iJRASET
International Journal For Research in Applied Science and Engineering Technology



INTERNATIONAL JOURNAL FOR RESEARCH

IN APPLIED SCIENCE & ENGINEERING TECHNOLOGY

Volume: 8 **Issue:** VI **Month of publication:** June 2020

DOI: http://doi.org/10.22214/ijraset.2020.6307

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International Journal for Research in Applied Science & Engineering Technology (IJRASET)
ISSN: 2321-9653; IC Value: 45.98; SJ Impact Factor: 7.429
Volume 8 Issue VI June 2020- Available at www.ijraset.com

Critical Analysis into the Problems Faced by Ghanaian Entrepreneurs in the Micro-Small Business Sector and the Way Forward

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Abstract: ***This paper examined the problems encountered by Ghanaian entrepreneurs in attaining their business objectives in the micro-small business set up. This paper identified and analysed 38 key problems facing micro-small businesses in Ghana. Questionnaires were employed for data collection. A total of 255 respondents took part in this survey. Factor analysis and structural equation modelling were used to investigate the phenomenon. Confirmatory Factor Analysis was run and structural models were developed. The results of the structural equation model showed that financial problems, raw materials, market, technology, governmental and managerial problems were significant, so far as Ghanaian entrepreneurs operating micro-small business are concern. Policy recommendations are therefore suggested.***
Keywords: Entrepreneur motivation, Start-ups, Entrepreneurship, Decision making, Ghanaian entrepreneurs.

I. INTRODUCTION

The role of micro-small businesses in relation to job creation, innovation, market competitiveness and enhancements of entrepreneurial development is highly recognized by stakeholders (Beck et al., 2005; Thurik and Wennekers, 2004; Ayagari et al., 2003; Davidsson, and Honig, 2003; Storey, 1994). Beck et al., (2005) continues that, micro-small businesses play important role, in terms of job creation and poverty reduction. The role of micro-small businesses in fostering entrepreneurship is highly unmatched. Micro-Small businesses are vital units for trading, service and manufacturing segments in Ghana, (Kusi, Opata and Narh, 2015). The Social Security and National Insurance Trust (SSNIT) reveals that, by size categorizations, the Ghanaian private sector is extremely skewed, with 90% of businesses employing less than 20 workers.

Micro businesses in Ghana refers to those employing up to 5 employees with fixed assets (including reality) not exceeding the value of 100,000 dollars whereas small businesses are defined as employment between 6 and 29 employees with fixed assets of 100,000 dollars and above (Kusi, Opata and Narh, 2015). Chu et al., (2008) claims Micro-small businesses remains important platforms for promotion of economic development and poverty reduction. Thus, Micro-small businesses are avenues for the development of entrepreneurial skills and technological acquisition. More so, Micro-small businesses generate job galore on grounds of it features of operations; labour intensive (Chu et al., 2008). Despite, the tremendous significance of micro-small businesses; it is a fact that three out of five Micro-small businesses fail within the first five years of operation (Kusi, Opata and Narh, 2015).

The decision to behave entrepreneurially involves persistent quest for alternatives, risk taking, perseverance and constant attempts to identify and utilize opportunities for betterment of economies (Dhameja, 2004). Lorretta, (2014), asserts that, from the moment the entrepreneur cultivate the idea to commence his/ her own business, he/ she has to work hard against heavy odds. Entrepreneurs face plethora of problems be it micro, small, medium or large business ventures (Lorretta, 2014, Jolliffe, Trendafiloy & Uddin, 2002a). These problems are more or less similar in nature but vary in scope. The differences in the problems encountered by entrepreneurs may be due to uniqueness of problems faced by the entrepreneur from time to time and place to place (Laskar, 2010).

Desai (2006) opined that, the problems faced by entrepreneurs may be different from organizations to organizations and between one departments and another. Even within the same work units, the problems may be different from one entrepreneur to entrepreneur. Desai (2006) further espoused that, entrepreneurial problems are cumbersome to tackle and may threaten the very survival and growth of micro-small businesses. In fact, the efficiency of an entrepreneur is measured by his/her ability to overcome his/ her problems (Kusi, Opata and Narh, 2015). Although, micro-small businesses are crucial, it is bedeviled with countless problems and massive neglect. Micro-small businesses are bombarded with numerous problems spanning from raw materials, marketing, utilities, labour, finance, technology, managerial and governmental. It is known that, most of these constraints could be eased through effective institutional frameworks and policies.

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A number of studies have indicated that, institutional frameworks are crucial for sustainable and rapid growth of micro-small businesses (Mnenwa and Maliti, 2009). These institutional frameworks are critical in view of the strong waves of globalization and against the background that Ghana's micro-small businesses operate in an environment that is not conducive (Mnenwa and Maliti, 2009). Although commission after commission (Ghanaian Enterprise Development Commission, 1975; Ghana Business Promotion Act 1970, The National Board for Small Scale Industries, Act 1981), government after government (Rural Enterprise Programme, Microfinance and Small Loans Centre, National Entrepreneurship and Innovation Programme have been set up to investigate the problems and to provide institutional support for enterprise development in Ghana (Ninsin, 1989, Amankwah-Amoah, and Lu, 2018), there have been comparatively few studies in this regard (Wolf, 2004), and research adopting structural equation modelling techniques. It is against this backdrop that, an attempt is made to examine the problems encountered by Ghanaian entrepreneurs in a critical manner so as to profess workable solutions and recommendations to stakeholders.

