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LINKING ENTREPRENEURIAL MOTIVATION FACTORS TO FIRM GROWTH: EMPIRICAL EVIDENCE FROM THE CONSTRUCTION INDUSTRY IN TANZANIA

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ABSTRACT

Entrepreneurial factors that motivate people to establish firms are closely related to firms' growth. This study analysed the relationship between growth of construction firms in Tanzania and factors that motivate their establishment. A survey to 227 Tanzanian construction firms was undertaken using a questionnaire. With the help of STATA 13.0 Software, data collected was analysed by using a multiple regression analysis. The findings indicate that only the business creation opportunity variable has positive and significant association with the growth of the firms studied, whereas knowledge-based resource and personality traits showed no significant impact. Provision of a link between groups of entrepreneurial motivation factors and growth of firms by supplying empirical evidence from Tanzania is one of the important inputs to the field of entrepreneurship. The indication that not all groups of entrepreneurial motivation factors have the same effects on growth of firms is another contribution of this study. Therefore, finding out how groups of entrepreneurial motivation factors affect firm's growth is a contribution to the existing literature on entrepreneurship. This study also suggests that understanding the relationship between entrepreneurial motivation factors and firm's growth is necessary for managers of construction firms as it informs them of the importance of creating a working environment that encourages proactiveness and creativity at the workplace.

Key words: *Entrepreneurial motivation factors, growth, construction firms.*

INTRODUCTION

Motivation is described as the emotional force used to move people towards an action, and it is a process by which the effort of an individual is directed and sustained towards achieving specific goals (Krishna, 2013). Motivation acts as "a link between the intention and action of entrepreneurs" (Kuratko *et al.*, 1997); and it differs across businesses (Zimmerman & Chu, 2013). Entrepreneurial motivation is one among the key factors that determine firm's growth (Jain & Ali, 2012); as it presents the goals that entrepreneurs seek to achieve in the future (Kuratko *et al.*, 1997). The empirical studies further show that an entrepreneur's motivation to start a business is associated with the future growth of the business (Berger, 2004). This is due to the existence of the positive and significant association between the objectives pursued by the firm and its firm's growth (Shi, 2014; Jain & Ali, 2012). For example, "a firm that targets to obtain profits in its undertakings will also be able to achieve growth" (Coban, 2014). Nyamagere (2014) and Olomi (2009) also show that the factors that motivate a business to start are related to the subsequent business growth. Thus, it makes a lot of sense to understand the link between the entrepreneurial motivation factors (EMFs) for starting a business and the outcomes exhibited later in the business (Kuratko & Hodgetts, 1995).

From literature, factors such as need for achievement, job creation and security (Stephan *et al.*, 2015; Benzing & Chu, 2009; Chu *et al.*, 2007); independence, experience, education, internal locus of control, and recognition (Zimmerman & Chu, 2013; Buang & Yusof, 2006; Verwey, 2005); role models and availability of technology (Verwey, 2005) have been identified as entrepreneurial factors that have motivated establishment of firms and businesses worldwide. Other motivational factors identified include risk taking and survival of the owners (Olomi, 2001), and influence from the politicians (Mfaume & Leonard, 2004). These entrepreneurial factors have motivated the establishment of businesses across sectors, including the construction sector (Buang & Yusof, 2006; Verwey, 2005), which was the focus of this study.

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The construction sector is considered important as it links with other sectors in the economy by providing the required infrastructure necessary for social and economic development (Ministry of Works of Tanzania, 2003). Construction activities are considered significant in uplifting a country's economy and its development (Anaman & Amponsah, 2007). The sector is regarded as a mechanism that generates employment opportunities to both skilled and unskilled work force. As for Tanzania's economy, the construction sector has contributed significantly to the economy over the years. For example, in a period of five years (i.e. 2010 - 2014), Tanzania recorded an increase in the registration of construction companies at an average rate of 7.2% per year (URT, 2017). The sector has also recorded an average growth rate of 11.1% per year, while contributing to the Tanzania's GDP at an average of 9.6% per year for the same period. The sector further generated employment opportunities at an average of 2.6% (URT, 2017) as a result of the sector being labour intensive.

