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The Relationships Among Gender, Strategic Capabilities, and Performance of Small Retail Firms in Ghana

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The study examines the direct and indirect effects of gender on business strategies, firm resources, business owners' skills, and performance of small firms in Ghana. Small businesses comprise about 90% of all enterprises and are recognized as a crucial and integral component of economic development aimed at sustained poverty reduction in Ghana. The ability of these firms to contribute to economic development is influenced by their business strategies, determined by the firm's resources and owner-manager's business skills. Structured questionnaires from 600 owner-managers of small retail shops in the Accra Metropolitan area were analyzed. Structural equation modeling using partial least-squares was used to examine the relationships between gender, business strategies, firm resources, business owners' skills, and performance. Results show that the gender of the owner-managers has a direct influence on business performance, resources, and skills; a partial influence on business strategies; and an indirect influence on performance through business strategies. The findings suggest that assistance programs aimed at addressing business performance should target gender differences to enhance women business owners' strategies, resources, and skills.

KEYWORDS gender, Ghana, resources, skills, strategy

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The millennium goals, in particular those aimed at poverty eradication, would be difficult to achieve if sociocultural practices that hinder economic development are not addressed alongside provision of the physical resources needed to generate wealth (Amu, 2005). An important area in this regard is the gender divide and the social practices that discriminate against women in developing economies in the allocation of resources, preventing them from realizing their full economic potential. The paper investigates the differences in the contributions that Ghanaian men and women owner-managers make to economic development in terms of performance of their businesses. The liberal feminist theory was borrowed to explain observed differences in performance between the genders in terms of the strategic capabilities of their firms. Specifically, it was argued that given the same capacity to be rational (Fischer, Reuber, and Dyke, 1993), differences in performance between male and female owner-managers in Ghana can be explained by the strategies they adopt and their access to the resources and skills needed to pursue effective strategies.

Gender issues have been addressed extensively in the small and medium-sized enterprise (SME) literature for developed economies. While the plight of women in developing economies has also received a lot of attention in the last decade or so (Chirwa, 2008; Manuh, 1998), this attention appears to be sparse in the SME literature. Several programs have been implemented to address the gender gap in developing economies, in particular Africa, but there is still much to do if these women are to rise to the same living standards as their male counterparts. Programs and policies proposed and implemented in developed economies to deal with gender issues in SMEs cannot be successfully replicated in the developing economies without full understanding of the related issues and tailoring them to the unique needs of the countries involved.

The role of small businesses in facilitating global economic development has attracted increasing attention over the past decade (Verheul and Thurik, 2001). To encourage and expand on the sector's contribution to economic development, the World Bank and other international agencies have linked financial aid to developing economies to policies and programs aimed at creating stable macroeconomic environments conducive to private investment, with particular emphasis on developing the SME sector (Steel and Webster, 1990). However, in the majority of cases, these programs have failed to achieve the desired outcomes because underlying problems, including social practices that exploit and prevent some members of society from realizing their full potential, are not addressed concurrently (Baffoe, 2005). In Ghana, for example, women comprise the majority of operators in the small business sector but anecdotal evidence indicates that they lack the resources required to operate at the same level as their male counterparts (Amu, 2005). This and other factors undermine efforts to improve the small business sector in developing economies, such that growth and performance of small businesses have been disappointing (Quainoo, 2001). A critical analysis of performance differences between Ghanaian male and female owner-managers and the causes of these differences should help determine the extent to which programs developed in the West to address the gender imbalance in access to resources can be adapted to developing economies.

The article comprises six sections. The development of the research framework and hypotheses in the next section leads to presentation of the research methods and results of the hypotheses tests in the following sections. The results are discussed next, and the implication of the findings for policy is then covered. Steel and Webster's (1990) definition of "small business in Ghana" is adopted for purposes of this study. They define a small business in Ghana as one with no more than 30 employees.