II. LITERATURE REVIEW

Entrepreneurs face numerous problems such as lack of funding, competition, liability of newness, cash burn, building legitimacy, forming a management team, identifying an appropriate market segment, operational issues and legal/regulatory issues. This pose huge treat and can be problematic for entrepreneurs (Zimmerman & Zeitz, 2002). Alpander, Carter, and Forsgren (1990) unveiled ten critical problems confronted by entrepreneurs in their first three years in business. These included; product pricing, planning for market expansion, handling legal problems, finding new customers, obtaining financing, recruiting and hiring new employees, dealing with current employee problems, product quality and dealing with government agencies. Fast forward, Moy and Luk (2003) using Kazanjian (1988) four stages of business growth; commercialisation, growth, stability, conception and development, modified a list of obstacles, which were tested by Theng and Boon (1996) in Singapore. The researchers maintained, competition was the key limitation encountered by Hong Kong SME's. Similarly, Orser et al. (2000) surveyed 1004 Canadian SME's to examine the problems encountered by owners and managers in developing their businesses. Orser et al. (2000) indicated that the magnitude of the problems faced by businesses is dependent on firm attributes, including size. Orser et al (2000) revealed that micro businesses are more likely to face hitches of demand, a lack of information about financing options, the availability of alternative sources of finance, and a lack of financial expertise. Intellecap (2012), survey adds that, finance and government regulations are the main problems faced by India entrepreneurs. Again, Hisrich (1988) study in Northern Ireland found funding, marketing, weak collateral and technological development as significant problems faced by Irish entrepreneurs. In developing economies, unstable and bureaucratic business environment is a common phenomenon. For instance, entrepreneurs in Africa struggle with regulations governing the creation and management of enterprises. They are met with poor design and tough laws, alongside extremely multifarious enterprise registration and tax systems (Chu et al., 2007). According to (Chu et al., 2007), Ghanaian entrepreneurs endorsed, weak economy and access to short- and long-term funding as the primordial problems faced by it entrepreneurs. Again, entrepreneurs in Kenya identified, weak economy as their topmost problem, followed by competition and unreliable/undependable employees. Additionally, analysis of data by Wolf (2004) on hundred (100) enterprises in the commercial agricultural and manufacturing sectors in Ghana concluded that interest rates, access to credit, and cedi depreciation were the main business obstacles in Ghana (Wolf, 2004). Moreover, Yalcin and Kapu (2008) claims funding, red tape, high taxes, and labour are the cardinal problems confronted by entrepreneurs in Kyrgyzstan. In furtherance, Benzing, Chu and Callanan (2005), study established that Vietnamese entrepreneurs were consistently threatened by the following problems; competition, unreliable and undependable employees, and difficulty in securing short- and long-term capital. Benzing, Chu & Szabo, (2005) adds that the toil in attaining capital is problematic for owners of most micro-small businesses operating in developing and emerging economies, and without adequate capital, the success and growth of their business is limited (Chu et al., 2008). Using six case studies, Tagoe et al. (2005) investigated the impact of financial sector liberalisation (FSL) policies on the formal management of small and medium-sized enterprises in Ghana. Tagoe et al. (2005) established that, the major financial problem facing SMEs was access to affordable credit. Again, Benzing et al., (2009); Chu, Kara, & Benzing, (2008), reported complexity of the tax structure, lack of employee reliability and dependability, and inability to maintain accurate accounting records as the key problems confronted by Turkish entrepreneurs. Mnenwa and Maliti, (2009), study in Ghana add that, productivity and product quality is low, due to a variety of reasons. Namely; inadequate and outdated technology, low levels of technical and vocational skills, and weak business management capabilities. Moreover, Ghanaian micro-small businesses are less competitive, especially when comparing imported products from neighboring countries and beyond. Most businesses lack access to capital that would allow them to address some of these weaknesses. Using a sample of 322 business owners, Aidas (2005), scrutinized the inter-related effect of nineteen factors and concluded that corruption and skill barriers such as management problems impedes entrepreneurial activities in Lithuania.

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A. Conceptual Framework

This conceptual framework of this paper focus on the problems confronted by Ghanaian entrepreneurs in micro-small business set up. The following problem variables; raw materials, market, utilities, labour, finance, technology, management and government served as determinant of the problems faced by Ghanaian entrepreneurs. The conceptual framework below was developed based on the literature reviewed. Figure 1 illustrates the conceptual framework used in this study. The framework forecasts that raw materials, market, utilities, labour, finance, technology, management and government problems are the main problems encountered by Ghanaian entrepreneurs.

