

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

COLLEGE OF HUMANITIES AND SOCIAL SCIENCES

DEPARTMENT OF MARKETING AND CORPORATE STRATEGY

**THE EFFECTS OF FINANCIAL RESOURCE MOBILIZATION EFFORT ON
BUSINESS PERFORMANCE OF SMEs-A CASE OF ATWIMA NWABIAGYA**

NORTH DISTRICT

BY

OPOKU EMMANUEL ANING

**A THESIS SUBMITTED TO THE DEPARTMENT OF MARKETING AND
CORPORATE STRATEGY, SCHOOL OF BUSINESS, COLLEGE OF HUMANITIES
AND SOCIAL SCIENCES**

**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY IN
PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF
MASTER OF BUSINESS ADMINISTRATION
(STRATEGIC MANAGEMENT AND CONSULTING)**

JUNE 2023

DECLARATION

I, Opoku Emmanuel Aning, declare that this submission is my own work towards the Masters of Business Administration in Strategic Management and Consulting and that, to the best of my knowledge, it contains no material previously published by another person or accepted for any degree of the University, except where due acknowledgement has been made in the text.

OPOKU EMMANUEL ANING

(PG3986220)

.....

Signature

.....

Date

Certified by,

Prof. Wilberforce Owusu-Ansah

.....

Supervisor

Signature

.....

Date

Certified by,

Prof. Kingsley O. Appiah

.....

HOD

Signature

.....

Date



DEDICATION

I dedicate this work to my Aunty Madam Mary Kwaa and my brothers Collins Opoku, De-Graft Opoku, Reindolf Opoku (late) and Bismark Opoku. They encouraged me to have higher education.

KNUST



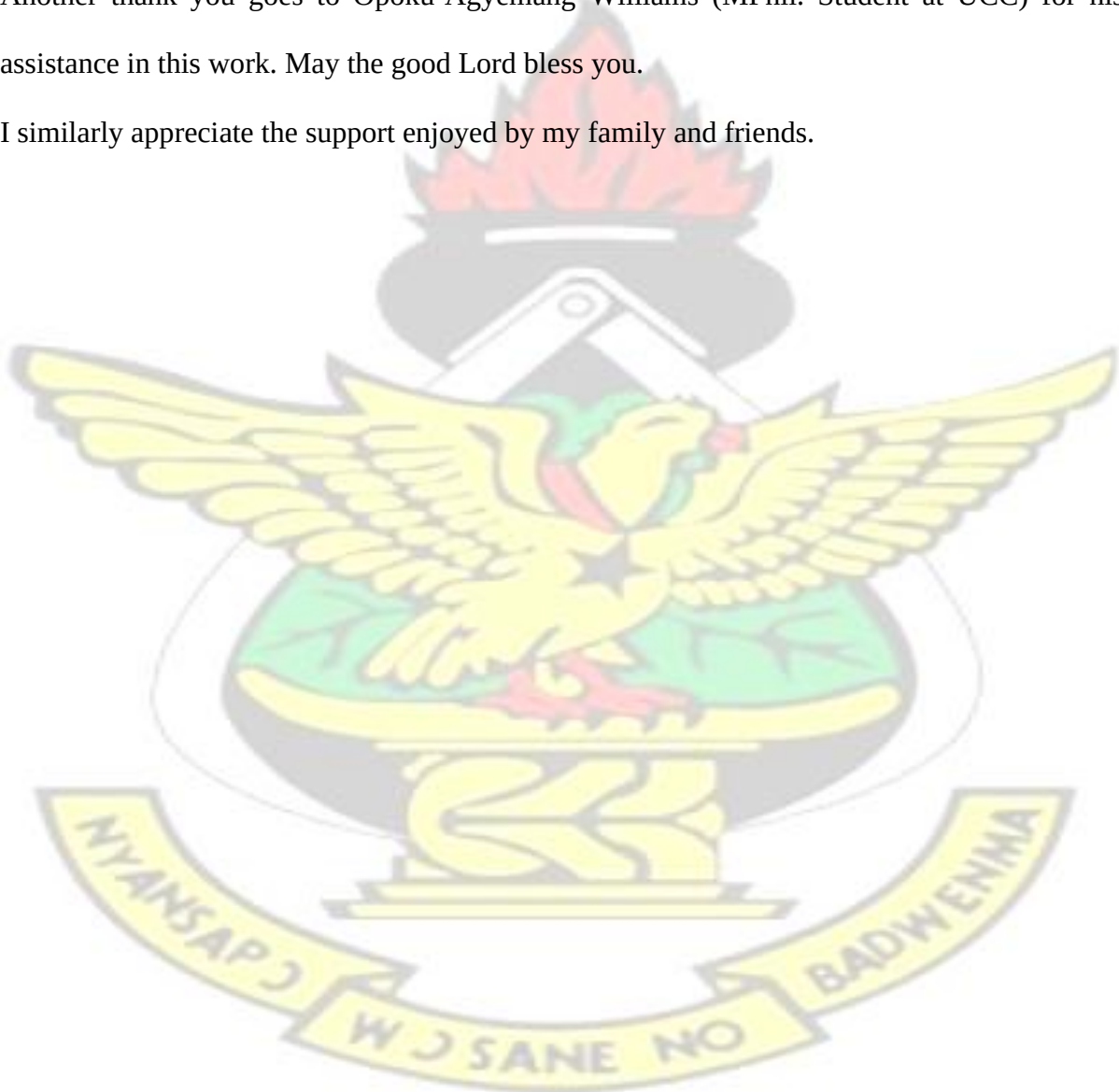
ACKNOWLEDGEMENT

I thank God the Favor, and Grace for seing me project. To my supervisor Prof. Wilberforce Owusu-Ansah I am grateful for your constructive suggestions, criticism, encouragement, and valuable time spent supervising this project work.

I again want to thank all the Faculty members and lecturers (Graduate School of Business) KNUST for their intense thought and training.

Another thank you goes to Opoku-Agyemang Williams (MPhil. Student at UCC) for his assistance in this work. May the good Lord bless you.

I similarly appreciate the support enjoyed by my family and friends.



ABSTRACT

The primary goal of this research was to explore the effects of financial resource mobilization efforts on the business performance of SMEs in the Atwima Nwabiagya North District. However, through a cross-sectional descriptive survey, the study engaged 100 respondents through a simple random sampling technique. The respondents were obtained through online Google Forms. Additionally, the study used descriptive and inferential statistics including frequencies, percentages, and regression analysis. The findings indicated that personal savings are the most prominent source of funding for SMEs. The regression analysis indicated that family and friends as well as personal savings are sources of capital which affect the performance of the various SMEs. Similarly, the majority of respondents strongly agree or agree that personal savings and bank loans as both internal source and external source of funding significantly impacts business survival. Furthermore, the findings also revealed that a considerable number of respondents perceive regulatory or legal restrictions on fundraising activities as a challenge. The study then recommended that the District Assembly strengthen its regulatory environment, the firm owners should enhance customer satisfaction and loyalty, and the SMEs diversify their funding sources.

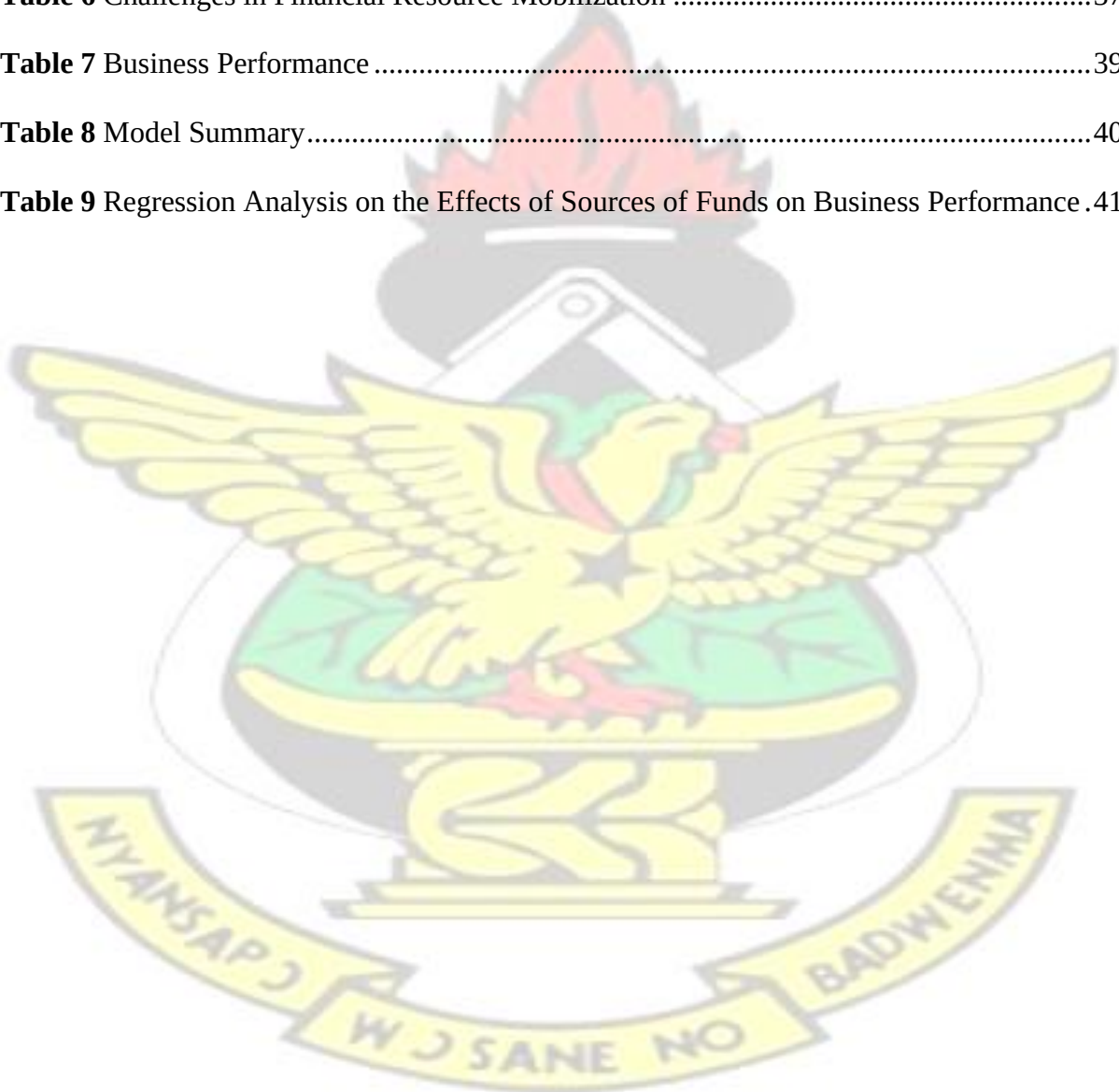
Table of Contents

Content	Page
DECLARATION.....	i
DEDICATION.....	ii
ACKNOWLEDGEMENT.....	iii
ABSTRACT.....	iv
LIST OF TABLES.....	vii
LIST OF FIGURES.....	viii
CHAPTER ONE.....	1
1.0 GENERAL INTRODUCTION.....	1
1.1 Introduction.....	1
1.2 Background of the Study.....	2
1.3 Statement Problem.....	3
1.4 Research Objectives.....	4
1.5 Research Questions.....	4
1.6 Significance of the Study.....	5
1.6.1 Management of SMEs.....	5
1.6.2 Improving SMEs.....	5
1.6.3 Academia.....	6
1.7 Scope of the Study.....	6
1.8 Limitations of the Study.....	6
1.9 Organization of the Study.....	7
CHAPTER TWO.....	8
2.0 LITERATURE REVIEW.....	8
2.1 Introduction.....	8
2.2 Conceptual Review.....	8
2.2.1 The Concept of Resources.....	8
2.2.2 Mobilisation of Financial Resources.....	9
2.2.3 Firm Performance.....	10
2.2.4 Definitions of Business Performance.....	10
2.2.5 The Concept and Definition of SMEs.....	10
2.2.6 Sources of Funds for SMEs.....	13
2.2.7 Formal Source of Fund.....	15
2.3 Theoretical Framework.....	17
2.3.1 Resource Mobilization Theory.....	17
2.3.2 Business Continuity Management Theory.....	18
2.4 Empirical Review.....	19
2.5 Conceptual Framework.....	21
CHAPTER THREE.....	22
3.0. RESEARCH METHODOLOGY.....	22

3.1 Introduction.....	22
3.2 Study Area	22
3.3 Research design.....	23
3.4 Population.....	24
3.5 Sample Size and Sampling Procedure.....	24
3.6 Data Collection Instrument.....	24
3.7 Data Collection Procedure	25
3.8 Data Processing and Data Analysis.....	25
3.9 Ethical Consideration	25
CHAPTER FOUR.....	26
4.0 RESULTS AND DISCUSSIONS	26
4.1 Introduction.....	26
4.2 Demographic Characteristics of the Study.....	26
4.2.1 Gender Distribution.....	26
4.2.2 Respondents Educational Level.....	27
4.3 Firm Characteristics	28
4.3.1 Nature of the Business	28
4.4 Specialization.....	29
4.5 Source of Funding.....	30
4.5.1 Internal Source of Funding.....	31
4.5.2 Formal Source of Fund.....	34
4.6 Challenges in Financial Resource Mobilization	36
4.7 Business Performance.....	38
4.8 Effects of the Sources of Funds on the Business Performance	40
4.8.1 Model Summary.....	40
4.8.2 Effects of Sources of Funds on Business Performance	41
CHAPTER FIVE	44
5.0 CONCLUSION AND RECCOMENDATIONS.....	44
5.1 Introduction.....	44
5.2 Key Findings.....	44
5.3 Conclusion	45
5.4 Recommendation.....	46
5.5 Area for Further Study	47
REFERENCES.....	48
APPENDIX.....	55
Questionnaire	55

LIST OF TABLES

Table 1 Nature of the Business	28
Table 2 Specialization	29
Table 3 Source of Funding	30
Table 4 Internal Source of Funding	32
Table 5 Formal Source of Fund	34
Table 6 Challenges in Financial Resource Mobilization	37
Table 7 Business Performance	39
Table 8 Model Summary	40
Table 9 Regression Analysis on the Effects of Sources of Funds on Business Performance	41



LIST OF FIGURES

Figure 1 Pictorial view of the Study Area.....	22
Figure 2 Demographic Characteristics of the Study	26
Figure 3 Educational Level of the Respondents	27



CHAPTER ONE

1.0 GENERAL INTRODUCTION

1.1 Introduction

Small and Medium-Scale Enterprises (SMEs) are considered to be the main businesses worldwide and contribute to employment generation and worldwide economic development (Odit et al., 2018). In most developing countries, Small and Medium-Scale Enterprises picture around 90% of business and provide employment above 50% globally (Msomi et al, 2021). However, despite the numerous benefits they bring in the areas of employment generation and income generation, SMEs encounter significant difficulties in accessing funding compared to larger companies (Baker et al., Ullah, 2019). These challenges arise from various factors, including the perilous way of their business, biases in bank lending, and the ownership and administration structure of SMEs (Moscalu et al., 2020). As a result, SMEs, particularly in developing countries, often experience poor performance outcomes (Easman et al., 2019). Hence, the objective of this research seeks to examine how the financial resource mobilization efforts of SMEs, both from internal and external sources of funds, impact their business performance.

