

UNIVERSITY OF CAPE COAST



EFFECTS OF BUSINESS DEVELOPMENT SERVICES ON THE
PERFORMANCE OF SMALL AND MEDIUM SIZE ENTERPRISES IN
ELLEMBELLE DISTRICT, GHANA

EDWARD ARTHUR

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ELLEMBELLE DISTRICT, GHANA

BY
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DECLARATION

Candidate's Declaration

I therefore declare that this dissertation is the result of my own independent work and that no portion of it was submitted for another degree to this university or elsewhere.

Candidate's SignatureDate

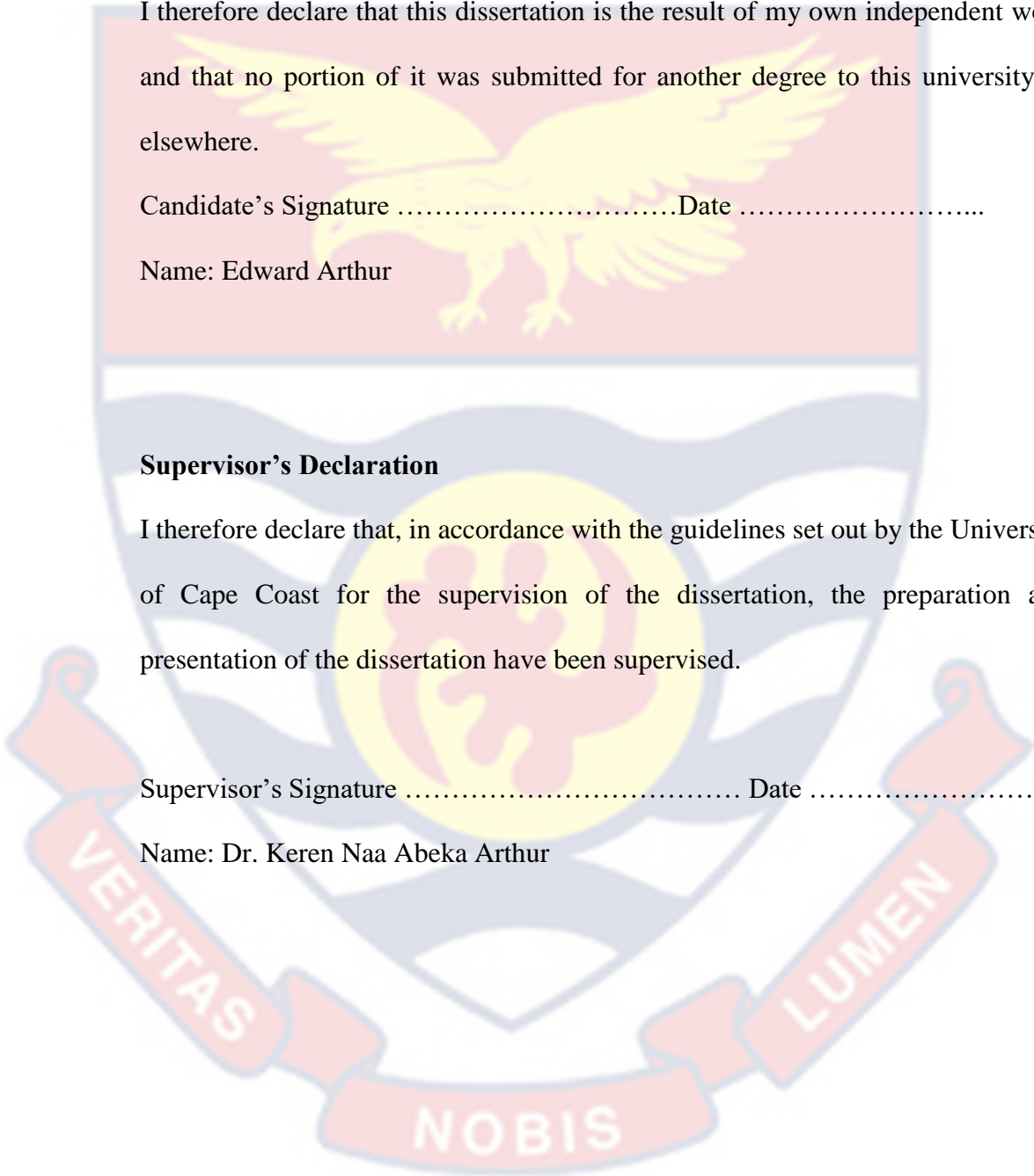
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Supervisor's Declaration

I therefore declare that, in accordance with the guidelines set out by the University of Cape Coast for the supervision of the dissertation, the preparation and presentation of the dissertation have been supervised.

Supervisor's Signature Date

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ABSTRACT

The study looked at the effects of business development services on performance of small and medium sized enterprises in Ellembelle District. A variety of factors inhibit the development of small and medium sized enterprises in African countries, which in turn affects entrepreneurship, job creation and economic transformation. Using cross-sectional data from 250 small and medium sized enterprises in Ellembelle District. The study found in most of the examined variables the positive relationship between the use of business support services and the performance of small and medium sized enterprises in Ellembelle District. However, contrary to expectations, building business linkages and mentoring programs recorded negative relationships with performance of small and medium sized enterprises. This is related to restricted capacities stemming from the size of small and medium sized enterprises compared to large companies and deficiencies in the content of mentoring programs. In addition, the discrepancy between business support services demand and supply as well as the low adoption rate of business support services are associated with the inadequate adaptation of business support services to the needs of small and medium sized enterprises, high service costs and a lack of qualified service providers. Thus, the researcher argue that the provision of business support services to small and medium sized enterprises should be demand-driven and that institutions should build on the pre-eminent characteristics of small and medium sized enterprises when designing business support programs.

KEYWORDS

Business Development Services

Ellembelle District

Small and Medium Sized Enterprises

SMEs Performance

Weighted average index



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DEDICATION

To my family



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LIST OF ACRONYMS

ANOVA	Analysis of Variance
BDS	Business Development Services
CDASED	Committee of Donor Agencies for Small Enterprise Development
GDP	Gross Domestic Product
GEA	Ghana Enterprises Agency
GSS	Ghana Statistical Service
NUMEMPLY	Number of Employees in the enterprises
ROA	Return on Assets
SMEs	Small and Medium Enterprises
SPSS	Statistical Package for the Social Sciences



CHAPTER ONE

INTRODUCTION

Small and Medium-Sized Enterprises (SMEs) play a vital role in the economic growth and development of nations, particularly in emerging economies like Ghana. Recognizing the significance of SMEs as engines of job creation, income generation, and poverty reduction, governments and various stakeholders have focused on implementing initiatives to support their growth and sustainability. One such initiative is the provision of business development services, which encompass a range of support activities tailored to meet the specific needs of SMEs. This study aims to investigate the effect of business development services on the performance of SMEs in the Ellembelle District of Ghana.

The motivation behind this study stems from the recognition of the challenges faced by SMEs in achieving optimal performance and realizing their full potential. While SMEs have the capacity to contribute significantly to the local economy, they often encounter obstacles that hinder their growth, such as limited access to finance, lack of business skills, inadequate market linkages, and difficulties in adopting new technologies. Business development services have emerged as a potential solution to address these challenges and support SMEs in improving their performance. However, empirical evidence regarding the specific impact of these services on SMEs, particularly in the context of the Ellembelle District, is limited.

Understanding the effect of business development services on the performance of SMEs in the Ellembelle District is of paramount importance for several reasons. Firstly, it enables policymakers and relevant stakeholders to assess the effectiveness of existing business support programs and identify areas that require improvement. By gaining insights into the impact of these services, policymakers can refine their strategies and allocate resources more efficiently to better serve the needs of SMEs. Secondly, this study contributes to the existing body of knowledge by providing empirical evidence on the relationship between business development services and SME performance in a specific geographical context. While previous research has examined similar topics in different regions, the Ellembelle District presents a unique setting with its own economic, social, and cultural dynamics. Thus, investigating the specific effects of business development services on SMEs in this district adds valuable insights and enriches the understanding of the broader discourse on SME development.

Background to the Study

Small and Medium-Sized Enterprises (SMEs) constitute a significant portion of the economy in many developing countries, including Ghana. These enterprises play a crucial role in job creation, poverty reduction, and economic growth (Ackah, 2016; Ministry of Trade and Industry, 2019). However, SMEs often face numerous challenges that hinder their growth and sustainability. Limited access to finance, inadequate business skills, lack of market linkages, and difficulties in technology adoption are some of the obstacles faced by SMEs in Ghana (Ackah, 2016; Yeboah & Ankrah, 2017).

To support the growth and development of SMEs, governments and various stakeholders have implemented business development services aimed at addressing these challenges. Business development services encompass a range of non-financial support activities tailored to the specific needs of SMEs (Ackah, 2016). These services may include business advisory, training and capacity building, market access support, networking opportunities, and technology adoption assistance (Ministry of Trade and Industry, 2019).

The importance of studying the effect of non-financial business development services on SME performance in the Ellembelle District, Ghana, is evident. Firstly, understanding the perceptions of SME owners regarding these services is crucial for assessing the current level of awareness and utilization. Research by Amankwah-Amoah et al. (2018) emphasized the need to explore SME owners' perceptions as they influence their engagement and willingness to participate in such programs.

Secondly, analyzing the benefits of non-financial business development services on SMEs is vital for assessing the effectiveness of these interventions. Previous studies have shown that business development services can lead to improved performance indicators such as increased sales, profitability, and productivity (Oduro, Amoako, & Opoku, 2016; Sebola & Cools, 2018). By analyzing the specific benefits gained by SMEs in the Ellembelle District, policymakers and service providers can evaluate the impact of these services and identify areas for improvement.

Thirdly, understanding the challenges in providing non-financial business development services from the perspective of SMEs is critical for enhancing service delivery. Previous research has highlighted challenges such as limited access to information, high service costs, and inadequate training programs (Sebola & Cools, 2018; Yeboah & Ankrah, 2017). By identifying these challenges in the Ellembelle District, stakeholders can develop strategies to address the barriers and enhance the effectiveness of service provision.

Furthermore, this research holds practical implications for SME owners, entrepreneurs, and business development service providers in the Ellembelle District. Findings from this study can inform SMEs about the potential benefits and opportunities associated with utilizing business development services, enabling them to make informed decisions regarding their engagement with such support programs. For business development service providers, understanding the impact of their services can assist in refining their offerings and tailoring interventions to better align with the needs of SMEs in the Ellembelle District.

In conclusion, this study seeks to investigate the effect of business development services on the performance of SMEs in the Ellembelle District, Ghana. By examining the relationship between these services and SME performance, this research aims to contribute to the knowledge base, inform policy decisions, and provide practical insights for SMEs and business development service providers. Ultimately, a comprehensive understanding of this relationship can foster an environment that nurtures the growth and success of SMEs, thereby driving economic development in the Ellembelle District and beyond.

Finally, examining the effect of non-financial business development services on SME performance allows for evidence-based decision-making. Studies have shown that these services can positively impact SME performance, including revenue growth, market share, and competitiveness (Oduro et al., 2016; Sebola & Cools, 2018). By conducting a comprehensive analysis in the context of the Ellembelle District, this study can provide empirical evidence of the specific effects of these services on SME performance.

In conclusion, the Ellembelle District in Ghana, like many other regions, faces challenges in supporting the growth and performance of SMEs. Business development services have emerged as potential solutions to address these challenges. However, there is a need for empirical research to understand the perceptions of SME owners, assess the benefits and challenges of these services, and examine their impact on SME performance in the Ellembelle District. This study aims to fill these gaps by investigating the effect of non-financial business development services on SME performance, thereby providing valuable insights for policymakers, service providers, and SME owners in enhancing SME development in the district.

Statement of the Problem

Despite the implementation of non-financial business development services to support the growth and performance of Small and Medium-Sized Enterprises (SMEs) in the Ellembelle District of Ghana, there are empirical gaps and verifiable evidence indicating the existence of problems. This section highlights key issues related to SME perceptions, benefits, challenges, and the effect of non-financial

business development services, with a specific focus on technical issues encountered in payment automation systems.

Existing studies on the effect of business development services on SMEs in Ghana have predominantly focused on broader contexts or specific sectors, neglecting the Ellembelle District as a distinct geographical area. Thus, there is a lack of empirical evidence on the specific effects of non-financial business development services on SME performance in the Ellembelle District. Verifiable evidence suggests that SMEs in Ghana face various challenges that hinder their growth and performance. A study by Yeboah and Ankrah (2017) found that limited access to finance, inadequate business skills, and difficulties in technology adoption are among the major challenges faced by SMEs in the country. These challenges indicate the need for effective support mechanisms, such as non-financial business development services, to address these issues and promote SME growth in the Ellembelle District.

Payment automation systems play a crucial role in facilitating revenue collection for SMEs. However, these systems can encounter technical issues that disrupt the payment process and delay revenue collection. For instance, software bugs or glitches in the payment automation software can result in errors or failed transactions, affecting the smooth functioning of the payment system (Smith & Johnson, 2019). Server downtime or connectivity issues can also pose challenges, preventing SMEs from processing payments and receiving funds in a timely manner. These technical issues in payment automation systems can have significant implications for SMEs in the Ellembelle District. Delays in revenue collection can

disrupt cash flow, hamper business operations, and impact overall performance. Additionally, the inability to process payments efficiently may lead to customer dissatisfaction and potential loss of business opportunities.

Addressing these technical issues is essential to ensure the smooth functioning of non-financial business development services and their positive impact on SMEs. However, there is a lack of empirical research focusing on the specific technical challenges faced by SMEs in the Ellebelle District and their implications for business development services. In conclusion, despite the implementation of non-financial business development services in the Ellebelle District, there are empirical gaps and verifiable evidence indicating the existence of problems. Key issues include the lack of empirical evidence on the specific effects of these services, challenges faced by SMEs, and the impact of technical issues in payment automation systems. Understanding and addressing these problems is crucial for enhancing the effectiveness of non-financial business development services and promoting the growth and performance of SMEs in the Ellebelle District.

Purpose of the Study

The study's overall goal was to assess the effect business development services (BDS) on the performance of SMEs in Ellebelle District.

Research Objectives

The specific objective of the study sought to:

1. Determine the perceptions of SME owners on business development services in Ellebelle District.

2. Analyse the benefits of business development services on SMEs in Ellebelle District.
3. Assess the challenges in providing business development services from the perspective of SMEs in Ellebelle District
4. Examine the effect of business development services on the performance of SMEs in Ellebelle District.

Research Questions

1. What are the perceptions of SME owners on business development services in Ellebelle District?
2. What are the benefits of business development services on SMEs in Ellebelle District?
3. What are the challenges in providing business development services from the perspective of SMEs in Ellebelle District?
4. What is the effect of business development services on the performance of SMEs in Ellebelle District?

Research Hypothesis

- H1: Training has significant effects on SMEs performance in Ellebelle District.
- H2: Mentoring programs have significant effects on SMEs performance in Ellebelle District.
- H3: Consultancy and advisory services have significant effects on SMEs performance in Ellebelle District.
- H4: Technological advice and transfer have significant effects on SMEs performance in Ellebelle District.

H5: Marketing assistance has significant effects on SMEs performance in Ellembelle District.

H6: Building of business linkages have significant effects on SMEs performance in Ellembelle District.

H7: Government policy has significant effects on SMEs performance in Ellembelle District.

Significance of the Study

This information would be used by SMEs to create rules and processes for improving their performance and detecting non-financial business development services. The research would help people better understand how non-financial business development services are implemented, as well as how to use the recommended principles to improve those that are already in place. Managers of SMEs will be better equipped to comprehend business development services and how to implement them as a result of this research.

The findings of this study will also add to existing ideas by offering further data to support them. Researchers will use the findings of this study to conduct a literature review while doing more research on the effects of non-financial business development services on SME performance.

