



Individuality and Operational Strategy Planning Impact on Growth in Sales: A Case Study of Small and Medium Enterprises

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ABSTRACT

This paper has made evaluated of the Small and Medium Enterprises (SMEs) characteristics and operational strategy planning effects on growth in sales. Data has collected through questionnaire from 500 out of 582 SMEs established Rohtak and registered with district industrial center and continue working from 2002 to 2012. General linear model is applied for calculating two-ways ANOVA. The study concluded that SMEs having other types of legal status, number of employees 21-100, working in garments, three years of operation experience, market area at national level, adopting computerised techniques of inventory management and using equity share capital as finance and simultaneously scores on operational variable 31-40 or 41-50 have shown average growth in sales more than industry. The results are important for all SMEs for increasing sales and general management.

Important Terms: Small and medium enterprises, operational strategy planning, general linear model.

INTRODUCTION

The small and medium enterprises are prime vehicle for employment, revenue generation, innovation and technical advancement of developed and developing countries. After industrial revolution in Europe the concepts of small enterprises has been concept of keen debate. In developed countries these enterprises have made significant contribution to the total national industrial output. In the US, there were 5,369,068 employer firms in 1995, 78.8 percent had fewer than ten employees and 99.7 percent had fewer than five hundred employees, Office of Advocacy-US. (2013). The OECD estimates that small and medium enterprises account for 90% of firms and employ 63% of the workforce in the world (Munro, 2013). In Europe, SMEs make up 99.8% of all enterprises, 57.4% of value added, and 66.8 % of employment (Muller, P., Devnani, S., Jenna Julius,J., Dimitri Gagliardi, D., and Marzocchi, C; 2016). At 48 million India is the second largest number of SMEs in the world lead with 50 millions. Close to 40 percent of the workforce and contributing 45 per cent into Indian manufacturing output. The country 1.3 millions of SMEs accounts for 40 per cent of Indian's export. Still, these contribute 17 percent to country Gross National Product (GDP) (The Economic Times, 2013).

Revenue generation of the SMEs largely depends on the strategy operational planning of an organisation and features of the organisation. If the strategy operational planning is adopted firm will certainly survive and makes good profit which give financial and non-financial contribution to the economy of a country with stability. Operational planning makes growth in sales which cover all types of direct and indirect costs. So this study has evaluated the SMEs characteristics and operational strategy planning effects on growth in sales.

REVIEW OF LITERATURE

Earlier studies have evaluated the financial performance on the basis of different factors, which are discussed here. Maduekwe, C. C. (2016) study reveals frequent measure of financial performance are sales growth, cash flows, operating income and net profit margin. Duarte, A. L. de C. M. et al (2011) analysed relationship between selected operational practices (quality management, just in time, ISO certification and services outsourcing) in financial performance outcomes of profitability and growth. A sample of 1200 firms, operating in São Paulo, Brazil, was used. It has explored that the direct effect of practices and their interaction with industry dummies. But, results did not support the existence of a positive relationship with financial performance. A negative relationship of outsourcing with both profitability and growth was found, supporting some critical views of the outsourcing practice. Chittithaworn, C. et al (2011) the study examined the SMEs business success and checked the of SMEs characteristic, management and know-how, products and services, Customer and Market, the way of doing business and cooperation, resources and finance, strategy, and external environment. Eight hypotheses were developed to find out factors that are affecting Business Success of SMEs in Thailand. The regression analysis result shown that the most significant factors affecting business success of SMEs in Thailand were SMEs characteristics, customer and market, the way of doing business, resources and finance, and external environment.

