Best Practice Management Implementation and Its Effects on the Growth of SMEs in Ghana

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Abstract

Purpose – *This study investigated the effects of best practice management on the growth of SMEs in Ghana.*
Design/methodology/approach – *With reference to the literature, this current paper used the following variables (training, TQM, planning and control, team work, employee empowerment, cash management and top management) as tools for best practice management. Using a quantitative approach and the survey method of collecting data, the questionnaire was administered through a face-to-face interview. A sample of 160 SMEs was selected and interviewed. The collected data were analyzed on SPSS to calculate descriptive statistics, reliability analysis, regression and correlation.*
Findings *- The findings indicated that best practice management has a significant positive effect on SME growth in Ghana. The effect of the best practice management variables was also found to be positive and statistically significant. Finally, the findings confirmed that best practice management has a significant positive effect on the growth of SMEs in Ghana.*
Originality/value – *This study has demonstrated that SME managers in Ghana believe that best practice management is a key contributing factor to the growth of SMEs in Ghana.*

Keywords: Best practice Management, SME Growth, SMEs, Ghana.

Introduction

It is widely recognized that Small and Medium Sized Enterprises (SMEs) form the backbone of the private sector at all levels of developing countries and Ghana is no exception. Greenan, Humphreys & Mclvor (1997) noted that "the contribution of small and medium sized enterprises towards economic performance is now universally accepted as significant" (p 208). The private sector is the engine of growth of every economy. In Ghana, the government has stressed that, it will serve as the main agent for wealth creation, principal source of economic growth, the generator of employment opportunities and the creator of the resources wherewithal for social purposes. This private sector is basically Small and Medium size Enterprises (SMEs) which are owned, managed and controlled by private indigenous Ghanaian entrepreneurs or managers. Most of these indigenous managers are handicapped when it comes to implementing Modern Management Practices and instituting Best Management Practices in their businesses. Today the trend is changing as these managers are appreciating the importance of implementing best management practices for SME growth. SMEs play a unique role in countries industrial development sector in terms of employment creation, income generation and ensuring equitable distribution of resources. Unfortunately, in Ghana, the sector's contribution has fallen short of its potential due largely to lack of effective and quality management and coordinated effort to support SME operators.

In developed countries, some SMEs have developed and grown to become Multinational Corporations (MNC) and are successful in international business. Managers of these firms are able to implement modern management and best practices using management consultants to solve management, organizational and information technology related issues in areas where the managers of these firms are lacking the knowledge. In Ghana however, the story is different.

As the government is poised to see the growth of SMEs that are owned and controlled by indigenous Ghanaians and their families, the questions that need to be asked are; are these owner-managers well equipped with the best practice management skills to be able to meet the challenges of international business and globalization? If yes, to what extend are they willing to forego their own systems and to implement best practice management? Is the government also prepared to provide the needed support for this to happen? What will be the impact on the implementation of best practice management to the economy and growth of SMEs?

Importance of SMEs on economies

SMEs are the back bone of every economy, creating employment for the masses of the people but governments in developing countries have not been able to create the enabling environment that is needed for SME growth and development. There should be no underestimation of SMEs as an approach to modern development. Etemad and Wright, (1999) have indicated that 'economic growth and innovation, both domestically and internationally, are fuelled increasingly by small companies and /or entrepreneurial enterprises'. Scarborough and Zimmerer, (1996) reported that in The United States, Japan and Taiwan, SMEs have helped these economies in many ways. The US has regained its dominance in world market because of innovative products and services of SME managers. In Taiwan, SMEs account for about 98% of its GDP. These SMEs in Taiwan are very small businesses unlike the US. They have limited capital and have weak foundation but their contribution to the economy is very significant as they create jobs and promote social stability (Annual Report 1983). Japan also has a bulk of its businesses being controlled by SMEs, also providing employment for its people (Ministry of trade and industry, 1997).

There has been the proliferation of SMEs since the beginning of 1980. In the 60's and 70's, large companies dominated the market. Some time past, international business was only for large firms. Today the trend is changing. International business is therefore changing fast. Barriers that governments used to protect domestic markets are all broken because of globalization and the development of information technology. E-commerce has become the tool for small and large businesses to do business. Therefore an SME that is not technologically equipped falls behind. As result of this changing trend in world markets, marketing strategies of companies too are changing.

