

African Research Review

International Multi-Disciplinary Journal, Ethiopia
AFRREV Vol. 13 (3), Serial No 55, July, 2019: 27-41
ISSN 1994-9057 (Print) ISSN 2070-0083 (Online)
DOI: <http://dx.doi.org/10.4314/afrrrev.v13i3.3>

Entrepreneurship Development and New Business Start-Ups: Challenges and Prospects for Ghanaian Entrepreneurs'

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Abstract

Entrepreneurial development in Ghana has come under sharp scrutiny in recent years as a result of the debates that have characterized the role of entrepreneurs to the development of the Ghanaian economy and the challenges militating against the growth and sustainability of entrepreneurs. Existing literature has overlooked the challenges that entrepreneurs face in starting new businesses in Ghana. This paper addressed the scholar gap in the literature within the context of small and medium-scale enterprises (SMEs) in diverse industries in Ghana. Using qualitative research approach with selected SMEs as case study, the paper unearths some of the challenges confronting entrepreneurs and the remedial measures to adopt in their operations to remain competitive and relevant in both the local and international markets. Four main themes emerged as the challenges that entrepreneurs face: funding availability and accessibility; lack of planning, skilled labour & proper management skills; lack of competitiveness, technology innovation & customer loyalty; and Legal and regulatory framework and social factors. Based on the outcomes in the findings, the study recommends assistance from stakeholders such as policy makers, financial institutions and the government of Ghana to help formulate new strategies to support entrepreneurship development initiatives and new business start-ups in Ghana.

Key Words: Ghanaian entrepreneurs, entrepreneurship development, new business start-ups, prospects and challenges

Introduction

The advent of globalization and neoliberal free market system through the implementation of liberalisation and deregulation policies in the 1980s have led to accelerated growth in the private sector and an unprecedented upsurge in entrepreneurship initiatives in most developing countries, which Ghana is no exception. Hence in the last three decades, the scope of institutional support from governments, international donor organisations and private financial institutions for entrepreneurs and SMEs development have increased significantly. The increasing drive for new business start-ups is to achieve high performance output and competitiveness for profit maximization, help accelerate national economic growth and contribute towards the development of the global economy. Entrepreneurial orientation toward opportunity is one's commitment to take action on potential opportunities and the ability to access the attractiveness of a new opportunity.

People with entrepreneurial mind-set has the ability to rapidly sense, act, and mobilize resources to take advantage of opportunities, even under uncertain conditions. A potential entrepreneur's intention to act is based on his/her motivational factors that influence individuals to pursue entrepreneurial outcomes, coupled with their entrepreneurial self-efficacy or one's conviction that he/she can successfully pursue entrepreneurial outcomes. In the modern global economic system, entrepreneurs creatively exploit changes in the world to put their dexterity and ingenuity into practice for economic gains, while managers manage the business to grow and expand. In this regard, both entrepreneurship and management can be classified as complementary concepts that require pro-activeness. While some entrepreneurs have excellent managerial and leadership skills, some managers could also turn out to be excellent entrepreneurs. However, a striking difference between entrepreneurship and management is, while entrepreneurs are risk-takers and usually more specialised in business start-ups, managers manage the business to grow and expand it. In managerial decision making, a manager's strategic orientation focuses on factors that are inputs in formulation of the firm's strategy, whereas entrepreneurial strategy is a set of decisions, actions, and reactions that generate and exploit an opportunity to set up a new business venture. Despite the risks involved in business start-ups as eluded by Bosma (2012), many reasons compel people to become entrepreneurs. In Ghana, some key features of entrepreneurial activities that generally motivate people with entrepreneurial mind-set to become self-employed include freedom of owning one's business, profit orientation, working in a hassle-free environment, having financial independence or control over compensation, satisfaction gained from the self-esteem as a fulfilment of creating something you can claim ownership to, control over working conditions, and job security to improve their livelihoods and lifestyles. Many entrepreneurs in Ghana believe that setting up SMEs because it creates a sense of practical optimism, since people believe that going into business is an effective means of escaping poverty, becoming self-sufficient through financial stability and/or prosperity.

