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Characteristic Growth Factors of Small and Medium-Sized Enterprises from the Perspective of Selected Multidirectional and Varied Results of Empirical Research

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Author's contribution

The sole author designed, analyzed and interpreted and prepared the manuscript.

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ABSTRACT

The paper indicates a relatively big share of firms of the SME sector in the economic development of countries and attention is paid to beneficial effects achieved from the growth of those firms. The author presents selected conclusions of empirical research into that problem in numerous countries, implemented from the point of view of the influence of various factors on the growth of firms of the SME sector including micro-, small and medium-sized business entities. It gives a picture of the conclusions resulting from empirical research and findings of many authors referring to the most significant growth factors of these businesses.

Keywords: Small and medium-sized enterprises; factors of growth; empirical results.

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1. INTRODUCTION

Small and medium-sized enterprises are responsible for a relatively high, sometimes even vital level of the development of a national economy. It concerns the European Union countries but also other economies of the world, including, among others, the US, China, India and Japan.

It should be emphasized that SMEs are defined in different ways in different countries. Taking into consideration the employment criterion, SMEs can be understood as:

- in the European Union, enterprises employing up to 249 workers regardless of the kind of their business activity,
- in Japan the division is based on the kind of business activity: in retail up to 50 workers, in services and wholesale up to 100, in industry and other kinds of activity up to 300 people,
- in US, regardless of the kind of activity, up to 500 workers,
- in China the division is connected with the kind of activity but, for example, small industrial enterprises employ up to 300 workers but medium-sized firms fewer than 1000,
- in India the criterion of the division of enterprises concerns the value of their investment: in industry it is the sum of up to 2.5 mln USD (micro firms 62,500 USD, small ones up to 1.25 mln USD, medium-sized 2.5 mln USD) and in services it is up to 1.5 mln USD (micro firms up to 25000 USD, small firms up to 0.5 mln USD and medium-sized enterprises up to 1.5 mln USD).

Small and medium-sized enterprises function concurrently with micro-enterprises¹, together with them creating so-called SME sector, often called the Small and Medium-Sized Enterprise sector. The shares of those enterprises are relatively large in individual countries, in respect of [1]:

- the number of people working in the national economy, particularly in the enterprise sector,
- generation of the Gross Domestic Product,
- foreign trade,

¹ In the European Union micro-enterprises are business entities employing fewer than 10 workers.

- innovative activities in the enterprise sector in total.

Irrespective of the above, a significant share of these enterprises in the area of investment and the extension of infrastructure of specific countries can be observed.

Taking the economy of Poland as an example, we can show that the share of micro-firms in the GDP generation (29.7%) is higher than the share of the other sectors of economy (27%), or even large enterprises (24.5%). It confirms a relatively large share of the SME sector firms in generating GDP (the share of micro-, small and medium-sized enterprises in total is 48.5%) [2].

The production potential and the sales of individual firms of the SME sector are mainly related to their size class in such a way that they increase with the growth of the size class of these firms. However, they are relatively smallest in micro-enterprises, bigger in small enterprises², and the biggest in medium-sized enterprises³. The change of the size of enterprises from smaller to bigger ones arises from their growth in the process of the development of those entities.

The benefits from the growth are achieved not only by businesses themselves, due to the improvement of their investment, innovative and competitive capabilities, but also by the whole national economy. Along with the growth of the firm, the rise of its production potential takes place, an increase in the employment of workers, bigger capabilities of financing research and development activities occur. With the growing share of enterprises characterized by growth in an economy, considerable economic growth of the country may take place, accompanied by the simultaneous improvement of innovativeness and competitiveness of its economy.

Considering, among others, the mentioned benefits arising from the growth of the SME sector firms, the issue is an important part of research papers whose authors got involved in the implementation of research into the growth of those enterprises on the path to their development. It is worth pointing out that the SME growth process may vary distinctively from country to country and even from region to region in the same country [3]. And it is the cause of

² In the European Union a small enterprise is a business entity which employs fewer than 50 workers.

³ In the European Union a medium-sized enterprise is a business entity which employs fewer than 250 workers.

doing a lot of research on this subject. The area of the research is nevertheless limited by some individual and organizational factors, as well as external environmental factors [4]. Hence, it requires a diversified way of treating and analyzing this heterogenic sector of SMEs, taking into consideration multidirectional and varied results of empirical research.