RESEARCH FRAMEWORK AND HYPOTHESES DEVELOPMENT

Small Business Performance and Strategic Capabilities of the Firm

The overall contribution of the small enterprise sector to economic development is dependent on the performance of the individual firms that comprise the sector. Performance at the individual firm level is in turn determined by the strategies realized by the owner-managers (Kotey and Meredith, 1997). According to the strategic adaptation theory (Papadakis and Dimitris, 1998), the key to business success lies in the decisions of the owner-manager, who identifies opportunities, develops strategies, assembles resources, and takes the initiative to effectively implement the strategies (Lerner and Almor, 2002).

For small businesses, strategies implemented are not necessarily those planned, but generally emerge from a series of incremental adjustments to the opportunities and threats confronted by the firm over time. Business strategies can thus be deduced from activities in the major functional areas of finance, human resource management, marketing, operations, and information and communications technology (ICT) (Galbraith and Schendel, 1983).

The literature presents numerous types of strategies and their impact on performance. Popular among these are Miles and Snow's (1978) four strategy types and Porter's (1980) five competitive strategies. In the small business literature, strategy types are generally unidimensional, ranging from entrepreneurial to conservative or proactive to reactive (Covin and Slevin, 1989). Proactive strategies are portrayed as associated with innovation, industry leadership, and risk taking. Firms with this strategic orientation continually search for new products, services, and technologies (Covin, Green, and Slevin, 2006; Morgan and Strong, 2003), improve existing products (Lumpkin and Dess, 1997), emphasize customer service, implement brand-name development, and use effective promotion strategies. Proactive strategies involve planning, performance analysis and benchmarking, attention to employee development and productivity (Gibcus and Kemp, 2003), and use of efficient production methods (Moore, 2005). In contrast, reactive strategies emphasize survival and stability (Carter, Williams, and Reynolds, 1997). Firms implementing these strategies tend to follow others in the industry and react to events in their environment. They emphasize risk avoidance and undertake little or no innovation (Lumpkin and Dess, 1997; Morgan and Strong, 2003).

Closely aligned with the strategic adaptation theory is the resource-based theory which argues that the strategic choices of owner-managers are dependent on the tangible and intangible resources available to the firm (Edelman, Brush, and Manolova, 2005; Lerner and Almor, 2002). Firkin (2001) noted that, at the firm level, human capital is often perceived as the most important resource. More recently, it has been acknowledged that the demographic characteristics of the owner-manager provide personal abilities (intangible and nonimitable assets) that determine performance (Markman and Baron, 2003).

The population ecology theory, which ties small business performance to events within its environment (Hannan and Freeman, 1977), and the psychological characteristics of the owner-manager (Bosma et al., 2004; Kalleberg and Leicht, 1991) have also been proposed as explaining performance in small firms. In this study, the environment is held constant, and it is assumed that owner-managers face similar opportunities and threats. Their abilities to adapt to these opportunities and threats are determined by the strategic choices they make, which in turn depend on the resources available to them. It is also assumed, based on the liberal feminist theory, that both male and female owner-managers have the same capacity to be rational. Thus, given equal access to resources, they will adopt strategies that will maximize their contributions to economic development.

Gender, Small Business Performance, Business Strategies, Resources, and Skills

The liberal feminist theory explains women's position in society in terms of unequal rights or artificial barriers to women's participation in the public world beyond the family and household (Schmidt and Parker, 2003). It attributes gender-based differences to variations in power and opportunity accorded to men and women in society, that is, the structural positions women and men occupy in society (Fischer, Reuber, and Dyke, 1993). According to the liberal feminist theory, once equal access to resources is ensured, gender differences in performance seemingly disappear (Carter, Williams, and Reynolds, 1997). Specifically, Schmidt and Parker (2003) argued that women are overtly discriminated against by systematic factors that deprive them of important resources such as financial capital. This in turn has hindered women from acquiring the skills and capabilities necessary to compete on an equal footing with men. Figure 1 shows the effect of gender on performance through business strategies, firm resources, and the owner-manager's skills. Owner-manager's skills and resources of the firm determine the strategies pursued and ultimately performance of the firm.