Our motivation for undertaking the study is to investigate the challenges facing Ghanaian entrepreneurs' new business start-ups initiatives and operational challenges. The study also investigates the lack of effective systems and voids in institutional structures to help support and streamline the activities of entrepreneurs' risk-taking initiatives and SMEs activities in Ghana. The outcome of the study will help existing and potential entrepreneurs to solve the

problems they face and make new business start-ups sustainable in Ghana and Africa in general. The questions addressed in the study are, what *challenges* face Ghanaian entrepreneurs' new business start-ups? How could these *challenges be addressed* appropriately to make the private sector the engine of growth in Ghana's economy?

Literature Review – Theoretical Background

Different views on SMEs and Entrepreneurship

The current attention given to SMEs and entrepreneurship development stems from the contribution of the SME sector to the development of the Ghanaian economy. In Ghana, SMEs alone constitute about 90 per cent of businesses in the country, employing about 80 per cent of the labour force and contributing about 70 per cent to the GDP (Abor & Quartey, 2010). However, there has not been a single definition of SMEs and entrepreneurship as a result of the diverse nature of businesses in the sector. It could be argued that SMEs business start-ups is a significant indicator for measuring entrepreneurship development and its characteristics in different countries. Kushnir (2010) on the other argues that the criteria for measuring SMEs should be based on a country's population, industry and the level of international economic integration. Bolton Committee (1971), the first institution to come out with a generally accepted definition of SMEs defined SMEs based on "economic" and "statistics". In terms of the "economic" definition, an organization is considered "small" when it has the following characteristics: a) a relatively small portion of the market share; b) managed by owners without any formal management structure and c) dependent and does not form part of a larger organization. In Ghana, National Board for Small Scale Industries (NBSSI) (2017), the most recognized body for promoting and developing SMEs in Ghana for instance, defined SMEs as a company with a turnover of over US\$200,000 but not beyond US\$5 million. The criteria employed in the classification of SMEs in this study are the firm's asset base, its employee size and annual turnover. The NBSSI for example, applies both the 'fixed asset and employee size criteria, and regards an SME as one employing 29 or fewer employees (NBSSI Report, 2011).

Entrepreneurship, like SMEs is equally difficult to define because of its multidisciplinary nature. However, according to Landström, Harirchic and Åström (2012), entrepreneurship as a discipline is more linked to Management and Economics than any other discipline. The difficulty in defining entrepreneurship has historical antecedent. Until the dawn of the new millennium, scholars solely defined entrepreneurship in terms of "who the entrepreneur was and what they did" (Bruyat & Julien, 2001) which could not withstand rigorous scrutiny (Vankataraman, 1997). This study therefore seeks to accept the definition of entrepreneurship postulated by Volery and Mazzarol (2015) that entrepreneurship is a process of "discovery, the evaluation, and exploitation of opportunities and the set of individuals who discover, evaluate and exploit these opportunities".

Theoretical Framework

Some theorists examined entrepreneurship in terms of social factors and entrepreneurs' individual characteristics such as personality, educational background and attainment, ethnicity, and other relevant characteristics (Ki, 2008). Other researchers (such as Acs & Armington, 2006; Ki, 2008), interested in population, gender, industrial structure, geography (urban and rural), human/social capital, research & development (R&D), creativity and regional economic studies have dealt with local environments and regional variations that influence

entrepreneurship and the relationship between business start-ups and location factors. For example, in many developed countries, more specialised and educated workforce is a crucial location factor for entrepreneurship and venture business set-ups, whereas in developing countries like Ghana, business start-ups may be based on population distribution and the rural/urban dichotomy, which is mainly due to factors such as availability of sources of funding and market opportunities. Hence, urban areas are more likely to attract more business-start-ups than in the rural communities.

Another group of contemporary researchers such as Mack and Qain (2016), also focus on the business factors of entrepreneurship and business processes in terms of combining the factors of production (capital, machinery/equipment, labour), by closely examining entrepreneurs' business financing, venture capital, industrial relationships and organisational mechanisms. In this regard, taking entrepreneurial action involves combining the factors of production to create new products, services or processes and entry into new markets, an entrepreneur's ability to understand the business environment and take advantage of opportunities, and finally, risk-taking because the risks and uncertainties in business start-ups are numerous and varied.

