MAIN FACTORS CONTRIBUTING TO GROWTH OF MALAYSIAN CONSTRUCTION COMPANIES

by

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"In the Mighty Name of Allah, The Most Beneficent, The Most Merciful"

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LIST OF ABBREVIATION

ABBREVIATION	DETAIL
CIDB	Construction Industry Development Board
ECER	East Corridor Economic Region
GDP	Gross Domestic Product
IDC	Iskandar Development Corridor
NCER	Northern Corridor Economic Region
SCORE	Sarawak Corridor of Renewable Energy
SER	Sabah Economic Corridor
SMEs	Small Medium Enterprises
SPSS	Statistical Package for Social Science
et al.	And others

FAKTOR-FAKTOR UTAMA YANG MENYUMBANG KEPADA PERKEMBANGAN SYARIKAT PEMBINAAN MALAYSIA

ABSTRAK

Secara umum, kebanyakan syarikat memiliki beberapa objektif yang bertujuan untuk kekal dan berjaya dalam perniagaan mereka. Dalam jangka masa yang pendek syarikat lebih menumpukan kepada memaksimumkan keuntungan, manakala untuk jangka masa panjang keuntungan tidak lagi menjadi fokus utama kerana salah satu tujuan yang mungkin mendominasi pengurusan syarikat adalah pertumbuhan. Objektif kajian ini adalah untuk mengenalpasti faktor-faktor yang menentukan pertumbuhan syarikat pembinaan di Malaysia, mengenalpasti faktor-faktor yang memberikan peranan penting dalam menentukan pertumbuhan syarikat dan menganalisis kesan dari faktor-faktor tersebut terhadap prestasi pertumbuhan syarikat. Pengumpulan data telah dilakukan dengan menggunakan kaedah survey iaitu sejumlah 600 set borang soal selidik telah dihantar kepada syarikat pembinaan Gred 7 melalui perkhidmatan pos. Daripada jumlah tersebut, 102 borang telah diterima, lengkap dan boleh digunakan untuk analisis. Data telah dianalisis menggunakan kaedah analisis frekuensi, teknik indeks relatif penting (RII), analisis faktor dan analisis regresi. Penemuan kajian ini menunjukkan bahawa faktor orientasi berasaskan pelanggan menjadi faktor terpenting dalam menentukan pertumbuhan syarikat pembinaan Malaysia. Kajian ini juga mendapati bahawa faktor pengurusan dan kualiti produk, dan sumber manusia mempunyai pengaruh positif yang signifikan dengan prestasi pertumbuhan samada dalam pertumbuhan pekerjaan atau jualan.

MAIN FACTORS CONTRIBUTING TO GROWTH OF MALAYSIAN CONSTRUCTION COMPANIES

ABSTRACT

Most firms in general have multiple objectives aimed to sustain and succeed in their business. In the short term, firms pay more attention to profit maximization. For the long term however, profit is no longer the prime focus because one of the objectives which may dominate the management of a firm is its growth. The objectives of this research are to identify factors determining the growth of construction companies in Malaysia, to identify which factors play key role in determining growth and to analyze the impact of these factors have on growth performance of companies. Data collection for the purpose of this research was done through a questionnaire survey which was carried out involving large construction companies from grade G7. Questionnaires were sent to 600 respondents via postal service. From 600 questionnaires disseminated, 102 of the questionnaires were returned, completed and useable. Data was analyzed by using relevance statistical methods such as frequency, relative important index (RII), factor analysis and regression analysis to establish findings. Findings of this research show that the customer orientation factors was found to be the utmost important factor in determining growth of Malaysian construction companies. It was also found that management and product quality factor and human factor had a positive significant influence with growth performance both in term of growth in employment or turnover.

