

Original Research Article

Gender and Small business Growth Orientations: Theory, Evidence and Implications for Ghana's Small Business Sector

Abstract

This paper contributes to addressing questions about why differences in business growth between men and women businesses exist. The paper employs key and informant interviews, literature reviews and survey of about 4000 heads of rural small businesses in gathering data. The result indicates that while both genders face limited access to productive resources, the men's accessibility to such resources is generally better. It also observed that while several factors may influence the growth orientations of the genders, differences between them is not that much and that the most important factors influencing growth orientation is arguably the motivation to start a business. This was evident by the fact that while men were more likely to concentrate on growth orientation factors in establishing their businesses, women were more likely to think of survival (needs related factors) in setting up businesses. This suggests that although men may have better access to productive resources as opposed to their women counterparts, growth orientations of both genders is different. This suggests that policies aimed at targeting a particular set of people to grow their businesses and others to establish businesses for purposes of survival will have a higher rate of success than a 'one size fit all' policy. This results contribute knowledge to the development of evidenced base policies theories on small business success. The use of new data from the filed spells out the originality feature of the study. It is concluded that using the metric of growth alone to justify the (in) efficiency and growth of men and women headed businesses.

Keywords: Gender, Growth orientation, Rural, Small business, Ghana

1.0 Introduction

The significance of small scale businesses growth in any economy cannot be overemphasized. Small businesses contribute immensely to several socio-economic variables such as employment, income and food security in both local and national economies and hence their significance and placement in development policy agenda. These vital roles compels governments to make every effort in creating environments conducive enough for the growth of such businesses, particularly in rural communities. Yet, despite efforts to grow small businesses, results on the ground does seem encouraging; most of the businesses are not able to grow or expand beyond the expected levels. The limited growth could be attributed to the fact that we 'know very little about how

businesses grow'. This raises questions about whether factors that determine small business's ability to grow have either eluded policy makers or that understanding of these factors is limited. One way to vitalize this sector in order to improve and perform better is not only by developing policies that ensures establishment of such businesses but also policies that ensures business sustainable growth. This explains why growth of small businesses has consistently and persistently attracted so much attention and interest among policy makers, researchers, donors and others. While a school of thought believes that some entrepreneurs establish businesses with no growth orientation agenda in mind and therefore focuses on survival, another argues that entrepreneurs establish businesses with an orientation which goes beyond the survivalist (need related factors) level to embrace growth orientations and suggest that it is these latter ones that usually grow their businesses. Gaining an enhanced understanding of the nuances, differences and silences of these growth orientations is of critical significance to policy makers and development experts and organizations who aim at addressing the problem of poverty and growth. The objective of this paper is to explore the different growth aspirations of men and women headed small businesses in rural areas of Ghana.

1.1 Background

Small businesses are potential sources of solutions to the problem of unemployment, poverty and food security challenges, facing countries, particularly in the developing world. The role small businesses play in stimulating innovations and achievement of sustainable development are therefore critical [1]. Small business have for long been accepted as those with unique advantages in terms of employing the unemployed labour, efficiency, equity in distribution of income and nurturing entrepreneurs. In addition to these benefits policy makers in most cases perceive small businesses as those which provide incomes for the poor and hence help in arresting the problem of poverty, especially in rural communities of Africa. Besides several multinational and international companies use these small businesses and their networks to improve their supply countrywide. Growth based on an extended network such as these seemed to be faster and more enriching for the poor small business owner through outsourcing.

In spite of these merits, small businesses are not without challenges as they struggle to grow. As a result, governments both in the developed and the developing countries are actively engaged in policy and research discussions to seek pragmatic ways to circumvent these challenges. It is estimated that together, micro, small and medium-sized enterprises which qualifies to be described as small businesses constitutes about 99% an estimated 19.3 million enterprises in the European Union (EU) alone and these provide not less than about 65 million jobs, which represents 66% of all employment in that region. In Africa where the challenge of unemployment is huge, small businesses constitute the larger proportion of businesses, and employs a significant portion of the population [2].

In view of its contribution to economic development, contemporary research work on businesses seems to have focused on the growth of small businesses, particularly in developing countries. This according to some recent scholarships is as a result of the limited empirical evidences to support the claims. Research on small business growth, particularly using growth models are either theoretical or based on normative propositions. This and other works suggests the need for a more evidenced based study to provide detailed and more nuanced understanding of the factors that influence growth of small businesses and more especially based on the genders of business owners. This paper makes an attempt to contribute to the debates on small business growth and expose some of the weaknesses in the burgeoning literature of small business growth. The relevance of this study lies in the fact that small businesses play major roles in economic development of countries. It is therefore expected these will drive the development agenda of countries. It has been observed that while small businesses generally show impressive growth statistics, regarding their contributions to growth variables, at the individual level performance of small businesses seems to be declining. This raises the question about why some businesses grow while other stagnate or decline in their performance or why growth orientation is low or absent. In addressing this issue, this paper looks at a broader conceptualization of growth as applied to businesses and particularly to small business.

