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Inter-Sectoral Key Success Factors of Small and Medium Scale Enterprises in Ghana

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Abstract

SMEs are a major source of livelihood for most people in the developing world, but most of them fail within a very short period. Several studies have been conducted on SME success, but the focus is usually on one section of SMEs, with no study yet on a cross-section of SMEs to allow inter-sectoral comparisons. This study, therefore, set out to conduct an inter-sectoral study amongst 600 SMEs with 150 SMEs each from the agriculture, hospitality, manufacturing and trading sectors in Ghana. There may be inherent differences between the success factors for the various SME sectors and as such, the need for a study that cuts across four sectors to better inform policy and investment decisions. The study employed a survey strategy to obtain quantitative data through the random distribution of questionnaires. The data were then coded into NCSS 19 software. Multiple regression was used to analyze data, and generalizations were made based on these analyses. From the findings, there is no key success factor common to all four factors. However, number of employees affect three sectors, namely: agriculture, manufacturing, and trading sectors. Infrastructure and education affect the agriculture and manufacturing sectors. Cost control and access to finance affect both the hospitality and manufacturing sectors. Some factors are peculiar to specific sectors, for example, tax and business plan for the hospitality sector, leverage, and inflation for the manufacturing sector while work experience, training, and marital status affect the trading sector. The study makes recommendations based on the findings of the study.

Keywords: SMEs, Sector, Agriculture, Hospitality, Manufacturing, Trading, Regression

1. Introduction

Estimated data indicate that a little less than 100% of businesses globally are SMEs (Ayyagari et al., 2011). In the year 2008, the number of SMEs in India were about thirteen million (Ghatak, 2010) while according to (Abor and Quartey, 2010), about ninety-one percent of businesses are SMEs in South Africa. Also here in Ghana, an estimate of eighty-percent of SMEs operate in the informal sector Ghana Statistical Service (GSS, 2009) and the SME sector as opined by (Abor and Quartey, 2010), contribute seventy percent to the nation's economy and make up ninety-two percent of total businesses.

Every country has a different definition of SMEs with no single definition in place. Storey (1994) explains that it is appropriate to use an upper limit of one hundred employees for small firms because of the productivity

increase over the last twenty years. Bouri et al. (2011) define small enterprises as businesses having fifty employees or less and €10m in turnover and medium enterprises as businesses with fewer than two hundred and fifty employees and having less than €50million in turnover. The most frequently used criterion in Ghana is the employee size (Agyapong et al., 2010). The GSS, NBSSI, GEDC, and other persons employ the size and other categories to define SMEs in Ghana (Mensah, 2004). The Ghana NBSSI employs the fixed asset together with the employee size distinction (NBSSI, 2009). It defines an SSE as an enterprise having nine employees or less and fixed assets (excluding land, buildings, and vehicles) not exceeding GHS10m.

Abor and Biekpe (2006) define SSEs as having fewer than thirty employees and later broke it down into: Micro Enterprise (six workers or less); Very Small Enterprises (between six and nine workers); and Small Enterprises (between ten and twenty-nine employees). It is evident from the above numerous definitions of SMEs that any research on the operations of SMEs will be confronted with a multiplicity of definitions (Buame, 2012). By implication, researchers, organisations, nations, and individuals globally are likely to formulate their own definitions to suit their particular "target" group (Storey, 1994). Consistent with the definition of SMEs globally, the definitions of (Abor and Biekpe 2006; NBSSI, 2009) will be synthesized and adopted. For the purpose of this study, businesses with less than six (6) employees and those with more than 5 employees but not exceeding 29 employees will be classified as small and medium enterprises, respectively.

When it comes to the role of SMEs in a country's economy, there are many studies that have documented it. The SME sector determines whether a nation is successful or not with regards to job creation (Wiese, 2014). SMEs play major roles in economic development in emerging countries (Kongolo, 2010). Liedholm and Mead (1998) confirm that SMEs close down more often than they expand. SMEs encounter various challenges which are caused by complex and multidimensional factors (Stephanou and Rodriguez, 2008). In Ghana, a third out of five SMEs fail initial stages (Mensah, 2004). SMEs deserve much-needed attention as a result of this sector's contribution to the National Economy (Schröder and Rodermund, 2006; Wiese, 2014) in order to thrive and blossom in their operations.