CHAPTER 1

INTRODUCTION

1.1. Research Background

Malaysia is one of the most rapidly developing countries among developing nations. The construction industry is one of the major industries that contribute to Malaysia's rapid economic growth. It represents about 3-5% of the Malaysia's Gross Domestic Product (GDP) and provided employment for about 10% of the total labour force (MOF, 2009). In Malaysia, construction sector can be divided into four broad categories: office; retail; residential and infrastructure. This industry is dynamic in nature and its environment has become more dynamic due to the increasing uncertainties in technology, budgets, and development process (Chan & Chan, 2004). According to Sanvido et al. (1992) a building project is completed as a result of a combination of many events and interactions, planned or unplanned, over the life of a facility, with changing participants and process in a constantly changing environment.

Change is a continuous process; as such, the firm must be in position to respond continuously to changing environmental conditions. Not all firms are equally able to change (Pettus, 2003). Traditional economic theory assumption that firms will pursue an objective of profit maximization, however Bridge and Dodds (1978) stated that one objective which may dominate the management of firm is growth or expansion of the firm through time. This is agreed by Rimmer (1988), as he noted that profit is important for promoting and measuring growth, but profit maximization is not of prime importance because it is a short term strategy. Investment that promotes growth will eventually in the long term promote higher return.

Growth involves four considerations, including the type of growth (intensive, integrated or diversified); its geographical focus; how it will takes place; and how quickly it will occur (Higgins & Vincze, 1993). According to Penrose (1959) growth does not take place automatically, but must be planned strategically and implemented effectively by managers who have firm-specific experiences internal to the firm. There are several ways to achieve growth. According to Greenley (1989) the growth may be realized by developing internal resources and personnel, or by seeking external involvement through acquisition, merger, joint venture and other strategic alliance. It also can be achieved by enhancing efficiency, improving financial control and increasing turnover (Ofori & Chan, 2000).

In most countries, the government plays a major role in promoting the growth and development of all sectors including construction industry. After surveying more than a century of comparative development experience in forty developing countries, Reynolds (1983) concludes that one of the most important explanatory variables of development is political organization and the administrative competence of government. It also agreed by Strassmann and Wells (1988) noted that construction contractors throughout the world tend to see government as an agency for promoting their interests – opening and protecting market, facility currency transfers, arranging insurance and extending loans.

Malaysia’s government also plays an active role in promoting the growth and development of construction industry. In particularly, it has allocated greatly resource to nurture the growth of local construction companies (10MP, 2010; Ibrahim et al., 2010).

1.2 Problem Statement

In business, change is inevitable for better effectiveness and efficiency in order to survive and success. As a complex industry comprising a wide array of firms, discipline and practices, change to the organization and activities of the sector might be beneficial to some, but disadvantages for others (Harty et al., 2006). In the face of these changes, it is increasingly difficult to manage the construction business in today’s environment (Betts and Ofori, 1992).

Growth is what actually a firm should be seeking and can be acquired in stages of time period. However, growth does not take place automatically; it somehow can be planned strategically and implemented effectively by the organization in the firm. According to Ofori and Chan (2000) the best strategy depends on the company’s performance, strengths, weaknesses, opportunities and threats in its environment. Similarly, different firms may differ in their reasons for growth. While some firms may grow because of an intrinsic motivation of their founder, other firms may grow rather because of outside pressure (Garnsey, 1998).

Contracting is a very complex business, yet it is easy to register as a contractor. CIMP (2005) noted that low barriers to entry into the industry have swollen the ranks of contractors with many small scale companies (G1 especially). Currently, there are approximately 64,000.00 contractors registered with CIDB, out of which approximately 58% are G1 (CIDB, 2008a), however studies have shown that the failure rate and bankruptcies in Malaysia construction companies are high (Yin, 2006; CIDB, 2008b).

During the 1980s and 1990s economic crisis, many Malaysian construction companies and contractors especially of the Bumiputera owned, could not execute the construction projects and had to diversify to other business activities. Contractors of the lower grades suffered more hardship than their higher counterparts which led them to total bankruptcy (Ghani, 1988). In his study Abu Bakar (1993) found that most construction companies in Malaysia started as small, local market companies during the 1970-1980s construction booms. They expanded at different rates and levels of success and growth. About a quarter failed to progress beyond the local level, and one-third made the local-regional-national transition in 3-5 years. In the recent years, with the completion of 'mega-projects' and subsequent economic prudence, local projects were insufficient to sustain the 70,000 odd contractors. Thus, many of the lower ranking contractors have left the industry (CIMP, 2005).