The evidence available, generally based on descriptive research, indicates that compared to their male counterparts, Ghanaian woman owner-managers have less access to the resources and skills necessary to operate their businesses successfully (Manuh, 1998; Tsikata, 2001). However, little effort has been made to examine how this inequitable access to resources and skills affects strategic choices and performance of Ghanaian male and female owner-managers and to assess the extent to which interventionist programs implemented to deal with the issues have been successful. It is expected that Ghanaian women owner-managers will not be able to adopt the same strategies and achieve the same performance levels as their male counterparts by reason of their relatively limited access to the resources and skills needed to compete equally with their male counterparts. Accordingly, the following hypotheses are formulated to test the direct and indirect associations between gender, business performance, business strategies, resources, and owner-manager skills for small businesses in Ghana.

Hypothesis 1a: Small businesses operated by Ghanaian female owner-managers achieve lower performance than those operated by Ghanaian male owner-managers.

Hypothesis 2a: Ghanaian female owner-managers are less proactive in strategic orientation than Ghanaian male owner-managers.

Hypothesis 2b: Ghanaian female owner-managers are less proactive in strategic orientation and thus exhibit poorer performance than Ghanaian male owner-managers.

Hypothesis 3a: Ghanaian female owner-managers have access to fewer resources than Ghanaian male owner-managers.

Hypothesis 3b: Female owner-managers in Ghana have access to fewer resources and therefore exhibit lower performance than their male counterparts.

Hypothesis 3c: Gender differences in owner-managers' access to resources are associated with differences in business strategies, and ultimately performance between the genders for small firms in Ghana.

Hypothesis 4a: Ghanaian female owner-managers possess weaker managerial skills than male owner-managers.

Hypothesis 4b: Ghanaian female owner-managers possess weaker managerial skills and therefore exhibit lower performance than their male counterparts.

Hypothesis 4c: Gender differences in owner-managers' skills result in different strategic orientations and performance levels for male and female owner-managers in Ghana.

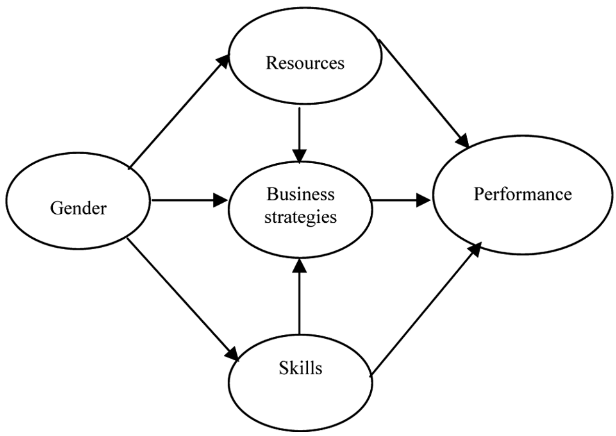

FIGURE 1 Relationships between gender, strategic capabilities, and performance.

RESEARCH METHODS

Population, Sample Selection, and Data Collection Methods

Owner-managers of small firms in Ghana formed the population from which the sample was drawn for the study. In order to control for the myriad of confounding factors that may have an impact on the results from a cross-sectional survey and also improve internal validity of the instruments used, the study was restricted to a single sector and location. Thus, retailers in the Greater Accra Region were selected as the population for the study. Area sampling was then used to select 674 respondents for the study. Face-to-face interviews using structured questionnaires were conducted for data collection. Mail and telephone surveys are less reliable because of the inefficient and erratic nature of Ghana's telecommunication systems. Listwise deletion of missing cases resulted in a final sample of 600 respondents.

Measurement of Variables

The latent constructs used in this study were measured using multi-item indicators. For most constructs, the indicators were generated from previous research and modified to fit the current research context.