Despite an important role played by the construction sector to the Tanzanian economy, studies on the relationship between motivation factors for starting construction firms and their growth in Tanzania are missing. Available literature on Tanzania's construction sector focuses on other aspects like construction management and operative skills (Kikwasi, 2011), sources of conflicts in the construction projects (Ntiyakunze, 2011), and general challenges and factors affecting the performance of local construction firms (Uriyo & Jere, 2008). In general, available literature has not clearly investigated the relationship between the EMFs for establishing construction firms and their future growth in Tanzania. In this backdrop, the present study intends to fill the ongoing existing gap by empirically investigating the effects of EMFs on growth of local construction firms.

THEORIES AND HYPOTHESES

Entrepreneurial Motivation Factors

Entrepreneurial motivation is a force that has effects on startup businesses by making people take action towards goals (Krishna, 2013). Understanding the relationship between EMFs and growth of business, as a goal of this study, is important as it provides information on the entrepreneurial process of that business (Zimmerman & Chu, 2013; Kuratko *et al.*, 1997). There are different entrepreneurial factors motivating individuals to establish businesses. For example, a study by Zimmerman and Chu (2013) found that motivation factors for starting a business among entrepreneurs are internal locus of control, independence, experience, education, income generation (i.e., a need for achievement), recognition, and job security. Empirical findings further indicate that entrepreneurs are motivated to start businesses due to different factors, e.g. independence, risk taking, survival of the owners, education, work opportunity, recognition, a need for achievement, and job security (Benzing & Chu, 2009; Chu *et al.*, 2007). In construction industry particularly, factors motivating people to establish construction firms include job security, a need for achievement, independence, role models, education, experience, and availability of technology (Verwey, 2005); personal experience and specific trainings (Buang & Yusof, 2006).

As for Tanzania, only few studies on EMFs have been conducted. Mfaume and Leonard (2004) found out that job security, education, and influence from politicians were key factors motivating Tanzanians to start businesses. Olomi (2001) also identified similar factors like education, experience, role models, independence, job security, a need for achievement, recognition, work opportunities, and survival of the owners. In this study then, only nine factors (i.e. a need for achievement, education, experience, independence, risk taking, equipment availability, job security, technology and work opportunities) have been considered. These nine EMFs are the ones that are mostly identified in the literature and they seem to motivate people to establish businesses across different cultures (Stefanovic *et al.*, 2011; Chu *et al.*, 2008; Verwey, 2005).

Entrepreneurial Motivation Factors and the Growth of Firms

Entrepreneurial motivation as a process that drives individuals to take action towards goals (Krishna, 2013) has effects on growth of firms (Zimmerman & Chu, 2013; Kuratko *et al.*, 1997). Thus, understanding the EMFs for establishing the local Tanzanian construction firms is important because the initial motivation factors tend to determine company's activities and growth (Stephan *et al.*, 2015; Olomi, 2001). As provided in the literature, factors like education, experience, and technology (Olomi, 2009; Buang & Yusof, 2006; Verwey, 2005; Bird, 1989); a need for achievement, risk taking, and independence (Ali & Ali, 2013; Olomi, 2009; Benzing & Chu, 2009; Shane *et al.*, 2012; Vijaya & Kamalanabhan, 1998); job security (Ali & Ali, 2013; Benzing & Chu, 2009; Mfaume & Leonard, 2004; Mitchel, 2004; Olomi, 2001), work opportunities (Shane *et al.*, 2012; Shane & Venkataraman, 2000), and equipment availability (Stephan *et al.*, 2015; CRB, 2013) have been identified as entrepreneurial factors that highly motivate establishment of firms and businesses across countries.

In understanding the relationship between EMFs and growth of local Tanzanian construction firms, nine EMFs that are mostly mentioned in literature were put together and categorised into three groups, in this study, by considering how they relate contextually in terms of knowledge resource, personality, and business factors (Garter *et al.*, 2004; Shane *et al.*, 2012). First, EMFs related to knowledge and skills (i.e. education, experience, and technology) possessed by the owner during the firm's establishment are grouped as knowledge-based resource. Knowledge resource refers to an "intellectual capital that results from dynamic human process" (Nonaka & Takeuchi, 1995). According to Omerzel and Gulev (2011), "knowledge can be acquired through education, training, etc." and is considered as one of the resources that are important for company performance". Further, knowledge resource "provides personal satisfaction that encourages the actions required to achieve specific goals" (Parish, 2010). Second, the EMFs related to individual characteristics (i.e. a need of achievement, risk taking ability, and sense of independence) were grouped as personality traits. Personality traits are considered important in influencing establishment of new businesses (Brandstatter, 2011) as they have effects on a person's part for thinking or acting in a specific manner (Shane *et al.*, 2012). Finally, those EMFs that are related to business factors such as job security (Omoredede *et al.*, 2015), work opportunities (Shane, 2001), and firm's resource capability (Klein, 2010), e.g. construction equipment availability in this case, were grouped as business creation opportunities. A business creation opportunity refers to "the ability of an individual to identify and select right opportunities for new businesses" (Stevenson *et al.*, 1985) and be able to "create and deliver value for stakeholders in prospective businesses" (Ardichvili *et al.*, 2003). This approach of categorizing entrepreneurial motivation factors into groups and link it with firm growth was also applied by Eijdenberg *et al.* (2015) when they studied on entrepreneurial motivation and small business growth in Rwanda.