In this study, SME in Ghana is defined as a firm or business employing between 1 to 200 employees and managed, controlled and owned by an indigenous Ghanaian. It has been noted by Gray et al. (1997), that in Africa, "the immediate goal of these firms is to create security for their families". Countries like the U.K., Canada, and the United States define SMEs in terms of yearly turnover and the number of employees employed. In the United Kingdom for instance, SME is defined as a business with a yearly turnover of two million pounds. Japan defines its SMEs as businesses with 100 million yen paid up capital and employs 300 employees, Gray et al. (1997). In a report entitled 'international financial institutions to improve support for African SMEs' and filed by Africa News service in April 2004, Mr. Alabisi Ogunjobi, African Development Bank (ADB) vice-president in Charge of West and Central Africa operations emphasized "SMEs are the main generators of employment opportunities and as such continue to a more equitable distribution of income and promote entrepreneurial culture".

Objective

The focus of this study is to attempt to examine the importance of implementing best practice management and its effects on growth of SMEs in Ghana. It will conclude with some suggestions and recommendations on best management practices to managers of SMEs in Ghana.

Literature Review

The objective of this study is to attempt to examine the importance of implementing best practice management and its effects on growth of SMEs in Ghana. There have been a series of studies on the importance of best practice management of SMEs but these studies are mostly focused on SMEs in developed countries.

Although the role of SMEs in creating economic development in the advanced economies is very well documented, the exploration of the growth of SMEs in the developing world is less documented. The study examines this in the context of a developing country, Ghana.

Benefits of modern management practice

Woods and Joyce (2003) distinguished between two forms of management. These are the operational management and strategic management. They defined operational management as 'ongoing activities of the business in relation to existing products and services and in respect of existing market whereas strategic management is the future success of the business and may entail major changes in the benefits to be offered customers, in organizational capacity, and in competitive posture'. Mintzberg (1979) argued that there are 2 forms of managers. He says the owner-manager manages more on a personal basis than the manager who is well in tune with strategic management. The indigenous manager uses a more autocratic system of management where decision taken is solely by him/her. Because they have invested their own money into the business they are not accountable to anyone and do not take advice of others. Terms like team building which is a modern term in management is not a vocabulary in their everyday language. Everything revolves round them. If they are not in the office or on site nothing works. That is the perception of the indigenous Ghanaian manager.

Ibrahim and Goodwin (1986) conducted a survey of 144 small firms in the retail, wholesale, service and the manufacturing sectors in the US and Canada and concluded that managerial skills and entrepreneurial behavior were the two most important factors key to the success of SMEs. In a similar research conducted in Jamaica by Huck and McEwen (1991), the findings were that the 'most crucial factors' for the successful operation of SMEs were entrepreneurial competencies in management, planning and budgeting and marketing. Potts (1977) and Robinson (1982) have indicated that the growth of SMEs is limited by not being able to implement modern management tools for example planning and control. The world has become a global village and in order to manage effectively in today's complex world, firms require the leadership of executives who engage in decision making based upon a global perspective, understanding the interdependence of the organization within the industry and society in which they function, and be committed to the principles of lifelong learning and personal development so as to maintain value to the firm. Most indigenous managers or entrepreneurs lack the understanding of organizational transformation (Change). Those who are performing well in terms of sales and profitability believe that is all that is required of them. They need not change. If a manager is not familiar with modern management practices, he/she will need an expert, a consultant to assist. These managers or entrepreneurs do not understand the need for consultants. This calls for a future research into the role of consultants in the growth and development of SMEs or in Ghana.

Kuratko, Donald and Hornsby, (2001) indicated that, the most widely used and useful strategies and tools for a successful business growth are leadership, strategic planning, customer and market focus, HR focus, Process management and Business results. Owner/managers should take advantage of courses such as, finance for the non-financial manager, project management, strategic marketing, managerial effectiveness, customer relationship management and strategic planning and control that are being organized by institutions like Ghana Institute of Management and Public Administration (GIMPA), The University of Professional Studies (IPS), University of Ghana (Legon), and seminar, workshops and conferences being held by supporting agencies like the Africa Project Development Fund (APDF) and Empretec. Also, breakfast fora and Professional Development Programs that are organized by consulting firms like Deloitte & Touche must be attended to keep abreast with modern management practices. However, if some owner/managers believe that they cannot be trained, then they have to employ young and competent individuals who are well abreast with modern management practices and are willing to learn new ways of doing things so that they can manage and implement best practices in their firms.

Best Practice Management tools

Training

In a report entitled 'skill training for SMEs catching on in East Africa', filed on Africa News Service by Vitalis Omandi, special correspondent, lack of access skill upgrading was reported by 80% of the firms sampled or interviewed. This has resulted to the recruitment of 2000 to 3000 consultants by the Africa Project Development Facility (APDF) to assist in the provision of quality consultancy services to these firms.

