
	11b	33	3.94	.70	-1.63	3.97	55	4.04	.69	-1.43	3.77
	11d	33	4.06	.50	-1.48	9.85	55	4.05	.40	-1.29	13.68
	Importance	**33**	**4.11**	**.41**	**-.14**	**.30**	**55**	**4.25**	**.33**	**-1.51**	**2.51**
Locus of control	Importance										
	11c	33	4.12	.33	2.43	4.17	55	4.15	.36	2.07	2.36
	11e	33	2.49	1.15	1.16	.21	55	2.22	.71	3.17	8.91
	Importance	**33**	**3.3**	**.61**	**1.48**	**1.01**	**55**	**3.19**	**.38**	**2.23**	**4.51**
Risk taking propensity	Importance										
	11g	33	2.97	1.33	-.45	-1.53	55	4.04	.77	-1.84	5.47
	11h	33	3.18	1.04	-.21	-1.84	55	4	.67	-1.56	4.37
	11f	33	4.09	.29	2.98	7.34	55	4.15	.49	-.62	6.55
	Importance	**33**	**3.41**	**.81**	**-.20**	**1.49**	**55**	**4.06**	**.56**	**-1.63**	**6.31**
Managerial competences	10a	33	4.36	.65	-1.25	-1.76	55	4.62	.49	-.50	-1.82
	10e	33	4.36	.65	-1.25	3.72	55	4.64	.48	-.58	-1.72
	9p	33	4.45	.506	.191	-2.09	55	4.69	.47	-.85	-1.33
	Importance	**33**	**4.39**	**.54**	**-.79**	**1.53**	**55**	**4.65**	**.43**	**-.60**	**-1.42**
Entrepreneurial competences	Importance										
	10d	33	4.58	.50	-.32	-2.02	55	4.69	.47	.85	-1.33
	10b	33	4.64	.49	-.59	-1.76	55	4.71	.46	-.95	-1.15
	10g	33	4.3	.77	-1.47	3.10	55	4.25	.44	1.16	-.68
	9q	33	4.45	.51	-.06	-2.13	55	4.53	.50	-.11	-2.06
	Importance	**33**	**4.51**	**.47**	**-.37**	**-1.29**	**55**	**4.55**	**.35**	**-.08**	**-1.25**
Functional competences	Importance										
	10c	33	4.45	.51	.19	-2.09	55	4.31	.47	.85	-1.33
	10f	33	4.48	.51	.06	-2.13	55	4.16	.37	1.87	1.55
	9n	33	4.39	.66	-1.33	3.77	55	4.16	.37	1.87	1.55
	Importance	**33**	**4.44**	**.49**	**-.12**	**-1.23**	**55**	**4.21**	**.36**	**1.52**	**.80**

Variables	Items	Less successful					Successful				
		N	M	SD	SK	KU	N	M	SD	SK	KU
Finance	**Importance**										
	9g	33	4.94	0.24	-3.86	13.74	55	4.71	0.46	-0.95	-1.15
	Importance	**33**	**4.94**	**0.24**	**-3.86**	**13.74**	**55**	**4.71**	**0.46**	**-0.95**	**-1.15**
	Constraints										
	3c	33	4.42	0.66	-1.42	3.89	55	3.35	1.11	-0.40	-1.32
	3p	33	4.39	0.66	-1.33	3.77	55	3.55	1.05	-0.57	-1.07
	7e	33	4.36	0.65	-1.25	3.72	55	4.29	1.05	-1.42	0.74
	7f	33	4.27	0.63	-1.08	4.03	55	4.33	1.06	-1.49	0.86
	7g	33	4.24	0.44	1.26	-0.44	55	3.93	0.69	-1.66	3.85
	Constraints	**33**	**4.34**	**0.38**	**-1.16**	**3.78**	**55**	**3.89**	**0.79**	**-1.14**	**0.53**
Taxation	**Importance**										
	9f	33	4.33	0.65	-1.18	3.74	55	4.31	0.47	0.85	-1.33
	Importance	**33**	**4.33**	**0.65**	**-1.18**	**3.74**	**55**	**4.31**	**0.47**	**0.85**	**-1.33**
	Constraints										
	4c	33	4.30	0.47	0.90	-1.27	55	3.89	0.81	-1.32	1.73
	4f	33	4.39	0.50	0.46	-1.91	55	3.89	0.81	-1.32	1.73
	Constraints	**33**	**4.35**	**0.44**	**0.66**	**-1.42**	**55**	**3.89**	**0.80**	**-1.38**	**1.81**
Government Support	**Importance**										
	9h	33	4.79	0.42	-1.48	0.19	55	4.67	0.58	-2.21	6.86
	Importance	**33**	**4.79**	**0.42**	**-1.48**	**0.19**	**55**	**4.67**	**0.58**	**-2.21**	**6.86**
	Constraints										
	3b	33	4.27	0.76	-1.42	3.11	55	3.95	0.97	-1.02	0.27
	3m	33	4.18	0.73	-1.34	3.43	55	3.85	0.91	-1.07	0.54
	3o	33	4.21	0.74	-1.35	3.26	55	3.91	0.95	-1.03	0.36
	5a	33	3.91	0.63	0.07	-0.31	55	3.75	0.80	-1.09	0.85
	5b	33	4.06	0.50	0.15	1.48	55	3.89	0.66	-1.91	4.58
	5c	33	4.03	0.47	-1.84	12.31	55	3.82	0.88	-1.13	0.69
	5d	33	3.79	0.55	-2.59	5.93	55	3.76	0.69	-2.77	6.42
	Constraints	**33**	**4.06**	**0.35**	**-1.02**	**0.92**	**55**	**3.85**	**0.59**	**-1.21**	**0.96**