Figure 1 presents a conceptual framework for groups of EMFs and firm's growth. The three groups of EMFs are presented in the first component of the model (independent variables); followed by the three control variables (firm's age, firm's location and firm's activities) used in this study. The final component of the model presents firm's growth indicator (dependent variable), "which is measured by change in the number of employees" (Liu *et al.*, 2015).

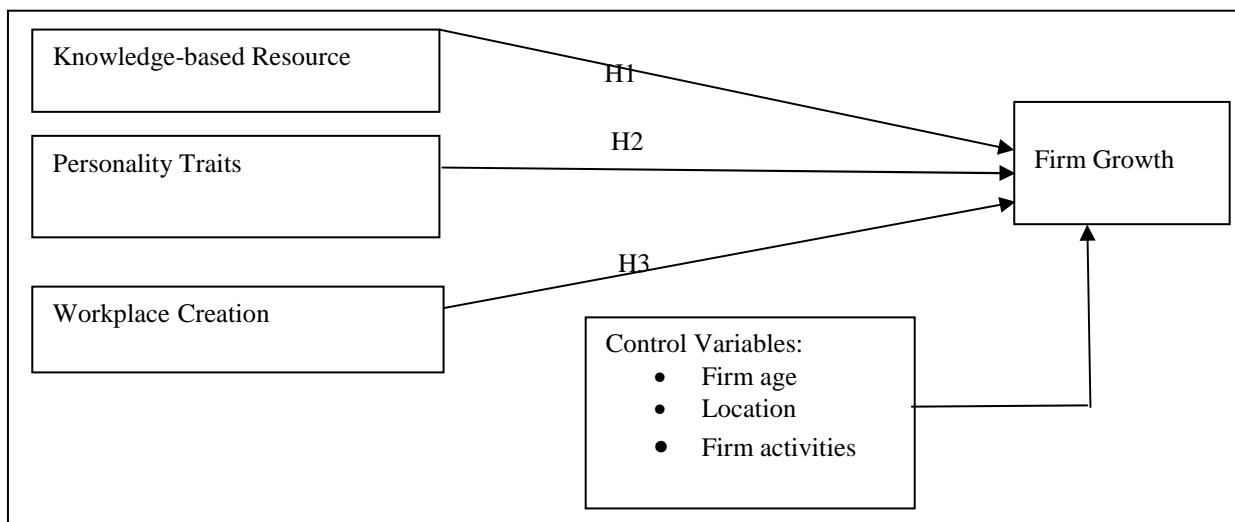


Figure 1: A Conceptual Framework of Entrepreneurial Motivation Factors (EMFs)

Source: Author's Construct (Using Literature, 2013)

Related to this model, three hypotheses were formulated and tested in line with the scientific literature on EMFs. The details of the hypotheses and the bases of their formulation are presented in the sections that follow.

Knowledge-based Resource and Firm's Growth

Knowledge-based resource refers to the way firms are able to combine and transform available input resources in improving their growth. Nonaka and Takeuchi (1995) indicated that knowledge is anchored in the beliefs and commitment of its holder and related to human action. They further show that knowledge is always tied to a particular viewpoint and practical application. This is possible because knowledge resources provide the firm with capacity to predict the future nature of operations and tactical actions to be taken depending on the change in the business environment (Cohen & Levinthal, 1990). The knowledge resources play an important role in providing firms with ability to exploit available opportunities in the market (Wiklund & Shepherd, 2003). Individuals with required knowledge are in a better position to develop the right strategy for the organisation to

take advantage of available opportunities and carry it to success (Shane *et al.*, 2012). A knowledge-based resource in this study is composed of three specific items, i.e. education, experience, and technology. These specific items are related to the knowledge and skills acquired to meet certain knowledge gaps in the society. Based on the positive association that exists between the knowledge-based resource construct and growth of firms, it was hypothesised that:

H1: Knowledge-based resource is positively related to the growth of local Tanzania's construction firms.

