

**THE EFFECTS OF RURAL ENTERPRISE DEVELOPMENT PROGRAMMES ON
MICRO AND SMALL ENTERPRISES GROWTH IN EJURA SEKYEREDUMASE
MUNICIPALITY IN GHANA**

KNUST

BY

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Master of Business Administration (Strategic Management & Consulting)

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DECLARATION

I hereby declare that this submission is my own work towards the Masters of Business Administration and that, to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

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DEDICATION

I dedicate this piece of academic excellence to my wife Mrs. Benedicta Donneyoung whose understanding and encouragement has brought me this far. I also wish to dedicate it to my sister Mavis Kanbonttaa for her love and smile during the pursuance of my academic work and to my lovely son Maurice Domonaamwin as well.

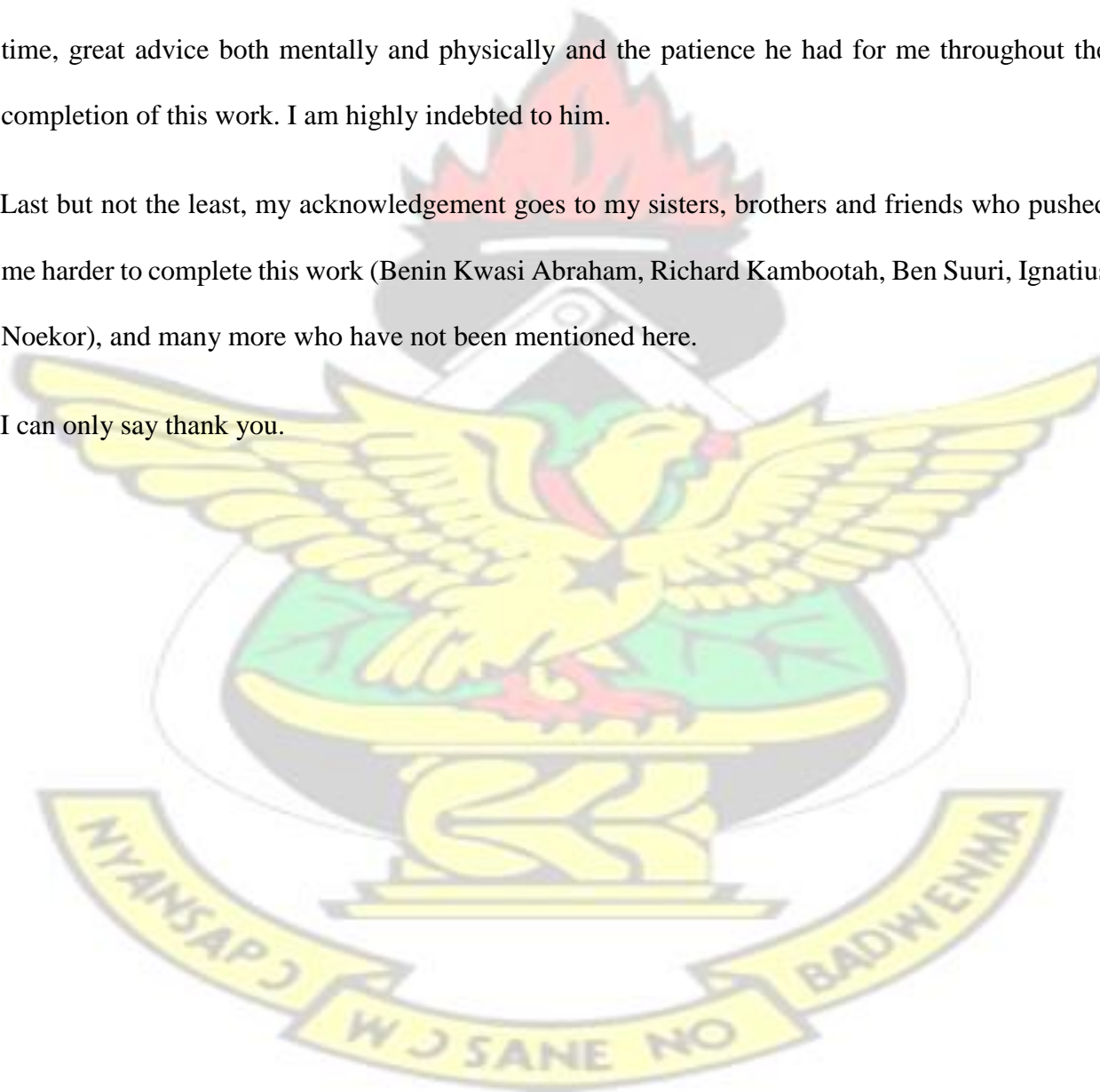


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I can only say thank you.



ABSTRACT

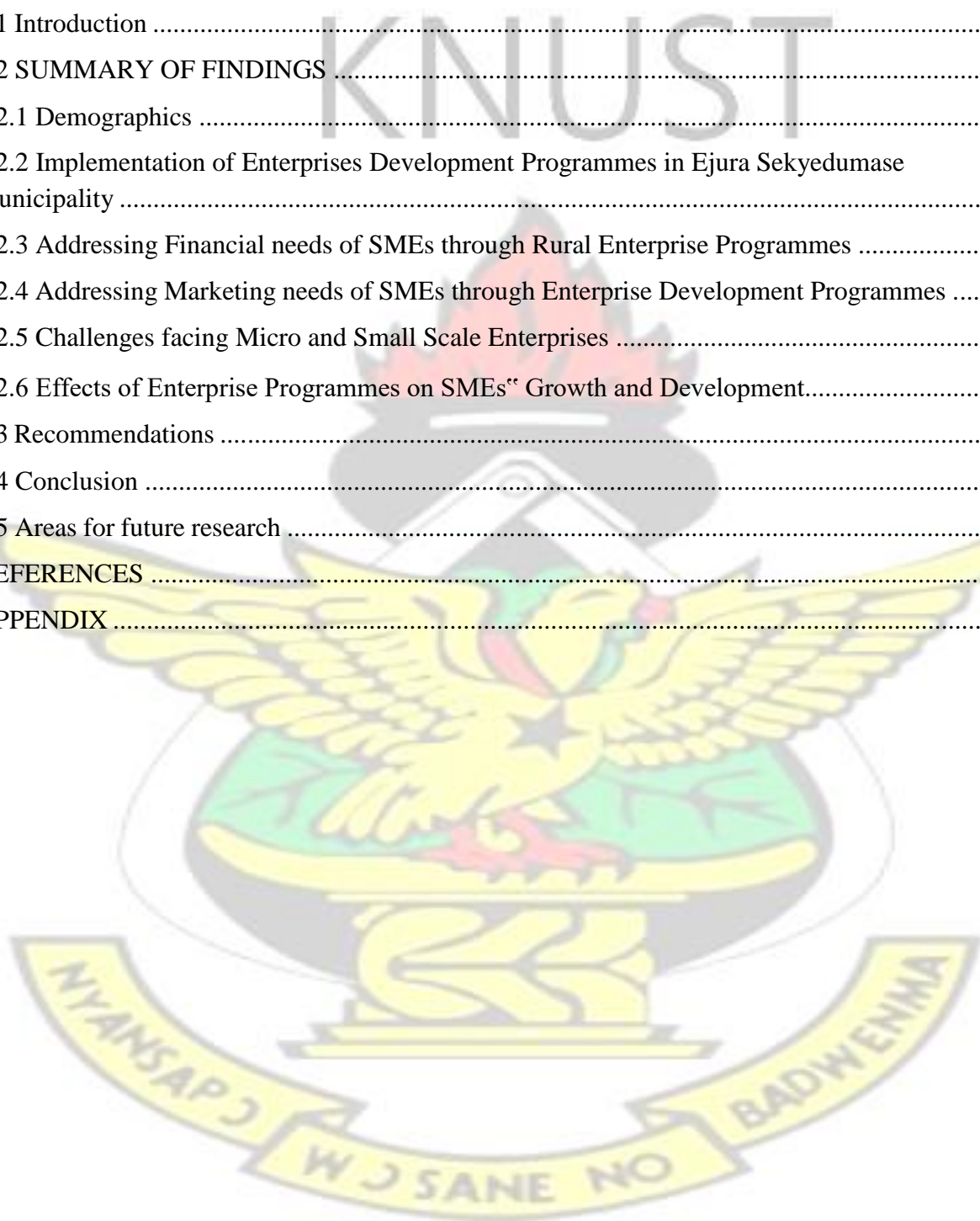
Many development partners and donors in an attempt to accelerate economic growth in developing countries have made the promotion and development of Micro and Small-Scale Enterprises (MSEs) a major concern. This is because SMEs are recognized as “necessary engines for achieving national development goals such as economic growth, poverty alleviation, employment and wealth creation, leading to a more equitable distribution of income and increased productivity. This research therefore sought to examine the effects of Enterprise Development programmes on Micro and Small Enterprises Growth in Ghana. The research design used was descriptive. Out of a population of over 1000 Micro and Small Scale entrepreneurs who are clients of the NBSSI within Ejura Municipality, a sample of 120 SMEs were drawn for the study using purposive sampling. Questionnaires were the instruments used for data collection. At the end, the study found that the only area that respondents have seen significant improvement was record keeping practices. The study also found that as high as 98.3% of respondents never benefited from any financial management training. In the area of marketing and sales, only 29.2 percent benefited from workshops organised by the NBSSI. There was also very minimal training on leadership for SMEs within Ejura Sekyedumase Municipality. The study further revealed a moderate relationship between enterprise programmes and SMEs growth. The correlation value was 0.432. The R^2 value was approximately 19% (0.19). In line with the above findings, it was recommended that enterprise programmes should not only target existing businesses but also young entrepreneurs with feasible business ideas. Again, consideration should be given to graduates from tertiary institutions. It is also important that donor and other support institutions embark on strict monitoring and evaluations of programmes to avoid misappropriation of funds.

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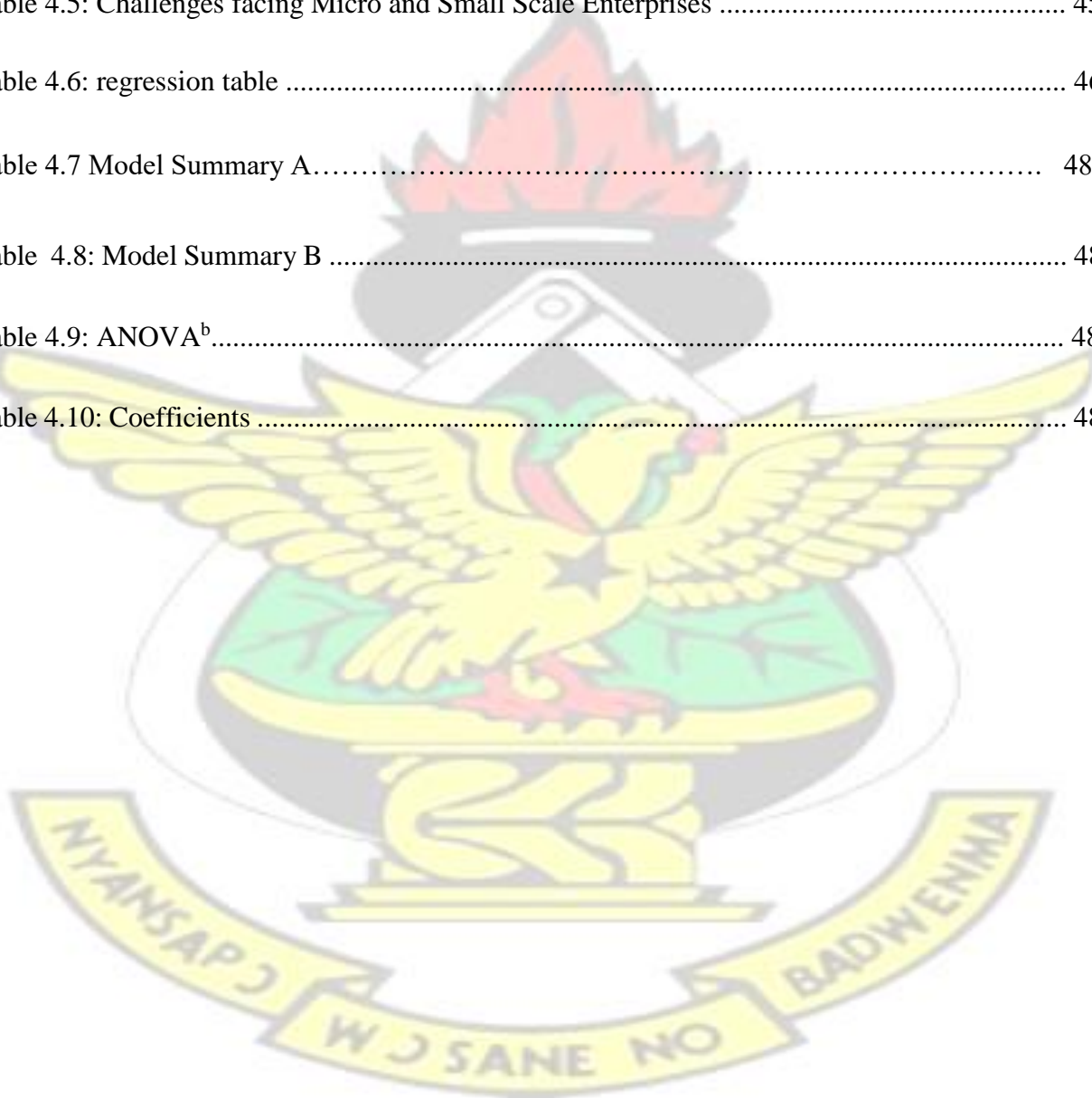
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CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

