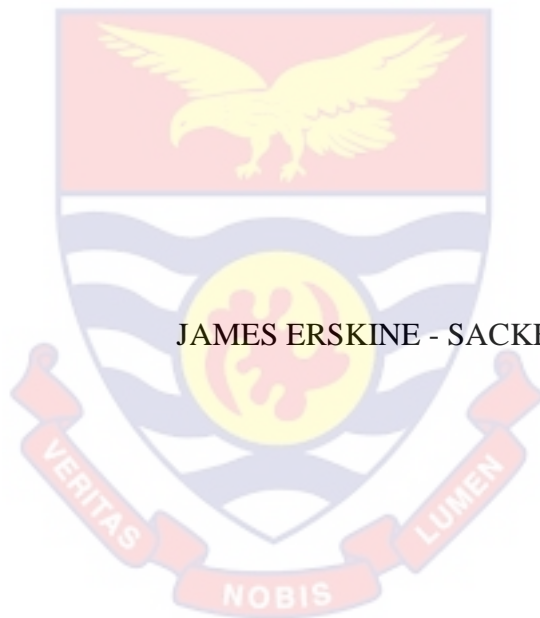


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SMALL AND MEDIUM-SIZED ENTERPRISE OWNER CAPABILITY  
AND POVERTY ALLEVIATION IN THE CENTRAL REGION OF  
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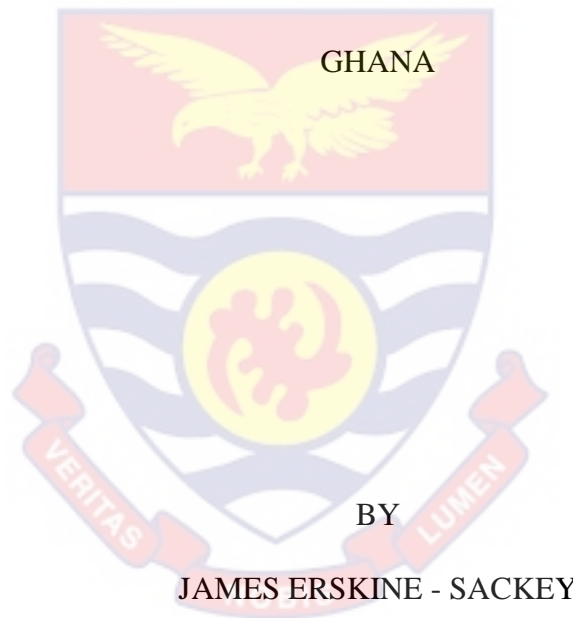


JAMES ERSKINE - SACKEY

2024

UNIVERSITY OF CAPE COAST

SMALL AND MEDIUM-SIZED ENTERPRISE OWNER CAPABILITY  
AND POVERTY ALLEVIATION IN THE CENTRAL REGION OF



BY  
JAMES ERSKINE - SACKKEY

Dissertation submitted to the Department of Management, School of Business,  
University of Cape Coast, in partial fulfilment of the requirements for the  
award of Master of Business Administration Degree in Management.

DECEMBER 2024

## DECLARATION

### Candidate's Declaration

I hereby declare that this dissertation is the result of my own original research and that no part of it has been presented for another degree in this university or elsewhere.

Candidate's Signature..... Date .....

Name: James Erskine - Sackey

### Supervisor's Declaration

I hereby declare that the dissertation preparation and presentation were supervised in compliance with the University of Cape Coast's supervision criteria.

Supervisor's Signature ..... Date.....

Name: Dr. Dominic Owusu

### ABSTRACT

Despite the significant contribution of SMEs in the country, their ability to alleviate poverty is often limited by owners' skills and capability gaps. This study sought to assess the role that owner capability plays in ensuring the alleviation of poverty Ghana's Central Region. This study specifically assessed how the three major capabilities namely educational capability, economic capability and social capability impacts poverty alleviation. It employed quantitative approach using an explanatory design. SME owners within the study area were given questionnaires. Responses in the study were analysed utilizing both inferential and descriptive statistical tools. The study revealed a positive substantial impact of educational capability on poverty alleviation, it further found a positive substantial impact of social capability on poverty alleviation. Economic capability also had a positive substantial impact on poverty alleviation. The study recommended that, management should emphasize on putting measures in place to provide some formal education and training necessary to SME owners. SME owners should attend business development programmes and other workshops in order to acquire the expertise required to run their businesses. Also, it further recommends that, SME owners should embark on initiatives that would enable them establish relationship with all key partners in their industry. The study finally recommends that SME owners, managers as well as business development centres should ensure that they keep an up-to-date information about the economy. Small and medium enterprise owners should be trained on the various financial products available on the market to enable them utilised the appropriate ones for their business growth and development to help alleviate poverty.

## **KEYWORDS**

Educational capabilities

Economic capabilities

Social capabilities

Poverty alleviation

Entrepreneurship

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## **DEDICATION**

To my parents: Mr. James Erskine - Sackey Snr and Madam Paulina Korsah

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## LIST OF ACRONYMS

SMEs - Small and Medium-sized Enterprises

SBA - Small Business Administration

UNIDO - United Nations Industrial Development Organization

ILO - International Labour Organization

GDP - Gross Domestic Product

NGOs - Non-Governmental Organizations

MSMEs - Micro, Small and Medium-sized Enterprises

## CHAPTER ONE

### INTRODUCTION

Small and medium-sized enterprises (SMEs) are regarded the backbone of many countries, including those in emerging economies. Particularly in rural areas with few formal work alternatives, these businesses greatly contribute to job creation, income production, and poverty alleviation. In the Central Region of Ghana, SMEs are involved in various sectors such as agriculture, manufacturing, retail, tourism, and services. Studies have shown that in Ghana, SMEs play a vital role in fostering economic growth and poverty reduction in the country (Agyapong, 2010). Owner capability which refers to the skills, knowledge, and expertise that business owners bring to their enterprises, are instrumental in driving the growth of SMEs and, in turn, contributing to poverty alleviation efforts (Naminse, Zhuang & Zhu, 2019; Agyapong & Oduro, 2019). It is therefore imperative to assess the role these capabilities play, in ensuring the expansion and success of SMEs in the region. Based on this, this study investigates the connection between owner capability and how it impacts on poverty alleviation within the region.

#### **Background to the Study**

In many nations across the world, SMEs are important forces behind development and economic growth. They are essential for generating jobs, encouraging innovation, supporting entrepreneurship, and boosting a country's general economic vitality. (Acs, Szerb & Lloyd, 2018; Fatoki, 2015). SMEs are generally defined based on the size of the firm, with different countries and regions adopting varying criteria. For instance, the United States Small Business Administration (SBA) defines SMEs as companies with less than

500 workers, but the European Union defines them as businesses with fewer than 250 employees (UNIDO, 2017).

Numerous obstacles impede the expansion and viability of SMEs. These difficulties might include restricted access to financial resources, a lack of managerial abilities, poor infrastructure, heavy regulatory constraints, and restricted access to markets and technologies (Auh, Menguc, Katsikeas & Jung, 2019). Since many SMEs struggle to thrive in today's cutthroat economic climate, they frequently have greater failure rates than bigger companies (Hyypiä & Khan, 2018). SMEs nevertheless have a crucial role in the global economy despite the difficulties. The World Bank (2019) estimates that SMEs make up more than 90% of all enterprises globally and are responsible for around 50% of jobs globally (ILO, 2019; Ayyagari, Demirguc-Kunt & Maksimovic, 2014). Due to their agility and capacity to adjust to shifting market conditions more rapidly than bigger companies, SMEs are also frequently acknowledged as a source of innovation and resilience (Acs et al., 2018; Fatoki, 2015).

The creation of jobs is one of the important contributions made by SMEs in emerging nations. A considerable segment of the population benefits from the job options that SMEs, which are recognized for being labour-intensive, provide, especially in rural areas where official work alternatives may be scarce. Millions of people worldwide are impacted by poverty, which is a persistent and widespread issue in developing countries (Datta, 2018). It is a multidimensional problem with intricate root causes, extensive effects, and no simple remedies. In developing nations, SMEs are frequently the main employer of women, young people, and vulnerable groups, generating

economic possibilities and aiding in the reduction of poverty. Through their contributions to GDP, SMEs also aid in economic expansion. SME production and sales operations, as well as their tax and other duty payments to the government, all contribute to GDP (Welter, 2011; Baron, 2007).

SMEs support the informal sector, which may be a substantial source of economic activity in many developing nations (Engidaw, 2022). By encouraging innovation and entrepreneurship, opening up new markets, and boosting market competition, SMEs also assist to diversify the economy and support economic growth. SMEs can contribute to societal advancement in underdeveloped nations (Ayyagari, Beck & Demirgüç-Kunt, 2014). For instance, SMEs run and controlled by women can support gender equality and provide women more economic power. By utilizing local resources, supporting local supply chains, and making investments in regional infrastructure, SMEs may also help community development. The significance of SMEs has been acknowledged by governments, politicians, and scholars, who have put numerous measures in place to encourage their expansion and development (Ndiaye, Razak, Nagayev & Ng, 2018). These approaches may include financial support, capacity building initiatives, regulatory reforms, and market access facilitation. However, despite these initiatives, SMEs still confront a variety of difficulties, necessitating more study to comprehend their dynamics, tactics, and results (Amaglo, 2019; Auh et al., 2019).

Owner capability, or the abilities, knowledge, and experience of the owner-managers of SMEs, is essential in ensuring the expansion and success of these businesses (Ansong & Antwi, 2016). The capability of the owner or entrepreneur plays a significant role in overcoming the numerous challenges



faced by SMEs'. Owner capability refers to the knowledge, expertise and abilities of the business owner or entrepreneur in managing several facets of the enterprise, such as marketing, financial management, and innovation (Amoako, Boateng & Akorsu, 2015). According to research, owner competency promotes efficient decision-making, resource allocation, and risk management, which in turn helps SMEs develop (Van der Zwan, Thurik, Verheul & Hessels, 2016). Competent business leaders are better able to spot growth possibilities, adjust to market shifts, and streamline processes to promote long-term expansion.

Owner competence is essential for creating and sustaining networks, connections, and collaborations, all of which are essential for the expansion of SMEs. Strong interpersonal and networking skills enable successful businesspeople to build and maintain connections with clients, vendors, investors, and other stakeholders (Agyapong and Oduro, 2019). This assertion is buttressed by the social capital theory which emphasise the importance of social relationships and networks in influencing SME growth. In order for SMEs to grow and compete in the market, they need access to crucial resources including finance, knowledge, and market intelligence (Fauzi, Antoni & Suwarni, 2020; Deli, Nuryakin & Aji, 2016; Ntow-Gyamfi, Fianu & Mensah, 2018). Ng and Kee (2017) stressed that in today's changing business world, SMEs with skilled owners are more likely to overcome obstacles, seize opportunities, and achieve sustainable development. The human capital theory also adds to this by emphasising on the role of human capital, which refers to the knowledge, skills, experience, and education possessed by individuals, in influencing SME growth.