In recent years there have been a number of training programs being held for SMEs in Africa. Ladzani et al. reported the "entrepreneurial training for emerging SMEs in South Africa'. These researchers looked at the course content, training methods and profile of trainers and trainees. The course content included courses in best practice management. Marais and Israestan (1997) indicated that because of global competition there should be constant and regular training in all organizations large and small. Kroom and Moolman, (1992) also indicated that SME owners and managers will benefit from training by learning new things such as tools in modern management. Ladzani and Vuuren (2002) suggested that the areas of training should include motivational, business and entrepreneurial skills. Vuuren and Nieman (1999) developed a model that tries to address the question "how do you improve the entrepreneurial performance of an individual by means of training intervention?' The model explains that entrepreneurial or owner/managers performance is a 'multiplication function of motivation times entrepreneurial skills and business skills'. The researchers indicated that business skills is the art of being able to write and implement business plans for your business, be able to interpret financial information, using marketing plans, operational, human resource, legal, communication which are all aspects of modern management tools.

Gutpa (1989), referred to the results of a research in the state of Gujarat, India which indicated that less than 10% of firms where their owner/managers were trained went out of business compared to 20-25% of firms closed down which did not have their managers trained. This suggests that SMES managers should have some form of training in management. Hisrich and Peters (1995) suggest that training plays an important role in supporting emerging small businesses. Mambula (2002), indicates that 'untrained small business managers handling complex ventures are not likely to be sufficiently competent in management, organization and quality production to adhere to internationally competitive standards'. These observations lead to the following hypothesis: Training will influence the growth of SMEs positively

TQM

Vokurka (2001) emphasized that "today the concept and application of quality has expended to total organization. It includes all organizational functions and is best understood as principles and methods to improve the performance of organizations in achieving their objectives" (p. 363). Daft (1997) defines Total Quality Management (TQM) as a concept that focuses on managing the total organization to deliver quality to customers and identifies employee involvement, focus on the customer, benchmarking and continuous improvement as the four significant elements of the concept. Dean & Bowen (1994) also defined TQM as a philosophy of organization-wide commitment to continuous improvement with the focus on teamwork, increasing customer satisfaction and lowering costs. Evans & Lindsay (1993) stated that TQM "implies that quality is not solely a control or technical issue but that must be addressed from the perspective of strategic management" (p 33). TQM is an integrated management philosophy and set of practices that emphasizes among other things, continuous improvement, meeting customers' requirements, reducing rework, long range thinking, increased employee involvement and teamwork, process redesign, competitive benchmarking, team-based problem solving, constant measurement of results, and closer relationships with suppliers (Ross, 1993). Flynn, Schroeder and Sakakibara (1994) also define quality management as "an integrated approach to achieving and sustaining high quality output" (p. 342). Good or quality management can therefore said to be the ability and willingness to develop and implement good business plans, the capacity to obtain and employ resources effectively, to balance traditional obligations with business demand and to accurately keep records and control finances. Developing and implementing good business plans has been a problem for small businesses in Ghana. Thus the following hypothesis is proposed: TQM implementation will increase firm growth.

Planning and Control

Planning can be long-term, as in corporate planning, or short-term, as in production or sales planning. Plans have to be put into operation. This involves detailed organization and coordination of tasks and the human and material resources needed to carry them out. Effective use of strategic planning includes passing higher-level strategy and objectives to operations in order to develop operational systems for meeting business and customer performance requirements. Peter Drucker, a world-renowned guru on management captured the role of planning long ago. He expressed planning as follows: "planning what is our business, planning what will it be, and planning what should it have to be integrated… Everything that is planned becomes immediate work and commitment" Drucker, (1973). Planning has been accepted as the first of four essential managerial tasks. In a research findings by Perry (2001), it concluded that failed firms had little planning than non failed firms.

Planning and control are important elements in management that must not be overlooked. Potts (1977) and Robinson (1982) have suggested that SMEs face a growth problem by their inability to prepare and implement planning and control systems. Wijewardena et al. (2004) in their results findings concluded that 'planning and control sophistication is an important contribution to the sales performance in Manufacturing SMEs'. These observations lead to the following hypothesis: planning and control will influence the growth of SMEs positively

Teamwork

Teams have become the centerpiece for most corporations and government structure. Teams are used to take on every major task, and solve challenging problems. Management interest in teams is not new. Fayol included: Esprit de corps" in his 14 principles of management. However it was the human relations school, with its intensive studies of effective and ineffective groups and of leadership styles that laid the basis for research into teams and teamwork. Teams and teamwork are important because they are a means of co-ordination, particularly the co-ordination of specialists. Thus team work is particularly important in innovation. It is a means of participation, which in turn has a bundle of advantages attached to it. According to Peters and Waterman, one of the characteristics of excellent companies was a bias for action partly achieved through high levels of team work. It is also a means of problem solving and decision making by sharing knowledge and ideas and generating new ideas. Lastly, teams are important I the organization because it is a means of ensuring flexibility.
From the forgoing, the following is hypothesized; teamwork will positively influence the growth of SMEs