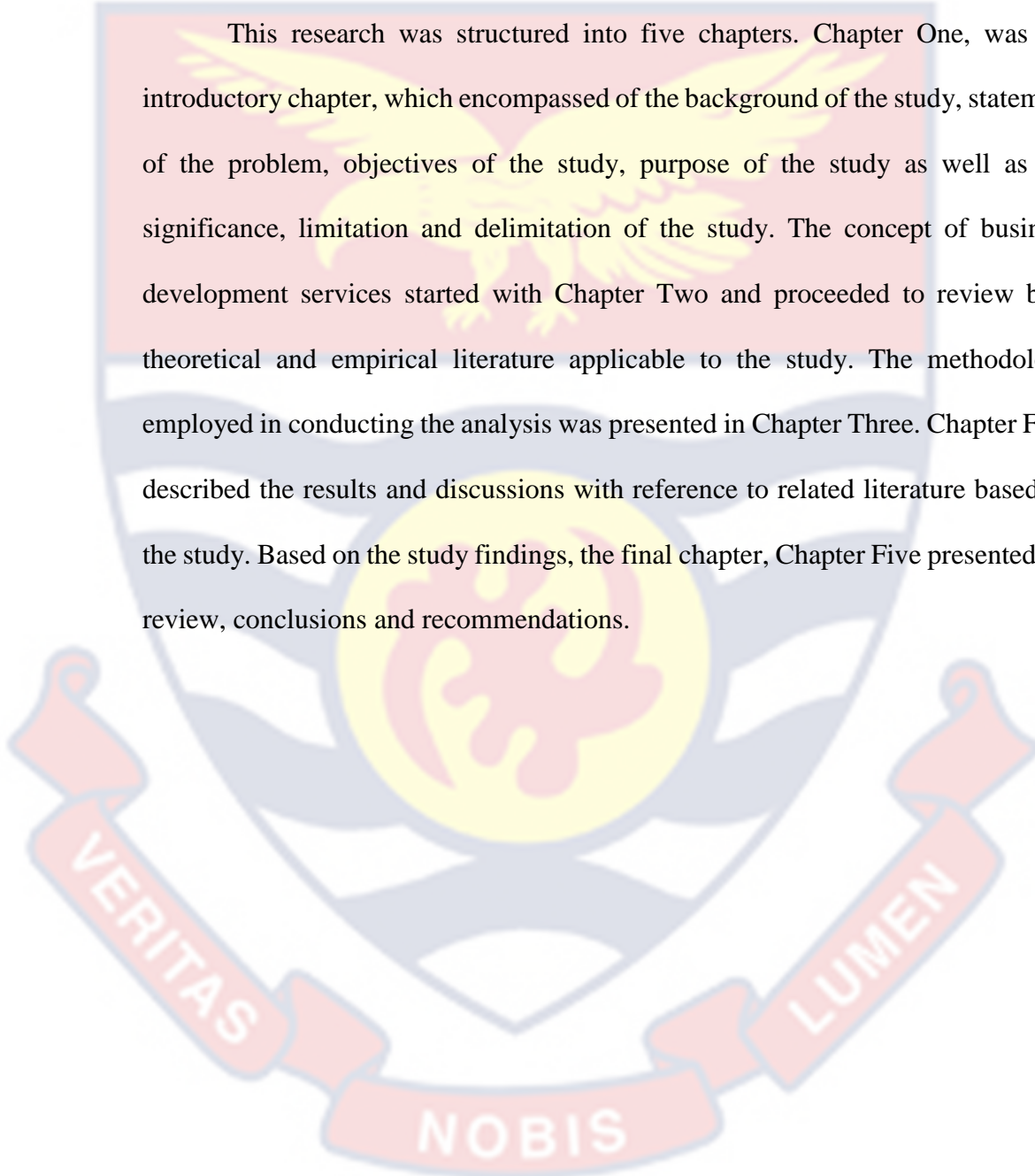
Delimitation of the Study

This research project was suggested to be conducted in the Ellembelle District of Ghana's Western Region. The study's scope was limited to creating business links with large enterprises, training, consultancy and business advisory services, marketing support, technical development and transfer, mentoring, and

government policy, unlike earlier research that focused on a few non-financial BDS.

Organisation of the Study

This research was structured into five chapters. Chapter One, was the introductory chapter, which encompassed of the background of the study, statement of the problem, objectives of the study, purpose of the study as well as the significance, limitation and delimitation of the study. The concept of business development services started with Chapter Two and proceeded to review both theoretical and empirical literature applicable to the study. The methodology employed in conducting the analysis was presented in Chapter Three. Chapter Four described the results and discussions with reference to related literature based on the study. Based on the study findings, the final chapter, Chapter Five presented the review, conclusions and recommendations.



CHAPTER TWO

LITERATURE REVIEW

Introduction

This section presented the theoretical, conceptual and empirical review of literature pertinent to this study. As part of the theoretical and conceptual assessment, the study reviewed human capital theory, contingency theory, marketing mix theory, expectancy theory, the notion of business development services, and measurement of SME performance. The chapter also includes an empirical review of works on business development services and SME performance. Chapter Two ended with the chapter summary.

Theoretical Review

The Human Capital Theory

Schultz (1961) first proposed the hypothesis, which Becker expanded upon (1975). Education and training are vital for human development, according to the notion, and their influence should be measured in terms of return on investment. Schultz (1961) proposed the notion of return-on-investment, which emphasises the cost-benefit analysis of training and education because it is costly and should be regarded an investment. Becker (1975) advanced the theory by proposing the concepts of general-purpose and firm-specific human capital, which are now widely employed in human resource development around the world.

Education or training, according to the notion, increases worker productivity by imparting relevant information and skills, hence improving workers' future wages by increasing their lifetime earnings (Becker, 1975). An

enterprises' human capital must be capable of detecting and analysing business development needs and possibilities. This necessitates the hiring of skilled human resources with suitable knowledge, competence, and other personal characteristics.

Education, training, and experience are typically used to acquire these skill sets (O'Sullivan & Sheffrin, 2017). The idea explains the role of non-financial business support services in developing and disseminating business education and training to SMEs owners, workers, and operators from this perspective. This is significant because it helps to raise awareness among SMEs and their managers about the importance of learning and how non-financial business support services may aid with learning and firm growth.

The Human Capital Theory posits that investing in human capital, such as knowledge, skills, and abilities, enhances organizational performance (Becker, 1993). In the context of the topic "Effect of Business Development Services on the Performance of Small and Medium-Size Enterprises in Ellembelle District, Ghana," the theory suggests that SME owners' perceptions of non-financial business development services and their willingness to invest time and effort in utilizing these services can significantly impact the performance of their enterprises. By understanding SME owners' perceptions of these services (Objective 1), this study aligns with the Human Capital Theory.

Contingency Theory

Fielder (1964) established the idea, which explains how situational elements influence decision-making and a leader's performance. According to this view, a person might be an excellent leader in one situation while being ineffectual in

another (Fielder, 1964). The theory states that in order to be a good and productive manager or leader, you must be self-aware, objective, and adaptive, assessing each scenario and selecting the most effective leadership style. This may provide a barrier for some SMEs managers or owners; as a result, non-financial business support services can help SME owners better understand and manage their working environment, market dynamics, and business situational circumstances. This could explain why SMEs have distinct development potentials and performance.

Contingency Theory emphasizes that effective management practices must be contingent upon the specific characteristics and circumstances of an organization (Donaldson, 2001). In relation to the topic, the study aims to assess the benefits (Objective 2) and challenges (Objective 3) of non-financial business development services in the Ellebelle District. By examining these factors, the research acknowledges the importance of tailoring business development services to the unique context of SMEs in the district, thereby aligning with the principles of Contingency Theory.

The Marketing Mix Theory

One of the most important aspects of any enterprises' success is marketing management. The topic of marketing mix, which reflects a combination of marketing tools and strategies such as product, pricing, place, and promotion, is central to marketing management (4Ps). According to Mbura and Merezia (2015), the marketing mix is a conceptual framework that highlights the primary decisions that a marketing manager takes in structuring their offerings to meet customers' wants, rather than a management theory generated from scientific investigation

(Mbura & Merezia, 2015). This includes making decisions on product quality, branding, and pricing, as well as informing and attracting new customers and distributing items to end users. Non-financial business support services to SMEs in terms of how to apply and manage marketing mix variables such as product branding and marketing strategies may be required for these operations.

The Marketing Mix Theory, also known as the 4Ps (product, price, place, promotion), suggests that the successful marketing of products or services requires a well-balanced mix of these elements (Kotler & Armstrong, 2016). In the context of non-financial business development services, understanding the benefits of these services (Objective 2) can be linked to the product aspect of the Marketing Mix Theory. Analysing the challenges in providing these services (Objective 3) relates to the place aspect, as it involves examining the accessibility and availability of these services to SMEs in the Ellembele District. By exploring the effects of non-financial business development services on SME performance (Objective 4), the study also touches upon the promotion aspect, as it investigates the impact of these services on market positioning and competitiveness.

Expectancy Theory

Vroom (1964) was the first to coin the term "expectancy theory". According to the notion, a person chooses how to act in a given scenario based on the expected outcomes. Individuals make decisions based on their estimates of how much better things will get once they make a given decision, according to the hypothesis. The idea is useful for non-financial business service providers in developing training programmes that are tailored to the needs of SMEs. This is due to the fact that the

predicted benefits of receiving non-financial business services will influence demand. As a result, Mbura and Merezia (2018) suggest that it is the responsibility of service providers to raise awareness and persuade SMEs about the services' availability and the benefits that can be achieved after obtaining them.

Expectancy Theory posits that individuals' motivation and effort are influenced by their expectations of achieving desired outcomes (Vroom, 1964). In the context of SMEs and non-financial business development services, SME owners' perceptions of the benefits and potential positive outcomes associated with utilizing these services can influence their motivation to engage with them (Objective 2). By examining the effect of these services on SME performance (Objective 4), the study explores the link between SME owners' expectations and their efforts to achieve desired outcomes, aligning with the principles of Expectancy Theory.

Incorporating these theoretical frameworks within the study design allows for a comprehensive understanding of the factors influencing SME performance in relation to non-financial business development services in the Ellembelle District, Ghana.

Conceptual Review

Concept of Business Development Services

Business Development Services (BDS) refer to a range of non-financial support activities aimed at enhancing the growth and performance of Small and Medium-Sized Enterprises (SMEs) (World Bank, 2008). These services are designed to address the specific needs and challenges faced by SMEs, enabling

them to improve their competitiveness, access markets, acquire necessary skills and knowledge, and enhance their overall business performance (European Commission, 2016). BDS encompass a diverse set of interventions, including business advisory services, training and capacity building programs, access to networks and markets, technology adoption support, and assistance in financial management (Kantis et al., 2004).

Business advisory services play a fundamental role in BDS. These services involve providing expert guidance, advice, and mentorship to SMEs in various areas of business operations (Gebreeyesus & Söderbom, 2011). The aim is to enhance SME owners' decision-making capabilities, strategic planning, financial management, marketing strategies, and overall business acumen. Business advisors often work closely with SMEs, diagnosing their specific needs, identifying growth opportunities, and offering tailored solutions to improve their performance (Kantis et al., 2004).

Training and capacity-building programmes are another critical component of BDS. These programmes provide SME owners and employees with the necessary knowledge, skills, and tools to enhance their business capabilities (Gebreeyesus & Söderbom, 2011). They may cover areas such as financial management, marketing and sales techniques, production processes, human resource management, and technology adoption. Through training and capacity building, SMEs can improve their operational efficiency, adopt best practices, and respond effectively to market dynamics and emerging challenges (European Commission, 2016).

Access to networks and markets is a vital aspect of BDS. These services facilitate SMEs' engagement with relevant stakeholders, including suppliers, customers, industry associations, and government agencies (Kantis et al., 2004). By providing SMEs with networking opportunities, BDS enable them to establish valuable business relationships, access market information, identify potential partners or buyers, and explore new business opportunities (European Commission, 2016).

Technology adoption support is increasingly becoming a crucial component of BDS. SMEs often face barriers in adopting and integrating new technologies into their operations due to limited resources, lack of knowledge, or resistance to change (Gebreeyesus & Söderbom, 2011). BDS can provide assistance in technology assessment, training on technology usage, support in identifying appropriate technologies, and access to financing options for technology acquisition. By facilitating technology adoption, BDS enable SMEs to enhance their productivity, quality, and competitiveness in the market (World Bank, 2008).

Financial management assistance is also a significant area of focus within BDS. SMEs often struggle with financial management, including budgeting, cash flow management, and accessing finance (European Commission, 2016). BDS can provide guidance on financial planning, accounting practices, accessing credit and investment opportunities, and improving financial reporting systems. Effective financial management support can help SMEs optimize their resource allocation, improve their creditworthiness, and access necessary funds for growth and expansion (Kantis et al., 2004).

In conclusion, Business Development Services (BDS) encompass a range of non-financial support activities aimed at enhancing the growth and performance of Small and Medium-Sized Enterprises (SMEs). These services include business advisory, training and capacity building, access to networks and markets, technology adoption support, and financial management assistance. BDS play a crucial role in addressing the specific needs and challenges faced by SMEs, enabling them to improve their competitiveness, access markets, acquire necessary skills and knowledge, and enhance their overall business performance.

Training

Training is a vital component of Business Development Services (BDS) that plays a crucial role in enhancing the performance of Small and Medium-Sized Enterprises (SMEs). Training programs provide SME owners and employees with the necessary knowledge, skills, and tools to improve their business capabilities and drive growth (Gebreyesus & Söderbom, 2011).

Training programs within BDS are designed to address specific skill gaps and challenges faced by SMEs. These programs offer targeted instruction and guidance in areas such as financial management, marketing and sales techniques, production processes, human resource management, and technology adoption (European Commission, 2016). By focusing on these key areas, training equips SMEs with the competencies needed to improve their operational efficiency, adapt to changing market conditions, and overcome business obstacles.

The effectiveness of training programs within BDS lies in their ability to deliver practical and applicable knowledge to SMEs. Training content is often

designed to be hands-on, interactive, and tailored to the specific needs of SMEs in the Ellembelle District. Through workshops, seminars, and mentoring sessions, SME owners and employees gain valuable insights, learn best practices, and acquire new skills that can be directly applied to their business operations (Kantis et al., 2004).

The impact of training on SME performance has been demonstrated in research. Gebreeyesus and Söderbom (2011) found that training programs had a positive effect on firm-level productivity and profitability among manufacturing firms in Ethiopia. Similarly, a study by Oduro, Amoako, and Opoku (2016) in Ghana revealed that SMEs that participated in training programs experienced improvements in various performance indicators, such as sales revenue and market share.

Training within BDS also fosters innovation and promotes the adoption of new technologies. It enables SMEs to keep pace with industry trends, embrace technological advancements, and enhance their competitiveness in the market (European Commission, 2016). By providing SMEs with the knowledge and skills necessary for technology adoption and utilization, training programs contribute to improving the overall performance and sustainability of SMEs in the Ellembelle District.

In summary, training programs within Business Development Services (BDS) are essential for SMEs as they provide targeted instruction and guidance to address skill gaps and challenges. These programs deliver practical knowledge and skills that can be directly applied to business operations, promoting operational

efficiency, adaptability, and growth. Empirical evidence suggests that training within BDS positively impacts SME performance and contributes to innovation and technology adoption.

Mentoring

Mentoring is a valuable component of Business Development Services (BDS) that contributes to the growth and performance of Small and Medium-Sized Enterprises (SMEs). Mentoring programs provide SME owners with personalized guidance, support, and expertise from experienced professionals or mentors who have a deep understanding of the industry and business dynamics (Kantis et al., 2004).

Mentoring within BDS offers SME owners a unique opportunity to access practical knowledge, industry insights, and valuable networks. Mentors act as trusted advisors and provide guidance on various aspects of business operations, including strategic planning, decision-making, financial management, marketing strategies, and human resource development (Gebreeyesus & Söderbom, 2011). Through regular meetings, discussions, and knowledge sharing, mentors help SME owners navigate challenges, identify growth opportunities, and make informed business decisions.

The impact of mentoring on SME performance has been well-documented. Research has shown that mentoring programs positively influence various dimensions of business success. For example, a study by Oduro, Amoako, and Opoku (2016) in Ghana found that SMEs that participated in mentoring programs experienced improvements in areas such as sales revenue, market share, and

customer satisfaction. Another study by Lussier, Corman, and Kim (2011) indicated that SMEs that had access to mentors achieved higher levels of profitability and growth compared to those without mentoring support.

Mentoring programs within BDS also foster the transfer of tacit knowledge and expertise. SME owners can benefit from the practical experiences, lessons learned, and industry-specific insights shared by mentors (Gebreeyesus & Söderbom, 2011). This knowledge transfer enhances the capabilities of SMEs and helps them overcome business challenges more effectively. Moreover, mentors can offer guidance on accessing resources, building networks, and seizing market opportunities, thereby contributing to the overall success and sustainability of SMEs in the Ellembelle District.

In summary, mentoring programs within Business Development Services (BDS) play a crucial role in supporting SMEs' growth and performance. Mentors provide personalized guidance, industry insights, and valuable networks to SME owners, helping them navigate challenges, make informed decisions, and identify growth opportunities. Empirical evidence suggests that mentoring positively impacts SME performance, leading to improvements in areas such as revenue, market share, profitability, and customer satisfaction.

Consultancy and Business Advisory Services

Consultancy and business advisory services are critical components of Business Development Services (BDS) that provide SMEs with expert guidance, advice, and support to enhance their business performance and overcome challenges (Kantis et al., 2004). These services involve engaging external

consultants or advisors who possess specialized knowledge and skills in specific areas of business operations.

Consultants and business advisors work closely with SMEs to diagnose their specific needs, identify growth opportunities, and develop tailored solutions to address their unique challenges (Gebreyesus & Söderbom, 2011). They offer expertise in various areas, including strategic planning, marketing and sales, financial management, operations, and organizational development. Through a collaborative approach, consultants and advisors assist SMEs in making informed decisions, developing effective strategies, and implementing necessary changes.

The value of consultancy and business advisory services lies in the external perspective and expertise that consultants bring to SMEs. These services provide fresh insights and alternative approaches to problem-solving, allowing SMEs to gain new perspectives and tap into best practices (Kantis et al., 2004). By leveraging the knowledge and experience of consultants, SMEs in the Ellebelle District can access specialized skills and resources that may not be readily available within their own organizations.

Moreover, consultancy and business advisory services offer SMEs access to up-to-date market information, industry trends, and benchmarking data (European Commission, 2016). Consultants possess a deep understanding of market dynamics and can help SMEs identify opportunities, assess competition, and develop effective marketing strategies. They can also support SMEs in improving their financial management practices, analyzing profitability, and

identifying areas for cost reduction or efficiency enhancement (Gebreeyesus & Söderbom, 2011).