SMEs based on these observations are significant contributors to economic development and progress, however, they confront several obstacles that limit their capacity to expand and endure. Although governments and policymakers have made an effort, more research is still required to fully comprehend the dynamics, tactics, and results of SMEs. To add to the body of knowledge and help guide policy choices, this study should take into account the variety across SMEs and examine subjects including owner capability, SME growth and poverty alleviation.

### **Statement of the Problem**

Small and medium-sized enterprises have long been acknowledged for their role in economic growth and the eradication of poverty. (Ayandibu & Houghton, 2017; Nyuur, Debrah & Baah-Ennumh, 2017). However, despite the increasing recognition of SMEs as engines of economic development, their growth and poverty alleviation potential are often hindered by several factors including the capability of their owners (Leboea, 2017). A report by Sasu (2023) indicated that due to a lack of managerial expertise, technical advancements, and limited financial resources, Ghanaian SMEs frequently face growth challenges that hinder their ability to expand, increase production and contribute to reducing poverty in the country. Peprah, Mensah and Akosah (2016) reported that 60% of SMEs do not survive beyond five years in operation.

The capability of SME owners, including their knowledge, experience, abilities, networking and access to resources, is a key factor in deciding whether or not their entity's will succeed (Eton, Ayiga, Moses, Fabian & Benard, 2019; Adom & Amponsah-Tawiah, 2019). Although earlier studies

have looked at the connection between owner competency, the expansion of small and medium-sized businesses (SMEs), and the reduction of poverty in diverse contexts, there is a significant study gap in the central area of Ghana.

The existing literature has mostly concentrated on the role of owner competency in the growth of SMEs and the reduction of poverty in other regions of Ghana or other countries, leaving a knowledge vacuum especially for the Central Region of Ghana. Studies such as, Agyapong (2010) investigated the relevance of MSMEs to a nation's development and poverty alleviation in Ghana. Ansong and Antwi (2016) looked at owner capability and performance of SMEs in Ghana's Ashanti Region. Also, Asante, Kusi-Sarpong and Boateng (2018) investigated SMEs and poverty reduction, Amoako, Boateng and Akorsu (2015) looked at the impact of owner capability on the success of SMEs and Affum-Osei, Marfo-Yiadom and Baah-Nuakoh (2017) examined the impact of owner capability on the development of SMEs.

All these studies have focused on other regions and the nation as whole. It is therefore imperative to address this gap by examining these variables in the context of the Central Region. This research work therefore aims to explore the relationship between owner capability and poverty alleviation. Owner capability encompasses several skills; however, the study will focus on three major capabilities namely educational capability, economic capability and social capability as outlined by Naminse et al. (2019). The research will therefore specifically investigate how these capabilities of SME owners have the potential to alleviate poverty in Ghana's Central Region.

### **Purpose of the Study**

The goal of the study was to investigate the role that owner capability plays in alleviating poverty in the Central Region of Ghana.

### **Research Objectives**

The objectives are to:

1. examine the effect of educational capability on poverty alleviation in the Central Region.
2. analyse the effect of social capability on poverty alleviation in the Central Region.
3. examine the effect of economic capability on poverty alleviation in the Central Region.

### **Research Hypotheses**

The study's hypothesis that:

H<sub>1</sub>: educational capability has a significant effect on poverty alleviation in the Central Region.

H<sub>2</sub>: social capability has a significant effect on poverty alleviation in the Central Region.

H<sub>3</sub>: economic capability has a significant effect on poverty alleviation in the Central Region.

### **Significance of the Study**

The study would advance academic literature by offering fresh perspectives and actual proof on the connection between owner competence and poverty reduction. It may be able to pinpoint the crucial elements that contribute to an owner's capacity, including education, social skills, economic clout, and an entrepreneurial attitude, as well as the ways in which these

elements help the firm to alleviate poverty. This can assist close gaps in the current literature and increase the theoretical knowledge of these ideas. At numerous levels, policy and decision-making can be influenced by the research's findings. Policymakers, for example, might utilise the research findings to develop targeted interventions and policies that emphasise improving owner competency among SME owners, hence promoting SMEs growth and alleviating poverty.

The study may also offer policymakers evidence-based suggestions for policies and initiatives that would help the expansion of SMEs and efforts to combat poverty. This can aid in the creation of efficient policies that support the growth of SME and the reduction of poverty, resulting in improved economic and social consequences. Additionally, non-governmental organisations (NGOs), development organisations, and business associations that are interested in SME growth and poverty reduction may find the research to be a significant source of information. The research's findings may be used by these stakeholders to direct their activities and initiatives in favour of fostering owner competency, the expansion of SMEs, and the eradication of poverty. For instance, NGOs and development organisations might apply the research's results to their projects that help SME owners enhance their capabilities, and business organisations should promote laws and programmes that help owners become more capable and help SMEs expand.

### **Delimitations of the Study**

This study's emphasis is on small and medium-sized businesses in Ghana's Central Region and solely uses the set sample size. Other SMEs were just mentioned in order to provide comparisons or serve as examples. Other

firms, in the region that did not fall within the defined concept of SMEs as well as those SMEs in other part of the countries, were also not included. Though it was assumed that SMEs in the Central Region would be representative of other SMEs in other parts of the country because their size and nature of business operation are comparable, there is actually a significant variance due to regional context.

### **Limitations**

The study was constrained by the sampled respondents' reluctance to engage in the survey since their anonymity was violated. Furthermore, respondents were reluctant to provide accurate information out of concern that they would give away trade secrets to rival businesses. However, this restriction was removed as it became clear to them that it was primarily intended for educational purposes. The study was further constrained by issues with availability, accessibility, and timing. The researcher lacked the necessary financial or material means, hence the larger sample size required for this study could not be attained.

### **Definition of Key Terms**

**Educational capabilities:** These are the information, abilities, and competences that people develop via formal education and training to successfully engage in entrepreneurial activities. It includes the particular academic elements that support the growth of an entrepreneurial attitude, skills, and knowledge.

**Social capabilities:** This refers to an entrepreneur's ability to successfully manage and utilise social connections, networks, and interactions to generate value and possibilities for their businesses. These capabilities focus on the

entrepreneur's capacity to interact with multiple stakeholders and negotiate social circumstances, going beyond individual attributes or skills.

**Economic capabilities:** This refers to the precise qualities, resources, and skills that a person possesses that allow them to recognise and exploit business opportunities in a way that creates economic value. These skills are essential to the entrepreneurial process and have a big impact on how successful a firm is.

**Poverty Alleviation:** This refers to initiatives and policies aimed at decreasing and eventually eliminating poverty. It entails a complete collection of strategies and actions aimed at improving the living conditions and well-being of poor individuals and communities.

### **Organization of the Study**

The organisation and presentation of the study are divided into five chapters. The background of the study, research problem, aims, and research hypothesis are all covered in the introduction section of Chapter One along with the importance, scope, and organisation of the study. The significant literature that is currently accessible is covered in Chapter Two with references to both theoretical and empirical sources. The study's methodology is clearly described in Chapter Three. In-depth coverage is given to the study's design, demographics of the sample, sampling strategy, research tools, data collection procedure, and data analysis technique. The results of the data analysis are summarized in Chapter Four, which also covers the study's main conclusions. The summary of key results, suggestions for further research, and recommendations are all presented in Chapter Five.

## CHAPTER TWO

### LITERATURE REVIEW

#### Introduction

The literature that has previously been written on this subject will be examined in this chapter. Theoretical foundations, owner capabilities, small and medium-sized enterprises (SMEs), and poverty reduction would all be examined in the literature study, and these factors would all be important in deciding the research methodology. The study would provide new insight on earlier empirical investigations and their findings.

#### Theoretical Review

There are several theories about owner capability, growth of SMEs, and the reduction of poverty, each of which recognises a certain philosophy and concept about it. Owner capability theories that acknowledge its relationship to SME growth and its impact on poverty reduction are a major focus of this study. As the overarching theories guiding the research, the study used the human capital theory and the social capital theories.

#### Human capital theory

The idea that people may invest in their own education, training, and skills to raise their productivity and earning potential in the labour market is known as human capital theory. It was initially put out by economist Gary Becker in the 1960s (Aliu & Aigbavboa, 2019). According to the Human Capital Theory, skill development and education are key factors in advancing economic development. According to Human Capital Theory, a SME's workforce's skills and talents may significantly affect the entity's development and performance in the context of SMEs (Holden & Biddle, 2017). The theory



places a strong emphasis on the contribution of human capital, defined as an individual's knowledge, skills, experience, and education to the development of SMEs (Marginson, 2019).

Owners who possess greater levels of human capital are more likely to make well-informed choices, adjust to shifting market conditions, and put good plans into action, all of which can support SME growth (Holden & Biddle, 2017). Additionally, business owners with greater human capital are more likely to hire and keep skilled workers, develop a strong workforce, and foster a creative and effective organisational culture, all of which may help SME growth. The Human Capital Theory also stresses the importance of ongoing education and skill improvement (Kolomiiets & Petrushenko, 2017). SMEs may strengthen their human capital and increase productivity and performance by investing in training and development programmes for their staff. Additionally, having a competent and motivated staff that can spur corporate growth may give SMEs that recruit and keep a talented and skilled workforce a competitive advantage (Marginson, 2019).

The theory also emphasises the significance of management abilities and entrepreneurship in the expansion of SME's (Aliu & Aigbavboa, 2019). Entrepreneurs and managers are more likely to make wise decisions, manage resources effectively, and foster an atmosphere that is conducive to business success if they have excellent human capital, such as leadership abilities, strategic thinking, and business acumen. The theory therefore explains the relevance of owner capability in ensuring the growth and development of SME business.

### **Social capital theory**

Social capital theory originated in sociology describes the networks, connections, and trust that exist within a society or community. It highlights the importance of interpersonal relationships and social networks in fostering social cohesiveness and enabling group action (Claridge, 2018). According to social capital theory, SMEs can gain from creating and utilising social capital to promote development and success. Social networks and relationships are significant in influencing the success of SMEs, according to the Social Capital Theory (Lin, 2017; Dubos, 2017). Owners who have high social capital which includes the networks, connections, and social assets they possess tend to acquire knowledge, resources and opportunities that may help SMEs expand (Dubos, 2017; Zahra & Wright, 2016).