The statements above show that the growth performance is not consistent among construction companies; some companies grow more than others, some companies are in stagnation, some developed negative growth and some have left the industry. Why there is inconsistency in growth among construction companies in Malaysian construction industry? Thus, this research was carried out to study factors determining growth of local construction companies, to indentify key factors determining growth and to analyze the impact of these growth factors on the performance of construction companies in Malaysia.

1.3 Research Questions

From the problem statement, a few questions are arrived such as below:

i) What are the factors that determine growth for the construction companies in Malaysia?

ii) Which factors have greater influence on company growth?

iii) Which factors have greater influence on growth performance?

1.4. Research Objectives

From the research questions, the following objectives were derived. The objectives of this research are:

i) to identify factors determining growth of construction companies in Malaysia;

ii) to identify which factors play key role in determining growth; and

iii) to analyze the impact of these factors have on growth performance of construction companies.

1.5. Scope of Research

The scope of this research is focused on construction companies that registered with the Construction Industry Development Board (CIDB) in category G7 (with unlimited amount of work more than Ringgit Malaysia $10 million). The area of this study is confined to the selected cities in peninsular Malaysia such as Penang, Alor Star, Ipoh, Kuala Lumpur, Melaka and Johor Bahru where most of G7 companies are operate (CIDB, 2009) and most of the developments are focused.

1.6. Significance of Study

Firms' growth is frequently equated with success. Construction companies that achieve significant growth will lead them to be more active contributors to the Malaysia's economy and social development. According to Autio (2007) growing firms have long attracted the attention of policy makers worldwide and high growth enterprises are seen as important contributors to employment, innovation, and competitiveness. Due to the important of firms' growth to Malaysian construction companies the study is expected to provide a basic guideline for construction companies in Malaysia toward achieving one of the firm's objectives, that is to develop and growth.

1.7. Research Methodology

This is a quantitative research and basically there are two types of research data i.e. the secondary data and the primary data.

Primary Data

Primary data are the latest data needed to carry out this research and therefore this data are used to be analyzed, concluded and suggested for this research. Primary data was collected through distribution of questionnaires to the relevant construction companies that were chosen as respondents in this research.

Secondary Data

Secondary data is the data which are published officially and can be sourced from reference books, magazines, journals, research reports, seminars, articles, newspaper, websites and etc. Secondary data forms the theoretical framework of the study. Comparison and conclusion were made between primary and secondary data to achieve the equilibrium of data gathered and lead to the preparation of full report made from these data. The outline of the research methodology can be summarized as in Figure 1.1.