Employee Empowerment

The topic of employee empowerment has been a topic of research for many years. It is outside the scope of this study to go into the details of employee empowerment. Employee empowerment is said to be an organization strategy or a management concept that gives employees the power to make decisions affecting their jobs, how their work is to be done and most importantly take responsibility for decisions they take. In order to ensure organizational effectiveness, organizations must try to building organizational commitment among its employees. The result is that committed employees can lead to positive organizational outcomes. Empowerment therefore refers to the employee's feeling of being effective, in control and influential. According to (Randolph, 2000), empowerment can be defined as a collection of practices that combine information sharing, delegation of authority, and increased employee autonomy. Employee empowerment can improve job satisfaction and commitment if it increases the feeling of ownership in employees. Govindarajan and Natarajan (2009) have indicated that empowering employees may mean encouraging and allowing individuals to take personal responsibility for improving the way they do their jobs and contribute to the performance of the organization. And as indicated earlier, employee empowerment improves employee commitment, creativity, productivity, satisfaction and motivation. Lashley (2001) explained that there are four types or forms of empowerment. Firstly, he refers to empowerment through participation which means the delegation of decision-making from management. Secondly, empowerment through involvement, in this case management gain through reflecting on employees' experiences, ideas, and suggestions. The third type is empowerment through commitment that leads to increased commitment to goals and employee job satisfaction, and the fourth type is empowerment through delayering which means reducing the numbers of management hierarchy in an organization. While empowering employees the organization and its manager must providing training, coaching and creating a collaborative work environment. The above discussion leads to the following hypothesis: A positive relationship exists between employee empowerment and SME growth.

Cash Management

It has been indicated by different researchers that lack of capital hinders the growth of SMEs. As much as this assertion is true, there are those owner managers who lack the managerial skills to manager these funds. Banks would want to see included in business plans the management team of a firm and if possible the profiles of the top executives. The reason is for the banks to determine if the firm has competent professionals to apply and manage the funds given out. In Ghana, the Africa News Service published in its headline, 'Barclays launches local business seminar for business club members in Kumasi". In this publication, Barclays bank of Ghana has launched a product known as the "Total Business Solution" to train clients on the best practice of how to manage cash. The genesis of the course was on cash flow management. The managing Director of the bank stressed 'We not only provide easier access to credit, we also train the recipient on the best way to deploy funds for the maximum benefit of their respective companies".

It is the recommendation that SME owner/managers take advantage of this opportunity to learn some basic modern management and financial tools which will go a long way to help in the growth of businesses in Ghana. Based on the literature, the following is hypothesized: The degree of cash management practices in firms will enhance SEM growth.

Top Management

According to Evans (1996), "leadership involves setting directions and developing and, maintaining a leadership system focused on customers and performance excellence" (p 43). Top Management therefore refers to senior executives' involvement in maintaining an environment of quality excellence, and the extent to which quality values in the organization. This is about how senior managers in the organization guide the company in setting organizational values, directions and performance expectations. Attention is also given as to how top managers communicate with employees, review organizational performance and create an environment that encourages high performance. According to Curry (2002), "leadership has been defined in ways that are task related, that cover themes of egalitarianism juxtaposed to the use of power differences, personal characteristics and character traits" (p 33). The practice of good citizenship is again addressed under the top management variable. With good citizenship, it looks at how the organization fulfills its public responsibilities and encourages, supports and practices good citizenship. The top management and owner/manager in the case of an SME should have a strong focus on the customer, set achievable goals, must focus on continuous learning and be champion for public responsibility and citizenship. Small businesses are set up by individuals who carry their own missions and visions. They have the power and control over the organization (Miller & Simmon, 1992). For the success of the organization, these owner/managers must have some leadership qualities. However, because they are owners they have their own management styles that make them take decisions and control power in the organization (Mintzberg, 1984; Seymour, 1983). The linkage between the role of the CEO and firm performance is more easily observed in smaller firms (Alcorn, 1982). Begley & Boyd (1986) measured growth rate, profitability, and return on investment for founder-operated firms and found that founders have a significant positive impact on firm performance. Business leaders today need a dual strategy. They have to run their businesses as efficiently as possible, yet at the same time they have to change it. The leadership should create a strategic vision and clear quality values which serve as a basis for all business decisions at all levels of the organization. The vision and value to be set must revolve around the customer. The leadership should and can inspire people to do things right by providing resources and support to meet their needs. They need to have a much firmer grasp on technology, which is providing new ways to integrate supply, manufacturing and distribution and which is redrawing the boundaries historically separate industries. In line with these arguments the following is hypothesized: Top Management is positively correlated to SME growth.

