



ENTREPRENEURIAL MANAGEMENT AS A PREDICTOR OF BUSINESS PERFORMANCE IN THE GREATER ACCRA REGION, GHANA

Nicholas Kofi Nti

*Department of Management and General Studies, Christian Service University College, Ghana
e-mail: ntinicholasn@aol.com*

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ABSTRACT

Objective: This study used the Behavioural theory of entrepreneurship as the theoretical foundation, and correlation research design to examine the impact of the entrepreneurial management practices (strategic orientation, resource orientation, management structure, reward philosophy, growth orientation, and entrepreneurial culture) on business performance in Ghana. **Research Design & Methods:** 500 businesses in the Greater Accra Region were selected for the data analysis. Descriptive statistics and hierarchical multiple regression were used to analyse the data. **Findings:** After controlling the business profile, the result showed that four out of the six entrepreneurial management practices – resource orientation, strategic orientation, reward philosophy, and entrepreneurial culture significantly predicted business performance. However, growth orientation and management structure did not. **Implications & Recommendations:** The study concludes that entrepreneurial management practices improve business performance in Ghana. The researcher recommends that approaching the study with a mixed-method will help provide a holistic understanding of the management decision-making of the entrepreneurs and its impact on their business performance. **Contribution & Value Added:** This study contributes to the entrepreneurial management literature in Ghana.

Keywords: business performance; entrepreneurial management; Ghana.

JEL codes: L1, M2, M21

Article type: research paper

INTRODUCTION

Entrepreneurship research developed along with two schools of thought– the economic approach to entrepreneurship (Kabir et al., 2012; Phoummasak et al., 2014) and the personal characteristics approach of the entrepreneur (Alhassan et al., 2016; Ernest et al., 2015; Essel et al., 2019; Gupta & Muita, 2013). The economic approach examines the imperative role entrepreneurs play in economic development. Entrepreneurship serves as an engine of job creation; fosters innovation and contributes to the Gross Domestic Product (GDP) of an economy (Adom, 2015; Alhassan et al., 2016; Ernest et al., 2015). The increasing interest in research and policy discourse on the impact of entrepreneurship on economic growth influenced psychologists and sociologists to develop an interest in studying the traits which are unique to entrepreneurs and their environment (Austin et al., 2006; Stevenson, 2006). The trait dimension of research was informed by the personality theory of entrepreneurship (Stevenson, 2006; Stevenson & Jarillo, 1990) while the environmental aspect focused on specific structural characteristics that stimulate entrepreneurship in one society relative to others (Alhassan et al., 2016; Ernest et al., 2015; Essel et al., 2019).

Entrepreneurship research in Sub-Saharan Africa has progressed along with the two schools of thought (Essel et al., 2019). For instance, in Ghana, studies have documented the contribution of entrepreneurs to economic development (Adom, 2015; Afriyie & Boohene, 2014; Gyamfi, 2014). Other researchers focused on characteristics and environmental factors that produce successful entrepreneurs in the country (Dzisi, 2008)(Essel et al., 2019)(Ernest et al., 2015). However, both schools of thought have been criticized for offering less value to management decisions of entrepreneurs because they failed to articulate what entrepreneurs do (entrepreneurial management) (Stevenson, 2006).

Entrepreneurship studies from a management point of view will help address management challenges that are considered the major causes of business failure in Ghana (Mensah, 2012; Oppong et al., 2014; Peprah et al., 2016). Management practices increase the competitiveness and performance of entrepreneurial businesses (Basu et al., 2018; Forth & Bryson, 2018; Yang, 2020). Research on what entrepreneurs do will facilitate the transfer of scientific knowledge to management practices (Leal-Rodríguez et al., 2017; Stevenson, 2006). Therefore, this study will use the behavioural theory of entrepreneurship as the pathway to explain the entrepreneurial management practices of Small and Medium Enterprises (SMEs) in Ghana.