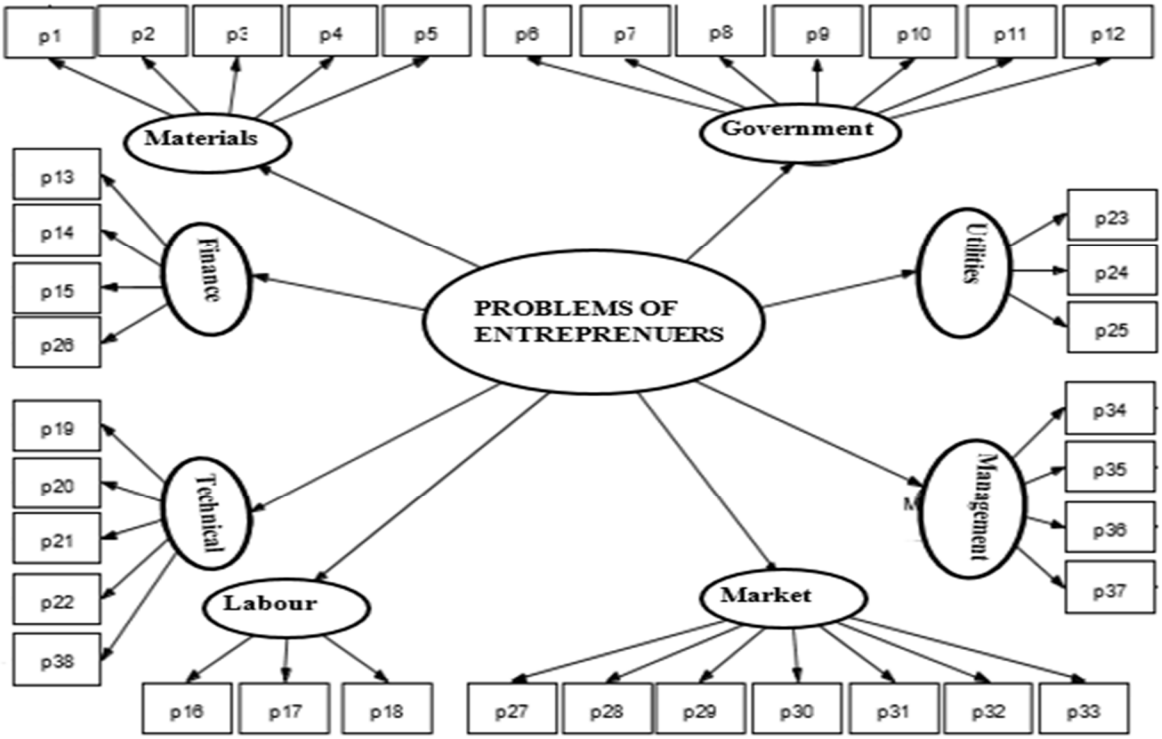


Fig. 1: Conceptual Framework of the Study

The following hypothesis were framed to guide the study;

1) H_{01}: Raw materials are not statistically significant to the problems encountered by Ghanaian entrepreneurs.
2) H_{02}: Finance is not statistically significant to the problems encountered by Ghanaian entrepreneurs.
3) H_{03}: Management is not statistically significant to the problems encountered by Ghanaian entrepreneurs.
4) H_{04}: Government is not statistically significant to the problems encountered by Ghanaian entrepreneurs.
5) H_{05}: Market is not statistically significant to the problems encountered by Ghanaian entrepreneurs.
6) H_{06}: Technology is not statistically significant to the problems encountered by Ghanaian entrepreneurs.
7) H_{07}: Labour is not statistically significant to the problems encountered by Ghanaian entrepreneurs.
8) H_{08}: Utility is not statistically significant to the problems encountered by Ghanaian entrepreneurs.

III. METHODOLOGY

The study employed mixed method approach, specifically, descriptive survey. Descriptive survey allows researchers to collect data from a larger population. Questionnaires were distributed to participants for responses. A total of 280 Ghanaian entrepreneurs were involved in the study. We selected 28 entrepreneurs from each region using purposive sampling method. However, 25 of them were unable to return their questionnaires. The items on the questionnaire were measured on a five point Likert-type scale ranging from ‘‘1 = strongly disagree” to ‘‘5 = strongly agree”. Cronbach Alpha was computed to check the reliability of the instrument. The coefficients calculated for each problem factor was greater than 0.7. Again, we run descriptive statistics, taking into consideration; mean, standard deviation, number of observations, minimum and maximum values in the data set. Table 1 shows the result of the descriptive statistics with regards to the numerous problems encountered by Ghanaian entrepreneurs.

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Table 1: Summary of Data

Variable	No.	N	Mean	SD.
High cost of raw materials	1	255	2.925	1.187
Inadequate supply of raw materials	2	255	3.553	1.070
Low quality of local raw materials	3	255	3.729	1.119
Inadequate storage facility	4	255	3.565	1.040
Transport problems	5	255	3.341	0.987
High taxes and duties	6	255	3.510	0.947
Registration / Licensing difficulties	7	255	3.729	0.969
Red tape	8	255	3.788	1.032
Corruption	9	255	3.588	0.980
Government policy	10	255	4.124	1.089
Lack of infrastructure; bad roads	11	255	2.667	1.124
Poor telecommunication networks	12	255	2.498	1.143
Inadequate access to finance	13	255	4.163	1.140
Difficult to meet loan criteria	14	255	3.118	1.069
High rate of interest	15	255	4.112	1.096
Scarcity of skilled labour	16	255	3.851	1.051
High labour cost	17	255	2.157	1.183
Labour turnover	18	255	3.337	1.128
Inadequate workshops and training facilities	19	255	2.890	1.081
Scarcity and high wages of skilled labour	20	255	3.216	1.045
High cost of replacing obsolete technology	21	255	3.404	1.166
Inadequate technical know-how	22	255	3.745	1.116
Scarcity of utilities	23	255	2.976	1.164
Irregularity of utilities	24	254	2.067	1.056
High cost of utilities	25	255	3.145	1.068
High depreciation of the cedi	26	255	3.145	1.042
Inadequate and slackness in demand	27	255	3.682	1.085
Competition from imported goods	28	255	4.002	1.282
High advertising costs	29	255	3.459	1.186
Inadequate market research	30	255	3.733	1.146
Competition from local micro-small enterprises	31	255	3.671	1.137
Competition from local large enterprises	32	255	3.506	1.310
Middlemen / distribution problems	33	255	3.220	1.258
Lack of coordination and communication	34	255	3.439	1.314
Lack of managerial and leadership skills	35	255	3.314	1.281
Improper delegation of authority	36	255	2.361	1.202
Lack of work culture	37	255	3.290	1.367
Difficulty in finding appropriate equipment	38	255	3.122	1.260

Source: Field data

The researcher asked the respondents to rate 38 most identified problems from the ongoing discourse on problems facing Ghanaian entrepreneurs operating in the micro-small business sector. The mean score and standard deviation were computed for each problem variable. A higher mean score on a variable indicates high degree of certainty and agreeability. Table 1 shows that “Inadequate access to finance” was rated as the most important problem facing Ghanaian entrepreneurs engaging in micro-small business with mean score of 4.163 and corresponding Standard deviation of (1.140). Additionally, the following variables had mean scores above 4.0. “Government policy” 4.124 (1.089), followed by “High rate of interest” 4.112 (1.096), and “competition from imported goods” 4.002 (1.282).