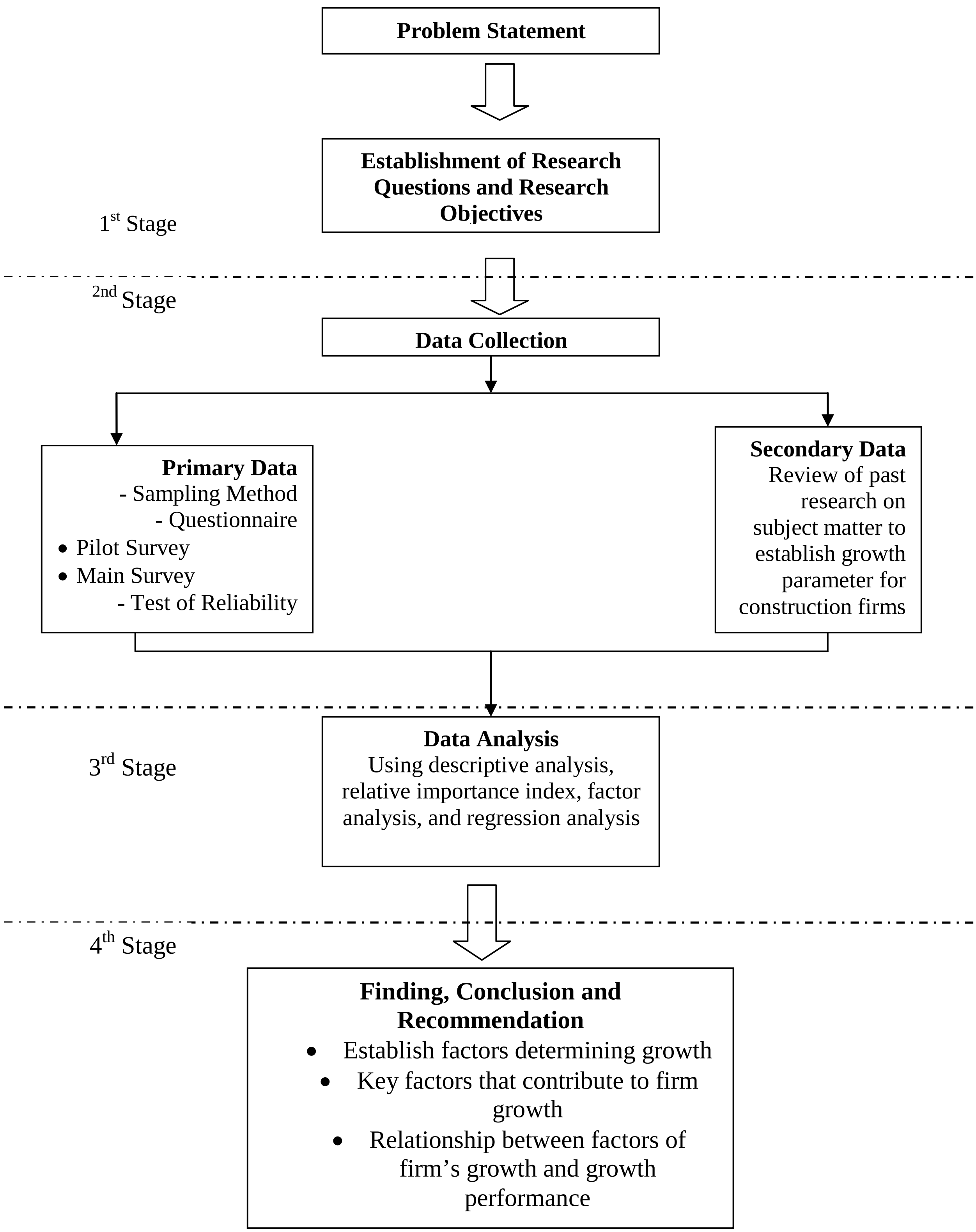

Figure 1.1: Flow Chart of Study Methodology

1.7.1 Stages of Research Data

i. Literature study

Literature study involves collection of secondary data, which involves the review of literature from published and unpublished materials and via Internet (database) in the area of specific interest to the researcher. This literature study is performed to obtain knowledge and information of firm growth in construction industry. This information can be utilized on problem solving of this study (Sekaran, 2003).

ii. Field research

As this research was proposed to study the growth of construction firms, it is essential to do a survey among the contractors to get information relating to their companies performance. This is also known as primary data. There are two stages of survey that were conducted in this research (Sekaran, 2003).

The first stage of the survey is the pilot survey that was conducted to get the opinions and ideas from the questionnaire of this research and the second stage of the survey is the main survey. The pilot study was carried out in this study to ensure the validity of the questionnaire used in this study. The questionnaire was developed based on literature review, and to fulfil research objectives.

The respondents are construction companies under G7 categories classify by CIDB (CIMP, 2005) that operate in Penang, Alor Star, Ipoh, Kuala Lumpur, Melaka and Johor Bahru. This is to enable the findings to be more practical, because most of large construction companies in Malaysia started as small and local market companies. Their experiences and knowledge in this area are useful for the study.

iii. Analysis stage

Analyzing and understanding collected secondary data is an important methodology. These data and information will give a clearer picture for further analysis.