Studies have reported the impact of entrepreneurial management practices on business performance (Bruining et al., 2013; Leal-Rodríguez et al., 2017; Steiber & Alänge, 2016). However, almost all the studies come from Western and Asian countries. Hence, there are gaps in the literature regarding how entrepreneurial management practices affect the performance of businesses in the African context. Therefore, this study aimed to fill the lacuna by examining the impact of entrepreneurial management practices on business performance in Ghana. The study addressed this research question. (1) What is the impact of entrepreneurial management practices on business performance in Ghana? This study contributes to the discourse of entrepreneurial management in Sub-Saharan Africa.

LITERATURE REVIEW

Literature Review and Hypotheses Development

Researchers conceptualised management practices from different perspectives, human resource management (Hendry, 2011); strategic management (Donkor, et al., 2018; Jarzabkowski et al., 2013); entrepreneurial management (Steiber & Alänge, 2016); quality management (Fening et al., 2013); and financial management (Zotorvie, 2017). This study conceptualised it as entrepreneurial management based on the Behavioural Theory of Entrepreneurship.

Behavioural Theory of Entrepreneurship and Entrepreneurial Management

The behavioural theory of entrepreneurship focuses on the understanding of what entrepreneurs do and how they manage their businesses for success (Naldi et al., 2015; Stevenson & Jarillo, 1990). The theory posits that entrepreneurship is a cohesive pattern of the decision-making process of management behaviour centered on opportunity exploitation. Thus, entrepreneurship is a management approach to decision-making whereby opportunity is sorted and exploited without focusing on the resources under your control (Boohene et al., 2012; Naldi et al., 2015; Rashid & Mahmood, 2016). The opportunity is any future situation that individuals or organizations believe to be valuable, feasible, and worth exploiting (Stevenson, 2006; Stevenson & Jarillo, 1990). People have different attitudes that make the opportunity a relative concept. What one considers as an opportunity worth exploiting may not be worthy for others because of capability disequilibrium (Naldi et al., 2015; Stevenson & Jarillo, 1990). Businesses engage in opportunity exploitation in their management decisions in the following areas: strategic orientation, resource orientation, growth orientation, management structure, reward philosophy, and entrepreneurial culture (Rashid & Mahmood, 2016; Stevenson, 2006; Stevenson & Jarillo, 1990).

Business is regarded as an entrepreneurial firm if the management's decision-making in the six key business areas is driven and motivated by the opportunity exploration and exploitation behaviours (entrepreneurial behaviours) irrespective of the resources the firm controls (Boohene et al., 2012; Rashid & Mahmood, 2016; Stevenson, 2006). Entrepreneurial behaviours refer to the management's

ability to seize and pursue a business opportunity without regard to their controlled resources. This entrepreneurial behaviour is termed entrepreneurial management (Naldi et al., 2015; Steiber & Alänge, 2016). Entrepreneurial management practice is an approach to management whereby the individuals or businesses pursue opportunities through their strategic orientation, resource orientation, growth orientation, management structure, reward philosophy, and organizational culture without considering the resources they currently controlled (Rashid & Mahmood, 2016; Steiber & Alänge, 2016; Wiklund & Shepherd, 2011). A business is considered more entrepreneurial because of the extent to which its management decision reflects the pursuit of opportunity (Stevenson, 2006). Studies have reported the relationship between the entrepreneurial management variables and business performance (Naldi et al., 2015; Rashid & Mahmood, 2016; Steiber & Alänge, 2016).

Linking Entrepreneurial Management Variables to Business Performance

Strategic orientation is defined as the ability of businesses to search for opportunities in their environment to pursue growth. The entrepreneurs make the opportunity exploration the locus of their managerial and strategic actions without adhering to the resource constraint (Abker et al., 2018; Boohene et al., 2012; Rashid & Mahmood, 2016). Researchers have demonstrated the positive relationship between entrepreneurial strategic orientation and business performance (Rashid & Mahmood, 2016; Steiber & Alänge, 2016). For instance, strategic Orientation significantly predicted the business performance in Pakistan (Hameed & Ali, 2011). Dyduch (2008) also reported a positive correlation between strategic orientation and enterprise performance in Poland. Therefore, hypothesis 1 states:

H1: Strategic orientation significantly affects business performance.