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On the other hand, the following problems had low ratings with regards to the problems faced by Ghanaian entrepreneurs. **"**Irregularity of utilities" 2.067 (1.056) had the least rating. This was followed by "High labour cost" 2.157 (1.183), and "Improper delegation of authority" 2.361 (1.202). This study therefore found "Inadequate access to finance" as the major problem facing Ghanaian entrepreneurs in the micro-small business sector. This is consistent with the studies conducted by Coarse (1988) in Northern Ireland and Yalcin and Kapu (2008) in Kyrgyzstan.

A. Implementation of Factor Analysis

Factor analysis was used to sieve or reduce the thirty-eight (38) problems into eight (8) component factors. We used, Keiser-Meyer-Olkin measure of sampling adequacy and Bartlett's test of Sphericity to rationalize the implementation of factor analysis. Principal component analysis and component matrix were employed to generate the factors. Then, a principal component analysis extraction method, choosing varimax and Kaiser Normalization rotation method were used to determine the factor loading and communalities. Keiser-Meyer-Olkin measure of sampling adequacy was 0.880 at zero (0) percent level of significance based on the Bartlett's test of Sphericity. As shown in Table 3, factor analysis led to eight (8) component factors, which account for 68.56 percent of the cumulative variance. We interpreted the factors as*:* Raw materials, Finance, Market, Management, Government, Labour, Technology and Utilities.

Table 2: Principal Component Factor Analysis (Varimax Rotation). Factor Loadings (Sorted) for problem Variables.

ITEMS	F1	F2	F3	F4	F5	F6	F7	F8
PR13	0.72							
PR14	0.67							
PR15	0.52							
PR26	0.45							
PR28		0.48						
PR29		0.56						
PR31		0.69						
PR33		0.58						
PR1			0.65					
PR2			0.49					
PR3			0.42					
PR4			0.71					
PR6				0.64				
PR7				0.56				
PR8				0.70				
PR10				0.43				
PR19					0.68			
PR20					0.51			
PR38					0.42			
PR34						0.55		
PR35						0.63		
PR37						0.46		
PR16							0.55	
PR18							0.44	
PR24								0.48

Source: own development

F1= Finance, F2=Market, F3=Raw material, F4=Government, F5=Technology F6=Management, F7=Labour, F8=Utility. Note: Set values are less than or equal to –0.41 and greater than or equal to 0.41.

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Table 3 shows eight (8) components factors and their corresponding communalities. Factor 1, referred as "Financial problems", comprises: PR13, PR14, PR15 and PR26. This suggest that the respondents believe that finance is an important element towards the ideation, creation and growth of their businesses. *"Funding" (0.738), followed by "weak economy" (0.703),* were highly ranked in this factor. This factor explains 22.41 percent of the variance. Ghanaian entrepreneur's claims finance is key ingredients in the day to day running of their businesses. Factor 2, which is referred to as "Governmental problems" contains the following problems; PR6, PR7, PR8, PR9, PR10, PR11 and PR12. Entrepreneurs appear to believe that governmental problems is crucial in a country that is, less developed in terms of infrastructure, electricity and among others. This factor accounts for 14.46 percent of the variance. The third factor, worthy of consideration has to do with managerial problems. The following problems variables; (PR34, PR35, PR36 and PR37) were loaded in the third component factor. Entrepreneurs also hammered on the managerial problems they face in running their businesses. Entrepreneurs themselves and their employees or managers need to be on top of the problems that confront their businesses. It accounts for 13.10 percent of the cumulative variance. The fourth factor, which is named "raw materials", consists of variables: PR1, PR2, PR3, PR4 and PR5. This factor concerns the problems associated with the acquisition, quality, transportation and storage of raw materials for production. Consequently, it can be deduced from table 3 that the fifth factor captured variables PR16, PR17 and PR18. The researchers labeled this factor as labour problems. The respondents lamented about the skills and knowledge of their employees in turning the fortunes of their businesses. Ghanaian entrepreneurs are deeply concern about the qualification, suitability and the performance of their labourers.

Additionally, component factor 6, loaded variables PR19, PR20, PR21, PR22 and PR38. We deemed it fit to name this factor as technological problems. This factor emphasized the problems associated with acquisition of equipment and the technical know-how of workforce. Ghanaian Entrepreneurs bemoaned about the technological deficits, they encounter in the course of running their businesses. This factor explains 5.42 percent of the variance. Thus, 5.42 percent of the variations in the problems encountered by the Ghanaian entrepreneurs can be attributed to technological problems. Ghanaian entrepreneurs agrees, technology is increasingly becoming a pivotal ingredient so far as enterprise development is concern.