Personality Traits and Firm's Growth

Regarding “the role of personality traits or attributes” (Geyer, 2016), it is posited that potential entrepreneurs are individuals who have a higher need for achievement to generate income (Ndunguru, 2006); desire for independence and willingness to take risks (Hagen, 1971). Personality traits are important in explaining the reasons why even firms operating in the same environment behave differently (Shane *et al.*, 2012). Personality traits in this study therefore, are composed of three specific items, i.e. a need for achievement, risk taking, and independence. According to Lau and Busenitz (2001) in a study by Zhou (2009), there is a significant effect of a need for achievement on the desire of growing a business. Casser (2007) found that the firms that are able to take risks through their operations are more likely to grow than those firms that are risk-averse. According to Ali and Ali (2013), people who are motivated to establish business by a need for independence are willing to work long, hard hours to make their business succeed. Literature further suggests that independence contributes significantly in achieving competitive advantage as well as growth of firms (Prottas, 2008; Coulthard, 2007). The expected positive influence of the entrepreneurial motivation factors that compose the personality traits, e.g. willingness to take risk, a need for achievement, and sense of independence on growth of firms, lead to the formulation of the following hypothesis:

H2: Personality traits are positively related to the growth of local Tanzania's construction firms.

Business Creation Opportunity and Firm's Growth

As alluded to earlier, business creation opportunity in this study refers to three specific motivation factors - job security, work opportunities, and construction equipment availability. Business creation has a significant opportunity on job creation (Garter *et al.*, 2004) and generation of employment opportunities (Acs *et al.*, 1999). According to Olomi (2009), in an economy like that of Tanzania, where there is high rate of unemployment, people tend to create businesses and work very hard to ensure that the businesses grow as assurance of their jobs being secured. The availability of construction equipment is also one of the key factors motivating people to establish construction companies and it determines the company's growth as it provides firms with a greater opportunity of winning project contracts (CRB, 2012). The availability of work opportunities of executing construction projects is a result of construction industry policy of Tanzania that aims at creating an enabling environment supporting sustainable economic and social development objectives (Ministry of Work, 2003). Thus, a careful investigation of market needs and efficient use of available resources may help individuals to develop successful businesses (Ardichvili *et al.*, 2003). Based on the positive influence of the individual EMFs (i.e. job security, work opportunities and equipment availability) that forms business creation opportunity on growth of firms, it is thus hypothesised that:

H3: Business creation opportunity is positively related to the growth of local Tanzania's construction firms.

Control Variables

In this study, the firm's age, firm's location, and firm's activities were controlled variables. These variables were preferred because they have effects on firm's growth and they are also commonly used in research on organisational studies (Kraus *et al.*, 2012). Firms of different ages, activities, and location may demonstrate different organisational characteristics, which can affect their growth (Wiklund & Shepherd, 2005).

METHODOLOGY

Sample Design and Scope of the Study

The unit of analysis for this study included the Tanzania's local building and civil construction firms (contractors). A random sample of 338 contractors was selected from a population of 2,854 firms based on a proposal on a sample size guidelines suggested by Bartlett *et al.* (2001), and Krejcie & Morgan (1970). The names of firms were obtained from the database of the Contractors Registration Board (CRB) of Tanzania, which is the government institution responsible for registration, regulation and development of contractors. The contractors that were selected were those dealing with building works and/civil works in Tanzania; contractors that had been commercially active by the year 2014; those that had valid contact details such as mail address, telephone number; and contractors residing in the seven selected regions (Dar es Salaam, Arusha, Dodoma, Mwanza, Kigoma, Tanga, and Mbeya) as representatives of all seven zones of Tanzania Mainland. The number of building and civil contractors in the selected regions represented 53% of all registered building and civil contractors in Tanzania Mainland (CRB, 2012). These regions were also selected because they provided a rationale for the study, as they were also geographically representing the Tanzania as a country.