Resource orientation focuses on how the business commits to the resources in its environment. Resources are paramount in management's decision-making in terms of their allocation and usage. Entrepreneurial firms try to minimise their resource ownership and give attention to value creation. The business prefers to rent or use other's resources to add value to its operations (Bradley et al., 2011; Rashid & Mahmood, 2016; Stevenson, 2006). Studies have reported the impact of resource orientation on firm performance (Bradley et al., 2011; Dyduch, 2008). For instance, Bradley et al. (2011) reported that resource orientation improves business performance in Swedish. Rashid & Mahmood (2016) also demonstrated a significant relationship between resource orientation and business performance among entrepreneurial firms in Malaysia. Following this, I state the second hypothesis:

H2: Resource orientation has a significant impact on business performance.

Furthermore, growth orientation is the hub of the entrepreneurial firm. Firms have the desire to grow but the propensity is higher among the entrepreneurial businesses. They consider growth as an essential element for short and long-term survival. This influences the businesses to pursue and exploit any available opportunity (Abker et al., 2018; Kuhn et al., 2010; Rashid & Mahmood, 2016). Research has indicated the relationship between entrepreneurial growth orientation and business performance (Kuhn et al., 2010; Rashid & Mahmood, 2016). For example, a study from Sweden indicated that growth orientation is associated with a higher level of business performance (Bradley et al., 2011). Given these arguments, I state the following hypothesis:

H3: Growth orientation significantly predicts business performance.

Management structure plays a key role in the smooth operation of businesses. An entrepreneurial management structure is organic with multiple informal networks. It facilitates the quick flow of information and decentralises decision-making (Bradley et al., 2011; Kuhn et al., 2010; Rashid & Mahmood, 2016). The relationship between entrepreneurial management structure and business performance has been thoroughly researched (Hameed & Ali, 2011; Rashid & Mahmood, 2016). In Turkey, research recorded a significant relationship between management structure and firm performance (Gürbüz & Aykol, 2009). Similar findings were reported in both Sweden and Pakistan (Bradley et al., 2011; Hameed & Ali, 2011). I therefore state the following hypothesis:

H4: Management structure significantly affects business performance.

The contribution of employees in pursuing opportunities to create value for the firm is the key to the entrepreneurial reward philosophy (Bradley et al., 2011; Kuhn et al., 2010; Stevenson, 2006). Entrepreneurial firms encourage their employees to explore, pursue, and experiment with opportunities that will create value. Employees are rewarded based on their contribution to the value creation in the firm (Kuhn et al., 2010; Rashid & Mahmood, 2016; Stevenson, 2006). Studies have reported findings from different countries such as Turkey, Sweden, and Pakistan to support the impact of entrepreneurial reward philosophy on business performance (Bradley et al., 2011; Dyduch, 2008; Gürbüz & Aykol, 2009). The researcher anticipates a similar finding in Ghana. Hence, hypothesis 5 reads:

H5: Reward philosophy significantly influences business performance.

Finally, organizational culture refers to a pattern of shared assumption, a shared frame of reference, or shared value and norm (Dyduch, 2008; Leal-Rodríguez et al., 2017). It can be considered from the collective perspective of the employees' way of thinking and acting concerning problems and opportunities. Entrepreneurial culture supports the generation and valuation of new ideas. The management implements policies that unleash the creativity of employees. Creative skills are highly valued as the sources of opportunities for new entries (Brown et al., 2001; Kuhn et al., 2010; Leal-Rodríguez et al., 2017). Empirically, studies have demonstrated the association between entrepreneurial culture and business performance (Bradley et al., 2011; Brown et al., 2001). Therefore, hypothesis 6 states:

H6: Entrepreneurial culture significantly predicts the business performance

Figure 1 presents the conceptual framework of this study.