In order to acquire capital, share information, understand the market, and extend their client base, for instance, business owners with strong networks can interact with other entrepreneurs, industry organisations, suppliers, customers, and governmental organisations (Lee, 2017). This can support the expansion of SME's. Social capital may be divided into three categories: linking, bridging, and bonding social capital. The bonds and connections that exist inside a homogenous group, such as a family, a group of friends, or a tightly knit community, are referred to as bonding social capital. The links and interconnections that exist between various communities or groups are referred to as bridging social capital. The connections SMEs have with external organisations like governmental bodies, trade groups, and other stakeholders are referred to as linking social capital (Lin, 2017; Dubos, 2017).

SME access to resources including expertise, money, and commercial prospects can be provided via social capital (Hernández-Carrión, Camarero-Izquierdo & Gutiérrez-Cillán, 2017). For instance, SMEs may benefit from significant market insights, recommendations, and collaborations through strong relationships with suppliers, consumers, and other companies in the sector. These ties can also help them develop. Social capital may help SMEs build relationships of trust and cooperation that can result in collaborative ventures, information exchange, and group problem-solving (Yani, Eliyana, Hamidah & Buchdadi, 2020). Trusted networks can support SMEs in overcoming obstacles, pooling resources, and pursuing growth possibilities that may be challenging to pursue alone. In the perspective of stakeholders including clients, investors, and regulators, social capital may help SMEs' credibility and reputation (Yani et al., 2020; Hernández-Carrión et al., 2017).

The credibility and perceived dependability of SMEs may be increased via solid relationships and a good reputation in the community, which can help to encourage their expansion (López-Pérez, Melero & Javier Sese, 2017). By promoting the interchange of concepts, information, and skills among SMEs, social capital may encourage innovation and learning. Collaboration networks and partnerships may give SMEs access to a variety of viewpoints, data, and feedback that can inspire innovation and aid in their ability to adjust to shifting market conditions, which can lead to growth. Social capital may offer SMEs emotional support, guidance, and mentorship as well as other forms of social assistance (López-Pérez et al., 2017; Yani et al., 2020). Supportive networks may aid SME owners in overcoming obstacles, controlling stress, and

maintaining motivation. These factors can improve their health and resiliency, which will eventually help them thrive (Yani et al., 2020).

In light of this, the social capital theory proposes that SMEs may gain by creating and using social networks, connections, and trust to promote growth. Social capital may affect SME growth in a variety of ways, including resource access, trust and collaboration, legitimacy and reputation, creativity and learning, and social support. Owners with these talents are therefore likely to have a substantial impact on the expansion of their businesses.

### **Conceptual Review**

The main concepts or variables for the study would be reviewed at this section.

### **Overview of Small and Medium-sized Enterprises**

SMEs are entities with less than a specific number of workers and lower than average yearly sales (Eggers, 2020). Although the precise definition of a SME differs by nation and sector, they typically have less than 500 employees and annual revenue of under \$100 million. SMEs are a crucial element of the global economy, contributing a sizable portion of employment and GDP in many nations (de Sousa Jabbour, Ndubisi & Seles, 2020). They are sometimes called to as the "backbone of the economy" since they support employment creation and economic prosperity, particularly in emerging nations. SMEs work in a variety of sectors, such as manufacturing, services, retail, and hospitality. They may be single proprietorships, partnerships, or small companies, and they are frequently owned and run by people or families (Zafar & Mustafa, 2017). Notwithstanding the challenges the industry faces, SMEs have a substantial impact on the global economy.

SMEs in Ghana contribute significantly to job development, income production, and poverty reduction, where they account for roughly 70% of GDP (Quaye, Sekyere & Acheampong, 2017). The Ghanaian government has implemented a variety of policies and initiatives to support the expansion and advancement of Ghanaian SMEs. Among these are the Ghana Export Promotion Authority (GEPA), the National Board for Small Scale Industries (NBSSI), and the Ghana Industrial Policy (GIP), and the National Entrepreneurship and Innovation Plan (NEIP) (Peprah et al., 2016). Restricted availability of funding, poor infrastructure, and the absence of suitable technology are a few issues that SMEs in Ghana must deal with. To address these issues, the government has still started a number of interventions in collaboration with the business sector and development partners (Kasim, Zubieru & Antwi, 2015).

A few of the industries in Ghana having a significant number of SME include manufacturing, trading, and services Quartey (2003). The government has been encouraging the growth of the digital economy in previous years, which has resulted in the birth of various IT businesses in the nation. Overall, SMEs in Ghana continue to be essential to the nation's economic development, and initiatives are being taken to foster an environment that will support their expansion and sustainability (Selase et al., 2019).

### **Educational Capabilities**

The capacity to successfully acquire, teach, and impart information and skills is referred to as having educational capabilities (Kido & Takahashi, 2021). It includes a variety of skills that people may use to learn and apply information in many circumstances, including teamwork, critical thinking,

communication, creativity, and adaptability. In today's knowledge-based economy, entrepreneurs with good educational backgrounds have an advantage over their competitors (Chien & Tsai, 2021). They are able to pick up new technology, markets, and sectors fast, as well as adjust to shifting circumstances. They may also persuade clients, investors, and staff members to support their purpose by clearly communicating their ideas and vision to them. Additionally, education empowers business owners to find innovative solutions to challenging issues, spot emerging possibilities, and generate value for their stakeholders. They may make use of their expertise to create special goods and services, enhance business processes, and create organisations that are scalable and sustainable (Chien & Tsai, 2021).

According to research, owners of businesses with greater educational levels and training are more likely to launch profitable companies, attract investors, and experience growth (Van Praag and Versloot, 2007; Rasmussen et al., 2011). Additionally, such business owners are more likely to spur social change, contribute to economic growth, and generate jobs (Baumol et al., 2007; Glaeser et al., 2010). According to Nyuur, Debrah, and Baah-Ennumh (2017), education is crucial for entrepreneurs to flourish in the fast-paced and dynamic business world of today. They make it possible for people to learn and use new information, communicate well, invent, and provide benefits for both themselves and society.

### **Social Capabilities**

According to Deming (2017), social capabilities are a collection of talents and abilities that allow people to interact, cooperate, and form connections with others in a variety of social and professional circumstances.

Empathy, active listening, persuasion, dispute resolution, networking, and leadership are some of these abilities (Parnell & Brady, 2019). As companies attempt to build more inclusive, diverse, and collaborative workplaces, social skills are becoming more and more crucial. To be successful in their commercial endeavours, SME owners in particular need to have excellent social skills (Deming, 2017; Riggio, 2017). Building excellent connections with clients, partners, and staff requires social skills on the part of small business entrepreneurs. SME owners may develop a devoted client base, trustworthy supplier chains, and a motivated and engaged workforce by being able to communicate clearly, listen to criticism, and comprehend the requirements of others (Pratono, 2018; Lipman, 2019).

According to Suddaby, Viale, and Gendron (2016), social skills aid SME owners in navigating challenging commercial settings. According to the authors, SME owners frequently deal with a variety of difficulties, including financial limitations, legal restrictions, and competitive pressures. They are able to form coalitions, negotiate well, and come up with innovative solutions to issues because they have good social skills. Moreover, Lans, Blok and Gulikers (2015) added that social skills support innovation and progress. SME owners may encourage their team members to share ideas, try out creative approaches, and take measured risks by establishing a collaborative and inclusive culture (Baldwin & von Känel, 2017). This could lead to increased production, the development of new products and services, and a competitive edge in the market. (Lans et al., 2015). These results imply that social skills are crucial for SME owners who wish to thrive in the competitive business climate of today. SME owners may foster innovation and growth by honing

these abilities, which also help them negotiate challenging settings and forge strong partnerships.

### **Economic Capabilities**

Economic capabilities relate to a person's or an organization's capacity to efficiently manage and employ economic resources in order to accomplish their objectives. According to Weaven et al. (2023), these qualities include knowledge of financial management, resource allocation, risk management, and strategic planning. The success of SMEs owners relies on their capability to manage their finances. According to Gherghina, Botezatu, Hosszu, and Simionescu (2020), SMEs frequently operate with constrained resources and confront a variety of economic obstacles, such as competition, market volatility, and regulatory changes. SMEs owners must be able to efficiently handle their financial assets and make wise decisions if they are to survive and prosper in this market.

SME owners may decide wisely on resource allocation, pricing, investments, and growth possibilities when they have excellent economic competencies (Asah, Fatoki & Rungani, 2015). To accomplish their corporate goals, they can create strategic plans, manage cash flow, and recognise and reduce risks (United Nations Industrial Development Organization, 2018). Economic competencies may also assist SME owners in luring capital, obtaining funding, and forming alliances with other companies (OECD, 2019). To create and expand profitable enterprises, SME owners must have strong economic competencies (Karadag, 2017). They may increase their chances of success and have a good influence on their communities by honing these talents.



## Poverty Alleviation

A lack of access to fundamental human necessities including food, shelter, healthcare, and education is referred to as poverty, and attempts to lessen and eradicate it are referred to as poverty alleviation (Singh & Chudasama, 2020). Millions of people worldwide are impacted by poverty, which is a complicated and diverse problem that must be addressed with a multifaceted strategy that combines economic, social, and political measures (Kowo, Adenuga & Sabitu, 2019). The expansion of SMEs is one strategy for combating poverty. Particularly in developing nations where they make up a large portion of the labour force and GDP, SMEs are essential for fostering economic growth and job creation (Manzoor, Wei, Nurunnabi & Abdul Subhan, 2019). SMEs may contribute to lowering poverty and raising community standards of life by creating jobs and producing money (Manzoor et al., 2019).

The expansion of SME's can also affect the overall economy. As SMEs grow, they may generate demand for products and services from other companies, which might result in the creation of jobs and an uptick in economic activity (Kowo et al., 2019). This may encourage the growth of regional supply chains and increase the economy's overall competitiveness (Manzoor et al., 2019). Additionally, SMEs can support equitable and sustainable economic growth, which will aid in addressing social and environmental issues. SMEs may support social justice, environmental sustainability, and poverty reduction by incorporating social and environmental factors into their business models (Manzoor et al., 2019).

## **Empirical Review**

This part provided an overview of relevant works that addressed the study's goals. SMEs were the centre of the assessment, the review looked at owner capability of entrepreneurs and how it results in SME growth which subsequently leads to poverty alleviation. This was done in order to assess earlier efforts by contrasting and comparing their findings.

## **Educational Capability and Poverty Alleviation**

Most economies depend majorly on SMEs, especially those in developing nations where they are a key source of employment and revenue. But SMEs encounter a number of obstacles that prevent them from expanding and being viable. The owner-manager's or entrepreneurs' educational background is one of the major variables that might affect SME growth which will result in alleviating poverty. Entrepreneurs may obtain the skills and knowledge needed to operate their enterprises successfully and effectively with the aid of education and training. The review focused on how entrepreneurs' educational capability affects poverty reduction, and this was done by looking at how the educational capability of the entrepreneurs' affects the growth of the firm which subsequently results in poverty reduction. Numerous studies have looked at how education affects the expansion of SME. For instance, Hatak, Roessl and Damian (2015) study discovered a favourable correlation between education and SME success.