The aim of this article is to make an overview and present selected conclusions resulting from multidirectional and varied research concerning the problem of the growth of small and medium-sized enterprises, having verified the following research hypotheses:

- H1: The tendency to grow is a natural law concerning any enterprise. This growth depends especially on the material and non material resources the enterprise possesses which in turn are defined as its potential.
- H2: The enterprise growth is an unseparable part of its development and in most cases it is connected with its mission and goals.
- H3: The same factors may have a varied influence on the growth of the enterprise taking into consideration social and economic conditions of the countries in which they operate as well as the classes of their size.

2. GROWTH FACTORS IN THE CONTEXT OF ENTERPRISE DEVELOPMENT

In the literature of the subject, among various factors of development of a firm factors shaping changes in its size are also indicated, namely growth factors and the factors shaping the enterprise structures, that is, factors of structural changes [5]. Therefore, growth factors are constituents of a firm's development factors.

The term of growth is understood, among others, as positive quantitative changes in the course of various natural, social and economic phenomena [6]⁴. On the other hand, development is understood not only as quantitative but also structural and qualitative changes which occur jointly, and often as a result of quantitative changes [7]. What differentiates the notions of growth and development is related to the character of changes made. With the growth the size of a firm

changes, which in turn influences an increase in its potential and passing to a higher size class, whereas development is basically sought in qualitative changes and it can take place even with the drop in the value of production and the reduction of the number of workers. The essence of development is not a quantitative increase in the goods manufactured or the services provided but rather making changes aiming at the production of new products and services of higher quality, which improve the conditions of the firm's operations and meet new needs of the customers [7].

We may assume that the enterprise development process can progress under the influence of quantitative changes, qualitative changes or quantitative and qualitative changes (Fig. 1).

As it can be seen in Fig. 1, changes which are exclusively quantitative end in growth, whereas qualitative changes or qualitative and quantitative changes end in development. In practice, the changes mentioned affect each other, determining the enterprise development process.

In the literature of the subject, attention is paid to the variety and asymmetry of the types of enterprise growth, considering a negligible part of enterprises growing steadily and fast, from which conclusions are drawn about some contingency of this process.

Among significant growth factors of the SME sector, the following are distinguished [8]:

- 1) Individual factors concerning an entrepreneur, such as:
 - his personal qualities, including character traits, a need for achievements, effectiveness or taking risk;
 - motivation to achieve the goal of the firm;
 - individual competence;
 - others, such as experience and education.
- 2) Organizational factors, such as:
 - attributes of the enterprise, including its age and size;
 - the enterprise strategy;
 - specific resources of the enterprise;
 - organizational structure.
- 3) Environmental factors influencing the growth of a business in respect of their:

⁴ As J. Kortan indicates, also with regard to enterprises (as in national economies) we cannot exclude zero or even negative growth.

dynamism, heterogeneity, as well as competitiveness turning into "hostility" or "favour" of the environment. As the research indicates, the improvement of the investment climate for SMEs, and strengthening their capacities to respond to trade and investment opportunities, does strengthen the economic performance of SMEs and has a positive influence on their growth [9].

Among growth factors of the SME sector firms there are also, for example: innovativeness, flexibility of operations, skillful management,

the structure of the sources of finance, and others.

It is worth emphasizing that the analysis and assessment of these factors by their researchers is also conditioned by the implemented research process concerning the problem of the growth of SMEs, which includes a lot of actions, starting from the formulation of the research problem, putting forward research hypotheses, and ending with operationalization and the procedure of execution itself. Fig. 2 presents the diagram of the research process related to the analysis and assessment of enterprise growth.