The impact of consultancy and business advisory services on SME performance has been widely recognized. Research studies have shown that SMEs that engage consultants or business advisors tend to experience improvements in various performance indicators. For example, a study by Oduro, Amoako, and Opoku (2016) in Ghana found that SMEs that received business advisory services achieved higher levels of sales revenue, profitability, and market share compared to those without such support. Another study by Gebreeyesus and Söderbom (2011) highlighted the positive association between consultancy services and productivity enhancement among Ethiopian manufacturing firms.

In summary, consultancy and business advisory services are crucial components of Business Development Services (BDS) that provide SMEs with external expertise, specialized knowledge, and fresh perspectives to improve their business performance. Consultants and advisors offer guidance in various areas, assisting SMEs in strategic decision-making, marketing, financial management, and operational improvements. The utilization of consultancy and business advisory services has been linked to positive outcomes, including increased sales revenue, profitability, and productivity.

Technological Development and Transfer

Technological development and transfer are crucial aspects of Business Development Services (BDS) that contribute to the performance and growth of Small and Medium-Sized Enterprises (SMEs). Technological development

involves the creation and advancement of new technologies, while technology transfer refers to the process of sharing and adopting existing technologies within SMEs (Gebreyesus & Söderbom, 2011).

Technological development within BDS encompasses activities such as research and development, innovation, and the creation of new technological solutions. BDS providers work collaboratively with SMEs to identify technological gaps, explore innovative solutions, and develop customized technologies that address the specific needs and challenges of SMEs in the Ellembelle District (European Commission, 2016). By fostering technological development, BDS aims to enhance the competitiveness, productivity, and capabilities of SMEs.

Technology transfer within BDS involves the dissemination and adoption of existing technologies to SMEs. It enables SMEs to access and apply proven technologies, tools, and practices that can improve their business operations. BDS providers facilitate technology transfer by identifying appropriate technologies, providing training and capacity-building programs, and assisting SMEs in implementing and integrating these technologies into their daily operations (Kantis et al., 2004).

The impact of technological development and transfer on SME performance has been widely recognized. Research studies have demonstrated that SMEs that adopt and utilize appropriate technologies experience improvements in various aspects of their business. For example, a study by Gebreyesus and Söderbom (2011) found that technological innovation and adoption significantly contributed to productivity growth among manufacturing firms in Ethiopia. Similarly, a study

by Oduro, Amoako, and Opoku (2016) in Ghana revealed that SMEs that received technological support through BDS achieved higher levels of performance, including increased sales revenue and market share.

Technological development and transfer through BDS offer several advantages to SMEs. It enables them to enhance their operational efficiency, streamline processes, reduce costs, and improve product quality (Gebreeyesus & Söderbom, 2011). Additionally, technology adoption can facilitate market access, enable SMEs to meet customer demands, and support business expansion into new markets (European Commission, 2016). By leveraging technological advancements, SMEs can gain a competitive edge, adapt to changing market conditions, and foster sustainable growth.

In summary, technological development and transfer are essential components of Business Development Services (BDS) that enable SMEs to access and utilize new technologies, tools, and practices. Technological development fosters innovation and the creation of customized solutions, while technology transfer facilitates the adoption of existing technologies. The adoption and utilization of appropriate technologies through BDS have been associated with improved SME performance, including increased productivity, sales revenue, and market share.

Marketing Assistance

Marketing assistance is a vital component of Business Development Services (BDS) that aims to support Small and Medium-Sized Enterprises (SMEs) in developing effective marketing strategies, enhancing their market presence, and

ultimately improving their business performance. Marketing assistance within BDS encompasses a range of activities and support services designed to assist SMEs in navigating the complex marketing landscape and reaching their target customers (Kantis et al., 2004).

BDS providers offer marketing assistance by conducting market research to gain insights into customer preferences, market trends, and competitive dynamics (European Commission, 2016). This research helps SMEs understand their target markets, identify potential opportunities, and develop marketing strategies tailored to their specific needs. Moreover, BDS providers may assist SMEs in developing their brand identity, positioning, and messaging to effectively communicate their value proposition to customers (Kantis et al., 2004).

One key aspect of marketing assistance is the provision of guidance and support in developing and implementing marketing plans. BDS providers work with SMEs to define marketing objectives, identify target segments, and formulate marketing strategies to reach and engage customers (European Commission, 2016). They may also assist SMEs in selecting appropriate marketing channels, such as digital marketing, social media, or traditional advertising, based on their target audience and budgetary constraints.

In addition, marketing assistance within BDS often involves training and capacity-building programs to enhance SMEs' marketing capabilities. SME owners and employees can receive training on various marketing topics, such as market analysis, branding, customer segmentation, pricing strategies, and promotional techniques (Kantis et al., 2004). These training programs aim to equip SMEs with

the knowledge and skills necessary to effectively plan, execute, and evaluate their marketing activities.

Empirical evidence supports the positive impact of marketing assistance on SME performance. Research studies have shown that SMEs that receive marketing support through BDS experience improvements in various marketing-related outcomes. For instance, a study by Oduro, Amoako, and Opoku (2016) in Ghana found that SMEs that received marketing assistance achieved higher levels of sales revenue, market share, and customer satisfaction compared to those without such support. Another study by European Commission (2016) highlighted the positive association between marketing assistance and SME growth, emphasizing the importance of effective marketing strategies for business success.

In summary, marketing assistance within Business Development Services (BDS) plays a critical role in supporting SMEs' marketing efforts and improving their overall business performance. BDS providers offer a range of services, including market research, marketing planning, branding, and training, to assist SMEs in developing effective marketing strategies and reaching their target customers. The provision of marketing assistance has been shown to positively impact SMEs' sales revenue, market share, customer satisfaction, and overall growth.

Business Linkages

Business linkages refer to the establishment of connections and collaborations between Small and Medium-Sized Enterprises (SMEs) and other entities in the business ecosystem, such as larger companies, suppliers, customers,

industry associations, and research institutions (Kantis et al., 2004). These linkages play a significant role in facilitating knowledge sharing, resource access, and market opportunities for SMEs, ultimately contributing to their business development and growth.

One form of business linkage is the establishment of partnerships or collaborations between SMEs and larger companies. These partnerships can involve joint ventures, strategic alliances, or supplier-buyer relationships. Through such linkages, SMEs can benefit from the expertise, resources, and market reach of larger companies (Gebreeyesus & Söderbom, 2011). Large companies, on the other hand, may gain access to innovative ideas, niche markets, and flexible production capabilities offered by SMEs. This collaboration can result in knowledge transfer, increased market visibility, and enhanced competitiveness for SMEs (Kantis et al., 2004).

Another form of business linkage is the engagement with suppliers and customers. Establishing strong relationships with reliable suppliers ensures the timely availability of quality inputs for SMEs' production processes (Gebreeyesus & Söderbom, 2011). By fostering partnerships with suppliers, SMEs can benefit from economies of scale, negotiate better terms, and improve their supply chain efficiency. Similarly, building strong relationships with customers allows SMEs to understand customer needs, tailor their products or services accordingly, and build long-term customer loyalty (Kantis et al., 2004).

Industry associations and networks also play a significant role in fostering business linkages for SMEs. Joining industry associations provides SMEs with

opportunities for networking, knowledge sharing, and collective action. These associations facilitate interactions among SMEs, enabling them to exchange best practices, access market information, and collaborate on joint initiatives (European Commission, 2016). Moreover, industry associations can represent SMEs' interests at the policy level, advocating for a favorable business environment and promoting their visibility in the market.

Research institutions and academic collaborations are additional sources of business linkages for SMEs. Collaborating with research institutions allows SMEs to tap into scientific and technological expertise, access research findings, and explore innovation opportunities (Gebreyesus & Söderbom, 2011). This collaboration can lead to the development of new products, improved processes, and enhanced technological capabilities for SMEs. Furthermore, engaging with research institutions can foster knowledge exchange, support capacity-building efforts, and strengthen the overall innovation ecosystem.

The establishment of business linkages is crucial for SMEs' growth and development. Through these linkages, SMEs can access resources, knowledge, and market opportunities that may otherwise be challenging to obtain independently. The collaboration and knowledge-sharing facilitated by business linkages contribute to SMEs' competitiveness, innovation capacity, and market reach.

The Role of Government Policies in Fostering the Development of SMEs

Government policies play a crucial role in fostering the development and growth of Small and Medium-Sized Enterprises (SMEs). Through various policy measures, governments can create a supportive environment that facilitates the

establishment, operation, and expansion of SMEs. These policies encompass a wide range of areas, including finance, taxation, regulation, access to markets, and capacity-building support (OECD, 2017).

One important aspect of government policies is providing financial support and incentives for SMEs. This includes initiatives such as grants, loans, and subsidies that aim to alleviate the financial constraints faced by SMEs in accessing capital and investment funds. For example, government-backed loan programs or venture capital funds can enhance SMEs' access to financing, enabling them to expand their operations, invest in technology, and hire skilled personnel (Brouder et al., 2017).

Tax policies also play a significant role in supporting SMEs. Governments can introduce tax incentives, exemptions, or reduced tax rates specifically targeted at SMEs. These measures help alleviate the tax burden on SMEs, freeing up resources that can be reinvested in business growth and development. Additionally, simplified tax regimes and streamlined tax compliance procedures can reduce administrative burdens for SMEs, making it easier for them to comply with tax regulations (OECD, 2017).

Regulatory frameworks and business-friendly regulations are essential for SME development. Governments can implement policies that simplify bureaucratic procedures, reduce red tape, and create a favorable regulatory environment for SMEs. This includes measures such as streamlining business registration processes, facilitating licensing and permits, and reducing regulatory barriers to entry and operation. By minimizing regulatory burdens, governments can encourage

entrepreneurship, promote business formation, and stimulate SME growth (OECD, 2017).

Government policies can also foster the development of SMEs by facilitating access to markets and international trade. This can involve the negotiation of trade agreements, tariff reductions, and export promotion initiatives that enable SMEs to access global markets. Governments can provide support in market intelligence, export assistance programs, and trade missions, assisting SMEs in identifying export opportunities and overcoming barriers to entry in foreign markets (Brouder et al., 2017).

Capacity-building support is another crucial aspect of government policies. Governments can invest in programs and initiatives that enhance SMEs' managerial skills, entrepreneurship capabilities, and technical knowledge. This can be achieved through the provision of training programs, mentorship schemes, and business development services that equip SMEs with the necessary tools and knowledge to improve their competitiveness and sustainability (OECD, 2017).

Empirical evidence supports the positive impact of government policies on SME development. Studies have shown that supportive government policies, such as financial assistance, tax incentives, and regulatory simplification, contribute to SME growth, innovation, and job creation (Brouder et al., 2017). For instance, research by the OECD (2017) indicates that countries with more supportive SME policies tend to have higher SME employment rates and stronger SME contributions to GDP.

In conclusion, government policies play a crucial role in fostering the development and growth of SMEs. Financial support, tax incentives, business-friendly regulations, access to markets, and capacity-building initiatives are some of the policy measures that governments can implement to create a supportive environment for SMEs. By enacting these policies, governments can stimulate entrepreneurship, enhance SME access to finance and markets, reduce administrative burdens, and promote the overall development and competitiveness of SMEs.

Benefits of Business Development Services to SMEs

Business development services offer a range of benefits to Small and Medium-Sized Enterprises (SMEs), contributing to their growth, competitiveness, and overall success. These benefits include increased market penetration, enhanced network with large firms, improved product quality, increased profitability, increased competitiveness, and enhanced managerial efficiency.

One of the benefits of business development services is increased market penetration for SMEs. These services help SMEs identify target markets, understand customer preferences, and develop effective marketing strategies (European Commission, 2016). Through market research, market segmentation, and marketing assistance, SMEs can expand their customer base, reach new markets, and increase their market share.

Another benefit is the enhanced network with large firms. Business development services facilitate linkages and collaborations between SMEs and larger companies (Kantis et al., 2004). By establishing partnerships, joint ventures,

or supplier-buyer relationships, SMEs can benefit from the expertise, resources, and market reach of larger firms. These collaborations enable SMEs to access new opportunities, gain exposure to larger markets, and leverage the networks and distribution channels of their larger counterparts.

Improved product quality is another advantage of business development services. Through capacity-building programs, technical assistance, and access to technology and expertise, SMEs can enhance their product development processes, quality control mechanisms, and overall production standards (European Commission, 2016). This leads to improved product quality, which can help SMEs differentiate themselves in the market, build customer trust, and attract repeat business.

Business development services also contribute to increased profitability for SMEs. These services provide support in areas such as financial management, cost optimization, and business planning (Kantis et al., 2004). By improving financial practices, identifying cost-saving opportunities, and developing sound business strategies, SMEs can enhance their profitability and financial performance.

Moreover, business development services enhance SMEs' competitiveness. Through training programs, mentorship, and access to market intelligence, SMEs can strengthen their capabilities, acquire new skills, and stay up to date with industry trends (European Commission, 2016). This enables SMEs to compete effectively in the market, differentiate themselves from competitors, and seize new business opportunities.

Finally, business development services contribute to enhanced managerial efficiency for SMEs. These services provide support in areas such as business planning, organizational development, and managerial training (Kantis et al., 2004). By enhancing managerial skills, optimizing business processes, and adopting efficient management practices, SMEs can improve their operational efficiency, decision-making processes, and overall performance.

In summary, business development services offer multiple benefits to SMEs, including increased market penetration, enhanced network with large firms, improved product quality, increased profitability, increased competitiveness, and enhanced managerial efficiency. These benefits empower SMEs to expand their market reach, access resources and expertise, improve product offerings, drive financial success, compete effectively, and operate more efficiently in a competitive business landscape.

Weighted Average Index (WAI)

According to Amit, Brander and Zott (2017), a weighted average or weighted mean is an average which is obtained by combining different numbers (e.g., prices or index numbers) according to the relative importance of each. A weighted average or mean is one where each item being averaged is multiplied by a number (weight) based on the item's relative importance, rather than treating each item equally. The weights or weightings are the equivalent of having that many similar items with the same value involved in the average. The result is summed and the total is divided by the sum of the weights. An arithmetic average can be considered a special case where all values are valued (weighted) equally (Kaplan

& Strömberg, 2017). The study used weighted average index (WAI) to analyse the benefits of non-financial support services to SMEs.

Challenges in providing business development services from the perspective of SMEs

The provision of business development services to Small and Medium-Sized Enterprises (SMEs) can be accompanied by various challenges from the perspective of the SMEs themselves. These challenges can hinder the effective delivery and utilization of such services, impacting the overall support provided to SMEs. Some common challenges include limited awareness and knowledge, financial constraints, access to appropriate services, and capacity limitations.

One significant challenge faced by SMEs is limited awareness and knowledge about available business development services. Many SMEs may not be fully aware of the range of services and support programs that are available to them (Kou et al., 2018). This lack of awareness can prevent SMEs from accessing the resources and assistance they need to improve their business operations and competitiveness. To address this challenge, it is crucial to enhance awareness campaigns and communication efforts to ensure that SMEs are well-informed about the available support services.

Financial constraints pose another major challenge for SMEs in utilizing business development services. SMEs often face limited financial resources and may struggle to allocate funds towards accessing or investing in such services (Schoof, 2019). The cost of obtaining specialized assistance, training, or consultancy services can be prohibitive for SMEs with limited budgets. It is

essential for policymakers and service providers to develop cost-effective solutions, such as subsidized or affordable service packages, to ensure that financial constraints do not hinder SMEs' access to essential support.

Access to appropriate business development services is also a challenge for SMEs. The diverse needs and characteristics of SMEs require tailored and targeted support, which may not always be readily available (McAdam et al., 2019). SMEs may face difficulties in finding service providers that understand their specific industry, market, or operational challenges. It is crucial for service providers and intermediaries to develop a comprehensive understanding of SMEs' needs and preferences to deliver relevant and customized support services.

Capacity limitations within SMEs can also hinder the effective utilization of business development services. SMEs may lack the internal capabilities, skills, or resources necessary to fully benefit from the support provided (Kou et al., 2018). This can include limited managerial expertise, inadequate human resources, or insufficient technological infrastructure. To overcome this challenge, it is important to integrate capacity-building initiatives within the provision of business development services, offering training and skills development programs that empower SMEs to make the most of the support available to them.

In summary, challenges in providing business development services from the perspective of SMEs include limited awareness and knowledge, financial constraints, access to appropriate services, and capacity limitations. Addressing these challenges requires efforts to enhance awareness, develop affordable solutions, customize services to SME needs, and provide capacity-building support.

By overcoming these challenges, the delivery and utilization of business development services can be improved, leading to more effective support for SME growth and development.

Shortage of qualified providers

According to Kaplan and Strömberg (2018), the innovative potential of German firms is being stifled by a lack of skilled workers. This effect is most noticeable in businesses where there is a shortage of personnel with vocational training, which forces many businesses to give up on innovative initiatives. In the fields of production and IT, there is a particularly strong need for professionals with formal training (Njagi et al., 2017). On the other side, the failure of innovation initiatives is less frequently attributable to a shortage of academic staff. Businesses and governments must make more investments in vocational training if they want to ensure that the German economy maintains its ability for innovation.