Challenges Facing Entrepreneurs in Ghana

In Ghana and other African countries, one of the major challenges facing entrepreneurs and SMEs is business financing opportunities and access to venture capital. Other researchers (such as Arshad, Rasli, Arshad, & Zain, 2014; Coen Rigtering, Kraus, Eggers, & Jensen, 2014; Dai Prá Martens, Lacerda, Belfort, & Rodrigues de Freitas, 2016; Lechner, & Gudmundsson, 2012) who examined entrepreneurship and entrepreneurial orientation focused on business start-ups in terms of the ability to effectively manage a business by seeking investment and market opportunities for profit-making or financial independence. Hisrich, Peters and Shepherd (2013), argue that an entrepreneur's cognitive adaptability describes the extent to which he/she is dynamic, flexible, self-regulating and engages in the process of generating multiple decision frameworks, and how entrepreneurs are focused on sensing and processing changes in their environments and then act on them. Suleiman (2006), notes that entrepreneurship is "the willingness and ability of an individual to seek opportunities for investment to create and run a business successfully," while Drucker (2006), also argues that an entrepreneur is a person who understands business opportunities and its benefits, by harnessing scarce resources and utilising them profitably. He/she makes progress in the productivity of resources by searching changes (or risks), responding to, and employing opportunities.

Zimmerer, Scarborough and Wilson (2008), focus on risk factors in entrepreneurship by arguing that an entrepreneur is "one who creates a new business in the face of risk and uncertainty for the purpose of achieving profit and growth by identifying significant opportunities and assembling the necessary resources to capitalise on them." Griffin, Ebert and Starke (2013), also view entrepreneurship as "the act of assuming the risk of business ownership with the primary goal of making profit through growth and expansion. This view implies assuming risk and responsibility in taking the initiative to design and implement a strategic business plan to take advantage of a business opportunity to create value". The idea of creating value is a process through which entrepreneurs identify opportunities, allocate resources to create value for customers, and is often through the identification of unmet customers' needs

or opportunities to meet changes in customers' demands/preferences for wealth creation, which come with different types of risks that are general for any business start-up.

Looking at the arguments presented above on entrepreneurship development, while this study supports the ideas expressed by the different authors, it adds that in the Ghanaian context, besides taking the necessary risk to combine the factors of production in business start-ups, successful entrepreneurship and SMEs development entails dynamism, access to financial resources, capacity and willingness to take the necessary steps to organise resources into incremental wealth creation and knowledge of managing a business successfully through practical experience or formal education, or getting managerial support from knowledgeable individuals and institutions. Generally, business start-ups require operating and managing a business venture from the scratch, and assuming all its attendant risks to create value, while seeking profit as the ultimate reward. It also involves various aspects of an entrepreneur's dexterity, socio-economic and spatial activity patterns, and his/her risk-taking tendency in terms of business start-ups, facility investment, and expansion of new and existing businesses and managerial innovation. Meeting all these requirements discussed by the different theorists may pose major challenges to many Ghanaian entrepreneurs in their drive to achieve high performance, success and competitiveness in both the local and foreign business environments.

Methodology

Using selected SMEs from all the ten regions of Ghana as case study, the study examined the prospects for new and existing entrepreneurs and SMEs in Ghana in terms of the support initiatives from government and the challenges they face. Relying on snowball sampling technique, the study sampled 10 SMEs from the Greater Accra Region, 10 from Ashanti Region, 3 from the Western Region, 2 from Central Region, 2 from the Eastern region, 1 from the Volta Region, 1 from the Northern Region and 1 Each from both the Upper West and Upper East Regions Respectively. Greater Accra and the Ashanti regions had the most sampled SMEs because the two regions are home to most of the SMEs in Ghana.

The study investigated some of the key challenges facing SMEs in terms of their awareness of the various funding sources and availability of funds, the level of management training, and other challenges facing entrepreneurs and SMEs. The study used the multiple case study approach which according to Baxter and Jack (2008) provides tools for researchers to study complex phenomena within their context which can help in developing theories, programs and interventions. The goal for using the case study approach is that it is versatile and uses many methods to gather information from observation, to interview to testing based on simple illustration of an event or a more complex analysis of a social situation or a complex approach to events overtime. Case study research can be considered a robust research method particularly when holistic, in-depth investigation is required and allows the exploration and understanding of complex issues. Yin (2014) defined the case study research method as "an empirical enquiry that investigates a contemporary phenomenon within its real-life context when the boundaries between phenomenon and context are not clearly evident and in which multiple sources of evidence are used."