In Ghana, poverty affects rural dwellers most. This is evidenced by the low standard of living associated with them and low level of developmental projects found in rural areas. According to UNDP (2012) rural people have limited access to basic social services, safe water, all-year roads, and electricity and telephone services, and low standard of living. UNCTAD (2011) report shows that vibrant, dynamic and robust small and medium enterprise sector is also absent in many developing countries, particularly in the least developed countries.

Many development partners and donors in an attempt to accelerate economic growth in developing countries have made the promotion and development of Micro and Small-Scale Enterprises (MSEs) a major concern. The MSEs are recognized as “necessary engines for achieving national development goals such as economic growth, poverty alleviation, employment and wealth creation, leading to a more equitable distribution of income and increased productivity is widely recognized”. The contribution of MSEs to the national economy is potentially very large and is seen in the contribution to the Gross Domestic Product (Basu et. al, 2004).

Apart from agriculture which is the mainstay of rural Ghana, most people in rural areas are engaged in MSEs that help to complement their farming activities. It adds value to farm produce and occupies them during the off season or long dry season. Micro and Small Scale Enterprises also serve as a vehicle for promoting many traditional and cultural crafts such as basket weaving, pottery, beads making, carving, and blacksmithing, among others.

The Rural Enterprise Project aims at alleviating poverty, slowing rural-urban drift, contributing to the creation of sustainable jobs. The project also aims at addressing the low level of technology and productivity, low income and un-competitiveness in production, processing and distribution in agriculture. REP aims at addressing this deficiency through transfer of technology, thereby improving the low level of technology and productivity, as well as aiding in improving the low income levels of beneficiaries.

The target beneficiaries are made up of „entrepreneurial poor“ individuals, defined as the rural poor who had some business potential and who, if supported through the project interventions, could promote self-employment and micro-enterprises. Disadvantaged women, unemployed and under-employed youth and graduate apprentices are also targeted under the program. This project support would be achieved through the following components; Business Development Services, Technology Promotion and Support to Apprentice Training, Improving access to Rural Financial Services and support the development of Micro-and Small Scale Enterprises Organizations and Partnership Building.

REP has been successfully implemented in two phases: namely; phase one from 1995 to 2002 was supported by IFAD, and the phase two was implemented between 2003 and 2012 with cofinancing support from IFAD and the African Development Bank. The overall goal of the REP II was to alleviate poverty and improve living conditions in the rural areas and especially increase the incomes of women and vulnerable groups through increased self- and wage employment. The REP II design involved four interrelated components:

- (i) Business Development Services through establishment and operation of business advisory centres (BAC) in each participating District Assembly;

- (ii) Technology Promotion and Support to Apprentices Training (TPSAT) through establishment of rural technology facilities (RTFs) in selected districts;
- (iii) Rural Financial Services (RFS) through continuation of the REP I Rural Enterprises Development Fund (REDF); and,
- (iv) Support to MSE Organizations and Partnership Building.

There was also a non-technical component for project management. The REP II project area aimed to include 53 districts across the ten regions in Ghana. The project interventions targeted the entrepreneurial poor through a demand-driven approach.

Currently, a third phase of the Project has been launched in December 2011 with REP now transformed into a Rural Enterprises Programme. This Rural Enterprises Programme is expected to cover all the Districts and Municipalities in Ghana with the exception of Metropolitan areas and work towards a sustained development and growth of Micro and Small Scale Enterprises in the Country.

1.2 Problem Statement

Notwithstanding the rapid process of urbanization observed in most transition countries, poverty still remains a predominantly rural phenomenon (IFAD, 2001) as the sternness of their hardship is far greater than in urban areas. In Ghana, the Rural Enterprises Project (REP) is one of such approach to make the Ghana Poverty Reduction Strategy I & II more effective in addressing the needs of the poor. The Government of Ghana and its development partners perceive the REP model as an effective tool for rural MSE development and poverty reduction. The Rural Enterprises Project II was therefore instituted by the government of Ghana in 2003 to contribute to the

development of competitive rural micro and small-scale enterprises (MSEs) in participating districts backed by good quality, relevant and sustainable support services.

Whilst the comprehensive nature of these pro-poor programmes is the strength to reduce poverty, the problem is that most of them fail to live up to expectation or sufficiently target the poor. Poku-Antwi (2011) argued that the Rural Enterprises Project 11 holds the key to reducing rural poverty in Ghana. However, little or no evidence exist on how different the Rural Enterprises Project 11 is from the earlier projects that failed to live up to expectations. Moreover, since the inception of REP II, there has not been any empirical evidence to ascertain the effectiveness or otherwise of these project interventions.

Therefore this research seeks to fill the knowledge gap in literature and provides empirical evidence concerning the effect of the Rural Enterprises Project Phase 11 on development of Micro and Small-Scale Enterprises and how they had contributed to national development as well as its implication to poverty reduction.

1.3 Objectives of the Study

The ultimate aim of this thesis is to identify the effects of the enterprise development programmes on the growth and development of Micro and Small Enterprise in the Ejura Sekyedumase Municipality.

Specifically, the objectives of this study are as follows;

1. To identify the interventions of Enterprise Development programmes in the Ejura Sekyedumase Municipality.

2. To determine whether or not Enterprise Development programmes have addressed the marketing needs of Micro and Small Scale Enterprises in the Municipality.
3. To assess the impact of Enterprise Development programmes on the financial needs of Micro and Small Scale Enterprises in the Municipality.
4. To identify the perceived challenges faced by these Micro and Small Scale Enterprises in the Municipality.

1.5 Research Questions

Premise on the synergy between enterprise development programmes and growth of Micro and Small Enterprise; this study seeks to address the following research questions.

Specifically, the objectives of this study are as follows;

1. What types of Enterprise Development programmes exist within the Ejura Sekyedumase Municipality?
2. To what extent has Enterprise Development programmes addressed the marketing needs of Micro and Small Scale Enterprises in the Municipality?
3. What is the impact of Enterprise Development programmes on the financial needs of Micro and Small Scale Enterprises in the Municipality?
4. What challenges are faced by these Micro and Small Scale Enterprises in the Municipality?

1.4 Significance of the Study

According to Poku-Antwi (2011) the Rural Enterprises Project holds the key to reducing rural poverty in Ghana. However, since the inception of REP II, there has not been much empirical

evidence to support this assertion. This research will therefore confirm or denies the various opinions being held by experts that the REP II holds the key to reducing rural poverty in Ghana.

This exploration on the effects of the enterprise development programmes on the growth of Micro and Small Scale Enterprise will further provide additional information to the already existing one, to support stakeholders in the promotion of micro and small-scale enterprise in the country.

The study will also reveal the challenges associated with the implementation of the Rural Enterprises Project, and come out with workable recommendations to help address the challenges. It will, thus, contribute to the successful implementation of the project towards achieving its immediate objective of building competitive rural micro and small-scale enterprises and long-term objective of poverty alleviation in rural Ghana.

The results of the study will further provide useful information to the Municipal Assembly in its efforts at ensuring sustainability of employment creation. The study will add to the existing knowledge on the relationship between Rural Enterprise Project and poverty reduction strategies and practices.

Finally, the study will help decision makers to fashion out effective policies and programmes to promote micro and small-scale enterprises. This in turns will eventually help in increasing productivity in the country.

1.6 Scope of the Study

Contextually, this study focuses on the effects of the Rural Enterprises Project Phase II on the growth and development of Micro and Small Enterprise.

Geographically, this study cover operations of some selected Micro and Small Scale Enterprises in the Ejura Sekyedumase Municipality in Ashanti region of Ghana.

1.7 Overview of methodology

This empirical study used a case study research design approach. Both qualitative and quantitative data collection methods were used in order to assess the effects of the enterprise development programmes on the growth and development of Micro and Small Enterprise in the Ejura Sekyedumase Municipality.

The researcher consulted different literatures to review the synergy between enterprise development programmes and growth of Micro and Small Enterprise. The major method of data collection was primarily by questionnaire administrations.

The data which was collected was subsequently collated and analysed by tabulations and other descriptive statistics and cross tabulations of the output.

1.8 Limitations of the Study

This study is limited to effect of the Rural Enterprises Project Phase II on the operations of Micro and Small Enterprise in the Ejura Sekyedumase Municipality. Some SMEs operators were skeptical in providing information on their operations either because they might not be in good standing as regard the payment of taxes or just unwilling to provide the information with the excuse that they have responded to a lot of such questionnaire in the past.

Other limitations are that, investigating the effect of enterprise development programmes requires massive financial commitment and a longer time, than what was available. The exigencies of time and inadequate financial outlay therefore present a challenge to this study.

Finally, Due to the fact that this study had been an ignored area of research with the scarcity of publications on the effects of enterprise development programmes, the researcher relied mostly on the few literatures both published and unpublished to review the secondary data.

Despite these limitations to the study, it was carried out diligently to make it representative and useful for the purpose for which it will be conducted in order to add or improve upon the knowledge base in this research area.

1.9 Organization of the Study

This study on the enterprise development programmes on the growth and development of Micro and Small Enterprise is divided into five chapters. Chapter one serves as a preliminary to the study, by providing a brief background of the study, statement of problem for which this project work is indispensable and justification for the needs to carry out this study.

Chapter two dilates on the literature reviews on the synergy between enterprise development programmes and growth of Micro and Small Enterprise.

It is obvious that every developments problems and interventions manifest itself in space. Hence, chapter three will visualise and delineate the profiles of the study area. In a sequel to the above, this chapter will subsequently, bring into focus, the methodological approach for assessing the the effects of the enterprise development programmes on the growth and development of Micro and Small Enterprise. This is followed by the analysis of the data gathered in chapter four.

Chapter five will recapitulate this special study by dilating on the key findings from the study and as well gives useful conclusions and recommendations to improve the challenges faced by these Micro and Small Scale Enterprises in the Municipality.