Data collected was analyzed by using Statistical Package for Social Science (SPSS). Frequency, Relative Important Index (RII), Factor Analysis and Multiple Regression Analysis were the main feature in the analysis. Frequency was used to present the distribution of variables, Relative Important Index (RII) was used to determine the relative ranking of the factors, Factor Analysis was used to reduce large number of variables to a smaller set of underlying factors that summarize the essential information contained in the variables, while multiple regression was used to learn more about the relationship between several independent or predictor variables and a dependent or criterion variable. (Tam et al.,2000; Hair et al., 2006;Coakes and Steed, 2007)

1.8. Organization of Thesis

This research is organized into five chapters. It also includes appendices containing supporting information used in the study. The first chapter is the introductory chapter, outlining the overview of construction industry in Malaysia, problem statement, objectives of the study, scope of research and the significance of this study.

Chapter two is the literature review which seeks to define the term firms' growth; early theories of firms' growth and the various related terminologies which will be used in this study as well as critically review the existing literature pertinent to the study.

Chapter three outlines the research methodology of this study, dwelling into the choice of research study, the research design and the method of analysis.

Chapter four presents the analysis and discussion on the results with reference to the objective of the study.

The last chapter, chapter five provides the conclusions of this study as well as the limitations of the research and recommendations for further studies.

CHAPTER 2

FIRMS’ GROWTH

2.1 Introduction

In this chapter, the definitions and concepts about firms’ growth, firm development, measurement of growth performance and the various factors contributing to firms’ growth as well as a review of existing literature in support of the entire research study will be discussed.

In business, the firm may have several objectives, however the most important objectives that needs to be seeking by the firm is growth or expansion of the firm through time. Firms often seek to grow in order to dominate a large share of the market in which they operate or to reduce costs by benefiting from economies of scale. Bridge and Dodds (1978) noted that a firm which seeks growth is unlikely to meet with success if search is only included when the firm is under direct pressure; it really needs a scanning process to anticipate changes in its environment and mechanism for identifying and exploring the avenues of growth. Basically, the growth of a firm is attributed to a number of factors and it is not surprising that the checklist of growth factors is varied and extensive.

2.2 Definition of Firms' Growth

To define what is the firms' growth, at first we need to understand what a growth is. Basically, growth can be defined as increase in the size of structural of the firm and can be interpreted as a process of changing size and the result of exploring opportunities. Havnes (1998) defined growth as the change in size over any given time interval, and the growth rate can be represented by the linear interpolation between the observed size at the beginning and end of the interval. It also refers to change in size or magnitude from one period of time to another (Wiklund, 1998). The famous definition of firm growth is due to Penrose (1959). In her seminal book, Penrose (1959) characterizes the phenomenon of growth as follows:

"The term 'growth' is used in ordinary discourse with two different connotations. It sometimes denotes merely increase in amount; for example, when one speaks of growth in output, export, and sales. At other times, however, it is used in its primary meaning implying an increase in size or improvement in quality as a result of a process of development, akin to natural biological processes in which an interacting series of internal changes leads to increases in size accompanied by changes in the characteristics of the growing object".

From an economic point of view, growth is defined as an increase in the productive capacity of a society, and results from a combination of several causes. Three main sources of growth can be determined (Carneiro, 2007):

1. Technological improvement – This type of improvement means that new and better methods of producing goods are possible. Moreover, it is well known that processes and technology improvements can contribute to meeting quality and process-performance objectives.

2. An increase in the quantity of capital – Very often, technology is deeply linked to investment because it is embodied in new machinery and better equipment.

3. An increase in the number of workers, their skills and educational levels.

Firms are a collection of a certain number of resources that provide the means to successfully take advantage of those opportunities and grow (Penrose, 1959; Barney, 1991). Firms' growth is a multidimensional construct that can include increases (1) in asset and employment size, (2) in sales volume and profitability, as well as (3) in the variety of business functions, products and services. Penrose (1959) defined firms' growth as a result of a process of development in which an interacting series of internal changes leads to increases in size accompanied by changes in the characteristics of the growing object. Albach's (1965) defined firms' growth as the increase in a measure for corporate size over a longer time. It also can be defined as the achievement of a sudden and accelerated increase in absolute increments of change in growth indexes, principally sales, assets and employment generated from internal sources (Lundgren, 1974). More recently, Hakkert & Kemp (2006) defined firms' growth as an increase in certain attributes, such as sales, employment, and or profit of a firm between two points in time.