According to the study, entrepreneurs with higher education levels typically have superior managerial abilities and are more inventive, which can enhance business success and help in poverty reduction. Similar to this, research by Ayentimi, Kwaku, Gyensare and Ofori-Danson (2020) discovered

that education had a positive effect on Ghanaian SMEs expansion. According to the survey, education helps entrepreneurs develop their technical and management abilities, which in turn boosts the production and expansion of SMEs contributing to the poverty reduction in the country. The association between educational attainment and entrepreneurial aspirations among SMEs in Pakistan was the subject of a different research by Ali, Aslam and Qureshi (2019). According to the survey, firm owners with greater educational levels are predicted to have more determined goals for starting and expanding their enterprises contributing to the nation's employment creation and poverty reduction. The results of certain research on the connection between education and the expansion of SME, however, have been conflicting or ambiguous. For instance, Heshmati and Kumbhakar's (2015) study indicated that while education increases SME production, the impact on profitability is minimal. The expansion of SMEs in Nigeria is positively impacted by education, according to a research by Egwaikhide and Oloni (2016), however the impact is not statistically significant.

### **Social Capability and Poverty Alleviation**

SME access to resources, knowledge, and opportunities is facilitated by social competency. Additionally, it improves the firm's capacity to handle interactions with partners, suppliers, and consumers, among other stakeholders. Research has shown that a vital component in the success and expansion of SME's is the social aptitude of the owners. The review focused on how entrepreneurs' social capability leads to poverty reduction, and this was done by looking at how the social capability of the entrepreneurs' impact the success of the business which subsequently results in poverty reduction.

The results of several researches looking at the relationship between entrepreneurs' social competency level and SME growth and how it subsequently results in poverty reduction shows that social capability has a favourable impact on SME success. For instance, Ayyagari, et al. (2014) examined the factors influencing SME expansion in developing nations and discovered that social networks and trust had a favourable impact on SME expansion. Similar to this, Kim and Shim (2018) investigated how social capital affected SME innovation and discovered a positive relationship between innovation success and social capital.

Additionally, a research by Ireland, Camp and Sexton (2001) found that social capital, which is associated with social capacity, has a favourable influence on the performance of small companies. The study discovered that social capital improves the business's access to opportunities, resources, and knowledge that are essential to corporate success and this success contribute significantly to poverty reduction in the country. In a separate study, Chan, Isobe, and Makino (2015) examined the role of social capital in SMEs' globalisation and found that it positively impacted the company's ability to enter foreign markets. Additionally, a study by Coviello, McDougall-Covin and Oviatt (2017) that looked at the function of social media in the internationalisation of SMEs discovered that it improves the firm's social capital, which thus positively affects internationalisation's performance. Another study by Pratono (2018) discovered that social capital and trust had a favourable impact on SMEs' capacity to build alliances and partnerships, which are essential to firms' success.

### **Economic Capability and Poverty Alleviation**

According to research, SMEs' capacity to make money has a big effect on how quickly they expand and contribute to development and economic growth. Economic capability is the combination of the owner's financial resources, management abilities, and market expertise (Orser, Riding & Manley, 2006). The ability of SMEs to get funding, manage cash flow, and engage in development possibilities in order to provide employment to help reduce poverty is influenced by the economic capability of its owners. Several studies have showed a positive correlation between SME expansion and owners' economic capability. For instance, in a study of SMEs in Nigeria, Oladipo and Ige (2020) discovered that the economic capability of owners had a substantial impact on the expansion of their enterprises. Similarly, Adomako, Danso, and Ofori (2017) discovered that owner financial literacy and access to credit were positively connected to SME development in their research of SMEs in Ghana.

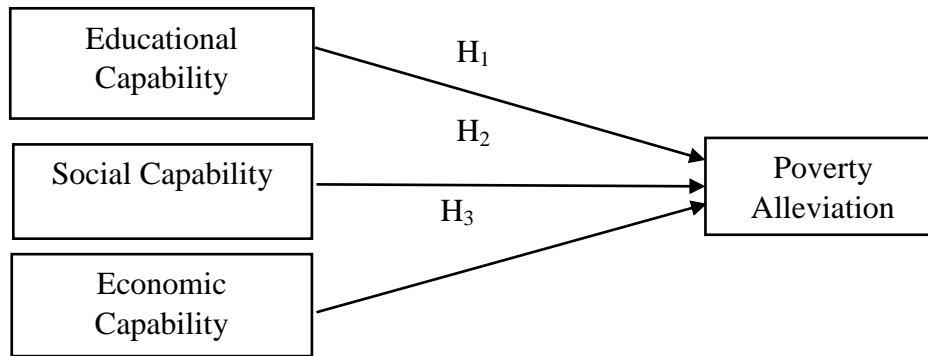
In another study, Nguyen and Nguyen (2020) looked at the relationship between economic capability and ability of SME to alleviate poverty. Utilizing panel data analysis, this study discovered that the expansion of SMEs was positively impacted by economic capabilities as shown by financial development, infrastructure, and institutional quality. The study also discovered that locations with greater levels of economic development showed a stronger favourable impact of economic competence on SME competence in SME growth and poverty alleviation. Iqbal, Akhtar and Hassan (2017) examined the relationship between economic capability and SME growth using the Fixed Effect Model (FEM) estimator. They discovered that

economic aptitude, as determined by institutional quality and financial development, had a substantial beneficial effect on SME potential to develop and improve on poverty.

Asongu and Nwachukwu (2016) discovered in one study that economic aptitude had a favourable impact on the growth of SMEs in a sample of 44 African nations. The study examined the association between economic competence and SME growth using the Generalised Method of Moments (GMM) estimator. The results demonstrated that economic aptitude, as determined by infrastructural and financial development, had a considerable and advantageous impact on SME growth. Other research, however, has shown conflicting findings. For instance, Deakins, Ishaq, and Smallbone (2010) showed that while access to credit was not associated to the development of SMEs in India, owner financial literacy was. In contrast, Belso-Martinez, Molina-Morales, and Mas-Verd's (2019) study of SMEs in the United States found out that owner financial literacy had a negative impact on SME growth.

### **Conceptual Framework**

In order to describe how the research variables are connected, a collection of concepts known as a conceptual framework was used (Mugenda & Mugenda, 2003). The framework is shown in Figure 1, which was built specifically to describe the association between the study's variables, thus both independent and dependent variables.



*Figure 1: Conceptual Framework*

From Figure 1, poverty alleviation is dependent on owner's capability represented by educational, social and economic capability. Hence, any change, whether positive or negative, in either educational capability, social capability or economic capability is likely to cause a change in SMEs ability to alleviate poverty in the Central Region of Ghana. The framework was endorsed by reviews such as (Affum-Osei et al., 2017; Adom et al., 2019; Nguyen & Nguyen, 2020)

### **Chapter Summary**

The chapter reviewed all the vital literature in order to describe and justify the outcomes of the study. The human capital theory and the social capital were explicitly discussed in this chapter. It also included a conceptual discussion, empirical reviews, and the conceptual framework. The subsequent chapter covered the research method used in the study.

## CHAPTER THREE

### RESEARCH METHODS

#### **Introduction**

The methodology of this study was thoroughly detailed in this section. The study's sampling approach, study area, research design, population, data gathering instruments, and data analysis were all talked about by the researcher here.

#### **Research Approach**

The overarching strategy or plan used by researchers to perform a study is known as the research approach. It involves making judgements on the overall direction and scope of the research. The research approach includes the underlying perspective and direction that guides the researcher's thinking and decisions throughout the investigation. It establishes the general tone and direction of the study. There are several research methodologies, such as action research and case studies, with quantitative, qualitative, and mixed methods being the most frequent. Each strategy has a unique set of assumptions, concepts and tools for data gathering and analysis. The quantitative method entails systematic data collecting and analysis. It frequently uses statistical approaches to examine huge datasets in order to uncover patterns, correlations, or links. Quantitative research uses numerical data to evaluate hypotheses, generalise findings, and establish objective statements (Neuman, 2013; Yin, 2017).

The qualitative method however focuses on comprehending and interpreting the meaning, experiences, and views of individuals or groups. It employs techniques like as interviews, focus groups, observations, and textual



analysis. Finding rich and comprehensive insights on social and human events is the aim of qualitative research (Yin, 2017). Contrarily, mixed research is a technique that combines both qualitative and quantitative research methods into a single investigation or research project. It entails combining the strengths of both methodologies in order to produce a more thorough and nuanced view of the study issue. Researchers can acquire insights into complicated phenomena and address research problems that cannot be effectively investigated with a single scientific technique by using mixed methods (Creswell & Creswell, 2017).

The study approach is decided by the research questions, the nature of the phenomena under investigation, and the researcher's preferences and objectives. This study aims to establish a relationship among the concepts under investigation. Thus, it seeks to establish a possible relationship by investigating the effect of one variable on the other. To achieve this there is the need to have an objective method to be able to verify and establish this relation. Due to this the quantitative method was employed by this study. This approach helped the researcher employ statistical tools to aid in carrying out the analysis in an objective manner.

### **Research Design**

The research design is a blueprint or plan that defines the detailed stages and procedures for performing a study within the specified research strategy (Abutabenjeh & Jaradat, 2018). It is a methodical framework for data gathering, analysis, and interpretation. The research design specifies how the research questions or objectives will be handled and serves as a road map for executing the study (Bentouhami, Casas & Weyler, 2021). It specifies the

processes and techniques to be utilised to collect and analyse data, ensuring that the research objectives are accomplished, and the research strategy is properly executed (Bentouhami, 2021). There are several designs available for researchers to employ in their study, notable amongst them includes experimental design, explanatory design, correlational design, descriptive design and quasi-experimental design amongst others (Bloomfield & Fisher, 2019; Sileyew, 2019; Dannels, 2018).

The research design chosen is largely determined by the study's research approach (Yin, 2009). Given the quantitative nature of the research, an explanatory design was selected for this study. The explanation aids in the generalisation of findings by increasing comprehension of a subject and providing better and unambiguous conclusions (Creswell, 2014). It works well for conveying information about a certain circumstance. The explanatory design, according to Saunders, Lewis, and Thornhill (2011), allows researchers more control over their research processes. Structured questionnaires might be used in explanatory design to collect information from the population spread throughout a specified area. As a consequence, this design is appropriate for gathering data from SMEs across the various communities within the Central Region.