While this approach has been criticised for not being suitable for representing a wider social setting, and not good for generalizations, it helps understand the boundaries of the case and the

complexities of the behaviour patterns of the bounded system. By using multiple sources of data in both qualitative and quantitative data, it helped the researchers to do in-depth analysis of a series of cases involving multiple participants and organizations/institutions involved in the study to attain the richest possible understanding of the case under investigation. In this case, it helps to describe the issue under investigation in detail and develop theory from that approach.

To achieve the objectives and goals of the study, 31 participants were selected from a cross-section of entrepreneurs using simple random sampling to select owners of both successful and failed SMEs across the Greater Accra, Central, Eastern and Western regions. Over all, five industries were represented in the study with microfinance businesses representing 15%, trading (in the informal economy) representing 50%, small scale manufacturing making 10%, artisans 15% and general services constituting 10%. Three size categories were defined on the basis of employee size. As stated above, classification of firms are as follows; micro businesses (less than 5 employees), small businesses (5 and 29 employees), medium sized firms (30 and 99 employees). Seventy-five (50%) of the businesses surveyed were small sole proprietorship firms, 50 (30%) were micro-enterprises and 25 (20%) were medium-sized companies. The research comprises sole proprietorship businesses and firms with employees from 5 to 100.

The qualitative approach was used in the research, which helped to understand and obtain critical information from the participants and also probe further when necessary. As Creswell (2007) noted, an interview protocol is a “predesigned form used to record information collected during an observation or interview,” which enables the researcher to organise the entire interview process, including time allocations for the questions and how to begin/end the interview.

Data Collection Criteria

In addressing ethical and confidential issues, the study sought the consent of the participants before the interviews (Marshal & Rossman, 2006) and assured all participants of anonymity and confidentiality, and vividly explained what the information gathered in the study would be used for. This orientation also helped the participants to become familiar and comfortable with the scope of information required; thus, they were confident to respond to the questions more appropriately.

The researchers sought permission to record each of the interview session using Olympus model VN-3300. The study used the focus group interview strategy, which is widely used for increasingly diverse research applications today (Cooper & Schindler, 2011). The researchers posed questions to encourage active participation of participants during each focus group discussion and were given enough time to respond to the questions. Follow-up questions were also used to probe and clarify interviewee’s responses (Burnell, 2007). The duration for the interviews ranged from 30 to 35 minutes. The variation in time was as a result of incoming calls which respondents needed to respond to. The researchers excused them to receive their calls whenever their customers call. At the end of the interviews, participants were given the option to say anything if they had more issues to raise. The recording tape was then switched off after which participants were thanked for their valuable time.

Data Analysis

Data was analysed following Braun & Clarke (2006) thematic content analysis by first transcribing, generating codes, searching for themes, reviewing themes, defining themes and interpreting the findings.

Results and Discussion of Findings

Four main themes emerged as the challenges faced by entrepreneurs and new business start-ups. Find the main themes and the subthemes in Table 1.

Table 1: Themes and subthemes (explanations) of challenges facing entrepreneur's business start-ups and operations.

Themes	Sub themes/ Explanations	No.	% citing the theme
1. Funding availability & accessibility	In adequate finances, resources and other economic factors/ High interest rate/default payment of loans by some entrepreneurs making it default for the genuine ones/	31/31	100%
2. Lack of planning, Skilled labour & proper management skills	Doing business planning analysis before business start-ups is a key to a successful entrepreneurial venture; some business owners extract money without any control, have no fixed salary for themselves/ some over spend way above their profit	22/31	66%
3. Lack of competitiveness, technology innovation & customer loyalty	SME's cannot produce large quantities of goods of consistent quality to precise delivery schedule and are uncompetitive in international export markets. Expensive in advertising products which leads to their inability to be competitive and capture a greater part of both local and international market segment	30/31	97%
4. Legal & regulatory framework & social factors	Bureaucratic nature of licensing new Business, Corruption, Cultural attitudes and <i>politicization of Government-sponsored loan schemes</i>	31/31	100%