CHAPTER TWO LITERATURE REVIEW 2.1 Introduction

This chapter reviews literature on enterprise development programmes in Ghana and lessons from other jurisdictions. Consideration is given to the role of the National Board for Small Scale Industries through its decentralized unit „Business Advisory Centre (BAC). The last part of the discussion looks at the impact of Rural Enterprise Projects on Micro and Small Enterprises in Ghana.

2.2 Definition and Characteristics of Small Scale Enterprises

The concept of small scale enterprises relates, generally, to small manufacturing activities including primary products processing, handicrafts, construction and repair services. In Ghana, two major definitions may be used to describe small scale industry: one based on capital requirements and the other based on employment size. The National Board for Small Scale Industries (NBSSI) defines small-scale industry as one whose capital requirements for plant and equipment do not exceed the cedi equivalent of 100,000 United States dollars. The Ghana statistical service defines small-scale industry as one which does not employ more than 29 persons (Boapeah, 1994:10). This second definition is the one commonly used. Firms employing 30 or more persons are normally included in the enforcement of employment and minimum wage legislations in Ghana and are thus regarded as formal. On the other hand, those employing less than 30 persons are described, generally, as informal since they are not normally registered, (Boapeah, 1994).

The World Bank (1976) refers to firms with fixed assets (excluding land) less than US\$ 250,000 in value as Small-Scale Enterprises. The USAID (1990) defines Small-Scale Enterprises as firms with less than 50 employees and at least half the output is sold while UNIDO (1986) refers to firms with employees ranging from 5 to 19 as Small Scale Enterprises in developing countries (Kayanula

2000). On the other hand, Steel and Webster, (1989) refers to Small Scale Enterprises in Ghana as enterprises with an employment cut-off of 29 employees. They also made further division as follows: Micro enterprises: - those employing fewer than 6 workers; Very small enterprises, those employing 6 to 9 workers and; Small enterprises: those employing between 10 and 29 workers. The European Union (EU) uses the term „Small and Medium Enterprise“ (SME) to describe small enterprises. The SME is further divided into three components: Microenterprises, those with employees between 1 to 9; Small enterprises: - those with employees between 10 to 99; and Medium enterprises: those with employees ranging between 100 to 499. According to Dinye (1991), small-scale industries are defined as manufacturing units employing not more than 30 persons. For the purpose of differentiating small-scale industries from the other small-scale non-farm economic activities, the emphasis is placed on the manufacturing aspect. Manufacturing means producing or making physical items. This means that pure service activities such as government services, retail trade, banking, recreation and insurance services are not included. However, repair services are included in the manufacturing enterprises because they have something to do with formally manufactured goods. The argument is that manufacturers do not always produce a finished good but only perform one stage in a sequence of a process (Chapman and Walker, 1987:p.3 in Dinye, 1991).

From the above discussions, it is realized that various organizations have different parameters for defining micro, small and medium scale enterprises. For the purpose of this work an operational definition is required. The most commonly used criterion identified from the various definitions is the number of employees of the enterprise. As contained in its Industrial Statistics, the Ghana Statistical Service (GSS) considers firms with less than 30 employees as Small Scale Enterprises

(Kayanula, 2000) and (Boapeah, 1992: 5). Steel and Webster, (1989) further clarify micro enterprise as those employing fewer than 6 workers.

2.3 Growth of Micro and Small Scale Enterprises in Ghana

Perhaps, no other development strategy has enjoyed as much prominence in Ghana's development plans as the Small and Medium Scale Enterprises (SMEs) development strategy. In recent years, particularly since the adoption of the economic reform programme in Ghana in 1983, there has been a decisive switch of emphasis from the grandiose, capital intensive, large scale industrial project based on the philosophy of import substitution to micro and small scale enterprises with immense potentials for developing domestic linkages for rapid, sustainable industrial development. Apart from their potential for ensuring a self-reliant industrialization, in terms of ability to rely largely on local raw materials, small scale enterprises are also in a better position to boost employment, small and medium enterprise, are also in a better position to boost employment, guarantee a more even distribution of industrial development in the country, including the rural areas, and facilitate the growth of non-oil exports.

Small scale business started gaining prominence in Ghana in the early 1960s when many personal enterprises started springing up. Before this time, agriculture dominated the economy.

There were a lot of agricultural small holdings before the emergence of small scale enterprises. Over 70 percent of agricultural holdings were managed by the small farmers which comprise mainly family business. Government agricultural holdings were not more than 10 percent. Micro and small scale businesses are catalyst in the socio-economic development of any country. They are a veritable vehicle for the achievement of national macroeconomic objectives in terms of employment generation at low investment cost and enhancement of apprenticeship training. In Kenya, for

instance, Kombo et al. (2011), submitted that “micro and small scale entrepreneurs who include agriculture and rural businesses have contributed greatly to the growth of Kenyan economy”. The sector contributes to the national objective of creating employment opportunities, training entrepreneurs, generating income and providing a source of livelihoods for the majority of low income households in the country accounting for 12-14% of GDP (Republic of Kenya, 1994).

The catalytic roles of micro and cottage businesses have been displayed in many countries of the world such as Malaysia, Japan, South Korea, Zambia, and India among other countries. They contribute substantially to the Gross Domestic production (GDP), export earnings and employment opportunities of these countries. Micro and small scale enterprises (MSEs) have been widely acknowledged as the springboard for sustainable economic development. Apart from the fact that it contributes to the increase in per capital income and output, it also creates employment opportunities, encourage the development of indigenous entrepreneurship, enhance regional economic balance through industrial dispersal and generally promote effective resource utilization that are considered to be critical in the area of engineering economic development (Tolentino, 1996; Oboh, 2004; Odeh, 2005).

Micro and small scale enterprises (MSEs) in Ghana have not performed creditably well and they have not played expected significant role in economic growth. They equally has not influenced apprentice training so as to accelerate employment and poverty alleviation in order to foster Ghanaian economic development. This situation has been of great concern to the government, citizen, operators, practitioners and organized private sectors. With the realization of the potentials of the MSEs, governments at different level in Ghana have put up a lot of support programmes to promote and sustain their development. It is believed that massive assistance; financial, technical, marketing and managerial from the government are necessary for the SMEs to grow. Governments

have stepped up efforts to promote the development of SMEs through increased incentive schemes including enhanced budgetary allocation for technical assistance programmes.

Also, new lending schemes and credit institutions such as microfinance and small loans centre (MASLOC) and World Bank-assisted small-scale enterprises loan scheme (SMES) and the Community have been established by individuals and government for the purpose of assisting the MSEs to meet their finance needs. There have also been fiscal incentives, grants, bilateral and aids from multilateral agencies as well as specialized institutions towards making the small and micro business and apprenticeships schemes vibrant. It is of great concern that this vital subsector has fallen short of expectation. The situation is more disturbing and worrying when compared with what other developing and developed countries have able to achieve with their cottage businesses coupled with significant attention to apprenticeship training and employment generate. It has been shown that there is a high correlation between the degree of poverty, hunger, unemployment, and economic well-being of the citizens of countries and the degree of vibrancy of the respective countries micro and small scale enterprises (MSEs). In spite of the fact that micro and small scale enterprises (MSEs) have been regarded as the bulwark for employment generation and technological development in Ghana, this subsector is faced with enormous challenges.

In Ghana, the private sector is also considered as the engine of growth of the economy and mostly made up of micro, small and medium size enterprises, generally called the SMEs. The SMEs Sector in Ghana is estimated to be made up of 70% of all industrial establishments. They contribute about 22% to GDP and account for about 92% of businesses in Ghana and absorb more than 60% of employed labour force with majority in rural areas (GLSS-3, 2002), placing SMEs squarely at the core of the overall economic policy. It is also estimated that 85% of manufacturing employment

and to a larger extent overall employment growth in the country comes from the Sector (National Industrial Survey, 2003). This makes the SMEs the most important sector in the Ghanaian economy.

Small and medium enterprises are mostly managed by owners and relations. The financing in most cases is normally provided by the owners. The owners fail to realize the importance of external source of capital in order to affect expansion in the business; in most cases, they rely on members of the family and friends in most cases. In another development, small and medium enterprise experiences difficulties in raising equity capital from the finance houses or individuals. Even when the finance house agrees to provide equity capital, the conditions are always dreadful. All these result to inadequate capital available to the sector and thus lead to poor financing. This is the bane of most cottage industries in Ghana.

2.4 Enterprise Development Programmes across the Globe

Rural enterprise promotion has been pushed to the forefront of development strategies in recent years. It is now considered a main-stream strategy for promoting not just economic but also social development. Small-scale enterprise is viewed as a means of generating wealth and creating employment whereby the benefits remain at the site of production. Rural small-scale enterprise is also promoted as a means of reducing rural-urban migration, and thereby reducing pressure on fast-growing urban areas. Successive governments have for some time chosen to use rural enterprise promotion, and the promotion of rural industrial enterprises in particular, as its chief tool to generate equitable economic growth and employment creation (Boapeah, 1994).

Since 1986, Government of Ghana has provided loan guarantees to encourage bank lending, and promoted targeted lending programmes for SMEs (Boapeah, 1994). Commercial banks showed

little interest in SME loan-guarantee programmes, despite high guaranteed percentages. Their main constraint was the administrative cost of servicing small loans, especially when borrowers are widely scattered or in difficult-to-reach locations. Only a small fraction of SMEs have been able to obtain credit through the special programmes. The small pools of funds decapitalised rapidly, owing to concessionary interest rates below inflation and to poor repayment rates. From 1990 – 2000, government provided loans at a 12 per cent interest rate and at 15 per cent through the National Board for Small Scale Industries (NBSSI). In many special lending programmes, little effort has been made to collect repayments, and borrowers have viewed loans as welfare programmes. The resulting low repayment rates have reinforced the scepticism of bankers about SME lending.

Various interventions such as the International Fund for Agricultural Development, Structural Adjustment Programmes (SAP) and Poverty Reduction Strategies were help in to developing rural enterprises.

The Rural Enterprise Project (REP) was identified in October 1992, and approved by the IFAD Executive Board in December 1993. The IFAD loan became effective in February 1995. The Ministry of Environment, Science and Technology, is the responsible ministry in Ghana and the project is implemented by a Project Coordination and Monitoring Unit based in Kumasi. The Ghana Regional Appropriate Technology Industrial Service, the National Board for Small Scale Industries, the Department of Feeder Roads, the Bank of Ghana, the Association of Rural Banks and fifteen participating rural banks work together as implementing agencies in the project.

UNOPS supervises the loan as IFAD's Cooperating Institution. The total cost of the project was estimated to be USD 9.3 million of which USD 7.68 million is funded by IFAD, USD 1.18 million

by the GOG and USD 0.45 million by the participating banks. As at 31 December 1999, USD 5.5 million had been disbursed (UNDP-HDR, 2010).

The objective of the project was to increase rural production, employment and income in order to alleviate poverty through the increased output of small off-farm enterprises. This is being accomplished by: facilitating access to new technology and business advice; promoting easier access to financial services; improving the efficiency of existing small rural enterprises, supporting the creation of new enterprises, and removing communication constraints through feeder road rehabilitation. The project was designed to build on the Government of Ghana's economic reforms and to encourage individuals and other private sector actors in rural areas to take advantage of opportunities created by the opening up of the economy. The project targets 48 000 families or 300 000 people in the project area who live in poverty. Of these, an estimated 10, 000 families live in absolute poverty. At design, it was estimated that direct benefits would accrue to 16, 000 families or about 100, 000 people in the target group. The design gives special attention to the most vulnerable households, socially disadvantaged women, unemployed youth and those who have been apprenticed to a trade but lack the capital or experience to start a business.