Based on information gathered between 2017 and 2019 as part of the German Community Innovation Survey (CIS), the study was carried out in collaboration between ZEW Mannheim and Professor Jens Horbach from the Augsburg University of Applied Sciences. The analysis demonstrates that the scarcity of trained workers has a significant impact on creative enterprises, with 43.8 of the most innovative businesses reporting a skills deficit. This percentage equals 39.6% of enterprises in the economy as a whole. Companies that rely heavily on innovation are more acutely affected by the skills gap because of their reliance on trained personnel.

The potential for additional innovation is also constrained by the dearth of competent specialists. According to the survey, businesses are more likely to give up on innovation initiatives when there is a lack of people with appropriate training. On the other hand, businesses with a high proportion of employees with college degrees are less likely to have trouble filling open positions with qualified applicants. These businesses are also less likely to give up on innovation projects when academic staffing is short. Because these businesses appear to have stronger systems in place to deal with a limited labour supply, such as contacts to university professors, it suggests that the lack of experts in academic vocations is less of a barrier to innovative activities.

The lack of people with specialised training in manufacturing and information technology is a significant barrier to the development of new processes. Rammer (2019) states that in order to persuade more individuals to seek a vocational education in these fields, it is crucial to boost societal acceptance and financial incentives. "Policymakers will need to put measures in place to counteract the detrimental effects skills shortages have on business innovation efforts. The only way to guarantee future productivity development and, by extension, increased wealth is to do this.

High Cost of Services

According to Levratto, Tessier, and Fonrouge (2018), service costing is the process of determining all expenses related to developing, maintaining, and delivering your service. Equipment, personnel costs for employees, professional fees, software, licence costs, and data centre costs are only a few examples of

service cost components. The cornerstone for creating a relevant rate that will help you achieve your financial objectives is costing. Without knowing how much it costs to deliver your service, one cannot create a charge. Costing offers a financial standard to assist you in managing and enhancing your service. For instance, they have a foundation from which to swiftly pinpoint the cause of the increase if service expenses unexpectedly rise. Even if you don't intend to charge for your service, Capizzi (2018) advised pricing it.

Limited Access to Information

The capacity to locate, get, and successfully utilise information is known as information access. According to Agrawal, Catalini, and Goldfarb (2019), access to knowledge is essential for social, political, and economic growth. Information has traditionally been delivered in a number of generally accessible media, frequently through public libraries. For information, many people also turned to other people and the media. However, the World Wide Web now has access to large stockpiles of information related to commerce, education, health, government, and entertainment thanks to improvements in computer technology (Vulkan, Stebro, & Sierra, 2017). The extent and accessibility of digital information have been dramatically impacted by technology, but many individuals still lack access to these resources.

A complicated combination of competences are needed to utilise information material effectively (Allison, Davis, Short & Webb, 2018). Finding pertinent and trustworthy information can be time-consuming and challenging due to the inconsistent organisational structure and low quality of online resources. To

make it easier to find specific information, search and meta-search engines, hierarchical subject indexes, and portals were created. There are now open virtual reference desks, some of which provide AskA services for access to specialists.

However, even when used in tandem, search engines do not equally scan the whole web or return all file kinds, thus search accuracy is still an issue.

Lack of Monitoring and Evaluation on the Impact of the Services Received

Hoffman and Radojevich-Kelley (2019) define monitoring and evaluation as a collection of procedures and activities aimed at enhancing performance. The main goal of monitoring is to raise the performance of the project you're working on. In order to make judgements that will increase the performance of your project, one gathers data that records the development of their present project. On the other hand, evaluation examines and evaluates the performance of earlier initiatives, using the results to influence future decisions (Miller & Bound, 2017). The data you compile aids in your strategic or big-picture planning.

Finding the time and resources to conduct good monitoring and evaluation procedures is a significant problem, as is to be expected. According to the majority of non-profit organisations surveyed in a recent study by Azih and Inanga (2021), inadequate staff time (79%) and financial resources (52%) are obstacles to conducting assessment activities. It might be simple for monitoring and evaluation to slip down the list of priorities when other activities take precedence since most businesses are dealing with funding restrictions. But over time, efficient monitoring and evaluation can actually help non-profits overcome some of these significant

problems. Understanding where you can have the most influence and what factors are most important to successful interventions, can free up staff time and resource.

Similar to that, being able to show and provide proof of your effect will significantly help you in your fundraising efforts, both with individual contributors and grant-giving organisations, increasing your access to financing and easing budgetary restrictions. Monitoring and evaluation also enables you to recognise when you are going over time and budget so you can take immediate corrective action and learn which activities contribute to your long-term goals and objectives. All of this adds up to the fact that monitoring and assessment can help you locate that valuable time and resource, assuming you can strive to develop efficient procedures in the near term.

When an organisation wants to enhance its monitoring and evaluation procedures and activities, there are several obstacles to overcome. A good M&E project involves many different aspects, from locating the resources to complete the task to fostering a culture that supports the process. Since the majority of organisations lack full-time access to evaluation professionals, monitoring and evaluation can be particularly difficult for many of them. As a result, building a Monitoring and Evaluation framework and effectively executing it might be significantly hampered by a lack of access to technical skills.

In contrast, the researcher in this study conceptualised the difficulties in providing non-financial support services as a lack of qualified providers, high costs, restricted access to information, the failure of non-financial support services to meet the needs of SMEs, and a lack of monitoring and evaluation on the effects of

the services received. In order to examine the difficulties SMEs face in delivering non-financial support services, the study employed weighted average index (WAI).

Concept of SMEs Performance

An examination of empirical literature indicates that measurement of performance defies one single uniform approach. The varied approaches in measuring performance reflect the broad nature of the concept itself. Firm performance connotes the extent to which both monetary and non-monetary objectives of a firm are accomplished through the execution of tactics, marketing and strategy. The varied approaches in measuring performance are also in part from the difficulty in obtaining firm level data. One firm are either unwilling to voluntarily give data about their financial firms whereas others, particularly SMEs are noted for poor data records.

Performance indicators can be grouped under two broad categories, namely financial indicators and non-financial indicators. The financial indicators also known as objective indicators measure the state of the enterprises. Benefit, growth, profit margins, cash flow, and return on assets are among these indicators. The non-monetary or subjective measures of performance on the other hand usually reflect the perceptions of management or workers about the state of the firm. It includes indicators such as customer satisfaction (Vij, & Bedi, 2016) and employee participation (Moriarty, 2010), increase in self-sufficiency (Dzei, 2008). Although this mode of measuring performance has a number of advantages, they are several drawbacks to it.

On the other hand, SMEs performance was captured using a number of yardsticks which are increased profitability, improved product quality, increased market penetration, enhanced managerial efficiency, increased competitiveness and enhanced network with large firms. These variables will be analysed using regression model. The study identified the relationship between these dependent variables and the independent variables (business development services).

Overview of Small and Medium Scale Enterprises (SMEs) in Ghana

The criteria for classifying firms into small, medium and large-scale businesses varies from country to country, author to author and by institution. In some countries, classification of firms is based on total number of employees whiles other countries use the monetary value of total fixed asset. In Ghana, two definitions are prolific in empirical literature-one by the Ghana statistical service and the other by the Ghana Enterprises Agency.

Companies with fewer than 10 workers are categorized as small, according to the Ghana Statistical Service (GSS), while companies with 10 or more workers are considered medium and large-scale enterprises. However, the Ghana Enterprises Agency provides an alternate definition for SMEs. SMEs are classified as companies with no more than 9 (nine) workers and machinery and equipment with no more than 10 million Ghanaian employees. There is little doubt, irrespective of the concept adopted, that SMEs play a significant part in the economy of Ghana. According to the largest figures from the Ghana statistical service, close to 50 percent of companies in Ghana are SMEs.

These companies cut across all the sectors of the economy, from the manufacturing sector to the service industry and provide employment for Ghana's youthful population and urban and rural areas. In the urban areas, most SMEs are into retailing, with registered offices, others also operate in open spaces, and temporary wooden structures. In the rural areas, most SMEs are into manufacturing. According to Alliance for Action (2010), most of the SMEs in Ghana are owned by people with little heights of educational attainment where labour force of these firms consists of family members and apprentices who work for no or minimal pay. Other particular attribute of SMEs in Ghana is their affinity with women. Females own most of the SMEs in Ghana (Alliance for Action, 2016).

Despite their eminence importance to the country, SMEs in Ghana face several challenges that hamper their performance. The access to finance is among the problems facing SMEs in Ghana. Most SMEs operate as small informal businesses and are in no position to meet the collateral requirements of the formal banks (Binks et al., 1992). Faced with no other alternative, SMEs are therefore forced to accept loans from informal institutions at very high interest rates.

In a study by Abor and Quartey, (2010) that examined the constraints faced by SMEs in Ghana, lack of adequate managerial competence was mentioned as the second largest problem facing SMEs. The majority of small and medium-sized businesses are owned and run by people with low levels of education and managerial experience. This affects their ability to properly manage their operations of the business. There is also the additional problem of restricted access to international markets. Synonymous with most SMEs in Africa, the produce/output

of most SMEs do most not meet the strict requirements of developed countries thereby restricting their access to the market of developed countries (Abor, & Quartey, 2010).

Empirical Review

Numerous studies have investigated the impact of business development services on the performance of Small and Medium-Sized Enterprises (SMEs) in various contexts. These studies have shed light on the effectiveness of different types of non-financial support services and their influence on SME outcomes. This section provides an overview of the empirical research conducted in this field, highlighting key findings and relevant insights.

Perceptions of SME owners on non-financial business development services: One objective of this study is to determine the perceptions of SME owners on non-financial business development services. Several studies have explored SME owners' perspectives and attitudes towards these services. For example, a study by Kim et al. (2016) surveyed SME owners in South Korea and found that they generally had positive perceptions of business development services. The owners acknowledged the benefits of services such as training, mentoring, and consultancy in improving their business knowledge, skills, and performance.

Benefits of non-financial business development services on SMEs: The second objective of this study is to analyze the benefits of non-financial business development services on SMEs. Previous research has identified various positive outcomes associated with the utilization of these services. For instance, a study by Asonitou et al. (2019) examined the impact of business development services on

SME performance in Greece. The findings indicated that SMEs that actively engaged in such services experienced increased market penetration, improved product quality, and enhanced competitiveness.

Challenges in providing non-financial business development services: Assessing the challenges in providing non-financial business development services from the perspective of SMEs is another objective of this study. Several studies have examined the obstacles faced by SMEs and service providers in delivering effective support. Kou et al. (2018) conducted a systematic literature review on business ecosystem dynamics and found that financial constraints were a common challenge for SMEs in accessing external support services. Additionally, McAdam et al. (2019) explored barriers to accessing business support services in a new ecosystem and identified capacity limitations within SMEs as a significant challenge.

Effect of non-financial business development services on SME performance: The final objective of this study is to examine the effect of non-financial business development services on the performance of SMEs. Numerous studies have investigated this relationship and provided empirical evidence. For instance, a study by Schäfer et al. (2020) examined the impact of training programs on SME performance in Germany. The findings revealed a positive relationship between training participation and SME profitability, highlighting the significant role of training as a business development service.

Overall, the empirical research on business development services and SMEs has demonstrated their potential to positively influence SME outcomes. The studies

discussed above provide evidence of the perceived benefits, including increased market penetration, enhanced product quality, improved competitiveness, and enhanced profitability. However, challenges such as financial constraints, limited awareness, access to appropriate services, and capacity limitations continue to be areas of concern. By addressing these challenges, policymakers, service providers, and stakeholders can enhance the effectiveness and impact of business development services on SMEs.

Conceptual Framework

The conceptual model of Swierczek and Ha (2003) was adopted by this analysis. There are three parts to the model. The first part offers the independent variable, which is, the business development services measurements made up of training, mentoring, consultancy and advisory service, technological advice and transfer, marketing assistance, business linkage and government policy. Whereas the second section of the model offers the control variables used in this study. Adding control variables to our model is crucial, as it will help correct for any confounding effect that may be inherent in the model. The third component of the model is the SME performance indicators (i.e., increased profitability, improved product quality, increased market penetration, enhanced managerial efficiency and increased competitiveness) which makes up the dependent variable. The framework shows how the variables of business development services directly affect the variables of SMES performance. In addition, how the control variables have an effect on the performance of SMEs.

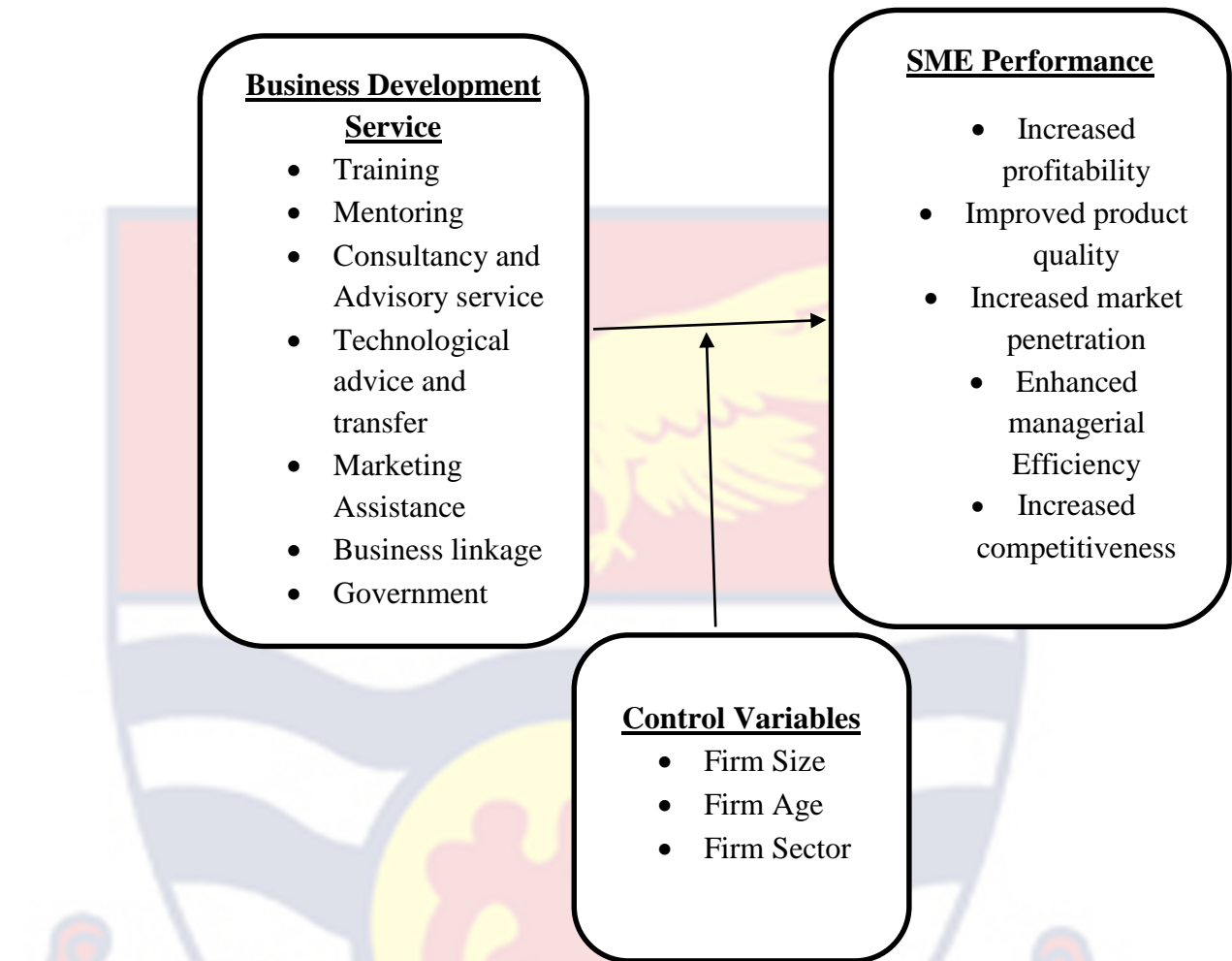


Figure 1: Conceptual framework

Source: Adapted from Swierczek and Ha (2003)

Chapter Summary

This section offered the literature review of this research. This study's literature review was structured under four headings, namely theoretical review, conceptual review, empirical review, and conceptual framework. Theoretical review explained the theoretical foundation of this study. This included human capital theory, contingency theory, marketing mix theory and expectancy theory. The conceptual review defined and explained the various used in the context of this

study. This chapter reviewed literature on business development services and SME performance. It also presents an overview of the SME sector in Ghana, theories, and conceptual issues. The chapter further delineate the proxies chosen in respect of the dependent, independent and control variables. The chapter finally presented and discussed the conceptual framework, which explains how the various variables used in this study are linked.



CHAPTER THREE

RESEARCH METHODS

Introduction

This chapter presented details of how the study was conducted. This study is designed to explore the relationships among business development services and SME performance in Ellembelle District. This chapter discussed the study's research design, research approach, study area, population, sampling and sample size, instrumentation, reliability and consistency. The chapter also discussed about data sources, data collection and methods for data analysis and presentation.