Variables	Items	Less successful					Successful				
		N	M	SD	SK	KU	N	M	SD	SK	KU
Regulatory environment	**Importance**										
	9k	33	4.27	0.45	1.07	-0.92	55	3.85	0.52	-3.38	9.80
	Importance	**33**	**4.27**	**0.45**	**1.07**	**-0.92**	**55**	**3.85**	**0.52**	**-3.38**	**-1.33**
	Constraints										
	Business registration										
	3i	33	4.21	0.42	1.48	0.19	55	4.02	0.49	-1.91	10.37
	4b	33	4.12	0.33	2.43	4.17	55	4.00	0.58	-1.80	6.88
	4a	33	4.09	0.29	2.98	7.34	55	3.98	0.56	-1.97	7.64
	Business registration	**33**	**4.14**	**0.29**	**2.09**	**3.47**	**55**	**4.00**	**0.51**	**-2.25**	**8.90**
	Regulations										
	4d	33	2.55	1.00	1.06	-0.33	55	2.55	0.96	1.31	0.01
	4f	33	4.39	0.50	0.46	-1.91	55	3.89	0.81	-1.32	1.73
	4e	33	2.30	0.95	1.42	1.45	55	2.62	0.99	1.08	-0.57
	4c	33	4.30	0.47	0.90	-1.27	55	3.89	0.81	-1.32	1.73
	4g	33	2.21	0.82	1.39	1.50	55	2.60	1.07	1.16	-0.17
	Regulations	**33**	**3.15**	**0.56**	**1.53**	**1.18**	**55**	**3.11**	**0.77**	**0.75**	**-0.01**
	Corruption										
	7i	33	4.67	0.48	-0.74	-1.55	55	4.69	0.47	-0.85	-1.33
	8d	33	4.76	0.44	-1.26	-0.43	55	4.82	0.39	-1.70	0.91
	Corruption	**33**	**4.71**	**0.43**	**-0.98**	**-0.94**	**55**	**4.75**	**0.40**	**-1.20**	**-0.28**
	Bureaucracy										
	8a	33	4.48	0.80	-1.93	4.07	55	4.49	0.69	-1.72	4.14
	8b	33	4.00	0.97	-1.98	4.68	55	3.98	0.65	-2.47	10.12
	8c	33	4.03	0.98	-1.95	4.49	55	4.00	0.67	-2.34	9.40
	8e	33	4.33	0.99	-1.98	4.03	55	4.27	0.68	-1.14	2.83
	Bureaucracy	**33**	**4.21**	**0.83**	**-2.20**	**5.57**	**55**	**4.19**	**0.53**	**-2.34**	**8.07**
Technology	**Importance**										
	9e	33	4.30	0.88	-1.53	2.16	55	4.53	0.50	-0.11	-2.06
	Importance	**33**	**4.27**	**0.45**	**1.07**	**-0.92**	**55**	**4.20**	**0.40**	**1.54**	**0.39**
	Constraints										
	3f	33	2.76	1.42	0.53	-1.24	55	4.15	0.59	-1.16	5.13
	3j	33	2.76	1.20	-0.08	-1.71	55	3.95	0.52	-2.48	9.63
	Constraints	**33**	**2.76**	**1.26**	**0.18**	**-1.47**	**55**	**4.05**	**0.47**	**-1.54**	**6.64**