These observations are not different from that of Ghana. Statistics indicate that about 70% of enterprises in the country are micro and small sized and these contribute about 40% of National Income of Ghana [3] and employs about (25-33%) of the working population mainly in the informal sector. It is estimated that a greater percentage (60-80%) of these businesses are located in the rural areas of the country and they serve as sources of livelihoods for not less than 75% of rural households. Generally these small businesses generate opportunities for employment, income and food security and thereby leading to poverty reduction especially among women [1]. By virtue of their location, flexibility, low infrastructure and technology requirement, as well as capacity to serve small but growing markets, these businesses are estimated to possess the potential to grow. In addition to agriculture, these small businesses are the mainstay of most rural dwellers and yet these small scale businesses are saddled with lots of challenges. Most of these businesses hardly grow to become medium and large scale businesses. Growth performance of such businesses, especially in the rural areas is discouraging as most of these are collapsing.

1.2 Objective of paper

Using a descriptive analysis, this paper attempts to find out how the factors that influence business growth differ and or influence business growth decisions of firms based on gender. Specifically, this paper focuses on exploring the nuances that may limit success and growth of women headed small businesses in rural communities and to test whether or not the factors are external or internal to the owner and business or not. The rationale for this approach stems from the need for a more comprehensive, multi-dimensional view of the personality of the owner-manager rather than the 'single-trait' view which is commonly used in the literature related to the

subject area under discussion. By asking the question whether men and women are motivated in the same way to expand their businesses through exploring the relationship between genders of entrepreneurs and their attitudes toward growth. In so doing, this paper hopes to add on to existing literature on the subject by providing new and fresh insights from rural Ghana. To achieve this goal this paper explores the identified entrepreneurs' profiles, factors influencing the differential growth orientations (if any) and ascertain needs and challenges of women entrepreneurs in rural Ghana. This study attempts to address specific questions such as;

- Are there any differences between male and female headed small businesses in rural communities?
- what nuance and silent factors can explain differences (if any) between male and female headed small business
- what are the implications of the study for policy and practice in Ghana

1.3 Understanding Small business Growth

Like other social science concepts, growth has no universally accepted definition. This is as a result of the different aspirations, creativity, capacity and initial motivations of the business owner that complexly influences business performance. Growth of a business is usually measured in reference to issues such as increased profits, sales or turnover, productivity, avoiding or minimizing losses, being cost efficient, surviving in a highly competitive market, or higher performance in comparing with competitors. While this may look simple, in reality it is more complex than a straight forward concept. While growth of a business may have been defined in different ways under different concepts, [4] has simplified the definition by saying that growth orientation is the 'manager's propensity towards growth in the business' or the ability to 'seeking growth in the business' [5]. According to [6], growth of small businesses is depended on a combination of a three prong factor categorization. This includes the resource background of the entrepreneur, the nature of the firm, and the strategic decisions embarked on by the owner/manager as well as the attitude and psychology of entrepreneurs [7]. One such factors critical to this study is that related to the individual's motive or personal goal. It is argued that those with the motives to be wealthy and or fill up a gap in society, as opposed to those who seek to create businesses because of a discrimination against them [5] or to seek their freedom or independence usually do well to grow their businesses.

As strategic decision makers, their business growth planning is based on several factors including their motives and attitude towards growth as well as the environment within which they operate. Others have sited needs, ability and opportunities as factors that influence growth of a small business. In spite of these none of the theories is able to categorically state the factors that grow a small business. This raises questions about what then can be done to resurrect this important sector of the economy, especially at a time that most of these businesses are said to be declining in terms of its performance in many developing economies. As a way of exploring the factors that may be limiting and or influencing the growth of such businesses, the current state of

affairs raises questions about the sustainability, rate of growth and growth orientation of small business entrepreneurs. While some entrepreneurs may desire growth, others may not and therefore achieving maximum profits and increasing employment levels in the enterprises may not be their focus. Some entrepreneurs purposely desire slow growth or survivalist approach to business and would therefore deliberately block any impetus to grow their businesses.

While the burgeoning literature on small businesses shows that there is greater knowledge on how the differences between men and women influence business performances and growth, yet the factors influencing performance and growth of gender based businesses in rural communities have not been fully explored [8]. This is particularly so in many sub Saharan African countries and for that matter Ghana, where most women headed businesses are collapsing, even though that of men headed small businesses are not showing any serious progress in terms of growth. Small business entrepreneurs are not a homogenous group and may have different business aspirations and motivations, yet metric of small business growth have been the same for both men and women headed businesses. This is in spite of the realization that the growth of business is influenced by the ability, need and opportunities available to the entrepreneur.

In order to avoid the definitional debates, this paper has attempted to define small businesses as those with a relatively small share of the market, usually localized, and being managed by owners or part owners in a personalized way or by a family or group and not through the medium of a formalized management structure. These businesses are independent in the sense that they do not form part of a larger enterprise but has the flexibility to innovate and produce for the market a product demanded by its consumers. It is also assumed that the technology required by such small scale businesses is easily acquired and raw materials for production are either within the locality and not far-fetched in order to reduce drudgery of production. Basically these category of businesses referred to here in this article are by definition, the micro and small businesses by the Ghanaian standard.