Moreover, the researcher branded the seventh component factor as "Utilities" based on the available problems loaded. This contained variables PR23, PR24 and PR25 and accounted for 4.42 percent of variance. The respondent were worried about the irregularity and power outages in the country. Entrepreneurs lamented that utilities are key for converting raw materials to finished or semi-finished products. Hence, power outages are major blow to business operations. Finally we described the last factor as market. The "market" factor accommodated variable PR27, PR28, PR29, PR30, PR31, PR32 and PR33. Ghanaian entrepreneurs expressed their worries with regards to slackness in demand due principally to increasing importation in the country. Ghanaian entrepreneurs operating Micro -small businesses claim they could hardly grow and sustain their businesses due to keen competition of imported products.

B. Structural Equation Modelling

We employed Structural Equation Model (SEM) to establish the significance associated with the problems faced by Ghanaian entrepreneurs in the micro-small business sector. We computed the associations among the variables of interest, factor loading and the influences between the variables based on the SEM technique. The computations were performed so as to indicate the associations between the latent variables and the observed variables; showing the likely dependencies between the endogenous and the exogenous variables. We therefore represented the model in the equations below:

$X = \Lambda x\xi+\delta$……equation (1)

$Y = \Lambda y\eta+\varepsilon$……equation (2)

Where X refers to the vector of exogenous manifest variables; Λx represents the factor loading matrix for the influence of the exogenous manifest variables on exogenous latent variables; ξ denotes the vector of exogenous latent variables; δ is vector of measuring error; Y symbolizes the vector of endogenous manifest variables; Λy represents the factor loading matrix for the influence of endogenous manifest variables on endogenous latent variables; η denotes the vector of endogenous latent variables; and ε vector of measuring error. Equally, the structural model equation becomes:

$\eta = \beta\eta + \gamma\xi + \zeta$……equation (3)

Where η refers to the vector of endogenous latent variables; ξ denotes the vector of exogenous latent variables; β represents the matrix of path coefficients associated with η; γ symbolizes, the matrix of path coefficients associated with η and ξ; and ζ signifies, residual vector of the equation.

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C. Structural Equation Model with Standardized path Coefficients

Figure 2, displays the structural equation model on the problems encountered by Ghanaian entrepreneurs.