Data Collection Procedures

Data reported in this study was collected using a questionnaire through a face-to-face interview. The questionnaire used for the data collection was adopted from previous studies (BMG Research, 2013; Olomi, 2001), and was modified to meet the needs of this study. Questions aimed at finding out the relationship between the EMFs and growth of Tanzania's local construction firms were initially written in English, thereafter they were translated into Kiswahili. Data collection tenure took place between November 2013 and February 2014. At the end of data collection, a total of 237 questionnaires were collected; however, 10 questionnaires out of these had incomplete information and were therefore excluded from the analysis. A response rate of 68% is acceptable in academic studies on organisational level as indicated in a study by Baruch & Holtom (2008).

MEASURES

Measuring Entrepreneurial Motivation Factors

EMFs were measured using nine constructs adopted from the empirical findings. Such EMFs include education and experience (Buang & Yusof, 2006; Verwey, 2005); technology (Olomi, 2009; Verwey, 2005); a need for achievement and independence (Ali & Ali, 2013; Shane *et al.*, 2012); risk taking (Stephan *et al.*, 2015; Shane *et al.*, 2012); job security (Benzing & Chu, 2009; Chu *et al.*, 2007); work opportunities (Shane *et al.*, 2003; Olomi, 2001); and equipment availability (Stephan *et al.*, 2015; CRB, 2013). The adopted items were also modified in meeting the objectives of this study by categorising them into three groups (knowledge-based resource, personality traits, and business creation opportunity). Respondents were asked to rate the nine EMFs on a 5-point Likert Scale with a scoring system from 5=extremely significant, to 1=not significant. The scale used in this study has been extensively used in previous studies at the organisational level (Hornsby *et al.*, 2002). The scale was also applied because it has numeric values assigned to the response categories which allows for statistical analysis and it has the strength of maintaining a consistent format throughout the study.

Firm's Growth Measures

Growth of firms can be measured with various indicators such as sales, employees, revenues, profits, total investments (capital), and value addition (Verwey, 2005). However, the selection of the firm's growth indicators is always driven by the research questions and the type of firms in the sample of study (Kimberly, 1976). In this study therefore, the growth of Tanzania's local construction firms is measured using a change in employees' number. A change in number of employees was considered in this study because the firms studied have a database of employees, for official records. This made it easy to access data on employees from 2009 to 2012. Further, the selection of change in the employees' number was guided by the nature of the construction industry of Tanzania, which is labour-intensive as a result of lack of high technology in the country. Furthermore, due to the nature of Tanzania's firms, the information on profits and capital for the majority of firms is not easily made available to all people; the firms avoid disclosing such information on profits and capital probably because they want to evade tax. Finally, the use of change in the number of employees is because it is one of the growth indicators mostly used in measuring firm's growth for organisational studies (Kraus *et al.*, 2005; Liao, 2004).

A three-year difference (i.e. from 2009 to 2012) was preferred in this study because it is one of the time frames that have mostly been mentioned in literature related to this kind of study (Brush & Vanderwerf, 1992; Cooper *et al.*, 1991). Again, the association between groups of EMFs and growth of firms is "stronger with a 3-year lag than with a 2-year lag or 1-year lag" (Zahra, 1991). Values of a change in the number of employees used in this

study were obtained by considering the absolute changes between the years 2009 and 2012. The use of absolute change was due to the fact that it normally measures change over a period of time and it allows the comparative ratio of the two numbers (Delmar *et al.*, 2003). In this case, absolute change provides direct insight into the actual scale of difference of employees between the two years (2009 and 2012). The use of the absolute change helps also researchers and practitioners to understand the differences between two values due to its transparency in presenting information entailed in the two groups of data (Wilhelmi *et al.*, 2007).

Data Analysis and Research Model Specification

To test the hypotheses, multiple regression analysis was applied, to investigate the relationship between the groups of EMFs and growth of Tanzania's local construction firms. This is because regression analysis helps in "estimating the quantitative effect of the causal variables upon the variable that they influence" (Sykes, 1993). A change in the number of employees represents the growth of Tanzania's local construction firms in the regression model. The three groups of EMFs (knowledge-based resource, personality traits, and business creation opportunity) were the estimates (independent variables) for a unit increase, in either of them, to the increase in the number of employees of the firm given that other variables were held constant. The control variables (firm's age, location, activities) were also added to the model as in the regression analysis.

EMPIRICAL RESULTS

Descriptive Analysis

Table 1 illustrates the detailed results of the descriptive analysis performed to determine the basic information of the firms studied using data from the field, in 2014.