The gender of the owner-manager or major decision maker was measured on a categorical scale using 0 for men and 1 for women. Kotey and Meredith's (1997) performance indicators were modified to include other performance indicators in the literature. Kotey and Meredith (1997) argued that because research and government interest in small firms are associated with macroeconomic objectives such as job creation, innovation, and increased productivity, enterprise performance should be measured in terms of respondents' desire to meet and their levels of satisfaction in achieving these and other business objectives.

Respondents were first asked to indicate the importance they attach to 10 performance goals on a 6-point Likert scale, ranging from 5 = extremely important to 0 = not at all important. Second, the respondents were asked to indicate on a 7-point Likert scale the extent to which they are satisfied with the firm's performance on the same indicators, with 7 being highly satisfied and 1 being highly dissatisfied. Ratings of importance were multiplied by the levels of satisfaction to compute a performance index for each firm (Miles, Covin, and Heeley, 2000). Dess and Robinson (1984) found that performance measured in this way has high validity and reliability values and is consistent with the objective measures of performance.

Hulland (1999) suggests that when a construct is multi-dimensional, it is appropriate to separately present each dimension in the statistical model. Following this suggestion respondents were provided a list of activities generated from the literature for the various functional areas. Kotey and Meredith's (1997) strategy instrument was modified to include activities in the area of information technology and to reflect the unique characteristics of the sample studied. Thus, strategy was measured as comprising activities in the functional areas of planning, finances, human resource management (HRM), operations, marketing, and ICT. Respondents were asked to rate the extent to which they perform the various activities in these functional areas on a 6-point Likert scale, ranging from always = 5 to never = 0.

To measure firm resources, permission was sought from Saffu and Manu (2004) for their instrument to be modified for this study since it has been tested in the Ghanaian context. Following their work, two categories of resources were considered in this study: tangible and intangible. The tangible resources in this study cover financial, geographical location, physical resources, productive employees, and sophisticated ICT systems. The intangible resources include access to markets, quality of customer service, unique products, and operations efficiency. Respondents were asked to rate the strength of their firm's resources on a 6-point Likert scale ranging from 0 (very weak) to 5 (very strong). A higher score indicates stronger resources, whereas a lower score shows weaker resources.

Along similar lines, Saffu and Manu's (2004) instrument was adopted and modified to measure business owners' skills in this study. Proxies for owner-managers' skills cover their abilities in securing finance/capital, performing operational tasks, overall planning, managing workers, price setting, promoting products, selecting which products to sell, deciding where to sell the products, implementing new ideas, budgeting, ICT, and leadership. These items were selected for this study based on the sector and pretest of the initial questionnaire. Since the individual of interest in this study is the owner-manager, his or her skills were measured as the composite of skills needed for effective management of a small business, which requires skills in all management areas (Jennings and Beaver, 1997). Respondents were asked to rate their strengths in these managerial skills on a 6-point Likert scale, ranging from 0 (very weak) to 5 (very strong). A higher score points to stronger skills, whereas a lower score specifies weaker skills.

Analytical Techniques

The partial least squares (PLS) approach to structural equation modeling (using PLS graph version 3) was used in this study. PLS is a component based technique that simultaneously examines theory (structural model) and measurement of the constructs in the study (measurement model). The advantage of using this technique is its ability to handle multiple exogenous and endogenous constructs at the same time. The model is also able to deal with multicollinearity among endogenous constructs and to create latent construct scores directly from the cross products of the multi-item indicators. Although PLS estimates parameters simultaneously for the measurement and structural models, the two models are analyzed and interpreted separately (Hulland, 1999).

RESULTS AND ANALYSIS

The Measurement Model

The measurement model evaluates the relationships between constructs and their indicators by assessing the reliability and validity of the instruments used. The tests commonly used for these assessments include individual item reliabilities (factor loadings), composite reliabilities (internal consistency), average variance extracted from the indicators associated with individual constructs (convergent validity), and discriminant validity. Consistent with Hulland's (1999) suggestion that indicators with low loadings are not generalizable across settings and that they may bias the estimates of the parameters associated with the construct, all indicators with loadings below 0.5 were discarded. The composite reliabilities for the constructs in the study range from 0.8 to 0.92, all higher than the 0.70 level suggested by Hulland (1999).