This section discusses the introduction, presents the study background, identifies the problem of the study, identifies the objectives of the research, and outlines the research questions. Additionally, it highlights the significance of the study and discusses its scope and limitations. The subsequent chapter focuses on reviewing related literature and, developing hypotheses. Following that the methodology of the research is described, involving the data collection and analysis procedures. The results of the study were discussed and provide a thorough presentation of those results. Finally, the chapter concludes with the theoretical and practical implications of the research, together with its limitations, and suggests potential areas for future study.

1.2 Background of the Study

SMEs afford significantly to the growth and development of most developing nations. SMEs are considered to be the main businesses worldwide and contribute to employment generation and worldwide economic development (Odit et al., 2018). SMEs portray around 90% of business and provide employment above 50% globally (Msomi et al, 2021). Research indicates that SMEs will generate an expected 600,000,000 workers by 2030 to incorporate the increasing worldwide workforce (Ndiaye et al., 2019). This implies that governments around the world should consider SMEs as a high priority for economic growth.

In Ghana, 90% of most firms operate within Small and Medium-Scale Enterprises and employ 60% of the country's workforce (Offei et al., 2019). SMEs are considered the seed of most large organizations, job creators, and the fuel of national development. Atieno (2019), revealed that SMEs operate in all parts of the economy such as services, farming activities, and manufacturing. In Ghana, Aryeetey (2019), stated that 85% of manufacturing workers operate in SMEs. Again, SMEs vary in size, ownership, products, operating services, financial strength, advertising capabilities, growth and opportunities as well as the quantity of employees employed. Small and Medium Enterprise operates in the form of cooperative societies for the private sector, sole proprietorship, limited liability companies etc.

SMEs vary in their description and categorization across different countries. The specific criteria for determining the size of an SME also depend on the country and can be based on various characteristics. These characteristics may include annual sales, the number of employees, the company's asset ownership, market capitalization, or a combination of these factors (Baur, 2019). Consequently, the exact parameters used to classify an enterprise as an SME can differ from one country to another. In Canada, the classification of SMEs is determined by the number of employees. Specifically, an SME in Canada is considered to have less than 500 workers, while a small-scale enterprise is defined as having fewer than 100

workers (Chen, 2019). Similarly, the National Board of Small-Scale Industries (NBSSI) wrote that SMEs are characterized as organizations or firms with a workforce of no more than 29 individuals, and their investments in plants and machinery should not exceed the equivalent of \$100,000 (Turkson et al., 2022).

For SMEs to fulfil the goal of establishment, they are required to access finance to conduct their businesses and expand them. Lara and Simeon (2019), mentioned that in order to fulfil their purpose, SMEs are required to get access to finance to conduct their business operations and expand them. Research indicates that adequate financing provides opportunities to meet their financial needs and accomplish their planned target. Demircuc-Kunt et al., (2020), revealed that the monetary needs of SMEs are generated by their internal funds or debt capital. Consequently, the inability to obtain credit still poses a significant barrier to the advancement of SMEs in African nations. Berry et al., (2019), suggested that high government borrowing increase interest rate which prevents SMEs from the financial market. Also, a report by Ghana Impact Brief 2009, revealed that variables affecting the financing of SMEs can be related to poor access to funds, high-interest rates, and the requirement of collateral. Borji and Gashu (2016), mentioned that the variables affecting the finance of SMEs can be related to managerial experience, financial literacy, lack of a business plan, and financial management regulation.

1.3 Statement Problem

Getting access to finance is critical to firms' operations as it enables businesses to expand their operations, procure new equipment, acquire additional staff and move to new business territories (OECD, 2006). Inadequate source of funding has been identified as a key issue that impedes firms' progression (Malhotra, et al., 2007) and it has been established that SMEs are exposed to enormous difficulties when sourcing funds when compared to their counterparts from bigger businesses (Schiffer & Weder, 2001; Beck, Demircuc-Kunt, & Maksimovic, 2002). Nevertheless, SMEs that may want to enlarge their operations many times find it very

cumbersome to secure financing facilities from formal financial institutions and hence continue to remain cash-strapped (Fowowe, 2017). It is well documented that out of the group of developing economies, industries operating in the African region are badly challenged in financial development (Allen, Otchere, & Senbet, 2011; Beck, Fuchs, & Uy, 2009; Fowowe, 2013; Fowowe & Abidoye, 2013). This suggests that the firm-financing gap is believed to be an enormous challenge for enterprises within African nations compared to enterprises in other developing nations (Fowowe, 2017).

According to Quartey, Turkson, Aborb and Iddrisu (2017) and World Bank (2015) although many studies within the financial literature appear to have dealt extensively with the challenges SMEs are susceptible to in their daily activities, nonetheless the problems SMEs are confronted with still persist. Okpara (2011), Deakins, North, Baldock and Whittam (2008), and Mensah (2004) have reported that one major problem facing SMEs is inadequate access to finance.

1.4 Research Objectives

The primary goal of the study is to explore the effects of financial resource mobilization efforts on the business performance of SMEs in the Atwima Nwabiagya North District. Specifically, the study seeks;

1. to explore the major sources of funding that influence the strategic resource mobilization on the business performance of SMEs.
2. to assess the major challenges your organization faces in financial resource mobilization.
3. to assess the performance of the SMEs.
4. to assess the effects of the sources of funds on the business performance.

1.5 Research Questions

The goal of the study is to provide answers to the following queries to achieve the goals:

1. What are the major sources of funding that influence strategic resource mobilization on the business performance of SMEs?
2. What are the major challenges your organization faces in financial resource mobilization?
3. What is the performance of the SMEs?
4. What are the effects of the sources of funds on the business performance?

1.6 Significance of the Study

The increase in living standards is a direct result of investments in SMEs, especially if the government can support their expansion. The institutions involved in funding small and medium-sized businesses, particularly commercial banks, as well as management within the SME sector, academia, and the public, are anticipated to gain from this research.

1.6.1 Management of SMEs

To develop effective strategies to meet their requirements and expectations, the study will assist the management of SMEs in identifying the present financial issues. The results and findings also offer a more trustworthy scientific perspective and metric for characterizing and assessing the new system's level of effectiveness and its impact on business performance and management satisfaction. Primarily, this study serves as a valuable and dependable resource for creating effective strategic financial packages that facilitate sustainable growth, both within the private sector and beyond. Additionally, it acts as an informative reference that presents empirical evidence supporting strategic management decisions across various crucial aspects of business operations.

1.6.2 Improving SMEs

To improve the SMEs in the nation to assure the sector's expansion and development., this research aims to give the necessary data that would give guidance to the Central Government and Local District Assemblies in their assessment of the difficulties encountered by the private

sector in acquiring financing. The study gives small-scale businesses the knowledge they need to plan how to raise money for their operations.

SMEs in Ghana are responsible for most new jobs. This is because SMEs require a lot of labour and benefit more from the large number of young people who are unemployed nationwide. They make up around 93% of the enterprises that are officially registered in the nation. According to Hallberg (2000), developing nations should have interest in SMEs since they make up a bigger portion of businesses in these nations. Per Young (1994), SMEs are relevant not only as employment generation entities but also as a vehicle for productivity, expansion, and decentralisation of the economy. SME businesses also provide the government with tax money, which accounts for around 40% of all income earned in Ghana (Daily Graphic, 2007).

1.6.3 Academia

In the context of academia, this study's results advance the body of literature on the topic that is currently being studied. Academics, researchers, scholars, policymakers, and students can use it as a source of reference.

1.7 Scope of the Study

Due to their proximity to the Atwima Nwabiagya North District and ability to help, financial institutions in the Kumasi Metropolis—and notably those within—were specifically targeted for this study's evaluation of SME funding. The outcome will not be generalized; rather, its conclusions will be set within the pertinent context of the organization under investigation.

1.8 Limitations of the Study

The research is only focused on the SME clients of the chosen financial institutions operating in the Atwima Nwabiagya North District of the Ashanti Region. Due to time and economic constraints, as well as the fact that many SMEs are clustered in the regional capital, this location was selected. The following restrictions that the study ran across would be, among others, those that this research has identified:

1. The study's validity and reliability are strongly established by the management of both SMEs and financial institution's refusal to give information that would have enriched it.
2. Even if a countrywide study funded by SME might have been more suitable, there are financial resource limitations and a lack of materials and data that prevent the undertaking of a nationwide investigation.
3. In the absence of timely financial assistance from the government which could be made available later, there would be additional expenses related to printing, photocopying, binding, and also potential missed opportunities.

1.9 Organization of the Study

The first chapter serves as a broad introduction and examines the study's history, goals, and issue statement. Additionally, it briefly discusses the study's structure, limits, and research topics. Chapter 2 discusses the related literature. The conceptual framework is also described. The methodology is covered in Chapter 3, which also provides details on the population, sample size and sampling techniques utilized. Additionally, it discusses the data gathering techniques, data analysis methodology, and research instruments. Chapter 4 covers data presentation, analysis, and debate; Chapter 5 summarises the findings and gives recommendations.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

The literature review is explained in this section. The definition of SMEs, their history, the justification for their promotion, their analytical framework, their sources of funding, their financial development, and their role in Ghana's economic development has been evaluated. However, very little in-depth study has been conducted on the efficient means by which SMEs can get financing for their operations.

2.2 Conceptual Review

2.2.1 The Concept of Resources

The definitions of resources may differ based on their intended purpose, but they generally recognize that resources are crucial tools for generating wealth. Williams (1994) traced the origin of the term "resources" to the Latin phrase "resurgere," which means "to rise again." The French adaptation of "re surgere" resulted in the word "resource," which denotes something dependable for assistance, a readily available resource that can be used when necessary, or a useful technique. Hoxby (2004) defines resources as possessions of countries, organizations, or individuals that can be utilized to enhance wealth, serving as means for providing help, support, or comfort when necessary. Mayor (2009) takes a broader perspective, encompassing valuable land or materials like coal or oil found within a country and utilized for increasing wealth; all the available money, property, and skills employed when required; personal qualities such as courage and determination crucial for tackling challenging situations; and educational materials like books, films, and pictures used by teachers and students for obtaining information. Resources are essential elements required for the efficient execution of duties and the overall growth and advancement of human organizations.

In the field of economics, all resources face insufficiency compared to the prevailing demand and pressure. Consequently, it becomes crucial from an economic standpoint to prioritize time as the most scarce resource that administrators need to consider in the daily management of their organization. Drucker (1988) emphasized the uniqueness of time as a resource, stating that it cannot be rented, hired, bought, or obtained in large quantities. He firmly believed that time is completely irreplaceable, and every endeavor requires a certain amount of time that cannot be stretched. According to Drucker, time is a valuable resource that must be efficiently utilized to achieve the stated objectives or goals of an institution.

2.2.2 Mobilisation of Financial Resources

To effectively raise funds, careful planning and preparations are necessary in the mobilization of financial resources. According to Oduogi (2012), the process of mobilizing finances involves several steps. Firstly, school managers need to identify and analyze the strategic plan or organizational needs of the school. They should determine what needs to be addressed and understand the underlying problems. Secondly, managers should identify relevant stakeholders, potential donors, or contributors, and devise strategies to persuade them to support school projects or fulfill the identified needs. It is important for managers to consider why donors would be inclined to fund a particular educational activity.

The third step involves mapping potential supporters by creating a comprehensive list of potential contributors and assessing their capabilities (such as skills, financial capacity, and available resources) to contribute to the program's objectives. Managers should ask themselves who among the potential contributors would be willing to support specific needs, what they would contribute, and the extent of their contributions. Some schools have adopted various fundraising methods, and resource mobilization serves as a means to address funding gaps that have been identified.

2.2.3 Firm Performance

Firm performance serves as a significant indicator of profitability, asset growth, goodwill, and other aspects of a firm's success. However, it is not solely a measure of organizational efficiency; it is also affected by the market condition in which the business operates (Ukaegbu, 2014). Considerable research is being conducted on firm performance, and the study being discussed examines the significance of a prestigious CEO within an organization and its relationship with external directors. Additionally, the study explores the impact of the CEO's importance and the availability of assets on productivity (Pollitt and Bouckaert, 2017).

2.2.4 Definitions of Business Performance

Business can be explained as the pursuit of trade by individuals with the aim of generating profit. It encompasses production, buying, selling, and supply of goods and services. A business organization is responsible for manufacturing and selling products or offering services (Park and Irwin, 2007).

In the realm of performance control, an essential component is the information machine, which serves as the core of the performance control process. Its successful and efficient operation is crucial for overall performance management (Franco-Santos, 2007). The paper also investigates the circumstances in which agency costs and resource allocation are high or at their minimum. Additionally, the study finds a link between business success and the CEO (Kajalo and Lindblom, 2015). This forms the major research gap that the study aims to address by employing new theories to examine how a prestigious CEO influences firm performance. The study seeks to establish this relationship through empirical analysis and data collection.

2.2.5 The Concept and Definition of SMEs

Definitions of SMEs is a subject to debates by various writers. Economists and administrators often define small businesses according to their size or capital assets, while others define them

according to their labour skills or rates of turnover. Abor and Quartey, (2010) define SMEs based on the category or type of production.