Moorty et al (2012) study investigated the factors affecting the performance of SMEs in the manufacturing sector in Malaysia. The Contingency Theory developed by Fiedler (1964) was used to support this research. Based on the data collected from 300 SMEs in the Malaysian manufacturing sector, the results showed that there is a significant negative relationship between

ineffective entrepreneurship as well as inappropriate human resource management (HRM) and the performance of SMEs. On the other hand, the results also proved that there is a significant positive relationship between the use of marketing information as well as the application of information technology and the performance of SMEs. In short, this study found out that the use of marketing information can influence the performance of SMEs at the highest. Abdullah, N. & Rosli, N. F. (2015) investigated the determinants of SMEs performance of the service sectors in Malaysia using structural equation modeling partial least squares (SEM-PLS) method. Based on the data collected from 400 SMEs in the Malaysian services sector, the results show that there are significant positive relationships between human resource management (HRM), market orientation (MO) as well as information communication and technology (ICT) on the performance of SMEs, whereas, there is negative relationship of entrepreneur orientation (EO) on the SMEs performance. The results also indicate that human resource management and market orientation are the highest influential factors among the determinants. It is thus suggested that for future planning, SMEs owners or managers can delve into these two aspects so as to develop more on their businesses potentials.

Ministry of Industry (2015) assessed the financial and operating performance on the basis of sales growth, profitability efficiency, capital utilization and financial strength. The secondary data were used. The sales, profits, operating efficiency, returns and risk are important dimensions of businesses and, as such, it is important for government to monitor SMEs to economic growth because this sector not turning with GDP and large corporation so, for the job creation, supporting the operating and financial success of SMEs is a necessary policy concern. Vijfinkel, S. et al (2011) focused on the relationship between environmental sustainability and the financial performance of SMEs in terms of profit development and revenue development. The analysis uses a unique dataset of 337 Dutch and Chinese firms. The results suggest a significant positive association between environmental sustainability and firm performance. It appears, however, that different indicators of environmental sustainability display a distinct relationship with the two performance measures. When firms have a policy on the re-usage of materials they perform significantly better in terms of profit development and when firms have a policy on the reduction of pollution they perform significantly better in terms of revenue development. Furthermore, we also find that firms that communicate to their employees about their sustainability efforts perform better in terms of profit development. Finally, weak support is found for a moderating effect of communication to employees on the positive relationship between sustainability and profit development.

Pushpakumari, M. D., & Watanabe, T. (2009) investigated the performance differences and business strategy orientation of small and medium sized Enterprises (SMEs) in two Asian economies. A total number of five hundred and fifty (550) SMEs in Aichi Prefecture in Japan and five hundred (500) in Western province in Sri Lanka were selected from manufacturing SMEs. Results indicate that the performance of SMEs varies with the choice of strategy orientation that owner-managers adopt.

Olubisi Grace, M. et al (2015) examined the relationship between the use of strategic planning and performance in SME. The study revealed that there is a significant relationship between the use of strategic planning and SME performance ($r=0.604$, $F_{1, 480}= 275.484$, $p<0.05$). The implementation of working strategic plan as indicated by the respondents has contributed to the significant growth in sales of the organization relative to the market leader in the industry (77.2% strongly agreed) and higher net profit position (79.5% strongly agreed). It was recommended that

the Small and Medium Enterprises in Lagos State, Nigeria should embrace the use of strategic planning as a tool and a concept to be used in achieving organizational performance. The SME owner/manager needs to have a full understanding of the industry in which it operates so as to cut an edge for the organization.

Olutunla, G. T., & Obamuyi, T. M. (2008) empirically investigated the relationship between profitability, bank loans, age of business and the size of small and medium enterprises in Nigeria. Using fixed-effects regression model, the paper was based on a balanced panel data of 115 SMEs of existing firms that have taken loans or currently have active loans, randomly selected. The equation specified profitability as dependent variable and loans, sales, age of business, size of business and interest rate as independent variables. The results demonstrate that there is interdependence between the SMEs profitability and bank loans, and a significant relationship between profitability and the size of business. For high profitability, increased loans and growth in size of business remain important. The paper recommends that the government should formulate policies that will compel commercial banks to relax their restrictive regulations and operations which discourage borrowing, and offer more credit facilities for SMEs. Finally, the government should empower the SMEs to access and get credits from the commercial banks through formal and informal entrepreneurship education.