2.0 Theoretical considerations

Business growth orientation has been identified as an important factor determining successful performance of small businesses. Factors influencing such orientations are often associated with the survival and development of small and new businesses globally. Yet, despite the growth in number of small businesses owned by women, it is argued that most of the businesses established and operated by women have remained small and stagnating in many parts of the developing regions. Growth of such businesses has been slower than that of men in the same sector. According to [9], the growth limitation on women businesses to lack of education, entrepreneurship and employment of family members in their businesses, as well as shunning away from hi-tech businesses. The reasons assigned to this differentiated growth rates are numerous and include environmental, individual and organizational (firm level) differences. In view of this [10] points out that in most cases men and women entrepreneurs place different

values on growth. Women, generally are said to place less value on achieving success measured by expansion, which could bring in economic or non-economic gains [5]. This variation in growth orientation between the genders has led to the many theories propounded on gender differences. Among others, [11] for example, argue that men give greater attention to issues of business growth than women.

This paper employs two of the main feminists' theories to explain the differential growth rates among small businesses based on gender. The first, the liberal feminist theory, encompasses basic beliefs in the equality of all beings, and in human beings as essentially rational, self-interest-seeking agents, it has been argued that the factors that would affect business performance of women owned enterprises would be significantly different from male owned enterprises. These differences are attributed to variations in power and opportunity accorded men and women in society [12]. Thus, differences in the achievements of men and women are ascribed to the inability of women to realize their full potential because they are denied equal access to opportunities in the labour markets and to resources. This in turn has hindered women from acquiring the skills and capabilities necessary to compete on equal basis with men. According to the liberal feminist theory, once equal access to resources is ensured, gender differences in performance seemingly disappear [13].

In contrast to the liberal feminist theory, the social feminist theory, which emanates from the social learning theory it is argued that differences between men and women exist from their earliest moments in life and result in fundamentally different ways of viewing the world. These differences are seen in the way women and men construct and interpret reality and how these influence the formation of their values and intentions [13]. The theory argues that men and women are inherently different because of differences in their socialization, training and experiences encountered prior to entry into particular work positions. Differences in development result in different self-perceptions, motivations and belief structures. As a consequence women adopt different approaches to work which may, or may not be as equally effective as those adopted by men [14]. Drawing on these theories and literature on the factors that influence performance of small enterprises this paper adopts framework to guide the determinants of gender differences in small business growth in rural Ghana.

Although a large body of literature on small business growth currently exists, there is still not singly universal model or approach to measure small business growth [15]. This study bases its assessment on several factors especially those mentioned by [6], yet one critical factor that can engender growth of a small business is the entrepreneurs' predisposition, motivation, intentions or aspirations. Much of the literature have employed growth orientation to categorize low and high growth rate businesses but there still seems to be a lacuna in the literature relating to findings between the genders in rural communities. Relatively, quite a number of studies have explored these relationships as a way of determining the growth variables of small businesses, yet for researchers and policy makers seeking to understand how these factors actually influenced men and women headed business owners in rural communities still remains open.

This suggests that seems to dominate the literature on small business growth is that, there is no difference between the behaviour and factors that informs the creation of small businesses by men and women. This is such that the establishment of small businesses is assumed to be influenced by the same factors. Based on this assumption the same factors have always been used by authors to measure the growth of small businesses headed by men and women (Storry, 2000).

While many countries would desire that small businesses are established to grow and therefore design policies aimed at growing such businesses, limited growth seems to be the order of the day. The theory seems to be different from the reality on the ground. There seem to be a view that both men and women create their own self-employed businesses for purposes other than growth orientation. This creates ambiguity in analyzing and understanding the determinants of business growth from the perspective of gender based analysis. Research based on such assumption often creates uncertainty and therefore confuses policies which aims at targeting their clients. One of such reasons for establishing a small businesses which has often been confused with growth is survival. Some businesses are often created for survival reason and nothing else. This prompted some authors [16] to say that the growth orientation is not the single central objective of business people when establishing a business although this may be assumed by any outsider or researcher. This reasons may include life style based ones which may have little or no relationship with growth orientation, even though this orientation may change along the course of doing business. These changes can may involve changing the business idea, changing human resources status, improving skills development among employees, introducing more technologies, changing task behaviors, among others which all have the potential of changing the face of the business.