To emphasize the limitations of categorizing a firm solely based on its size, Storey (1994) contends that whereas several businesses might consider all firms as small, there may be no small enterprises in other industries. The initial definitions of small firms were established by the Bolton Committee in 1971, differentiating between “statistical and economic” definitions. The "economic" definition of a small business requires that it fulfil three conditions: have a modest market share; be controlled directly by the owners or part-owners; have few employees without a formalized management structure, and operate independently without being a subsidiary of a larger enterprise. On the other hand, the Committee suggested specific standards for the "statistical" definition, which include Statistically defining "small business" to enable international comparisons of the economic impact of such businesses. Evaluating the scale of the small business sector and its effect on GDP, employment, exports, and other metrics is a crucial part of this process. The statistical definition also includes the study of how the role of small businesses in the economy has evolved through time.

The Bolton Committee employed different descriptions of small businesses. In the manufacturing, building, and mining sectors, businesses with 200 or fewer employees were classified as small firms. However, in industries such as retail, services, and wholesale, the classification was based on annual revenue, with the range typically being 50,000-200,000 British Pounds. Owning 5 or fewer vehicles was the criterion for small firm classification in the transport sector.

The Bolton definitions have faced criticism, particularly regarding the disparities between criteria based on staff count and those based on managerial strategy. Critics argue that relying solely on size or employee count fails to account for the nuances of managerial practices and

the nature of the industry. This discrepancy has been a point of contention in the evaluation and classification of small firms.

SMEs have been primarily classified by the European Commission (EC) based on the size of their workforce, resulting in the establishment of three main categories: micro-enterprises, small businesses, and medium-sized companies. Micro-enterprises are characterized as having 0 to 9 employees. The SME sector, as defined by the EC, encompasses businesses with fewer than 500 employees, excluding those in agriculture, hunting, forestry, and fishing. The EC's definitions primarily focus on employment figures and do not consider a range of other factors. However, Storey (1994) argues that considering the increase in productivity witnessed over the past 20 years, it would be more reasonable to set the upper limit for small firms at around 100 employees. This perspective suggests that the EC's categorization could be revised to reflect the changing productivity landscape.

Finally, the EC definition made a classification of micro, small, and medium-sized businesses rather than assuming that the SME group is uniform. The EC definition, however, is too expansive to be used in a lot of nations. Definitions of small businesses that are better suited to their particular "target" group would need to be used by researchers. It is essential to be highlighted that definitional deliberations are fruitless unless the performance is affected by size. In the context of assessing the effect of a fund program on a specific target population, the association between firm performance and size becomes crucial (Storey, 1994). This highlights the significance of considering how the business size influences its performance outcomes when assessing the effectiveness of a credit program. Understanding this relationship can provide valuable insights into the program's impact and effectiveness for different-sized firms within the target population.

According to Weston and Copeland (1998), definitions of enterprise size are not universally applicable. This, in their opinion, is because a business can be thought of in various manners.

Size has been described in various ways, involving terms of the company's yearly revenue, industry, ownership, and fixed asset worth. According to Van der Wijst (1989), SMEs are privately held businesses with 1 to 99 workers. Jordan et al. (1998) say that SMEs are businesses with less than 100 employees and annual sales of less than €15 million. Michaelas et al. (1999) say that small independent private limited companies have less than 200 workers, while López and Aybar (2000) say that they have less than €15 million in annual sales. As published by the British Department of Trade and Industry from Bolton Committee's report in 1971 based on Small firms is widely regarded as the most comprehensive depiction of a small firm. A small business is defined in this report as a privately held enterprise that exercises significant control over its operations (Department of Trade and Industry, 2001). United Nations Industrial Development Organization (UNIDO) also uses staff count to define small and medium-sized enterprises (SMEs), both in industrialized and developing nations (Elaiian, 1996). Businesses in industrialized countries are classified as big if they engage 500 people or more, medium if they hire 100 to 499, and small if they engage 99 people or less. In addition, businesses are classified as big if they engage 100 people or more, medium if they engage 20 to 99, small if they engage 5 to 19 people, and micro if they hire fewer than 5 people.

It is worth emphasizing that, as demonstrated by the existence of multiple definitions, there is no generally agreed-upon definition of SMEs. These definitions may vary across sectors and countries. Now, let us delve into the definitions of SMEs within the specific premises of Ghana.

2.2.6 Sources of Funds for SMEs

International Finance Corporation (IFC) 2015 found that 90.2% of small and medium enterprises do not depend on formal sources of finance (IFC, 2015). Just 7.7 per cent of SMEs obtained capital from formal sources, while 1.1 per cent relied on non-formal sources. Access to financial assets for SMEs in developing economies is often impeded by regulatory bodies and government policies. This has led to a divergence between formal and informal sources of

finance. The transition from informal to formal financing poses significant financial challenges for SMEs, impacting their growth and overall performance (Baker et al., 2017). In order to improve their performance, SME owners need to address this funding gap by focusing on building financial resources and making informed financial decisions.

2.2.6.1 Informal Source of Fund

Informal finance sources of funds are monies raised within the business by owners. Reynolds, (2011) reveals sources of informal financing, including, personal savings, retained profit, family and friends among others. Several financial institutions are not recognized by the law that makes up the informal sources of credit (Osei-Assibey et al., 2012). There are several ways (Ibid 2012) to get money when you need it, such as via "susu" operators, money lenders, friends and relatives, the sale of assets, bartering, and so on.

2.2.6.2 Personal Savings

According to a study conducted by (Baker et al. 2017), the act of personal savings has been shown to have a positive impact on the financial capital necessary for sustaining business operations. In line with this, (Baker-Kent 2007) reported that personal savings represent the most common and readily accessible source of financing for entrepreneurs seeking to generate financial resources. Previous research highlights the significant efforts made by entrepreneurs to contribute their own funds and sweat equity towards building the financial capital of their businesses (Borgia & Newman, 2012; Baker-Kent, 2007). The available literature also suggests that small and medium-sized enterprise (SME) owners often rely on personal savings for starting a business, primarily due to the ease and availability of such funds (Borgia & Newman, 2012; Roper, 1998). Consequently, personal savings have a positive influence on business performance.

2.2.6.3 Family and Friends

Multiple studies in the literature suggest that when examining firms' financing preferences, the involvement of family and friends determines the accessibility of financial capital (Baker et al., 2017; Kumar & Rao, 2015). According to Gudov (2013) and Kumar and Rao (2015), financial networks characterized by connections with family, friends, and other individuals often referred to as the "3Fs" (family, friends, and fools) have a substantial impact on the accumulation of financial capital for firms. Zoppa and McMahon (2002) further highlight that the financial support provided by family and friends becomes crucial for firms, particularly when these loans are treated in a professional and business-like manner.

2.2.6.4 Retained profit

The argument presented asserts that the continuity of a business mainly hinges on the efforts made by the entrepreneur to obtain higher profits (Marris, 1967). Research indicates that firm profitability serves as a reliable predictor of the availability of financial resources (Adomako & Danso, 2014). Habib and Yazdanfar (2016) propose a positive link between profitability and the accessibility of financial capital for firms. Therefore, SMEs prioritising the accumulation of financial resources through retained profits will experience a positive impact on the availability of their financial capital. Empirical studies have demonstrated that retained profits contribute positively to entrepreneurial activities aimed at growing financial capital (Holtz-Eakin et al., 1994). As a result, retained profit significantly influences business performance in a positive manner.

2.2.7 Formal Source of Fund

Along with conventional (universal) banks, this group also covers community and rural banks (Osei-Assibey et al., 2012). It has been stated that the development and commercial banks, which offer long, medium, and short-term loans to people and enterprises, make up most of the official financial industry (Aryeetey and Gockel, 1990). The relationship between SMEs and

banks has greatly improved recently, according to Stephanou and Rodriguez (2008), and they now make up a sizable portion of the commercial loan portfolio of banks. In some areas, SMEs are regarded as lucrative and beneficial to banks (De la Torre *et al.*, 2008). In addition to overdrafts and short-term loans that banks provide as working capital financing for SMEs, a study conducted in Argentina and Chile found that banks give pre-trade financing, leasing, and investment loans (De la Torre *et al.*, 2008). Although firm for long-term loans and flexible for larger enterprises, the survey found that bank lending demands interest payments and collateral on the loan.

2.2.7.1 Bank loan

Several academics argue that bank loans are the central financing option for businesses (He & BakerKent, 2007; Shaban *et al.*, 2014). A significant percentage of SMEs, around 35%, rely on bank loans for their financial needs (Riding *et al.*, 2012). It was found that 40% of respondent firms utilize credit lines and overdraft facilities, with a majority of firms having utilized bank loans (European Central Bank, 2011). Banks are recognized as the primary providers of debt capital to firms (Longenecker *et al.*, 2008), and there is a positive association between bank loans and the availability of financial capital (Hamilton, 2010). Despite being considered expensive and less accessible for SMEs (Baker *et al.*, 2017), the influence of bank loans on the development of firm financial capital cannot be overlooked.

Although firm for long-term loans and flexible for larger enterprises, the survey found that bank lending demands interest payments and collateral on the loan. Along with conventional (universal) banks, this group also covers community and rural banks (Osei-Assibey *et al.*, 2012). It has been stated that the development and commercial banks, which offer long, medium, and short-term loans to people and enterprises, make up most of the official financial industry (Aryeetey and Gockel, 1990).

2.2.7.2 Supplier's credit

It is indicated that supplier's credit is essential for fulfilling the working capital requirements of businesses (Aktas et al., 2015; Barrot, 2014; Martínez-Sola et al., 2013). Supplier credit arrangements provide SMEs with the flexibility to make payments for inventory purchases within predetermined timeframes, typically spanning thirty to ninety days, without incurring any additional costs (Barrot, 2014).

SMEs often establish trust-based relationships with their suppliers within the supply chain, allowing them to obtain inventory on credit terms. SMEs often rely on trade credits provided by suppliers as financing for their working capital needs (Aktas et al., 2015; Barrot, 2014). In fact, Barrot (2014) emphasizes that supplier credit can be a more lucrative short-term investment choice when associated with merchantable securities.

2.2.7.3 Hypotheses

Based on these financial resources' mobilization through the sources of finance the following hypotheses are made:

H₁ Informal source of the fund has a positive significant effect on the performance of the business

H₂ Formal source of funds has a positive significant effect on the performance of the business

2.3 Theoretical Framework

2.3.1 Resource Mobilization Theory

According to John (2001), Resource mobilization is a distinct perspective that offers insights into comprehending social movements, highlighting the significant role played by material resources. Resource mobilisation emphasises reason and emphasises the significance of proper finance, leadership, and organisation, in contrast to prior research that presented social movements as spontaneous or irrational responses to high levels of discontent. McCarthy (2001) added that resource mobilisation focuses on a movement's members' ability to gather

resources and organise people to work for the movement's goals. Resource mobilisation sees social movements as rational social organisations founded and inhabited by individuals who seek to take meaningful political action, in contrast to conventional theories that see them as aberrant and irrational. Resource mobilization theory suggests that a key group of professionals in a social movement organization has a role in acquiring essential resources such as funding, supporters, media attention, alliances with influential figures, and refining the organizational structure (Mayer, 2001). It is argued that social movements require these resources in order to effectively bring about social change, as mere dissent and grievances are insufficient (Mayer, 2001). Thompson (2005) emphasizes that resource mobilization involves the process of actively seeking and securing resources from donors and partners, which is particularly important for externally financed programs like GRPPs (Government Resource Planning Programs). GRPPs typically rely on external funding as they lack the ability to generate income from their own resources at their disposal. Many GRPPs are public sector programs that give goods, services, and financial resources to beneficiaries through grants or in-kind assistance (Thompson, 2005).

2.3.2 Business Continuity Management Theory

According to Glaum (2013), business continuity management is a cohesive collection of resources and activities that may be managed and directed with the goal of giving financial advantages to investors or owners in the form of lower costs and greater returns on investment. The goal of business continuity management is to identify potential risks, avoid and mitigate their consequences, and prepare the company and its members for these threats in order to maintain the continuity and persistence of business processes, activities, and services without interruption (Gibb and Buchanan, 2006). Since BCM has strategic consequences and implications for preserving and sustaining an organization's long-term value and competitive advantage, it employs a socio-technical strategy to prepare an organisation with a concentration

on harm to the business's continuity (Herbane, 2004). The existing body of research on business continuity management primarily focuses on continuity planning and design within individual organizations. However, in the context of complex and interconnected organizations, there arises a need for standardization and dissemination of information technology-related relationships and processes within the internal structure of organizations (Järveläinen, 2012).

2.4 Empirical Review

Owusu et al. (2021) conducted research on a sample of 274 Ghanaian SME proprietors. The study employed structural equation modelling to test the hypothesized linkages. The results of the study postulate that financial resource availability in SMEs is influenced by their efforts to develop financial resources through various means, including, personal savings, support from family and friends, retained profit, bank loans, and supplier credit. The study highlights the significance of financial resource availability for SME performance, with particular emphasis on the SMEs giving to establishing their financial resource base from different funding sources. Majanja (2012) evaluated 87 construction enterprises in her study of the funding limitations of infrastructure projects in Kenya. To analyze financial restrictions, two separate variables were used. The first variable assessed the extent to which enterprises faced financing limitations, whereas the second variable assessed the firms' use of bank credit. Survey participants were asked to estimate the accessibility of money as a limitation influencing project performance in order to gauge perceived financing constraints. The study's findings suggested that funding restrictions presented a substantial barrier to building enterprises. Local construction enterprises were shown to have key concerns and constraints that hampered project funding. Majanja advocated that the government pursue Public-Private Associations as a method of securing appropriate financing for infrastructure. Additionally, (Simmons 2012) highlighted the difficulty faced by local firms in accessing credit facilities due to the perceived lack of collateral security. It is worth noting that Majanja's study assumed a direct relationship between

finance and project success. Furthermore, to increase the overall feasibility of the findings, this study advises combining additional crucial factors including evaluation, observation, and control of group dynamics.