In addition, this design employs statistical methods to examine cause and effect correlations among the variables, which necessitates a large amount of numerical data (Beins & McCartyy, 2017; Wahyuni, 2012). This approach was used since the goal of this study was to identify cause and effect relationships between the variables, particularly, entrepreneur capabilities and poverty alleviation. Even though Wildemuth (2016) has indicated that creating

a representative sample using this design may lead to biased responses because data is gathered based on respondents' ideas and opinions which may affect the objectiveness of the result. However, this investigation's explanatory design was better suited for the task at hand due to the study's objectives and methodology.

### **Study Area**

The survey was done among SME businesses within the Central Region of Ghana. SMEs are critical to the economic growth of the Central Region of Ghana. They act as growth engines, helping to create jobs, generate revenue, and reduce poverty in the region. SMEs have a significant role in diversifying the regional economy and encouraging entrepreneurship and innovation. The Central Region's SME sector includes a wide range of industries. Agriculture, agribusiness, manufacturing, hospitality, tourism, services, trade, and crafts are among them. The region is well-known for its agricultural potential, especially in cocoa, oil palm, and horticulture. It also boasts a rich cultural legacy, historical landmarks, and lovely coastline locations, all of which create chances for tourism-related SMEs.

Several problems impede SMEs growth and sustainability in the Central Region. Limited access to funding, insufficient infrastructure, high energy prices, a lack of market intelligence, limited managerial skills and technical experience, and issues satisfying quality and certification criteria are among the hurdles. Despite obstacles, SMEs have the ability to prosper with the right assistance, such as access to capital, infrastructure development, skill training, and market access facilitation. Government assistance, stakeholder engagement, and the adoption of technology-driven initiatives may help SMEs

in the Central Region realise their full potential, improve SMEs' competitiveness and resilience as well as contribute to the region's long-term success.



Figure 2: Map of Central Region

### Population

Population is defined as the total group of people or components who match particular criteria and are the subject of an investigation. It reflects the bigger target group from which a sample is selected or data for analysis and generalisation is acquired. Accurately defining the population is an important stage in a study design because it allows researchers to choose the best sampling procedures, data gathering methods, and statistical analysis. Researchers can establish valid generalisations and draw conclusions that are applicable to the target group of interest by identifying the population. The study's aim was to analyse the effect of entrepreneurs' capability on poverty alleviation.

The study seeks to assess how these capabilities would help an entrepreneur grow their business which in turn would aid reduce poverty in the region, as such the study targeted entrepreneurs in the Central Region to find out from them the impact of their capabilities on poverty alleviation. Specifically, the research concentrated on SME owners and owner managers of various SMEs in the region. This study used SMEs that has registered with the Ghana Revenue Authority (GRA). A study by Bentum (2020) revealed that, a total of 1550 SMEs has registered with GRA in the Central Region. These participants were chosen because they are thought to be competent and better suited and to give insights on how their capability level can impact on the poverty level of the region.

### **Sample Size and Sampling Procedure**

It is crucial to highlight that studying the entire population is not always practicable or viable. Samples, which are subsets of the population, are frequently used by academics to collect data and form conclusions about the wider population. The objective is to guarantee that the sample is characteristic of the population and captures the fundamental traits, allowing for valid and reliable conclusions. According to the Ghana Revenue Authority as cited by Bentum (2020), there are 1550 registered SMEs in the region. Based on this number, the study applied the Krejcie and Morgan (1970) sample determination table which requires that a sample of 307 should be used. Questionnaire were served to these number of people. A simple random sampling technique was employed where 307 partakers were chosen from the population.

The Krejcie and Morgan formula is given as:

$$S = \frac{X^2 N(1-P)}{d^2(N-1) + X^2 P(1-P)}$$

Where;

S = required sample size

$X^2$  = the table value of chi-square for 1 degree of freedom at the desired confidence level (3.841)

N = the population size

P = the population proportion.

D = degree of accuracy expressed as a proportion of 0.05.

### **Data Collection Instrument**

Questionnaires were used to collect primary data from respondents. Saunders et al. (2009) stressed that questionnaires surveys are probably the common approach of obtaining information in research. According to Saunders et al. (2009), each respondent must response to the same questions in a specific sequence on a structured questionnaire. Since it allows for the gathering of objective data for statistical analysis, a structured questionnaire is advantageous for quantitative research (Saunders et al., 2009). Questionnaires enable researchers to collect, organised and standardised data from a large number of populations.

The questionnaire was obtained from the following source: Affum-Osei et al. (2017), Adom et al. (2019) and Nguyen and Nguyen (2020), the United Nations (2024). Only closed-ended necessary and direct questions were used to allow respondents to choose from a variety of options while also requiring them to analyse each option independently of the others. The structured research questionnaire was designed and created using the 5-point

Likert-like Scale, where 1 signifies the lowest level of agreement and 5 signifies the highest level of agreement. In order to obtain data to achieve the study's goal, the instruments were divided into five (5) primary components. It is worth noting that questions on the owners' educational capabilities were asked in section A; questions about entrepreneurs' social capabilities were asked in section B; and section C contained questions on the economic capability of respondents. Section D on the other contained questions on poverty alleviation. Whiles section E of the instrument contained questions on the demographic information of respondents.

### **Validity and Reliability**

Validity and reliability are two crucial principles in research that relate to the quality and integrity of data and findings (Heale & Twycross, 2015). They perform a significant role in ensuring that study findings are accurate, consistent, and reliable. Validity is the degree to which a study or research questionnaire assesses what it is intended to measure or evaluate (Taherdoost, 2016). It determines how accurate and credible a study's results and conclusions are. A valid research study gives proof that the findings are an accurate representation of the subject under investigation. Reliability on the hand refers to the consistency, stability, and repetition of measurements or findings (Noble & Smith, 2015). It determines if the study instrument or process produces consistent findings under similar circumstances. Reliability suggests that if the same investigation is repeated, the results will be comparable (Mohamad, Sulaiman, Sern & Salleh, 2015).

Validity and reliability are both required to ensure the rigour and credibility of research. High validity guarantees that the research properly

evaluates what it plans to measure, while high reliability ensures that the results are consistent (Mohamad et al., 2015). In order to improve the quality and credibility of their findings, researchers are required to consider these concepts during the design, execution, and analysis phases of their investigations. In view of this, the researcher employed these techniques to improve the quality of the instrument. By involving experts and peers, the credibility of the instrument was ensured. The instrument was shared with peers to review and make corrections, experts in the study area were also served with the questionnaire for necessary inputs and suggestions. Reliability was achieved by testing the Cronbach alpha and the composite reliability. These values were larger than (0.70), indicating that the data gathering instrument used can be trusted and relied on (Pallant, 2020). It should be noted that the values obtained from these tests was demonstrated in Chapter Four of this research.

### **Data Collection Procedure**

The data collecting technique is critical in acquiring relevant and trustworthy information for analysis and decision-making. It entails using a systematic approach to gathering data from diverse sources and assuring its correctness, completeness, and integrity. Before embarking on the data gathering activity, a clearance letter was acquired from the management department at the school of business and attached to the instrument. The research did this as a way to stop respondents from questioning the validity of the entire data collection procedure. Subsequent to gaining approval from the proper authorities, sampled respondents were then given the questionnaire to



complete and return it after completion. This was between the periods of 15<sup>th</sup> July and 15<sup>th</sup> August 2023.

To ensure maximum and timely collection of the data, field assistants were trained to help in the management and collection of the questionnaire. Because of the demanding schedule of most of the respondent, the questionnaires were left at the firms' premises to be fill by the respondents later when they were less busy. That is, respondents were free to complete the surveys whenever it was convenient for them. Throughout the exercise, the information was then daily gathered from the respondents. 283 of the 307 questionnaires that were given to the respondents were collected from them. This represents 92.18 percent response rate.

### **Data Processing and Analysis**

To verify for consistency and discrepancies in the responses, the information gathered in the field was first modified. IBM SPSS Statistics (V.24) and Smart PLS 4 was used for the processing. After processing the data, descriptive (frequency, percentage) and inferential (regression) statistical methods were employed to analyse it. The descriptive tools such as frequency and percentages analysed the respondents' demographic information while structural equation modelling was used to analyse objective one to three. Lack of response was one of the assumptions prior to data collection, but the researcher ensued adequate participation by explaining the relevance of the study to the respondents and assured them of ensuring all ethical standards.

### **Ethical Consideration**

As described by Saunders, Lewis and Thornhill (2007), ethics is the collection of rules or principles of conduct that direct moral judgements

regarding our acts and relationships with others. Researchers should adhere to ethical principles including beneficence, autonomy, justice, and no maleficence, according to Greener and Martelli (2018), especially while doing primary research. Informed consent, voluntary participatory, plagiarism, respect for privacy, concealment, and confidentiality challenges are some of the critical guidelines of data collection outlined by (Newman, Bavik, Mount & Shao, 2021). This work was done out in conformity with all ethical research criteria. As a result, approval was obtained from the proper authorities, which contributed to the efficient conduct of this research. Respondents had informed permission in that they were aware they were taking part in the data gathering process. Regarding plagiarism, all essential information was paraphrased and accurately cited from appropriate sources.

The study was subsequently put through a plagiarism scan to identify any potential instances of copying. To safeguard people' anonymity, any individually identifiable information that may be used to identify them, such as names and other critical personal information, was erased. Confidentiality was secured by informing the unit of analysis that all information they give out will be kept secret and utilised solely for this study. Finally, all ethical requirements were fulfilled in the study.

### **Chapter Summary**

Various approaches employed to reach the research's purpose were detailed in this section. This chapter thoroughly examined the essential elements of the study's research procedures, including research methodology, population, sampling strategy, data analysis and processing, validity and reliability, and data collecting tools. The explanatory approach and

quantitative method were specifically utilised as a result of the objectives of the research. In order to accomplish its goal, the study's results and data discussion are presented in the upcoming chapter.

## CHAPTER FOUR

### RESULTS AND DISCUSSION

#### Introduction

The study set out to investigate the role that owner capability plays in for poverty alleviation within the Ghana's Central Region. The study specifically looked at how educational capability of entrepreneur contribute to the Central Region's poverty reduction, examined the impact of social capability on the Central Region's poverty reduction, and finally, the impact of economic capability on Central Region's poverty reduction.

#### Demographics Information of Respondents

Indicators such as age, sex, educational qualification as well as their sector of operation were assessed. Frequency and percentages (%) were used to measure these characteristics in a descriptive manner since they are suitable statistical techniques for measuring categorical data. The outcome is displayed in Table 1.