Hasan, M. (2014) study 120 SME, shows that there is a significant presence of marketing activities in SME businesses of Bangladesh. Owners and managers play a significant role to plan and implement marketing activities. SME businesses give less emphasis in analysis of external environment and outsourcing marketing activities. The study also demonstrates that implementation of marketing activities in SMEs has a significant association with customer orientation, competitor orientation and financial strength.

Vohra, P. S., & Dhillon, J. S. (2014) found financial management practices on firm performance which mediate via financial planning capabilities. It covers 4 aspects mainly include, financial forecasting & budgetary planning capabilities, working capital planning capabilities, inventory management capability, financial reporting & financial analysis capabilities. A questionnaire-based field survey was conducted to collect data from 103 owner/managers from a random sample of SMEs located in the 4 cities of Punjab state of India. The multiple correlation and regression statistical test were used to analyze the derived 5 hypotheses in conjunction with SPSS 16 software to evaluate the findings. Financial forecasting & budgetary planning capabilities contributed most to the financial performance because of pre-hand estimation of required funds, revenue and cost and it makes it one of the most crucial aspects of financial performance. While working capital availability, financial reporting & analysis capabilities also contributed significantly as expected, but the slight contribution of inventory management capabilities is beyond belief.

Karadag, H. (2015) analyze the central role of financial management and identify the financial management challenges and practices that influence the organizational performance in Turkish SMEs, from a strategic management perspective. analysis of specific elements of strategic financial management practices of the model, namely strategic financial planning, strategic working capital management, strategic fixed-asset management and strategic financial reporting and control practices, and to what extent the execution of an “emergent” or “deliberate” strategic management approach in the conduct of these financial management practices would lead to better performance results, can provide significant contributions to SME financial management.

Chowdhury, M. S. et al (2013) indicate that that the success of the entrepreneurs was correlated to all independent variables in the study and all hypotheses were supported. Lack of infrastructure, sound political environment, access to market and capital were the major factors that positively hindered the success of the entrepreneurs. Experience and education were positively correlated while age was negatively correlated to success. The regression models fit for regression equations were determined by F statistics. The models indicate positive and statistically significant relationship. Altogether demographic variables explained 26.9% of the total variance in success while environmental variables explained 39.8% of the total variance in success.

Gaskill, L. K. et al (1994) this study examined operational planning activities (inventory, marketing financial, and personnel) of successful (n=92) and failed (n= 9)) small business apparel and accessory retailers. Results demonstrate the value of operational planning in the small firm and support the hypotheses that successful small firms exhibit greater market, financial, and inventory planning than failed firms, while not supporting the hypothesis that successful firms have higher levels of personnel planning than failed firms. The mean scores of all variables in the study were higher for the sample of successful owners than for the sample of failed owners.

RESEARCH METHODOLOGY

Sample.

Data were collected from owners/managers of SMEs. According to the latest information available from District Industries Centre, Rohtak, in 2016 there are 582 registered SMEs in Rohtak. While selecting the sample enough care was taken so that study may be representative of all types of industries. These industries were divided into six categories as given in the table below.

Table 1: Product-wise Division of SMEs

	Frequency	Percent	Valid Percent	Cumulative Percent
1.garments	15	3.0	3.0	3.0
2. auto- parts	180	36.0	36.0	39.0
3. electronics	30	6.0	6.0	45.0
4. metal products	83	16.6	16.6	61.6
5. rubber and plastics	51	10.2	10.2	71.8
6. other (Machinery parts, paper products, chemical products, etc.	141	28.2	28.2	100.0
Total	500	100.0	100.0	

Source: survey, (Data Analysed through PASW 18.)

Participant Profile and data collection

The participant industries in the survey according to total investment in plant & machinery/equipments were 500 consists of 443 small and 57 were medium. But, analysis in the study is made collectively. Data were collected through questionnaire.

Variables

In the present study, 68 variables are containing in the questionnaire. In the first part of questionnaire industry characteristics are asked from the respondents in which multiple questions are given, in the second part, questions related to operational strategy are structured which are followed for the running SMEs and in the third part, variables of financial performance are asked.