Typical economic activities Women in Ghana

Although gender disparity in employment is not a new phenomenon in most developing countries, including Ghana, the legal and policy frameworks of Ghana do not discriminate against women. In spite of this there are reports indicating that most women, particularly in rural communities are mainly involved in traditional activities as commerce and agriculture (production and processing). According to [17], 91% of Ghanaian women in the informal sector of the economy and experience gender segregation. Only a few women have made inroads into modern employment sectors such as manufacturing, ICT and other wide range of artisanal work (carpentry, masonry, mechanics, blacksmith) which may be described as the domain of men. This is however changing and it varies from place to place, suggesting that culture and societal rules play key roles in determining the choice of economic activity by women. It has been observed that while those in the forested areas are known to be involved in small scale farming and processing, their counterparts along the coast are mostly employed in the processing of fish for the market. Women in the northern parts of the country, alongside their farming activities are also found in gathering and collecting fruits from the wild to process and sell. Most women have settled for these jobs not because they lack the ability to venture the so called men domain of

economic activities but because they are considered as risk free or less risk areas since these economic activities have to be combined with their regular domestic activities of cooking, washing, fetching water and others. As pointed out earlier, there are clear differences in the type of apprenticeship training offered to both genders. Although this is changing, the form of training or socialization might be the beginning of some of the differences between men and women's work or trade and not access to resources per se.

3.0 Methodology

3.1 Scope of work and data collection techniques

In many cases growth of a business is used as the metric of the success of a business. Yet like most social science concepts, growth has no single universally accepted definition. In this paper growth refers to increased income in comparing with other competitors, although it is highly recognized that this may not be the best indicator since most people are unlikely to disclose their exact turnover or profit or income to enable a true conclusion and therefore workable policy to be formulated. The choice of this definition however is based on practice and experiences gathered during our work in rural communities of Ghana over the years. Experiences show that in most cases, rural entrepreneurs would like to measure their successes in business first by looking at how much by way of profit or income will accrue to them before they commit themselves to any new technology or way of doing business.

Businesses (micro and small) as defined in this paper were sampled and selected for interviews using questionnaire which were developed and tested by a team of researchers through pilot studies and redesigning of the study questionnaire. The questionnaire was developed in English but the local language spoken in any particular community or preferred by the respondent was used in gathering data. This was done to allow the respondents better opportunity to express themselves in addressing issues in the questionnaire. To do the analysis, some unanswered questionnaire did not respond to statements used in the analysis were dropped and not used in this paper.

In view of the foregoing, a mixed method approach was used to gather the data for analysis in this paper. This involves tools such as a survey, focus group discussions, personal key interview and personal observations. The data for this paper was collected from selected rural communities in Ghana, during a country wide study to identify business opportunities (existing and potential) in 49 newly created districts of Ghana. A combination of purposive and random techniques was used in sampling respondents in the various communities. These respondents are those who claim the businesses sampled belonged to them. The 49 districts were purposively selected while the communities were randomly chosen to study. The aim of the nationwide study was for a possible scaling up or establishment of new ones. While a random sampling of respondents were considered in all rural communities, in certain cases some women were purposively selected because of the ease of access to them. The latter were usually selected based on the fact that they were already working with the rural enterprises programme and or the Ministry of Food and Agriculture (MoFA) extension groups in the communities. Thus the method and technique of

sampling respondents varied from one community to another depending on the situation on the ground. It is however gratifying to note that despite all these shortcomings and differences in sampling data comprises or bias was greatly eliminated. The questionnaire employed in data gathering was in English but the interviewees and interviewers communicated in the local language of the respondent (interviewee). This was to make it easier for the respondents to understand the questions posed and to provide the right kind of answers for better analyses.

4.0 Empirical results and discussions

4.1 Socio-demographic characteristics of entrepreneurs

In many developing countries women are found to own and operate majority of small businesses, particularly in rural communities. This has been attributed to the ease of entry into such businesses and the limited access to business alternatives [17]. The latter has therefore been used as an explanation for the limitation in women headed business growth, even though some researches have pointed out that such limitations are not limitations per se but by deliberate refusal of some women to grow their businesses [18] for some reasons. The survey sample used in the analysis consisted of 2909 females and 1593 males. This represents about 64.6% and 35.4% females and males respectively, who were sampled from several communities in 49 newly created districts of the country. Although the distribution of sample is likely to have been influenced by the nature of the business opportunities been practiced in the communities, the results of the data was found to be significantly different at 95% confidence levels.

Businesses identified in the communities

Although majority of these businesses had no legal statuses or were not registered with any authority (business registration bodies) in the country, they were mainly home based, sole proprietorship with labour support from family, relatives and friends who were mostly unpaid. The businesses occupied by the entrepreneurs varied among male dominated and female dominated activities. The study revealed that most of the women identified were involved in activities such as agro-processing, soap making, local beers brewing, tie and dye, and dress making and fish-smoking, cassava-processing, pottery, and petty trading. This study shows that while a total of about 36% of respondents were involved in agro-processing, only 2% of these were men. The proportion of entrepreneurs in agro-industrial processing although small, also followed a similar pattern of distribution with men constituting only 0.8% of the total of 5.3% respondents. The reverse was found to be true for activities such as farm based, metal fabrication and traditional art which have been described as male dominated activities. The economic activities labelled services were found to accommodate more women than men. These economic activities include masonry, carpentry, dressmaking and tailoring as well as food vending where women are mostly found.