**Table 1: Demographic Information of Respondents**

<b>Variable</b>	<b>Category</b>	<b>Frequency</b>	<b>Percent</b>
Sex	Male	147	51.9
	Female	136	48.1
<b>Total</b>		<b>283</b>	<b>100.0</b>
Age	18-30	55	19.4
	31-40	126	44.5
	41-50	76	26.9
	>50	26	9.2
<b>Total</b>		<b>283</b>	<b>100.0</b>
Level of Education	Non-formal	15	5.3
	Certificate	76	26.9
	Diploma	166	58.7
	Degree	26	9.2
<b>Total</b>		<b>283</b>	<b>100.0</b>
Sector	Agribusiness	32	11.3
	Manufacturing	148	52.3
	Hospitality & Tourism	25	8.8
	Services	32	11.3
	Trade	35	12.4.
	Crafts	11	3.9
<b>Total</b>		<b>283</b>	<b>100.0</b>

From Table 1, the total number of men who answered to the survey was 147 representing 51.9%, while females were 136 representing 48.1%. The data on the gender demographic features of the target group suggest that the majority of SME owners within the study area were males. This indicates that, a lot of men are engaged in small and medium-sized business as compared to females.

Also, respondents' age was assessed, and it was noted that 55 respondents accounting for 19.4%, were between the ages of 18 and 30,

126 were amongst the ages of 31 to 40, accounting for 44.5 percent, 76 of the study's population falls within the ages of 41-50 representing 26.9% and 26 of the respondents representing 9.2% was over 50 years of age. The results on the respondents' age profiles revealed that a significant portion were between 31 and 40 years old as showed in the table I, demonstrating that the responders had grown and were of sufficient age to provide the required information.

Furthermore, it was discovered that from the entire sample respondents that answered to the questionnaires, 15 of them representing 5.3% had no formal education, while 76 of them representing 26.9% had a certificate as their qualification. 166 of them representing 58.7% had acquired a diploma degree and the remaining 26 of them representing 9.2% had a degree, thus either first degree or postgraduate degree or both. The findings on the respondent's programme showed that majority of the respondents have obtained diploma from tertiary institutions. It also shows that majority of the respondents have acquired formal education to enhance their management skills.

Finally, they were asked to specify the sector that they operate. According to the result, it was found that 32 respondents accounting for 11.3% were in the agribusiness sector. It was also revealed that 148 representing 52.3% of them were in the manufacturing sector, 25 of them representing 8.8% operate in the hospitality & tourism industry. Also, 32 (11.3) of them were in the service sector, 35 representing 12.4 percent of them were involved in trading of goods and services, whereas the remaining 11 respondent (representing 3.9%) were involved in the craft

business. This shows that when it comes to the Central Region, most of the SMEs are into manufacturing businesses. Hence the need to make this and all the other sector more attractive to encourage more entrepreneurs to invest in these sectors.

### **Assessment of Model and Specification**

The purpose of the study was to investigate the role that owner capability plays in alleviating poverty in the Central Region of Ghana. In light of this, three (3) hypotheses were formulated and analysed using SEM with the aim of testing the developed hypothesis in bid to address the study's objective. Convergent validity (CV), indicator reliability (IR), multicollinearity (i.e., inner VIF), item loadings, discriminant validity (i.e., HTMT), and construct reliability (CR) were used to assess the model's qualities prior to testing for the hypothesis. To make it easier to grasp the results of the structural model, Hair et al. (2019) and Hensler (2017) emphasized that the model's properties are assessed and reported. Additionally, they guarantee that the model meets the required standard. They also make sure the model satisfies the required benchmark, so its conclusions might be trusted to affect policies and procedures in any organisational environment.

The PLS SEM software produced a model which had one endogenous variable, and three exogenous variables. The endogenous variable was poverty alleviation which had seven (7) indicators, and the exogenous variables were educational capability with seven (7) indicators, social capability also with seven (7) indicators and economic capability also

with seven (7) indicators. The diagram of the initial model is shown in figure one below.

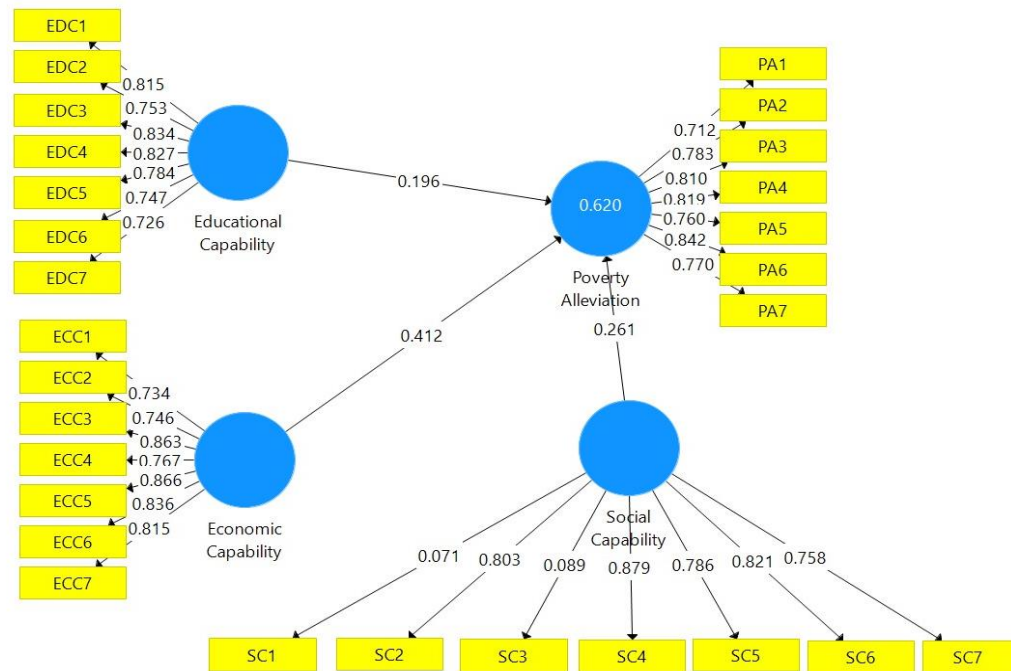


Figure 3: Model extracted from PLS Algorithm  
Source: Author's own construct (2023)

From Figure two, it can be seen that the model has seven (7) indicators for both the endogenous and exogenous variables. In a more specific way, Educational Capability (EC) comprises of EDC1, EDC2, EDC3, EDC4, EDC5, EDC6 as well as EDC7; For Economic Capability (ECC), it is made up of ECC1, ECC2, ECC3, ECC4, ECC5, ECC6 and ECC7; Social Capability (SC) comprises of ; SC1, SC2, SC3, SC4, SC5, SC6, and SC7; and finally Poverty Alleviation (PA) comprises of PA1, PA2, PA3, PA4, PA5, PA6 AND PA7. In order to depict the links between the exogenous and endogenous factors, the three routes were drawn utilising these constructs and their indicators (see Figure 3).

According to Figure 3, the arrows pointing away from the independent variables and towards the dependent variable indicate that there may be



substantial individual correlations between EDC and PA, ECC and PA, and SC and PA. In short, the path arrows suggested the following correlations: EDC and PA; ECC and PA; and finally, SC and PA. The model was subsequently evaluated by examining the indicator values for the constructs. This assessment aimed to ensure that each indicator accurately measures its corresponding concept or construct. The rules state that in order for an indicator to accurately measure its construct, its loading must be more than 0.70 (Hair et al., 2021; Hensler et al., 2009). Consequently, any construct item with a loading less than 0.70 should be removed from the model, as it is deemed an inadequate measure of the designated construct.

According to Hair et al. (2019), item loadings removed from the model do not yield reliable assessments of the structures they are intended to test. Therefore, keeping these items may have a negative effect on the model's results. In order to demonstrate that not all items from earlier research correctly measured their respective constructs in the context of this study, all item loadings below 0.7 in the original model were suitably removed. The definitive model structure is shown in Figure 4 following the removal of all indication loadings below 0.60.

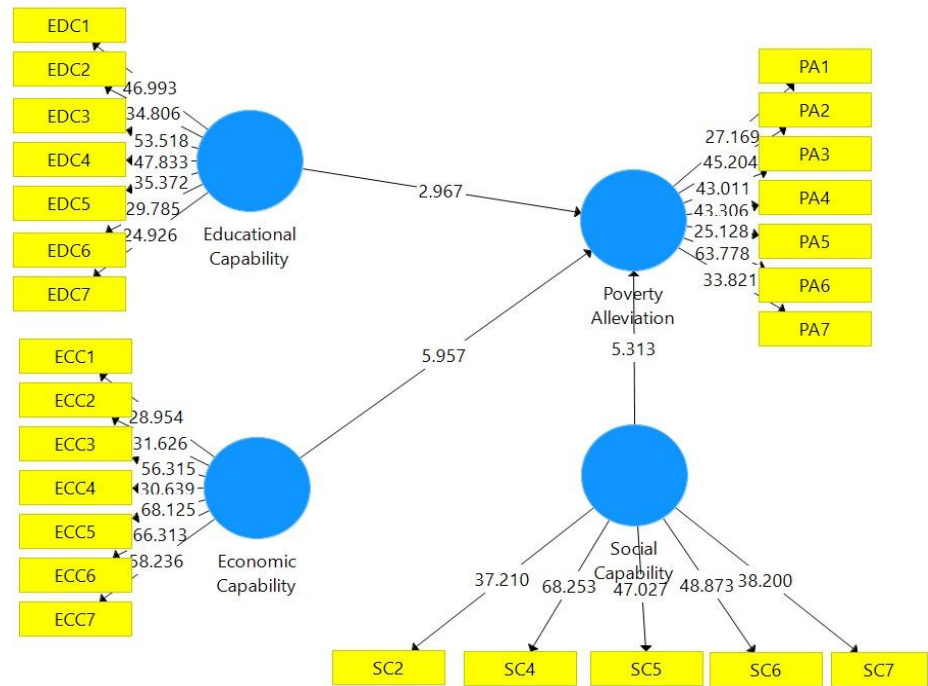


Figure 4: Final Model Structure extracted from PLS Algorithm  
Source: Author's own construct (2023)

The model in Figure 4 demonstrated that all the construct-specific indicators had item loadings greater than 0.70 and that all indicators that fell below the suggested level were excluded. This was done to make sure that all construct indicators served as valid and reliable measures for this study. More specifically, in terms of social capability, SC1 and SC3 was removed; however, all the indicators for EDC, ECC and PA meet the criteria by Hair et al. (2019) hence none of these indicators were removed. This implies that all the ensuing assessments and analysis were centred on the concluding model structure in Figure 4.

### Assessment of Model Qualities

Table 2 introduced the quality assessment of the model using composite reliability (CR) and convergent validity (CV) using the average variance extracted (AVE) scores. Also, discriminant validity and

multicollinearity based on inner VIF values were all assessed and discussed in this section.