There are some existing studies on factors that drive SMEs success and those that impede SME success, for example (Alimo, 2015; Donkor, 2011). While other studies have focused on single sectors such as textile industry, there is no study yet on a cross-section of SMEs and inter-sectoral comparisons to identify whether differences and similarities exist in as far as the issues this study seeks to investigate are concerned. Since SMEs in the various sectors are different by their nature and therefore factors that drive their growth may also differ, it will be relevant to have a study that looks at intersectoral similarities and differences because that will better inform policy decisions right from the micro to the macro level in a much better fashion so that it would not be a "one size fits all" so that factors that will suit the manufacturing industry are not applied to the services industry or other sectors within the economy. This study will help determine whether there are differences in the various sectors in terms of their success factors and challenges they face. Those that researched various sectors also were regional studies which were limited in terms of sample size and scope. The growth rates of firms in different sectors vary, and this could be as a result of the inherent differences in the various sectors since factors that drive their growth, as well as available incentives, may differ. This study will help determine whether the researcher can generalise these findings across the country. This study goes beyond one region but uses two regions in Ghana to give a better representation of the country as a whole.

1.1 Research focus

The aim of this study is to identify the success factors of the various SME sectors to encourage SME growth. The researcher established the research questions below to direct this research:
1. What are the factors of SME success per existing literature?
2. What are the key success factors for the various SME sectors?
3. What are the similarities and differences in these sectoral success factors?

The overall value of this research is to contribute to the existing literature on inter-sectoral SME success factors. This will be useful to government, financial institutions, and policy makers provide the needed support to both new and existing SMEs as well as generate motivational strategies for SMEs success.

A study of this nature is vital to the economic development of a nation. This study is going to enlighten the SMEs in the various sectors on the factors needed for their growth and survival.

2. Literature Review

This section evaluates previous research to provide the necessary background for this study. It starts with definition of key concepts (growth and success). Further, the theoretical and empirical literature on SMEs are reviewed. This study reviewed some articles from different academic journals, and it discovered different variables or factors that influence or affect firm success either positively or negatively. Lastly, it outlines a compilation of hypotheses based on the empirical literature review of the study.

2.1 Growth Defined

Small businesses at their initial stage of production or operation usually produce or operate at a pace that is below what their industry expects from them. The failure of to operate at a rate that is the bare most minimum expected of their industry will put them at risk of winding up due to an unfair disadvantage they get from larger firms enjoying economies of scale and scope. Many small businesses can achieve the minimum level of efficiency through selling to target and uncompetitive markets. Growth, as explained by (Penrose,1959), means an incremental change in objects that are quantifiable. Delmar, et al. (2003) suggests a researcher has a wide range of measurement options when deciding on an indicator of growth, such as assets, profit, sales, and employment.

2.2 Success Defined

(Foley & Green, 1989) Suggests that success relates to the performance of a firm from a financial standpoint, but success can also be interpreted in diverse ways. Perren (2000) also affirms this notion that some researchers define success based on the tangible nature of what is being measured, such as revenue, growth, and profitability. When it comes to the definition of success (Perez & Caninno, 2009) explain that there is no single definition or consistency from researchers. Performance for (Sandberg et al., 2002) is the ability to commence a business, make it grow and survive as well as generating jobs and income from the business. The performance of a firm is significantly affected by macroeconomic factors(Hawawini et al., 2003).

2.3 Theoretical Perspective

To give a better understanding about firm growth, the three models (stochastic model, human capital model, and the learning-by-doing model) of small firm growth as suggested by Brock and Evans (1986) will be discussed in this section.

Stochastic Model
In this model, the likelihood of a the growth of a firm is dependent on sheer chance, and the distribution of firm sizes in an industry portray these processes. The Stochastic Model is in line with the Law of Proportionate Effects first opined in 1931 by Gibrat which suggests that the anticipated rate of growth of a firm is independent of the initial size of the firm during the time when examination occurred. In O'Farrell and Hitchens' description of the stochastic growth model in (1988), explain that there are three components (constant market growth rate, the potential for firm growth to have a relationship with its initial size and a random term for growth) which sum up firm growth and these.

Human Capital Model
This model was first developed by Lucas (1978). He asserted that an entrepreneur's ability to succeed in business is dependent on some business or management ability the owner-manager possesses. He further suggested that workers have different skills and so consequently, the distribution of firm size is dependent on the talents and skills of entrepreneurs and employees. Human capital is paramount to the firm's internal environment because the personal characteristics of the owner-manager can be found in this internal environment (Gibb and Scott,

1985). Factors such as the age of the owner, attitude towards growth, occupational background, education level attained, and training have been known to affect firm growth (O'Farrell and Hitchens, 1988).