Convergent validity was used to measure the amount of variance that the latent variables captured from their indicators relative to the amount due to measurement error. This was assessed by using the average variance extracted (AVE). AVE of 0.5 or more demonstrates adequate convergent validity (Chin, 1998). However, Magner, Welker, and Campbell (1996) argued that AVEs of 0.4 are also indicative of adequate validity. The AVEs of all the constructs are 0.4 and above providing evidence of adequate convergent validity.

Discriminant validity (the ability of some indicators to have low correlation with indicators of dissimilar concepts) was evaluated by comparing the square roots of the AVEs to the correlation between constructs. The correlations among constructs are in the off-diagonal cells and the square root of the AVEs in the diagonal cells. The diagonal values are all greater than their respective off-diagonal values, indicating adequate discriminant validity. It can be concluded from the assessment that the measurement models for the constructs are reliable and valid.

Results of the Structural Model

Business performance and strategies, firm resources, and business owner's skills were analyzed simultaneously in the PLS model to assess the influence of gender, modeled as the sex of the owner-manager on these variables. The PLS graph showing the relationship between gender, business strategy, firm resources, and owner-manager skills is presented in Figure 2. The path coefficients and significant levels for strategies, resources, and owner-manager skills are discussed individually.

Hypothesis 1a predicted that female owner-managers in Ghana will perform lower than male owner-managers. The results reveal that female owner-managers exhibit lower performance than male owner-managers in the small retail environment in Ghana ($\beta = 0.1239$, $p \leq 0.10$). Hence, the hypothesis that female owner-managers perform lower compared to male owner-managers was supported.

Hypothesis 2a posited that Ghanaian female owner-managers are less proactive in the areas of strategic planning, financial strategy, HRM strategy,

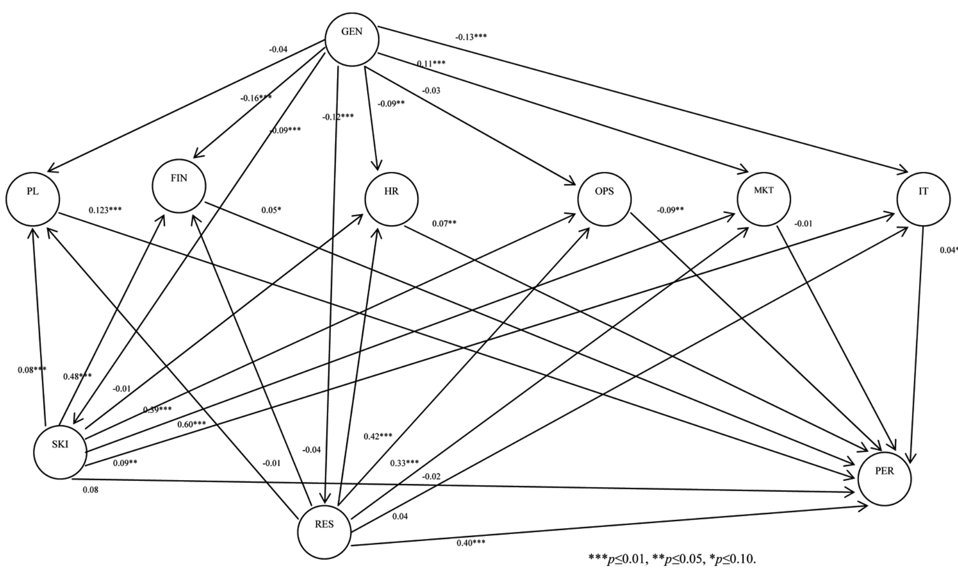

FIGURE 2 PLS graph for the relationship between gender, strategic capabilities, and performance.

marketing strategy, and ICT compared with Ghanaian male owner-managers. This was partially supported. While Ghanaian female owner-managers were less proactive than male owner-managers in the areas of finance, HRM, and ICT, they were more proactive in their marketing practices (Table 1). The gender differences in strategic planning and operations strategy were not statistically significant.