Source: Field work, 2017

Some Major Challenges Facing Entrepreneurs and SMEs in Ghana and Other Countries in Africa

The advent of globalization and the collapse of trade barriers through liberalization and deregulation have brought with it new opportunities for entrepreneurial development. In most developing counties like Ghana, there are many promising young entrepreneurs, but the challenges besetting entrepreneurs in frontier and emerging economies are varied and complex. Though SMEs constitute one of the largest sectors in the national and global economies, and significantly contribute towards the socio-economic development of various national

economies, they face a number of major challenges in their business start-ups and operations which are discussed in detail below:

Lack of funding

Most entrepreneurs go into business without inadequate capital hoping to secure more once the business grows. The availability of financial resources allows entrepreneurs to bring together other factors and use them to produce goods and services to gain competitive advantage. Access to adequate funding is by far the most critical challenge facing entrepreneurs and SMEs' business start-ups and expansion. Some members of the Spare Parts Dealers Association interviewed noted that:

It is very difficult having access to adequate funding to expand their businesses. The situation is such that most commercial financial institutions operate on rigidity and unfavourable loan systems like high interest rate, which discourages them from applying for loans and the banks are often reluctant to lend money to new entrepreneurs. To worsen the situation, some even demand some percentage of the loans from them as a condition. (Entrepreneurs engaged in used cars- interviewee 2 (2017)).

This reinforces results of a survey on enterprise financing by Aryeetey et al (1994) that only 14 percent credit advanced went to SMEs. Since funding is the lifeline of any business, the predominant the response from participants was funding availability and accessibility. While capital remains indispensable to start a new business, most commercial financial institutions operate their loan schemes on high-collateral and/or on high-interest basis. While SMEs and the private sector are considered the backbone of the economies of most developing countries in terms of job creation and tax revenues, due to the high risk associated with new business start-ups, the commercial banks are often reluctant to lend money to new entrepreneurs.

Besides availability and accessibility of funding, the government's prime rate to the commercial banks is excessively high, which has placed interest rates charged by Ghanaian banks in a very high range from 25% upwards depending on a bank's set rates for loans; and interest rates charged by the micro-credit agencies are even much higher. This finding reinforces the results of a survey on enterprise financing by Aryeetey et al (1994) that only 14% of credit advanced by banks went to SMEs. As a result, many entrepreneurs and SMEs turn their attention to government and donor institutions' loans and grant programmes. Although the government's NBSSI and MASLOC initiatives have had some positive outcomes, assessing the impacts and benefits of government programmes under these organisations' services for SMEs generally are woefully inadequate since the process has been bedeviled with several bottlenecks. It is therefore necessary to examine the financial support and strength of the SMEs in terms of the availability of business start-up capital, and the procedures for administering the various loan schemes to potential beneficiaries need to be addressed more appropriately.

Poor Management

Business mismanagement constitutes one of the main characteristics and failures of SMEs in Ghana and a typical constraint to their growth, which is often attributed to cultural factors. Since the entrepreneurial characteristics required to launch a business successfully are often not

the same as those required for business growth and even more frequently not those required to manage it once it grows bigger, the role of entrepreneurs needs to change with the business as it develops and grows, but all too often many entrepreneurs are not able to make the transition successfully. New entrepreneurs and existing businesses have the potential to fail if their owners do not have the prerequisite management skills to establish well-defined goals and objectives as well as undertake feasibility studies by focusing on finance, production and marketing of the new product/service, and periodically measure the progress of his/her plans to determine whether objectives are being met, and goals and targets are on schedule. The importance of human capital can also not be underestimated, and no business will be successful without a skilled and committed workforce. Transferring your passion and vision to align with your overall business' goals is a major task that one needs to achieve successfully.