The dominance of a particular gender in any economic activity may be attributed to the gender division of labour and economic activities dictated by long held onto traditions and culture of the

people. Therefore the focus is often not on growth but something traditional such as earning incomes, independence, gaining access to self-employment, occupying oneself in order to avoid being described as lazy among others. Based on the Bolton report of the UK, Stanworth and [19] some of the reasons for establishing businesses are usually based on the so called 'social marginality'. In most cases people who cite such as reasons for establishing businesses own businesses that only provide social protection or gives them some sense of belonging. Such motivations usually do not grow business but are established for reasons of survival.

The age distribution also show that majority of the respondents across the regions were between the age range of 18-35 years and 36-60 years brackets with those below age 18 years almost missing. It was also observed that majority of the entrepreneurs surveyed have been on their current job for a period spanning over 10 years. The data showed that education was generally not encouraging and poorest among the women. Majority of the women (36%) as opposed to the men (8.7%) never attended school. Some men managed to cross the basic school level which marked the end of formal schooling for most of the women who had some primary school education. Majority of the men and women interviewed ended their schooling career at the JSS level.

Table 4.1 Socio-economic distribution of entrepreneurs

4.2 Business growth, growth orientation and gender

While only a few studies [20] show a no connection between sectors and business growth, a considerable number of studies elsewhere have pointed out that there is significant differences between sectors in terms of growth of businesses [9, 21]. This has often been the basis of the assumption that women headed small businesses show limited growth potentials. As a result this poor growth rate has been attributed to the type of business sectors and type that these women usually operate. The results of the survey shows that the general business environment has shown some encouraging growth statistics, with about 58% of the respondents indicating that despite the economic difficulties Ghana seems to be experiencing they have chalked some successes in terms of growth in the last three years.

On the specifics, the data indicates that the highest growth occurred in the agro-processing sector (22%) which is according to this study dominated by women. This was followed by farm based activities (13%) and then other economic activities followed (12.6%) closely. If this trend is true as suggested by the significance level, then it suggests that both farm based activities and agro-processing sector are linked in a way and that both sectors should be developed and promoted together since one depends on the other for survival and in some cases the same people are found in the different sectors or business area. This result suggests that a general classification of women's activities are those with limited growth rate which may not always be the situation as it has clearly been indicated here in this paper. In support of this observation, studies elsewhere have shown that within the same sector, both genders have achieved a relatively similar limited

or more growth potential. This results suggests that the growth of a businesses might not necessarily depend on the genders per se but on other factors such as motivation or strategic planning and management decisions of entrepreneurs [6]. This was not explored in this study and therefore the need to investigate this further as a way of revitalizing the sector's performance.

4.3 Motivation

Another important factor critical in influencing business growth is the motivation of the entrepreneur. These factors determine the factors that motivates people to get involved in self-employment or establish small businesses. Depending on the orientation or type of motivation these factors could determine the survival and growth inclination of a small business. In view of this, motivation to establish small businesses can be categorized as positive or negative motivations on how they are framed. While positive motivations of the entrepreneurs are more likely to establish a growth oriented business negative motivations are related to business orientations focusing on entrepreneurs' survival.

Generally the results indicate that while high unemployment rate (38.5%) and desire for monetary gains (31.7%) and then continuity of family business (15.2%) (Figure 4.1) were cited as factors mostly informing the motivation to start a business in the rural communities surveyed, formal education in the current trade, high demand for products, and easy access to local raw materials were factors least cited as influencing the motivation to start a business. The statistics (Figure 4.1) also show that majority of the women as opposed to men were motivated by factors such as lack of formal education, monetary gains, continuity of a family business, and lack of employment as well as easy access to locally available raw materials. Although the men were moved by these same reasons as proffered by the women, they were more motivated by the high demand for the products they produced as well as passion for what they are currently doing. This is in spite of the fact that the differences between the number of women and men citing passions for business and filling product gap is not huge. The statistics here (Figure 4.1) indicates that the men were more interested in filling market gaps and fulfilling the dreams of their life than any of the other factors cited as influencing decisions of entrepreneurs to establish a small business in rural communities. According to the men, fulfilling one's dream careers gives him satisfaction and enables him to earn respect from the communities, rather than doing what everyone is does in the community.

Figure 4.1 Business growth motivation factors



Source: survey data

In this study, positive motives could include perceptions of high demand for a product and market opportunities while negative motives include dissatisfaction with an existing employer or continuity of family businesses. As pointed out earlier, the latter factors were found to have come from mainly women while the positive ones were cited mostly by the men interviewed. Such data as this has been used by several authors [9, 10, 21] to explain the growth orientation or differentials between men and women's small businesses. The literature suggests that businesses established based on the reasons of making money or to earn some income for basic human needs often has less connections with small business growth orientation. A positive relation between the motivation of the entrepreneur(s) and the growth of the enterprises is often a reality. And therefore can be concluded that the more positive the motivation of the entrepreneur(s) the more likely the business will grow or be expanded.