For hypothesis 2b, it was predicted that because Ghanaian female owner-managers adopt less proactive strategies, they will exhibit lower performance than Ghanaian male owner-managers. The functional areas with significant impact on performance in the retail sector in Ghana include finance, HRM, ICT, planning, and operations (see Figure 2). However, it was only in the area of HRM that male owner-managers had a performance advantage over female owner-managers. In other words, the lower performance of Ghanaian female owner-managers in the retail sector is partly explained by their lower ratings in the HRM area. The indirect relationships between gender, the other strategy variables, and firm performance were not significant. Although activities in the ICT and finance areas were associated with both gender and performance, one of the associations was weak ($p \leq 0.10$), such that the superior ratings of male owner-managers in these areas did not result in a performance advantage.

Hypothesis 3a predicted that Ghanaian female owner-managers have fewer resources than Ghanaian male owner-managers. As shown by the results in Table 2, the negative path coefficient indicates that female owner-managers have significantly fewer resources than male owner-managers confirming hypothesis 3a. The results also provide support for hypothesis 3b, that the fewer resources of Ghanaian female owner-managers explain their lower performance (Table 2).

TABLE 1 Path Coefficient and *T*-Values for Gender, Strategy, and Performance

Gender path to:	Hypothesis	Path coefficient	*t*-value
PL	2a	−0.0350	1.11
FIN	2a	−0.0.16	2.46***
HR	2a	−0.0860	2.45***
OPS	2a	−0.0280	0.90
MKT	2a	0.1070	2.64***
IT	2a	−0.1270	3.22***
Sobel's Test of Indirect Effects			
PL*PER	2b	−0.0079	1.08
FIN*PER	2b	−0.0046	1.14
HR*PER	2b	−0.0058	1.40*
OPS*PER	2b	0.0025	0.81
MKT*PER	2b	−0.0011	0.22
IT*PER	2b	–0.0055	1.20

***$p \leq 0.01$, **$p \leq 0.05$, *$p \leq 0.10$.

TABLE 2 Path Coefficients and *T*-Values for Gender, Strategy, Resources, and Performance

Gender path to:	Hypotheses	Path coefficient	*t*-Value
RES	3a	−0.1220	2.82***
Sobel's Test of Indirect Effects			
RES*PER	3b	−0.0481	2.53***
RES*PL*PER	3c	0.0001	0.02
RES*FIN*PER	3c	0.0002	0.47
RES*HR*PER	3c	−0.0035	1.43*
RES*OPS*PER	3c	0.0036	1.51*
RES*MKT*PER	3c	−0.0001	0.18
RES*IT*PER	3c	−0.0001	0.58

***$p \leq 0.01$, ** $p \leq 0.05$, * $p \leq 0.10$.

Further, the results in Table 2 show the indirect effects of gender on resources, and their influence on business strategy and ultimately firm performance. The paths for gender, resources, HRM, and performance, and also for gender, resources, operations, and performance, were significant (Table 2). Greater access to resources, such as finance and productive employees, enhances HRM practices of male owner-managers, providing them with a performance advantage over women owner-managers. Conversely, female owner-managers' performance is hampered by relatively fewer resources, smaller businesses, and almost nonexistent HRM practices.

Operational activities such as maintenance of high stock levels and payment of above-average wages to employees negatively impact on performance. Because Ghanaian women owner-managers have limited access to resources, they use them more efficiently to gain a competitive edge over their male counterparts. Hypothesis 3c was therefore partially supported.