The Rural Enterprise project has three components (UNDP-HDR, 2010).: (i) *Support for the Promotion of Rural Small scale Enterprises*, which includes the establishment of Business Advisory Centres, the construction of Rural Technology Service Centres, and the development and transfer of appropriate technologies; (ii) *Rural Finance Services Support*, which includes lines of credit to eligible participating banks, supported by training for groups and individual beneficiaries in managing credit, deposit facilities, and a monitoring unit for participating rural banks under the Association of Rural Banks that also provided training to selected rural bank staff; and (iii)

Infrastructure Support, which includes rehabilitation of 100 km of feeder roads and a further 15 km of spot improvements to improve mobility and access to markets.

Amongst the activities undertaken for the promotion of rural small-scale enterprises, those connected with services provided by *Business Advisory Centres* can be credited with much of the success of the project. Thirteen Business Advisory Centres have been created and have implemented successful programmes to train more than 4 000 individual clients in income generating and business management skills. From this training, about 1 900 new businesses have been established as of June 2000. This is over half the target for the whole project, whilst there are still two years remaining in project implementation. These new businesses have employed 6 000 people. It is projected that 90% of these businesses will succeed, with 40% - 50% growing to become medium size ventures. More than 3 500 existing businesses have also received business skills counselling. This has allowed existing businesses to employ a further 5 000 workers. Hence a combined total of 5 400 new and existing businesses (and their owners) plus approximately 11 000 people employed by them have been directly reached by the project. The majority were women.

Rural Technology Service Centres were created, equipped and staffed in three districts. Technology transfer activities were successfully implemented through short and long term training at the Centres for apprentices and for master craftsmen. The training for master craftsmen was one of the most effective of the Technology Centre activities. Technology Centres successfully undertook workshop operations including repair services, manufacturing services and dissemination of information. However, because of the high cost of capital equipment, the relative allocation of Centre resources amongst its various activities, and the relatively limited numbers of

clients served, benefits generated do not compare well with total costs. Technology development has been less successful than expected.

The *Rural Finance* services activities of the project have allowed poor and under-capitalised small-scale business people to access the formal credit sector. More than half were women. Up to 70% of the 1 330 loans made as at December 1999 went to businesses which previously had no access to bank loans. However, this is less than half the number of new businesses started and a quarter of total businesses supported. Loan recovery rates have increased from an average of 43% in the Pilot districts at the end of 1997, to an average of 87% across all districts in June 2000. Savings rates in the formal sector have increased by up to 30%. However, only 25% of the resources for on-lending available in the Rural Enterprise Development Fund had been disbursed as of December 1999. Some conditions beyond the control of the Project Coordination and Management Unit have contributed to low performance levels in this component.

The *Infrastructure Support* activities through June 2000 resulted in the rehabilitation of 74km of roads. A study commissioned by the project showed that average traffic volumes – especially taxis and minibuses – on rehabilitated roads increased by 230% as a result. This provided social and economic benefits by providing better access to services and markets. Agricultural production, especially horticulture, has diversified and incomes increased as a result. Approximately 1 100 people have benefited from employment as unskilled labour for road works. However, plans for routine and recurrent maintenance of rehabilitated roads were not complete. There has been little direct complementarity between the feeder roads programme and the financial services, technology or business development activities. Due to contractor problems, the amount of Project

Coordination and Management Unit time allocated to this component has been disproportionately high.

A major strength of the project has been the flexible approach adopted during project implementation using stakeholder meetings, annual review workshops and targeted consultancies and studies to assess activities and modify implementation to improve effectiveness. These activities have worked well at district level. The project has made efforts to coordinate with other projects and undertake project activities in such a way as to complement the work of others. However, the potential for achieving joint gains was not fully exploited.

2.4.1 RURAL ENTERPRISE PROJECT PHASE II (REP II)

According to the Rural Enterprises Project [REP II] (2011), the Rural Enterprises Project II „is part of the development program of the Government of Ghana to create wealth and reduce poverty in rural areas. It contributes directly to the Ghana Growth and Poverty Reduction Strategy II of the Ghana government. The Project is funded mainly by the Government of Ghana, the International Fund for Agricultural Development (IFAD) and the African Development Bank (AfDB)“.

2.4.1.1 PROJECT GOAL

REP (2011) outlines the goal of REP-II as, “to contribute to the reduction of poverty and improvement in the living conditions of the rural poor, and especially increase the incomes of women and vulnerable groups through increased self and wage employment. The *immediate project objective* is to contribute to the development of competitive rural micro and small-scale enterprises (MSEs) in participating districts backed by good quality, relevant and sustainable

support services”. The overseeing agency for the project is the Ministry of Trade & Industry (MoTI). The total cost of the Project is US\$ 29.271 Million.

2.4.1.2 Project Period and Coverage

The project, which is currently being implemented in 53 districts in all ten regions of the country, is in its second phase of implementation for an eight year period from 2003 to 2011. The first phase of the project was implemented in 13 districts in the Brong-Ahafo and Ashanti Regions from 1995 to 2002. The 13 districts in the first phase of the project were carried over to the second phase of project implementation making the total number of districts under the project 66. The districts covered by the Rural Enterprises Project phase II and phase I are attached as appendices 1 and 2, respectively.

2.4.1.3 Project Implementation Arrangements

The activities of REP II are mainstreamed into the decentralized administrative system. At the district level the District Assemblies, the National Board for Small Scale Industries (NBSSI) and the GRATIS Foundation implements the project through a partnership arrangement. The two key field units at the district level for project implementation are the Business Advisory Centres (BACs) and Rural Technology Facilities (RTFs).

2.4.1.4 Project Services

The services of the Project include “training in employable skills for micro and small business creation, apprentices training, technology transfer, rural financial services including credit delivery and savings mobilization in the rural areas. Others are support to local business associations, support to inter-sectoral policy dialogue, and partnership building on Micro and

Small Scale Enterprises (MSEs) promotion”.

The Project has four main technical components: These are Business Development Services (BDS); Technology Promotion and Support to Apprentices Training (TPSAT); Rural Financial Services (RFS) and Support to Rural Micro and Small Scale Enterprises Organizations and Partnership Building (SMSEOPB). The outcome targets per Project Appraisal include; i. 25,000 new businesses established; ii. 75,000 jobs created; and iii. 6,250 rural MSEs linked to larger and commercial enterprises. [REP II] (2011).

2.5 Effect of Rural Enterprise Programmes on SMEs Performance

Economic development is a broad term that generally refers to the sustained, concerted effort of policymakers and community to promote the standard of living and economic health in a specific area. Such effort can involve multiple areas including development of: human capital, critical infrastructure, regional competitiveness, environmental sustainability, social inclusion, health, safety, literacy, and other initiatives. It should be noted that economic development differs from economic growth. Todaro (1992) said it best when he described development as needing to be perceived as a multi-dimensional process involving changes in structures, attitudes and institutions coupled with acceleration of economic growth, the reduction of inequality and eradication of absolute poverty. Thus development must encompass the entire gamut of changes by which an entire social system linked to the diverse basic needs and desires of individuals and social groups improves from a condition of life perceived as unsatisfactory and towards a situation or condition of life regarded as materially and spiritually better.

According to Dudley Seers, (1969) the questions to ask about a country’s development are: What has been happening to poverty? What has been happening to unemployment? What has been

happening to inequality? If the values of all these three indicators have declined, then there has been a period of development for the country concerned. If two or all the three indicators have been worsening, then it would be strange to call the results development even if per capita income doubled.

According to Todaro, development has three objectives:

1. to increase the availability and broaden the distribution of basic life sustaining essentials such as food, shelter and health to all members of society;
2. to improve levels of living including creation of more jobs, better education and more attention to cultural values. This helps to generate greater individual and national self-esteem and;
3. to bring about a wide range of economic and social choice to individuals and nations, freeing them from dependence, servitude, ignorance and human misery.

With the attainment of independence, Ghana's drive to modernize its economy through state-led industrialization took the following policy strategies: import substitution through high levels of effective protection, reliance on administrative controls instead of market forces to determine incentives and resource allocation and dependence of large-scale public sector investment. These strategies were adopted based on the hypothesis that rapid economic development was feasible provided the state assumed the entrepreneurial function. In pursuing this policy, Ghana did not process enough primary products for export and hardly started export promotion and diversification. Much foreign exchange was spent on the importation of inputs for consumer goods without any attempt to find any local substitutes. Despite the attention given to import substitution industries, the prices of their products were very expensive. The country soon found itself in foreign exchange crisis, which led to the development of the problem of underutilization of plant capacity. Between 1970 and 1982, manufacturing output of thirteen per cent per annum declined.

Manufacturing output's share of Gross Domestic Product (GDP) also showed a downward trend from 14 per cent in the mid 1970s to 5 per cent in 1981/82. The number of people employed by the manufacturing sector also declined from 89,000 to 66,000 between 1977 and 1981/82. Capacity utilization declined from 40 per cent in 1978 to 21 per cent in 1981 (Boapeah, 1994).

The deteriorating economic conditions of the 1980s occasioned the implementation of a Structural Adjustment Programme (SAP) and the Economic Recovery Programme (ERP). These programmes aimed at removing distortions in the market mechanism. The trade and industrial policies under these programmes aimed at restoring incentives for the production of food and industrial raw materials and exporting commodities. Other measures undertaken were decontrolling of interest rates, reduction in tariff, abolishing import licensing and revision of the investment code. Trade controls were also removed, and a market mechanism allocated foreign exchange, while price controls were abolished (Aryeetey et al., 2004).

2.5.1 Indices for Assessing the Performance of SMEs

There is a good deal of academic interest in measuring the performance of small and medium sized enterprises (SMEs) and in attempting to identify the factors critical for their success. However, very little theoretical progress has been made in this area because of the complex relationships between performance, critical success factors (CSFs) and the differing definitions of success used by owner-managers, business support agencies and others (Watson et al., 1998; Gadenne, 1998). Yet, this has not prevented managerial prescriptions being devised of what to do and which CSFs to have present in order to improve the performance of these organisations. These factors are then propagated as if they were agreed and established fact, when in fact, no such agreement exists and these managerial prescriptions may be extremely misleading and possibly harmful (Kieser, 2005).

Approaches to and definitions of performance measurement vary according to the objectives pursued, and two distinct strands may be identified within the literature. The first acknowledges the complexity of business performance, its multi-dimensionality, the importance of taking into account all stakeholders within the organisation, the balance and potential trade-off between short-term and long-term objectives and the importance of future performance in addition to current and historical performance as assessed traditionally by financial measures. Its focus is on performance measurement systems (PMS): “the set of metrics used to quantify the efficiency and effectiveness of an action” (Tangen, 2004, p. 727). An effective PMS allows a company to measure and monitor its performance, enabling “informed decisions to be made and actions to be taken because it quantifies the efficiency and effectiveness of past actions through the acquisition, collation, sorting, analysis and interpretation of appropriate data” (Neely, 1998, pp. 5-6). While the models presented vary in the approach adopted (Baxter and MacLeod, 2008; Tangen, 2004), they all assess performance from a variety of perspectives.

Business performance is viewed as a complex concept, encompassing several dimensions in such a way that some researchers would contend that there is no completely unambiguous way to know when a company is profitable, since many business opportunities involve sacrificing current and future profits (Tangen, 2003). More recently researchers have recognized that these approaches, developed within large organisations, may not be directly transferable to smaller organisations and models and frameworks specific to SMEs have been developed (e.g. Cocca and Alberti, 2010; Sousa and Aspinwall, 2010; Souza et al., 2006; Garengo et al., 2005; Hudson et al., 2001).

The second strand is characterised by Kieser (2005) and Garengo et al., (2005) which try to use statistics to isolate factors that supposedly contribute to organizational success and is often referred to as success factor research. In these studies organisational performance is treated as a dependent

variable and attempts are made to identify factors that influence it. Implicit within the first strand is the understanding that no single measure can convey the overall performance of an organisation because of the multiple objectives pursued and the environment in which it operates. By contrast within the second strand, with its focus on testing theoretical models, business performance is typically constrained to one or two dimensions. This apparent contradiction is recognised by Meyer (2005, p. 285) who contends that the performance of the firm is very difficult/impossible to measure. In his opinion, performance studies are bereft of application since knowledge of the causes of past performance provides little if any basis for taking action aimed at improving the current performance of the firm (Meyer, 2005, p. 285).