Measure of responses:

1. Operational strategy variables reflecting the presence or absence of a property (Yes/No) and assigned 1 and 2 as value only. Variable on which response have given by yes (1) are taken in count.
2. Financial performance was measured by making five categories and responses were taken on comparative rating as owners/managers has acknowledged of hid enterprise financial position as, 1. Lowest; 2 = near to industry; 3= equal to industry; 4= higher than industry but lower than competitive firms; 5= highest among firms in industry'

Hypothesis of the Study

a. Dependent variable:

1. Growth in sales,

b. Independent variables:

1. Legal status and score on operational variables,
2. Number of employees in firm and score on operational variables,
3. Nature of organization and score on operational variables,
4. Years of operation of organization and score on operational variables,
5. Area of market of organization and score on operational variables,
6. Technique of inventory management of organization and score on operational variables, and
7. Source of finance for organization and score on operational variables

c. Independent variables

1. Response on 50 operational variables were divided into five categories as, 1-10, 11-20, 21-30, 31-40 and 41-50.

The study has evaluated $1 \times 7 \times 3 = 21$ hypothesis. On each dependent variable, main effect, of score on operational variables and variables of SMEs profile are analysed. Tests of Between-Subjects Effects have analysed through 3 tables and each table checked following hypothesis:

H0 (a): there is no significant main effect for operational variables on financial performance. That is, different score groups not differ significantly of score earned.

H0 (b): there is no significant main effect for variables of SMEs profile on financial performance. That is, different score groups not differ significantly of score earned.

H0 (c): there is no significant interaction effect between the score of operation variables and variables of SMEs profile, on the variables of financial performance.

Validity

Initial draft of the 15 questionnaire were given to the experts and owners of the SMEs to find out that each questions did on the scale has a logical link with the objectives and then finalized the questionnaire. Concurrent validity also checked by comparing questionnaire with earlier study given in review of literature.

Reliability

1. Reliability of questions constructed for operational activities perform in the SMEs

Table 2: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.951	.951	50

Source: Primary, (Data Analysed Through PASW 18.)

Analytical Methods

Two-way between-subjects analysis of variance has been applied on the data collected from SMEs. Two-way between-subjects design contains between-subjects independent variables (profile of firm × scores obtained on operational variables) combined factorials have been used such that all the combinations of the levels of both variables are represented. The operational variables response in 'Yes' were add of 500 respondents for each variable. Then after, scores were categories in five categories as 1-10, 11-20, 21-30, 31-40 and 41-50. Different cases are randomly assigned to evaluate the financial performance of the SMEs.

$$\text{Eta square } (\eta^2): \frac{\text{Effect sum of Squares}}{\text{Corrected total sum of Squares}}$$

It tells us the proportion of variance associated with industry profile or main effects, errors or interaction of profile of industry and scores on operational variables.

R², when more than one degree of freedom in the numerator, eta squared equals R²

Effect size: it is magnitude of effect, and strength of association.

This study has used eta square than partial eta square because sample size is sufficient hence it provides correct results about strength of association between dependent variables and independent variables.

When ANOVA has been found significant than Tukey HSD post hoc test was applied for multiple comparison (groups).

ANALYSIS AND INTERPRETATION

A. Dependent variable: Growth in sales

B. Independent variables: legal status and score on operational variables

H0₁: there is no significant main effect for operational variables on financial performance. That is, different score groups not differ significantly of score earned.

H0₂: there is no significant main effect for legal status of organization on financial performance. That is, different score groups not differ significantly of score earned.

H0₃: there is no significant interaction effect between the score of operation variables and legal status of organization, on the growth in sales.