Methodology

The enormous influence that small and medium sized enterprises have on the economies of countries cannot be underestimated, especially in this era of fast changing and increasing competitive global environment (Aharoni, 1994; Drilhon & Estime, 1993). According to Mulhern (1995); Thornburg (1993), SMEs have been a major engine of growth for technological progress. The objective as stated in this study is to examine best practice management and small firm growth in order to determine the relationships between these practices, individually and collectively, and firm growth and also its impact on Ghanaian SMEs. In order to test the hypotheses and also to do an analysis on the firms were selected based on their demographics, data was collected which was converted into information for possible analysis. In this chapter, the methodology for data collection, sampling method and procedure and types of analysis will be detailed.

The Statistical Package for Social Sciences (SPSS) assisted in the analysis of the data to be able to draw significant conclusion and recommendations for the study. The reliability analysis of a measurement instrument determines its ability to yield consistent measures. Reliability was operationalized as internal consistency, which is the degree of intercorrection among the items that comprise a scale (Nunally, 1978). Cronbach's alpha was then calculated for each scale (Cronbach, 1951). Demographic Data Analysis An internal consistency analysis was performed separately for items of each factor of best practice management that included 98 usable responses. The analysis in Table 1 revealed that all the factors have a Cronbach's alpha value of above 0.7, which testifies to the reliability of the instrument.

Table I- Reliability Analysis

Constructs	Cronbach's Alpha	No of Items
Training	.743	5
TQM	.836	6
Teamwork	.764	6
Cash Management	.775	5
Employee Empowerment	.706	6
Planning and Control	.733	5
Top Management	.820	6
Growth	.781	5

Of the 160 questionnaire that were sent out for responses, 141 were returned by the research assistants. Out of the 141 that were returned, 20 were incomplete. 23 of the returned responses were not usable because the firms employ more than 200 employees and do not fall within the criteria set for small business in this study. This brought the total number of usable responses to 98 representing 61% response rate.

Descriptive Statistics on **Type of Business, No of years in Business, No of years Used BPMGT**

Table II: Type of Business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Timber	4	4.1	4.1	4.1
	Plastic	5	5.1	5.1	9.2
	Pharmaceuticals	11	11.2	11.2	20.4
	Electronics	3	3.1	3.1	23.5
	Iron	4	4.1	4.1	27.6
	Aluminum	5	5.1	5.1	32.7
	Textile	5	5.1	5.1	37.8
	Food	36	36.7	36.7	74.5
	Furniture	2	2.0	2.0	76.5
	Others	23	23.5	23.5	100.0
	Total	98	100.0	100.0	

Table III: No of years in Business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than 1 year	4	4.1	4.1	4.1
	1-2 years	4	4.1	4.1	8.2
	3-5 years	18	18.4	18.4	26.5
	6-10 years	22	22.4	22.4	49.0
	11-19 years	23	23.5	23.5	72.4
	over 20 years	27	27.6	27.6	100.0
	Total	98	100.0	100.0	

Table IV: No of years Used Best Practice Management (BPMGT)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less tha 1 year	7	7.1	7.1	7.1
	1-2	9	9.2	9.2	16.3
	3-5	27	27.6	27.6	43.9
	6-10	30	30.6	30.6	74.5
	11-19	10	10.2	10.2	84.7
	20 plus	15	15.3	15.3	100.0
	Total	98	100.0	100.0	

Tables 2 shows the type of business of the respondents, and out of the 98 usable responses, 36.7% are in the food industry. 11.2% pharmaceuticals and 23.5% represent other industries. Table 3 indicates that 27.6% of those businesses have been in operation for over 20 years, 23.5 between 11 and 19 years and 22.4% have been in business for between 6-10 years. For table 4, responding to number of years the business has used any of the best practice management tool, 30.6% of the businesses have used BPMGT for between 6-10 years, 27.6% between 3-5 years, and 15.3% for over 20 years.

Measuring on a 5-point Likert scale (1=strongly disagree, 2= disagree, 3= neither disagree or agree, 4= agree and 5= strongly agree), respondents were asked to indicate their opinion on how they think best practice management will impact the growth of SMEs in Ghana. 2% of the participants said they disagree that best practice management will have any impact on SMEs, 37.8% indicated that they agree and 55.1% strongly agree that best practice management will have an impact on all aspects on SMEs in Ghana. Table V shows the descriptive statistics and figure 1 shows the pie chat.