Research Design

The post-positivist research design will be employed for this study, aiming to explore the relationship between business development services and the performance of small and medium-sized enterprises (SMEs) in Ellembelle District, Ghana. The post-positivist approach aligns with the objective of understanding the causal relationship between variables and emphasizes objectivity, measurement, and empirical evidence (Crotty, 1998). Instead of focusing on these philosophies, with pragmatism, investigators highlighted the study problem and use all tactics available to comprehend the problematic (Creswell & Creswell, 2018). Pragmatists argue for the use of quantitative techniques in studying a phenomenon instead of adhering to just one way (Creswell, 2009; Moon & Blackman, 2014).

A study design agreeing to Plonsky (2017), is the general approach that the researcher uses to answer and elicit responses to the study's research questions. The success of any study would depend on the type of research design adopted, so it is

exactly vital to determine the type of data, the method of collection of data and the type of sampling to be used in a study. In an attempt to estimate these sizes in the general population, the researchers adopted a descriptive design to discuss the effect of non-financial BDS on performance of SMEs.

According to Leedy and Ormrod (2010), the decision to use descriptive design can rely on the way descriptive design defines the situation over a more drawn-out period from a fleeting collection of details and further extrapolates. That is, a researcher is able to identify certain aspects of the population with a descriptive design by using the sample of respondents inquired to partake in the research.

The descriptive design also helps to identify, describe and appreciate the features of a sample of respondents for further study in a given situation. Researchers use descriptive design to organize and more effectively summarize study data by reducing data to a comprehensible form and offering tools to explain compilations of statistical observations. Descriptive design analysis, according to Zikmund (2000), is vulnerable to the introduction of biases in instrument measurement and so on, as well as being a relatively laborious and time-consuming process.

Research Approach

There are three key approaches to research, namely, the qualitative approach, the quantitative approach and the mixed approach (Creswell, 2014). Qualitative study is used to analyze and understand the meanings assigned to a social phenomenon or human problem by people or individuals. In terms of form, qualitative research reports are often versatile. A qualitative approach to analysis

encourages an examination that respects an inductive style, a concentration or emphasis on the meaning of the person and the importance of making a situation complex (Creswell, 2014). The mixed approach also entails the collection of qualitative and quantitative data, the mixture of these two sources of data, and the use of different study designs that can incorporate both philosophical and theoretical presumptions (Creswell, 2014).

The research approach adopted by the researcher was the quantitative approach. Patel and Davidson (2003) expressed that quantitative research as comprising the measurement of data collection and statistical processing. In addition, Bryman and Bell (2003), explained that quantitative research offers some gains to the researcher more than qualitative research in terms of administration, time and cost, no interviewer inconsistency, the absence of interviewer effect or convenience for respondents. Actually, quantitative research is inexpensive compared to qualitative research.

Curran and Blackburn (2001) recognised that in business and management studies, this option is increasingly advocated. The quantitative approach was considered acceptable because it enables the researcher to collect data on the basis of highly organized research instrument(s) and well-defined study concepts and associated variables through systematic collection procedures (Zickmund, 2000). Quantitative testing is inexpensive when opposed to qualitative analysis. On the other hand, quantitative research also has drawbacks that ignore a very important human aspect, such as the respondent's emotions, behaviour and feelings.

Study Area

Ellembelle District is the selected study area for the study. It is located in the Western region of Ghana. Major towns of the district are Nkroful, Esiama, Kikam, Asasetre, Awiebo, Atuabo, Asomase, Eikwe, Aluka and Aiyinase. For the purposes of the study, Esiama, Aiyinase, Asasetre, Asomase, Eikwe, and Aluku are the selected area for the study within the district since they are the major market centres in Ellembelle district (GSS, 2021). The population of Ellembelle District, according to the 2021 Population and Housing Census, is 87,501 representing 3.7 percent of the total population in the Western region. The district is located in the southern part of the Western region of Ghana between longitudes 2° 05' W and 2° 35' W, and latitude 4° 40' N and 5° 20' N covering a total land size of 995.8 Square Kilometres (GSS, 2021). The dominant form of employment within the region is the service industry. It employs over 35 percent of the total population. This is followed by the craft and trade industry, which also employs over 13 percent of the total work force in the district.

Ellembelle District represents a specific geographical area in Ghana. By focusing on a specific district, the study can provide insights into the dynamics and challenges faced by SMEs operating in that particular region. This localized approach allows for a deeper understanding of the context-specific factors that may influence the relationship between business development services and SME performance. Ellembelle District is known to have a significant concentration of SMEs across various sectors. This makes it a suitable study area to explore the impact of business development services on SMEs' performance. The abundance

of SMEs in the district provides a diverse and representative sample for the study, enhancing the generalizability of the findings to other SMEs in similar contexts.

Ellembelle District, like many other regions in Ghana, is characterized by emerging economic and developmental challenges. SMEs in such contexts often face unique obstacles in terms of access to resources, market penetration, and competitiveness. By focusing on Ellembelle District, the study can shed light on the specific challenges and opportunities faced by SMEs in this developmental context, thereby informing policy and practice for the sustainable growth of SMEs in similar regions. Collaboration with local stakeholders, such as government agencies, business associations, and community organizations, can be crucial for accessing data, resources, and expertise. Ellembelle District may offer opportunities for partnership and collaboration with relevant stakeholders who can provide valuable insights, support, and facilitate data collection. Their involvement can enhance the credibility and relevance of the study's findings.

The feasibility and accessibility of the study area are important considerations. Ellembelle District may offer logistical advantages, such as proximity to research institutions, transportation infrastructure, and ease of communication, making data collection and research activities more manageable and cost-effective. Overall, the selection of Ellembelle District as the study area provides a focused and representative context to examine the relationship between business development services and SME performance. The unique characteristics of the district, its concentration of SMEs, and its developmental context justify its selection for this research.

Population of the Study

A study population has been described as “including all elements within the reach of this survey and from which the study selects a representative sample (Cooper & Schindler, 2011; Dadi-Klutse, 2016; Kazerooni, 2021). In terms of some combination of geography and demography, a research population is sometimes specified (Babin & Anderson, 2018; Kumar, 2018; Saunders et al., 2017). The population is the community of individuals, activities, or things of interest for which the researcher wants to draw inferences, according to Sekaran and Bougie (2016).

The study population consists of all SMEs registered under the Ghana Enterprises Agency and some other known SMEs yet to gain formal registration with the Ghana Enterprises Agency: barbing and hair salons, carpentry, plumbing, artisan etc. in the Ellebelle District. The total number of SMEs with the Ghana Enterprises Agency as at January 2022 in Ellebelle District was 750 (Ghana Enterprises Agency, 2022). This population was chosen because the researcher believes that most of these firms are in the informal area, which constitute a major part of the Ghanaian economy.

Sample and Sampling Procedure

According to Merrriam et al., (2019), the method used in selecting a sample for a study is known as the sampling procedure. On behalf of this research, the researcher adopted a non-probability sampling method known as the convenience sampling technique. Convenience sampling technique is a sampling procedure where researchers use the subjects that are nearest and available to participate in

the study, hence, proprietors and directors of SMEs that were willing to fill the questionnaire were contacted for the study. Again, this technique was used in the study because of time and cost involved in reaching these SMEs since no accurate number was given by the Ghana Enterprises Agency. However, the study included a reasonable stratum to reflect even participation of the various craft SMEs in the metropolis. The Taro Yamane's sample size formula was used to determine the exact sample size. In all, the analysis included 250 SMEs in the Ellebelle District.

$$n = \frac{N}{1+N(e)^2}$$

Where:

n = sample size

N = Population size

e = Allowable errors

Therefore:

$$N = 750$$

$$1 + 750 (0.05)^2 = 1 + 750 (0.0025) = 1 + 1.875$$

$$= 2.875$$

$$n = \frac{750}{2.875} = 260.86 = 261$$

Based on above calculation, the sample size is 261. This implies that the study was based on two hundred and sixty-one (261) respondents derived as the research sample size.

Data Collection Instruments

Information was gathered using primary data collection methodologies. Primary data was gathered through structured questionnaires. Furthermore, the researcher used a combination of official questionnaires and interviews. The questionnaire was the primary data collection technique. The information needed for the inquiry was gathered through questionnaires. The decision to use a questionnaire for this study was made because it can be used to collect both qualitative and quantitative data from respondents, and it can be self-administered or delivered in an interview format.

Questionnaires were used to gather the information needed for the investigation. The decision to employ a questionnaire for this study was based on the fact that it can be used to collect both qualitative and quantitative data from respondents and can be self-administered or provided in an interview format. The questionnaire featured both open-ended and closed-ended questions because it was a standardized series of questions for acquiring sensitive information from respondents.

The questionnaire was divided into seven sections. The sections were labelled from A to G. Section A looked at the demographic information of respondents, Section B captured identification of firm variables, Section C captured the perceptions of SME owners on BDS variables. Section D looked at the effect of BDS on performance of SMEs whereas Section E looked at the benefits of BDS to SMEs. Section F looked at the challenges in providing business development

service (BDS) to SMEs whereas Section G measured the variables of organisational performance. A five Likert scale measurement was used for this study.

Data Collection Procedure

The questionnaires were taken to the location of the SMEs in Ellembelle District. The study's intent was clarified to the respondents. Through the use of a self-administered questionnaire to ensure a high response rate, the study's data was collected. There were the same set of questions for all the respondents. In order to fix possible errors and to sort out misconceptions and misunderstandings to ensure the research's credibility, the researcher picked up the filled questionnaires personally. The entire duration for the administration and collection of questionnaires was 14 days. Returned questionnaires were edited in order to arrange information in a way that was suitable and used to perform the necessary analysis. Data was collected between the periods of 6th August, 2022 to 20th August, 2022.

Response Rate

Two hundred and sixty-one (261) structured questionnaires were distributed to all selected directors and proprietors of SMEs in Ghana. Following that, a total of 250 completed questionnaires were gathered. This amounted to a response rate of 95.79 percent, which the researcher judged appropriate. According to Edwards, Clarke and Kwan (2019), a response rate of at least 80% is recommended.

Table 1: Response Rate

Response Rate	Frequency	Percentage
Filled	250	95.79
Not filled	11	4.21
Total	261	100.00

Source: Field survey (2023)

Variables and Measurements

The variables in this study were measured using constructs based wholly on the concepts and theories discussed. These measures were adopted and modified from previous research studies in the field to meet the study's needs. Table 1 contains a list of the study's variables, measurements, the data collection tool, and the empirical interpretation.

Table 2: Variables and Measurements

Variables	Measurements	Data collection tool	Empirical interpretation
Business Development Service	<ul style="list-style-type: none"> • Training • Mentoring • Consultancy and advisory service • Technological advice • Marketing assistance • Business linkage • Government policy 	Questionnaire	Pambreni et al., (2019)
SME Performance	<ul style="list-style-type: none"> • Increased profitability • Improved product quality • Increased market penetration • Enhanced managerial efficiency • Increased competitiveness 	Questionnaire	Sarbassov et al., (2020)
Control	<ul style="list-style-type: none"> • Firm Size • Firm Age • Firm Sector 	Questionnaire	Xie et al., (2019)

Source: Field survey (2023)

Ethical Considerations

In a study by Patten and Newhart, the main ethical concern that needs to be considered in any research was revealed (2017). The key ethical issues are voluntary participation, the right to privacy, anonymity, and information security. As a result, every effort is made to ensure that the questionnaire design addresses all of these ethical concerns. In terms of voluntary participation, each responder will be allowed to participate in the data gathering exercise of his or her own free will. In addition, potential privacy concerns will be addressed by encouraging respondents to complete the questionnaires on their own, and an appropriate channel for resolving outstanding issues will be given.

Furthermore, the issue of anonymity is addressed by restricting respondents from providing specific information about themselves in the questionnaire, such as names, phone numbers, and personal addresses. Respondents must also be assured that their identities will not be revealed or used for any purpose other than this public analysis. Finally, the study will safeguard the confidentiality of information by ensuring respondents that all information provided will be kept confidential.

Reliability and Validity

When evaluating the quality of a research instrument, reliability and validity are two important factors to consider. According to, the degree to which a measuring instrument gives reliable, consistent results is defined as reliability, whereas validity examines the amount to which an instrument measures what it was intended to measure. To that goal, the researcher conducted a thorough empirical assessment of the questionnaire's many constructs. The Cronbach's alpha

coefficient and the Reliability composite index were also calculated to determine the measuring instrument's validity. The Cronbach's alpha coefficient test requires that the coefficient be at least 0.7.

Reliability Test

The questionnaire's internal consistency was tested using a reliability test. An internally consistent study questionnaire was defined as having a Cronbach's Alpha co-efficient of 0.7 or above. The results of the reliability test were shown in the Table 3.

Table 3: Reliability Test

	Cronbach's Alpha	Standardized Items	N of Items
Perspectives of BDS	0.785	0.790	7
Effect of BDS	0.761	0.773	9
Benefits of BDS	0.790	0.803	6
Challenges of BDS	0.745	0.736	5
Performance of SMEs	0.741	0.752	6
Background Information of Respondents	0.790	0.803	4
Overall	0.786	0.793	37

Source: Field survey, (2022)

The overall Cronbach's Alpha co-efficient for the reliability findings was 0.786. Cronbach's Alpha co-efficients of 0.785, 0.761, 0.790, 0.745, 0.741 and 0.790 were found for all the variables, respectively. All of the variables had co-

efficients greater than 0.7, indicating that the study questionnaire was internally consistent and thus reliable in achieving the research topic.

Pre-test of Questionnaire

The researcher selected 3 managers and two scholars with practical experience to review the survey questionnaire. This was after it was approved by his supervisors. In this step, the researcher was aided to remove unsuitable questions and improved the recognition and clarity of the instrument. Then, 50 managers in the SME industry were purposively selected to conduct a pre-test survey to assess the applicability of the measurement tool (Nyamwaya *et al.*, 2020; Choe & Kim, 2019; Mishra *et al.*, 2018). A total of 50 questionnaires were self-administered for this pre-test. The pre-test results were analysed to understand the reliability and validity of the questionnaire.

The results showed from Table 3, that the pre-test questionnaire AVE ranged from 0.523 to 0.850. All AVE values are greater than the threshold of 0.05. From Table 3, Cronbach's alpha ranged from 0.830 to 0.957. All Cronbach's alpha values are greater than the threshold of 0.07. Indicating that there were no problems concerning the questionnaire instrument in term its accuracy and consistency. Finally, the questions that were not clear or easily understood by the managers were revised and adjusted.

Data Processing and Analysis

Statistical methodology was used to analyse the data. The effect of non-financial business development service and SME performance was evaluated using regression analysis. To guarantee successful data processing and analysis, data

acquired from the field was processed prior to analysis, data was evaluated, and inaccurate data was repaired. The statistical Package for Social Sciences (SPSS) version 24 was used in data coding, entry, and cleaning for 14 days, following which the researcher continued with the other data management tasks to guarantee that the dependent and independent variables were well recorded and entered accurately.

Data analysis guarantees that data collected over the course of the study was interpreted in a logical order to meet the study's goals. Before moving on to the actual analysis, the study established a high retrieval rate and data cleaning. The researchers took the opportunity to double-check the accuracy of the responses to the questionnaire items. It was used to screen data and elicit results from the field in order to find missing values and outliers. Weighted average index ranking (descriptive statistics) was utilised to assess objective one, two and three. And regression analysis were employed to investigate objective four. The SPSS statistical software was used to process the data (Version 24.0). This software was chosen because, thanks to its emphasis on analysing statistical data, SPSS is an extremely powerful tool for manipulating and deciphering survey data. The data from any online survey collected using Alchemer can be exported to SPSS for detailed analysis.

To determine whether all relevant assumptions for conducting regression analysis with SPSS were met, several key assumptions need to be assessed. These assumptions include linearity, independence of observations, homoscedasticity, normality of residuals, and absence of multicollinearity. To determine whether all

these assumptions were met, the researcher visually inspected the scatterplots, evaluated the residuals, examined normality plots, and assessed multicollinearity statistics. None of these assumptions were violated, however, appropriate remedies or alternative analyses such as transforming variables, removing outliers, or employing alternative regression techniques were not necessary. It was important to note that without access to the specific data and analysis conducted in SPSS, it is not possible to provide a definitive conclusion regarding the fulfillment of these assumptions for the regression analysis. The researcher carefully assessed the data and consulted appropriate statistical resources or experts to ensure that the assumptions were met and adequately addressed in the analysis.

The descriptive analysis was used to examine the perceptions of SMEs owners regarding provision of business development services. This analysis was selected because the weighted average index (WAI) which was used to examine farmers' perception of the economic benefits of excreta use in southern Ghana turned out successful and effective (Cofie et al., 2019).