In relation to (Gitenya and Ngugi 2012) on the determinants of housing project performance in Kenya, it was observed that local firms involved in infrastructure projects often face challenges due to insufficient financial resources. The allocated budget for the project is a significant constraint in this regard. Wysocki (2012) also notes that while the overall resources may be theoretically adequate for project completion, scheduling issues can arise. For example, when multiple activities are planned concurrently but the available resources are limited, it becomes impractical to execute them all. To ensure projects are completed within the designated budget, project managers are advised to optimize resource utilization, as emphasized by Allen (2012). Carter (2012) conducted a study focusing on the challenges faced by road infrastructure firms in sub-Saharan Africa when it comes to delivering high-quality projects. The research examined the impact of outsourcing technical human resources and involved 100 project managers and contractors. The findings of the study revealed that local construction firms encountered various challenges, particularly in comparison to foreign firms, in terms of acquiring technically skilled staff with the necessary competencies for project execution. Furthermore, the study highlighted that every organization operates within resource limitations, and it is the responsibility of project managers to effectively manage and utilize these resources to ensure project success. Efficient implementation of road infrastructure projects requires careful resource planning, encompassing the formation of a skilled and knowledgeable team, as well as the scheduling of non-labour resources like tools, equipment, and procedures (Warner Well, 2013).

2.5 Conceptual Framework

A conceptual framework, whether presented visually or in written form, serves as a means to explain the key constructs, factors, or variables to be studied, as well as the assumed relationships between them (Miles & Huberman, 1994). It provides a structured understanding of the interplay between dependent and independent variables. Concepts, which are derived from specific scenarios, are defined and organized within the conceptual framework to elucidate their significance and the connections between them. The objective of this research is to investigate how the efforts in mobilizing financial resources impact the business performance of SMEs. The independent variables include those factors that affect the financial resource mobilization of organizations that included the following, informal source (personal savings, retained profit, family and friend) and formal source (bank loan) of funds. The dependent variable is Business Performance.

Independent Variable

Informal Source of fund

- Personal savings
- Retained profit
- Family and friends

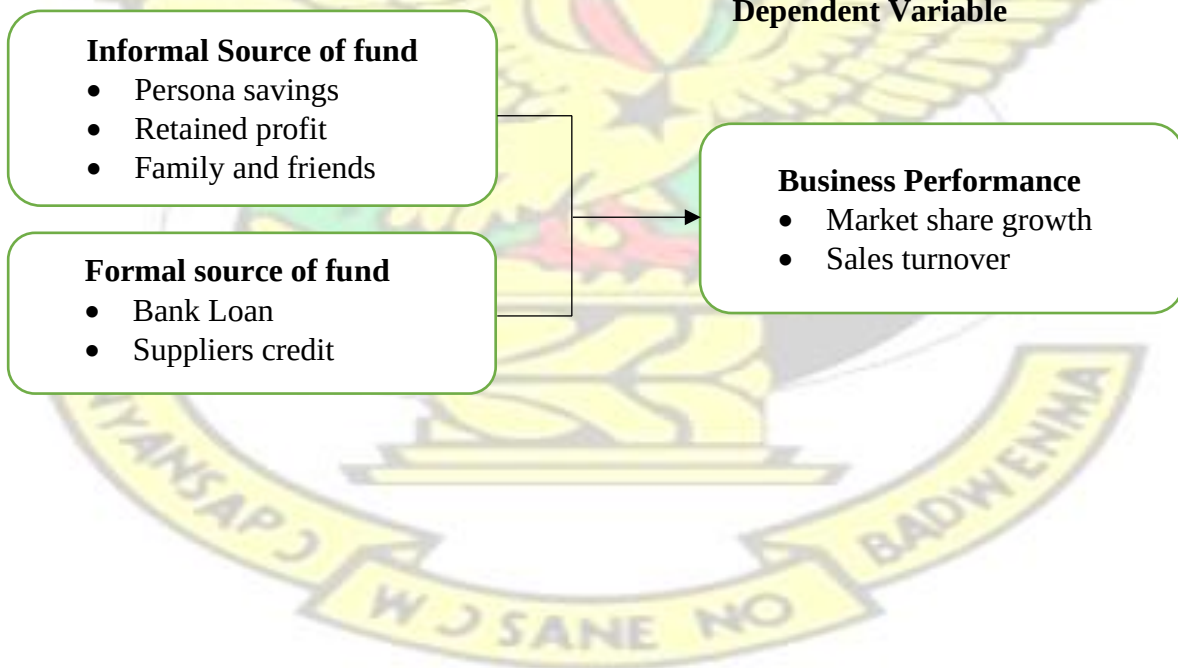
Formal source of fund

- Bank Loan
- Suppliers credit

Dependent Variable

Business Performance

- Market share growth
- Sales turnover



CHAPTER THREE

3.0. RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the systematic stepwise procedure of conducting the study. These involve research design, study area, population, sample size and sampling procedure, data sources, instrumentation, data collection procedure, data processing and analysis.

3.2 Study Area

The study was carried out in Atwima Nwabiagya North District in the Ashanti Region of Ghana. One of Ghana's 261 MMDAs, the Atwima Nwabiagya North District is located inside the Ashanti Region along with the other 43 MMDAs. The district was carved out of Atwima Nwabiagya North District in 2018. The district is known for its prominence in business and marketing activities in the Ashanti Region. Its capital has gained popularity due to its significant impact on the development of the economy of the Region and the country at large. The capital, Barekese is well-known for the dam which supports the main water treatment of Kumasi (Atwima Nwabiagya North District, n.d.).



Figure 1 Pictorial view of the Study Area

Source: Ghana Statistical Service

3.3 Research design

A research design is a blueprint that specifies how data will be gathered and what tools will be used in analyzing it (Hair et al., 2019; Saunders et al., 2007; Slater & Atuahene-Gima, 2004). This investigation makes use of a triangulation strategy, which is possible because of the utilization of multiple research methods. The study employs a quantitative technique, which means it solely relies on one type of research technique to handle the problems at stake. Based on processes for extracting and analyzing empirical quantitative data, this method extensively investigates all relevant ideas (Molina-Azorín, 2007; Timans et al., 2019).

However, the research utilized the cross-sectional descriptive survey design. Data from this survey is collected at a single time point from a population that has some defining feature or experience in common. The purpose is to provide a description of the population, not to make any causal inferences or projections. The results of a survey like this can be used to identify trends, evaluate the urgency of a situation, and direct policymaking. This term denotes using a survey to gather information and characterize a population (Rostamabadi, & Aminpour, 2021; Nieuwenhuijsen, 2010).

As a research method, cross-sectional descriptive surveys offer several advantages. They are a fast and cheap way to analyze large populations for patterns and trends. They can help evaluate the need for interventions, offer data on inaccessible groups, and inform policy decisions. Cross-sectional descriptive surveys are also becoming more accessible to both participants and researchers thanks to the proliferation of online survey platforms. In general, they are an effective strategy for gathering information and characterizing populations, which is crucial for informing public health and policy (Torres, 2020).

3.4 Population

The study's target population were individuals who own various SMEs in the study area. The target population in detail comprises all respondents who own small and medium enterprises in the study area and have been in business for at least a year or more.

3.5 Sample Size and Sampling Procedure

The study employed a simple random technique. The simple random technique is common practice in statistics to select a subset of a population at random using a probability distribution in which each member of the population has an equal chance of being chosen. Sampling is known as using a random number generator to select a sample from the population and then checking to make sure that the sample accurately reflects the population as a whole. Although simple random sampling is often employed because it provides an unbiased representative of the population, it requires a complete list of the population and may not accurately represent the population if the sample size is too small (Cochran, 1977; Lohr, 2010).

Due to the exception of some elements in the target population, a 100-sample size is appropriate. In general, a sample size of 100 can be considered relatively small for most populations. However, it is appropriate for some research studies of this kind, particularly those that involve homogeneous populations or where a small effect size is expected (Hulley et al., 2001). According to Fraenkel and Wallen (2012), a minimum sample size of 100 cases should be considered before drawing any valid generalizations from a descriptive survey, hence this number guided the decision to utilize 100 respondents for the study.

3.6 Data Collection Instrument

The study employed primary data. The data was primarily collected via questionnaires given to the randomly selected participants through online Google forms. A brief introduction explaining the study's significance and the questionnaire's objective before addressing respondents' concerns about their privacy and the safety of their responses were introduced.

However, the various relevant questions needed to solve the research question were asked accordingly.

3.7 Data Collection Procedure

Due to the ease and accuracy in the utilization of Google Forms, the researcher collected the data through online Google Forms. Before soliciting information from the various respondents, informed consent was obtained from them through a verbal statement. However, the respondents had the right to decide whether to be part of the study or not and even at a point whereby a participant who has agreed to be part feels to withdraw, was allowed to do so without any misunderstanding. This is to help get the right and accurate answers from the participants. The items found in the questionnaire were typed in English but were asked in the local dialect of the respondents.

3.8 Data Processing and Data Analysis.

The researcher edited the data to ensure consistency and accuracy of responses obtained from the field. The researcher will then code and input the data into the computer using IBM-SPSS v 25.0 to organize and analyze the data. Both inferential and descriptive analysis was used for the analysis of the collected data. This involved regression, mean, standard deviation, frequencies, and percentages. The results were presented in tables and figures.

3.9 Ethical Consideration

Ethical considerations are crucial in research involving human subjects as they protect participants from harm, guarantee the validity and usefulness of the results, comply with regulations, and maintain public trust in the scientific community. Researchers have a responsibility to conduct their research ethically to uphold these principles.

The development of a reliable structured questionnaire allowed researchers to thoughtfully address concerns like anonymity, privacy, and consensus. Respondent's details are confidential and cannot be revealed in this way without their consent.

CHAPTER FOUR

4.0 RESULTS AND DISCUSSIONS

4.1 Introduction

The fourth chapter includes the findings and discussions of the data collected. This was done in accordance with the study's specific aims.

4.2 Demographic Characteristics of the Study

4.2.1 Gender Distribution

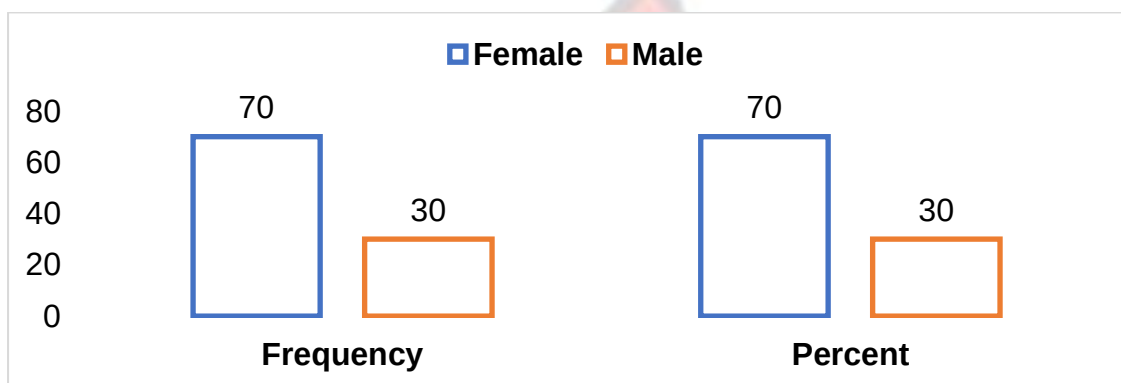


Figure 2 *Demographic Characteristics of the Study*

Source: Field Survey (2023)

The results show the gender distribution of a certain population or sample. The data indicates that 70% were identified as female, while the remaining 30% identified as male. The significant majority of female respondents, comprising 70%, suggest that women play a substantial role in SMEs within the district. This finding highlights the importance of understanding gendered perspectives on financial resource mobilization. Exploring how women entrepreneurs access and utilize financial resources can provide insights into any potential gender-specific challenges, barriers, or opportunities that may affect their business performance.

4.2.2 Respondents Educational Level

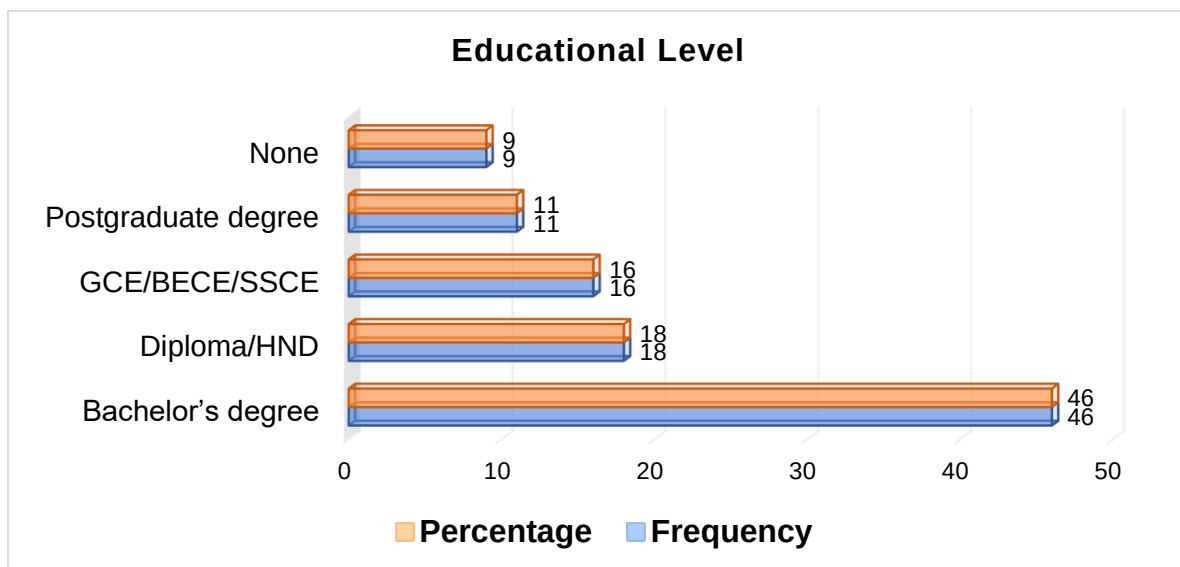


Figure 3 *Educational Level of the Respondents*

Source: Field survey (2023)

The majority of participants (46%) have a Bachelor's degree, indicating a significant portion of the surveyed population has completed undergraduate studies. This suggests a higher level of education and potential expertise among participants. After Bachelor's degrees, the next most common educational level is Diploma/HND (18%), indicating a substantial proportion of individuals with vocational training or technical education. This group can bring unique perspectives and knowledge, particularly in areas requiring practical skills. GCE/BECE/SSCE (16%) represents respondents with secondary education qualifications, highlighting a diverse range of educational backgrounds, including high school graduates. This demographic offers a broader perspective and a mix of experiences. Postgraduate degree holders constitute 11% of the respondents, indicating a smaller proportion pursued further education beyond their undergraduate studies. Their presence suggests a greater depth of knowledge and expertise in their respective fields. Lastly, 9% of respondents reported having no formal education, representing individuals without recognized educational programs. Their inclusion in the

survey allows for understanding the perspectives and experiences of those without formal education.