The PLS results for the relationships between gender, business owner's skill, and performance are shown in Table 3. The results confirm hypothesis

TABLE 3 Path Coefficients and *T*-Values for Gender, Strategy, Owner-Managers' Skills, and Performance

Gender path to:	Hypotheses	Path coefficient	*t*-Value
SKI	4a	−0.1560	3.84***
Sobel's Test of Indirect Effects			
SKI*PER	4b	−0.0123	0.96
SKI*PL*PER	4c	−0.0248	2.76***
SKI*FIN*PER	4c	−0.0040	1.20
SKI*HR*PER	4c	0.0001	0.16
SKI*OPS*PER	4c	0.0054	1.63*
SKI*MKT*PER	4c	0.0010	0.22
SKI*IT*PER	4c	−0.0006	0.99

***$p \leq 0.01$, ** $p \leq 0.05$, * $p \leq 0.10$.

4a that female owner-managers in Ghana possess weaker managerial skills than Ghanaian male owner-managers. However, the performance of female owner-managers is not disadvantaged by this handicap as owner-manager skills do not strongly influence performance in the retail sector of Ghana. Thus, hypothesis 4b is refuted.

The influence of gender on business owner's skills, and their indirect impact on performance through the functional area strategies, was supported for skills, strategic planning, and performance; and for skills, operations, and performance but not for the other functional areas. Compared to male owner-managers, Ghanaian female owner-managers have weaker business skills and are therefore less proactive in strategic planning, leading to lower performance than their male counterparts. Figure 2 shows that the owner-manager's skills are positively associated with strategic planning, and strategic planning in turn has a positive effect on performance. Since Ghanaian women have weaker business skills, it follows that their strategic planning efforts and thus performance are lower than those of their male counterparts. Despite their weaker business skills, female owner-managers are able to perform better than male owner-managers on account of their efficient management in the operations area. This is because the owner-manager's skills have positive effects on operations but activities in the operations area have negative effect on performance. Thus, hypothesis 4c was partially supported.

DISCUSSION OF THE RESULTS

The results indicate that performance levels of female owner-managers in the retail sector of Ghana are lower than those of their male counterparts. This difference in performance between the genders is associated with different approaches to management in certain functional areas, in particular HRM, as well as differences in access to resources. While owner-manager skills differ between the sexes, they do not account for performance difference between Ghanaian male and female owner-managers.

In comparison with their male counterparts, female owner-managers in the retail sector of Ghana are less confident in and/or less satisfied with their ability to influence business outcomes and thereby contribute to economic growth. This finding mirrors research in the West, where it is reported that businesses operated by women are smaller than those operated by men (Bird and Sapp, 2004; Kalleberg and Leicht, 1991; Verheul, Risseeuw, and Bartelse, 2002) and that women are less likely than men to pursue growth-oriented goals (Brush and Hisrich, 2000).

Gender, Functional Strategies, and Performance

In relation to business strategies, the findings suggest that while Ghanaian male and female owner-managers adopt similar, albeit informal, approaches to strategic planning and operations management, Ghanaian female owner-managers rate lower than their male counterparts in the functional areas of financial management, HRM, and ICT management. These results are consistent with those of Brush and Hisrich (2000) and Changanti (1986) for developed economies. They noted that the business strategies of women owner-managers differ from those of men owner-managers. Research also demonstrates that women tend to be more defensive in their strategic orientation, while men tend to adopt aggressive strategies (Verheul, Risseeuw, and Bartelse, 2002).

Gender, Firm Resources, Functional Area Strategies, and Performance

The results indicate that women in the retail sector in Ghana have fewer business resources than their male counterparts, and that this disadvantaged position explains their lower ability to pursue and achieve goals consistent with economic growth. Again, their relative lack of resources explains the lower ratings of women owner-managers in the human resource management area and on performance. Deprived of resources, women are, however, able to manage their limited resources more efficiently and thereby achieve a performance advantage over men in relation to their operations strategy.