Despite these concerns, research in this area abounds, the majority being based on measures of financial performance and business growth, e.g. Robinson (1999), Reid and Smith (2000), Freel and Robson (2004), Johnsen and McMahon (2005), Koch and Strotmann (2006), Poon et al. (2006), and Wood (2006) and, while researchers acknowledge the existence of alternative performance goals (Johnsen and McMahon, 2005; and Poon et al., 2006), empirical work is limited. Lumpkin and Dess (1996) propose that any attempt to measure SMEs' performance should consider sales growth, market share and profitability together with indicators of "overall performance", incorporating the firm's goals, objectives and aspiration levels. They note the importance of overall satisfaction and non-financial factors in evaluating the performance of privately held firms, citing the example of a small privately owned firm that might regard its continued existence as a satisfactory indicator of high performance. They suggest that the relative importance of financial and non-financial performance indicators may vary according to the stage in the life of the organisation, a point also made by Walker et al. (1999).

Even when appropriate measures have been identified, there is still the difficulty of collecting the data. Venkatraman and Ramanujam (1986) present a classificatory framework of performance measures, differentiating between primary and secondary sources and financial and operational measures. They discuss the merits and drawbacks of various combinations, highlighting issues of dimensionality and convergence across multiple methods of data collection and advocate the use of a combination of factors and sources. Chandler and Hanks (1993) and Wang and Ang (2004) discuss the difficulties inherent in obtaining measures of performance in the context of small businesses. Traditional measures of performance may not be available or may be inappropriate because of the small starting base; different financial measures may measure different aspects of performance; financial measures may be affected by industry-related characteristics making direct comparisons between industries or businesses misleading and many measures require a longitudinal design. In practice cross-sectional self-report surveys tend to be the favoured approach.

In another vein, Chandler and Hanks (1993) evaluate the three most common approaches to measuring performance when only self-reported data are available: assessing firm performance in broadly defined categories; subjective measures of owner satisfaction with firm performance; subjective measures of performance relative to competitors. They recommend the use of two dimensions of venture performance: growth and business volume reported in broad categories which they found to be relevant, available, internally consistent, reliable and externally valid.

These measures have been adopted subsequently in SME research (e.g. Wood, 2006; Wang and Ang, 2004; Reid and Smith, 2000). Although both alternative self-report approaches – satisfaction with performance and performance relative to competitors – were found to be problematic however they continue to be employed by researchers, e.g. Alpkan et al. (2007). In contributing to

performance measurement among SMEs, Andersen (2010) describes how correlations between performance and entrepreneurial orientation identified through same-source self-report methods might be due to managers with a more positive attitude being more likely to adopt entrepreneur-oriented strategies, and to overestimate the performance of their firm. The collection of “objective” financial information using self-report surveys is no more straightforward as financial definitions are often open to interpretation by respondents and self-reported measures may not be directly comparable between companies (Gibson and Cassar, 2005).

2.6 Constraints to SME Development in Ghana

According to (UNCTAD, 2011), Micro and Small Scale Enterprises in least developing countries faces the following problems; unfriendly legal and regulatory environment; ineffective Business development services; inadequate access to finance; inadequate public-private sector dialogue; competition brought about by trade liberalization; constraints on women to develop their entrepreneurial potentials. The cost and cumbersome administrative procedures of legal regulatory environment discourage MSEs from formalizing their businesses. The inability of MSEs to regularize their businesses deprives them from the possibility to secure public contracts, access to credit, renewal of licenses and opportunities for subcontracting work. Production in the industrial sector is now knowledge-based and competition occurs on the basis of both continuous innovation and price. Entrepreneurs need to muster design, have extensive knowledge of markets and technology, and become innovative. There is the need to support linkages and networking as a key mechanism to facilitate the development of SMEs. Only a small number of MSEs in developing countries benefit from Business Development Services. Most BDS are often confined to urban

areas (UNCTAD, 2011). In some countries heavy reliance on donors and NGOs for the provision of BDS has resulted in a lack of continuity in their provision. Conflicts between the policies of Governments and donors in the provision of BDS are not uncommon. Governments and NGOs alike develop support programmes without sufficient consultation or knowledge of each other's programmes, leading to rivalry, duplication of efforts, piecemeal interventions and inefficient use of scarce resources (UNCTAD, 2011).

Lack of access to medium or long-term credit is a major constraint for those enterprises that wish to expand their activities. Reasons being that SMEs present a high risk to the lender and unfortunately most have poor accounting records and lack any other financial records. While trade liberalization has, in some cases, eased the supply constraints for small firms, it has also presented them with intense competition from foreign goods (UNCTAD, 2011). Research shows that although many women own or run microenterprises (and in many cases form the majority of micro-entrepreneurs), few of them enter the formal sector, and, as a result, only a small number of women's micro businesses graduate into SMEs (UNCTAD, 2011). Kayanula and Quartey, (2000) listed the following as constraints to the development of SMEs in Ghana and Malawi:

- i. Access to inputs, their availability or cost is an important problem.
- ii. Access to finance remained a dominant constraint to small scale enterprises in Ghana (Ibid, 2000)
- iii. SMEs have difficulty with gaining access to appropriate technology and information on available techniques
- iv. Distribution channels, which are not efficient and are often dominated by larger firms, pose important limitations to market access for SMEs. In Ghana, demand constraints limited the growth of SMEs.

- v. Trade liberalization has made SMEs face greater external competition and the need to expand market share. For example, tailors in Techiman (Ghana) who used to make several pairs of trousers in a month went without any orders with the coming into effect of trade liberalization. (Riedel et al, 1988).
- vi. The problem of regulatory constraints was also cited with issues of high cost of business registration and long bureaucratic administrative constraints.
- vii. SME have inadequate Entrepreneurial & Business Management Skills.

CHAPTER THREE RESEARCH METHODOLOGY 3.1. Introduction

This chapter looks at the research methodology used for the thesis. It explains the research design, the population of the study, the sample for the study and the sampling techniques. The data collection method and instruments to be used in collecting data from respondents are also explained. The validity and reliability of the instrument together with data analysis procedures are also discussed.

3.2 Research Design

The design for this research was a descriptive research approach. The essence is to afford the research the opportunity to analyse both quantitative and qualitative data gathered from the field. The study also adopted a case study approach to carefully examine the effect of enterprise programmes on SMEs within the Ejura Municipality. According to Alhassan (2007) case studies are useful for individual researchers because they give the opportunity for an aspect of a problem to be studied in-depth within a limited time scale. Case studies also involve an intensive

investigation on the complex factors that contribute to the individuality of a social unit- a person, family, social institution or community.

3.3 Population

A population is a complete set of items that share at least one property in common that is the subject of statistical analysis (Vaus, 2001). The population of the study is made up of over 1000

Micro and Small Scale entrepreneurs who are clients of the Ejura Municipal NBSSI Business

Advisory Centre. The centre has staff strength of 5 permanent staff with some temporary officers.

Depending on the workload at hand, officers from the regional office are deployed to assist in the implementation of some projects.

3.4. Sample and Sampling Technique

3.4.1 Sample size

A sample is a subset containing the characteristics of a larger population. Samples are used in statistical testing when population sizes are too large for the study to include all possible members.

The total sample size used for the study was 125. This is made up of 120 SME operators in the Ejura municipality and 5 management members from stakeholder institutions.

3.4.2 Sampling Technique

Sampling techniques are useful in the selection of respondents.. In sampling design, characteristics of the population must be clearly indicated. For the purpose of this study, two main sampling techniques were used: stratified and purposive. Stratified sampling was used in selecting 125 SME operators and staff of support institutions which formed the sample size. Stratified sampling is a sampling technique where the population is divided into sub groups

(strata) and respondents are then randomly selected from each group. According to Agyedu et al. (2011), the stratified random sampling method is used to select samples in situations where the population is heterogeneous but has definite strata or groups which are homogenous. The same proportion or different proportions may be used to select samples separately from each stratum. If the number selected from each stratum is proportional, then we end up with a “proportionate stratified random sample” and come as near as possible to a representative sample of the whole population.

The purposive sampling technique was used to select respondents from staff of stakeholder institutions. The reason for using the purposive sampling was to ensure that the views of technical experts who are involved in the development of SMEs in the Ejura Municipality are obtained.

3.5. Data Collection Procedure

A questionnaire was designed and administered to the entrepreneurs by the researcher. For management members from support institutions, the researcher used interview guides to get the assessment. Administering questionnaires face to face enabled the researcher to visit the entrepreneurs at their work places to understand the settings in which they work and to probe further into critical issues of concern related to the study. The advantage for using questionnaire includes the fact that it allows for quantitative analysis and also ensures that all respondents are asked the same set of questions. Questionnaires are also characterized with high confidence interval, high response rate.

Questionnaires involved both open and closed ended questions to examine the effect of

Enterprise Development Programmes (REP II) on the performance of Micro and Small Scale Enterprises as well as the challenges of developing Micro and Small Scale Enterprises at the local level.

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3.6. Validity and Reliability of Instrument

In order to validate the research instruments, the questionnaires and interview guides were piloted on a sample similar to what was used in the study area. This enabled the researcher to rectify challenges and mistakes realized. Samples of the questionnaire were also submitted to the supervisor and colleagues at the NBSSI for their comments. The essence was to check whether the questionnaire designed can answer the research questions posed and to further reduce ambiguity.

3.7. Data Analysis

In order to ensure simple interpretation and comprehension, the data was mainly analyzed using descriptive tools, such as frequency distributions, percentages, and summarily presented in tabular and graphical forms. Data was disaggregated and presented using Statistical Package for the Social Scientist (SPSS). Each research question was analyzed based on responses given by the respondents and converted to percentages.

Trend analysis, bar charts, pie charts and tables were also used to represent the data for interpretation. In measuring the effect of Enterprise Projects on SMEs performance, the research employed regression and factor analysis to establish the relationship between these two constructs.

CHAPTER FOUR DATA ANALYSIS AND DISCUSSIONS

4.1 Introduction

This chapter provides information on data analysis and discussions using field data. As specified from the introductory chapter, the study sought to examine the effects of Enterprise Development Programmes on SMEs' Growth within the informal sector. The emphasis however is on the implementation of Rural Enterprises Project Phase II in the Ejura Sekyedumase Municipality. In all, 120 SMEs were selected from the case study area. The main analytical tool used was SPSS version 20. The analyses were presented using mean and standard deviations, regressions and simple pie charts for illustrations.

4.2 Demographics

Demographic data sets the stage for verifying results and further investigations. It allows users to consider the setting in which the research was conducted. In this section however, the study looked at information such as gender, education, and age of respondents.

As provided in table 4.1, a total of 68 males and 52 females participated in the research. Specifically, all respondents were owner-managers of businesses contacted. The study also found that apart from registration with the District Assembly, many of these businesses were not

registered with the Registrar General's department. The implication is that most of these businesses may not be paying the appropriate taxes to the Ghana Revenue Authority.

In the area of education, the study revealed that respondents with secondary / technical / vocational training dominated the research (28.3%). This was followed by 26.7% (JHS) and primary education (25%). Only 5% had no formal education. In studies such as that of Acquah and Addo (2011) and Addisu (2006), the findings revealed a positive influence of education on financial discipline of firms within informal sector. This however is not the focus of the study; as a result the researcher believes demographic information given simply sought to direct readers to background respondents.