Table 4: Tests of Between-Subjects Effects

Dependent Variable: growth in sales

Source	Type III Sum of Squares	Df	Mean Square	F	Sig.	η^2
Corrected Model	132.103 ^a	16	8.256	8.131	.000	.212
Intercept	691.863	1	691.863	681.313	.000	.585
q1	34.008	5	6.802	6.698	.000	.054
q11	53.371	4	13.343	13.139	.000	.085
q1 * q11	51.645	7	7.378	7.265	.000	.082
Error	490.479	483	1.015			
Total	3987.000	500				
Corrected Total	622.582	499				

a. R Squared = .212 (Adjusted R Squared = .186)

The result of the analysis in the table 4 shows ANOVA yielded a significantly F ratios for all primary effect. Likewise, it reveals that there is significant main effect for score earned on operational variables on the growth in sales, $F(4, 483) = 13.139$, $P < .05$, eta squared (η^2) = 0.085. Results of a Tukey post hoc test indicated that four groups of operational score variables 11-20, 21-30, 31-40, 41-50 have marginally significant effected growth in sales with $M = 2.1250$ $SD = 0.79741$, $M = 2.3529$ $SD = 0.59114$, $M = 2.7394$ $SD = 1.05642$ and $M = 2.6955$ $SD = 1.34231$ respectively. Further, effect of legal status of organization has also effected growth in sales significantly, $F(5, 483) = 6.698$, $\eta^2 = 0.054$. Results of a Tukey post hoc test indicated that six groups of legal status variables, other types of organisation have significant effected on growth in sales with $M = 4.00$ $SD = 1.48$, $\eta^2 = 0.054$. Similarly, interaction (combined) effect of legal statuses by scores on operational variables was also significant, $F(7, 483) = 7.265$, $P < 0.05$, (η^2) = 0.082. The legal status of the organisation with different group of scores on operational variables differ significantly, private limited company score group 41-50 $M = 2.1441$ $SD = 1.10245$ was much less than did other types of organisation $M = 5.00$ $SD = 0.00$. It shows that operational group did score 41-50 legal status having other made growth in sales more than other legal status groups.

A. Dependent variable: Growth in sales

B. Independent variables: Number of employees in firm and score on operational variables

H0₄: there is no significant main effect for operational variables on financial performance. That is, different score groups not differ significantly of score earned.

H0₅: there is no significant main effect for number of employees in organization on financial performance. That is, different score groups not differ significantly of score earned.

H0₆: there is no significant interaction effect between the score of operation variables and number of employees in organization, on the growth in sales.

Table 5: Tests of Between-Subjects Effects

Dependent Variable: growth in sales

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	η^2
Corrected Model	56.262 ^a	17	3.310	2.817	.000	.090
Intercept	886.787	1	886.787	754.753	.000	1.424
q2	6.685	4	1.671	1.422	.225	.010
q11	15.707	4	3.927	3.342	.010	.025
q2 * q11	26.694	9	2.966	2.524	.008	.042
Error	566.320	482	1.175			
Total	3987.000	500				
Corrected Total	622.582	499				

a. R Squared = .090 (Adjusted R Squared = .058)

The result of the analysis in the table 5 shows ANOVA yielded a significantly F ratios for score earned on operational variables and interaction (combined) effect of number of employees in organization by scores on operational variables. Likewise, it reveals that there is significant main effect for score earned on operational variables on the growth in sales, $F(4, 482) = 3.342$, $P < .05$, eta squared (η^2) = 0.025. Results of a Tukey post hoc test indicated that two groups of operational score variables 21-30, 31-40, have marginally significant effected growth in sales with $M = 2.3529$ $SD = 0.59114$, and $M = 2.7394$ $SD = 1.05642$ respectively. Similarly, interaction (combined) effect of number of employees in organization by scores on operational variables was also significant, $F(9, 482) = 2.524$, $P < 0.05$, (η^2) = 0.042. The number of employees in organization with different group of scores on operational variables differ significantly, number of employees (21-100) score group 31-40 $M = 3.20$ $SD = 1.23$ was much less than did number of employees (1-5) $M = 3.33$ $SD = 5.00$. It shows that operational group did score 31-40 number of employees (1-5) made growth in sales more groups of number of employees. Further, there is no effect of number of employees in organization on growth in sales, $F(4, 482) = 1.422$, $\eta^2 = 0.010$. Results of a Tukey post hoc test indicated that five groups of number of employee variables, all group have no significant effect on growth in sales.

A. Dependent variable: Growth in sales**B. Independent variables: Nature of organization and score on operational variables**

H0₇: there is no significant main effect for operational variables on financial performance. That is, different score groups not differ significantly of score earned.