**Table 2: Assessment of Model**

	CR	(AVE)	VIF Values
Economic capability	0.928	0.649	2.617
Educational capability	0.918	0.616	2.619
Social capability	0.907	0.661	2.307
Poverty Alleviation	0.919	0.618	

*CR – Composite reliability; AVE – Convergent validity; VIF- Multicollinearity*  
Source: Authors own construct

The composite reliability of Jöreskog (1971) is typically preferred for determining the internal reliability of a model. This is because composite reliability, not like Cronbach's Alpha, doesn't require all population indicator loadings to be equal., which is compatible with how the PLS-SEM method or algorithm's working principle of prioritizing indicators during model estimate depending on their reliability. Values between 0.60 and 0.70 are seen as good in exploratory research, whereas values between 0.70 and 0.90 are regarded as satisfactory in advanced stages of research employing composite reliability (Nunnally, 1994). According to Table 2, the outer model's composite reliability ranged from 0.907 to 0.928, guaranteeing the internal consistency of the structures.

Additionally, the exterior model's accurateness has been assessed. Validity was assessed for parallel and selective validity of the structure. As stated by Hair et al. (2019), A concept's degree of congruence with another is known as its convergent validity characterise the diversity of its products. Convergent validity is supported because each structure's average variance extracted (AVE) is 0.616 or greater. The AVE, according to Hair et al. (2014),

is a construct's communality and is the primary average value of square loading of a set of indicators. A simple interpretation of this statistic is that an AVE of 0.50 means that the indicators account for more than half of the variance in the measures. As a result of Table 2's AVE for the various constructions being over the 0.50 cutoff, convergent validity was guaranteed.

The inner VIF scores also included in Table 2, which aids in the identification of any potential multicollinearity as well as help minimized prevalent technique bias in the research. In order to establish whether the route parameters are bias-free, multicollinearity is assessed (Hair et al., 2021). Additionally, it guarantees a large reduction in any significant areas of potential collinearity among the exogenous components. All inner VIF values should be less than 10 in order to test for multicollinearity (Pallant & Manuel, 2007). According to Pallant (2020), multicollinearity arises when VIF values surpass 10, which could have an impact on the model's functionality. Multicollinearity was not present because all VIF values were much less than 10. In particular, there was no multicollinearity among the constructions, as indicated by the VIF values, which varied from 2.307 to 2.619.

To guarantee the model's quality, the study assessed its discriminant validity (DV), as suggested by Hensler et al. (2012). According to Hair et al. (2017), DV in a model detects possible collinearity problems. Hair et al. (2017) states that collinearity is usually absent from models with significant discriminant validity. Three main techniques for evaluating discriminant validity in a PLS-SEM model have been discovered by prior research (Fornell & Larcker, 1981; Henseler et al., 2012; Hair et al., 2019): the Heterotrait-Monotrait (HTMT) ratio, cross loadings, and the Fornell and Larcker criterion.

However, the HTMT approach was used in this work because, in contrast to Fornell and Larcker and cross loadings, it successfully detects the absence of DV in basic research. Shown in Table 3 below is the result obtained for the HTMT.

**Table 3: Heterotrait-Monotrait Ratio (HTMT)**

	ECC	EDC	PA	SC
ECC				
EDC	0.823			
SC	0.799	0.790	0.765	
PA	0.797	0.744		

Source: Authors own Construct (2023)

A heterotrait-monotrait (HTMT) association was postulated by Voorhees et al. in 2016. HTMT is observed when the geometric mean correlations of items measuring the same construct exceed the average item correlations across different constructs. As shown in Table 3, the HTMT values for the constructs are provided. According to the guideline (Wetzels, Odekerken-Schroder & Van Oppen, 2009), discriminant validity is confirmed if the HTMT figures are below 0.90. In simpler terms, if HTMT scores are less than 0.90, discriminant validity is achieved. Therefore, table 3 shows that every construct's HTMT value is less than 0.90, with the highest value being 0.823 between EDC and ECC, indicating that the constructs are distinct from each other.

### **Description of Target Endogenous Variable Variance**

This segment uses the coefficient of determination ( $R^2$ ) score to show how effectively the model foresaw potential events. Other key estimations were also provided, like "predictive relevance" ( $Q^2$ ) on the basis of Stone-

Giesser test and effect size ( $f^2$ ) (Hair et al., 2019). The result of these components was displayed in Table 4 and discussed. These elements were assessed to determine if the constructs are high quality measures of the model and as such, the model's output could be relied upon to draw accurate conclusions.

**Table 4: Explanation of Target Endogenous Variable Variance**

L.V	$R^2$	Adjusted $R^2$	$F^2$	$Q^2$
ECC			0.173	0.334
EDC			0.041	0.365
SC			0.071	0.357
PA	0.618	0.614		

“Note: L.V. = latent variable,  $R^2$  = R squared,  $f^2$  = effect size,  $Q^2$  = predictive relevance”

Source: Author's own construct (2023)

The predictive relevance score was the first metric, indicated by the  $R^2$  value.  $R^2$  represents the combined effect of the predictors (ECC, EDC, and SC) on the dependent construct (PA), as mentioned by Hair et al. (2017).  $R^2$  essentially indicates the percentage of PA variance that can be accounted for by the three independent variables (ECC, EDC, and SC). According to Henseler et al. (2009), strong, average, and weak inputs of the predictor constructs to the endogenous construct are indicated by  $R^2$  values of 0.75, 0.50, and 0.25, respectively.

The  $R^2$  figure is 0.618 according to Table 4, indicating the three independent variables (ECC, EDC, and SC) together account for approximately 61.8% of the variation in poverty alleviation (PA). Simply put, any change SME managers make in alleviating poverty can be explained by ECC, EDC, and SC contributing about 61.8% to such changes. However, since

$R^2$  values can increase with more predictors, the adjusted  $R^2$  value is recommended for a more accurate reflection that considers model complexity. Table 4 shows an adjusted  $R^2$  value of 0.614 for poverty alleviation, indicating that ECC, EDC, and SC account for 61.4% of the variance in poverty alleviation.

Using Cohen's (1988) impact criteria, Table 4 also displays the effect size ( $f^2$ ) for each independent variable. According to Cohen (1988), an  $f^2$  value of 0.02 indicates a small effect, 0.15 indicates a medium effect, and 0.35 indicates a large effect. As shown in Table 4, EDC had the smallest  $f^2$  figure of 0.041, SC had a value of 0.071, and ECC had the highest effect size at 0.173. These findings suggest that, when considered individually, ECC would have the most significant impact on poverty alleviation in the Central Region, followed by SC and then EDC.

In the end, the predictive significance of the model was recorded using Stone-Geisser's ( $Q^2$ ) test (Hair et al., 2014). To explore  $Q^2$ , a component of the data matrix is removed, the model is analyzed, and the estimates are then used to predict the removed portion (Roldán & Sanchez-Franco, 2012). Chin (2010) states that if  $Q^2$  is higher than 0 for the construct, it is achieved. According to Henseler et al. (2009), a small influence is indicated by a  $0.02 \leq Q^2 < 0.15$ , a moderate effect by a  $0.15 \leq Q^2 < 0.35$ , and a significant effect by a  $Q^2 > 0.35$ . It can thus be concluded that all  $Q^2$  values were greater than zero, indicating that the predictors have a relevant predictive capability for the endogenous variable in the model. Based on the criteria, it can be concluded that ECC had a moderate impact. However, both EDC and SC had strong predicting relevance with EDC having the highest  $Q^2$  of 0.365; followed by SC (0.357).

This indicates that, EDC is a stronger predictor of poverty alleviation than ECC and SC despite having the smallest and weakest effect size.

### Significance of Path Coefficients

The study next tested for the hypothesised associations after verifying that both the measurement and the structural model had been appropriately assessed. This was achieved by following the suggestion made by Hair et al. (2017) to utilise 5000 bootstraps to analyse the data. The results, shown in Table 5, feature five columns representing decision rule, t-statistics, path coefficients ( $\beta$ ), p-values and structural paths for every hypothesis.

**Table 5: Significance of Path Coefficients**

	( $\beta$ )	T Statistics ( O/STDEV )	P Values	Decision Rule
ECC -> PA	0.415	5.957	0.000	Supported
EDC -> PA	0.202	2.967	0.003	Supported
SC -> PA	0.250	5.313	0.000	Supported

Note: \* =  $t > 1.96$ ;  $p < 0.05$

Source: Author's own construct (2023)

The hypothesis of the study was tested by outlining the t-statistics figures as implied by Hair et al. (2021), Ringle et al. (2012), and Roldán et al. (2012). According to the guidelines, to demonstrate that the stated hypothesis is significant, the t-statistic must be greater than 1.96 (i.e.,  $p < 0.05$ ) (Hair et al., 2014; Henseler et al., 2014). In short, a p-value less than 0.05 is associated with a t-statistic larger than 1.96. Therefore, all the directional hypotheses (displayed in Table 5) were validated. The outcomes of the hypotheses are presented and analysed in the following sections.



### **Educational Capability and Poverty alleviation**

The first objective of the study was to examine how educational capabilities affect poverty alleviation in the Central Region. In light of this, the study's hypothesis was that, in the central area, reducing poverty (PA) is significantly influenced by educational capability (EDC). The study result revealed a t-test value of 2.967 and a p-value of 0.003. Based on the results, the t-test value of 2.967 exceeds the threshold of 1.96, and the p-value of 0.003 is below 0.05, thus meeting the criteria set by Hair et al. (2014) and Henseler et al. (2014). Consequently, the hypothesis of the study is supported. Table 5's  $\beta$  value of 0.202 makes it clear that there is a substantial positive correlation between poverty reduction (PA) and educational capability (EDC). This indicates that improvements in educational capability directly predict a positive change in poverty reduction by 20.2 percent. Furthermore, the  $\beta$  value suggest that the impact of educational capability on poverty alleviation is modest.

These results are in line with existing studies whose results outline a strong positive link between educational capability and poverty alleviation. For instance, studies such as Hatak et al. (2015) discovered that entrepreneurs with higher education levels typically have superior managerial abilities and are more inventive, which can enhance business success and help in poverty reduction. Similar to this, a research by Ayentimi et al. (2020) discovered that education had a positive impact on the expansion of SMEs in Ghana. According to the survey, education helps entrepreneurs develop their technical and management abilities, which in turn boosts the production and expansion of SMEs contributing to the alleviation of poverty in the country.