Variables	Items	Less successful					Successful				
		N	M	SD	SK	KU	N	M	SD	SK	KU
Information	Importance										
	9i	33	4.12	0.33	2.43	4.17	55	4.13	0.34	2.30	3.41
	Importance	**33**	**4.12**	**0.33**	**2.43**	**4.17**	**55**	**4.13**	**0.34**	**2.30**	**3.41**
	Constraints										
	3k	33	3.21	1.11	-1.03	-0.48	55	3.78	0.63	-2.58	4.82
	3e	33	3.48	1.12	-1.09	0.30	55	4.00	0.33	-3.11	27.00
	3g	33	3.18	1.21	-1.05	-0.65	55	3.84	0.69	-2.62	7.38
	3a	33	4.18	1.36	-1.55	0.98	55	4.84	0.37	-1.87	1.55
	Constraints	**33**	**3.52**	**1.12**	**-1.25**	**0.34**	**55**	**4.11**	**0.41**	**-2.65**	**6.88**
Infrastructure	Importance										
	9j	33	4.58	0.50	-0.32	-2.02	55	4.82	0.39	-1.70	0.91
	Importance	**33**	**4.58**	**0.50**	**-0.32**	**-2.02**	**55**	**4.82**	**0.39**	**-1.70**	**0.91**
	Constraints										
	Reliability										
	5e	33	4.00	0.43	-2.46	16.00	55	4.02	0.14	7.42	55.00
	5f	33	3.94	0.35	-5.75	33.00	55	4.04	0.19	5.09	14.81
	5g	33	4.03	0.47	-1.84	12.31	55	4.05	0.23	4.03	24.85
	Reliability	**33**	**3.99**	**0.39**	**-4.30**	**23.68**	**55**	**4.04**	**0.15**	**5.23**	**30.46**
	Cost										
	6a	33	4.42	0.66	-1.42	3.89	55	4.20	0.62	-1.12	4.23
	6b	33	3.76	0.66	-1.75	2.96	55	3.60	0.92	-0.91	-0.36
	6c	33	4.24	0.61	-1.04	4.30	55	4.15	0.59	-1.16	5.13
	Cost	**33**	**4.14**	**0.51**	**-2.19**	**8.87**	**55**	**3.98**	**0.60**	**-1.14**	**2.75**
Network	Importance										
	9l	33	4.09	0.29	2.98	7.34	55	4.07	0.26	3.38	9.80
	Importance	**33**	**4.09**	**0.29**	**2.98**	**7.34**	**55**	**4.07**	**0.26**	**3.38**	**9.80**
	Constraints										
	3q	33	3.58	0.94	-0.96	-0.45	55	4.04	0.69	-1.43	3.78
	3n	33	2.73	0.98	0.59	-1.76	55	4.07	0.72	-1.36	3.33
	3l	33	3.48	0.94	-0.92	.-852	55	3.98	0.65	-1.64	4.74
	Constraints	**33**	**3.26**	**0.81**	**-0.65**	**-1.05**	**55**	**4.03**	**0.67**	**-1.65**	**4.33**
Customers	constraints										
	3d	33	2.70	1.18	0.04	-1.68	55	4.02	0.36	-2.22	20.82
	Access to customers	**33**	**2.70**	**1.18**	**0.04**	**-1.68**	**55**	**4.02**	**0.36**	**-2.22**	**20.82**
	Importance										
	9m	33	4.55	0.67	-1.87	5.12	55	4.58	0.83	-2.27	4.61
	Importance	**33**	**4.55**	**0.67**	**-1.87**	**5.12**	**55**	**4.58**	**0.83**	**-2.27**	**4.61**