This is an indication that the distribution of educational levels in the field survey provides valuable insights into the composition of the sample. The prevalence of Bachelor's degree holders and individuals with specialized diplomas or vocational training suggests a relatively educated population. The presence of postgraduate degree holders adds depth and expertise to the study, while respondents with no formal education offer a different perspective. Considering the educational diversity within the sample, the study can benefit from a well-rounded analysis, incorporating the varied experiences and knowledge of the participants.

4.3 Firm Characteristics

4.3.1 Nature of the Business

The results from the field survey provide insights into the nature of businesses included in the study and their distribution across different ownership structures. The data reveals the following breakdown: 46% as sole proprietors, 24% as private limited companies, 17% as partnerships, 7% as public limited companies, and 6% of the respondents identified their businesses as family-owned. This indicates that most of the business owners are sole proprietors.

Table 1 *Nature of the Business*

Nature of the Business	Frequency	Percentage
Family-Owned Business	6	6.0
Partnership	17	17.0
Private-Limited-Company	24	24.0
Public-Limited-Company	7	7.0
Sole Proprietorship	46	46.0

Source: Field Survey (2023)

The distribution of different ownership structures suggests that businesses may employ diverse strategies to mobilize financial resources. For instance, public and private limited companies may have easier access to external funding sources, such as issuing stocks or obtaining venture capital investments, compared to sole proprietors or family-owned businesses that rely primarily on personal savings or bank loans. Understanding the specific resource mobilization strategies employed by each ownership structure can provide insights into the effectiveness of different approaches and their impact on business performance.

4.4 Specialization

The table provided shows the distribution of specializations among business owners in SMEs. Each specialization is listed along with the frequency and percentage it represents within the group. The results from the Table highlight the diverse range of industries represented in the sample, with retail trading, services, manufacturing, food/grocery, real estate, and export all playing significant roles.

Table 2 *Specialization*

Specialization	Frequency	Percentage
Export	2	2.0
Food/Grocery	12	12.0
Manufacturing	13	13.0
Real Estate	4	4.0
Retail trading	42	42.0
Service	27	27.0

Source: Field Survey (2023)

Table 2 indicates that most of the businesses specialise in retail trading which constitutes 42% of the total sample size. Furthermore, 27% specialised in service, 13% specialised in manufacturing, 12.0% specialised in food/grocery, and 4.0% and 2.0% specialised in both real

estate and export respectively. This suggests that retail is a significant sector within the district, with numerous businesses focused on buying and selling products directly to consumers. The findings imply that financial resource mobilization efforts may substantially impact the performance of retail SMEs in the district. Nonetheless, analysing the breakdown of specializations helps provide insights into the economic landscape, the diversity of businesses, and the sectors that contribute significantly to the local economy.

4.5 Source of Funding

Funding is often crucial for businesses aiming to grow and expand. Without sufficient funding, businesses may struggle to pursue growth opportunities and lag behind competitors. These percentages indicate the proportion of respondents who stated "Yes" or "No" for each funding source. The higher the percentage of "Yes" responses, the more prevalent the use of that particular funding source. Conversely, a higher percentage of "No" responses indicates that fewer respondents used that source of funding.

Table 3 *Source of Funding*

Source of Funding	Yes	No
	%	%
Personal savings	79.0	21.0
Retained profit	53.0	47.0
Family and friends	53.0	47.0
Bank Loan	55.0	45.0
supplier's credit	46.0	54.0

Source: Field Survey (2023)

Based on the data, personal savings and bank loans are the most commonly used funding sources, with 79.0% and 55.0% of respondents utilizing them, respectively. However, retained

profit, family and friends, and supplier's credit are also utilized by a significant proportion of respondents, but to a slightly lesser extent.

The high percentage of respondents (79.0%) using personal savings as a funding source indicates a strong level of commitment and financial stability. Utilizing personal savings can be beneficial as it allows entrepreneurs to have control over their business finances and reduces reliance on external sources. This can positively impact business performance by providing a solid foundation for initial investment, operational expenses, and potential growth opportunities. According to Baker et al. (2017), personal savings enhances the financial capital that keeps the firm running.

Bank loans (55.0%) can provide businesses with a significant injection of capital to fuel growth initiatives or cover substantial expenses. However, taking on debt through a bank loan also means additional financial obligations in the form of interest payments and repayment terms. The impact on business performance will depend on the successful utilization of the loaned funds and the ability to generate returns that exceed the cost of borrowing. Effective financial management and a clear repayment strategy are crucial to ensure that the business can meet its financial obligations and maintain positive performance. According to Riding et al. (2012), For their financial resources, 35% of SMEs will rely on a bank loan.

4.5.1 Internal Source of Funding

There are several possibilities when it comes to the internal sources of funding for SMEs. However, the research study shed light on the prevalent financing patterns in the Atwima Nwabiagya North District through the evaluation of several funding sources for SMEs. This understanding is crucial for policymakers, financial institutions, and entrepreneurs to identify funding availability gaps and develop targeted interventions to support SME growth and development.

Table 4 *Internal Source of Funding*

Personal Savings (PS)	SA	A	N	D	SD
	%	%	%	%	%
Personal savings are utilized to support my/our working capital	42.0	21.0	26.0	7.0	4.0
The personal savings serve as key alternative financing	47.0	22.0	17.0	11.0	3.0
Personal savings is used against uncertainties	47.0	25.0	14.0	9.0	5.0
Personal savings have a greater impact on my business survival	54.0	22.0	12.0	6.0	6.0
Retained Profit (RP)	SA	A	N	D	SD
	%	%	%	%	%
Retained profit earned is used to run operations	38.0	22.0	21.0	8.0	11.0
The retained profit is used as key alternative financing	34.0	26.0	15.0	13.0	12.0
Retained is used against uncertainties	32.0	27.0	21.0	5.0	15.0
Retained profit	36.0	28.0	14.0	7.0	15.0
Family and Friends (FF)	SA	A	N	D	SD
	%	%	%	%	%
Family and friends provide support for my business financially	10.0	15.0	26.0	16.0	33.0
Family and friends are used as key alternative financing	12.0	12.0	23.0	20.0	33.0
Family and friends are used against uncertainties	12.0	13.0	27.0	17.0	31.0
Family support has a greater impact on my business survival	14.0	17.0	22.0	20.0	27.0

Source: Field Survey (2023)

The results estimated from personal savings indicated that most respondents (76.0%) strongly agree or agree that personal savings substantially impact business survival. This highlights the importance of personal savings in ensuring the resilience and continuity of SMEs, particularly during challenging times or when external funding sources are limited. Also, a significant majority (72.0%) agree or strongly agree that personal savings are used as a buffer against

uncertainties. This implies that entrepreneurs consider personal savings as a safety net to mitigate risks and handle unexpected expenses or economic fluctuations. Lastly, a considerable proportion of respondents (69.0%) agree or strongly agree that personal savings serve as a key alternative financing option. This suggests that SMEs in the Atwima Nwabiagya North District rely on personal savings as an important source of funding, potentially indicating limited access to external financing options.

In a similar manner, the results on retained profit analysed, the majority of respondents (64.0%) agree or strongly agree that retained profit has an impact on their business. This indicates that entrepreneurs recognize the significance of retained profit in contributing to their SMEs' financial health and performance. Furthermore, A significant proportion of respondents (60.0%) agree or strongly agree that retained profit earned is used to run business operations. This indicates that SMEs in the Atwima Nwabiagya North District rely on retained profits to fund their daily activities and ensure the smooth operation of the business. Lastly, A considerable number of respondents (60.0%) agree or strongly agree that retained profit is used as a key alternative financing option. This suggests that SMEs in the district utilize retained profits as a source of funding, potentially indicating limited access to external financing sources.

Results on family and friends as a source of funding revealed that a minority of respondents (31.0%) agree or strongly agree that family support has a greater impact on their business survival. This indicates that the influence of family support on business survival is not considered significant by a majority of SMEs in the Atwima Nwabiagya North District. Similarly, a minority of respondents (25.0%) agree or strongly agree that family and friends provide financial support for their businesses. This suggests that a limited number of SMEs in the Atwima Nwabiagya North District rely on family and friends as a source of funding. Lastly, a limited number of respondents (25.0%) agree or strongly agree that family and friends are

used as a means to address uncertainties. This suggests that relying on family and friends for financial support during uncertain times is not widespread among SMEs in the district.

In summary, the results suggest that personal savings have a positive relationship with business performance, particularly in terms of survival, resilience, and financial stability. Having substantial personal savings allows SMEs to overcome challenges, handle uncertainties, and provide alternative financing when external funding sources are limited. Personal savings can play a vital role in the survival of SMEs, especially during challenging times or when external funding sources are limited. By having substantial personal savings, business owners can tap into these funds to cover operational costs, sustain the business during lean periods, and avoid potential closures. Also, Limited access to external financing options can be a common challenge for SMEs. In such cases, personal savings serve as a key alternative financing option. Business owners can utilize their savings to fund business operations, expansion initiatives, or investments. This flexibility in accessing funding allows SMEs to seize opportunities and maintain control over their financial decisions.

4.5.2 Formal Source of Fund

Formal loans play a significant role as a source of funding for SMEs. Formal sources of funding could provide SMEs with access to the capital they need to start, operate, and expand their businesses. This capital infusion could enable SMEs to invest in essential assets, such as equipment, inventory, technology, or infrastructure, which are crucial for growth and productivity

Table 5 *Formal Source of Fund*

Bank Loan (BL)	SA	A	N	D	SD
	%	%	%	%	%
A Bank loan is used to finance my business	29.0	15.0	14.0	16.0	26.0

I have insufficient funds to meet the bank's loan deposit requirement to access credit facilities to support my business	32.0	17.0	12.0	13.0	26.0
Government regulations on loan interest rates and tax payment systems affect my business to secure loans from banks to support business operations.	53.0	17.0	21.0	7.0	2.0
No security to pledge or guarantee requirement to access bank loan to support the business	34.0	15.0	28.0	12.0	11.0
Access to bank loans has a greater impact on my business performance	47.0	26.0	15.0	8.0	4.0

Supplier's Credit (SC)	SA	A	N	D	SD
	%	%	%	%	%
I have access to credit facilities from suppliers to support my business	8.0	20.0	26.0	22.0	24.0
Inadequate complied financial records and accounts affect access to funds from suppliers.	7.0	21.0	19.0	31.0	22.0
Poor credit experience and managerial incompetence affect access to credit facilities from suppliers	7.0	29.0	14.0	25.0	25.0
Firm size, age, location and asset structure influence access to credit facilities from suppliers to support operations	21.0	21.0	16.0	15.0	27.0
Supplier's credit has a greater impact on my business growth	17.0	26.0	15.0	18.0	24.0

Sources: Field Survey (2023)

The majority of respondents (73.0%) strongly agree or agree that access to bank loans significantly impacts their business performance. This highlights the importance of bank loans in supporting SME growth, expansion, and overall performance. Similarly, the majority of respondents (70.0%) strongly agree or agree that government regulations on loan interest rates and tax payment systems have an impact on their ability to secure a loan from banks. This suggests that regulatory factors can challenge SMEs to access bank loans and affect their business operations. A considerable number of respondents (49.0%) agree or strongly agree

that they have insufficient funds to meet the bank's loan deposit requirements. This indicates that many SMEs in the district face challenges in meeting the financial obligations necessary to access bank credit facilities. Lastly, A significant number of respondents (49.0%) agree or strongly agree that there is no security or guarantee requirement to access bank loans. This indicates that some SMEs in the district may face challenges in meeting the collateral requirements imposed by banks when applying for loans.

A majority of respondents (43.0%) agree or strongly agree that supplier credit has a greater impact on their business growth. This highlights the importance of credit from suppliers in supporting the growth and development of SMEs in the district. A significant proportion of respondents (42.0%) agree or strongly agree that factors such as firm size, age, location, and asset structure can influence their access to credit facilities from suppliers. This implies that suppliers may consider these factors when deciding whether to extend credit to SMEs. And A considerable number of respondents (36.0%) agree or strongly agree that poor credit experience and managerial incompetence can impact their access to credit facilities from suppliers. This suggests that previous credit-related issues and inadequate management skills can hinder SMEs' ability to obtain credit from suppliers.

Importance of external funding: Both the formal source of funding (bank loans) and supplier credit are seen as significant factors impacting business performance and growth. Respondents in both cases recognize the importance of accessing funds from external sources to support their businesses. However, challenges related to access, regulatory factors, and financial requirements need to be addressed to enhance SMEs' ability to access formal funding sources.

4.6 Challenges in Financial Resource Mobilization

Financial resource mobilization can pose various challenges for organizations and initiatives. These challenges can impact their ability to secure the necessary funding for their operations and projects.

Table 6 *Challenges in Financial Resource Mobilization*

Challenges in Financial Resource Mobilization	SA	A	N	D	SD
	%	%	%	%	%
Limited funding opportunities	16.0	12.0	28.0	25.0	19.0
Difficulty in attracting and retaining donors	10.0	25.0	28.0	26.0	11.0
Competitive funding environment	16.0	22.0	23.0	24.0	15.0
Lack of awareness about the organization and its work	10.0	26.0	27.0	23.0	14.0
Insufficient capacity or resources for fundraising efforts	17.0	22.0	22.0	22.0	17.0
Uncertainty regarding funding sustainability	15.0	22.0	23.0	25.0	15.0
Inadequate understanding of donor expectations and requirements	11.0	22.0	29.0	21.0	17.0
Regulatory or legal restrictions on fundraising activities	17.0	23.0	21.0	21.0	18.0

Sources: Field Survey (2023)

Regulatory or legal restrictions on fundraising activities can significantly hinder an organization's ability to raise the necessary funds to support its operations and growth. These restrictions may arise from government regulations, industry-specific laws, or local ordinances that govern fundraising practices. The percentages indicate that a considerable number of respondents (17.0% strongly agree, 23.0% agree) perceive this challenge, highlighting its relevance in the context of financial resource mobilization. When organizations face regulatory or legal restrictions, they encounter limitations on the methods they can employ to raise funds, such as restrictions on soliciting donations, organizing fundraising events, or implementing certain marketing strategies. These restrictions may vary based on the country, region, or specific sector in which the organization operates.