Learning Model

This model was conceived by Jovanovic (1982) and suggests that it is only after a firm has started producing that its efficiency can be ascertained and a firm will have to alter its behaviour to be highly efficient. Firms that enhance their ability will expand, while firms that fail to improve on their abilities tend to shrink or wind up (Liedholm and Mead, 1999; Storey, 1994). This model implies that both firm age and size are key for firm dynamics. It predicts that the relationship between a firm's growth rate and its age and size is inversely proportional(Liedholm and Mead, 1999). The learning model, therefore, combines the major components of both the stochastic and human capital model, as discussed above.

2.3 Empirical Review-Objective 1

In this section, the researcher explores what factors are needed for SME growth.

Demographic Factors

Male owned firms exceed female-owned firms with a high failure rate for female-owned firms (Kantor, 2001; Chell, 2001). Owner characteristics like gender, age, education, experience, and managerial skills are critical for SME success (Lampadarios et al., 2017). Martey et al. (2013) posit that the age, marital status, and education of entrepreneur have positive impacts on performance.

Training and Number of Employees

Lim (2004) postulates that businesses that invested in training programs for their employees had better performance as a result of the training. Thus training is positively correlated with SME growth. Zindiye et al. (2008), in their study in Zimbabwe, discovered that unavailability of skilled workers results in unsatisfactory SME performance.

Location and Business Plan

Sulemana (2014), proves in his study that, there is a positive relationship between ME size and location. Sefiani (2013), also in consonance, posits that SME success is significantly influenced by its location. Researchers, for example, (Hove and Tarisai,2013; Uddin and Bose,2013) posit that having a business plan influences SME performance significantly.

Leverage and Cost Control

Abor (2007), in his study comparing Ghana and South Africa, discovers that the capital structure of a business, especially if funded by long term debts, has a negative impact on SME performance. (Asikhia and Rensburg 2015; Martey et al. , 2013) reveal that cost incurred by SMEs in running their business, significantly impacts on its performance.

Information Communication Technology (ICT)

Technological improvements enhance the efficiency of a business and consequesntly, its profits (Drucker,1985). As revealed by (Morse et al., 2007; Lee, 2001), technology advancements will lead to efficiency and greater market share.

Access to Finance and Interest Rate

Aminu and Shariff (2015) discovered that access to finance affects firm performance. In a study by Samuelson (1945), he discovered that an increase in interest rate affects borrowers without affecting the bank's performance. Borrowers have no option than to accept the impact of the high-interest rate. Khawaja and Musleh (2007), reports that when interest rates increase, it results in depression of the borrowers. The banks capitalise on high returns from lending at high-interest rates to borrowers while paying out lower returns on depositors' investment and savings. Thereby discouraging depositors and borrowers alike.

Infrastructure and Government Support
As noted by (Abdullahi et al., 2015), infrastructure has a positive relationship with SME performance. Mohd et al. (2010) reveal that government policy is an active participant in moderating the relationship between entrepreneurship and SME performance. Chong (2012) confirms government support as one of the critical success factors of SMEs.

Inflation and Taxes
There is inflation, which refers to a rise in the overall level of prices, and it influences growth significantly (Bozkurt,2014). Sergii (2009) posits that the relationship between lower inflation rates and growth rate is a positive one while a negative relationship exists between higher inflation levels and growth. According to (Widmalm, 2001), revenue generated from income taxes influences the economic growth of OECD countries negatively. More complicated findings concerning the impact of taxation on growth have been discovered by (Arnold, 2008). His analysis revealed that economic growth occurs at a smaller pace from revenue from income taxes and a faster pace when revenue is from consumption tax and property tax.

2.4 Hypotheses of the study

Following the empirical review, nineteen (19) hypotheses are developed. These hypotheses employ the factors from the literature review. Table 1 shows the hypotheses that were proposed.