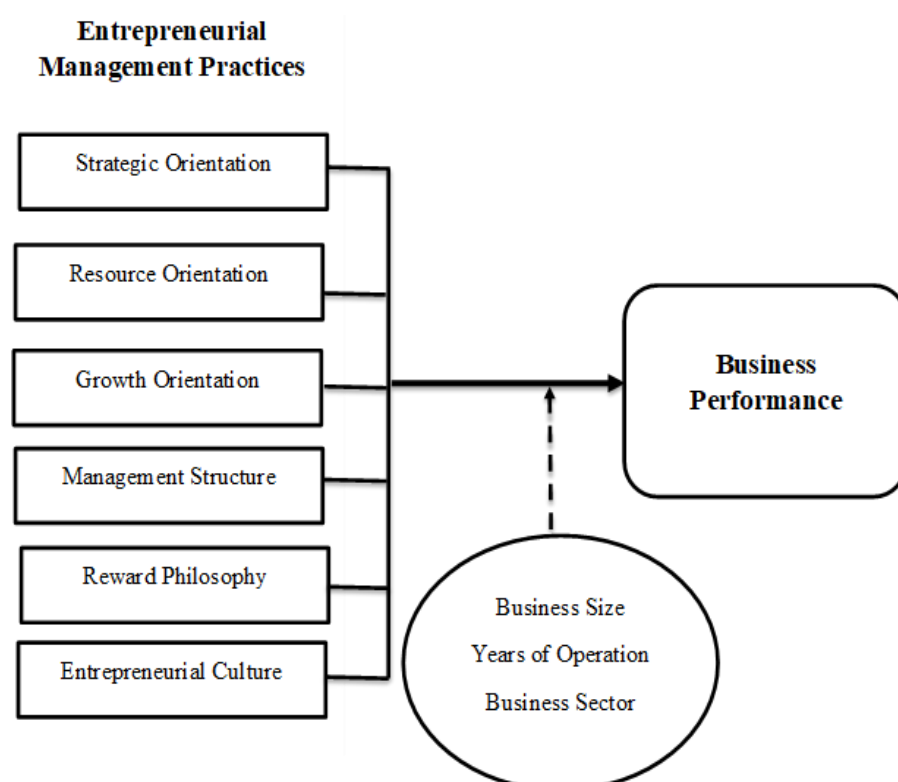


Figure 1. Conceptual Framework of the Study

METHODS

This study utilized a quantitative analysis, specifically, correlational design to assess the relationship between entrepreneurial management practices and the business performance of SMEs in the Greater

Accra Region by controlling the business characteristic. The researcher used survey questionnaires for the data collection. According to Check & Schutt (2012), a survey is defined as a collection of data from individuals through responses to questions. It is widely used for both qualitative and quantitative studies (Easterby-Smith et al., 2015). Research on entrepreneurial management practices and business performance (e.g., Bradley et al., 2011; Rashid & Mahmood, 2016; Steiber & Alänge, 2016) has utilized a survey for the data collection. Empirical studies have demonstrated that survey questionnaires assist researchers to obtain information from large sample sizes to investigate the phenomenon. The field of humanities and social sciences frequently uses surveys for data collection (Check & Schutt, 2012; Ponto, 2015).

Population and Sample

The study was conducted in the Greater Accra Region. The region is considered the economic nerve centre of Ghana (Donkor, Donkor, & Kwarteng, 2018; Nyarku & Oduro, 2018; Quaye & Mensah, 2019). Data from the Ghana Business Directory (May 15, 2020) shows that more than 50% of the 45,702 registered businesses in the database are found in the Greater Accra region. 84.4% of the businesses in the Greater Accra Region belong to the service sector; 15.4% from the industry sector, and the remaining 0.2% from the agricultural sector (Ghana Statistical Service, 2017). Therefore, the region offers greater representation for this study as a research setting.