4.4 Access to business finance

Generally, small businesses as opposed to larger firms face greater financial constraints and this often limits their potential to grow and expand. In developing countries, such as Ghana, it's only in rare cases that small business owners, are able to access loans from formal financial institutions. This is attributed to the lack of collateral, smallness of small businesses and other bureaucratic procedures demanded by the formal financial institutions. As a result most of these entrepreneurs source funding from traders, microfinance institutions, and other informal sources like relatives to fund their businesses. However startup capital is mostly from their personal savings or moneys from other businesses they do in addition to the primary business. Since

inadequate funding appears to be the most challenging factor facing rural small businesses. The study attempted to explore the financial resources of businesses identified in the communities. The study showed that majority of the businesses are likely to use their personal savings (74%) to operate their businesses (Table 4.2).

Table 4.2 Sources of business funding for entrepreneurs

Sources of funding											
			Main source of funding								Total
			Family support	Trade credit	Susu	Local money lenders	Personal savings	Bank loan	Projects/ programs/ NGOs	Other	
Gender	Female	Count	160(5.6%)	47(1.6%)	235(8.2%)	30(1.0%)	2015(70.1%)	82(2.9%)	9(0.3%)	295(10.3%)	2873(100.0%)
		% of Total	3.6%	1.1%	5.3%	0.7%	45.2%	1.8%	0.2%	6.6%	64.4%
	Male	Count	43(2.7%)	27(1.7%)	66(4.2%)	12(0.8%)	1284(81.0%)	52(3.3%)	1(0.1%)	100(6.3%)	1585(100.0%)
		% of Total	1.0%	0.6%	1.5%	0.3%	28.8%	1.2%	0.0%	2.2%	35.6%
		Count	203(4.6%)	74(1.7%)	301(6.8%)	42(0.9%)	3299(74.0%)	134(3.0%)	10(0.2%)	395(8.9%)	4458(100.0%)
		% of Total	4.6%	1.7%	6.8%	0.9%	74.0%	3.0%	0.2%	8.9%	100.0%

Source: survey data

This is both in the case of the men and women headed businesses. This was observed across the both gender divide (45.2% for females and 28.8% for males). This was followed by other means (8%), *susu* (6.8%) and the family support (4.6%) (Table 4.2). Among those using *susu* (a form of rotating savings), the women were found to be more as compared to their men counterparts. The relative small percentage of the entrepreneurs using family sources to finance their business operation was surprising, given that such sources seem to be easier to acquire than any other source. It has been found out that the sources of funding currently employed by the rural entrepreneurs to support their business operations are not sustainable as most of these thrive on relationships between the borrower and lender. Thinking of successful business growth suggests that other possible sustainable sources should be explored. This raises questions about the near absence of microfinance institutions and rural banks, which are supposed to be serving such deprived communities. In view of these difficulties and the urgent need to develop and promote such small businesses, particularly in rural communities, it is suggested that governments should as a matter of importance. There is the need to begin to explore other possible sustainable sources of finance for rural business as one of its key poverty reduction initiatives.

4.5 Access to education

Education (formal schooling or informal training) is critical for business success. Its absence creates a major difficult as it deprives existing businesses of the requisite human capital needed to grow businesses. Although education may broaden the employment horizon of entrepreneurs, it has been argued that while it provides the basis for intellectual development needed to grow businesses and therefore improved performance, high education does not necessary translates into better improvement in business performance. Rather it gives added advantages to the entrepreneur who possess such qualities. Education of entrepreneurs, particularly small business owners inspires confidence and ensures that entrepreneurs are able to deal with their clients and difficulties successfully. Yet in cases where there are alternative and more attractive opportunities for higher level entrepreneurs, high education may negatively influence productivity and growth of small businesses.

Table 4.3 Forms of training received by genders

Training VS. Gender							
			Form of business training received				Total
			Formal	Apprentice ship	NGO, Projects, Program	Other (specify)	
Gender	Female	Count	184{12.0%}	513{33.5%}	257{16.8%}	579{37.8%}	1533{100.0%}
		% of Total	7.3%	20.4%	10.2%	23.0%	61.0%
	Male	Count	195{19.9%}	402{41.0%}	174{17.7%}	210{21.4%}	981{100.0%}
		% of Total	7.8%	16.0%	6.9%	8.4%	39.0%
		Count	379{15.1%}	915{36.4%}	431{17.1%}	789{31.4%}	2514{100.0%}
		% of Total	15.1%	36.4%	17.1%	31.4%	100.0%

Survey data, 2014

The survey data shows that majority of the people got trained through the apprenticeship (36%) form of learning a trade (Table 4.3). This was true for both men and women, even though a considerable number of women claimed they have used other sources and forms of training to acquire their current economic activities or trade. The data shows that more females were trained than men on their respective jobs. This was not surprising as women most often will learn from parents right from child hood which the men will be doing other things till they come off age and

are beginning to look for a career. It was found that relatively equal number of men and female received formal education on what they were then currently pursuing as their main livelihood sources.