### **Social Capability and Poverty alleviation**

The study's second objective was to test the notion that poverty reduction is significantly impacted by social capability. It may be inferred from Table 5's t-test and p-value results that social capability significantly influences poverty reduction. This is because the study's findings showed a p-value of 0.000 and a t-statistic of 5.313. According to the findings, the p-value of 0.000 is less than 0.05 and the t-test value of 5.313 is greater than the 1.96 threshold, thereby satisfying the requirements set by (Hair et al., 2014; Henseler et al., 2014). Thus, the hypothesis of the study was validated. Additionally, a  $\beta$  value of 0.250 suggests that SC has a moderate impact on PA and that there is a positively significant relationship between social capability and poverty reduction. This indicates that, any change that occurs in social capability will result in a direct change in poverty alleviation. More specifically, a unit change in social capability will results in 25.1 percent change in poverty alleviation.

This result is consistent with the works of Kim and Shim (2018) who discovered that social capability affected SME innovation and discovered a direct relationship amongst social capability and innovation success. A similar study by Ireland et al. (2001) discovered that social capital improves the firm's access to opportunities, resources, and knowledge that are essential to corporate success and this success contribute significantly to poverty reduction in the country. Another study by Pratono (2018) discovered that social capital and trust had a favourable impact on SMEs' capacity to build alliances and partnerships, which are essential to firm success.

### **Economic Capability and Poverty Reduction**

Also examined was the third hypothesis of the research, and the results was presented in Table 5. The hypothesis was that economic capability has a substantial impact on poverty alleviation. The t-stat was 5.957 ( $p=0.000<0.05$ ) with  $\beta$  of 0.415. These results mean that the hypothesis was supported; thus, ECC has a substantial positive impact on PA. It suggests that any unit variation in ECC is bound to result in a significant unit change in PA by 41.5 percent. This outcome suggests that the impact of ECC on PA was significant, positive and moderate. Simply put that if SMEs within the Central Region is able to improve on their economic capabilities, they are likely to contribute effectively towards reducing poverty in the region.

This result is in line with studies such as Oladipo and Ige (2020) who discovered that the economic capability of owners had a substantial impact on the expansion of their enterprises. Similarly, Adomako, et al. (2017) discovered that owner financial literacy and access to credit were positively connected to SME development in their research of SMEs in Ghana. In another study, Nguyen discovered that the expansion of SMEs was positively impacted by economic capabilities as shown by financial development, infrastructure, and institutional quality. By further stating that locations with greater levels of economic development showed a stronger favourable impact of economic competence on SME growth.

### **Chapter Summary**

This part of the paper provided the findings and discussions as pertaining to the results. In the first objective, educational capability had a positive significant effect on poverty alleviation. Likewise, the objective two

showed that social capability has a positive statistically significant effect on poverty alleviation. The third objective indicated that the impact economic capability has on poverty alleviation is a positive statistically substantial one.

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### Introduction

The findings of this study's objectives are outlined in this chapter, along with conclusions and suggestions for future research and policy considerations.

#### Summary

The goal of the research was to investigate the role that owner capability plays in alleviating poverty in the Central Region of Ghana. The specific objectives of the study are to:

1. examine the effect of educational capability on poverty reduction in the Central Region.
2. analyse the effect of social capability on poverty reduction in the Central Region.
3. examine the effect of economic capability on poverty reduction in the Central Region.

To meet the research objectives, a survey questionnaire and three hypotheses were developed in this study. The research was conducted with a post positivist mind-set, concentrating solely on explanatory research design and quantitative methodologies. Data from earlier research on entrepreneurship growth and poverty alleviation were used to create the questionnaire. Using the standard random sample technique, two hundred and eighty-three (283) valid responses were utilised for data processing. The data was analyzed using SmartPLS (version 4) and IBM SPSS Statistics (version 23). Both descriptive and inferential statistics were used. Frequencies

and percentages were used to evaluate the respondents' sociodemographic information. The partial least squares-based structural equation modeling approach was used to test the hypotheses. According to the significance test, the t-statistics had to be greater than 1.96 and the p-value had to be less than 0.05. In the end, this section provided significant analysis results in connection with the research objectives.

The first objective of the study was to examine how educational capability affects the reduction of poverty. The study revealed a positive significant effect on poverty alleviation. Indicating that an improvement in educational capability, will cause a significant change in SMEs contribution to poverty alleviation.

Additionally, the second objective focused on examining the impact of social capability on poverty alleviation. The result revealed a positive significant effect on poverty alleviation. Indicating that an improvement in social capability, will cause a significant change in SMEs effort towards poverty alleviation.

Again, the third objective of the study concentrated on analysing the impact of economic capability on poverty alleviation. This study found a positive substantial impact on in poverty alleviation. Indicating that an improvement in economic capability, will cause a significant improvement in SMEs effort towards poverty alleviation.

## **Conclusions**

The aim of the study was to explore how owner capability influences the effectiveness of SMEs in alleviating poverty in the Central Region of

Ghana. Based on this research's key findings, the subsequent conclusions were reached:

Regarding the first objective, the study discovered a favourable, considerable impact of educational capability on poverty alleviation. The practical implication of this result is that owners and management of SMEs in the Central Region must concentrate on strengthening and improving on their education and training, by attending workshops and other training programmes to acquire more knowledge regarding their businesses. This will help grow their firm and subsequently contribute to poverty alleviation in the region. This conclusion has been reinforced by previously published research in the field, which shows that a large improvement owner's education will result in firm alleviating poverty.

For the second objective, social capability had a positive significant effect on poverty alleviation. This result indicates that management of SMEs within the Central Region should focus much on improving their social skills and relationship in order to improve and contribute to their firm growth. By strategically partnering with industry leaders and appropriate entities, SMEs would increase their chance of successfully growing their businesses and helping to reduce poverty in the region. The study also offered empirical evidence to support this claim that an improvement in social capability is likely to improve poverty reduction.

Also, with regards to the third objective, economic capability was found to have a significant effect on poverty reduction. This discovery holds practical significance, suggesting that management should focus on enhancing their economic capabilities by gaining a deeper understanding of

economic factors, improving financial literacy, and studying inflation trends and other economic influences. This will help these SME owners be in a position to grow their firms and contribute to poverty alleviation. Existing related research supports this observation by suggesting that improvement in social capability would help achieve higher poverty reduction.

### **Recommendations**

The recommendations that follow are derived from the conclusions drawn and the findings of the study. The study recommended that, management should emphasize on putting measures in place in order to provide some formal education and training necessary to SME owners. SME owners should attend business development programmes and other workshops in order to acquire the necessary skills needed to manage their businesses.

The study further recommends that, SME owners should embark on initiatives that would enable them establish relationship with all key partners in their industry. SME owners should ensure that they create good partnership with supplies, clients, government entities as well as other business development centers such as incubators etc. Management should ensure that the establishment of long-term association with these partners to enable them benefit from these relations for a longer period of time.

The study finally recommends that SME owners, managers as well as business development centres should ensure that they keep an up-to-date information about the economy. Small and medium-sized enterprise owners should be trained on the various financial products available on the market to enable them utilised the appropriate ones for their business growth and development.



### **Suggestions for Further Research**

The study's goal was to investigate the role that owner capability plays in alleviating poverty in the Central Region of Ghana. Further research may therefore cover other part of the country utilising qualitative data solely in collecting data. This will enhance existing knowledge and help generalise results. The study was also confined to only SMEs, further studies can focus on other businesses in other part of the country.

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**APPENDICE****QUESTIONNAIRE**

Dear Sir/Madame, I am a Master of Business Administration (MBA) student at the University of Cape Coast working on my research titled “*Small and Medium-Sized Enterprise Owner Capability and Poverty Alleviation in the Central Region of Ghana*,” your input is critical to the research. Your information will all be treated with the utmost confidentiality. I appreciate you agreeing to take part in the study.

**SECTION A: EDUCATIONAL CAPABILITY OF ENTREPRENEURS**

Please rate your level of agreement with the following statements about your educational capacity on a scale of 1 to 5. Using the scales 1 (least agreement) and 5 (highest agreement).

<b>Statements</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
I have extensive understanding in a variety of commercial fields, including marketing and finance.					
I participate in entrepreneurial training programs, workshops, or seminars.					
I am able to apply theoretical concepts to real-world business scenarios.					
I continuously read related business books and follow educational blogs.					
I have a membership in professional organizations or industry networks that provide educational resources and networking opportunities.					
I am proficient in using relevant tools, technologies, and software for managing my business.					
I am able to swiftly adjust to shifting industry trends or market conditions.					

**SECTION B: SOCIAL CAPABILITY OF ENTREPRENEURS**

Please rate your level of agreement with the following statements about your social capability capacity on a scale of 1 to 5. Using the scales 1 (least agreement) and 5 (highest agreement),

Statements	1	2	3	4	5
I am able to interact and engage with others effectively.					
I am able to establish and keep wholesome relationships with people.					
I can effectively communicate with others in social and business environment.					
I am aware of the social dynamics and norms around my business.					
I am able to inspire and influence others, delegate tasks effectively, and foster a positive and inclusive environment.					
I am an effective collaborators and team players.					
I am able to manage conflicts constructively, seek win-win solutions, and find common ground through effective communication and negotiation.					

**SECTION C: ECONOMIC CAPABILITY OF ENTREPRENEURS**

Please rate your level of agreement with the following statements about your economic capability on a scale of 1 to 5. Using the scales 1 (least agreement) and 5 (highest agreement)

Statements	1	2	3	4	5
I have better access to in-depth industry knowledge and information.					
I have access to greater technological expertise.					
I am able to produce goods and services efficiently.					
I am very innovative and creative.					
I am able to compete effectively in the market and generate profits					

I have access to additional managerial expertise.					
I have access to financial services and am financially knowledgeable.					

### SECTION D: POVERTY ALLEVIATION

Please rate your level of agreement with the following statements about your poverty alleviation of your place of operation on a scale of 1 to 5. Using the scales 1 (least agreement) and 5 (highest agreement).

Statements	1	2	3	4	5
My firms have proper measures to improve it(s) employees well-being.					
My firm finds better ways of improving its employees' working conditions.					
My firm engages in corporate social responsibilities (CSR) towards the society.					
My firm continuous to explore opportunities to improve it economic status.					
My firm creates opportunities to enhance the economic status of local communities living in poverty.					
My firm has established social welfare program(s) to provide a safety net for those living in poverty.					
My firm adopt sustainable development approaches that ensure long-term poverty reduction.					

**SECTION E: SOCIO-DEMOGRAPHIC INFORMATION**

## 1. Sex

Male ☐ Female ☐

## 2. Age:

18- 30 years ☐ 31-40 years ☐  
41-50 years ☐ Over 50 years ☐

## 3. Educational Qualification

Non-formal ☐  
Certificate ☐  
Diploma ☐  
Degree ☐

## 4. What sector is your enterprise involved in

Agribusiness ☐  
Manufacturing ☐  
Hospitality & tourism ☐  
Services ☐  
Trade ☐  
Crafts ☐