Table 1: Firm's Background

	Variables	Frequency	Percent
Firm's year of establishment (Firm's Age)	Until 1990	10	4.4
	1991-2000	77	33.9
	2001-2009	140	61.7
Firm's activities	Building works	23	10.1
	Civil works	18	8
	Building and civil works	186	81.9
Firm's location	Dar es Salaam	147	64.8
	Tanga	10	4.4
	Arusha	21	9.3
	Dodoma	12	5.3
	Mwanza	20	8.8
	Kigoma	4	1.8
	Mbeya	13	5.7
Owner's occupation before establishing a construction firm	In full-time education	40	17.6
	Employed by another firm	139	61.2
	Running another business	12	5.3
	Unemployed	33	14.6
	Retired	3	1.3
Firm's employees in 2012	0 - 10 Employees	60	26.4
	11 - 20 Employees	39	17.2
	21 - 30 Employees	15	6.6
	31 - 40 Employees	24	10.6
	41 - 50 Employees	17	7.5
	51 and above	72	31.7
Size of the firms in 2012	Class One	16	7.1
	Class Two	3	1.3
	Class Three	6	2.6
	Class Four	12	5.3
	Class Five	70	30.8
	Class Six	56	24.7
	Class Seven	64	28.2
	Administrative Officers	4	1.8

Respondent's position in the company	Directors	213	93.8
	Project Managers	3	1.3
	Quantity Surveyors (Q.S.)	7	3.1
Respondent's level of education and specialisation	Certificate in Engineering Course	46	20.3
	Certificate in Other Courses	17	7.5
	Diploma in Engineering Courses	17	7.5
	Diploma in other Courses	13	5.7
	Bachelor Degree in Engineering Courses	98	43.2
	Bachelor Degree in Other Courses	18	7.9
	Master/PhD in Engineering Courses	11	4.8
Master/PhD in Other Courses	7	3.1	
Respondent's years holding that position in the company	0 - 10 Years	132	58.1
	11 - 20 Years	83	36.6
	Above 20 Years	12	5.3
Respondent's gender	Male	216	95.2
	Female	11	4.8

Table 1 shows that the majority of Tanzania's local construction firms surveyed (61.7%) were established between the years 2001 and 2009. The results further indicate that in the period between 1991 and 2000, 33.9% of the Tanzania's local construction firms were established, while only 4.4% of the firms had been established before the year 1991. "The opening up of the economy for more entrepreneurial activities and an increase in the number of university graduates in engineering courses explains why most of the construction firms were established after the year 2000" (Muganda, 2004). Table 1 also indicates the size (classes) of the firms during the data collection period, with the majority of the firms (83.7%) being small firms (i.e. class five, six, and seven) while firms in the category of large firms (class one, two, three, and four) made only 16.3% of the firms studied. This implies that local firms lack the capacity to compete with large foreign companies in undertaking construction projects inside and outside Tanzania. Further, Table 1 shows that most of construction firms in Tanzania (81.5%) perform both building and civil activities, and only 7.9% of the firms studied concentrate on civil activities (such as development of roads, bridges, airports, and pipelines). About 10.6% of the local Tanzania's construction firms studied deal only with development of residential and commercial buildings.

Reliability Test

Cronbach's alpha was calculated for constructs validation for measuring internal consistency. "Cronbach's alpha provides a measure of internal consistency of a test by informing the extent to which all the items measure the same construct" (Tavakol & Dennick, 2011). Cronbach's alpha was also performed in determining if the measurements were free of random or unstable error (Ismail *et al.*, 2006). All three groups of EMFs (knowledge-based resource, personality traits, and business creation opportunity) were measured. The overall alpha level of all variables measured around 0.70 and above which is acceptable in social research (Kreiser *et al.*, 2002; Cortona, 1993). In general, the results showed a high validity of all constructs employed to measure EMFs for establishing Tanzania's local construction firms.

Regression Analysis Results

A multiple regression analysis investigating how groups of EMFs relate with the growth of Tanzania's local construction firms was performed. The results for the three models with regard to firm's growth measure, i.e. change in number of employees, is presented in Table 2. With regard to the hypotheses proposed in this study, the discussion is mainly based on Model 2 and its results from Table 2. Table 2 provides the results of the relationship between the change in employees' number (growth indicator in this study) and the three groups of EMFs that motivated owners of the construction firms in Tanzania to establish such firms.