Stratified sampling was used to select 550 registered businesses from the Ghana Business Directory database as the respondents for the study. The businesses were grouped into three homogeneous strata - service, industry, and agricultural sectors and the samples were drawn from each stratum. The researcher reached out to the selected businesses through phone calls and visits; discussed the objective of the study and secured their verbal consent before administering the questionnaires to them. Follow-ups were made after a week and another after three weeks. A total of 500 questionnaires were retrieved and processed for analysis. Stevens (1996) argued that for multivariate analysis, the researcher must at least have fifteen (15) participants per predictor. Therefore, 500 respondents accepted for the study is justifiable.

Instruments

The survey questionnaire used for this study is composed of three parts. The first part was the entrepreneurial management instrument developed by Brown et al. (2001). The Scale is a 10-point semantic differential rating scale, with “1” representing the lowest propensity towards entrepreneurial behaviour and “10” representing the highest (Brown et al., 2001; Rashid & Mahmood, 2016). The 10-point scale provides greater precision in the ordinary least square data analysis which warrants its usage in the humanity and social science research (Dawes, 2008). The scale of Brown et al. (2001) used six variables to test the propensity of the business towards entrepreneurial or administrative behaviour: strategic orientation, resource orientation, management structure, reward philosophy, growth orientation, and entrepreneurial culture. Previous research (i.e., Gürbüz & Aykol, 2009; Majid et al., 2011; Rashid & Mahmood, 2016) adopted the instrument to study the entrepreneurial management practices of businesses from different countries.

Part two of the instrument assessed business performance. Part three of the instrument is composed of the business characteristics – years of operations, the number of employees, and the sector of operations.

Data analysis

Frequencies and percentages were used to analyse the business characteristics. Then descriptive characteristics (means and standard deviations) were used to estimate participants' scores on entrepreneurial management practices and business performance. Hierarchical multiple regression was then used to test the hypothesis. A two-step hierarchical multiple regression model was estimated in which the effects of the business characteristics (i.e., the number of employees, years of operation, and sector of operation) were estimated and controlled for at step 1. In controlling for these variables, the number of employees and years of operation were kept as continuous variables while the sector of

operation (which was a categorical variable) was dummy coded (service = 1, industry = 0, agribusiness = 0). The six dimensions of entrepreneurial management were then entered into the model in step 2, to assess their unique effect on business performance after the controlled variables. The SPSS software was employed for the data analysis.

FINDINGS

Background characteristics of the businesses

The data showed that businesses with 6–29 employees accounted for the majority (73%), and the remaining (27%) had 30–99 employees. According to the definition of the National Board for Small Scale Industries (NBSSI) in Ghana, the businesses that employ 6–29 people are considered small enterprises while those with 30–99 employees are medium enterprises (Mensah, 2012; Oppong et al., 2014). Therefore, for discussion, small businesses (enterprises) will be used to represent entrepreneurial firms that employ 6–29 people while medium businesses (enterprises) for entrepreneurial firms with 30–99 employees.

Furthermore, most of the businesses have operated for 3–5 years (59%); followed by 6–9 years (26%), and (15%) are 10 years and above respectively. More than half of businesses operate in the Service Sector (52%); followed by the Industrial Sector (28%), and the least are in the Agricultural Sector (20%). Table 1 presents the frequency distribution of the characteristics of the businesses.