Table 1: Hypotheses of the study

Hypotheses: There is a significant relationship between	**CODE**
H01: gender of entrepreneur and SME success.	GEN
H02 : age of entrepreneur and SME success.	AGE
H03: marital status of entrepreneur and SME success.	MAR
H04: education of entrepreneur and SME success.	EDU
H05: previous work experience and SME success.	WKEX
H06: family business and SME success.	FAM
H07: training and SME success.	TRAIN
H08: firm location and SME success.	LOC
H09: number of employees and SME success.	EMP
H10: leverage and SME success.	LEV
H11: cost control and SME success	CTRL
H12: business plan and SME success.	BPLN
H13: information communication technology and success	ICT
H14: access to finance and SME success	FIN
H15: interest rate and SME success.	INTR
H16: tax and SME success	TAX
H17: infrastructure and SME success.	INFRA
H18: government support and SME success.	GOV
H19: inflation and SME success.	INFLA

Source: Author's empirical review of literature, (2019)

3. Methodology

The study began with an in-depth review of existing studies. Paper survey questionnaires were administered to SMEs using convenience sampling method to collect data from owners of SMEs located in Kumasi and Tamale in the Ashanti and Northern Regions of Ghana, respectively.

3.1 Research Strategy, Research Sample, Time Horizon and Data Collection

The current paper investigated the key success factors common to four sectors of SMEs.The research strategy serves as a guide for conducting a research in any field (Marshall and Rossman, 2010). The researcher has the

option of choosing one or more research strategies such as survey, experiment, and case studies if time and resources will permit (Saunders et al.,2009). Convenience Sampling which entails choosing subjects in no particular sequence and repeating the process until the target sample had been obtained for the study. A total of 600 questionnaires were obtained since the drop and collect mode of data collection was employed. This data collection was held from May to July of 2019. Descriptive analysis was employed in analyzing the data, and there was an application of multinomial regression to test the hypothesis for validation or rejection. The cross-sectional study involves studying a particular phenomenon within a certain period. Time horizons on this study did not allow the researcher to conduct a longitudinal study which has the ability to study change and development over a time period (Saunders et al., 2009). These studies usually adopt the survey approach (Robson, 2002). This study seeks to explain how factors are different or similar in various sectors with respect to SME success.

3.2 Justification for Selected Sectors

The Ghana Banking Survey (GBS, 2016) identified that in Ghana, the services sector, such as restaurants, hotels, business, and transport, form the majority of SMEs. The industry part includes electricity, water, and sewerage, mining, manufacturing, and construction. The services sector remains the largest in terms of contribution to GDP with a GDP increase from (51.95%) in 2014 to (54.4%) in 2015; Industry (25.3%) and agriculture (20.3%) by year-end 2015 (GBS, 2016). Generally, the GDP growth rate has fallen consistently from (9.3%) in 2012 to (3.9%) in 2015(GBS, 2016). Infrastructural and capital investment by government instead of consumption and the energy crisis saga resulted in a fall of GDP over the last few years (GBS, 2016) There is no study yet on a cross-section of SMEs and inter-sectoral comparisons to identify whether differences and similarities exist in as far as the issues this study seeks to investigate are concerned. The selected sectors involved in the study include Agriculture, Manufacturing, and Service sector comprising Hospitality and Trade industries due to their contribution to the nation's GDP. Since SMEs in the various sectors are different by their nature and therefore factors that drive their growth may also differ, it is relevant to have a study that looks at inter-sectoral similarities and differences because that will better inform policy decisions right from the micro to the macro level in a much better fashion so that it would not be a "one size fits all" so that factors that will suit the agriculture industry are not applied to the manufacturing industry or other sectors within the economy.

4. Results and Discussion

4.1 Respondent characteristics

From Table 2, it can be seen that the agriculture (73.33%) and manufacturing (90.67%) sectors are dominated by men while the hospitality (60.67%) and trading (58.00%) sectors are dominated by women. The greater percentage of entrepreneurs in the agriculture and hospitality sectors are in the age bracket of (45-55 years) while entrepreneurs in the age bracket of (30-44 years) dominate the manufacturing and trading sectors. With the exception of the trading sector, more than 50% of entrepreneurs in the remaining three sectors are married. The greater percentage of all entrepreneurs in this study had their education to the Secondary school level, which is equivalent to Senior High School in other countries. Having previous work experience is also a common feature of the majority of the entrepreneurs in all the sectors. A total of (56.67%) manufacturers and (58.67%) traders descend from a family of entrepreneurs, but the reverse can be said for entrepreneurs in agriculture (50.67%) and hospitality (57.33%) sectors.