In Ghana, financial and physical resources are largely owned and controlled by men through kinship systems, customary laws, and social norms and practices that favor males over females. Further, the institutions that provide access to these resources are controlled by men. Thus, female business owners lack both direct and indirect access to resources such as land, labor, education, and, in particular, finance by reason of these discriminatory practices in resource allocation. Women have less access to finance because few own land and other assets that they can use as collateral to secure loans (Manuh, 1998). In addition, their low educational backgrounds are barriers to processing the necessary paperwork for loans, and to effective use of and accountability for the funds provided to them (Amu, 2005; Tsikata, 2001). The findings are consistent with the liberal feminist theory—that social opportunities are not equitably distributed, and that women are disadvantaged with respect to access to resources. This disadvantaged position accounts for the relatively lower performance of Ghanaian women, as resources form the bases for competitive advantage (Lerner and Almor, 2002).

Gender, Owner-Manager Skills, Functional Area Strategies, and Performance

The analyses demonstrate that Ghanaian female owner-managers have weaker business skills than their male counterparts. This difference in business skills is attributable to unequal access to education, training, and formal employment. Ghanaian females have lower levels of education compared to Ghanaian males (Institute of Statistical, Social and Economic Research, 2005). Parents give priority to sons when allocating resources to educating their children. In addition, women are discouraged from pursing higher education by the general belief that their marriage prospects and ability to raise a family will be compromised if they pursue higher education. Unequal access to education limits Ghanaian women's ability to participate in the formal labor market, particularly at the managerial level. The majority of female owner-managers acquire basic managerial skills informally (on-the-job) through petty trading, and from mothers or other female relatives. Skills passed down in this way tend to be rudimentary and inadequate for effective business management. The multiplier effect continues as lack of education and work experience are manifested in women's inability to operate their businesses as effectively as their male counterparts.

IMPLICATIONS OF RESEARCH FINDINGS FOR POLICY AND PRACTICE

The results of this research have several implications for small business development in transitional economies, particularly Ghana. Differences in performance between the sexes do not, on their own, justify government intervention. However, as these differences result from inequitable distribution of resources, skills, and information such that women are placed in a disadvantaged position in relation to men, there is clear evidence that these institutional failures call for government intervention. Since Ghanaian women have limited access to the resources and skills required for business growth, affirmative action is justified.

Following Stevenson's (2006) recommendation, government intervention should encompass an integrated program covering legislative action, advocacy efforts, as well as support programs aimed at stimulating more start-up and growth businesses for Ghanaian women. Intervention programs should start with educating parents about the potential of their daughters and encouraging them to provide as much education for their daughters as they do for their sons. Training and mentoring programs should be designed to help minimize the gap in management skills between Ghanaian men and women. Ghanaian women should have the same opportunities as men to compete for managerial positions in the large public and private organizations. It must be emphasized that these suggestions need full commitment on the part of stakeholders and adequate funding if their proper implementation is to be ensured (Amu, 2005).

It is important that women are not discouraged from pursuing their child-bearing and -rearing roles while raising their economic profiles. Thus, government intervention should include assistance programs that enable women to achieve their economic goals while meeting their family commitments. Experiences from the West indicate that encouraging women to participate in formal employment including business operation can result in adverse social consequences if these are not anticipated and addressed alongside programs and policies that enhance the economic well-being of women.

The above suggestions for government intervention need to occur in a larger policy context. The government of Ghana must first formulate and implement a clear and detailed small business policy to address their low contribution to economic development, in particular the imbalance in business performance between the genders. While a great deal of attention is given to encouraging the establishment of small enterprises as a means of poverty alleviation, encouraging the growth of these firms should ultimately help alleviate poverty, specifically through job creation and income generation. Since women are predominant in the small business sector in Ghana, policies and programs that aim at ensuring equitable access to resources and a level playing field for both sexes should in part encourage growth of small businesses.

LIMITATIONS AND AREAS FOR FUTURE RESEARCH

The results need to be interpreted subject to the usual limitation of survey research. In particular, the focus on the retail sector and in only one locality limits the extent to which the results could be generalized across other sectors and localities. The limitations posed by not considering the influence of the owner-manager's personality and demographic characteristics (age, educational level, and managerial experience) on strategy and business performance are also acknowledged and propose this as an area for future research. From a policy making perspective, these factors would need to be considered if the goal of enhancing women's contribution to economic development is to be achieved.

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