Additionally, there is the challenge of skilled labour availability and effective utilization. Some local entrepreneurs are unable to recruit competent managers or skilled professionals who possess the necessary knowledge, abilities, skills and other characteristics ideal for operating and managing their businesses successfully. Many entrepreneurs find it difficult getting skilled personnel for their businesses, but it is prudent for entrepreneurs to ensure harnessing competency, capital and market for competitive advantage. Hiring the right people who are strategically-business-minded and proactive in nature could help a new entrepreneur build a competitive team that can brainstorm on ways to come up with new and innovative ideas to support your vision. some members of the Artisans Association interviewed stated that:

due to lack of proper planning and management skills, it is difficult for them to keep track of their business' profitability, and can only know when their goods are finished in the shop. They also admitted not having any fixed salaries for themselves, so their personal expenditure is taken from their daily sales as often as the need arose, and that affect their businesses' performance. Others also admitted spending more than what they save in their business accounts each day. (Artisan- interviewee 18 (2017)).

Lack of technological knowhow, and innovation skills

Another identified challenge as lack of technological knowhow in Ghana's private sector, in both the formal and informal economies. The Director of the National Information Technology Agency (2015) noted that "besides formal education, most Ghanaian entrepreneurs lack technological knowhow, innovation, as well as research and development. SMEs in Ghana are not technology-oriented industries since most rely on old technologies or manual labour, which affect their businesses' output and performance." some textile dealers interviewed also noted that:

Their products are good quality, but what is coming from China appears to the public to be better and cheaper. These emerging trends in customer preferences pose major problems for them because most of their old customers no longer patronize their goods. One participant stated that she once visited one of her customers in her shop, which was filled with Chinese goods, so she felt bad and made a comment like; "Hmmm these ones are cheaper and it moves faster for us. But she will come and buy some of hers too. (Dealer in Textiles- interviewee 8- (2017)).

At the same interview, a shoe manufacturer also stated that based on his target market, the quality of materials he uses may not be quality, but it is okay since he believes that market demand may not pay for extra high quality if he invests more money into it. Even his customers keep on complaining about the prices especially when they compare shoes imported from outside Ghana. As he stated, his biggest challenge is that most people prefer foreign goods to locally made goods. (Shoe manufacturer- interviewee 21-(2017)).

Weak Competitive Strategies

Entrepreneurs also face enormous challenge in terms of competition from external transnational firms. New businesses have to deal with the fierce competition from the international firms. SMEs cannot produce large quantities of goods of consistent quality to precise delivery schedules, and are uncompetitive in international export markets. These characteristic problems make domestic SMEs vulnerable to imports from international firms that produce better quality products and services at lower prices. While many entrepreneurs in developing countries have full knowledge of their product or service, they do not know how to promote them or market them successfully. They lack effective marketing strategies for competitiveness due to inadequate financial resources for marketing and advertising products, which leads to their inability to be competitive and capture a greater part of the local and international market-segment. They also have low capacity for product innovation due to the belief that market demand may not pay for quality, coupled with over-pricing of goods are some of the major obstacles that make locally made goods less competitive even on local markets in developing countries.

A major challenge relating to gaining customer loyalty and market share is the result of the colonial antecedent which has led to Ghanaians and generally, Africans' preference for foreign goods and services as compared to domestic ones. As a new business, building brand equity poses one of the most challenging tasks in order to break into the existing market competition, since the business lack an existing track record or reputation for potential customers to trust your product or service. Although an entrepreneur may have the zeal to succeed, but without any confirmation of a successful track record, existing large firms and government organizations will not trust an entrepreneur to award large contracts to his/her new business. Despite the substantial dividends that can yield from advertising and marketing, SMEs in developing countries rarely engage in aggressive marketing of their products because they lack the required resources, and are deterred by the cost of marketing. Some officials of the Association of Ghanaian Industries pointed out that "poor market responses and the tying-up of capital when producing for stock are among the reasons SMEs manufacture and sell their products mainly on advanced orders" (Director, AGI, Accra, 2016).

Weak Legal and Regulatory Institutions

Government policies towards new entrepreneurs are often not favourable for business start-ups. In terms of lack of regulatory framework and social factors, members of the Association of Ghanaian Industries noted that:

The prevalence of corruption in the Ghanaian society, especially in the buying and selling business due to many corrupt practices in the whole process of clearing goods at the ports takes so much and we also have to pay so much fees. (Association of Ghanaian Industries - interviewee 9, (2017).