More than half of the businesses in agriculture, manufacturing, and trading employ between (1-5) people while (84.00%) of businesses in hospitality sectors employ between (6-29) people. The upper tier of turnover (>GHC500,000) is dominated by (8.67%) traders compared to (2.00%) of businesses in the agriculture sector. The lower tier (< GHC100,000) is dominated by all the four sectors;(90.67%, of agriculture businesses, 70.00% of hospitality businesses, 62.00% of manufacturing businesses and 66.00% trading businesses). About (8.00%) of businesses in both the hospitality and trading sectors employ the highest leverage of (> GHC100,000) compared to (4.00%) of agriculture businesses and (6.00%) of manufacturing sectors. More than half of

businesses (56.00% agriculture and 50.67% trading) admit to not having a business plan, however, (77.33%) of hospitality businesses and (68.67%) of manufacturing businesses have a business plan.

Table 2: Respondent Characteristics

Factor	AGRIC		HOSPITALITY		MANUFACTURING		TRADING	
	Count	%	Count	%	Count	%	Count	%
Gender								
Male	110	73.33	59	39.33	136	90.67	63	42.00
								58.00
Female	40	26.67	91	60.67	14	9.33	87	
Age								
<30	37	24.67	10	6.67	23	15.33	29	19.33
30-44	38	25.33	63	42.00	71	47.33	71	47.33
45-55	66	44.00	69	46.00	47	31.33	34	22.67
>55	9	6.00	8	5.33	9	6.00	16	10.67
Marital								
Single	56	37.33	60	40.00	55	36.67	93	62.00
Married	94	62.67	90	60.00	95	63.33	57	38.00
Education								
Primary	40	26.67	26	17.33	33	22.00	25	16.67
Secondary	71	47.33	76	50.67	79	52.67	77	51.33
Tertiary	6	4.00	18	12.00	9	6.00	30	20.00
None	33	22.00	30	20.00	29	19.33	18	12.00
Experience								
Yes	83	55.33	106	70.67	83	55.33	87	58.00
No	67	44.67	44	29.33%	67	44.67	63	42.00
Family Background								
Yes	74	49.33	64	42.67	85	56.67	88	58.67
No	76	50.67	86	57.33	65	43.33	62	41.33
Training								
Yes	138	92.00	95	63.33	143	95.33	137	91.33
No	12	8.00	55	36.67	7	4.67	13	8.67
Employee number								
1-5	105	70.00	24	16.00	99	66.00	137	91.33
6-29	45	30.00	126	84.00	51	34.00	13	8.67
Turnover								
<100K	136	90.67	105	70.00	93	62.00	99	66.00
100-500K	11	7.33	40	26.67	51	34.00	38	25.33
>500K	3	2.00	5	3.33	6	4.00	13	8.67
Leverage								
1-50K	54	36.00	47	31.33	54	36.00	44	29.33
51-100K	9	6.00	8	5.33	39	26.00	30	30.00
>100K	6	4.00	12	8.00	9	6.00	12	8.00
0	81	54.00	83	53.33	48	32.00	64	42.67
Business plan								
Yes	66	44.00	116	77.33	103	68.67	74	49.33
No	84	56.00	34	22.67	47	31.33	76	50.67

Source: Author's own analysis (2019)

4.2 Sectoral Key success factors (objective 2)

Table 3 shows that some factors are significant, and these factors in the table validate hypothesis Ha; which says: there are some factors that are considered to be key for SMEs success. Therefore, H0; which posits that there are no key factors for SMEs success in Ghana, is rejected in favour of Ha at 5% level of significance.

	AGRIC		HOSPITALITY		MANUFACTURING		TRADING	
	P	*Status*	*P*	*Status*	*P*	*Status*	*P*	*Status*
Intercept	0.001	Sig	0.046	Sig	0.009	Sig	0	Sig
GEN	0.176	Ns	0.806	Ns	0.593	Ns	0.855	Ns
AGE	0.811	Ns	0.393	Ns	0.545	Ns	0.639	Ns
MAR	0.136	Ns	0.477	Ns	0.594	Ns	0.001	Sig
EDU	0.041	Sig	0.709	Ns	0.011	Sig	0.089	Ns
WKEX	0.401	Ns	0.129	Ns	0.229	Ns	0.025	Sig
FAM	0.007	Sig	0.036	Sig	0.715	Ns	0.119	Ns
LOC	0.016	Sig	0.059	Ns	0.724	Ns	0.929	Ns
TRAIN	0.462	Ns	0.280	Ns	0.346	Ns	0.004	Sig
EMP	0.05	Sig	0.442	Ns	0.045	Sig	0.006	Sig
LEV	0.531	Ns	0.179	Ns	0.012	Sig	0.316	Ns
BPLN	0.033	Ns	0.001	Sig	0.929	Ns	0.051	Ns
CTRL	0.983	Ns	0.012	Sig	0.001	Sig	0.654	Ns
ICT	0.764	Ns	0.679	Ns	0.959	Ns	0.910	Ns
FIN	0.717	Ns	0.001	Sig	0.012	Sig	0.369	Ns
INT	0.177	Ns	0.599	Ns	0.506	Ns	0.399	Ns
TAX	0.497	Ns	0.006	Sig	0.879	Ns	0.262	Ns
INFRA	0.019	Sig	0.995	Ns	0.018	Sig	0.271	Ns
GOV	0	Sig	0.398	Ns	0.917	Ns	0.001	Sig
INFLA	0.245	Ns	0.156	Ns	0.001	Sig	0.675	Ns