Table V: IMPACT

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	2.0	2.0	2.0
	Neither agree or disagree	5	5.1	5.1	7.1
	Agree	37	37.8	37.8	44.9
	Strongly Agree	54	55.1	55.1	100.0
	Total	98	100.0	100.0	
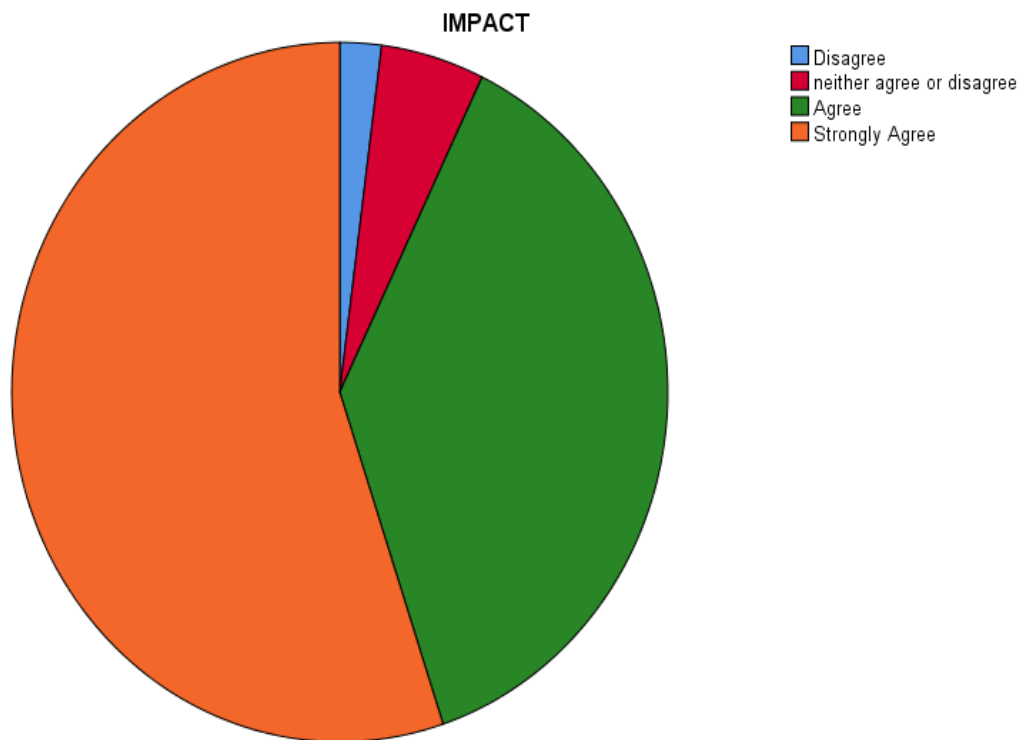
Using the SPSS latest version, correlation and regression analysis were utilized in testing the hypotheses. As structured in the questionnaire, all the items of the best practice variables and their related growth indicators were aggregated to form one composite variable before testing. However before testing the hypotheses, correlation was performed on the various quality management variables. Results indicated that all the variables were correlated to each other. This result also indicates that firms implement these practices in a holistic rather than piecemeal manner. See table VI.

Table VI: Correlations

		Training	Teamwork	Cash MGT	Planning and Control	Top MGT	TQM	Employee Empowerment
Training	Pearson Correlation	1	.356**	.382**	.348**	.412**	.446**	.281**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.005
	Sum of Squares and Cross-products	36.931	12.071	14.646	10.686	14.278	18.236	39.871
	Covariance	.381	.124	.151	.110	.147	.188	.411
	N	98	98	98	98	98	98	98
Teamwork	Pearson Correlation	.356**	1	.439**	.354**	.481**	.377**	.447**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000
	Sum of Squares and Cross-products	12.071	31.139	15.438	9.977	15.307	14.177	58.254
	Covariance	.124	.321	.159	.103	.158	.146	.601
	N	98	98	98	98	98	98	98
Cash MGT	Pearson Correlation	.382**	.439**	1	.548**	.639**	.442**	.689**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000
	Sum of Squares and Cross-products	14.646	15.438	39.760	17.474	22.943	18.757	101.400
	Covariance	.151	.159	.410	.180	.237	.193	1.045
	N	98	98	98	98	98	98	98
Planning and Control	Pearson Correlation	.348**	.354**	.548**	1	.524**	.349**	.445**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000
	Sum of Squares and Cross-products	10.686	9.977	17.474	25.537	15.084	11.868	52.495
	Covariance	.110	.103	.180	.263	.156	.122	.541
	N	98	98	98	98	98	98	98
Top MGT	Pearson Correlation	.412**	.481**	.639**	.524**	1	.641**	.592**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000
	Sum of Squares and Cross-products	14.278	15.307	22.943	15.084	32.465	24.586	78.786
	Covariance	.147	.158	.237	.156	.335	.253	.812
	N	98	98	98	98	98	98	98
TQM	Pearson Correlation	.446**	.377**	.442**	.349**	.641**	1	.382**
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000
	Sum of Squares and Cross-products	18.236	14.177	18.757	11.868	24.586	45.306	60.103
	Covariance	.188	.146	.193	.122	.253	.467	.620
	N	98	98	98	98	98	98	98
Employee Empowerment	Pearson Correlation	.281**	.447**	.689**	.445**	.592**	.382**	1
	Sig. (2-tailed)	.005	.000	.000	.000	.000	.000	
	Sum of Squares and Cross-products	39.871	58.254	101.400	52.495	78.786	60.103	545.222
	Covariance	.411	.601	1.045	.541	.812	.620	5.621
	N	98	98	98	98	98	98	98