The WAI formula followed:

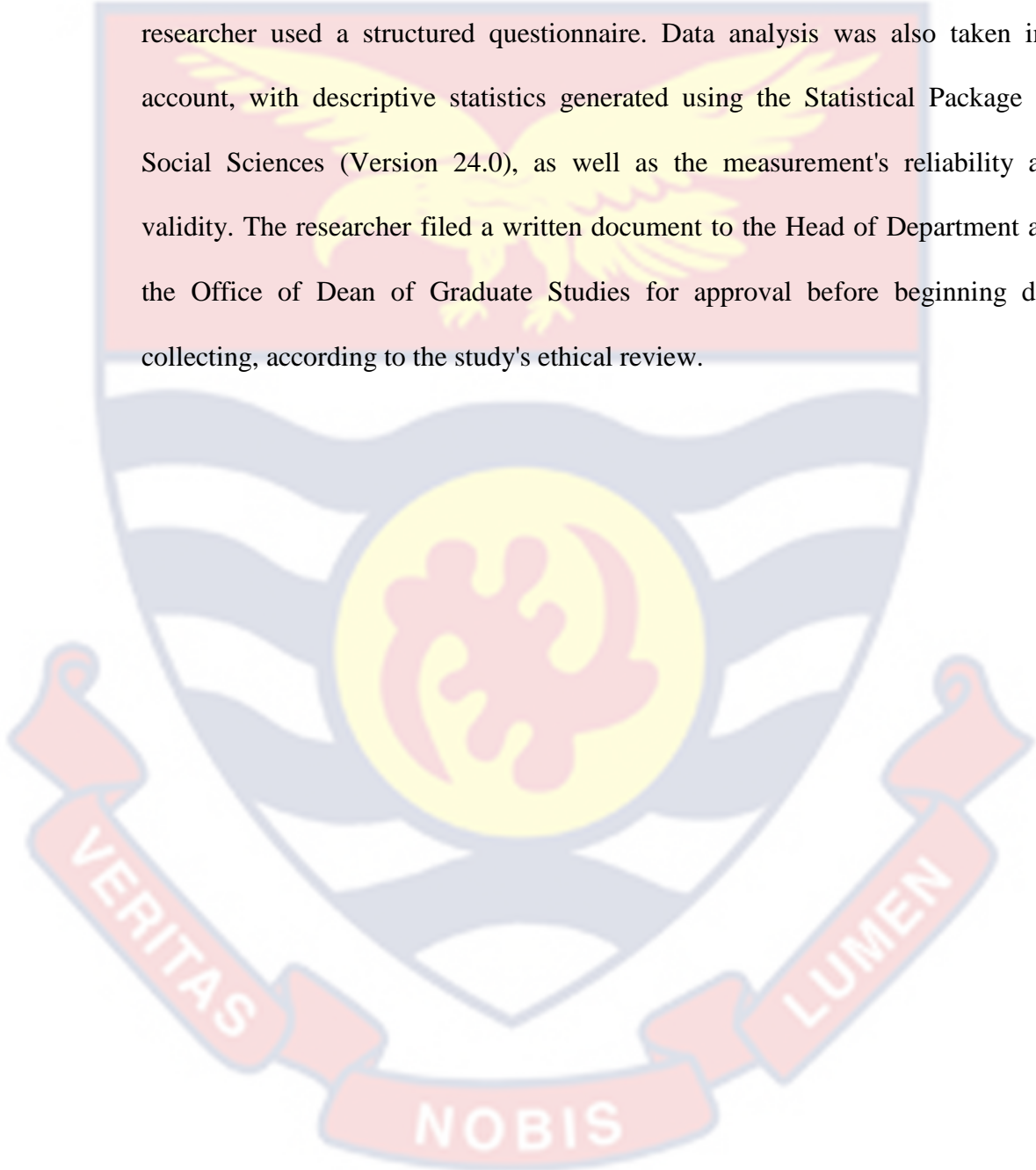
$$WAI = \sum \frac{S_i F_i}{N} \quad (1)$$

Where:

- WAI is ($0 \leq WAI \leq 1$)
- F_i = Is the frequency of response
- S_i = Is the scale value assigned at i priority, and
- N = Is the total number of responses.

Chapter Summary

The goal of this chapter was to outline the procedures employed to accomplish the study's goal. As a quantitative approach of data collection, the researcher used a structured questionnaire. Data analysis was also taken into account, with descriptive statistics generated using the Statistical Package for Social Sciences (Version 24.0), as well as the measurement's reliability and validity. The researcher filed a written document to the Head of Department and the Office of Dean of Graduate Studies for approval before beginning data collecting, according to the study's ethical review.



CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

This chapter presented the findings of the data analysis. The data was presented using tables and statements. The presentation was based on the goals of the study. With a summation, the chapter drew to an end.

Demographic Characteristics of Respondents

The respondents' capacity to provide suitable information on the research variables is heavily dependent on their background, we provide the results of the respondents' background information in this chapter. Data on the samples was suggested by respondents' background information, which is arranged below by gender, educational levels, age, and marital status.

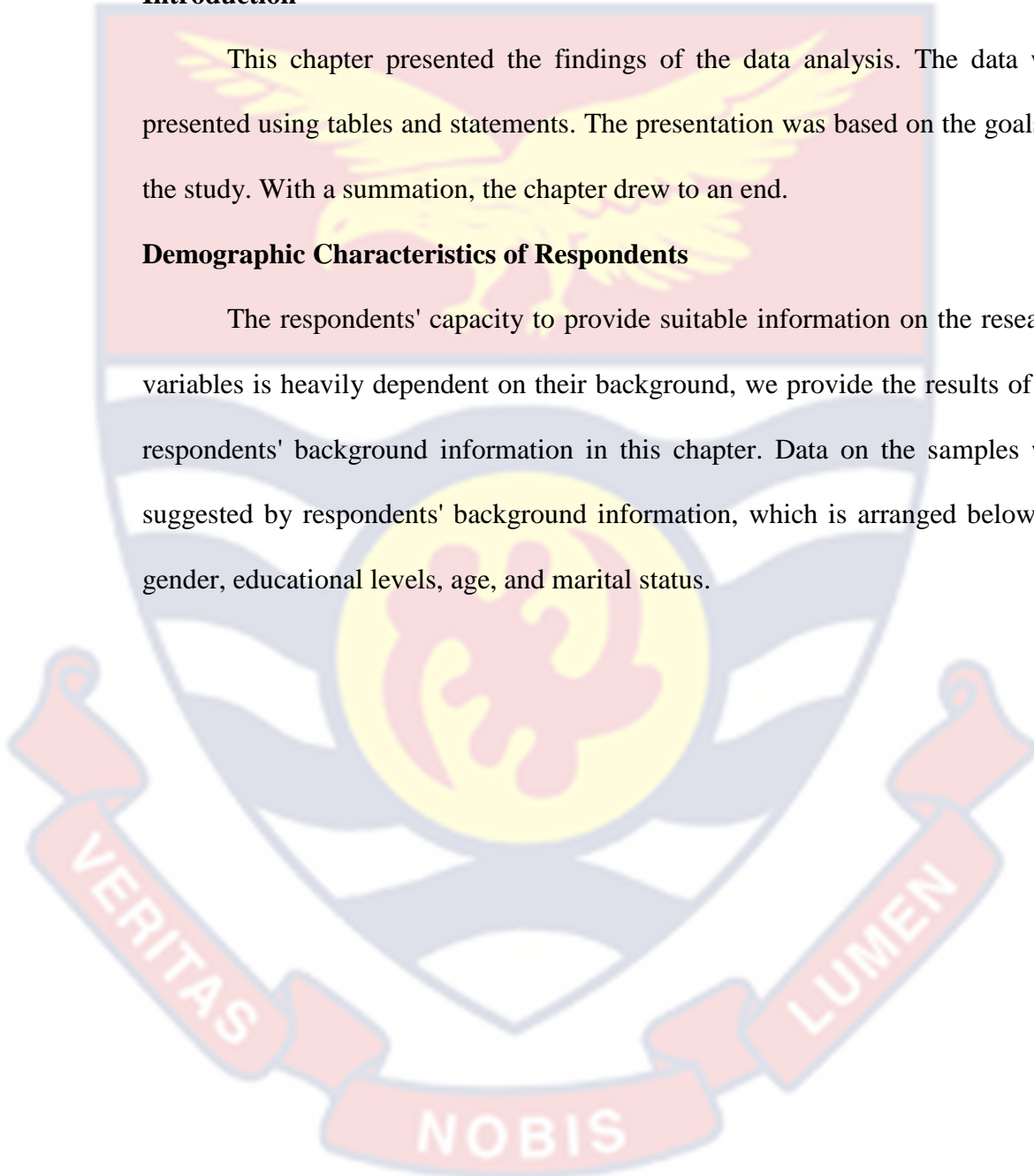


Table 4: Demographic Characteristics of Respondents

Items	Frequency	Percent
Gender		
Male	148	59.2
Female	102	40.8
Total	250	100.0
Educational Level		
Primary	72	28.8
Secondary	109	43.6
HND/Diploma	54	21.6
Bachelor's Degree	15	6.0
Total	250	100.0
Age Group		
15-30	58	23.2
31-40	72	28.8
41-50	60	24.0
51-60	25	10.0
60 and above	35	14.0
Total	250	100.0
Marital Status		
Single	94	37.6
Divorced	34	13.6
Married	102	40.8
Widow	20	8.0
Total	250	100

Source: Field survey (2023)

Males made up 148 (59.2) percent of the respondents, while females made up 102 (40.2 percent), as seen in Table 4. This could mean that female employment in SMEs is still low. The data reveal how the two sexes view SMEs' non-financial business development services and organizational performance. This was necessary for the poll to get a balanced representation of the respondents' views.

According to Table 4, the majority of employees hold a secondary school certificate, followed by primary education, HND/Diploma and bachelor's degrees accounting for 109 (43.6%), 72 (28.8%), 56 (21.6%) and 15 (1.6%), of the

respondents, respectively. This shows that the respondents have adequate academic credentials.

The majority of the respondents are between the ages of 31-40, with 41-50, 15-30, 60 and above, and between 51-60 accounting for 72 (28.8%), 60 (24.0%), 58 (23.2%), 35 (14.0%), and 25 (10%), respectively, according to Table 4. As a result, the vast majority of respondents were in their youthful age. According to Njage (2012), this means that all SMEs' managers are in their twenties and have more life and energy to invest in their businesses.

Demographic Characteristics of the Business (SME)

The respondents' capacity to provide suitable information on the research variables is heavily dependent on the background of the business, however, the researcher provided the results of the enterprises' background information in this section. Data on the samples was suggested by the enterprises' background information, which is arranged below by sector of business operation, forms of business ownership, number of employees, annual turnover of assets, use of DBS and its importance.

Table 5: Demographic Characteristics of the Business (SME)

Sector of Business Operation		
Manufacturing	100	40.0
Service	100	40.0
Agriculture	50	20.0
Total	250	100
Forms of Business Ownership		
Sole proprietorship	214	85.6
Partnership	32	12.8
Limited Liability	4	1.6
Total	250	100
Number of Employees		
Below 5	98	39.2
Between 5-49	106	42.4
Between 50-99	46	18.4
Total	250	100
Annual Turnover of Business		
Less than GHS 2200	96	38.2
Between GHS 2200-8600	119	47.5
Above GHS 8600	36	14.3
Total	250	100
Awareness of Business Development services		
Yes	197	78.8
No	53	21.2
Total	250	100
Use of Business Development services		
Yes	124	49.6
No	126	50.4
Total	250	100
Importance of business services to SME development		
Yes	147	58.8
No	103	41.2
Total	250	100

Source: Field survey (2023)

Table 5 demonstrates that sole proprietorship was the most prevalent form of business 214 (85.6%), followed by partnership 32 (12%) and limited liability 4 (1.6%). This result falls in line with a study by Uche (2018), who found out that the most sort after form of business in developing countries is sole proprietorship.

Because it is easy to setup, control and manage. Whereas most of the sampled SMEs fell under the manufacturing and service industry, followed by the agriculture sector. The frequencies and percentages are 100 (40%), 100 (40%), and 50 (20%), respectively. This result falls in line with the findings of Ghana Statistical Service (2021), which found out that most of the SMEs in Ghana fall within the service sector, followed by the manufacturing sector.

Table 5 further revealed that the majority of the sampled SMEs had employees between 5 to 49 people, accounting for 106 (47.4%) of the total, followed by SMEs with employees below 5 persons, accounting for 98 (39.2%). The remaining SMEs had employees who fell within the range of 50 to 99 persons. This accounted for 46 (18.4%). These findings are in line with the description of SMEs by the Ghana Enterprises Agency (GEA).

In assessing the awareness of business development services among SMEs, it was found that 197 (78.8%) SMEs owners were aware of the business development services while only 53 (21.2%) were not aware of business development services. However, only 124 (49.6%) use the business development services while 126 (50.4) do not use the services. In terms of the importance of the business development services, the majority 147 (58.8%) recognized the importance of acquiring and utilizing business development services to help them grow and develop their businesses while 103 (41.2%) did not see the importance of business development services in their businesses.

Descriptive Statistics

Calculating the values of the sample Weighted Average Index (WAI) of each item identifies the effect of non-financial business development services on the performance of SMEs. Similarly, the Weighted Average Index (WAI) values of the respondents' ratings for each variable are used to evaluate perceptions of SME owners on non-financial business development services, benefits of non-financial business development services on SMEs and challenges in providing non-financial business development services from the perspective of SMEs. Only variables that pass the aforementioned factor analysis and Cronbach's alpha test are used to display their scores in this section. Because these factors' impact levels are measured using 5-point scales, the Weighted Average Index (WAI) values of these variables may be utilised to determine perceptions of SME owners on non-financial business development services, benefits of non-financial business development services on SMEs and challenges in providing non-financial business development services from the perspective of SMEs using the following rules:

- Values less than 2 shows that the variables have very low effects
- Values from 2 to 3 shows that the variables have low effects
- Values from 3 to 4 shows that the variables have moderate effects
- Values from 4 to 5 shows that the variables have high effects
- Values more 5 shows that the variables have very high effects

A five Likert scale measurement was used for this study. With 1= strongly disagree, 2= disagree, 3= neutral 4= agree and 5= strongly agree.

Research Question One**Perceptions of SME Owners of Business Development Services**

This section of the study tackled the first objective of the study by looking into how owners of SMEs perceive Business Development Services in Ellembelle District. Table 6 summarised the results.

Table 6: Perceptions of SME Owners of Business Development Services

Variables	WAI	Rank
Technological development and Transfer	2.27	4
Marketing Assistance	2.40	3
Consultancy and business advisory services	2.97	1
Mentoring	2.16	6
Training (on the job training)	2.58	2
Building business linkages	2.25	5

Source: Field survey (2023)

Table 6 presented the views of SMEs owners with regard to non-financial support services provided. From the respondents, the Weighted Average Index (WAI) was considered very strong for the factors of consultancy and business advisory services (WAI=2.97), on the job training (WAI=2.58), marketing assistance (WAI=2.40) and technological development and transfer (WAI=2.27). This shows that consultancy and business advisory services, training and market assistance are among the regular business development services provided to SMEs in Ellembelle District. In the same vein, building business linkages and mentoring recorded weak WAI. However, the from the rules utilized for this descriptive

analysis, all the results of the Weighted Average Index (WAI) fell from 2 to 3 values. This shows that the views of SMEs owners with regard to business development services provided was low in Ellembelle District.

The finding that SME owners in Ellembelle District have low views regarding the provided business development services can be related to the theoretical underpinnings of the study, particularly the Human Capital Theory and the Expectancy Theory. Additionally, the conceptual framework used in the study plays a key role in understanding this finding.

The Human Capital Theory posits that investments in knowledge, skills, and training can positively impact individual and organizational performance (Becker, 1964). In the context of SMEs, the theory suggests that when SME owners perceive the business development services as valuable and relevant to their needs, they are more likely to engage with and benefit from these services. However, if the perceived value of the services is low, SME owners may have limited motivation to participate or fully utilize the provided services.

Moreover, the Expectancy Theory proposes that individuals' motivation and effort are influenced by their expectations of the outcomes and their belief in the link between effort and performance (Vroom, 1964). In the case of SME owners, if they have low expectations regarding the effectiveness of business development services, they may perceive limited benefits and, as a result, have a reduced motivation to engage with these services.

The conceptual framework used in the study plays a crucial role in understanding the low views of SME owners regarding the provided business

development services. The conceptual framework provides a structure for analyzing the factors that influence SME owners' perceptions and attitudes towards these services. It includes variables such as awareness, relevance, perceived value, and perceived effectiveness of the services. By examining these factors, the conceptual framework helps to identify the potential reasons for the low views of SME owners in Ellembelle District.

The findings align with the conceptual framework by highlighting the importance of awareness and perceived value of business development services. The low views of SME owners may indicate a lack of awareness about the services available to them or a perception that the services offered do not adequately address their specific needs and challenges. This implies that there may be a mismatch between the perceived relevance of the services and the actual needs of the SMEs.

In summary, the finding of low views among SME owners regarding the provided business development services in Ellembelle District can be related to the theoretical underpinnings of Human Capital Theory and Expectancy Theory. The conceptual framework used in the study helps to understand the factors influencing SME owners' perceptions and attitudes towards these services, such as awareness, relevance, and perceived value. By considering these theoretical perspectives and using a conceptual framework, the study provides insights into the reasons behind the observed low views and can guide future interventions to improve the delivery and effectiveness of business development services for SMEs in the district.

On the other hand, these results were similar to the findings by Mwakalobo (2021) who found out that business advisors indicated that consultancy and

business advisory services (WAI=7.50), on the job training (3.90) and marketing assistance (WAI=3.80) were the most non-financial support services provided.

These results were in line with the perceptions of SMEs owners in Ellembelle District as previously stated. In contrast, study by Mbukwa (2021) revealed that government officials indicated that on the job training (WAI=4.40), consultancy and business advisory services (WAI=3.60) and technological development and transfer (WAI=3.30) were the most non-financial services provided to SMEs in Tanzania.