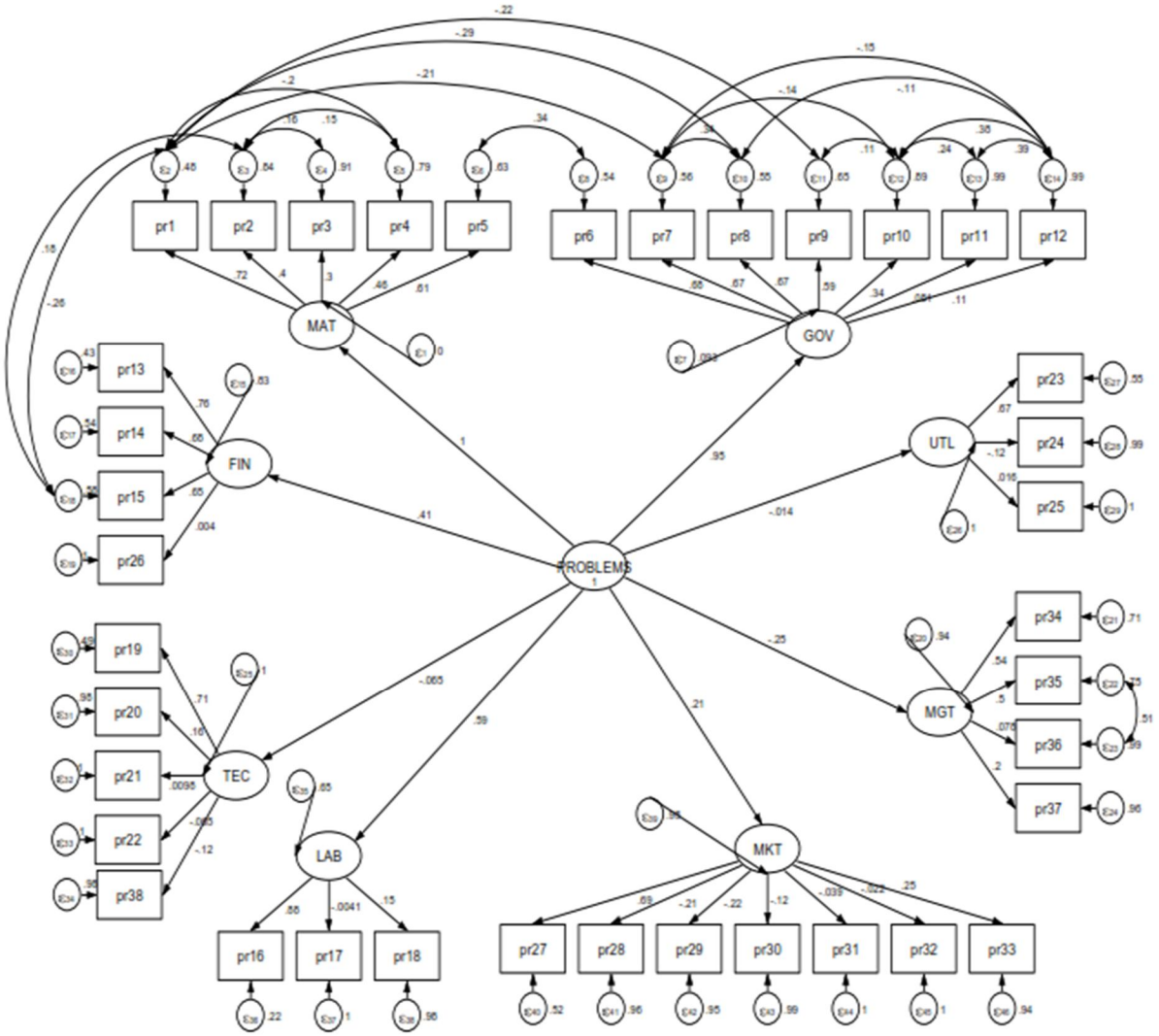


Figure 2: Structural Equation Model with standardized path coefficients

Figure 2, shows the standardized path coefficients of the independent variables (Raw materials, Market, Utilities, Labour, Finance, Technology, Managerial and Governmental problems on the dependent variable (problems of entrepreneurs). Data Analysis on the contribution or influence of the eight main problems disclosed that Finance, Raw materials, Market, Management, Government and Technology are significant problems faced by Ghanaian entrepreneurs in the micro-small business operations. Ghanaian entrepreneurs adjudged Finance as the most important contributor to the problems encountered by Ghanaian entrepreneurs. Hence, government, decision makers and stakeholders need to device pragmatic and cogent strategies to arrest the challenges associated with funding in the micro-small business sector.

D. Hypothesis Testing On The Problems Encountered By Ghanaian Entrepreneurs

To test for the hypothesis stated, confirmatory factor analysis was conducted. SEM was performed to test the relationship among constructs. The model fit indicators of the structural regression model is acceptable (Chi-square/df<5, CFI>0.9, RMSEA<0.10). Structural models were constructed. In addition, structural regression model was also estimated. Table 2 shows final refined model based on recommendations by the Goodness-of-Fit (GOF) indexes and the modification indices (MI). This means the hypothesized model was initially not satisfactory. Therefore, we refined the model by adding covariance error paths among the variables. Table 2, shows that the values of all the GOF indexes fit the model. Hence, the refined model satisfactorily fits the data. Again, table 3 summarizes the structural regression estimates.

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Table 3: Goodness-of-Fit Indexes for Measurement Mode

Model	Model Measurement	Recommended	Decision
Chi2	1.413	1-2	Acceptable
Normed Fit Index (NFI)	0.937	>0.9	Acceptable
Non-Normed Fit Index (NNFI)	0.953	>0.9	Acceptable
Comparative Fit Index (CFI)	0.986	>0.9	Acceptable
Standard Root Mean Square Residual (SRMR)	0.043	<0.08	Acceptable
Goodness of Fit Index (GFI)	0.948	>0.9	Acceptable
Adjusted Goodness of Fit Index (AGFI)	0.912	>0.9	Acceptable

Table 4: presents the standardized regression weights estimates for the final SEM with the corresponding standard effort of estimates and p-values.

Standardized	Estimation	S.E.	C.R.	P
MAT <- PROBLEMS	1.002	0.056	17.921	***
GOV <- PROBLEMS	0.952	0.057	16.780	***
FIN <- PROBLEMS	0.412	0.074	5.563	***
MGT <- PROBLEMS	-0.252	0.105	-2.411	*
TEC <- PROBLEMS	0.065	0.100	1.644	*
UTL <- PROBLEMS	-0.014	0.102	-0.140	
LAB <- PROBLEMS	-0.594	0.338	-0.762	
MKT <- PROBLEMS	0.215	0.085	2.523	**
pr1 <- MAT	0.720	0.044	16.213	***
pr2 <- MAT	0.405	0.064	6.341	***
pr3 <- MAT	0.296	0.065	4.534	***
pr4 <- MAT	0.462	0.062	7.414	***
pr5 <- MAT	0.605	0.050	12.165	***
pr6 <- GOV	0.678	0.042	16.220	***
pr7 <- GOV	0.667	0.050	13.252	***
pr8 <- GOV	0.670	0.052	12.93	***
pr9 <- GOV	0.594	0.052	11.391	***
pr10 <- GOV	0.338	0.067	5.064	***
pr11 <- GOV	0.081	0.070	2.160	*
pr12 <- GOV	0.106	0.076	1.401	
pr13 <- FIN	0.756	0.045	16.810	***
pr14 <- FIN	0.681	0.049	13.882	***
pr15 <- FIN	0.651	0.054	12.062	***
pr26 <- FIN	0.004	0.073	2.065	*
pr34 <- MGT	0.539	0.059	9.123	***
pr35 <- MGT	0.497	0.055	9.011	**
pr36 <- MGT	0.078	0.108	0.724	
pr37 <- MGT	0.200	0.097	1.060	
pr19 <- TEC	0.711	0.032	22.481	***
pr20 <- TEC	0.156	0.088	2.783	**
pr21 <- TEC	0.010	0.088	1.112	
pr22 <- TEC	-0.065	0.089	-0.731	
pr38 <- TEC	-0.124	0.054	-2.324	**

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pr23	<- UTL	0.673	0.036	1.681	
pr24	<- UTL	-0.118	0.093	11.285	***
pr25	<- UTL	0.016	0.093	0.175	
pr16	<- LAB	0.882	0.495	1.780	*
pr17	<- LAB	-0.004	0.074	-0.061	
pr18	<- LAB	0.151	0.064	0.350	
pr27	<- MKT	0.694	0.342	2.023	**
pr28	<- MKT	-0.208	0.104	-2.014	**
pr29	<- MKT	-0.219	0.021	-10.392	***
pr30	<- MKT	-0.122	0.070	-1.750	*
pr31	<- MKT	-0.039	0.089	-0.440	
pr32	<- MKT	-0.022	0.101	-0.223	
pr33	<- MKT	0.250	0.134	1.870	***