**. Correlation is significant at the 0.01 level (2-tailed).

Discussion and Results

The Pearson correlation analysis was conducted to observe the degree of relationships among each of the best practice management and between each of the SME growth. A set of 1-5 Likert scale questions were asked for each of the seven best practice management variables - training, TQM, team work, cash management, employee empowerment, planning and control, and top management; That is "indicate your business present position on best practice management (BPMGT)", where 1=Strongly Disagree; 2= Disagree; 3=Neither Disagree; 4= Agree;

5=Strongly Agree". For each of the BOMGT variables, the summated average score was calculated based on the respondent's scores on the number of questions asked for each corresponding linkage.

Next, a set of 1-5 Likert scale questions were asked for each of the five practices of SME growth -"indicate how you think BPMGT affect SME growth", where 1=decrease, 2=static, 3=moderately improve, 4=consistently improve and 5=significant gains. The score for the practices of BPMGT impact on SME growth was calculated by averaging the respondent's scores (1-5 Likert scale) on BPMGT impact on SME growth.

Seven prepositions were tested each for the best practice management variable against performance. Correction results indicated that they were correlated to each other. To examine the relationship between the best practice management and growth, correlation was performed using each of the seven best practice management variables, being independent variables and an aggregate of the growth indicators. Again, a regression analysis was conducted. The analysis begins with the training variable and the testing of the prepositions. Tables 7 to 22 show the regression analyses and ANOVA for variables individually and growth, and overall BPMGT and growth

Table VII: TRAINING   Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.439[a]	.193	.185	.49371	.193	22.958	1	96	.000

a. Predictors: (Constant), Training
b. Dependent Variable: GROWTH

Table VIII: Training   ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.596	1	5.596	22.958	.000[b]
	Residual	23.400	96	.244		
	Total	28.996	97			

a. Dependent Variable: GROWTH
b. Predictors: (Constant), Training

Table VIX: TQM   Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.337[a]	.114	.105	.48323	.114	12.337	1	96	.001

a. Predictors: (Constant), TQM
b. Dependent Variable: TQMGROWTH

Table X: TQM   ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.881	1	2.881	12.337	.001[b]
	Residual	22.417	96	.234		
	Total	25.298	97			

a. Dependent Variable: TQMGROWTH
b. Predictors: (Constant), TQM

Table XI: TEAM WORK   Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.399[a]	.159	.151	.45135	.159	18.193	1	96	.000

a. Predictors: (Constant), Teamwork
b. Dependent Variable: Teamwork GROWTH

Table XII: TEAM WORK   ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.706	1	3.706	18.193	.000[b]
	Residual	19.556	96	.204		
	Total	23.262	97			

a. Dependent Variable: TeamworkGROWTH

b. Predictors: (Constant), Teamwork

Table XIII: CASH MANAGEMENT   Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.513[a]	.263	.255	2.11549	.263	34.242	1	96	.000

a. Predictors: (Constant), Cash Management

b. Dependent Variable: Cash ManagementGROWTH

Table XIV: CASH MANAGEMENT   ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	153.242	1	153.242	34.242	.000[b]
	Residual	429.628	96	4.475		
	Total	582.871	97			

a. Dependent Variable: Cash Management GROWTH

b. Predictors: (Constant), Cash Management

Table XV: EMPLOYEE EMPOWERMENT   Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.287[a]	.083	.073	.52679	.083	8.645	1	96	.004

a. Predictors: (Constant), Employee Empowerment

b. Dependent Variable: EmployeeEmpowermentGROWTH

Table XVI: EMPLOYEE EMPOWERMENT   ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.399	1	2.399	8.645	.004[b]
	Residual	26.641	96	.278		
	Total	29.040	97			

a. Dependent Variable: Employee Empowerment GROWTH

b. Predictors: (Constant), Employee Empowerment

Table XVII: PLANNING AND CONTROL Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.383[a]	.147	.138	.52807	.147	16.550	1	96	.000