The results from Mbukwa (2021) was as a result of the availability of Government departments and institutions that support the development of SMEs in Dar es salaam region such as Small Industries Development Organization (SIDO), Tanzania Trade Development Authority (TANTRADE) and few Government financial institutions which are aware of the need of business development services and have incorporated them in their core activities particularly by providing training, advisory services and helping in transfer of technology to SMEs.

Research Question Two

This section of the study tackled the second objective of the study by looking into the benefits of business development services to SMEs in Ellembelle District. Table 7 summarised the results.

Table 7: Benefits of Business Development Services to SMEs in Ellembelle District

Variables	WAI	Rank
There is increased market penetration with the help of BDS	2.58	5
BDS enhanced our network with large firms	2.50	6
My organization is able to improve product/service quality	2.92	2
My organization is able increase profitability with the help of BDS	2.89	3
There is increased competitiveness with the help of BDS	3.20	1
With the help of BDS, there is enhanced managerial efficiency in my organisation	2.66	4

Source: Field survey (2023)

In terms of how SME owners rate the benefits of business development services was summarised in Table 7. According to Table 7, a strong WAI was recorded for the items “There is increased competitiveness with the help of non-financial BDS” (WAI=3.20), “My organization is able to improve product/service quality” (WAI=2.92), “My organization is able to improve product/service quality” (WAI=2.89) and “My organization is able to improve product/service quality” (WAI=2.66). This finding reveals that SMEs owners are aware of the benefits of non-financial support services and that it is critical in the overall performance of their small businesses. From the descriptive statistics rules used to interpret the results of WAI, “increased competitiveness with the help of BDS” had a moderate effect on the performance of SMEs in Ellembelle District. The rest of the results of

the Weighted Average Index (WAI) fell from 2 to 3 values. This shows that the benefits of business development services to SMEs in Ellembelle District was low in Ellembelle District.

One theoretical underpinning that can be relevant is the Expectancy Theory. According to this theory, individuals' motivation and effort are influenced by their expectations of the outcomes and their belief in the link between effort and performance (Vroom, 1964). In the context of SMEs and business development services, if SME owners have low expectations regarding the effectiveness or impact of these services, they may perceive limited benefits. This could result in reduced motivation to engage with and utilize the services fully.

Another theoretical perspective that could be relevant is the Customer Value Theory. This theory suggests that customers evaluate the benefits they receive from a product or service in relation to the costs or sacrifices incurred (Woodruff, 1997). In the context of business development services, SME owners may assess the perceived benefits of these services in relation to the costs, such as financial investment, time commitment, and effort required. If the perceived benefits are perceived to be lower than the perceived costs, SME owners may perceive the benefits as low.

Similar to findings from Njae (2019), the study revealed that business advisors indicated strong WAI for increased competitiveness (WAI=4.40), improved product quality (4.20) and increased profitability (WAI=3.80). This generally shows that there is a positive correlation between non-financial support services and SMEs improved performance.

Research Question Three

This section of the study tackled the third objective of the study by looking into the challenges in providing business development services from the perspective of SMEs in Ellembelle District. Table 8 summarised the results.

Table 8: Challenges in providing Business Development Services from the Perspective of SMES in Ellembelle District

Variables	WAI	Rank
Shortage of qualified providers	2.87	3
High cost of services	3.29	2
Limited access to information	2.54	4
Failure of business development services to fit with the needs of SMEs	3.78	1
Lack of monitoring and evaluation on the impact of the services received	2.32	5

Source: Field survey, (2022)

In terms of the challenges to accessing appropriate non-financial support services (Table 7), failure of business development services to fit with the needs of SMEs (WAI=3.78), high cost of services (WAI=3.29), Shortage of qualified providers (WAI=2.87) and limited access to information (WAI=2.54) recorded strong WAI. According to the rule for the descriptive statistics for this study, the items “failure of business development services to fit with the needs of SMEs” and “high cost of services” poses moderate challenges to accessing appropriate non-financial support services. Whereas the items “Shortage of qualified providers”,

“limited access to information” and “lack of monitoring and evaluation on the impact of the services received” poses low challenges to accessing appropriate non-financial support services. This finding highlights that SMEs have unique and specific needs for non-financial assistance that business consultants must consider when designing their business development services if their services to SMEs are to be productive and successful.

IFC (2019) argues that smallness of SMEs confers a disadvantage; this is because business owners or managers have to perform a wide range of duties compared to their large firms’ counterparts. This calls for diverse skills set that SMEs managers or owners may not have particularly in developing countries. High cost of services is another challenge in acquiring non-financial support services. In view of this, Ernst and Young (2019) posits that in expensive non-financial support services the majority of the SMEs do not seek to invest in them.

Similarly, shortage of qualified business service providers seems to have affected the performance of SMEs negatively. This in part can be explained by the reason that existing service providers tend to provide generalized solutions to identified problems (Owusu et al., 2017). It was also found that while non-financial support services are important to the development of SMEs, limited access to information about their availability and usage is one of the reasons why they are not used. This may be related to the fact that some Government institutions and business consultants from the private sector do not provide regular information about them, which in turn reduces their use.

On the other hand, though lack of monitoring and evaluation received the least weight (WAI=2.32), it is vital to receive feedback from SMEs on the impact of non-financial support services provided. This is especially important to Government departments and institutions to nurture SMEs in order to help them achieve growth and competitiveness through policy reviews and other regulatory measures.

Research Question Four

This section of the study tackled the fourth objective of the study by looking into the effect of business development services on the performance of SMEs in Ellembelle District. Table 9, 10 and 11 summarised the results.

Multiple Regression Analysis

In examining the influence of business development services on SME performance, we conducted a multiple regression analysis. The regression analysis findings are listed in subsequent tables. The regression equation was given as follows:

$$y = \beta_0 + \beta_1 X_1 + \dots + \beta_n X_n + \varepsilon \quad (2)$$

Where:

- y = Dependent variable
- β_i = Coefficients
- X_i = Independent variables
- ε = error term

The dependent variable for this study was SMEs performance. This was captured by using variables such as BDS increased profitability, improved product

quality, increased market penetration, enhanced managerial efficiency, increased competitiveness and enhanced network with large firms. The respondents were asked to rate how their profitability, product quality, market penetration managerial efficiency, competitiveness and network with large firms changed after receiving non-financial support services in the past two years. The five-point Likert scale was used to capture the responses.

Business development services were an independent variable which was captured by training, mentoring, consultancy and business advisory services, technological development and transfer, marketing assistance, business linkages and Government policy. The five-point Likert scale was used to capture the responses. The study incorporates three control variables which are firm size, firm age, and firm sector. Control for firm size was important partly due to the reason that SMEs face many challenges which calls for more support compared to medium or large firms. Firm age was important to capture the years of business experience among SMEs. The firm sector was used to identify the distribution of firms in various sectors of the economy. The firms were found to be distributed in three major sectors which are agriculture, service and manufacturing.

Model Summary

The purpose of the study was to determine the strength of the links between DBS and the performance of sampled SMEs in Ellebelle District. The results were discussed in Table 9.

Table 9: Model Summary

Model	R	R ²	Adjusted R ²	Std. Error
1	0.723 ^a	0.523	0.475	0.31381

a. Predictors: (Constant), Building business linkages, Training, Consultancy and business advisory services, Marketing assistance, Technological development and transfer, Mentoring and Government policy.

Source: Field survey, (2022)

The model summary results show a strong relationship between non-financial business development services and performance (R= 0.723). The corrected R-Square value for business development services in the study was 0.475, meaning that it could explain 47.5 percent of a firm's total performance variance.

Analysis of Variance

ANOVA was used to determine the regression model's goodness of fit. According to an ANOVA with a 0.2 percent level of significance, the analytical model has a strong fit and is thus reliable in revealing the relationships between business development services and performance of sampled SMEs in Ellembelle District. The results were summarized in Table 10.

Table 10: Analysis of Variance (ANOVA^a)**ANOVA^a**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	2.254	50	0.451	4.553	0.002 ^b
Residual	3.076	250	0.099		
Total	5.730	250			

a. Dependent Variable: SME Performance

Source: Field survey, (2022)

Coefficients of Determination

Business development services (Building business linkages, Training, Consultancy and business advisory services, Marketing assistance, Technological development and transfer, Mentoring and Government policy) and the control variables (Firm age, Firm size and Firm sector) have a cumulative beneficial effect on the performance of sampled SMEs, according to the regression coefficients. As seen in Table 11, the outcomes are as follows.

Table 11: Coefficients of Determination

Model	Unstandardized Coefficients		Standardized Coefficients	T	(p-value) Sig.
	B	Std. Error	Beta		
(Constant)	1.059	0.105			0.001
Control Variables					
Firm size	0.283	0.048	0.086	5.911***	0.000
Firm age	0.009	0.039	0.142	0.235	0.816
Firm sector	0.216	0.079	0.163	2.724**	0.011
Business Development Services					
Building linkages	business-0.311	0.820	0.245	-0.380**	0.045
Training (on the job training)	0.487	1.111	0.290	0.439**	0.015
Consultancy business services	and advisory 0.589	0.604	0.245	2.649**	0.016
Marketing Assistance	0.264	0.229	0.290	1.148**	0.003
Technological development and Transfer	0.127	1.365	0.086	0.093**	0.027
Mentoring	-0.041	0.105	.142	-0.393**	0.024
Government policy	0.308	0.062	.163	4.940***	0.000

Source: Field survey, (2021)

- a. Dependent Variable: SMEs Performance
- b. Predictors: (Constant), Building business linkages, Training, Consultancy and business advisory services, Marketing assistance, Technological development and transfer, Mentoring and Government policy.
- c. R (multiple correlation coefficient) = 0.837 and R Square = 0.747

From the results it is evident that business support services recorded a positive relationship with SMEs performance and the result of R^2 value suggests that 75% variation of SMEs performance could be explained by business support services. In terms of the individual business development services, consultancy and business advisory services had coefficients of estimate which was significant ($\beta_6 = 0.589$, $p < 0.0158$). This means that there was up to 0.589 increases in SME performance for each unit increase in consultancy and business advisory services to SMEs.

One relevant theoretical perspective is the Resource-Based View (RBV), which suggests that the availability and effective utilization of resources can contribute to a firm's competitive advantage and performance (Barney, 1991). In the context of business support services, these services can provide SMEs with valuable resources such as knowledge, skills, expertise, and networks. By leveraging these resources, SMEs can enhance their capabilities, improve their competitive position, and ultimately enhance their performance.

Another relevant theoretical framework is the Contingency Theory, which posits that the effectiveness of organizational practices and strategies depends on the fit between the internal and external environment (Donaldson, 2001). In the

case of SMEs and business support services, the fit between the specific support services provided and the needs and characteristics of the SMEs can contribute to improved performance. If the support services address the specific challenges and requirements of the SMEs, they can enhance the fit and positively impact performance outcomes.

Furthermore, the Marketing Mix Theory, also known as the 4Ps of marketing (product, price, place, and promotion), can be relevant in understanding the relationship between business support services and SMEs' performance. Business support services can contribute to enhancing various elements of the marketing mix. For instance, through training and mentoring, SMEs can improve their product quality, develop effective pricing strategies, expand their market reach, and enhance promotional activities. These improvements in the marketing mix can positively impact SMEs' performance (Kotler et al., 2013).

By drawing on the theoretical underpinnings of the Resource-Based View, Contingency Theory, and Marketing Mix Theory, it can be understood that business support services provide SMEs with valuable resources, enhance fit with the external environment, and improve marketing-related factors. These factors contribute to the positive relationship and high explanatory power of business support services in explaining SMEs' performance.

Several studies have indicated that SMEs face a number of challenges including inadequate training, shortage of capital and an anti-entrepreneurial spirit in Tanzania (Mashenene & Rumanyika, 2018; Isaga, 2019). This suggests that provision of non-financial support in form of consultancy and business advisory

services is expected to enhance SME performance. Similarly, training (on the job training) had a positive relationship with SME performance ($\beta_5 = 0.487$, $p < 0.015$). There was up to 0.487 increases in SME performance for each unit increase in training to SMEs. For example, studies from Anderson (2017) and Nyangarika (2018) have shown that limited resources and lack of managerial and operation skills, limited market information, inadequate access to appropriate technology and finance are among the barriers to SMEs performance in Tanzania. This implies that non-financial support services in form of on-job training would have a significant impact on SME performance.

In the same vein, the findings indicated that marketing assistance had a positive relationship with SME performance ($\beta_7 = 0.264$, $p < 0.003$). This means there was up to 0.264 increases in SME performance for each unit increase in marketing assistance to SMEs. Swai (2017) indicated that access to the formal markets and markets, poor technology and lack of certification are among the barriers facing SMEs in Senegal, and in view of this non-financial support in form of marketing assistance could enhance SMEs performance.

Moreover, technological development and transfer indicated a positive relationship with SME performance ($\beta_8 = 0.127$, $p < 0.027$) suggesting that there was up to 0.127 increases in SME performance for each unit increase in technological development and transfer to SMEs. Inaccessibility to appropriate and relevant technology is among the challenges facing SMEs in Ellembelle District, currently, there are initiatives by both the public and private institutions to support SMEs. For example, Ghana Enterprise Agency apart from providing training and advisory

services have been assisting SMEs access various equipment, machines, and incubation technologies at affordable prices. This has helped in some ways SMEs to improve their products quality.

On the other hand, in contrast to expectations, building business linkages recorded a negative relationship with SMEs performance ($\beta_4 = -0.311$, $p < 0.045$). This means that there was up to 0.311 decrease in SME performance for each unit increase in building business linkages. The divergent relationship may be due to inadequate capacity stemming from the small size of SMEs compared with their counterpart large firms and hence non-realization of expected results. Kweka and Sooi (2020) show that business linkages between SMEs and large firms are weak in South Africa and they argue that establishing business linkages is influenced by firm's level of production capacity, training, participation in exporting, and technology partnerships.

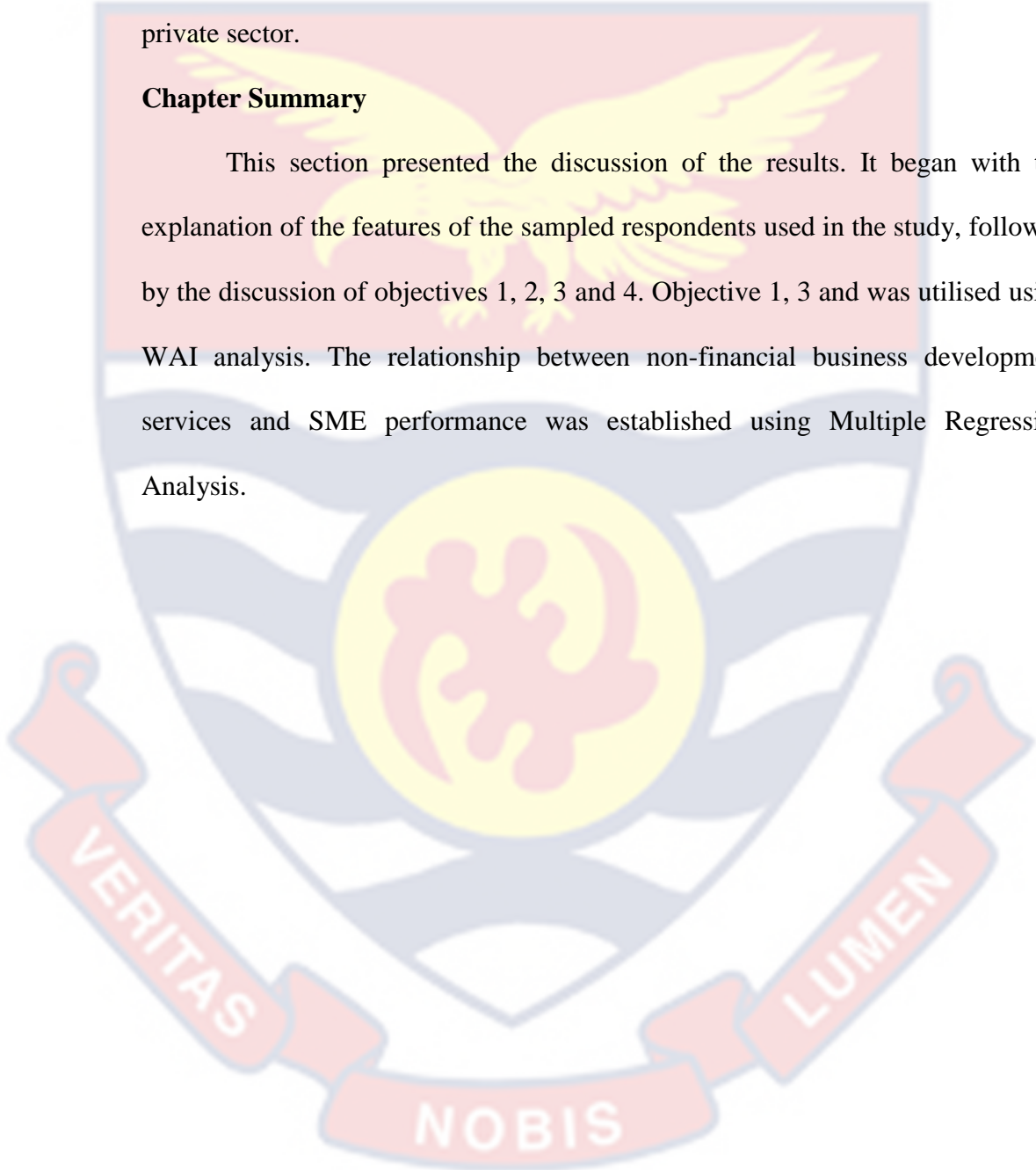
In the same way, mentoring had a negative relationship with SMEs performance ($\beta_9 = -0.041$, $p < 0.024$). This implies that there was up to 0.041 decrease in SME performance for each unit increase in mentoring. The divergent relationship might be a result of the content of mentorship provided and the negative implications it had on SMEs performance. Lastly, Government policy had a significant relationship with SMEs performance ($\beta_{10} = 0.308$, $p < 0.000$).