Table 1. Frequency Distribution of the Characteristics of the Businesses (N = 500)

Characteristics of the Businesses	Frequency	Percentage (%)
<i>Business Size</i>		
Small Enterprises (6–29 employees)	365	73
Medium Enterprises (30–99 employees)	135	27
<i>Years of Business Existence</i>		
3–5 years	295	59
6–9 years	130	26
10 years and above	75	15
<i>Business Activities (Sector)</i>		
Service Sector	260	52
Industry Sector	140	28
Agricultural Sector	100	20

Source: Author's field activities

Entrepreneurial Management and business performance of the SMEs

The results of the model testing are provided in Table 2. The overall model was found to be significant [$F(9, 490) = 66.36, p < .001$], accounting for 75.7% variance ($R^2 = .757$) in the SMEs' business performance. At step 1, the control variables together, significantly predicted business performance among the SMEs [$F(3, 496) = 12.156, p < .001$], accounting for 15.6% variance ($R^2 = .156$). As shown in Table 2, two SME characteristics (i.e., number of employees and years of operation) caused a significant effect. Specifically, the number of employees was negatively associated with business performance ($t = -4.511, p < .001$). A one standard deviation increases in the number of employees was significantly associated with a .296 standard deviation decrease in business performance ($\beta = -.296$). Years of operation on the other hand were positively associated with business performance ($t = 4.007, p < .001$). A one standard deviation increases in years of operation was significantly associated with a .268 standard deviation increase in business performance ($\beta = .268$).

At step 2, entrepreneurial management significantly predicted business performance among the SMEs [$\Delta F(6, 493) = 79.086, p < .001$], accounting for additional 60.1% variance ($\Delta R^2 = .601$) in the SMEs' business performance. As shown on Table 2, 4 out of the 6 dimensions of entrepreneurial management (i.e., strategic orientation, resource orientation, reward philosophy and entrepreneurial culture) significantly predicted business performance among the SMEs. Specifically, business performance was significantly improved by resource orientation ($\beta = .564, t = 7.638, p < .001$), strategic orientation

($\beta = .103$, $t = 2.049$, $p < .05$), reward philosophy ($\beta = .095$, $t = 2.354$, $p < .05$) and entrepreneurial culture ($\beta = .180$, $t = 2.002$, $p < .02$). Table 2 presents the results of entrepreneurial management as predictors of business performance.

Table 2. Entrepreneurial Management as Predictors of Business Performance

Step		B	SE	B	T	P-value
1	Number of employees	-8.373	1.856	-.296	-4.511	.000
	Years of operation	4.494	1.122	.268	4.007	.000
	Sector (Service)	.627	1.674	.025	.375	.708
2	Resource Orientation	.661	.086	.564	7.638	.000
	Strategic Orientation	.148	.072	.103	2.049	.042
	Reward Philosophy	.157	.067	.095	2.354	.020
	Management Structure	.064	.057	.058	1.124	.262
	Growth Orientation	-.074	.180	-.032	-.411	.681
	Entrepreneurial Culture	.305	.152	.180	2.002	.047
Step 1:	$R^2 = .156$,	$F(3, 496) = 12.156$,		$p < .001$		
Step 2:	$R^2 = .757$,	$F(9, 490) = 66.364$,		$p < .001$		
	$\Delta R^2 = .601$,	$\Delta F(6, 493) = 79.086$,		$p < .001$		

Source: Author's field activities

The findings support the hypotheses H_1 , H_2 , H_5 , and H_6 : *strategic orientation, resource orientation, reward philosophy, and entrepreneurial culture significantly predicted the SMEs' business performance*. Comparing their beta values (β) on Table 2, resource orientation had the highest significant impact, with 56.4% increased variance ($\beta = .564$), followed by entrepreneurial culture with 18.0% increased variance ($\beta = .180$), then strategic orientation with 10.3% increased variance ($\beta = .103$), and then reward philosophy, with 9.5% increased variance ($\beta = .095$), in business performance. However, hypotheses H_4 and H_5 were not supported. Management structure and growth orientation did not significantly predict SMEs' business performance.