***, **,* *indicates significance at 1%, 5%, and 10% levels respectively. Table 4 shows that, most of the standardized path coefficients for regression weights and covariance are highly statistically significant.*

Table 4 depicts the standardized path coefficients for regression weights, critical ratio and their corresponding P. values**.** We used, P. values as the basis for determining significance of the above variables of interest. Again, we considered three (3) levels of making statistical decisions in terms of significance. We agreed to; 1%, 5% and 10% levels of significance. P. values within the agreed margins of significance meant, the variable is significant whiles P. values outside the margins of significance were considered insignificant. It can be inferred from table 5 that, Finance is significant at 1% with corresponding values *(β=0.264; CR=3.228).* Ghanaian entrepreneurs seemed to have ascribed to Laskar (2010) and Dhameja (2004) propositions. Laskar (2010) opined that, finance is the life-blood of contemporary enterprise and it is the most important component of an enterprise. He continued, without adequate funding the business will be standstill. Dhameja (2004) adds that, financial assistance as well as financial viability are the most important concerns of any business (Dhameja, 2004).

Raw materials were also significant at 1% with corresponding values *(β=0.554; CR=3.125).* Ghanaian entrepreneurs believe inadequate and low quality of raw materials is a major blow to the progress of micro-small businesses. Desai (2006) asserts that irregular supply of raw materials adversely affects production schedules and delay in delivery. Likewise, market recorded significance at 1% with resultant values *(β=0.378; CR=3.006)*. In fact, marketing is one of the key constraints facing entrepreneurs in micro-small business set up (Panda, 2003). Lorretta, (2014) further espoused that, inadequate market accessibility due to unstable markets and over dependence on saturated and localized markets is a major stumbling block to micro-small entrepreneurs. Consequently, many small businesses have no knowledge of markets beyond their immediate vicinity (Lorretta, 2014). Again, most small business fail to conduct market analysis, which eventually leads to fiasco in marketing their products (Laskar, 2010).

Moreover, Government and management achieved a level of significance at 5% with matching values of *(β=0.948, CR=2.746) and (β=0.930, CR=2.242)* respectively. Formulation, Implementation and effectiveness of Government's policies have generally not been the best. Bureaucracy on the side of government agencies always pose challenge with regards to the ease of doing business in Ghana. Registration and licensing of enterprises takes a longer time than what is perceived or what it is supposed to be. The delays associated with payments for jobs performed by entrepreneurs and the bottlenecks with regards to clearing of goods at Customs Department, bleeds untold exploitations, which dampens the enthusiasm and the zeal of many entrepreneurs in Ghana. High tax rate, inadequate tax cuts or subsidies and seed funds from government slays the motivation and aspiration of Ghanaian entrepreneurs. Poor local content arrangements and influx of imported goods in itself serve as disincentives to entrepreneurs in Ghana.

Similarly, Technology plays a key role in the creation and management of micro-small businesses in Ghana. Technology is required to efficiently transform inputs into desired outputs. The technological gap in Africa, and for that matter Ghana, pose a severe impediment to the development of micro-small businesses in Ghana. Most Ghanaian entrepreneurs suffer technological deficit. Technological know-how and acquisition of appropriate equipment is a major boost to the success of business operations in Ghana. However, utilities and labour were found to be statistically insignificant. As a result, Ghana government need to put in pragmatic policies and programmes to address the following; Finance, Government, Raw materials, Market, Technology and Managerial problems.

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IV. THE WAY FORWARD

Entrepreneurs in Ghana are faced with multi-faceted challenges, which calls for harmonized efforts among entrepreneurs, governments and supporting institutions. The survival and growth of micro-small businesses ought to be listed among the top priorities of every nation, especially in developing countries and for that matter; Ghana. Government need to inject resources by allocating budget expenditures in order to stimulate entrepreneurial activities and development. In simple terms, government need to pay keen attention to the creation, growth and survival of micro-small businesses in Ghana.

This can be attained by creating a serene and an enabling environment that allows micro-small businesses to thrive. In facts, Government need to implement broad-minded policies and activities such as:, provision of accessible capital or funds for start-ups and business expansion with effective monitoring, formation of business clusters, as well as supporting agencies to offer timely and needed assistance to Ghanaian entrepreneurs in the micro-small business sector. For instance, a well thought arrangements or cooperation between entrepreneurs and government agencies on industrial parks, business incubators, tax holidays, subsidies, improved infrastructure and among others are surest ways to boast entrepreneurship in Ghana.

Moreover, there is the need for effective collaboration between government and entrepreneurs to unveil cogent frameworks and incentives to facilitate cooperation of micro, small, medium and large businesses in Ghana. This could be achieved by forming a number of alliances and networks. Such collaborations are mutually beneficial in that large enterprises and micro-small businesses can complement each other in the process of providing goods and services. In this way, micro-small businesses, competitive position could grow strong and develop the shock absorbers to overcome barriers associated with their survival and growth. Existence of this such atmosphere would rapidly promote the progress of entrepreneurship in Ghana and would go a long way to contribute to Ghana's economy.

Government must empower institutions such as Ghana Investment Promotion Centre (GIPC) and Ghana Chamber of Commerce and Industry (GCCI) to attract good foreign direct investment and stimulate nonstop partnership between local and foreign investors to enable the local investors to compete effectively in the global market. Again, Government should also work hand in hand with Non-Governmental Organisations and bodies such as EMPRETEC Foundation, Good Morning Africa (GMA), Busy Internet & the BusyIncubator Program, IntEnt & the Ghana IntEnt Business Club that fund youth and start-ups for greater outcomes. Such cooperation will help young Ghanaian entrepreneurs in consulting, business development, business financing and support services.