Penrose's original contribution of 1959, shape the direction of growth. From a totally 'inside-out' perspective, firm's growth is conceived as the endogenous outcome of perennial intra-firm knowledge creation (Volpe and Biferali, 2008). Firms' growth demand the ability to master technologies, engender labour skill, and organize the production process as well as efficiently serve a market. A firm will exploit a growth opportunity as long as the benefits overcome the costs, given the level of ability with which the firm was endowed at start-up (Bonaccorsi and Giannangeli, 2008).

In the literature there are many different definitions of firms' growth. For the purpose of this study, firms' growth can be defines as an increase in the number of employees and firm's annual turnover over time.

Firms' growth is a complex phenomenon: Multidimensional, hard to predict and assess, and can manifest itself in various ways and consequently have differential effects on several different levels (Davidsson and Delmar, 2006). According to Penrose (1959) there is no limit to the growth of the firms; it is the rate of growth what is limited in the short run but there is no limit to the size of the firm. Penrose (1959) added that the growth of a firm is induced by a 'productive-opportunity' in an endogenous process of accumulation and interaction between the productive base of the firm and the opportunity coming from the market, which are respectively reflected in the organizational and entrepreneurial capabilities (entrepreneurial judgment) of the firm (Penrose, 1959).

Growth is considered as a top strategic priority for most firms yet only few companies achieve growth and ever fewer in maintaining in (Baum and Wally, 2003). According to Penrose (1959), firms' growth is led by an internal momentum generated by learning-bydoing. Bridge and Dodds (1978) noted that the firm is therefore always in a stage of flux and the changes which the firm must go through in the growth process either come from management itself or from external pressures on the management team.

According to Skrt and Antoncic (2004), in order for the firm to grow, the entrepreneur needs to formulate an exact, clear mission and vision for his or her firm. Strategic planning can be considered important in driving firms' growth. Precisely formulating visions and strategy, incorporating the elements of internationalization and networking in the firm vision, focusing on growth, profit, and market, performing analyses of market and competition, precisely formulating generic business strategies, and achieving company wide support for strategies can all be beneficial for the growth of smaller firms.

2.3 Early Theories of Firms' Growth

One starting point in explaining firms' growth can be the neoclassical theory of the firm. This theory looks at single product firms in an industry with U-Shaped average cost curve. Firms grow until they reach the size corresponding to minimum average costs. However, Hart (2000) noted that the U-Shaped average cost curve of a firm is purely a theoretical concept. He added that obviously a firm would avoid growing large enough to encounter increasing average costs.

According to Wasilczuk (2008) the classical theories were based on the economies of scale, and the analysis of entrepreneurs' behavior on the plane of perfect competition.

Today theories of this kind are not sufficient to explain the real world of market systems. She added that those theories remind further investigations, and gave us J. Schumpeter works, who neglected the static world of perfect competition, introducing the “creative destruction” and innovations which is still perceived as one of the important growth factors (Schumpeter, 1995).

Next is Revolutionary theory. This theory was introduced by Coase (1937). Coase (1937) stated that firms are growing as long as the marginal costs of transaction within the firm is lower than marginal costs of the same operation paid to the outside providers of service (Coase, 1937). Downie (1958) argued that the growth of firm is connected with demand for the product produced and financing abilities of firms.

The most referable theory is Penrose. She was the one who stressed the importance of managerial ability in the process of growth of the firm (Penrose, 1959). She was also a pioneer of promoting diversification as a path to grow the firm. This plot was then developed by Marris (1966) who stressed some additional factors like: demand constrains, managerial constrains, financial constrains and picking to ambitions aims by the managerial board constraints.