Table 2: Regression Analysis for Employees Growth

Variable	Pred. Sign	Model 1		Model 2		Model 3	
		Coeff.	<i>p-value</i>	Coeff.	<i>p-value</i>	Coeff.	<i>p-value</i>
Knowledge-based resource	+			-.871	0.630	-.711	0.645
Personality traits	+			-.627	0.531	-.054	0.950
Business creation opportunity	+			4.156	0.033*	1.032	0.545

Firm's age		1.031	0.798			1.260	0.757
Firm's location							
2		-35.159	0.012**			-35.091	0.013**
3		-39.399	0.000***			-39.221	0.000***
4		-48.746	0.000***			-47.976	0.000***
5		-67.680	0.000***			-67.017	0.000***
6		-54.488	0.006***			-53.848	0.007**
7		-63.037	0.000***			-61.301	0.000***
Firm's activities							
2		-.998	0.936			-1.046	0.933
3		6.979	0.402			6.825	0.419
Constant		16.432	0.205	-19.009	0.146	12.754	0.469
		N=227, Adj. R ² =0.3113, p<0.01		N=227, Adj. R ² =0.0335, p<0.05		N=227, Adj. R ² =0.3028, p<0.01	

*p<0.1, **p<0.05, ***p<0.01

Looking at the relationship between the groups of EMFs (independent variables) and a change in the number of employees (dependent variable), the findings indicated a regression model fit (see Model 2 in Table 2) with the association between the variables tested being statistically significant $p < 0.01$). The adjusted R^2 for Model 2 is 0.0335, which means that 3.35% of the variance in the growth of the Tanzania's local construction firms can be significantly explained by the three groups of EMFs.

Table 2 depicts results regarding the strength of individual groups of EMFs and control variables against the growth of Tanzania's local construction firms when measured by a change in the number of employees. As for groups of EMFs, only business creation opportunity significantly and positively influences the growth of Tanzania's local construction firms. The result leads to the acceptance of H3. The regression analysis shows that the two remaining groups of EMFs (i.e. knowledge-based resource, and personality traits) do not significantly predict the growth of Tanzania's local construction firms. These results lead to the rejection of hypotheses H1 and H2. In summary, only business creation opportunity is a good predictor for the growth of Tanzania's local construction firms.

Model 3 in Table 2 shows how the independent and control variables relate on the one hand and a change in the number of employees (dependent variable), on the other. The findings of this relationship indicate a regression model fit (see Model 3 in Table 2), which is an indication that the relationship between the variables tested is statistically significant at $p < 0.01$. The results in Table 2 further show adjusted R^2 for Model 3 is 0.3028, which means that 30.28% of the variance in the growth of Tanzania's local construction firms could be significantly explained by Model 3. Of the control variables used in Model 3, the results reveal that only firm's location measured significantly related to the growth of Tanzania's construction firms. This indicates that firm's location can influence the growth of construction firms in Tanzania. Thus, a consideration of places with a lot of construction projects is of great important to the owners-managers of the construction firms. Other control variables such as firm's age and firm's activities were found to have no significant effects on growth of Tanzania's local construction firms.

DISCUSSION

Examining the relationship between the groups of EMFs and growth of the Tanzania's local construction firms, the first result suggests that business creation opportunity has effects on growth of Tanzania's local construction firms. These findings are consistent with findings from previous studies where specific items of business creation opportunity construct (i.e. job security, work opportunities, and equipment availability) were obtained to have a positive association with firm's growth (Stephan *et al.*, 2015; Prasad *et al.*, 2013; Ali & Ali, 2013; Olomi, 2009; Shane *et al.*, 2012). Wiklund and Shepherd (2003) also indicate that "firms can grow if the organisation is capable of discovering and exploiting new opportunities at the workplace". The possible reason explaining this significant effect of the business creation opportunity construct on growth of firms in this study could be that, to have their jobs secured, owners who established firms are likely to work hard and enhance growth through their operations. Another reason explaining this significant effect could be that those firms are proactive in establishing workplaces with required construction equipment that help them to secure contracts available in the market. Further, being proactive and taking advantage in the market in turn reward firms involved by having projects to undertake compared with rivals who are not proactive in acquiring resources like construction equipment and seeking work opportunities. According to CRB (2012), a firm that owns

construction equipment is in a better position to secure projects than firms that do not. A study by Macpherson (2007) also confirms that proactive owners accrue more benefits by being more willing and able in seeking out work opportunities in the market.