Variables	Items	Less successful					Successful				
		N	M	SD	SK	KU	N	M	SD	SK	KU
Suppliers	**Constraints**										
	3h	33	4.48	0.67	-1.62	4.34	55	3.89	0.74	-2.13	5.84
	Access to suppliers	**33**	**4.48**	**0.67**	**-1.62**	**4.34**	**55**	**3.89**	**0.74**	**-2.13**	**5.84**
	Importance										
	9r	33	4.27	0.45	1.07	-0.92	55	4.07	0.42	-1.04	11.48
	Importance	**33**	**4.27**	**0.45**	**1.07**	**-0.92**	**55**	**4.07**	**0.42**	**-1.04**	**11.48**
Competition	**Importance**										
	9o	33	4.39	0.50	0.46	-1.91	55	4.53	0.50	-0.11	-2.06
	Importance	**33**	**4.39**	**0.50**	**0.46**	**-1.91**	**55**	**4.53**	**0.50**	**-0.11**	**-2.06**
	Constraints										
	7c	33	4.18	0.73	-1.34	3.43	55	4.02	0.68	-1.49	4.05
	7h	33	4.15	0.71	-1.33	3.65	55	4.02	0.83	-1.26	1.75
	7j	33	4.21	0.86	-1.39	2.06	55	4.25	0.87	-1.42	1.87
	7d	33	2.85	1.09	0.62	-1.39	55	3.45	1.07	-0.45	-1.31
	Constraints	**33**	**3.85**	**0.63**	**-0.95**	**1.96**	**55**	**3.94**	**0.69**	**-1.66**	**2.60**

APPENDIX C.6: Results of Mann-Withney test for testing the hypotheses

Variable	Mann Whitney U Statistic	Mean Rank (Less successful)	Mean Rank (Successful)	Z value	Significance
Age of the business	687.5	37.83	48.5	-3.808	.000
Number of employees	689	37.88	48.47	-2.002	.045
Annual turnover	633.5	36.2	49.48	-2.603	.009
Location of the business	668.5	37.26	48.85	-2.220	.026
Gender of the entrepreneur	852.5	46.17	43.5	-1.836	.066
Age of the entrepreneur	709.5	50.5	40.9	-2.115	.034
Education of the entrepreneur	192	22.82	57.51	-6.41	.000
Years of work experience	763	40.12	47.13	-1.387	.167
Relevance of experience to the business	330.00	27	55	-6.741	.000
Education of father	506.00	32.33	51.8	-3.842	.000
Education of mother	540.5	33.38	51.17	-3.391	.001
Self-employment of parents	390.5	28.83	53.9	-5.427	.000
Need for achievement	651	36.73	49.16	-2.358	.018
Locus of control	888	45.09	44.15	-.221	.825
Propensity for risk-taking	501	32.18	51.89	-4.000	.000
Entrepreneurial competences	848.5	42.71	45.57	-.536	.599
Managerial competences	705	38.36	48.18	-1.985	.047
Functional competences	657	52.09	39.95	-2.411	.016
Finance Cost	845	42.61	45.64	-.568	.569
Availability	391.5	60.14	35.12	-4.705	.000

Variable	Mann Whitney U Statistic	Mean Rank (Less successful)	Mean Rank (Successful)	Z value	Significance
Taxation	613	53.42	39.15	-3.019	.002
Corruption	833.5	46.74	43.15	-.669	.507
Bureaucracy	822.5	47.08	42.95	-.777	.440
Regulations	812	41.61	46.24	-.998	.323
Business registration & licenses	788	48.12	42.33	-1.432	.166
Service of government institutions	864.5	45.8	43.72	-.401	.692
Availability of support	714.50	50.35	40.99	-1.752	.080
Access to technology	440	30.33	53	-4.353	.000
Access to information	718.5	38.77	47.94	-1.929	.054
Availability of infrastructure	889.5	45.05	44.17	-.295	.818
Cost of infrastructure	734.5	49.74	41.35	-1.582	.115
Access to network	390	28.82	53.91	-4.986	.000
Access to customers	378	28.45	54.13	-5.932	.000
Importance of customers	816	41.73	46.16	-.967	.334
Access to suppliers	482	57.39	36.76	-4.445	.000
Importance of suppliers	747	49.36	41.58	-2.068	.039
Competition	740	39.42	47.55	-1.470	.143

APPENDIX C.7: Final Thematic map