Table 3: Significance of Independent Variables
Source: Author's analysis using NCSS19 (Sig =Significant, Ns=Insignificant)

The factors outlined below are eliminated from the significance tests because their p values are greater than 0.05:
Agriculture: gender, age, marital status, work experience, training, leverage, business plan, cost control, ICT, access to finance, interest rate, tax, and inflation.
Hospitality: gender, age, marital status, education, work experience, location, training, number of employees, leverage, ICT, interest rate, infrastructure, government support, and inflation.
Manufacturing: gender, age, marital status, work experience, family background, location, training, business plan, ICT, interest rate, and government support.
Trading: gender, age, education, family background, location, leverage, business plan, cost control, ICT, access to finance, interest rate, tax, infrastructure, and inflation.

Analysis of the Impact of Factors on the SME sectors
The more the T-statistic exceeds zero, the greater its impact on success rate.

Table 4: Impact of Success Factors

AGRIC			**HOSPITALITY**			**MANUFACTURING**			**TRADING**		
Factor	**T**	**Rank**	*Factor*	**T**	**Rank**	*Factor*	**T**	**Rank**	*Factor*	**T**	**Rank**
FAM	2.75	1st	TAX	2.79	1st	EDU	2.61	1st	EMP	2.79	1st
EMP	1.98	2nd	FAM	-2.12	2nd	FIN	2.56	2nd	EXP	-2.27	2nd
EDU	-2.06	3rd	CTR	-2.56	3rd	EMP	2.02	3rd	TRAIN	-2.93	3rd
LOC	-2.44	4th	BPL	-3.69	4th	INFR	-2.39	4th	MAR	-3.37	4th
INFRA	-2.36	5th	FIN	-3.91	5th	LEV	-2.54	5th	GOV	-3.96	5th
GOV	-4.79	6th				INFLA	-3.71	6th			
						CTRL	-3.87	7th			

Source: Author's analysis using NCSS19

The most important factors, according to T-statistic ranking from Table 4, are outlined below:

Agriculture: family background, number of employees, education, location, infrastructure, and government support.

Hospitality: tax, family background, cost control, business plan, and access to finance.

Manufacturing: education, access to finance, number of employees, infrastructure, leverage, inflation, and cost control.

Trading: number of employees, work experience, training, marital status, and government support.

In the model Y represents the Success (Turnover) variable, 'a' represents a constant while b_1, b_2, b_3 ….b_z are regression coefficients.

Regression model

Y (Agriculture) = $a + b_1 FAM + b_2 EMP + b_3 EDU + b_4 LOC + b_5 INFRA + b_6 GOV$

Y (Hospitality) = $a + b_1 TAX + b_2 FAM + b_3 CTRL + b_4 BPLN + b_5 FIN$

Y (Manufacturing) = $a + b_1 EDU + b_2 FIN + b_3 EMP + b_4 INFR + b_5 LEV + b_6 INFL + b_7 CTRL$