4.6 Access to Research and Development (R&D) products

Another critical factor for the development and promotion of business growth is access of entrepreneurs to technology. Product innovation which has almost become a household word today is dependent on technological accessibility and hence the need to understand entrepreneurs access to technology.

Table 4.4 Extent of R&D support entrepreneurs received by gender

R&D Support VS. Gender					
			Support received from any of the R&D institutions		Total
			No	Yes	
Gender	Female	Count	2510(86.3%)	399(13.7%)	2909(100.0%)
		% of Total	55.8%	8.9%	64.6%
	Male	Count	1193(74.9%)	400(25.1%)	1593(100.0%)
		% of Total	26.5%	8.9%	35.4%
		Count	3703(82.3%)	799(17.7%)	4502(100.0%)
		% of Total	82.3%	17.7%	100.0%

Survey data, 2014

Table 4.4 shows that less than a fifth of the respondents claim they do not have access to research and development organizations as suppliers of technology to the respondents. This shows how deficient and difficult it is to acquire technology for whatever operation it is that one benefits from. It also shows that while both male and the female population show equal percentage of people indicating their access to technology, the number of female respondents who claim that do not have access to technology by way of access to research and development were about twice of number of men who said they did not have access to technology. This

suggest that while both genders suffer access to technology the case of men is better off that the women.

Market Access

In the commercialized world, market is critical for the survival and expansion of any business entity. This is especially true when people produce with the market in mind and not being production oriented as it is with many small scale producers in Ghana. This suggests that access to market is essential for the development and survival of existing businesses and creation of new businesses. The data suggests that most of the products from the rural small businesses surveyed were sold within the district even though quite a good amount of the products went outside the district. The situation was found to be the same for both genders, indicating that there is no significant difference between the genders in respect to where their produce were sold. This implies that market mechanisms do not discriminate between the genders in terms of where the produce of entrepreneurs are sold.

Table 4.5 Extent of market access by entrepreneurs

Gender VS. Market							
			Where do you sell your products/services				Total
			within district	outside the district	both within and outside	abroad	
Gender	Female	Count	2078(72.0%)	117(4.1%)	690(23.9%)	2(0.1%)	2887(100.0%)
		% of Total	46.5%	2.6%	15.4%	0.0%	64.6%
	Male	Count	892(56.4%)	90(5.7%)	598(37.8%)	2(0.1%)	1582(100.0%)
		% of Total	20.0%	2.0%	13.4%	0.0%	35.4%
Total		Count	2970(66.5%)	207(4.6%)	1288(28.8%)	4(0.1%)	4469(100.0%)
		% of Total	66.5%	4.6%	28.8%	0.1%	100.0%

In Ghana, like elsewhere studies have indicated women usually sell their products in local markets as opposed to men who are likely to sell their products in markets outside their localities [22]. However, it was realized from this study that while some producers expressed the interest

and desire to export their products outside their districts and communities, the cost of transportation alone was enough to stop them from exporting their products. As indicated in Table 4.5, majority of both genders sold in markets within their district. This suggests that there is a higher tendency for both men and women entrepreneurs to sell in local markets near them than to export their products. While this is commendable, for people to gain access to local markets, it is suggested that access to markets outside the local district should be encouraged as value added products command higher prices and provides producers with a better income margins.

On exporting the products outside Ghana, Table 4.5 depicts the amount of products produced and exported outside the country was almost negligible, implying that there is the need to do more in terms of encouraging export of local products outside the country.

4.7 Business sector and growth

Research has observed that the sector within the business opportunity is located is critical and an important influential factor in determining the rate of growth of the business. [16] in a study of a number of businesses found out that business located within different sectors of the economy showed great differences when compared. The data shows some level of growth among the businesses surveyed. Although growth among these small businesses had been relatively encouraging, it was observed that most of the growth occurred in the agro-processing sector (22.6%) where most of the women were found to be operating (Table 4.6).

Table 4.6 Type of business and extent of growth experienced

Business Type VS. Growth					
			Extent of Business Growth		Total
			Decreased	Increased	
Business Description	Agro-processing	Count	595[37.5%]	992[62.5%]	1587[100.0%]
		% of Total	13.5%	22.6%	36.1%
	Pre and Post-Harvest Activities	Count	4[30.8%]	9[69.2%]	13[100.0%]
		% of Total	0.1%	0.2%	0.3%
	Agro-industrial	Count	101[43.0%]	134[57.0%]	235[100.0%]
		% of Total	2.3%	3.0%	5.3%
	Farm based business	Count	444[43.7%]	571[56.3%]	1015[100.0%]
		% of Total	10.1%	13.0%	23.1%
	Traditional craft	Count	124[37.1%]	210[62.9%]	334[100.0%]
		% of Total	2.8%	4.8%	7.6%
	Primary fabrication and repairs	Count	81[42.6%]	109[57.4%]	190[100.0%]
		% of Total	1.8%	2.5%	4.3%

	Others	Count	464[45.4%]	557[54.6%]	1021[100.0%]
		% of Total	10.6%	12.7%	23.2%
Total		Count	1813[41.3%]	2582[58.7%]	4395[100.0%]
		% of Total	41.3%	58.7%	100.0%

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539 This was followed by the farm based enterprises, which recorded about 13% of the entrepreneurs
540 saying that they had their business incomes increasing. In some way this data or results could
541 show a link between farms based activities and agro-processing even though no systematic
542 analysis of this linkages has yet been explored. If that is true then it suggests that both farm
543 based activities and agro-processing industry should be developed and promoted together since
544 one depends on the other for survival and in some cases the same people are found in the
545 different sectors or business area.