Public sector bureaucracy with licensing of new businesses, and delays in payments for public sector contracts discourage people from setting up new businesses. The high duties and the complexity of the tax systems by the agencies under the Ghana Revenue Authority is a major disincentive to new entrepreneurs. Other factors such as sustainable power supply, lack of infrastructural facilities, non-availability of good road networks and ineffective internet and communication systems discourage many potential entrepreneurs from embarking on business start-ups. Some entrepreneurs interviewed admitted that lack of support for SMEs due to politicisation of government-sponsored business loans and corruption of officials in charge of government-sponsored organizations and bank officials have led to the demise of many businesses that used to operate successfully. Focus group interviews with entrepreneurs who have participated in the NBSSI and MASLOC loan schemes over the years cited excessive government officials' control and politicisation of funding, victimisation of entrepreneurs and corruption as main reasons why many SMEs have gone bankrupt, especially those that are not supporters of a ruling government. In many developing countries like Ghana, the political culture also fosters attitudes that militate against personal efforts, induce apathy and carelessness in the service to the public, and a careless attitude towards public funds and property.

Conclusion

Four main themes emerged in the findings of the study as some of the main challenges faced by the entrepreneurs' business start-ups and operations, include the following: Funding availability and accessibility; Lack of planning, skilled labour and proper management skills; Lack of competitiveness, technology innovation & customer loyalty; and finally, Legal & regulatory framework & social factors. The findings from the study can serve as lessons to help address some of the main challenges facing entrepreneurs and SMEs in Ghana and other countries in Africa since the environments within which they operate have common characteristics. These challenges can be addressed by both the Ghana government and entrepreneurs engaged in SMEs more appropriate through the following recommendations:

Recommendations

This study prescribes solutions that could serve as benchmarks for entrepreneurs, owners of SMEs and especially the government to help enhance Ghanaian entrepreneurs and SMEs productivity, sustainability, competitiveness and profitability. Through these recommendations, various governments in the developing world could develop appropriate policies that could go a long way to redistribute much-needed resources to entrepreneurs and SMEs. One common ground in the above theoretical perspectives on entrepreneurship is exploring business opportunities by taking some risks, converting new business ideas into an opportunity, and creating innovation and new value. Entrepreneurship is also a major factor in economic and regional development, since it contributes significantly to economic growth, job creation and business innovation. Below are recommendations on how the government could

support entrepreneurs and SMEs development and growth, and also how entrepreneurs could develop their businesses to be competitive:

This chapter contends that new, dynamic and more aggressive private sector development policies, viable loan schemes and management training programmes must be provided by governments in developing countries and their development partners to build the financial and managerial capacity of SMEs in order to make them sustainable, and ultimately, enhance their contribution towards the broader society. If developing countries' governments' initiatives are to have significant impacts on SMEs, then government policy should be strengthened in this area to ensure that the numerous challenges facing SMEs are addressed adequately and appropriately to enhance the prospects and potential of achieving socio-economic development. As comparable studies have shown, the challenges in the promotion of entrepreneurial activities and SMEs highlighted in the study can be attributed to similar challenges facing entrepreneurs and SMEs in the developing world in general.

It is important that the government takes a second look at existing policies and strategies and redesign effective ones to facilitate entrepreneurship development, new business start-ups and SMEs growth. With the dominance of neo-liberalism and capitalism in the contemporary global system, state enterprises cannot be the panacea for citizens' job needs or solving the myriad of societal problems. Support for entrepreneurs and SMEs is one of the effective tools that should be at the heart of any government's private sector development initiatives towards achieving the new 2016 Sustainable Development Goals (SDGs) agenda that have been introduced by the United Nations to replace the MDGs. To motivate people to become entrepreneurs, they should be equipped with the prerequisite skills such as business start-up and management training, availability of funds, tax breaks and other incentives for business start-ups, making these supports sufficiently available will help new entrepreneurs turn their ambition into successful business ventures. Evidence from this study identified in the empirical analysis shows that like many developing countries, government's support for new entrepreneurs and SMEs in Ghana has not been very successful due to politicisation, corruption and favouritism in the administration of funds to SMEs. While there are signs of optimism for new business start-ups in developing countries, to develop a comprehensive approach towards promoting entrepreneurial ventures to help them develop into healthy firms, a supportive framework and enabling conditions must be created by developing country governments based on three levels – the individual entrepreneurs, the firm and society in general.

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