Furthermore, the results indicate that a notable percentage of respondents (17.0% strongly agree, 22.0% agree) recognize the challenge of insufficient capacity or resources for fundraising efforts. This finding highlights the importance of having dedicated resources and

capabilities to effectively raise funds. Insufficient capacity refers to the lack of skilled personnel, expertise, or dedicated staff members responsible for fundraising activities within an organization. It can also encompass inadequate infrastructure, technology, or systems to support efficient and effective fundraising processes. Limited resources, on the other hand, encompass financial constraints, budgetary limitations, and restricted access to funds allocated specifically for fundraising initiatives. Organizations may face challenges in allocating sufficient resources to invest in fundraising activities, including marketing campaigns, donor engagement strategies, or the adoption of fundraising technologies.

The data suggest that a considerable proportion of respondents (16.0% strongly agree, 22.0% agree) perceive the competitive funding environment as a challenge. This finding suggests that organizations face significant competition when seeking financial resources, which can impact their ability to secure funding. A competitive funding environment means that there are numerous organizations vying for limited funding opportunities from donors, grant-making institutions, or other funding sources. This competition can arise from organizations within the same sector or those addressing similar causes or issues.

4.7 Business Performance

Assessing and monitoring the various aspects of business performance helps organizations identify strengths, weaknesses, and opportunities for improvement. Regular evaluation could allow businesses to make informed decisions, set strategic goals, and implement measures to enhance overall performance and achieve long-term success. The percentages represent the distribution of responses within each category. Firm performance encompasses various indicators such as profitability, growth in assets, and goodwill, among others, which are crucial in evaluating the efficiency and effectiveness of an organization (Ukaegbu, 2014). However, it is essential to recognize that firm performance is not solely determined by internal factors but is also influenced by the external market environment in which the organization operates.

Table 7 Business Performance

Business Performance	SA	A	N	D	SD
	%	%	%	%	%
There has been an increase in Market-share growth	12.0	30.0	31.0	25.0	2.0
There has been an increase in Sales turnover	16.0	30.0	31.0	21.0	2.0
Product-quality development	18.0	33.0	34.0	12.0	3.0
Customer loyalty/retention	21.0	31.0	29.0	16.0	3.0
Employee satisfaction	19.0	29.0	27.0	18.0	7.0

Sources: Field Survey (2023)

The data reveals that 52% of respondents strongly agree or agree that customer loyalty and retention have increased. This is a positive outcome, as it suggests that the business has been successful in retaining its customers and fostering loyalty. However, the 19% of respondents who disagree or strongly disagree may indicate areas where the business needs to focus on improving customer satisfaction and loyalty initiatives.

Again, it was indicated that 51% of respondents strongly or agree that there has been development in product quality. This is generally a positive sign, as it implies that the business has made efforts to enhance the quality of its products. However, the 15% of respondents who disagree or strongly disagree may indicate areas where the business needs to address quality concerns to meet customer expectations.

Lastly, employee satisfaction is an important factor for overall business performance. The data shows that 48% of respondents strongly agree or agree that employee satisfaction has increased. This indicates a relatively positive work environment and employee engagement. However, the 25% of respondents who disagree or strongly disagree suggest that there might be challenges in addressing employee concerns and ensuring overall satisfaction.

In summary, the business has shown positive results in terms of customer loyalty/retention and product-quality development, as the majority of respondents agree that improvements have been made. However, there are indications of potential areas for improvement, particularly among the minority of respondents who disagree or strongly disagree. It is crucial for the business to address these concerns, whether they relate to customer satisfaction, product quality, or employee satisfaction, to further enhance overall performance and ensure sustained growth.

4.8 Effects of the Sources of Funds on the Business Performance

4.8.1 Model Summary

The model summary provided indicates the statistical performance of a regression model that predicts a dependent variable (Business Performance) based on several predictor variables (Supplier's credit, Personal Savings, Retained profit, Bank loan, Family And Friends)

Table 8: *Model Summary*

Model	R	R-Square	Adjusted R-Square	Std. Error
1	.318 ^a	.101	.053	4.77201

a. Predictors: (Constant), Supplier's credit, Personal Savings, Retained profit, Bank loan, Family And Friends

Sources: Field Survey (2023)

The R (.318) represents the correlation coefficient between business performance and the combination of predictor factors. It denotes the intensity and direction of the linear association between the dependent and independent variables. In this case, the R-value suggests a moderate positive correlation. The R Square value of 0.101 indicates that the predictor variables account for approximately 10.1% of the variance in the dependent variable.

4.8.2 Effects of Sources of Funds on Business Performance

The coefficients provided represent the estimated relationships between the predictor variables (Personal Savings, Retained profit, Family and Friends, Bank loan, Supplier's credit) and the dependent variable (Business Performance).

Table 9 Regression Analysis on the Effects of Sources of Funds on Business Performance

Coefficients ^a						
		Unstandardized		Standardized		
		Coefficients		Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	Constant	15.891	1.206		13.178	.000
	Personal Savings	2.730	1.288	.228	2.119	.037**
	Retained profit	-1.200	1.058	-.123	-1.134	.260
	Family and Friends	-2.333	1.128	-.239	-2.069	.041**
	Bank loan	1.318	1.058	.135	1.245	.216
	Supplier's credit	-.050	1.132	-.005	-.044	.965

a. Dependent Variable: Business Performance

P-value=*(10%), **(5%), and ***(1%)

Sources: Field Survey (2023)

The coefficient is statistically significant (P-value= 0.037), indicating that Personal Savings have a substantial effect on Business Performance in the model. The coefficient for Personal Savings (2.730) indicates that, on average, a one-unit increase in Personal Savings is connected with a 2.730-unit increase in Business Performance holding all other variables in the model constant. However, the standardized coefficient (Beta) of 0.228 suggests that Personal Savings has a moderate positive impact on Business Performance. This suggests that businesses that utilize personal savings as a funding source tend to have better performance. This could be due to several factors such as financial stability, reduced reliance on external financing, and the

commitment of the business owner. Therefore, businesses should consider leveraging personal savings as a means of funding to potentially enhance their performance. According to (Baker et al. 2017), personal savings has been a significant effect on the financial capital required to sustain a business. Another study by (He and Baker-Kent 2007) highlights that personal savings are a commonly used and easily accessible source of finance for entrepreneurs to create financial resources. Previous research indicates that entrepreneurs exert substantial exertion to contribute their personal funds and sweat equity to the financial capital of their businesses (Borgia & Newman, 2012; He & Baker-Kent, 2007). The literature also suggests that small and medium-sized enterprise (SME) owners frequently rely on personal savings to obtain the initial financial capital necessary for starting a business. This preference is often attributed to the readily available nature of personal savings (Borgia & Newman, 2012; Roper, 1998). Based on these, Personal savings positively affects business performance.

Similarly, the coefficient is statistically significant ($P\text{-value}=0.041$), indicating that Personal Savings have a substantial impact on the Performance of Business in the model. The coefficient for Family and Friends (-2.333) indicates that, on average, a one-unit increase in the utilization of Family and Friends as a funding source is associated with a -2.333-unit decrease in Business Performance all other variables in the model being equal. The standardized coefficient (Beta) of -0.239 suggests that Family and Friends have a moderate negative impact on Business Performance. This indicates that relying heavily on family and friends as a funding source may not be beneficial for business performance. The involvement of personal relationships in business financing can introduce complications and conflicts. Therefore, it is important for businesses to carefully manage these relationships and consider diversifying their funding sources to mitigate potential negative effects. The existing body of literature presents compelling evidence that supports the idea that the financing preferences of firms are strongly influenced by the involvement of family and friends as sources of finance (Baker et al., 2017;

Kumar & Rao, 2015). In line with this perspective, Kumar and Rao (2015) and Gudov (2013) suggest that financial networks characterized by connections with family, friends, and other close associates, commonly known as the 3Fs (family, friends, and fools), play a substantial role in contributing to firm financial capital. Additionally, Zoppa and McMahon (2002) highlight the importance of financing obtained from family and friends, specifically when firms treat these loans received from families and connections in a manner consistent with formal business practices.



CHAPTER FIVE

5.0 CONCLUSION AND RECCOMENDATIONS

5.1 Introduction

The summary of the key findings, conclusion and recommendation are presented in this chapter.

5.2 Key Findings

The primary goal of the study is to explore the effects of financial resource mobilization efforts on the business performance of SMEs in the Atwima Nwabiagya North District. Specifically, the study sought to; explore the major sources of funding that influence the strategic resource mobilization on the business performance of SMEs, assess the major challenges your organization faces in financial resource mobilization, assess the performance of the SMEs in the study area, and assess the effects of the sources of funds on the business performance in the study area. However, the study employed the cross-sectional descriptive survey design as the research design for the study. Through a simple random sampling technique, 100 respondents were selected through the administration of a questionnaire through online Google Forms. The study employed a combination of descriptive and inferential statistical methods, including frequencies, percentages, and regression analysis, to analyze the specific objectives. These statistical techniques were utilized to examine and interpret the data collected in the study, providing a comprehensive understanding of the research objectives through both descriptive summaries and statistical relationships derived from regression analysis. The findings of the study are as follows;

- i. The study found that the majority of the respondents were females which accounted for 70.0%, most of them have bachelor's (46.0%) degrees. Also, regarding ownership, 46.0% of them were sole proprietors, and 42.0% were retailers.

- ii. The study revealed that personal savings are the most prominent source of funding for SMEs in the study area, comprising 79.0% of the total sample size.
- iii. Also, the majority of respondents (76.0%) strongly agree or agree that personal savings as an internal source of funding significantly impacts business survival. Similarly, the study found that the majority of respondents (73.0%) strongly agree or agree that access to bank loans significantly impacts their business performance.
- iv. Furthermore, the study found that a considerable number of respondents (17.0% strongly agree, 23.0% agree) perceive regulatory or legal restrictions on fundraising activities as a challenge.
- v. The study additionally indicated that the majority of respondents (52%) strongly agree or agree that customer loyalty and retention have increased. This suggests that the business has successfully retained its customers and fostered loyalty.
- vi. The study finally found that personal savings, and family and friends as a source of funding affects the performance of the various SMEs in the study area.

5.3 Conclusion

In conclusion, the study identifies the funding sources utilized by SMEs in the district, with personal savings being the most prominent source of funding. This suggests that SMEs heavily rely on their own financial resources to support their business activities. Understanding the dominant funding source provides valuable insights into the financial dynamics of SMEs in the region. Moreover, the study underscores the importance of personal savings as an internal source of funding for SMEs in the district. This suggests that SME owners heavily rely on their own savings to finance their businesses, indicating their commitment and dedication to the success of their ventures. The ability to utilize personal savings for business purposes may provide SMEs with more flexibility and control over their financial resources, enabling them to make timely investments and manage cash flow effectively. Additionally, the study

highlights the influence of funding from family and friends on the performance of SMEs. These informal sources of funding often play a crucial role in the early stages of SME development when external financing options may be limited. Support from family and friends can provide SMEs with initial capital, resources, and moral support, contributing to their overall performance and growth. Moreover, the study identifies customer loyalty and retention as important factors contributing to business performance. The majority of respondents agree that customer loyalty and retention have increased, suggesting that SMEs in the district have been successful in fostering long-term relationships with their customers. This finding highlights the significance of customer satisfaction and loyalty in driving business growth and profitability. Additionally, the study acknowledges the regulatory and legal restrictions on fundraising activities as a challenge for SMEs. This insight sheds light on the barriers and limitations faced by SMEs in mobilizing financial resources. Addressing these regulatory challenges becomes crucial for improving the financial resource mobilization efforts of SMEs in the district. Policymakers, practitioners, and SME owners can utilize these findings to develop strategies that enhance financial support, overcome regulatory barriers, and foster customer loyalty to promote the growth and sustainability of SMEs in the region.

5.4 Recommendation

The study made the following recommendations based on the study findings:

- i. **Strengthen Regulatory Environment:** Work with relevant regulatory bodies to review and streamline fundraising regulations and procedures for SMEs. Identify and address any legal restrictions or barriers that impede the financial resource mobilization efforts of SMEs. This will create a more conducive environment for SMEs to access external funding sources.
- ii. **Enhance Customer Satisfaction and Loyalty:** Recognizing the importance of customer loyalty and retention, SMEs should prioritize customer satisfaction initiatives. This can

include delivering high-quality products or services, personalized customer experiences, loyalty programs, and effective communication to foster long-term relationships with customers. Satisfied and loyal customers are more likely to provide repeat business and recommend the SME to others.

- iii. **Diversify Funding Sources:** While personal savings and support from family and friends are important, SMEs should aim to diversify their funding sources to reduce reliance on a single channel. This can involve seeking external financing options such as bank loans, venture capital, grants, or crowdfunding platforms. Diversification provides financial stability and mitigates risks associated with relying solely on personal savings or informal funding.
- iv. **Advocate for a Favourable Regulatory Environment:** Policymakers and industry associations should collaborate to review and improve regulatory frameworks related to fundraising activities. This includes streamlining fundraising processes, reducing bureaucratic hurdles, and creating an enabling environment for SMEs to access funding sources more easily. Regulatory reforms can enhance financial resource mobilization for SMEs and promote their overall growth.

5.5 Area for Further Study

Investigating the relationship between employee satisfaction, organizational culture, and SME performance can provide insights into the importance of human resource management practices for overall business success.