a. Predictors: (Constant), Planning and Control

b. Dependent Variable: Planning and Control GROWTH

Table XVIII: PLANNING AND CONTROL   ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.615	1	4.615	16.550	.000[b]
	Residual	26.770	96	.279		
	Total	31.385	97			

a. Dependent Variable: Planning and Control GROWTH

b. Predictors: (Constant), Planning and Control

Table XIX: TOP MANAGEMENT   Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.332[a]	.110	.101	.54860	.110	11.872	1	96	.001

a. Predictors: (Constant), Top ManagementGROWTH

b. Dependent Variable: Top Management

Table XX: TOP MANAGEMENT   ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.573	1	3.573	11.872	.001[b]
	Residual	28.892	96	.301		
	Total	32.465	97			

a. Dependent Variable: TopManagement

b. Predictors: (Constant), TopManagementGROWTH

Table XXI: BEST PRACTICE MANAGEMENT Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.098[a]	.010	-.001	.51001	.010	.934	1	96	.336

a. Predictors: (Constant), BPMGT

b. Dependent Variable: GROWTH

Table XXII: BEST PRACTICE MANAGEMENT ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.243	1	.243	.934	.336[b]
	Residual	24.971	96	.260		
	Total	25.213	97			

a. Dependent Variable: GROWTH

b. Predictors: (Constant), BPMGT

Summary of Correlation Analysis

There is a positive significant relationship *(r = .439, p = .000)* of training and SME growth

There is a positive significant relationship *(r = .337, p = .001)* of TQM, and SME growth

There is a positive significant relationship *(r = .339, p = .000)* of Team work and SME growth

There is a positive significant relationship *(r = .513, p = .000)* of cash management and SME growth

There is a positive significant relationship *(r = .287, p = .004)* of employee empowerment and SME growth

There is a positive significant relationship *(r = .383, p = .000)* of planning and control and SME growth

There is a positive significant relationship *(r = .332, p = .000)* of top management and SME growth

Recommendations

It is not enough for the government to only provide the peaceful environment for SMEs to operate. The government should also provide free or subsidized management courses to enable those owner/managers who cannot afford the fees charged by the institutions mentioned above. There could be an arrangement between the Ministry of Private Sector Development and the Management Development and Productivity Institute (MDPI), where the MDPI will run courses for these firms on behalf of the ministry at a minimal cost. This could be a way to help the small business owner acquire the necessary skills to be able to run his/her business effectively and efficiently. Government should also provide the necessary infrastructure such as roads, electricity and telephone, legal and regulatory framework, financial support and social facilities. Parker and Torres (1994) suggest that government policy should be geared towards 'sub sector within the informal sector.

Developing a business plan requires more managerial skills. Management skills are a key element for business success as indicated by some researchers. For a continuous firm growth therefore, owner/managers should take all necessary steps to acquire these skills to be able to manage their businesses in a modern and more efficient way and to create value to meet the challenges of today. SMES can learn from the experience of the developed countries and adapt best practices to their own situations. This calls for networking. A lot of researches have been done on networking of small firms, Gray et al. (1997), concluded that one of the missing links in the area of business management of Kenya SMEs managers was the 'absence of an aggressive marketing strategy'. The importance of a marketing strategy in today's competitive world should never be underestimated. Since owner managers of SMEs are not abreast with modern management, such important tool as marketing strategy is absent in their everyday vocabulary. To be very successful and competitive in this now transformed business environment, whether big or small, you need a marketing strategy to move your company forward in terms of sales, profitability and growth. This is one of the management or marketing tools that need to be studied and applied in modern business. One can always see a marketing consultant for assistance in writing a marketing strategic plan for his or her business.

Conclusion

Businesses are becoming increasingly global in nature while business executives are asked to deal with complex global economic, financial, political, cross cultural and strategic issues. We are in the global village. To be part of this global village and become competitive in international business, indigenous Ghanaian business entrepreneurs must understand the new ways of doing things and practices of management which includes organizational transformation for growth and to exceed customer expectations in their enterprises, becoming Multinational Corporations to compete in international business playing with the 'Big Boys' in the global developed market. SME managers in addition to their trade should also show some business management skills, Perry and Pendleton (1990, p2)

The implementation of theses tools of modern management will ultimately improve their business operations, exceeding customer satisfaction, creating value and increasing sales and profitability. The changing trend in international business and its consequences on the operation on businesses call for a radical transformation in the management skills of owner/managers. This study is a strong enough evidence to suggest a need for a future research in this area. Such research is important because it is likely that the understanding will assist management consultants, policy makers and scholars in determining how to improve the management practices and performances of these firms. A future empirical research should therefore be conducted to ascertain the real impact of the implementation of best management practice on SMEs in Ghana.

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