The second result shows that personality traits are insignificantly and negatively related to the growth of Tanzania's local construction firms. These findings indicate lack of direct relationship between those factors that motivated owners to establish such firms and their future growth states. These findings are in the same line with previous findings which indicate a negative relationship between specific factors forming personality traits (i.e. a need for achievement, risk taking capability, and sense of independence) and firm's growth (Zhou, 2009; Baron, 2006; Frese *et al.*, 2002). Hughes and Morgan (2007) is another study that failed to demonstrate the positive relationship between the personality traits construct and growth of firms despite an important role of independence in enhancing firm's growth. The possible reason to explain the lack of effects of personality traits on growth of Tanzania's construction firms could be that other factors such as functional skills, resource skills, business practices, innovation efforts, and human resource management practices might also be playing an important role for firms to perform and grow as provided in the previous studies (Carrizosa, 2007; Olomi, 2001). Olomi (2009) also indicated that none of the specific factors can claim that they alone can determine the firm's growth as it depends on various factors such as; the capacity of managers, employees, and external factors like legal and regulatory framework, tax systems, and weather condition.

Finally, a third result shows that knowledge-based resource has no effects on growth of Tanzania's local construction firms, which is an indication that the growth of Tanzania's local construction firms does not depend only on the educational background, prior experience, and technical know-how of the owners during the established of such firms. The possible reason for this negative relationship could be that the number of employees (i.e. growth indicator in this study) may decrease when the application of appropriate technology and more qualified and experienced people get into the company. However, the results of this study are in line with the empirical findings where education, experience, and technology possessed by the owners were also found not having a direct effect on future growth of firms (Ofe, 2012; Gottesman & Morey, 2010). The argument is supported by Tseng (2010) who revealed that factors that motivated owners to establish businesses have positive effects on firm's growth sometimes depend on other factors such as business environment, network, innovation, firm specific competencies, and proactiveness.

Research Implications

Investigating the relationship that exists between the groups of EMFs (i.e. knowledge-based resource, personality traits, and business creation opportunity) and growth of firms was the focus of this study. Despite the findings of this study indicating that only business creation opportunity has significant effects on the growth of Tanzania's local construction firms, the results clearly demonstrate the variations in the effects of the different groups of EMFs on growth of firms. This is an indication that not all groups of EMFs have the same effects on growth of firms. Therefore, our focus on groups of EMFs to the discovery of their effects on firm's growth is a contribution to the entrepreneurial motivation literature. In addition, the use of groups of EMFs that captured the aspects of entrepreneurial motivation factors is useful in developing a framework for future research on the topic.

Another contribution of this study is that understanding the effects of each group of EMFs on growth of firms is necessary as it shows that all the groups of EMFs do not equally affect the growth of firms. With only business creation opportunity measuring significant relationship with growth of Tanzania's local construction firms, this information is important to managers and other stakeholders including the government to ensure that they create a working environment that encourages accessibility to work opportunities and development of ownership spirit among the employees by ensuring that the projects undertaken by the firms are delivered with required quality and quantity. Another aspect that managers of the construction firms need to put into consideration is to make available the appropriate construction equipment required for the execution of the construction projects.

This study also informs managers of the construction firms in Tanzania on the importance of a place where a firm is located. The significant effect of firm's location on growth of local Tanzania's construction firms is an indication that that the owners-managers of the construction firms in Tanzania need to consider the potential locations for their firms. The consideration of location in this case is important because the growth of construction firms is determined by the number and value of the construction projects executed by the company. The managers of such firms thus, need to consider cities with potentials of developing a good number of construction projects like development of resident and commercial buildings, infrastructures, etc. Other control variables such as firm's age and firm's activities measured insignificant, which is an indication that they are not important when the relationship between groups of EMFs and growth of construction firms was investigated.

Limitations and Future Research

The local Tanzania's construction firms being only the focus of the present study, it is thus recommended that future studies should focus on both local and foreign construction firms operating in Tanzania. This approach could further highlight the relationship that exists between different groups of EMFs and the growth of construction firms operating in Tanzania. Furthermore, the study also collected data on EMFs and indicators of firm's growth only from the owners of the local Tanzania's construction firms. It is therefore recommended that future research should consider collecting data from both owners/managers and employees. It is expected then, the data (information) obtained from the two sources would be of great help to both researchers and practitioners in understanding how employees also think about the association between groups of EMFs and the growth of construction firms.

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