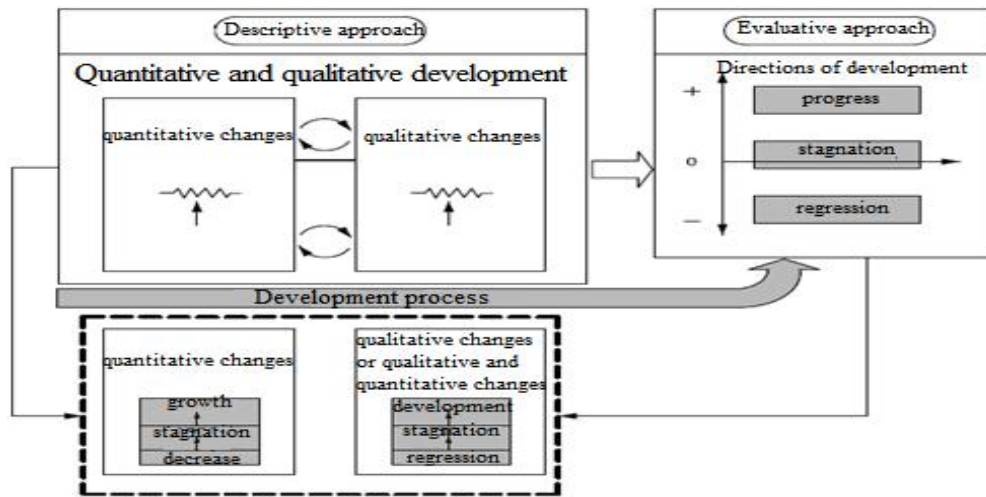


Fig. 1. The notion of development in consequence of changes taking place in the process

Source: [10] with own changes

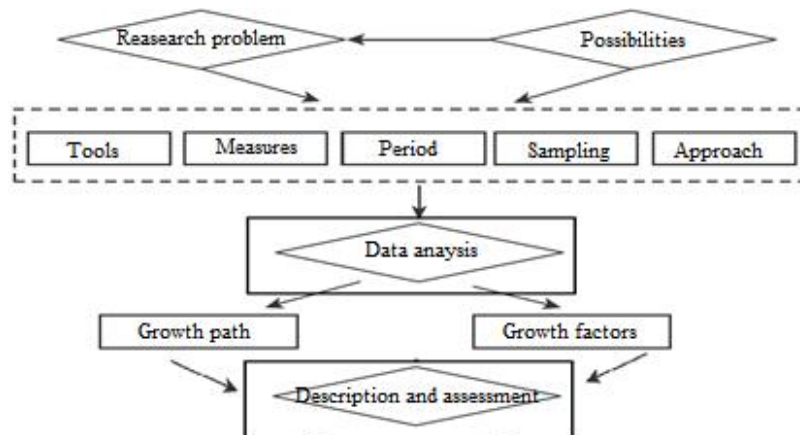


Fig. 2. The diagram of the research process in respect of the analysis and assessment of enterprise growth

Source: [11] with the use of own representation

Taking into consideration enterprise growth measures, we can indicate that among those most frequently applied in empirical research the following are distinguished:

- measures regarding the size of an organization, including: enterprise size class, turnover volume and employment rate,
- measures referring to its value, such as the possessed resources, including: assets, capital resources, and also
- measures concerning the profitability of the entity, including net profit value, profitability ratios, cash flows.

3. THE PROBLEM OF ENTERPRISE GROWTH IN ECONOMIC THEORIES

In the economic literature, as P. O'Farrell and D. Hitchens point out, we can indicate the basic enterprise growth theories [12]:

- static equilibrium theories, referring to industrial economics, where the main attention is focused on the economies of scale and long-term cost minimization;
- stochastic enterprise growth models in which it is stressed that a lot of factors influence growth, and this implies the lack of a prevailing theory;
- theories describing enterprise growth from the perspective of strategic management in which attention is focused on the strategic view towards sustainable growth and on the way in which the owner-manager reacts to changes in business and environmental factors;
- theories concerning the achieved enterprise growth within individual stages and phases of their development;

Among fundamental streams of the contemporary enterprise theory we can indicate, among others, neoclassical theory of the firm, managerial theories of the firm, transaction cost theory and resource based view.

In the classical theory of economy there is no direct reference to the problem of enterprise growth, however, in the production theory growth is defined as a change between two states. What results from A. Smith's deliberations within classical economics with regard to growth is that the growth of the wealth of nations (directly referring to the economic growth of the country,

but partially also to the growth being the contribution of enterprises) depends on the effective use of three factors of production: land, labour and capital [13]. It means that the function of production in such an approach can be treated as a function of those three variables. It is worth emphasizing that representatives of German historicism, that is a school of heterodox character, as early as in the 19th century pointed out the significance of non-material factors, such as spiritual capital and cultural factors, for growth [14].