This means there was up to 0.308 increases in SME performance for each unit in improved government policy to SMEs. A number of studies have shown that unfriendly business environment as a result of poor tax policies, restrictive entrance procedures and cumbersome legal and regulatory frameworks hinder the growth

and development of SMEs (Mpunga, 2019; Juma & Said, 2018; Mkenda & Rand, 2020; Lwesya & Ismail, 2021). Thus, strengthening the business environment through appropriate and friendly business policies promotes the development of private sector.

Chapter Summary

This section presented the discussion of the results. It began with the explanation of the features of the sampled respondents used in the study, followed by the discussion of objectives 1, 2, 3 and 4. Objective 1, 3 and was utilised using WAI analysis. The relationship between non-financial business development services and SME performance was established using Multiple Regression Analysis.



CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

In this final section, the summary and conclusions of the research were provided. In addition, the chapter proffered to policy makers and managers of SMEs, some recommendations based on the findings. The chapter finally made submissions for additional researches.

Summary of the Study

The research assessed the effect of business development services on the performance of SMEs in Ellembelle District, Ghana. To achieve this overall objective, four specific objectives were formulated. The first objective was to determine the perceptions of SME owners on business development services in Ellembelle District. The remaining three objectives also examined to effect of business development services on the performance of SMEs, the benefits of business development services on SMEs and the challenges in providing business development services from the perspective of SMEs in Ellembelle District.

In addressing the above objectives, the research reviewed relevant theoretical and empirical literature to the research. The theoretical literature revised in the study included the expectancy theory and marketing mix. The empirical literature also included measures of performance, and various empirical; educations on the effect of non- financial business development services on the performance of SMEs. In addition, the study designed the appropriate conceptual framework,

which pictured, for further understanding, the connection between non- financial business development services and SME performance.

The research utilised the quantitative research method and using both the descriptive (weighted average index ranking) and regression analysis, the study measured the effect of business development services on the performance of SMEs. The study population consisted of all SMEs in the Ellembelle District. In all a sample of 250 SMEs were used for the study using convenience sampling technique and cross-sectional data was solicited from them using a structured questionnaire. Two hundred and fifty (250) structured questionnaires were distributed to all selected directors and proprietors of SMEs in Ghana and filled. Data was collected between the periods of 6th August, 2022 to 20th August, 2022. The data was subsequently inputted and analysed using the SPSS and STATA software.

Key Findings

This section of the study revealed the key findings deduced from the study. The study revealed that;

1. The variables consulting and business advice services (WAI=2.97), on-the-job training (WAI=2.58), marketing support (WAI=2.40), and technical development and transfer (WAI=2.27) all have extremely strong weighted average indices (WAIs). This demonstrates that among the regular business development services offered to SMEs in the Ellembelle District are consulting and business advisory services, training, and market help. In a similar line, mentoring and creating business connections had low WAI. However, the from the rules utilized for this descriptive analysis, all the

results of the Weighted Average Index (WAI) fell from 2 to 3 values. This demonstrates that SMEs owners in the Ellembelle District had low opinions of the business development services offered.

2. The items "There is increased competitiveness with the help of BDS" (WAI=3.20), "My organisation is able to improve product/service quality" (WAI=2.92), "My organisation is able to improve product/service quality" (WAI=2.89), and "My organisation is able to improve product/service quality" (WAI=2.66) all had high WAI scores. The results show that SMEs owners are aware of the benefits of business development services and believe these services are essential to the overall performance of their small enterprises.
3. Strong WAI were observed for the inability of business development services to meet the demands of SMEs (WAI=3.78), high service costs (WAI=3.29), a lack of competent providers (WAI=2.87), and restricted information access (WAI=2.54). The elements "failure of business development services to align with the needs of SMEs" and "high cost of services" provide moderate difficulties to accessing suitable business development services, according to the criterion for the descriptive statistics for this study. Accessing the proper business development services is not particularly difficult because of the categories "Lack of competent providers," "Limited Access to Information," and "Lack of Monitoring and Evaluation on the Impact of the Services Received." SMEs have unique and specific needs for business development service that business consultants

must consider when designing their business development services if their services to SMEs are to be productive and successful.

4. From the findings it is evident that business development services recorded a positive relationship with SMEs performance and the result of R² value suggests that 75% variation of SMEs performance could be explained by business development services. The model summary results show a positive relationship between business development services and performance ($R=0.723$). The corrected R-Square value for business development services in the study was 0.475, meaning that it could explain 47.5 percent of a firm's total performance variance.

Conclusions

The study concluded that:

- With respect to the first objective of the study, the perceptions of SME owners on business development services, the study concluded that consultancy and business advisory services, training and market assistance are among the regular business development services provided to SMEs in Ellembelle District. In the same vein, building business linkages and mentoring were less provided to SMEs in Ellembelle District.
- In relation to the second objective of the study, the study concluded that SMEs owners are aware of the benefits of business development services and that it is critical in the overall performance of their small businesses.

The study concluded that, there is increased competitiveness and improved product/service quality with the help of BDS.

- From objective three, the study concludes that limited resources and lack of managerial and operation skills, limited market information, inadequate access to appropriate technology and finance are among the barriers to SMEs performance in Ellembelle District. High cost of services is another challenge in acquiring business development services.
- Grounded on the outcomes of objective four of the study, the research concluded that there is a positive relationship between business development services and the performance of sampled SMEs. It was evident that business development services recorded a moderate relationship with SMEs performance and the result of R^2 value suggests that 75% variation of SMEs performance could be explained by business development services.

Recommendations

Based on the results, it is suggested that managers of SMEs or entrepreneurs in Ellembelle District must be enrolled in effective business development services programs or seminars to equip them with business development services knowledge, which will help them have positive perception about how these services would help them in running their SMEs and other businesses effectively.

Furthermore, SMEs managers should get to know that business development services come with a lot of benefits like Increased market penetration, enhanced network with large firms, improved product quality, increased profitability, increased competitiveness and enhanced managerial efficiency.

However, they should enrol in such services to reap some of these benefits for their business.

In addition, the managers of SMEs or entrepreneurs should always learn that SMEs have unique and specific needs for business development assistance that business consultants must consider when designing their business development services if their services to SMEs are to be productive and successful. Smallness of SMEs confers a disadvantage because business owners or managers have to perform a wide range of duties compared to their large firms' counterparts. This calls for diverse skills set that SMEs managers or owners must possess to help run their SMEs effectively and efficiently.

Furthermore, the government of Ghana should provide stimulus packages to managers of SMEs and entrepreneurs to encourage them to partake in non-financial business development services. Because, business development services have a positive effect on the performance of SMEs. And SMEs are to provide feedback to government officials and BDS agencies, because it is vital to receive feedback from SMEs on the impact of business development services provided. This is especially important to Government departments and institutions to nurture SMEs in order to help them achieve growth and competitiveness through policy reviews and other regulatory measures.

Suggestions of Future Studies

The study proposes comparative studies across countries and regions on the impact of BDS on the firm performance and development. This is because there is a relatively large heterogeneity of the results among countries. Moreover, we

suggest future lines of research to test how perceptions of the challenges of business development services decrease SMEs performance and how the perceptions of the benefits of business development services increase SMEs performance.



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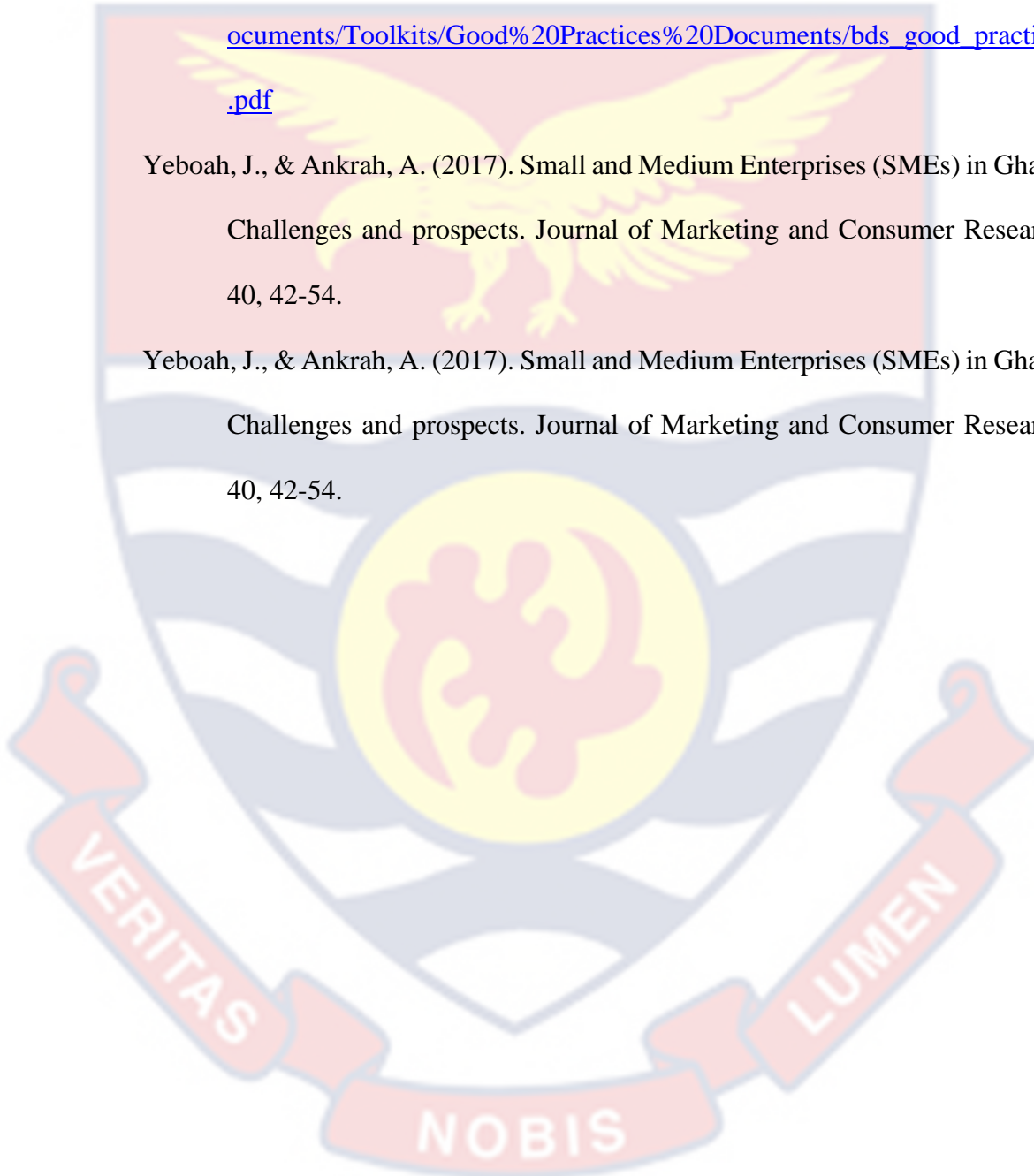
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APPENDIX A

UNIVERSITY OF CAPE COAST

COLLEGE OF HUMANITIES AND LEGAL STUDIES

SCHOOL OF BUSINESS

CENTRE FOR ENTREPRENEURSHIP AND SMALL ENTERPRISE

DEVELOPMENT

(CESED)

**EFFECT OF BUSINESS DEVELOPMENT SERVICES ON THE
PERFORMANCE OF SMEs IN ELLEMBELLE DISTRICT, GHANA**

Hello, my name is and I am a student at the University of Cape Coast (UCC), and as part of my MBA studies, I am conducting a research on “business development services and SME performance. The survey usually will take about 20 minutes to complete. The purpose of this research is purely academic and it is aimed at collecting data on the effect of business development services on SME performance. Your utmost confidentiality is assured, and because of this please do not write your name or the name of your entity on the questionnaire.

Now, do you want to ask anything about the survey? Yes [] No []

Date :

D	D	M	M	Y	Y	Y	Y
				2	0	2	2

SECTION A: BACKGROUND INFORMATION OF RESPONDENT

A1.	Age of Respondent	15 to 30 31 to 40 41 to 50 51 to 60 60 and above	[] [] [] [] []
A2.	Gender of Respondent	Male Female	[] []
A3.	Respondents portfolio (Position) <i>(Please tick the one that applies)</i>	Owner Employee Relative of owner	[] [] []
A4.	Educational Level of Manager <i>(Please tick the one that applies)</i>	No Formal Education Primary Education Junior High School Secondary School Tertiary Education	[] [] [] [] []
A5.	Marital Status of Manager <i>(Please tick the one that applies)</i>	Single Divorced Married Widow	[] [] [] []

SECTION B: IDENTIFICATION OF FIRM

B1.	Form of Business	Sole Partnership Partnership Limited Liability	[] [] []
B2.	Sector of Business Operation	Manufacturing Service Agriculture	[] [] []
B3.	How many employees to you have in this enterprise	Below 5 Between 5 to 49 Between 50 to 99	[] [] []
B4.	Annual turnover of business	Below GHS 10,000 Between GHS 10,000 to GHS 20,000 Above GHS 20,000	[] [] []
B5.	Awareness of Business Development services	Yes	[]

		No	[]
B6.	Use of Business Development services	Yes No	[] []
B7.	Do you think business services to SME development is of importance	Yes No	[] []

SECTION C: PERCEPTION OF SME OWNERS ON BUSINESS DEVELOPMENT SERVICES

Kindly indicate your *agreement* or *disagreement* to each of the following statements that relate to the perception of non-financial BDS in your firm, by **ticking** the appropriate number, on the scale: **1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree**

		1	2	3	4	5
C1.	We actively participate in training (on the job training) for employees introduced by Ghana Enterprise Agency					
C2.	Our business has access to technological development and transfer by business development consultant or government					
C3.	Our business access to business development consultant or government for marketing assistance					
C4.	My organization participates in consultancy and business advisory services when the need be					
C5.	There is frequent mentoring from established entrepreneurs to my employees over the last two years					
C6.	My organization has built a link with other business organizations for assistance and supply					

SECTION D: EFFECT OF BUSINESS DEVELOPMENT SERVICES ON PERFORMANCE

Kindly indicate your *agreement* or *disagreement* to each of the following variables of BDS that has an effect on the performance in your firm, by **ticking** the appropriate number, on the scale: **1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree**

	Variables	1	2	3	4	5
D1.	Building business linkages					
D2.	Training (on the job training)					
D3.	Consultancy and business advisory services					
D4.	Marketing Assistance					
D5.	Technological development and Transfer					
D6.	Mentoring					
D7.	Government policy					

SECTION E: BENEFITS OF BUSINESS DEVELOPMENT SERVICES TO YOUR SME

Kindly indicate your *agreement* or *disagreement* to each of the following statements that relate to the benefits of BDS in your firm, by **ticking** the appropriate number, on the scale: **1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree**

E1.	There is increased market penetration with the help of BDS	1	2	3	4	5
E2.	BDS enhanced our network with large firms					

E3.	My organization is able to improve product/service quality					
E4.	My organization is able increase profitability with the help of BDS					
E5.	There is increased competitiveness with the help of BDS					
E6.	With the help of BDS, there is enhanced managerial efficiency in my organisation					

SECTION F: CHALLENGES IN PROVIDING BUSINESS DEVELOPMENT SERVICE FROM THE PERSPECTIVE OF YOUR SME

Kindly indicate your *agreement* or *disagreement* to each of the following statements that relate to the challenges in providing BDS in your firm, by **ticking** the appropriate number, on the scale: **1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree**

F1.	There is shortage of qualified providers	1	2	3	4	5
F2.	There is high cost of services					
F3.	In my organization, there is limited access to information					
F4.	Failure of non-financial support services to fit with the needs of MSMEs					
F5.	Lack of monitoring and evaluation on the impact of the services received					

SECTION G: FIRM PERFORMANCE

Please indicate the financial performance of your firm over the past three (3) years based on the listed financial and non-financial indicators using the following 5-point scale. Where:

1=lowest performance (Lo)

2=Low performance (LP)

3=Average performance (AP)

4=High performance (Ho)

5=Highest performance (HP)

Indicators of financial performance		Lo	LP	AP	Ho	HP
G1.	Increased market penetration					
G2.	Improved product Quality					
G3.	Increased profitability					
G4.	Increased competitiveness					
G5.	Enhanced managerial efficiency					

THANK YOU