Penrose studies were important from additional point of view. Penrose (1959) stressed that it is not enough to look at the firm from economical – objective point of view, but also from subjective one, irrational, especially when research the SMEs. In consequence she proposed to use other than economics sciences, like for example psychology. One of the famous theories of firms' grow is the Law of Proportionate Effect by Gibrat (1931). Gibrat (1931) assumed that the growth is a consequence of three factors:

a) Constant growth of the market which is the same for all firms within the same sector
b) The beginning size of the firm
c) Stochastic factors.

In his study, Gibrat (1931) found the positive correlation between the size of a firm and the growth. However several studies show that the age of the firm has been found to have negative effect on growth (Evans, 1987; Dunne *et al.*, 1989; Variyam and Kraybill, 1992; Harhoff *et al.*, 1998; Becchetti and Trovato, 2002; Yasuda, 2005; Coad 2007).

From literature we can see that those early theories of growth of the firms more focused on the large firms. It is quite understandable because of the size distribution of firms in those days. Following is a list of the important of early growth models for this generation (Wasilczuk, 2008).

a. Showing us that firms are growing because of new market transactions (Coase, 1937).
b. Stressing the importance of capital – (Downie, 1958; Marris, 1966).
c. Showing the diversification as a way to grow the firm – (Penrose; 1959, Marris, 1966).
d. Emphasizing the role of innovations - (Schumpeter, 1995).
e. Pointing the important role of the owner-manager and the significance of her/his competences- (Penrose, 1959; Marris, 1966).

f. In noticing stochastic factors – (Gibrat, 1931) - which are especially important in the case of smaller firms.
g. Pointing the relation between the initial size and growth (Gibrat, 1931) – even if the conclusions coming from the Gibrat research were exactly opposite to those today.
h. Underling the managerial constrains in small firms (Penrose, 1959; Marris, 1966).

2.4 Size and Growth

When people talk about firms' growth, it is usually in positive terms. After all, would not any firm benefit from a bigger budget, more staff, expanded quarters, new programs, or broader outreach? (Connolly and Klein, 1998). Is bigger better, and if growth is important how it is achieved? One lesson to learn about managing growth, it should be: *growing a business means making it better, not just bigger* (Churchill,1997).

Several studies have undertaken the task of assessing the relationship between firms' growth and firm size. Early studies in the manufacturing industry found a relationship between growth and size. This fact stimulated the idea that the relationship between growth and size is a stochastic phenomenon. This concept is known as Gibrat's law (Gibrat, 1931). According to Gibrat's law, the size of the firm at any given point in time is the product of a series of random growth rates in the history of the firm. The key assumption then is that the growth of a firm, in any given period of time, is independent of the firm's size at the beginning of the period.

However several studies show that the age of the firm has been found to have negative effect on firms' growth (Evans, 1987; Dunne *et al.*, 1989; Variyam and Kraybill, 1992; Harhoff *et al.*, 1998; Becchetti and Trovato, 2002; Yasuda, 2005; Coad, 2007). For examples Evans (1987) found that for young firms, smaller firms had faster growth and also found a significant co-efficient of the interaction between size and age. Dunne and Hughes (1994) found using continuous age for each firm-that age had a negative effect on company growth. Dunne *et al.* (1989) also rejected Gibrat's law in a study of manufacturing industries in the US, although they did find a positive correlation with size.

Furthermore, Yasuda (2005) discovered that firm size and age have a negative effect on firms' growth. For which Variyam and Kraybill (1992) offered same result in other industries. As additional Harhoff et al. (1998) investigated the age-size effect on firms' growth in the field of construction, trade and service industries as well as manufacturing, and confirmed the negative effects of size and age on growth. More recently, Becchetti and Trovato (2002) and Coad (2007) have found the same negative relationship between growth and size, implying that smaller firms grow faster than larger firms.

2.5 Firm Development

In firm development approaches, firms are seen as temporal phenomena which are born, grow, mature, decline and die. Firms' growth is the basic dimension of the models of organizational life cycles (e.g. Greiner, 1972; 1998; Mintzberg, 1979; Churchill & Lewis, 1983). Numerous models of organizational life cycles have been presented, e.g. a three stage model (Smith et al., 1985), four stage models (Quinn & Cameron, 1983; Kazanjian, 1988), five stage models (Greiner, 1972; Galbraith, 1982; Churchill & Lewis, 1983; Scott & Bruce, 1987), and a seven stage model (Flamholtz, 1986). These multistage models use a diverse array of characteristics to explain organizational growth and development.