REFERENCES

- Abe, M., Troilo, M., & Batsaikhan, O. (2015). Financing small and medium enterprises in Asia and the Pacific. *Journal of Entrepreneurship and Public Policy*, 4(1), 2–32.
<https://doi.org/10.1108/JEPP-07-2012-0036>
- Abor, J. and N. Biekpe, 2006. “SMEs” Access to Debt Finance: A Comparison of Male-Owned and Female-Owned Businesses in Ghana”, *International Journal of Entrepreneurship and Innovation*, 7(2), pp. 105-112.
- Abor, J. and N. Biekpe, 2007. “Small Business Reliance on Bank Financing in Ghana”, *Emerging Market Finance & Trade*, 43(4), pp. 93 – 102.
- Adomako, S., & Danso, A. (2014). Financial literacy and firm performance: the moderating role of financial capital availability and resource flexibility. *International Journal of Management and Organizational Studies*, 3(4), 1–15.
- Advani, A. 1997. “Industrial Clusters: A Support System for Small and Medium-Sized Enterprises”, *Private Sector Development*, World Bank Occasional Paper No. 32, World Bank, Washington, DC.
- Anheier, H. K. and H. D. Seibel, 1987. “Small Scale Industries and Economic Development in Ghana”, *Business Behaviour and Strategies in Informal Sector Economies*, Verlag Breitenbech, Saarbruckh, Germany.
- Antonakis, J., Bendahan, S., Jacquart, P., & Lalive, R. (2010). On making causal claims: A review and recommendations. *The Leadership Quarterly*, 21(6), 1086–1120.
<https://doi.org/10.1016/j.leaqua.2010.10.010000>
- Aryeetey, E. 1998. “Informal Finance for Private Sector Development in Africa”, *Economic Research Papers No. 41*, The African Development Bank, Abidjan.

- Aryeetey, E. 2001. "Priority Research Issues Relating to Regulation and Competition in Ghana", Centre on Regulation and Competition Working Paper Series, University of Manchester, Manchester.
- Aryeetey, E., A. Baah-Nuakoh, T. Duggleby, H. Hettige, and W. F. Steel, 1994. "Supply and Demand for Finance of Small-Scale Enterprises in Ghana", Discussion Paper No. 251, World Bank, Washington, DC.
- As, Z., R. Morck, and B. Young, 1999. "Productivity Growth and Size Distribution", in Acs, Z., Carlsson, B. and Karlsson, C. (eds.), *Entrepreneurship, Small and Medium-Sized Enterprises and the Macroeconomy*, Cambridge University Press.
- Association of Ghana Industries. (2015). Business Barometer report is a periodic opinion survey about what chief executives make of the business environment. Accra
- Atwima Nwabiagya North District. (n.d.). *Ghana District*. Retrieved March 2023, from Atwima Nwabiagya North District: <https://www.ghanadistricts.com/Home/District/225>
- Baker, K. H., Kumar, S., & Rao, P. (2017). Financing preferences and practices of Indian SMEs. *Global Finance Journal*, 18, 1–15. Barrot, J. (2014). Trade credit and industry dynamics: evidence from trucking firms. *Journal of Finance*, 71 (5). <https://doi.org/10.1111/jofi.12371>
- Berry, A., M. von Blottnitz, R. Cassim, A. Kesper, B. Rajaratnam, and D. E. van Deventer, 2002. "The Economics of SMMEs in South Africa", Trade and Industrial Policy Strategies, Johannesburg, South Africa.
- Bigsten, A., P. Collier, S. Dercon, M. Fafchamps, B. Guthier, J. W. Gunning, M. Soderbom, A. Oduro, R. Oostendorp, C. Patillo, F. Teal, A. Zeufack, 2000. "Credit Constraints in Manufacturing Enterprises in Africa", Working Paper WPS/2000. Centre for the Study of African Economies, Oxford University, Oxford.

- Boapeah, S. N., (1993). “Developing Small-Scale Industries in Rural Regions: Business Behavior and Appropriate Promotion Strategies concerning Ahanta West District of Ghana”, Spring, Dortmund
- Borgia, D., & Newman, A. (2012). The influence of managerial factors on the capital structure of small and medium-sized enterprises in emerging economies: evidence from China. *Journal of Chinese Entrepreneurship*, 4(3), 180–205. <https://doi.org/10.1108/17561391211262148>
- Cochran, W. G. (1977). *Sampling techniques*. John Wiley & Sons.
- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2019). Multivariate data analysis (Eighth Edi). *Hampshire, United Kingdom: Cengage Learning EMEA*. <https://doi.org/10.1002/9781119409137.Ch4>.
- Hulley, S. B., Cummings, S. R., Browner, W. S., Grady, D., Hearst, N., & Newman, T. B. (2001). Designing clinical research: An epidemiologic approach. In *Designing clinical research: An epidemiologic approach* (pp. 336–336).
- Impact of financial resource building effort on financial resource availability among small and medium enterprises, Joseph Owusu, Wilberforce Owusu Ansah, Kwame Ohene Djan & Emmanuel K. Anin, *Cogent Business & Management* (2021), 8: 1920676.
- International Finance Corporation (IFC) (2011). SME Finance. Policy Guide, No. 20433, Washington, D.C.
- Kayanula, D. & Quartey, P. (2000). The Policy Environment for Promoting Small and Medium-sized Enterprises in Ghana and Malawi. Finance and Development Research Programme Working Paper Series Paper No. 15.
- Kempson, E., Whyley, C., Caskey, J. & Collard, S. (2000). In or Out? Financial Exclusion: A Literature and Research Review. Financial Services Authority, London. Retrieved from <https://research-information.bristol.ac.uk> on May 30th, 2019.

- Klin, R. (2011). Principles and practice of structural equational modelling (3rd edition). the Guilford Press.
- Kumar, S., & Rao, P. (2015). A conceptual framework for identifying financing preferences of SMEs. *Small Enterprise Research*, 22(1), 1–14. <https://doi.org/10.1080/13215906.2015.1036504>
- Kumah, R (2011). Determinants of Access to Bank Credit in Ghana: The Case of Small and Medium-sized Enterprises in the Accra Metropolis. Kwame Nkrumah University of Science and Technology, Ghana. Retrieved from ir.knust.edu.gh/bitstream on May 4th, 2019.
- Kyerematen, K. A. (2007). Retooling Credit Unions: The Case of Credit Union Association of Ghana. IFLIP Research Paper No. 01-3.
- Liedholm, C. and D. Mead (1987). Small Scale Industries in Developing Countries: Empirical Evidence and Policy Implications. International Development Papers, No. 9.
- Lohr, S. L. (2010). Sampling: Design and analysis, Cengage Learning. *Boston, MA*.
- Love, I. & Mylenko, N. (2003). Credit Reporting and Financing Constraints. Policy Research Paper No. 3142, Washington D. C.: World Bank.
- Majanga, B.B. (2015). An Analysis of Bottlenecks to SME Growth in Developing Countries: A Case of Malawi. *European Journal of Business and Management*, 7(24), 64-82.
- Malhotra, M., Chen, Y., Crackaloo, A., Fan, Q., Hamel, I. I., & Savchenko, Y. (2007). Expanding Access to Finance: Good Practices and Policies for Micro, Small, and Medium Enterprises. Discussion Paper No. 10986/6621, Washington, D.C.: World Bank.
- Malhotra, M., Chen, Y., Criscuolo, A., Fan, Q., Hamel, I., & Savchenko, Y. (2007). *Expanding Access to Finance: Good Practices and Policies for Micro, Small and Medium Enterprises*. Washington D.C.: WBI Learning Resource Series, World Bank.

- McKenzie, D. (2009). *Impact Assessments in Finance and Private Sector Development*. Discussion paper, No. 15, Washington D.C.: World Bank.
- Meggison et al. (2003). *Small Business Management. An Entrepreneurs Guidebook*, 4th Ed. McGraw Hill/Irwin, New York.
- Mensah, S. (2004). A review of SME financing schemes in Ghana. Presented at the UNIDO Regional Workshop of Financing Small and Medium Scale Enterprises, Accra, Ghana.
- Miles, M., & Huberman, A. (1994). *Qualitative Data Analysis (2nd edition)*. Thousand Oaks, CA: Sage Publications.
- Molina-Azorín, J. F. (2007). Mixed methods in strategy research: Applications and implications in the resource-based view. In *Research methodology in strategy and management* (Vol. 4, pp. 37–73). Emerald Group Publishing Limited.
- Nieuwenhuijsen, M. J. (2010). Design of cross-sectional surveys. In J. P. Mackenbach & J. M. Kunst (Eds.), *Measuring health and inequalities* (pp. 95-114). Oxford University Press.
- Nkuah, J. K., Tanyeh, J. P. & Gaeten, K. (2013). Financing Small and Medium Enterprises (SMEs) In Ghana: Challenges and Determinants in Accessing Bank Credit. *International Journal of Research in Social Sciences*, 2(3), 12-25.
- OECD. (2006). *Financing SMEs and Entrepreneurs, OECD Policy Brief*. Paris: Organisation for Economic Co-operation and Development.
- Osei-Assibey, E. (2014). The Rural Financial System in Ghana: What Determines Access and Sources of Finance for Rural Non-Farm Enterprises? In *Readings on Key Economic Issues in Ghana. Social Science Series, 4*. Department of Economics, University of Ghana, Legon.
- Osei-Assibey, E., Bokpin, A.G. & Twerefou, D. K. (2012). Microenterprise Financing Preference. *Journal of Economic Studies*, 39(1), 84 – 105.

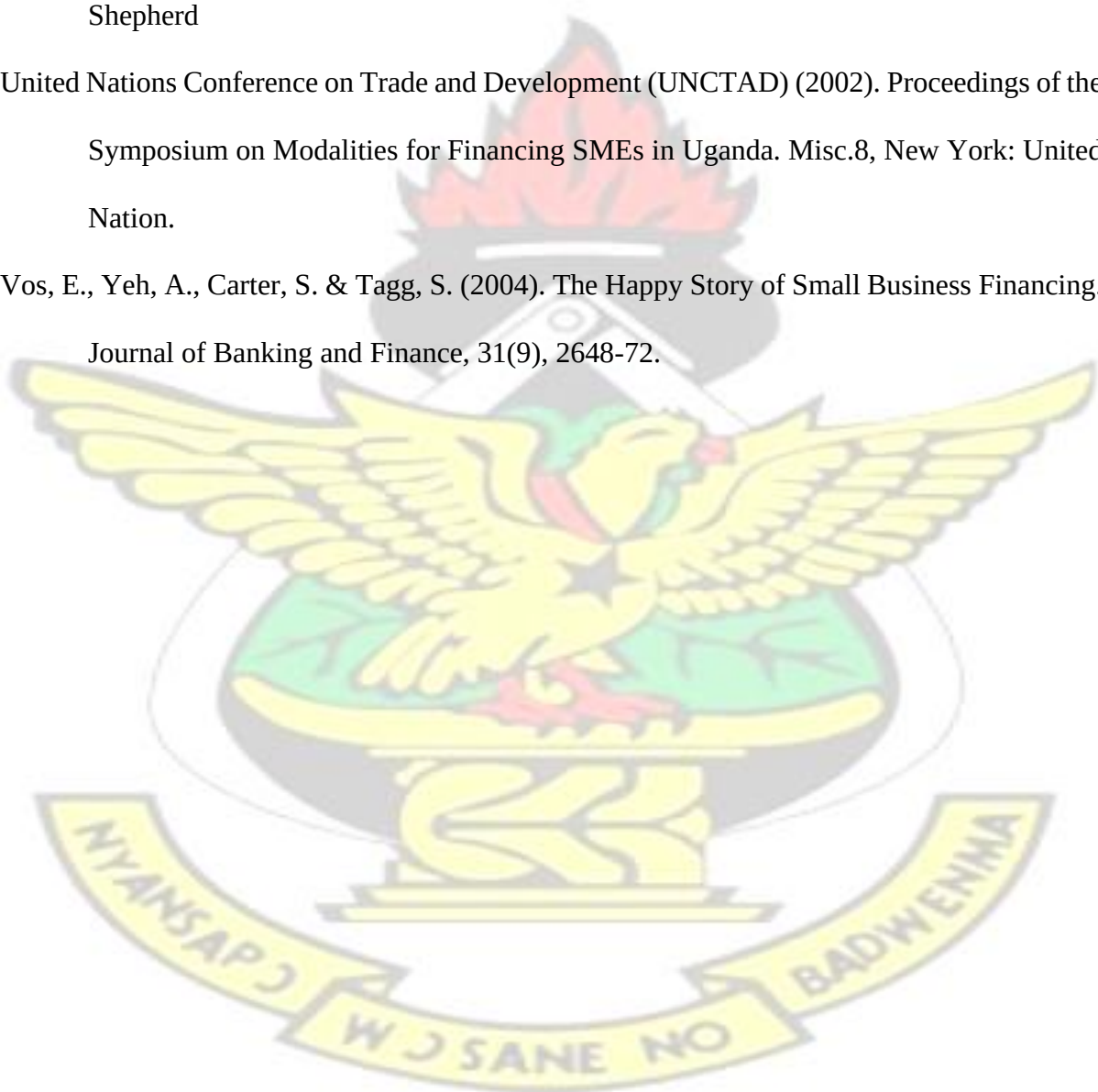
- Pandula, G. (2011). *An Empirical Investigation of Small and Medium Enterprises Access to Bank Finance: The Case of an Emerging Economy*. La Trobe University, Australia.
- Polit, D. F., & Beck, C. T. (2008). *Nursing research: Generating and assessing evidence for nursing practice*. Lippincott Williams & Wilkins.
- Rostamabadi, A., & Aminpour, F. (2021). Statistical methods in cross-sectional studies: a review. *International Journal of Epidemiologic Research*, 8(4), 294-305.
- Saunders, M., Lewis, P., & Thornhill, A. (2007). Research methods. *Business Students 4th Edition Pearson Education Limited, England*, 6(3), 1–268.
- Seibel, H. D. (1996). *Coping with Scarcity: Microenterprise Strategies in Nigeria*. Saarbrücken, Verlag für Entwicklungs Politik, 1-10.
- Slater, S. F., & Atuahene-Gima, K. (2004). Conducting survey research in strategic management. In *Research methodology in strategy and management* (Vol. 1, pp. 227–249). Emerald Group Publishing Limited.
- Stephanou, C. & Rodriguez, C. (2008). *Bank Financing to Small and Medium-sized Enterprises (SMEs) in Colombia*. Policy Research Working Paper No. 4481, Washington D. C.: World Bank.
- Stiglitz, J. & Weiss, A. (1981). Credit Rationing in Market with Imperfect Information. *American Economic Review*, 71(3), 912–927.
- Tellis, W. M. (1997). Introduction to Case Study. *The Qualitative Report*. Retrieved from nsuworks.nova.edu/tqr/vol3/iss2/4 on June 15th, 2019.
- Thitapha W. (2003). Four Proposals to Improve Financing of SME Development in Asia. *Asian Development Review*, 20 (2), 16-27.
- Timans, R., Wouters, P., & Heilbron, J. (2019). Mixed methods research: What it is and what it could be. *Theory and Society*, 48, 193–216.