DISCUSSION

The study examined how six dimensions of entrepreneurial management practices (strategic orientation, resource orientation, growth orientation, reward philosophy, management structure, and organizational culture) predicted business performance in the Greater Accra Region, Ghana, after controlling for business characteristics. The findings showed that two controlled variables had a significant impact on business performance in Ghana. Specifically, years of operation had a positive impact while the number of employees had a negative on business performance. The findings confirm earlier studies to the effect that the performance of the small enterprises decreases due to the increase in the number of employees which places an additional burden on their labour costs (Amoroso, 2015).

In terms of entrepreneurial management practices – strategic orientation, resource orientation, reward philosophy, and entrepreneurial culture significantly predicted business performance but management structure and growth orientation did not. The findings support hypotheses 1, 2, 5, and 6 but not hypotheses 3 and 4. This shows that Ghanaian businesses that adopt entrepreneurial strategic orientation, resource orientation, reward philosophy, and entrepreneurial culture practices improve their business performance as compared to their peers in the country.

The conceptualisation of resource orientation as a predictor of performance (Stevenson, 2006) runs counter to Barney (1991) resource-based view that asserts that an organization's competitive advantage depends on the resources at hand (Naldi et al., 2015). The finding demonstrates that in Ghana, business performance does not depend on controlled resources but rather on the pursuit of opportunity. The scarcity of resources should not hinder business performance (Stevenson, 2006). This can be explained by the motivational factor that influences people to go into entrepreneurship in Ghana and other African countries. Most people considered entrepreneurship a necessity for their survival. Therefore, their business performance is considered a "survivalist performance" relative to the growth and expansion of the businesses (Amoa-Gyarteng et al., 2014; Atiase & Dzansi, 2019). The concept of performance focuses on the survival of the business rather than business expansion or

growth. Hence, the significant relationship between resource orientation and business performance as compared to growth orientation and business performance revealed no significance.

The impact of the reward philosophy on business performance in Ghana supports the presumption of cultural collectivism in Sub-Saharan Africa. This concept underscores the communal responsibility embedded in African culture and advocates for teamwork. Stevenson's concept of reward philosophy emphasises rewarding the value creation which is team-oriented as opposed to seniority and hierarchical promotion (Naldi et al., 2015). Businesses in Ghana adopting this reward philosophy stems from the African culture that stresses communal responsibility as expressed in Ubuntu philosophy (Lefa, 2015).

Stevenson conceptualized entrepreneurial culture as creating a business environment whereby the employee is empowered to decide and explore opportunity and innovation. This environment provides tremendous transformation for the firm to transition from entrepreneurial led to entrepreneurial as a firm-level characteristic (Miller, 1993; Naldi et al., 2015). Entrepreneurial culture and business performance in Ghana are explicable linked together as demonstrated by the findings because the environment promotes trust; provides a support system, and rewards value creation. These attributes are embedded in the Ghanaian Culture (Brenyah & Obuobisa-Darko, 2017). A supportive and trusting environment facilitates employee engagement (Brenyah & Obuobisa-Darko, 2017; Macey & Schneider, 2008). Thereby, enhancing the performance of the individual and the organization (Alfes et al., 2013; Anitha, 2014; Brenyah & Obuobisa-Darko, 2017).

Finally, Stevenson argued that the strategic orientation of the business should focus on opportunity exploitation within the environment to pursue growth and expansion (Naldi et al., 2015). However, the finding demonstrates that the strategic orientation of businesses in Ghana is for the survival of their business. This reveals that Stevenson limited the motivation that makes businesses explore an opportunity in the environment. Businesses in Sub-Saharan Africa, specifically, Ghana explore the opportunity that will help their businesses survive (Amoa-Gyarteng et al., 2014; Atiase & Dzansi, 2019). Strategic orientation, therefore, can support both the survival and growth of the business.