H0₈: there is no significant main effect for nature of organization on financial performance. That is, different score groups not differ significantly of score earned.

H0₉: there is no significant interaction effect between the score of operation variables and nature of organization, on the growth in sales.

Table 6: Tests of Between-Subjects Effects

Dependent Variable: growth in sales

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	η^2
Corrected Model	97.307 ^a	20	4.865	4.437	.000	0.156
Intercept	727.805	1	727.805	663.687	.000	1.169
q3	29.910	5	5.982	5.455	.000	0.048
q11	8.908	4	2.227	2.031	.089	0.014
q3 * q11	17.083	11	1.553	1.416	.162	0.027
Error	525.275	479	1.097			
Total	3987.000	500				
Corrected Total	622.582	499				

a. R Squared = .156 (Adjusted R Squared = .121)

The result of the analysis in the table 6 shows ANOVA yielded a significantly F ratios for nature of organization effect only. It reveals that effect of nature of organization has effected growth in sales significantly, $F(5, 479) = 5.455$, $\eta^2 = 0.048$. Results of a Tukey post hoc test, indicated that six groups of nature of organization variables, garments and other types of organisation have significant effected on growth in sales with $M = 4.00$ $SD = 1.30$, $M = 2.94$ $SD = 1.31$ respectively. Further, there is no significant main effect for score earned on operational variables on the growth in sales, $F(4, 479) = 2.031$, $P < .05$, eta squared (η^2) = 0.014. Results of a Tukey post hoc test, table indicated that all groups of operational score variables have not significant effected growth in sales. Similarly, interaction (combined) effect of nature of organization by scores on operational variables was also not significant, $F(11, 479) = 1.416$, $P < 0.05$, (η^2) = 0.027.

A. Dependent variable: Growth in sales**B. Independent variables: Years of operation of organization and score on operational variables**

H0₁₀: there is no significant main effect for operational variables on financial performance. That is, different score groups not differ significantly of score earned.

H0₁₁: there is no significant main effect for Years of operation of organization on financial performance. That is, different score groups not differ significantly of score earned.

H0₁₂: there is no significant interaction effect between the score of operation variables and Years of operation of organization, on the growth in sales.

Table 7: Tests of Between-Subjects Effects

Dependent Variable: growth in sales

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	η^2
Corrected Model	72.612 ^a	16	4.538	3.986	.000	0.116
Intercept	827.178	1	827.178	726.452	.000	1.328
q4	29.492	3	9.831	8.634	.000	0.047
q11	30.631	4	7.658	6.725	.000	0.049
q4 * q11	29.674	9	3.297	2.896	.002	0.047
Error	549.970	483	1.139			
Total	3987.000	500				
Corrected Total	622.582	499				

a. R Squared = .117 (Adjusted R Squared = .087)

The result of the analysis in the table 7 shows ANOVA yielded a significantly F ratios for all primary effect. Likewise, it reveals that there is significant main effect for score earned on operational variables on the growth in sales, $F(4, 499) = 6.725$, $P < .05$, eta squared (η^2) = 0.049. Results of a Tukey post hoc test, table indicated that two groups of operational score variables 21-30, 31-40, have marginally significant effected growth in sales with $M = 2.3529$ $SD = 0.59114$, $M = 2.7394$ $SD = 1.05642$, respectively. Further, effect of Years of operation of organization has also effected growth in sales significantly, $F(3, 499) = 8.634$, $\eta^2 = 0.047$. Results of a Tukey post hoc test indicated that four groups of Years of operation variables, less than 3 years have significant effected on growth in sales with $M = 3.20$ $SD = 1.06$, $\eta^2 = 0.047$. Similarly, interaction (combined) effect of Years of operation by scores on operational variables was also significant, $F(9, 499) = 2.896$, $P < 0.05$, (η^2) = 0.047. The Years of operation of the organisation with different group of scores on operational variables differ significantly, 3-7 years score group 31-40 $M = 2.3333$ $SD = 5.0000$ was much less than did less than 3 years of organisation $M = 3.7000$ $SD = 0.80131$. It shows that operational group did score 31-40 Years of operation having less than 3 years made growth in sales more than other Years of operation groups.