V. CONCLUSION

This paper, examined the problems encountered by Ghana's micro-small businesses in meeting their business objectives. Eight (8) main problems resulted from this research. Results from Structural Equation Model found, funding as the major problem facing Ghanaian entrepreneurs in the micro-small business sector. This was followed by access to markets, raw materials, governmental, managerial and technological problems. Some of the factors have been the results of present and previous government's macroeconomic policies and decisions. The results serve to highlight to Government, policy makers and stakeholders, the need to put in pragmatic and proactive steps in dealing with the problems encountered by Ghanaian entrepreneurs. Moreover, these findings seek to alert government to look at those factors where they can make a difference – providing financial assistance to micro-small business operators, improving on the business environment as well as mechanisms to sustain and grow micro-small businesses in Ghana to be able to compete locally and globally.

1) *Compliance with Ethical Standards:* We comply according to the ethical standards of the journal
2) *Declaration of Interest:* None
3) *Author's Consent:* All the aforementioned authors had a common consensus towards the processes undertaken in this paper.
4) *Funding:* The research work is supported by the following foundations; (1) Perception of fairness in self-organized mass entrepreneurship (4061160023), Jiangsu Province Graduate Scientific Research Innovation Project: (2) Self -organized cluster entrepreneurship behavior reform, evolution and promotion strategies study(No.16BGL028), China National Social Science Foundation; (3) Study on Bottleneck and Innovation of Post- industrial Intellectual capital development in Jiangsu Province (No.14JD009), Jiangsu Province Social Science Foundation Project.

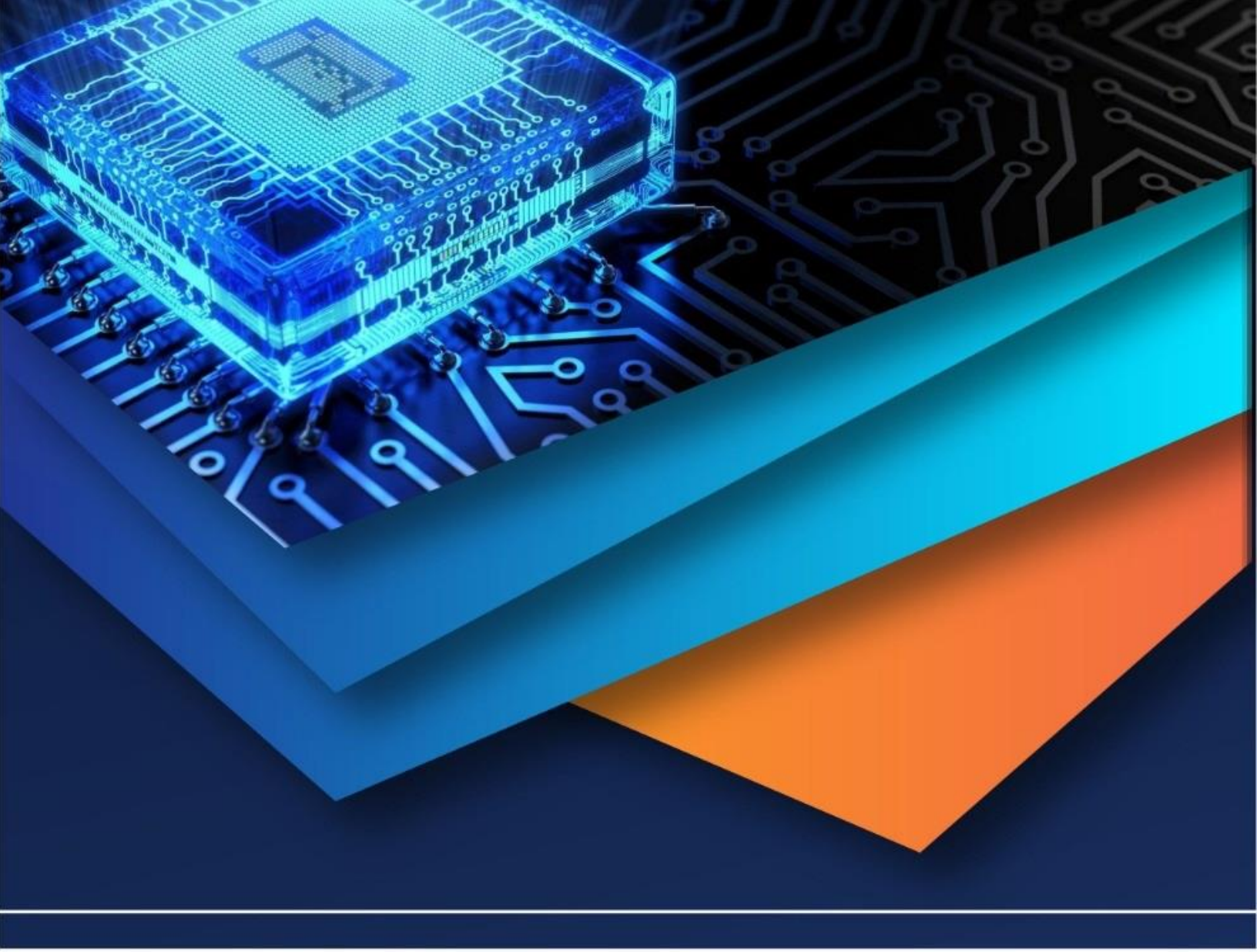
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