Organizational life cycle model is one application of the configurationally approach in describing the stages of life cycles and the transformation from one stage to another (Mintzberg et al., 1998). Common to these growth pattern models is the claim that changes in an organization follow a pattern characterized by discrete stages of development (Dodge et al., 1994). Typical of these patterns are the sequence of events that show how things change over time, a hierarchical progression that is not easily reversed, and a composite of a broad range of organizational activities and structures. Organizational life cycle models are important in understanding the differences in success factors of the firm between the stages of the life cycle.

The best-known firms' growth model is Greiner's five-stage model. He originally proposed this model in 1972 with five phases of growth. Later, he added a sixth phase (Greiner, 1998). Greiner views growth as a series of changes forced by crises (see Figure 2.1).

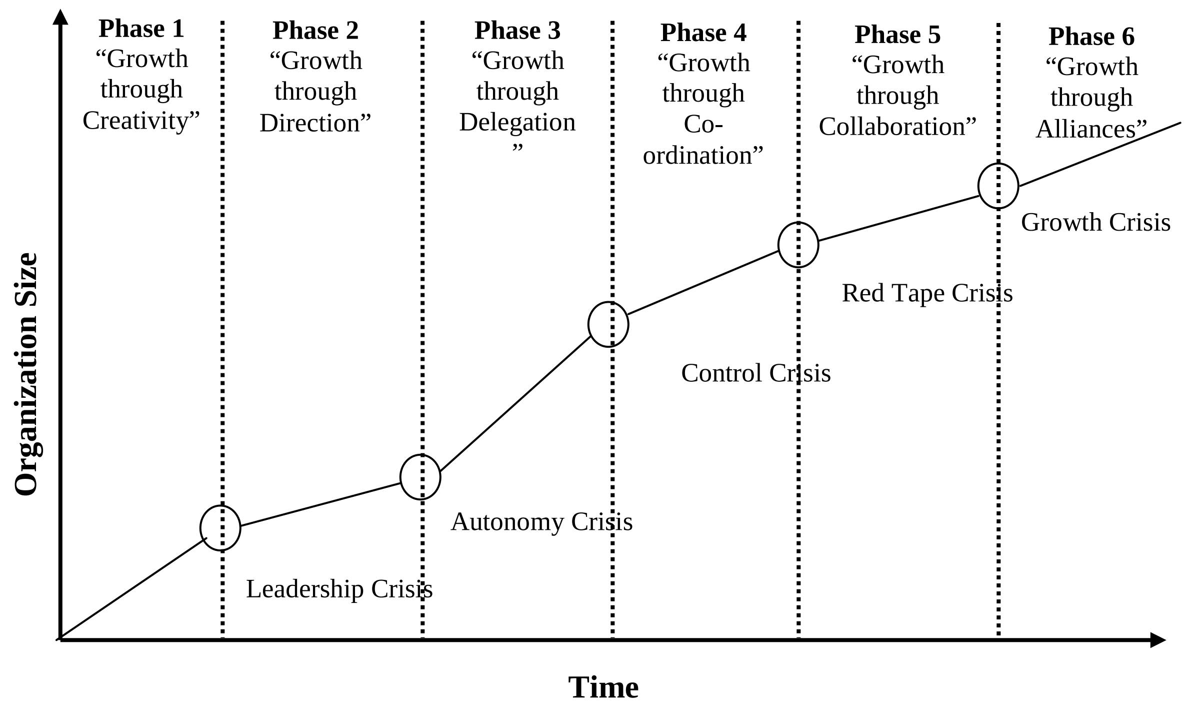

Figure 2.1: The “Greiner Curve”

Source: Greiner, 1998

According to Greiner (1972) organizational life cycle stages reflect a typical pattern of development based on size and age growing of the organizations. The Greiner's six phase of growth are described in the table below: