**English Summary**

The importance of small firms to economic growth has been widely acknowledged in entrepreneurship research. Small firms represent substantial portions of national economies in both developed and developing countries. They are often hailed as primary drivers of economic growth because of their contribution to job and wealth creation. This has resulted in most developing countries in promoting entrepreneurship and small businesses as a viable tool for poverty alleviation.

It is also known that not all forms of entrepreneurship lead to the desired economic outcomes. Entrepreneurship would lead to job and wealth creation when small firms survive and grow. However, not all small firms grow and those that do, achieve different levels of growth. It is also those small firms that grow that can make significant contributions to economic growth and poverty alleviation. As such, entrepreneurs who run growth firms are, to a large extent, considered as successful because growth is usually associated with good performance. The realisation of the importance of firm growth has led to research interest in understanding what constitutes firm growth and factors that affect it. Various internal and external factors have been found to affect firm growth. They include factors related to the entrepreneur, the type of firms and the external business environment. Factors in these categories have been studied individually and in different combinations and to determine how they influence business growth. The general conclusion that can be drawn from the body of knowledge resulting from such research is that a variety of factors at individual, firm and environment level, interact in simple and complex ways to influence firm growth.

The complexity of understanding firm growth and its antecedents is further compounded by the diverse nature of small firms and environmental contexts in which
they operate. Drivers and obstacles of small firm growth also vary across countries based on differences in levels of economic development. It is therefore important that in the quest to understand firm growth, contextual variations between regions are taken into consideration. Yet, most research on firm growth has been conducted in Western developed countries, making valid generalisation of findings to other, contextually different environments, such as African LDCs, less feasible. The environmental conditions faced by small firms in Western developed economies are different from those in African LDCs. Despite recognizing that the nature of growth and its determinants would be influenced by context-specific factors, relatively little is known about the subject in African LDCs.

This thesis investigates the measurement of firm growth, and evaluates how factors related to the entrepreneur influence firm growth in the context of an African LDC, Zambia. The thesis sets out to contribute to answering the general research question: How do small firm owners affect the growth of their firms in LDCs? This question is relevant and important because it seeks to identify the important dimensions and factors that can help improve the performance of small firms in African LDCs. To answer this question, a number of factors are discussed in studies presented in four empirical chapters of this thesis. They include: start-up motivation, personal wealth, entrepreneurial orientation, entrepreneurial passion, and entrepreneurial alertness.

In the first study presented in chapter 2, we addressed the research question: What constitutes firm growth in LDCs and how should it be measured? This question is necessary because conceptualisation and measurement of small firm growth has continued to be problematic, especially for research conducted in non-western settings such as LDCs. This is mainly because small firm growth is affected by context-specific factors such as
the level of economic development of the region where the firm operates. Therefore, it is important that before we embark on investigating how individual level factors affect firm growth, we should first evaluate what constitutes firm growth and how to measure it. Findings from this study indicate that owner-manager’s perceptions of growth in numbers of employees, level of sales, value of assets, personal wealth and purchase expenditure on key process input are the most suitable ways of measuring small firm growth for research conducted in LDCs. The use of the owner-manager’s perceptions of firm growth may be suitable in absence of accurate sources of objective data as is the case in LDCs. Many small firms in LDCs do not keep detailed accounts of their activities and when they do, they are not usually willing to disclose such information to third parties. Further, there are no reliable secondary sources of small firm growth data in LDCs.

Having established the conceptualisation of small firm growth in LDCs, the remainder of the thesis focused on how factors related to small firm owners affect the growth of their firms and is arranged as follows:

First, in the second study presented in chapter 3, we investigated how the firm growth translates into economic rewards for the small firm owner. We focus on the research question: *What is the relationship between small firm growth and growth in personal wealth of the firm owner, and how is this relationship affected by the motivation for starting the business?* This chapter presents an empirical examination of how firm founders extract wealth from their ventures based on the understanding that increasing personal wealth is one of the key motives of starting a business, especially in environments with few employment opportunities such as LDCs. Additionally, having recognised that the amount of wealth extracted by the founder is related to firm start-up motivation, we further evaluate how start-up motivation moderates the extraction of wealth from firms by firm founders. Our
findings indicate that firm growth had a positive effect on wealth extracted from the firm by the firm owner. We also found that the rate at which push-motivated entrepreneurs extracted wealth from the firm was faster than that for those motivated by pull and mixed factors. It is clear that there are economic benefits of starting a firm. However, the findings may also imply that if a firm’s establishment is primarily influenced by push factors, the firm has lower chances of growth because of the speed at which the founders extract wealth compared to their counterparts who are motivated by pull and mixed factors.

Second, the third empirical study in chapter 4 focused on how entrepreneurial practices and behaviour guide the firm’s growth strategy. We evaluated the effect of entrepreneurial orientation on firm growth and the moderating role of the business environment by seeking answers to the following question: How does entrepreneurial orientation influence firm growth in LDCs and how does the business environment moderate this relationship? Our findings show that the growth of small firms in LDCs is significantly affected by only one of the three dimensions of EO, pro-activeness, while risk-taking and innovativeness had no significant effect. Contrary to our expectations, the study did not also find evidence of the moderating effect of the business environment on the relationship between EO and firm growth in LDCs.

Third, in the last empirical study presented in chapter 5, our attention shifted to how entrepreneurial passion and alertness of the firm owners affect firm growth. We addressed the research question: What is the relationship between entrepreneurial passion and firm growth and how is the relationship influenced by entrepreneurial alertness? Entrepreneurial passion and alertness, which are related to respectively the emotions and cognition of the firm owner, are used as a basis for explaining why some entrepreneurs are more successful
than others. We take this perspective as recent research, studying the effect of individual-level factors on firm success, has advocated a shift of focus from personality characteristics to more fluid individual level aspects such as entrepreneurial cognition (cf. Baron, 2004b, Shepherd, 2015; Mitchell et al., 2002; Mitchell et al., 2007; Baron, 2000). Likewise, positive affect, and specifically entrepreneurial passion, influence many aspects linked to human cognition which are directly related to entrepreneurial activities. The findings in this study revealed that entrepreneurial passion for developing has a significant direct positive effect on firm growth. Further, we also found that passion for developing has an indirect effect, via entrepreneurial alertness, on firm growth. The indirect effects work through the entire process of alertness which involves scanning and searching, association and connection, and evaluation and judgement.

Collectively, all the empirical studies contribute to the wider research on the relationship between individual-level variables and firm-level measures of firm success. This thesis enriches the understanding of how variables pertaining to motives, strategic orientation, passion, alertness and actions of individual entrepreneurs (i.e., micro-level variables) eventually influence different aspects of firm growth.

In sum, the empirical studies in this thesis show that growth of the firm affects the wealth that the owner-managers extracts from the firm. Regarding entrepreneurial orientation, pro-activeness had a significant positive effect on firm growth while passion for developing had a direct positive effect on firm growth, and an indirect effect through entrepreneurial alertness.