Y (Trading) = $a + b_1 EMP + b_2 EXP + b_3 TRAIN + b_4 MAR + b_5 GOV$

4.3 Discussion

The findings reveal that there are no common factors that affect all four sectors. However, number of employees affect three sectors, namely: agriculture, manufacturing, and trading sectors. Infrastructure and education affect the agriculture and manufacturing sectors. Adequate infrastructure will enhance farm productivity, and this will consequently result in the expansion of the agriculture sector and the economy as a whole. Cost control and access to finance affect both the hospitality and manufacturing sectors. An entrepreneur's family background affects the agriculture and hospitality sectors, while government support affects the agriculture and trading sectors. Some factors are peculiar to specific factors, for example, location which affects only the agriculture sector. The hospitality sector is also affected by tax and business plan. There is a lot of risks when starting a business from the ground-up. A business plan will assist the hospitality entrepreneur to envision, prepare, and identify risks before he or she decides to pump investments into the business. This detailed research of a business plan will aid in decision making after necessary evaluations have been made. Leverage and inflation affect the manufacturing sector. This is in consonance with (Modebe and Ezeaku, 2016) when they postulated that inflation and interest rate have a negative and non-significant effect on manufacturing sector growth. The trading sector is affected by work experience, training, and marital status of entrepreneurs. Entrepreneurs who are married seem to perform poorer than entrepreneurs who are single. This is as a result of the divided time and effort between running a family and running a business. Entrepreneurs who have received training in their field of trade made greater impacts at their business, thereby achieving more.

5. Conclusion and Recommendations

The aim of this study is to identify key success factors for various sectors of SMEs to encourage SME growth. The findings reveal that SMEs do not require many factors to be successful but just a combination of certain factors, no matter the sector they are in. For the a**griculture sector, o**nly six **key** factors (family background, number of employees, education, location, infrastructure, government support) are needed for SME success. For the h**ospitality sector, five key factors (**tax, family background, cost control, business plan, access to finance) are needed for success. For the m**anufacturing sector, seven key factors** (education, access to finance, number of employees, infrastructure, leverage, inflation, cost control) are needed for success. For the t**rading sector, five key factors (**number of employees, work experience, training, marital status, government support) are needed for success. Informed by the findings of the study, the author makes the following recommendations.

5.1 Recommendations for policymakers

The tax rates on businesses must be affordable to enable businesses in all sectors to have a desire to pay and thereby reduce tax evasion rate. There is a need to support the spread of financial institutions that cater to specific sectors of the industry. Policies that will enhance the competitiveness of the financial sector could make lenders less stringent in their requirements and hence make it easier for businesses to obtain credit. Government has, over the past decade, multiplied efforts to process cocoa beans locally. Enhanced technological equipment can help improve the efficiency and productivity of the agricultural sector. Government can incite the manufacturing sector through infrastructure and credit facilities to produce more to meet domestic and foreign demands which will also in the long term, minimise inflation and appreciate the domestic currency against foreign currencies. The government should incorporate sector analysis and opinions into SME policies for the promotion of sector equality and identification of obstacles.

5.2 Recommendations for specific sectors

Agricultural Sector

SMEs in the agriculture sector should endeavour to train their offspring who have a passion for business, especially in their field since the success rates for such potential entrepreneurs is high. Potential farmers should get an education before venturing into agriculture business, and they should not make agriculture business the business of last resort that every potential entrepreneur can substitute education for. Existing and new farmers should update themselves, especially those who lack high-level education, should update themselves from time to time on technology and machinery that can make their work effective and efficient. Farmers should assess a location before deciding to establish their agriculture business there. As much as possible, farmers should employ as many people as possible to increase productivity and profitability.

Hospitality Sector

SMEs must do their necessary background checks to gain accurate and adequate information on the hospitality business before they venture into it. They should also research on location, branding, and product or service diversification in order to gain full control over the business. Existing and potential SMEs who cannot draw up a business plan can employ consultants to develop one for them. The ability to control cost in this sector is something that entrepreneurs need to have if they are to survive and grow in this sector.

Manufacturing Sector

SMEs in the manufacturing sector should also learn either through self-discipline or workshops on how to control cost as some expenses can be avoided in order to increase their net profits and consequently, their business net-worth. They should also update themselves regularly on new methods of doing things. Having employees in their numbers is also a plus for businesses in this sector. Manufacturers should look for diverse ways of assessing external finance to serve as leverage for the business and give them a competitive edge.

Trading Sector

SMEs in the trading sector should gain experience if they are to venture into the trading sector. The number of employees, too, can be an asset for the business. Research on finance institutions that provide affordable interest rates so that they do not spend all their profits on servicing loans. Entrepreneurs should spend time in workshops getting the needed training for themselves and their employees in order to operate effectively and efficiently. Potential entrepreneurs looking to be part of the trading sector as well as existing traders should find a way to balance their married life and work-life so that one does not suffer at the expense of the other.

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