Table 4.1 Demographics

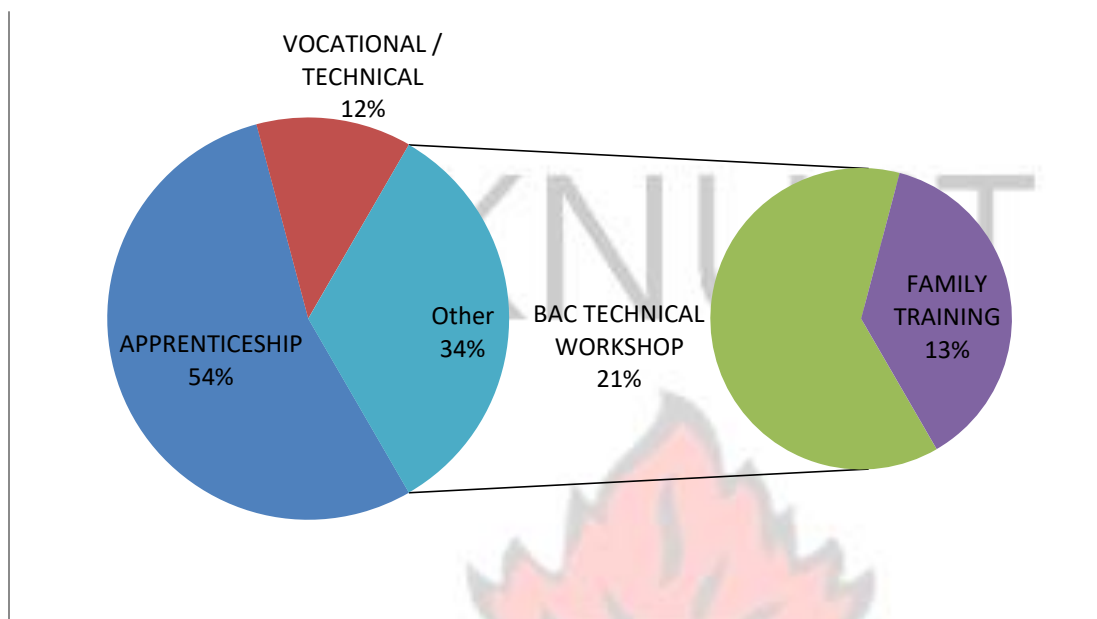
Demographics	Responses	Frequency	Percentages (%)
Gender	Male	68	56.7
	Female	52	43.3
	Total	120	100.0
Education	NO FORMAL EDUCATION	6	5.0
	PRIMARY EDUCATION	30	25.0
	JHS	32	26.7
	SECONDARY / TECHNICAL / VOCATIONAL	34	28.3
	UNIVERSITY / POLYTECHNIC	18	15.0
	Total	120	100.0
Age of respondents	Below 20 years	0	0
	20 – 30 years	0	0

31 – 40 years	25	20.8
41 – 50years	78	65.0
Above 50years	17	14.2
Total	120	100.0

Source: Field work, 2015.

The study also found that almost all participants were 30 years and above with a significant number (65%) being between 41 and 50years. Approximately 21 percent were between 31-40 years. This suggests that very few young people are able to venture into business below 30years. A situation many youth attribute to the difficulties associated with raising the required capital to start a business.

In figure 4.1, the analysis examined the type of entrepreneurial training respondents underwent. The study found that majority of respondents passed through apprenticeship (54%), vocational training 12%, Business Advisory and technical workshops 21%. Those who went through family training before being introduced to business formed 13%. **Figure 4.1: Entrepreneurial training undertaken by respondents**



Source: Field work, 2015.

4.3 IMPLEMENTATION OF RURAL ENTERPRISES PROJECT PHASE II IN THE EJURA SEKYEDUMASE MUNICIPALITY

The goal of REP-II include; “to contribute to the reduction of poverty and improvement in the living conditions of the rural poor, and especially increase the incomes of women and vulnerable groups through increased self and wage employment. The *immediate project objective* is to contribute to the development of competitive rural micro and small-scale enterprises (MSEs) in participating districts backed by good quality, relevant and sustainable support services”.

In table 4.2, the respondents were asked to identify areas in enterprise development programmes they benefited from. The results are presented in table 4.2.

Table 4.2: Enterprise development areas

Enterprise Development programmes	Responses	Frequency	Percentages (%)
Finance	Yes	2	1.7
	No	118	98.3
	Total	120	100.0
Marketing	Yes	35	29.2
	No	85	70.8
	Total	120	100.0
Entrepreneurship	Yes	6	5.0
	No	114	95.0
	Total	120	100.0
Start your business workshop	Yes	2	1.7
	No	118	98.3
	Total	120	100.0
Managing post-harvest losses	Yes	0	0.0
	No	120	100
	Total	120	100.0
Business plan preparation	Yes	0	0
	No	120	100
	Total	120	100.0
Leadership & Management skills	Yes	10	8.3
	No	110	91.7
	Total	120	100.0
Credit facility	Yes	45	37.5
	No	75	62.5
	Total	120	100.0
Technical training	Yes	99	82.5
	No	21	17.5
	Total	120	100.0
Business registration	Yes	37	30.8
	No	83	69.2
	Total	120	100.0
Trade shows	Yes	10	8.3
	No	110	91.7
	Total	120	100.0
	Yes	116	96.7

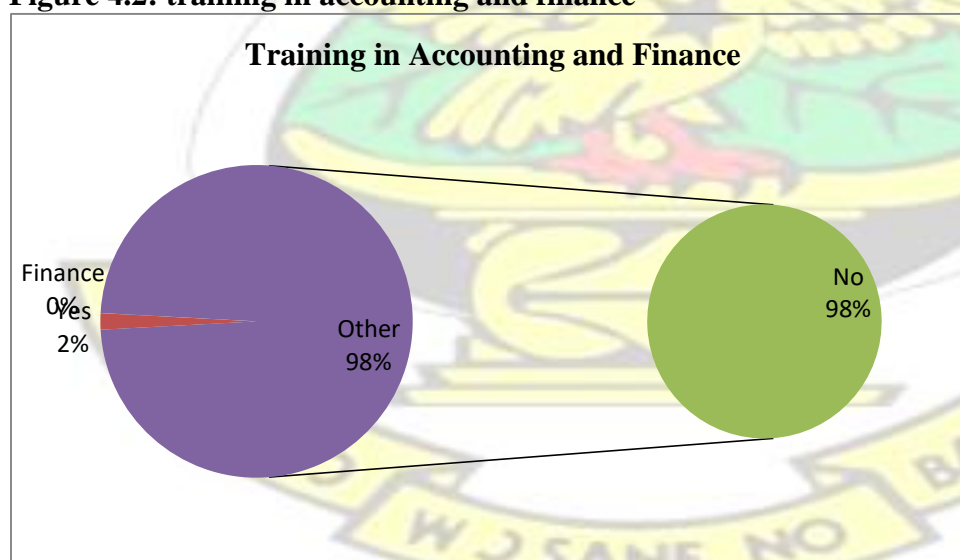
Counselling / Business Advisory services	No	4	3.3
	Total	120	100.0

Source: Field work, 2015.

As indicated in table 4.2, the study found that as high as 98.3% of respondents have not been taken through any financial management training. In the area of marketing and sales, only 29.2 percent benefited from workshops organised by the NBSSI. There was very minimal training on leadership for SMEs within Ejura Sekyedumase Municipality. And again, Only 8.3 percent agreed that they benefited from leadership training.

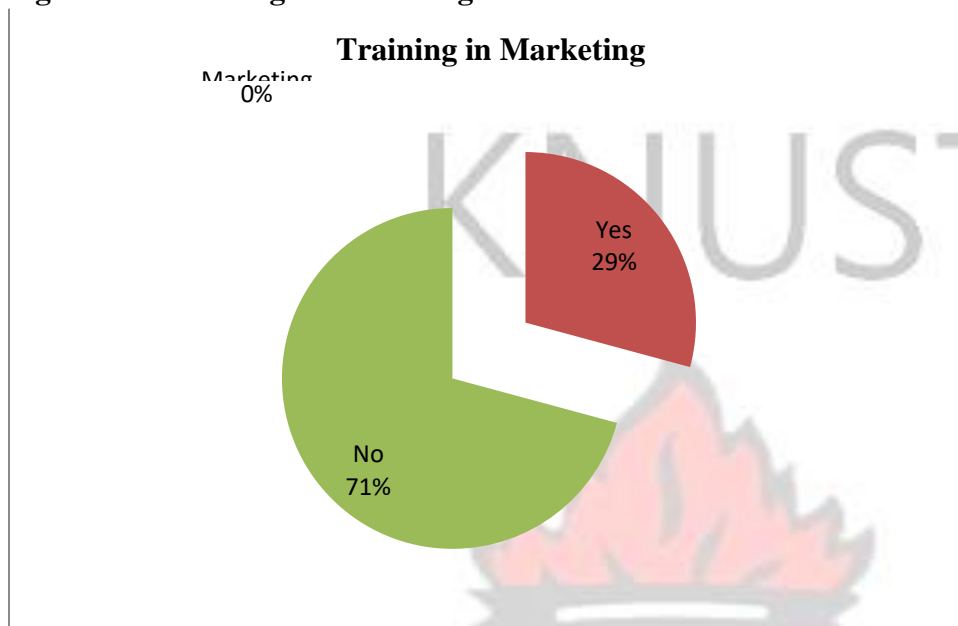
On credit facilities, the study identified marginal gains made in this area as approximately 37.5% of respondents indicated that they benefited from some financial support. The remaining 62.5% never benefited from any credit facility. Figures 4.2, 4.3 and 4.4 below present charts to show training areas identified in enterprise development.

Figure 4.2: training in accounting and finance



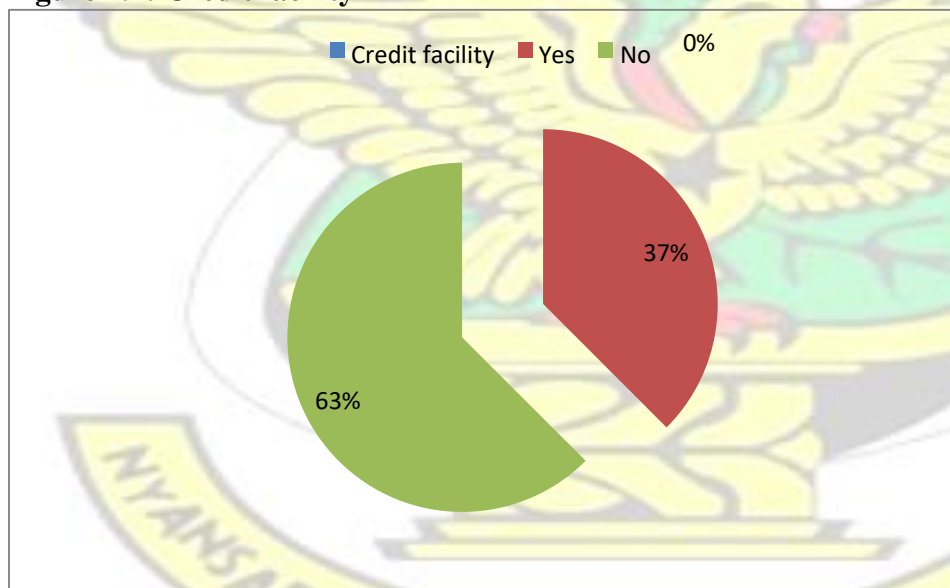
Source: Field work, 2015.

Figure 4.3: Training in Marketing



Source: Field work, 2015.

Figure 4.4: Credit facility



Source: Field work, 2015.