A. Dependent variable: Growth in sales**B. Independent variables: Area of market of organization and score on operational variables**

H_{013} : there is no significant main effect for operational variables on financial performance. That is, different score groups not differ significantly of score earned.

H_{014} : there is no significant main effect for area of market of organization on financial performance. That is, different score groups not differ significantly of score earned.

H_{015} : there is no significant interaction effect between the score of operation variables and area of market of organization, on the growth in sales.

Table 8: Tests of Between-Subjects Effects

Dependent Variable: growth in sales

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	η^2
Corrected Model	85.081 ^a	16	5.318	4.778	.000	0.136
Intercept	730.053	1	730.053	656.027	.000	1.172
q5	15.646	3	5.215	4.687	.003	0.025
q11	34.671	4	8.668	7.789	.000	0.055
q5 * q11	42.392	9	4.710	4.233	.000	0.068
Error	537.501	483	1.113			
Total	3987.000	500				
Corrected Total	622.582	499				

a. R Squared = .137 (Adjusted R Squared = .108)

The result of the analysis in the table 8 shows ANOVA yielded a significantly F ratios for all primary effect. Likewise, it reveals that there is significant main effect for score earned on operational variables on the growth in sales, $F(4, 483) = 7.789$, $P < .05$, eta squared (η^2) = 0.055. Results of a Tukey post hoc test indicated that two groups of operational score variables 21-30, 31-40, have marginally significant effected growth in sales with $M = 2.3529$ $SD = 0.59114$, $M = 2.7394$ $SD = 1.05642$, respectively. Further, effect of area of market of organization has also effected growth in sales significantly, $F(3, 483) = 4.687$, $\eta^2 = 0.025$. Similarly, interaction (combined) effect of area of market by scores on operational variables was also significant, $F(9, 483) = 4.233$, $P < 0.05$, $\eta^2 = 0.068$. The area of market of organisation with different group of scores on operational variables has differed significantly.

A. Dependent variable: Growth in sales**B. Independent variables: Technique of inventory management of organization and score on operational variables**

H_{016} : there is no significant main effect for operational variables on financial performance. That is, different score groups not differ significantly of score earned.

H_{017} : there is no significant main effect for technique of inventory management of organization on financial performance. That is, different score groups not differ significantly of score earned.

H_{018} : there is no significant interaction effect between the score of operation variables and technique of inventory management of organization, on the growth in sales.

Table 9: Tests of Between-Subjects Effects

Dependent Variable: growth in sales

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	η^2
Corrected Model	225.347 ^a	16	14.084	17.125	.000	0.361
Intercept	682.143	1	682.143	829.421	.000	1.095
q6	22.103	3	7.368	8.958	.000	0.035
q11	13.749	4	3.437	4.179	.002	0.022
q6 * q11	95.794	9	10.644	12.942	.000	0.153
Error	397.235	483	.822			
Total	3987.000	500				
Corrected Total	622.582	499				

a. R Squared = .362 (Adjusted R Squared = .341)

The result of the analysis in the table 9 shows ANOVA yielded a significantly F ratios for all primary effect. Likewise, it reveals that there is significant main effect for score earned on operational variables on the growth in sales, $F(4, 483) = 4.179$, $P < .05$, eta squared (η^2) = 0.022. Results of a Tukey post hoc test indicated that four groups of operational score variables 11-20, 21-30, 31-40, 41-50 have marginally significant effected growth in sales with $M=2.1250$ $SD=0.79741$, $M=2.3529$ $SD=0.59114$, $M=2.7394$ $SD=1.05642$ and $M=2.6955$ $SD= 1.34231$ respectively. Further, effect of technique of inventory management of organization has also effected growth in sales significantly, $F(3, 483) = 8.958$, $\eta^2 = 0.035$. Results of a Tukey post hoc test indicated that four techniques of inventory management variables, Computerized inventory accounting just in time (JIT) have significant effected on growth in sales with $M= 3.14$ $SD= 1.25$, $\eta^2=0.035$. Similarly, interaction (combined) effect of technique of inventory management by scores on operational variables was also significant, $F(9, 483) = 12.942$, $P < 0.05$, (η^2) = 0.153. The techniques of inventory management of the organisation with different group of scores on operational variables differ significantly.

A. Dependent variable: Growth in sales**B. Independent variables: Source of finance for organization and score on operational variables**

H_{019} : there is no significant main effect for operational variables on financial performance. That is, different score groups not differ significantly of score earned.

H_{020} : there is no significant main effect for Source of finance for organization on financial performance. That is, different score groups not differ significantly of score earned.

H_{021} : there is no significant interaction effect between the score of operation variables and Source of finance for organization, on the growth in sales.

Table 10: Tests of Between-Subjects Effects

Dependent Variable: growth in sales

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	η^2
Corrected Model	218.989 ^a	17	12.882	15.384	.000	0.351
Intercept	529.822	1	529.822	632.753	.000	0.851
q7	17.598	5	3.520	4.203	.001	0.028
q11	10.094	4	2.523	3.014	.018	0.016
q7 * q11	52.537	8	6.567	7.843	.000	0.085
Error	403.593	482	.837			
Total	3987.000	500				
Corrected Total	622.582	499				

a. R Squared = .352 (Adjusted R Squared = .329)

The result of the analysis in the table 10 shows ANOVA yielded a significantly F ratios for all primary effect. Likewise, it reveals that there is significant main effect for score earned on operational variables on the growth in sales, $F(4, 482) = 3.014$, $P < .05$, eta squared (η^2) = 0.016. Results of a Tukey post hoc test indicated that four groups of operational score variables 11-20, 21-30, 31-40, 41-50 have marginally significant effected growth in sales with $M=2.1250$ $SD=0.79741$, $M=2.3529$ $SD=0.59114$, $M=2.7394$ $SD=1.05642$ and $M=2.6955$ $SD= 1.34231$ respectively. Further, effect of source of finance for organization has also effected growth in sales significantly, $F(5, 482) = 4.203$, $\eta^2 = 0.028$. Similarly, table interaction (combined) effect of source of finance by scores on operational variables was also significant, $F(8, 482) = 7.843$, $P < 0.05$, (η^2) = 0.085. The sources of finance for organisation with different group of scores on operational variables differ significantly.

DISCUSSION OF RESULTS AND SUGGESTIONS

The main effects of organisation characteristics and scores on operational variables on growth in sales were tested. The interaction effect has tested, whether the organisation characteristics on growth in sales is same for all levels of scores on operational variables (and vice-versa).

Present study has test the hypothesis towards main effect for organisation characteristics i.e. legal status of organisation, number of employees in the firm, firm years of operation, market area of business, techniques of inventory management and source of finance on growth in sales and found that except number of employees in the organisation all other variables have significantly affected the growth in sales at $\alpha=0.05$ per cent. In case of main effect for scores on operational variables in regard of nature of organisation it has been found that different groups of operational variables have no significant effects at $\alpha=0.05$ per cent. But it was found significant in other characteristics of organisation at same level of significant. It is important to noted that this result was support by Duarte, et al (2011). Interaction effects (combined effects), organisation characteristics by scores on operational variables have found, except at same levels of scores on operational variables by nature of organisation, remaining type of organizational characteristics by scores on operational variables have effected growth in sales significantly at same levels of scores on operational variables at $\alpha=0.05$ per cent.

It is found that SMEs having other types of legal status, number of employees 21-100, working in garments, three years of operation experience, market area at national level, adopting

computerised techniques of inventory management and using equity share capital as finance and simultaneously scores on operational variable 31-40 or 41-50 have shown average growth in sales more than industry. Further, it is bringing forth that at the same level of scores on operational variables the latter SMEs having characteristics above have growth in sales more than industry. So it is suggested that such SMES should adopt operational strategy consequently growth in sales may be increased.

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