The findings support similar studies from other countries (Abker et al., 2018; Bruining et al., 2013; Dyduch, 2008; Lee-Ross & Lashley, 2009; Majid et al., 2008; Rashid & Mahmood, 2016). This demonstrates that businesses in Ghana share characteristics with their peers from other parts of the world in the areas of resource orientation, strategic orientation, reward philosophy, and entrepreneurial culture as predictors of business performance. This underscores the cross-national reliability of the entrepreneurial management instrument and the behavioural theory of entrepreneurship.

CONCLUSION

The study set out to examine the impact of entrepreneurial management practices on business performance in Sub-Saharan Africa, specifically, Ghana. The researcher used Stevenson (2006) to conceptualise entrepreneurial management practices. Businesses are considered entrepreneurial firms when their management decisions in the six key areas – strategic orientation, resource orientation, reward philosophy, growth orientation, management structure, and organizational culture, are anchored on opportunity explorations and exploitations (Naldi et al., 2015; Stevenson, 2006). The researcher controlled business characteristics – business size and the number of employees, to account for the actual influence of entrepreneurial management practices on business performance. The study has provided evidence to show that business size and the number of employees can influence the relationship between entrepreneurial management practices and business performance in Ghana (Obeng et al., 2014). Controlling business characteristics, therefore, help account for the actual relationship between the independent and dependent variables.

Also, the finding demonstrated that the entrepreneurial management variables – strategic orientation, resource orientation, reward philosophy, and organizational culture improved business performance. Therefore, entrepreneurs in Ghana and other parts of Africa should factor opportunity exploration in their business decision-making – strategic orientation, resource orientation, reward philosophy, and

organizational culture. This will help their competitiveness at the global level and improve their business performance.

Theoretical implications

This study contributes to the entrepreneurial management literature in Ghana. The previous research about the phenomenon has concentrated on the entrepreneurial orientation construct by Covin & Slevin (1991) (Dzisi, 2008; Ernest et al., 2015). Theoretically, Stevenson's conceptualisation of the entrepreneurial management practices advanced in this study can be distinguished clearly from entrepreneurial orientation.

Also, the study has introduced a new school of thought – behavioural theory of entrepreneurship into the literature on entrepreneurship in Ghana in a novel because most of the previous research in the country focuses solely on two main schools of thought –the benefit of entrepreneurship to the Ghanaian economy (Adom, 2015; Afriyie & Boohene, 2014; Gyamfi, 2014) and the characteristics of entrepreneurs (Dzisi, 2008; Ernest et al., 2015). The entrepreneurial management dimensions in this research can easily be differentiated from those schools of thought.

Practical implications

The article has established the impact of the four elements of entrepreneurial management practices on business performance. Therefore, the management of the businesses must hone their entrepreneurial management skills – strategic orientation, resource orientation, reward philosophy, and entrepreneurial culture to improve their business performance. Furthermore, the findings of this study provide valuable insight to the policymakers and institutions in Ghana, especially, the Ghana Enterprises Agency. They must incorporate entrepreneurial management training programs in their policy to support businesses that cannot afford to hire management consultants since efficient entrepreneurial management practices contribute to business performance.

Limitations and suggestions for further research

The respondents of this study were drawn from only the Greater Accra Region. Therefore, caution must be taken in terms of the generalisations of the findings. The researcher recommends that future researchers should expand the study's population to include other regions in Ghana and factor in the cultural dimensions of the country to examine the context-specific pathways of the entrepreneurial management practices of SMEs. The researcher recommends further empirical research by investigating the impact of the characteristics of entrepreneurs on the relationship between entrepreneurial management practices and the business performance of SMEs in Ghana.

Finally, approaching the study with a mixed method will help provide a deeper understanding of the distinctions of the management decision-making of the entrepreneurs and its impact on their business performance.

Informed Consent

The researcher took all the necessary measures to inform the participants about the purpose of the study and their consent were sought before administering the survey. Also, the representatives of the businesses were made aware of their right to withdraw from the study at any point without any consequences.

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