4.4 ADDRESSING FINANCIAL NEEDS OF MICRO AND SMALL SCALE ENTERPRISES THROUGH RURAL ENTERPRISE PROGRAMMES

In assessing SMEs financial needs, one sample t-test was computed. For a single sample test, the hypothesis was set as: $H_0: U = \text{or } > U_0$ and $H_a: U < U_0$. With H_0 representing the null hypothesis, H_a representing the alternative hypothesis and U_0 representing the hypothesized mean. The U_0 is the critical rating below which the variable is considered unimportant. The Likert scale was, 1=Not at all accurate, 4=Accurate, 7=Very accurate. Under this section, the higher ratings of 5, 6 and 7 were chosen for the rating scale as: accurate and very accurate respectively, while the U_0 was set at 4.5, with 95% as the significance level in accordance with the antecedent. Three things must occur at the same time for an item to be accepted as measuring a particular dimension. 1) It must have a mean score of more than 4.5; 2) it must have a t-value of equal or greater ± 1.65 ; and 3) it must be statistically significant at 0.05 (p-value = or < 0.05).

The absence of any would mean the rejection of that variable.

As indicated in table 4.3 the study found that the only area that respondents have seen major improvement is record keeping practices. The mean was approximately 5 (Accurate) indicating that even though enterprise development programmes have been provided in other areas such as undertaking financial planning, determining product prices and mark ups, undertaking periodic audits and using recommended point of sale and accounting software, they were not fully adhered to. The mean for these other items were below the hypothesised mean of 4.5. Refer to table 4.3 below.

Addressing SMEs financial needs	Test Value = 4.5			
	Mean	T	Sig. (2-tailed)	Mean Difference
Training programmes organized by NBSSI has improved our record keeping practices	4.8333	3.267	.001	.33333
We have been able to improve on our accounting systems	3.1250	-31.549	.000	-1.37500
We have managed to reduce financial malpractices in operations	4.3083	-1.269	.207	-.19167
We have adequate financial support from financial institutions	2.9333	-18.772	.000	-1.56667

We are able to undertake financial planning for the business	3.1083	-17.976	.000	-1.39167
Our pricing decisions are more competitive	4.2500	-3.106	.002	-.25000
Our profits have grown positively over the years	3.0833	-23.667	.000	-1.41667
We undertake periodic financial audits	1.1917	-57.919	.000	-3.30833
We employ a professional accountant	1.1667	-52.915	.000	-3.33333
We have in place computer accounting systems	1.1000	-78.483	.000	-3.40000

Table 4.3: Addressing SMEs financial needs Source:

Field work, 2015.

4.5 Addressing Marketing needs of Micro and Small Scale Enterprises through Rural Enterprise Programmes.

In examining marketing needs of SMEs, one sample t-test was used. The Likert scale was 1=Not at all accurate, 4=Accurate, 7=Very accurate. Under this section, the higher ratings of 5, 6 and 7 were chosen for the rating scale as: accurate and very accurate respectively, while the Uo was set at 4.5, with 95% as the significance level in accordance with the antecedent.

Table 4.4: Addressing SMEs marketing needs

Addressing SMEs Marketing needs	<i>Test Value = 4.5</i>			
	Mean	T	Sig. (2-tailed)	Mean Difference
Training programmes organized by NBSSI has improved our customer service practices	4.9083	4.066	.000	.40833
We have been able to improve on clients'' relationship management	5.5583	8.778	.000	1.05833
We have managed to reduce frequent service failures and complaints	4.6583	1.158	.249	.15833
We have adequate customer reward programs	2.7667	-21.899	.000	-1.73333

We are able to undertake market surveys	2.5333	-25.974	.000	-1.96667
We have a comprehensive marketing plans	2.1667	-24.973	.000	-2.33333
We have a strategic plan	1.2167	-39.968	.000	-3.28333
We understand the relevance of branding	3.9833	-4.410	.000	-.51667
We undertake periodic customer surveys	2.4000	-19.914	.000	-2.10000
We understand customers come first in all our dealings	4.7667	1.913	.054	.26667
Our sales force undergo customer service training	2.4917	-19.596	.000	-2.00833
Sales targets are achieved at all times	3.1417	-16.184	.000	-1.35833

Source: Field work, 2015.

The analysis found that SMEs have improved significantly in the way they relate to customers, relationship management, reducing service failures and understanding that customers come first. The mean for these items were approximately 5 (accurate). However, effort to reduce service failures was weak and insignificant. The performance of SMEs in rewarding customers, conducting market surveys, developing business and strategic plans as well as training for sales teams were weak. The reason for this result is the fact that many owner-managers are reluctant to spend money on training their workers knowing they would leave to other competitors. Another reason often cited by SME owners is the lack of funds to undertake these development programmes.

In the next section, we look at challenges affecting SMEs in the informal sector.

4.6 Challenges facing Micro and Small Scale Enterprises

As reported by UNCTAD (2011), Micro and Small Scale Enterprises in least developing countries face challenges with respect to; unfriendly legal and regulatory environment; ineffective business development services; inadequate access to finance; inadequate publicprivate sector dialogue; competition brought about by trade liberalization and constraints on women to develop their entrepreneurial potentials.

Challenges	<i>Test Value = 4.5</i>			
	Mean	T	Sig. (2-tailed)	Mean Difference
There is difficult access to raw materials	5.6167	14.359	.000	1.11667
There's difficulty in accessing credit facility	5.9500	16.854	.000	1.45000
Current financial supports to SMEs are inadequate	5.9917	18.100	.000	1.49167
Advertising costs keep rising	5.6750	11.688	.000	1.17500
There is competition from bigger players	5.9917	17.916	.000	1.49167
High taxes affect SMEs operations	6.5750	36.831	.000	2.07500
Energy crisis put a huge financial toll on SMEs operations	6.5750	29.781	.000	2.07500
Lack of adequate logistical support	6.0917	17.973	.000	1.59167
Constant prices increases affect SMEs operations	6.3250	24.333	.000	1.82500
High interest charges on loan increase SMEs operation cost	6.7250	48.605	.000	2.22500
Lack of ready markets for agricultural produce	6.2750	20.049	.000	1.77500

Bad roads and transport systems	6.2667	19.996	.000	1.76667
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In identifying challenges facing SMEs in the Ghanaian context the study found that access to raw materials, credit, competition from bigger players, inflation, taxes, lack of markets for agricultural produce and bad roads affect the growth of SMEs in Ghana. The mean values were above the hypothesised mean of 4.5.

Table 4.5: Challenges facing Micro and Small Scale Enterprises

Source: Field work, 2015.

4.7 EFFECTS OF ENTERPRISE PROGRAMMES ON SMES' GROWTH AND DEVELOPMENT

This section used regression to measure the effect of a number of enterprise development programmes on SMEs growth within the informal sector. As discussed earlier, the objective of the Rural Enterprise Project Phase II was to increase rural production, employment and income in order to alleviate poverty through the increased output of small off-farm enterprises. This was to be accomplished through: facilitating access to new technology and business advice; promoting easier access to financial services; improving the efficiency of existing small rural enterprises, supporting the creation of new enterprises, and removing communication constraints through feeder road rehabilitation.

The parameters for the analysis are as follows:

- i. Enterprise Development programmes used hovered around services provided by the NBSSI, Action Aid, Opportunity International and World Vision International (Advisory and training services in Marketing, Financial Management, and Leadership training).

- ii. The dependent variable was SMEs performance using financial performance (profit) as a proxy.

Note:

R represents the correlation or relationship between the dependent and the independent variables
*R*² represents how much of the dependent variable can be explained by the independent variables.
B represents the coefficients of the independent variables.

Sig. represents the statistical significance level of the model (the acceptable level of significance for this research was 0.05).

Table 4.6: regression table

Independent variable (Dependent variable (SMEs growth) MARKETING_TRAINING LEADERSHIP Skills FINANCIAL MGT)								
	R	R ²	Adj. F-Stats	B	Sig.	Std.	T-	Error Values
			R ²					
(Constant)	.432	.186	.165	8.864	2.441	.000	.556	4.388
Marketing (X1)					.101	.435	.129	.784
Leadership & Managerial skills (X2)					-.466	.033	.215	-2.164
Financial Mgt (X3)					.050	.000	.012	4.082

Source: Field work, 2015.

Table 4.7 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.432 ^a	.186	.165	.59902

a. Predictors: (Constant), Financial MGT, MARKETING_TRAINING, LEADERSHIP & MANAGERIAL SKILLS

The output in Tables 4.6 and 4.7 represent the multiple regressions to measure the effect of various enterprise development programmes on SME growth. The regression equation was therefore $y = a + b_1X_1 + b_2X_2 + b_3X_3$

By computing values, the equation becomes;

$$\text{SME's growth} = 2.441 + 0.101 (\text{Marketing}) - 0.466 (\text{Leadership}) + 0.050 (\text{Financial})$$

From the analysis above, the study found that the independent variables had a moderate relationship with SMEs growth. The correlation value was 0.432. The R^2 value was approximately 19% (0.19).

The study also found that even though training in marketing positively correlated with SMEs growth, it was insignificant.

Leadership and managerial training on the other hand negatively correlated with SMEs growth. This implies that doing away with autocratic and dictatorial style of leadership will result in higher employee involvement which then translates into growth. This was significant ($.033 < 0.05$). By extension, the study argues that performance of SMEs can be influenced by resources and capabilities of firms (RBV).

The study also found that financial management training positively correlated with SMEs growth and was significant at ($.000 < 0.05$). The implication is that being able to make good use of financial resources and adhering to laid down financial practices would help curb malpractices and misuse of funds.

4.7.1 Direct effect of REP II on SMEs

Having looked at individual development areas, the researcher conducted a combined analysis to examine the direct contribution of Enterprise Development programmes using REP II.

Table 4.8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.379 ^a	.143	.136	.60946

a. Predictors: (Constant), REP

As shown in table 4.8, the correlation coefficient was 0.379 (approximately 0.4) with R^2 being 0.143 (14%). These figures indicate that the relationship between REP II and SMEs growth is moderate and that collectively; REP II affects growth by 14%.

Table 4.9: ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.336	1	7.336	19.751	.000 ^a
	Residual	43.830	118	.371		
	Total	51.167	119			

a. Predictors: (Constant), REP

b. Dependent Variable: PROFITS

Table 4.10: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	

1	(Constant)	1.423	.378		3.767	.000
	REP II	.054	.012	.379	4.444	.000

a. Dependent Variable: PROFITS

CHAPTER FIVE SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter provides summary of findings from the previous chapter. It is also deals with conclusion and recommendations toward improving implementation of Enterprise Development programmes in Ghana. The submission in the chapter follows the objectives outlined in the introductory chapter.

5.2 SUMMARY OF FINDINGS

This section deals with summary of findings.

5.2.1 Demographics

A total of 68 males and 52 females participated in the research. Specifically, all respondents were owner-managers of businesses contacted. The study also found that apart from registration with the District Assembly, many of these businesses were not registered with the Registrar General's department. The implication is that most of these businesses may not be paying the appropriate taxes to the Ghana Revenue Authority.

In the area of education, the study revealed that respondents with secondary / technical / vocational training dominated the research (28.3%). This was followed by 26.7% (JHS) and primary education (25%). Only 5% had no formal education.

The study also found that almost all participants were 30 years and above with a significant number (65%) being between 41 and 50 years. Approximately 21 percent were between 31-40 years. This suggests that very few young people are able to venture into business below 30 years.

A situation many youth attribute to the difficulties associated with raising the required capital to start a business.

5.2.2 Implementation of Enterprises Development Programmes in Ejura Sekyedumase Municipality

As per the analysis in chapter 4, the study found that as high as 98.3% of respondents were not taken through any financial management training. In the area of marketing and sales, only 29.2 percent benefited from workshops organised by the NBSSI. There was also very minimal training on leadership for SMEs within Ejura Sekyedumase Municipality. And again, only 8.3 percent agreed that they benefited from leadership training.

On credit facilities, the study identified marginal gains made in this area as approximately 37.5% of respondents indicated that they benefited from some financial support. The remaining 62.5% never benefited from any credit facility.