Among neoclassicists considerable contribution in respect of the bases of production theory and enterprise economics was brought by A. Marshall who, in addition to labour, capital and land, indicated the fourth factor of production, namely the organization [15]. The theory of the fourth factor was later strengthened by J. A. Schumpeter who defined it as entrepreneurship. It is worth mentioning here that in respect of the impact of entrepreneurship on enterprise growth, as D. F. Kuratko indicates, it is necessary to separate an entrepreneur from a small business owner. It is caused by a different type of reaction to the issue of innovation profit and growth of the enterprise. An entrepreneur usually aggressively focuses on innovation profit and enterprise's growth but a small business owner's objective is mostly connected with managing at first the stable growth [16].

Managerial theories of the firm are not a uniform set of the concepts of enterprise [17], however, they are a new view, among others, of the question of goals in the enterprise. According to R. Marris's theory, managers attach greater importance to benefits arising from the growth rate maximization than to benefits related to its volume, at the same time trying to meet such needs as: income, prestige, power and security. Then, the maximization of the utility function dependent on the growth rate takes place. Growth is grasped in a long term, and the condition of sustainable growth are the same growth rates on the supply side (this growth is understood as synonymous to the growth of resources) and the demand side (this growth is understood as synonymous to an increase in sales revenues) [17]. Enterprise growth rate is determined by [17]:

- demand constraints. Enterprise growth is grasped particularly within the scope of diversification activities and considering

- the “future growth rate of demand” category,
- managerial goals and constraints. When indicating the goals, it should be noted that the managerial utility function depends on many variables. Managerial constraints result, among others, from the fact that managers have relatively limited abilities in respect of the performance of more and more work and at the same time maintaining high work efficiency as the organization grows. Even raising the number of managers does not solve the problem completely,
 - financial constraints. They are often related to the risk of taking the enterprise over by another business entity in the situation when the relation of the market value of shares to the book value will drop below a certain level, and this, in turn, is a constraint for the enterprise growth rate.

In neo institutional economics, a representative of which is R. Coase (he created the foundations of transaction cost theory which is indicated as one of the three major, in addition to the theory of agency and the property rights theory, components of new institutional economics), the attention is paid to the fact that the coordination of factors of production does not take place via the “invisible hand of the market” but in a visible way, in connection with decisions made in enterprises. What takes place is the hierarchically organized coordination of resources in the enterprise, managed by the “visible hand of the entrepreneur or the manager”. According to R. Coase, the size of the enterprise will increase until it reaches the point in which the cost of organizing an additional transaction within its structure will become equal to the cost of performing this transaction on the market [18].

A representative of new institutional economics is O. E. Williamson who introduced one more type of a management structure, namely hybrid structures, indirect structures, among which we can point out long-term contracts: relational contracts, informal, formalized and organizational forms of cooperation in the form of: alliance, franchising, joint venture or outsourcing. Enterprise growth mechanisms arise from the adopted assumption that transactions, which differ in specific attributes, are still adjusted to management structures differing in costs and benefits, which is related to savings on transaction costs [19]. Attention should be paid to predictive capabilities of the transaction cost

theory, concerning the mechanisms and forms of the coordination of growth. They are related to the proposal of using systematic selection of management structures in which growth can be implemented as the internal (organic), external (mergers and acquisitions), as well as hybrid one (joint venture, outsourcing, etc.) [18].

Within the resource approach theory, theoretical bases of enterprise growth were presented, among others, by E. Penrose. In the resource theory, it is indicated that economic premises of an increase in the size of an enterprise are inherent to the use of indivisible (specific, rare) resources, such as: managers’ skills and experience, knowledge and qualifications of the employees, research and development infrastructure, brand, etc., and to value creation based on a new combination of the existing resources. As a result, the use of the surplus of indivisible resources may bring savings of the scale, range and experience [18]. E. Penrose indicated that “an enterprise is a coherent administrative unit that provides administration coordination and authoritative communication” [20]. She also suggested that the growth of the enterprise is limited by the scope of managerial resources, such as: an ability to coordinate capabilities and introduce new workers.

In spite of a very dynamic development of theoretical research into the problems of enterprise [21], the absence of unanimity and precision in fundamental issues can be observed. Among them there are: the ontological status of the enterprise, the reasons for the diversification of the population of enterprises within specific types of activity, factors determining the size and the internal structure of the enterprise, the manner in which they behave on the market, the impact of the environment on the effects of the organization’s activities, as well as the assessment of the conditions and factors of success and failures [22], directly related to the process of their growth. Therefore, a gap emerging in the deliberations and theoretical studies indicates a need for a proper view, analysis and formulation of conclusions arising from empirical research connected with enterprise growth, and particularly those enterprises which constitute the SME sector and are indicated as the “motor of the development of contemporary national economies”.

It is also worth stressing that three fundamental streams are observed in research into enterprise growth [18,23]:

- the first one in which the main attention of researchers focuses on the consequences of growth for organizations and in which the ways of managing an organization upon obtaining the previously set goals are indicated;
- the second one concerning research into the determinants and future factors of an increase in the size of the organization, in which there is a diagnosis of the potential of enterprise growth and its prediction;
- the third one, concerning the way of the implementation of enterprise growth, which also attempts to answer the question about the reasons for growth, as well as the mechanisms and forms of coordination (management structures).

4. CONCLUSIONS ARISING FROM THE IMPLEMENTATION OF MULTI-DIRECTIONAL RESEARCH INTO FIRMS OF THE SME SECTOR WITH REGARD TO THEIR GROWTH

The empirical research concerning the growth possibilities of firms of the SME sector usually considers mutual relations between the growth of a business and individual, significant from the research point of view, growth factors. J. Wasilczuk in her empirical research in Poland isolated growth factors of small enterprises referring to [24]:

- the owner - manager, including his sex, age, entrepreneurial motivations, education, experience and personal features,
- the firm itself, including the period of its functioning on the market, legal form, hiring "professional" managers, launching new products, information and advice from the outside, credits, subcontracting, delegating powers, raising qualifications, strategic planning and exports.

As a result of the conducted research, J. Wasilczuk proved significant influence of the majority of the mentioned factors on the growth of small enterprises, referring both to the owner-manager himself and his firm. Only with respect to the four of those factors, namely the age of the owner, his personal features, the legal form of the business, as well as hiring "professional" managers in the firm, no impact on the growth of the business was revealed. On the other hand, the effect of the period of the firm's functioning on the market on its growth turned out to be

positive for "older" enterprises, contrary to what is often presented in the literature of the subject.

What arises from the overview of the literature devoted to the problems of the growth of SMEs is that the conducted research primarily referred to mutual relations between the growth of a firm and factors like:

- the growth of a firm in the context of its age and/or size,
- the growth of a firm and its resources along with other distinguished factors,
- the growth of a firm in the context of the influence of various factors.

The conducted analyses of the specific research findings have basically a fragmentary and non-holistic dimension, among others due to limitations and real possibilities to implement empirical research [8].

Below, there is an attempt to generalize conclusions referring to the indicated interdependencies between the growth of an enterprise and the studied growth factors.

4.1 Enterprise Growth in the Context of Its Age and Size

It is pointed out that the growth of a firm is an evolutionary process, based on gathering collective knowledge in the context of a special purpose entity [25] and the age of a firm is a determinant of the experience gathered by it [26,4].

With regard to the aspect of the dependence of the firm growth on its age and size, we can come across various, even contradictory research findings. Thus, for example, on the basis of the research carried out among American businesses, E. Hurst and B.W. Pugsley found out that various relations occur between the growth of small and medium-sized enterprises and their age and size [27]. On the other hand, what results from the research of J. Haltiwanger et al. is that there is little effect of the age and size of firms on their growth [28]. Some research authors have found out that the growth of a business is inversely correlated with age and size [29,30], which would mean that the growth of firms of the SME sector occurs to a greater extent among younger and smaller entities.

However, A. Heshmati, who conducted research among micro- and small enterprises in Sweden,

revealed a relatively large correlation between the growth of a firm and its age and size, with the use of adequate estimation methods and the measures of the firm's growth and size [31]⁵.

Regardless of the research directly referring to the establishment of mutual relations between the growth of an enterprise and its age and size, also some research additionally considering the influence of other enterprise growth factors was conducted. Among others, P. M. Nunes et al., when examining the effect of the age and size of small and medium-sized enterprises on their growth, indicated the occurrence of the following relations: age and size are restrictive factors for young firms but they do not play an important role for older businesses. Moreover, at the same time the authors indicated other factors which are significant for the growth of businesses. For younger firms it is financial liquidity and debt, for younger ones it is the intensity of research and development works and work efficiency [33].

Similarly, what arises from M. Mateev and Y. Anastasov's research into firms of the SME sector in Central and Eastern Europe is that the growth of those businesses is influenced both by their age and size, as well as by the structure of the sources of their financing [34]⁶.

Moreover, L. Becchetti and G. Trovato in the research conducted among Italian businesses of the SME sector [35] claimed that the growth of firms is influenced not only by their age but also the accessibility of finance, but the growth is faster in firms characterized by better access to external sources of finance, among others.

On the basis of the presented various conclusions of the research findings of numerous authors discussing the effect of such factors as the age and/or size, as well as other additional factors on the growth of firms of the SME sector, we can conclude that the majority of authors of the conducted research prove the correlation

between the firm growth and its age and size. Positive indications of some authors for firm growth with regard to "young" entities, particularly micro and small enterprises, are worth noting.

4.2 Firm Growth and Its Resources and Other Distinguished Factors

Resources of a firm are understood both as tangible and intangible resources [36]. Tangible resources include fixed resources, such as: devices, equipment, material and technical, financial, technological resources, the organization and management system. Intangible resources include, among others: managerial contacts, relations with suppliers and customers, goodwill, intangible and legal values, namely corporate value, intellectual values, copyrights, knowledge and experience of workers.

When implementing research into firm growth, P. Davidsson et al. [37] found out that the growth of businesses is closely connected with the entrepreneurial and strategic orientation of an entrepreneur, but the real growth to a great extent depends on resources and taking chances for growth which occur in the environment. L. Perren [38] claimed that among the factors which substantially affect the growth of micro-firms we can mention: the owner's motivation to achieve the firm growth, specific knowledge about managing its growth, demand and the access to resources. The factors were verified by him with a positive result [39].

S. Ghoshal et al. [40] point out that in practice, the limitation of enterprise growth takes place as a result of a reduced access to broadly understood resources. What arises from R. Wagen-voort's [41] research into European SMEs operating in industry and construction is that the factor limiting their growth are problems with the structure of the sources of financing these firms, including the limitations of accessibility to external sources of finance.

4.3 Firm Growth in the Context of the Influence of Various Factors on It

A. Perenyi et al. included the following in the factors exerting significant influence on the growth of businesses: knowledge, entrepreneurship, capability of recognizing opportunities, motivation to grow, the environment, as well as the economies of scale and the economy of growth [25]. On the other hand, P. D. Gupta, A. Guha and S. S. Krishnaswami indicated,

⁵ The research prepared by M. B. Diambaidou, D. François, B. Gailly, M. Verleysen and V. Wertz tries to explain how new firms evolve over time and indicates that nonlinearities exist in the case of new (start-up) firm growth trajectories [32].

⁶ In the indicated work M. Mateev and Y. Anastasov proved that the total value of assets, being one of the "size of a firm" measures has a large scope of influence on the growth of a firm whereas the firm size measured based on the number of workers has a marginal influence. As factors significant for the growth and transformations of a firm in the research the following were also indicated: the ratio of debt to the assets in total (leverage), current liquidity, possibilities for growth in the future, internal sources of finance and productivity factors.

based on the analysis of the literature of the subject, that a critical role in determining enterprise growth is played by so called five helixes: the education system, the economic system, the natural environment, mass-media and the culture-based public and the political system [4].

According to J. Targalski, [42] among very important factors of success or failure of small and medium-sized enterprises at the stage of expansion connected with growth and being of critical importance, there are, on the entrepreneur's side: the entrepreneur's goals, his managerial and strategic abilities, and on the firm's side: financial resources, human resources, the management system and, as an important factor, the resources of the firm. Among other factors, both internal and external, which are defined as crucial factors influencing SMEs, one may point out the following: challenges of management, economic conditions and infrastructure [43], tax [44] and financial system [45].

In the literature of the subject, factors significant for the growth of firms, so-called gazelles [46,47]⁷, called firms of fast growth, are often analyzed. S. Feindt et al. [48] considered the following as such factors for the SME sector firms: experience and knowledge of the owner-manager (specific for a given sector and market), close relationships with the customer, particularly in the area of quality and innovativeness, as well as the flexibility in the area of technology and marketing, focus on profit and good cost management, skillful workforce management and the developing market.

M. Gancarczyk pointed out to the significance of "gazelles" in economy and isolated the following factors of their growth [46]:

- the person of the entrepreneur, including his ambitions and motives, functional skills,

⁷ This notion is understood as firms operating on the market not longer than 5 years and characterizing with fast growth rate of sales revenues (on average 20% and more in the 3 year-period), e.g. according to the methodology applied by the Central Statistical Office in Poland). However, it should be emphasized that there is no one commonly valid definition of the level of measures and the measures of growth measurement themselves, in order to qualify the firms as growing, declining, stable and so-called "gazelle". In the literature of the subject, a lot of authors assume that fast-growing firms are the ones which are able to double its size (sales, employment or assets) in a relatively short time, e.g. 4 or 5 years. For more on the problems of firm growth measurement.

managerial experience and experience in a specific sector, age and the number of founders/managers,

- the organization, including: age of the firm, sector of activities, size and the legal form,
- strategy, including: technological level, innovations, planning and external financing.

Also from M. J. Ferrantino et al. [49] research into "gazelles" among Chinese and Indian firms a specific relation between fast growth of these entities, their age and conducting export activities arises. Among Chinese businesses a distinctly increasing share of exporters gazelles among exporters in total was proven, whereas Indian firms entities defined as gazelles were to a greater extent non-exporters than exporters. Considering the period of conducting activities on the market by these firms, the findings of their research both in China and in India prove that in the case of younger firms, their bigger inclination for faster growth is observed.

Among other growth factors, the literature of the subject also mentions the occurring relations between the growth of small and medium-sized enterprises and changes in their structures with regard to the ownership and the sources of finance. In respect of the ownership structure of small and medium-sized enterprises we can notice the variety of views in this matter: some authors emphasize that family relationships of the owners (family firms) are a factor negatively influencing the growth of these enterprises, and other indicate them as a positive determinant [50,51]. The differences within this scope can be explained with differences in the organizational culture of firms, related to the accepted traditions and the culture of the society in a given country, including the recognition of the significance of family and its place in business.

In the research into the influence of the equity structure on the growth of small and medium-sized enterprises, the following results were obtained:

- based on the research, K. P. Huynh and R. J. Petrunia find out that firms characterized by high growth have a higher level of debt in comparison with firms with low growth, and external financing is of critical importance for their growth [52],
- J. A. Timmons, on the other hand, points out that small and young firms of the SME sector base on the internal sources of

finance, whereas external sources are used by them when they achieve a higher level of their development [53,54]⁸.

The object of interest of numerous authors is also the relation between firm growth and its lifecycle and the occurring stages of the firm development [55-59]. Some authors of research indicate that the growth of a firm is a determinant of its life, and the stage determines possibilities for its growth [25].

What results from G. Ciemleja and N. Lace's research carried out among small and medium-sized enterprises in Latvia is that depending on the stage of the firm lifecycle (growth, maturity and decline), the factors of its growth changed, and those which occurred on all stages of the development of the firm changed its power of influence on individual stages [60].

5. CONCLUSION

Enterprise growth is a research area which is undertaken, and that also includes the analysis, described and assessed by its explorers. Economic theories which are related to it, and particularly theories within management studies, indicate numerous and varied approaches to this issue. On the one hand, some theoreticians in their research emphasize a linear or predictable character of enterprise growth, whereas other researchers suggest that enterprise growth is fairly opportunistic or unpredictable. Differences in opinions also concern the problem of the factors of growth and their significance for development.

Empirical research into the growth of enterprises, and the SME sector firms in particular, also including the international overview, is not easy. It results from the fact that on the one hand those enterprises are a set of business entities classified within one sector (the SME sector), and on the other hand they are a set of entities highly diversified in this sector, namely:

- in respect of their definitions in given economies (EU, US, China, Japan, India),
- with regard to their size classes (micro, small and medium-sized enterprises),

- kinds of activity (from industrial firms via construction, transport, trade to service enterprises),
- sector of activity (public sector and private sector),
- equity capital (national capital firms and foreign capital firms, including foreign firms),
- organizational and legal form (starting with natural persons conducting business activity, via partnerships and ending with companies) and the enterprise management system related to it, and
- other divisions.

In spite of the lack of a one-sided view of the problem of enterprise growth in the indicated economic theories and problems connected with the implementation of empirical research in this respect, this article attempts to make an overview and indicate characteristic factors of growth of small and medium-sized enterprises in the light of many-sided and diversified results of empirical research.

As a result of the overview of the conclusions arising from the research and the analysis of the literature of the subject with regard to the factors of growth of the SME sector enterprises, the following regularities were adopted and proved:

1. Theoretical deliberations in the context of the presented economic theories show that each of these theories brings, at least to a certain extent, a new view of the problem of enterprise growth. What also results from the theoretical studies of some authors is that in individual aspects the presented theories complement each other, and in others they point out the occurring shortages and gaps. Nevertheless, the general view of the output and the existing state of knowledge give grounds to undertake reasoning and show possible similarities and differences related to the empirical research in the SME sector.
2. Conclusions arising from the empirical research are divided into three basic groups, namely:
 - ✓ concerning the growth of an enterprise in the context of its age and size,
 - ✓ concerning the growth of an enterprise in the context of its resources and other diverse factors, and

⁸ Similar dependencies with reference to SMEs in total are indicated by E. Stawasz who emphasizes that accessibility and the kinds and forms of financing in the SME sector primarily depend on the size of a firm and the stage of its development.

- ✓ concerning the growth of an enterprise in the context of other, diverse factors.

What arises from the conclusions is, among others, that:

- the research confirmed the influence of many diverse factors on the growth of the SME sector enterprises;
- among the factors defined as the determinants of growth one could indicate those which refer to the enterprise itself, its owner(s) and/or people managing it, as well as to the external environment in which the enterprise functions (near and far environment);
- the determinants of growth in individual economies, or even within a given economy (the country's regions) may be different and/or may have a different impact.

Considering additionally occurring permanent changes in the environment of enterprises, which are significantly influenced by globalization processes, we can indicate a need for constant verification and analysis of factors responsible for enterprise growth. It is the more justified that the factors can change depending on the place and time, and at the same time the force and scope of their influence may change.

Numerous authors of research and publications referring to firms of the SME sector pay special attention to the problem of the growth of businesses of this sector, related to the growth of the production potential possessed by them and the growth of their size class. The research hypotheses in this research area presented in the introduction of my publication were positively verified. Positive verification of the first and second research hypotheses results, among others, from the theoretical studies, connected with the economic theories which arise with the development of science. Moreover, the studies confirm the link between the growth of an enterprise and its mission and goals which are formulated by its owners/managers, and not as a "purely accidental" process which would be only the matter of coincidence. Also the presented empirical research favours such an interpretation.

The mentioned authors of the studies and analyzed publications notice in enterprise growth expected benefits in the form of: an increase in

the employment of workers, an increase in resources, raising enterprises' capabilities of conducting research and development works on their own, improvement of their technical level, innovativeness and competitiveness on the domestic market and overseas markets. Therefore, in their studies they try to distinguish the factors which are most significant for the growth of the SME sector. Research of this type has been conducted in many countries and its findings were in numerous cases varied in terms of individual factors. Within this scope, the confirmation of the third hypothesis can be indicated.

It seems justified to say that the power of influence of individual growth factors distinguished by the authors of some research depends greatly on the level of the economic development of the country in which the studied enterprises of the SME sector conduct their activities and on the activeness of firms themselves, which should be basically consistent with the goals and mission of each of them. The presented conclusions from the implementation of small and medium-sized enterprises from the point of view of their growth may be a guideline for the direction of further research within this scope.

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COMPETING INTERESTS

Author has declared that no competing interests exist.

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