546 **5.0 Conclusion and policy implications**

547 **5.1 Conclusion**

548 This paper has shown that while there is a high desire for setting up businesses in the
549 communities, a number of factors are present to constrain business or enterprise development
550 and promotion. Some of these are similar to both genders while others may be more specific to a
551 particular gender. It is a real fact that most of the women businesses are home based to the extent
552 that the home premises are used as the production sites. While such a set up provides opportunity
553 for the women to take care of their children, the home, food preparations and other for the
554 family, it does not allow them to come into contact with the wider community of customers.
555 Child care especially those with young ones, limits the women's time that could have been
556 invested in exploring other markets away from home and also limit them from gaining access to
557 training that would have help them to expand their businesses. The limitation on their ability to
558 train and acquire employable skills in other sectors is a reflection of the type of businesses that
559 women are usually found operating. The women are most often found in business areas which
560 require less skilled training as well as well those that only require one to be able to continue with
561 family businesses. This explains why more women into agro-processing, hairdressing and dress
562 making.

563 The paper shows a number of reasons why small enterprises in rural Ghana may fail to grow or
564 owners may adopt the survivalist approach in business and limit growth. Some of the
565 explanatory variables include negative growth motivations, challenges of financing, lack of
566 business training, lack of or improper professional advice and consultation as a result of weak
567 networking among businesses and others. The result shows that while women are known to have
568 least access to productive resources, and therefore are unable to grow their businesses, it was
569 found that growth orientation of small businesses do not only depend on the availability of such
570 productive resources, but also to other environmental factors. It shows that the low potential for

women headed businesses to grow as compared to that of men is not a straight forward thing, although some authors have suggested that lack of access to credit, education, management skills and markets are key to limiting growth of women's businesses. The type of activities and site of operations do not always allow them to think of expanding their businesses as such thoughts are always fraught with the question of whether or not they will be able to access other markets bearing in mind their social responsibilities at home and to the family. Thus reasons for the limited growth are diverse and may always be intertwined within the social, economic, political and cultural environment of the society. Aspiration and motivation as well as cultural inclinations are critically important in influencing entrepreneurs' growth orientation.

In conclusion it is argued that women business owners may be deprived in terms of access to various business resources, given their personal backgrounds, experiences and socio-economic and cultural backgrounds, growth orientation could be another factors that policy makers and practitioners can focus on to develop rural small businesses. The study agrees that growth is important for small businesses, but does not assume that growth is the ultimate desire of every entrepreneur. It does implies that growth as an objective should not be assumed as the objective of every small business. Such a view will assist development experts and policy makers the opportunity to design target specific policies and programmes for the business sector. It suggests that lack of access to productive resources as reasons for the poor and slow growth of women headed small businesses is rather an exception and not a rule in businesses since some women headed businesses were found to be doing very well during the study visit to the communities.

5.2 Policy implications

Although this study does not suggest any generalization, some implications for policy are provided here to support attempts at resolving challenges of small businesses in Ghana. The issue of constraints or limiting factors to small enterprises growth and development is not only a problem to small enterprise owners, but impacts greatly on the socio-economic development of the country and therefore the need for policy makers to give priority attention to small businesses in policy and research. This is because the failure to grow small businesses, especially in poor rural communities translates into increased unemployment and a fall in productivity and therefore increased poverty. In this way the government will lose from tax revenues meant for development projects.

This and others may limit their ability to export their finished products to the world outside their homes and districts. In order to expand their income instead of growing one business women studies have shown would prefer to diversify horizontally. This may not necessarily be as a result of avoiding risk of a business failure or collapse, even though some authors assume that the reality is the reality of survival. They think more of a survival strategy than risk aversion or risk

taking. This explains why some authors may not describe such women as entrepreneurs but people who seek survival in the market place.

It was observed that small businesses play a major role in local levels economic development as almost all the identified businesses were found across all the regional divides used in the paper. Generally, women headed business showed less access to productive resources and technology, and less equipped as compared to their counterpart men headed businesses yet there were some areas that both were deficient. Many of the challenges of women headed businesses may be due to a combination of factors as suggested by the feminist theories employed in the study. This suggest that policy makers should design policies that will be targeted at a particular group of entrepreneurs and not to lump everyone together. Research into which enterprises are likely to grow and which are established for survival and other reasons not related to business growth should be encouraged and findings used to support development work in the country.

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