5.2.3 Addressing Financial needs of SMEs through Rural Enterprise Programmes

In line with the above objective, the study found that the only area that respondents have seen major improvement is record keeping practices. The mean was approximately 5 (Accurate) indicating that even though enterprise development programmes have been provided in other areas

such as financial planning, determining product prices and mark ups, undertaking periodic audits and using recommended point of sale and accounting software, they were not fully implemented.

5.2.4 Addressing Marketing needs of SMEs through Enterprise Development Programmes.

In examining marketing needs of SMEs, one sample t-test was used. The analysis found that SMEs have improved significantly in the way they related to customers, relationship management, reducing service failures and understanding that customers come first. The mean for these items were approximately 5 (accurate). However, effort to reduce service failures was weak and insignificant. The performance of SMEs in rewarding customers, conducting market surveys, developing business and strategic plans as well as training for sales team were weak. The reason for this result is the fact that many owner-managers are reluctant to spend money on training their workers knowing they would leave to other competitors. Another reason often cited by SME owners is the lack of funds to undertake these development programmes.

5.2.5 Challenges facing Micro and Small Scale Enterprises

In identifying challenges facing SMEs in the Ghanaian context the study found that access to raw materials, credit, competition from bigger players, inflation, taxes, lack of markets for agricultural produce and bad roads affect the growth of SMEs in Ghana. The mean values were above the hypothesised mean of 4.5.

5.2.6 Effects of Enterprise Programmes on SMEs' Growth and Development

In measuring the effect of Enterprise programmes, the researcher used regression to measure the effect of a number of programmes on SMEs growth within the informal sector. The study found that the independent variables had a moderate relationship with SMEs growth. The correlation

value was 0.432. The R^2 value was approximately 19% (0.19). Again, it was found that even though training in marketing positively correlated with SMEs growth, it was insignificant.

Leadership and managerial training on the other hand negatively correlated with SMEs growth. This implies that doing away with autocratic and dictatorial style of leadership will result in higher employee involvement which then translates into growth. This was significant ($.033 < 0.05$). By extension, the study argues that performance of SMEs can be influenced by managerial capabilities of firms (RBV).

The study also found that financial management training positively correlated with SMEs growth and was significant at ($.000 < 0.05$). The implication is that being able to make good use of financial resources and adhering to laid down financial practices would help curb malpractices and misuse of funds.

Having looked at individual development areas, the researcher conducted a combined analysis to examine the direct contribution of Enterprise Development programmes using REP II. As shown in table 4.8 (see chapter 4), the correlation coefficient was 0.379 (approximately 0.4) with R^2 being 0.143 (14%). These figures indicate that the relationship between REP II and SMEs growth is moderate and that collectively; REP II affects growth by 14%.

5.3 Recommendations

Guided by the above findings, the following recommendations are made:

First, it is recommended that enterprise programmes should not only be targeted at existing businesses but also young entrepreneurs with feasible business ideas. Again, consideration should be given to graduates from tertiary institutions. For instance, the venture capital trust fund must be

restructured to ensure that the full benefits are derived. A similar initiative by ENGINE, which seeks to help young entrepreneurs to develop business plan is commendable.

Ghana has benefited from quite a number of enterprise development programmes but unfortunately, little impact has been made in the informal sector. To ensure the full benefits are derived from these programmes, it is important that donor and other support institutions embark on strict monitoring and evaluations. This would ensure that funds are not diverted to other areas.

Many enterprise development programmes have also centred on credit with minimal attention to managerial training. To bridge this gap, it is recommended that enterprise programmes include management capacity development. This will help SME owners to develop skills in managing funds and reducing loan defaults.

It is also recommended that government develops a policy document which identifies sectors that require donor support. This makes it difficult for funds to be diverted to projects not included in the initial contract. Again, there is need for proper correlation between various support institutions to produce a unified result. Bodies such as the NBSSI should be empowered financially and logistically to deliver on its mission and goals.

Finally, the appointment of project heads must be devoid of politics. The focus should be competence.

5.4 Conclusion

The Rural Enterprise project has three components (i) *Support for the Promotion of Rural Small scale Enterprises*, which includes the establishment of Business Advisory Centres, the construction of Rural Technology Service Centres, and the development and transfer of appropriate technologies. The study concluded that SMEs have improved significantly in the way

they related to customers, relationship management, reducing service failures and understanding that customers come first.

It is also concluded that moderate relationship exist between enterprise programmes and SMEs growth. The correlation value was 0.432. The R^2 value was approximately 19% (0.19).

Leadership and managerial training on the other hand negatively correlated with SMEs growth.

This implies that doing away with autocratic and dictatorial style of leadership will result in higher employee involvement which then translates into growth. This was significant ($.033 < 0.05$). By extension, the study argues that performance of SMEs can be influenced a host of factors such as managerial, marketing and technological capabilities of firms (RBV).

5.5 Areas for future research

The study makes some suggestions for future research:

1. Assessment of youth entrepreneurial drive in Ghana.
2. The effect of business incubators on new venture creation.
3. The effect of managerial capabilities on SMEs growth in Ghana.

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APPENDIX

QUESTIONNAIRE

This survey seeks to examine the effects of Enterprise Programmes on SMEs' Growth and Development. The emphasis is on the implementation of Rural Enterprises Project Phase II in the Ejura Sekyedumase Municipality. The study is part of the requirements for the award of an MBA in Strategic Management and Consulting at KNUST. I shall be pleased if you could take few minutes of your time to respond to the following questions or statements.

PART A: BACKGROUND INFORMATION OF RESPONDENTS

1. Gender of entrepreneur. Male () Female ()
2. Age of entrepreneur
() Below 20 yrs () 20 – 30 yrs () 31 – 40 yrs () 41 – 50yrs () Above 50yrs
3. What is your highest level of education? (Tick only one)
i) No formal education () ii) Primary
education () iii) Junior High School ()
iv) Secondary/Technical/Vocational
()
v) University/Polytechnic ()
vi) Other (specify)
4. What kind of entrepreneurial training did you have?
a. Apprenticeship ()
b. Vocational/Technical ()
c. BAC technical workshop ()
d. Family training ()
e. Others.....
5. What is the nature of business you operate?
6. When was your enterprise established (year)?.....
7. How many people are presently working in the enterprise? (Complete the table below)

Type of Employee	Permanent Employee (s)	Casual Employees (s) Workers
Family	Number =	Number =
Hired Labour	Number =	Number =
Apprentice Labour	Number =	Number =
Own Labour	Number =	Number =

PART B: IMPLEMENTATION OF THE RURAL ENTERPRISES PROJECT PHASE II IN THE EJURA SEKYEDUMASE MUNICIPALITY

1. Have you received training or benefited from in any of the following areas?

Type of Training	Yes / No	Organizing Institution 1	Organizing Institution 2
Finance / accounting			
Marketing			
Entrepreneurship			
Start your business workshop			
Managing post-harvest losses			
Business plan preparation			
Leadership & Management skills			
Credit facility			
Technical training			
Business registration			
Trade shows			
Counseling			
Other			

Part C: ADDRESSING FINANCIAL NEEDS OF MICRO AND SMALL SCALE ENTERPRISES THROUGH RURAL ENTERPRISE PROGRAMMES.

Here, respondents are required to indicate on a scale of 1-7, the accuracy of the following statements concerning how Rural Enterprise Projects have addressed their financial needs. Please note: 1=Not at all accurate, 4=Accurate, 7=Very accurate.

Addressing SMEs financial needs

- | | | | | | | | | |
|-----|---|---|---|---|---|---|---|---|
| 1. | Training programmes organized by NBSSI has improved our
6 7
record keeping practices | 1 | 2 | 3 | 4 | 5 | | |
| 2. | We have been able to improve on our accounting systems
6 7 | 1 | 2 | 3 | 4 | 5 | | |
| 3. | We have managed to reduce financial malpractices in operations
6 7 | 1 | 2 | 3 | 4 | 5 | | |
| 4. | We have adequate financial support from financial institutions
6 7 | 1 | 2 | 3 | 4 | 5 | | |
| 5. | We are able to undertake financial planning for the business
6 7 | 1 | 2 | 3 | 4 | 5 | | |
| 6. | Our pricing decisions are more competitive | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 7. | Our profits have grown positively over the years | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8. | We undertake periodic financial audits | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 9. | We employ a professional accountant | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 10. | We have in place computer accounting systems | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 11. | Our accounts clerks have knowledge in spreadsheet
7 | 1 | 2 | 3 | 4 | 5 | 6 | |
| 12. | We use computer software for sales activities | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

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Part C: Addressing Marketing needs of Micro and Small Scale Enterprises through Rural Enterprise Programmes.

Here, respondents are required to indicate on a scale of 1-7, the accuracy of the following statements concerning how Rural Enterprise Projects have addressed their Marketing needs. Please note: 1=Not at all accurate, 4=Accurate, 7=Very accurate.

Addressing SMEs Marketing needs

- | | | | | | | |
|----|--|---|---|---|---|---|
| 1. | Training programmes organized by NBSSI has improved our | 1 | 2 | 3 | 4 | 5 |
| | customer service practices | 6 | 7 | | | |
| 2. | We have been able to improve on clients' relationship management | 1 | 2 | 3 | 4 | 5 |
| | | 6 | 7 | | | |
| 3. | We have managed to reduce frequent service failures and | 1 | 2 | 3 | 4 | 5 |
| | complaints | 6 | 7 | | | |
| 4. | We have adequate customer reward programs | 1 | 2 | 3 | 4 | 5 |
| | | 6 | 7 | | | |
| 5. | We are able to undertake market surveys | 1 | 2 | 3 | 4 | 5 |
| | | 6 | 7 | | | |
| 6. | We have a comprehensive marketing plans | 1 | 2 | 3 | 4 | 5 |
| | | 6 | 7 | | | |
| 7. | We have a strategic plan | 1 | 2 | 3 | 4 | 5 |
| | | 6 | 7 | | | |
| 8. | We understand the relevance of branding | 1 | 2 | 3 | 4 | 5 |
| | | 6 | 7 | | | |
| 9. | We undertake periodic customer surveys | 1 | 2 | 3 | 4 | 5 |
| | | 6 | 7 | | | |

10. We understand customers come first in all our dealings 1 2 3 4 5 6
7
11. Our sales force undergo customer service training 1 2 3 4 5 6
7
12. Sales targets are achieved at all times 1 2 3 4 5 6 7

Part D: Challenges facing Micro and Small Scale Enterprises

Here, respondents are required to indicate on a scale of 1-7, the accuracy of the following statements concerning challenges confronting their businesses. Please note: 1=Not at all accurate, 4=Accurate, 7=Very accurate.

Challenges facing SMEs

1. There is difficult access to raw materials 1 2 3 4 5 6 7
2. There's difficulty in accessing credit facility 1 2 3 4 5 6 7
3. Current financial supports to SMEs are inadequate 1 2 3 4 5 6
7
4. Advertising costs keep rising 1 2 3 4 5 6 7
5. There is competition from bigger players 1 2 3 4 5 6 7
6. High taxes affect SMEs operations 1 2 3 4 5 6 7
7. Energy crisis put a huge financial toll on SMEs operations 1 2 3 4 5
6 7

- | | | | | | | | | |
|-----|--|---|---|---|---|---|---|---|
| 8. | Lack of adequate logistical support | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 9. | Constant prices increases affect SMEs operations | | | 1 | 2 | 3 | 4 | 5 |
| | 7 | | | | | | | 6 |
| 10. | High interest charges on loan increase SMEs operation cost | | | | 1 | 2 | 3 | 4 |
| | 6 | 7 | | | | | | 5 |
| 11. | Lack of ready markets for agricultural produce | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 12. | Bad roads and transport systems | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

13. What do you think should be the focus of institutions that support the growth of SMEs in Ghana?

.....

.....

.....

.....