Torres, S. (2020). Cross-sectional studies: advantages and limitations. *Revista Portuguesa de Cardiologia*, 39(12), 689-690.

Ullah, B. (2019). Financial constraints, corruption, and SME growth in transition economies. *The Quarterly Review of Economics and Finance*. Wellalage, N. H., & Fernandez, V. (2019). Innovation and SME finance: Evidence from developing countries. *Int. Rev. Finance. Anal*, 101370. <https://doi.org/10.1016/j.irfa.2019.06.009> Wiklund, J., & Shepherd

United Nations Conference on Trade and Development (UNCTAD) (2002). Proceedings of the Symposium on Modalities for Financing SMEs in Uganda. Misc.8, New York: United Nation.

Vos, E., Yeh, A., Carter, S. & Tagg, S. (2004). The Happy Story of Small Business Financing. *Journal of Banking and Finance*, 31(9), 2648-72.



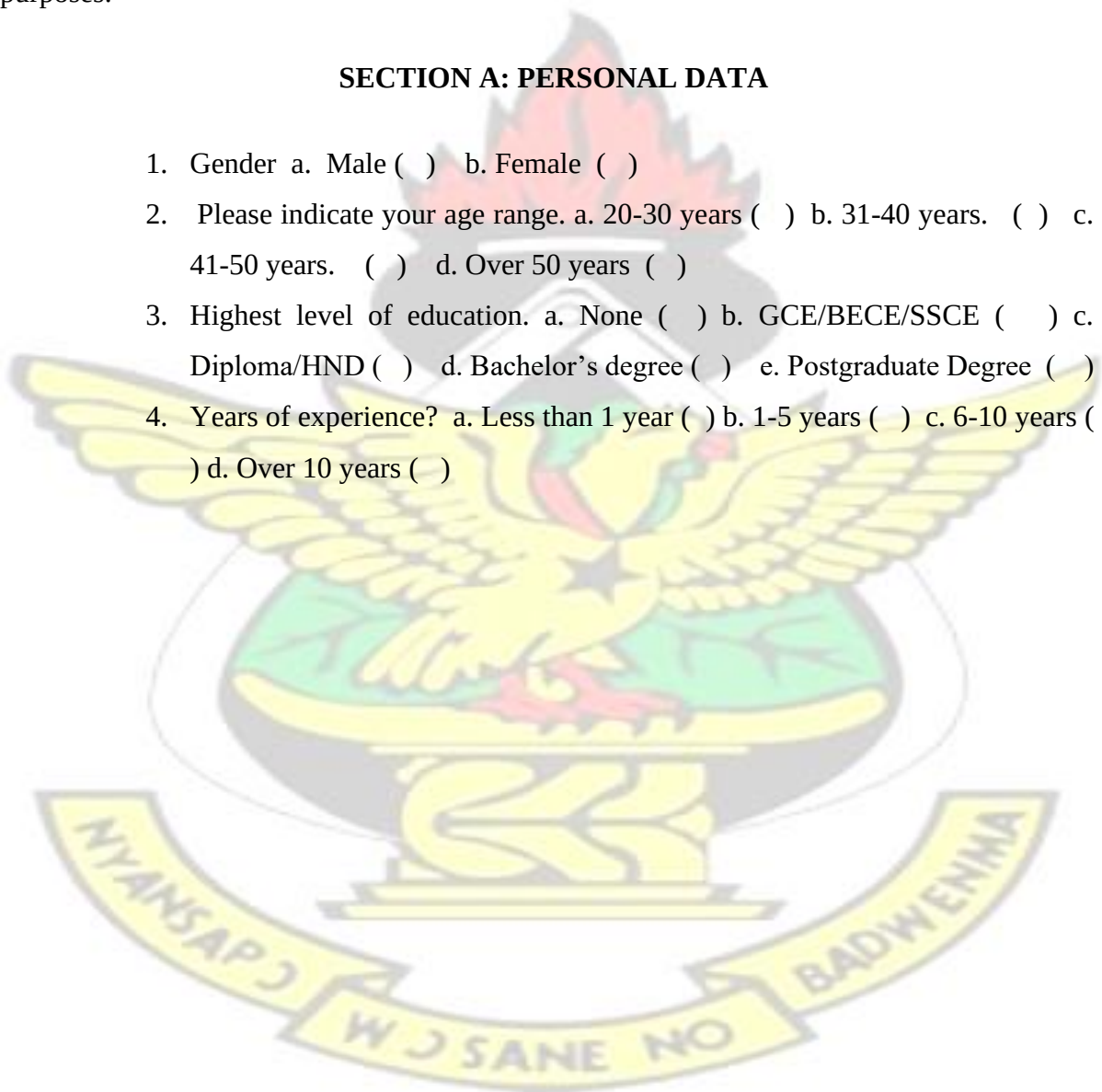
APPENDIX

Questionnaire

I am a postgraduate student from KNUST researching the topic “**THE EFFECTS OF FINANCIAL RESOURCE MOBILIZATION EFFORT ON BUSINESS PERFORMANCE OF SMEs-A CASE OF ATWIMA NWABIAGYA NORTH DISTRICT**”, and I would be grateful if you could generously answer the questions below for me. All information provided will be kept confidential as this work is mainly for academic purposes.

SECTION A: PERSONAL DATA

1. Gender a. Male () b. Female ()
2. Please indicate your age range. a. 20-30 years () b. 31-40 years. () c. 41-50 years. () d. Over 50 years ()
3. Highest level of education. a. None () b. GCE/BECE/SSCE () c. Diploma/HND () d. Bachelor's degree () e. Postgraduate Degree ()
4. Years of experience? a. Less than 1 year () b. 1-5 years () c. 6-10 years () d. Over 10 years ()



SECTION B: FIRM'S CHARACTERISTICS

5. Please provide your business name

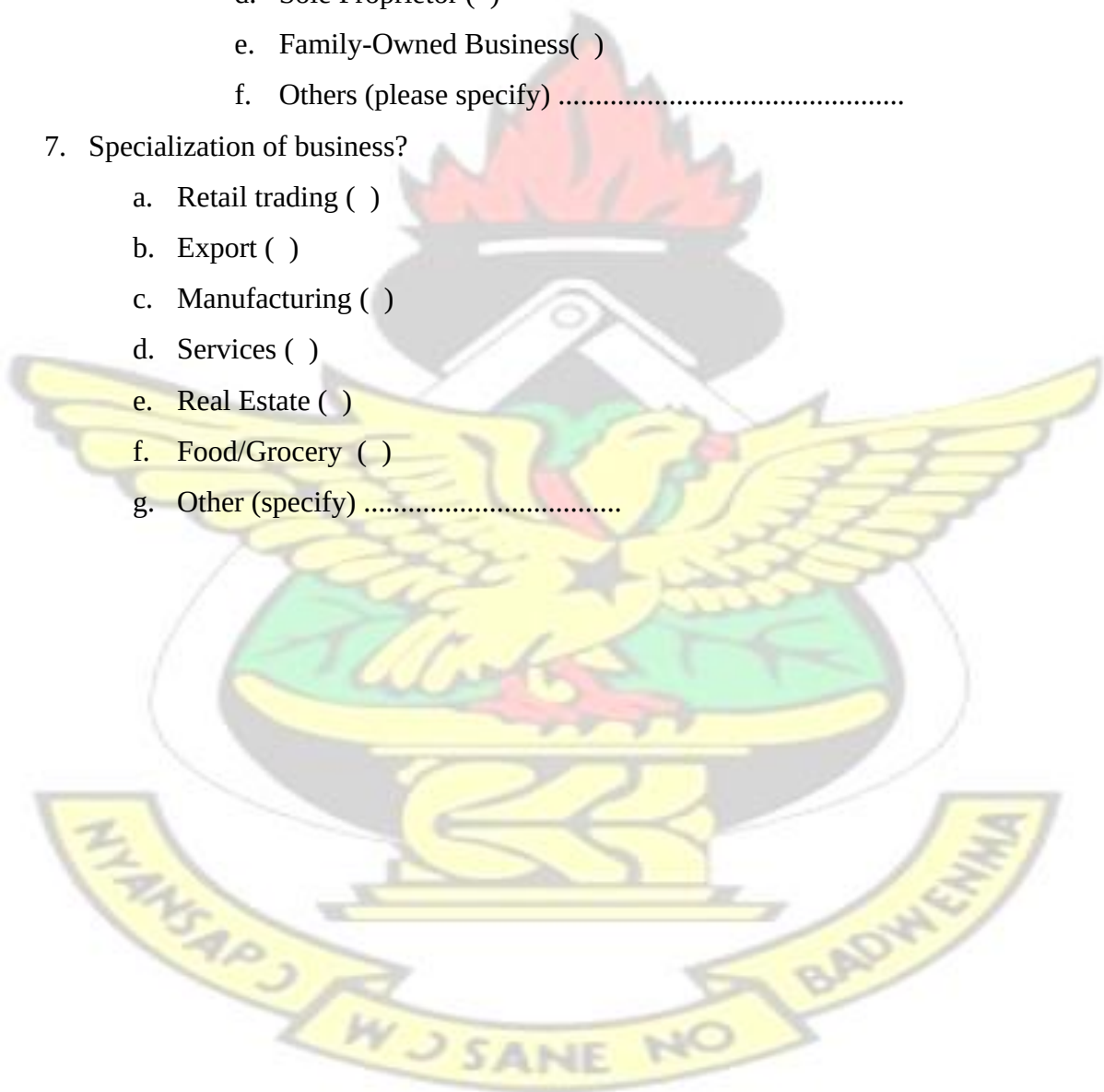
.....

6. Nature of the business?

- a. Private Limited Company ()
- b. Public Limited Company ()
- c. Partnership ()
- d. Sole Proprietor ()
- e. Family-Owned Business()
- f. Others (please specify)

7. Specialization of business?

- a. Retail trading ()
- b. Export ()
- c. Manufacturing ()
- d. Services ()
- e. Real Estate ()
- f. Food/Grocery ()
- g. Other (specify)



SECTION C: SOURCES OF FUND

8. Which of the following is your source of funding for your business?

Code	Dimension/items	Yes	No
SF	Personal Savings		
SF	Retained profit		
SF	Family and Friends		
SF	Bank loan		
SF	Supplier's credit		

9. These are the major sources of funding that influence the strategic resource mobilisation on the business performance of SMEs. Kindly provide objective responses to the following questions. Using a scale of 1 – 5, where **1 = strongly disagree; 2 = disagree; 3 = neutral; 4 = agree and 5 = strongly agree** (please tick [√])

Code	Statement	Scale				
	Personal Savings (PP)	1	2	3	4	5
PP1	Personal savings are utilized to support my/our working capital					
PP2	As key alternative financing					
PP3	Personal savings is used against uncertainties					
PP4	Personal savings have a greater impact on my business survival					
	Retained Profit (RP)					
RP1	Retained profit earned is used to run operations					
RP2	The retained profit is used as key alternative financing					
RP3	Retained is used against uncertainties					
RP4	Retained profit					

	Family and Friends (FF)					
FF1	Family and friends provide support for my business financially					
FF2	Family and friends are used as key alternative financing					
FF3	Family and friends are used against uncertainties					
FF4	Family support has a greater impact on my business survival					
	Any other? (Specify and rate)					



8. b Formal source of fund

Code	Statement	Scale				
	Bank Loan (BL)	1	2	3	4	5
BL1	A Bank loan is used to finance my business					
BL2	I have insufficient funds to meet the bank's loan deposit requirement to access credit facilities to support my business					
BL3	Government regulations on loan interest rates and tax payment systems affect my business to secure loans from banks to support business operations.					
BL4	No security to pledge or guarantee requirement to access bank loan to support the business					
B5	Access to bank loans has a greater impact on my business performance					
	Supplier's Credit (SC)					
SC1	I have access to credit facilities from suppliers to support my business					
SC2	Inadequate complied financial records and accounts affect access to funds from suppliers.					
SC3	Poor credit experience and managerial incompetence affect access to credit facilities from suppliers					
SC4	Firm size, age, location and asset structure influence access to credit facilities from suppliers to support operations					
SC5	Supplier's credit has a greater impact on my business growth					
	Any other? (Specify and rate)					

SECTION D: BUSINESS PERFORMANCE (BP)

10. Kindly provide objective responses to the following questions on green human resource management practices in your firm.

On a scale of 1 – 5 where **1 = strongly disagree; 2 = disagree; 3 = neutral; 4 = agree and 5 = strongly agree** (please tick [√])

Code	Dimension/items	Scale				
		1	2	3	4	5
BP1	There has been an increase in Market-share growth					
BP2	There has been an increase in Sales turnover					
BP3	Product-quality development					
BP4	Customer loyalty/retention					
BP5	Employee satisfaction					
	Any other? (Specify and rate)					

SECTION E: CHALLENGES IN FINANCIAL RESOURCE MOBILIZATION

11. The following are the challenges in financial resource mobilization among SMEs.

Kindly provide objective responses to the following questions. Using a scale of 1 – 5, where **1 = strongly disagree; 2 = disagree; 3 = neutral; 4 = agree and 5 = strongly agree** (please tick [√])

Code	Challenges	Scale				
		1	2	3	4	5
C1	Limited funding opportunities					
C2	Difficulty in attracting and retaining donors					
C3	Competitive funding environment					
C4	Lack of awareness about the organization and its work					
C5	Insufficient capacity or resources for fundraising efforts					
C6	Uncertainty regarding funding sustainability					
C7	Inadequate understanding of donor expectations and requirements					
C8	Regulatory or legal restrictions on fundraising activities					

Thank You.

