CHRISTIAN SERVICE UNIVERSITY COLLEGE

SCHOOL OF BUSINESS

EFFECT OF MARKET ORIENTATION AND RESOURCE CAPABILITIES ON GROWTH
OF SMALL AND MEDIUM SCALE ENTERPRISES IN GHANA

BY

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THE DEGREE OF BACHELOR OF BUSINESS ADMINISTRATION
(MARKETING OPTION)

MAY 2019
DECLARATION

We hereby declare that this submission is our own work towards the Bachelor of Business Administration and that, to the best of our knowledge it contains no material previously published by another person or material which has been accepted for the award of any other degree of University, except where the acknowledgement has been made in the text.

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DEDICATION

To Mr. and Mrs. Edward Affum Dankwah, Mr. Adu-Poku Stephen and Madam Agness Nyarko who have been supportive and our institution Christian Service University College (CSUC) for impacting us with knowledge and professionalism.
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We would like to thank God for granting us the wisdom and courage for successfully completing this work. We would also like to acknowledge the effort and support of our supervisor, Mr Jerry Jay Kraa for his invaluable guidance. We are grateful and may God bless you. We also want to use this opportunity to thank our families for supporting our idea to pursue the BBA course. This is our sincere hope that their effort will finally pay off. We wish to finally express our gratitude to all those who in one way or the other, contributed directly or indirectly towards the completion of our project.
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ABSTRACT

The study investigates the effect of market orientation and resource capabilities on the growth of small and medium scale enterprises in Ghana. The population of the study comprises of customers of small and medium scale enterprise in the Kumasi Metropolis in Ghana which is estimated 3485. Costumers were selected out of which 500 responses were usable representing 100% response rate. The study is explanatory and closed ended questionnaire were used to collect data with convenience and purposive sampling methods used to select respondents.

Statistical package for social sciences (SPSS) was the software used in the data analysis. The research found that the study touched on the effect of market orientation and resource capabilities on small and medium enterprise growth in Ashanti Region. The study recommends that for SMEs, firms to be successful and increase their performance and growth rate, firms should focus strategies that will improve their tangible resources capabilities and be more customers oriented by servicing and satisfying the needs of customers.
CHAPTER ONE
INTRODUCTION

1.1 Background to Study

Small and medium sized enterprises (SME) play a major role in countries at all levels of economic development (Caniels and Romijn, 2015). Many acknowledge that developing economies have a high proportion of small businesses, and it is predicted that the number of such entities will continue to grow (Burns, 2006). As markets are becoming more global, many business opportunities are opening for small and medium-sized businesses, but competitive pressure is increasing at the same time (Caniels and Romijn, 2015). SME’s need to adjust their actions to the environmental challenges through active market development, a continuous search for market opportunities and expansion of their customer base.

The role of marketing orientation in a firm’s business strategy has been debated extensively since the marketing concept was formally introduced 50 years ago. Described as the “implementation of the marketing concept” (Kohli and Jaworski 2000), marketing orientation refers to a culture in which organizations strive to create superior value for their customers (and superior performance for the business) by focusing on customer needs and long-term profitability (Narver and Slater, 2000). Specifically, marketing orientation has been defined as the process of: generating marketing intelligence, disseminating marketing intelligence and responding to marketing intelligence in order to provide superior customer value (Kohli and Jaworski 2000).

Market orientation is reported to be a major source of competition in many managements and marketing researches (Hult and Ketchen, 2001). In the modern business environment, competition among the business firms has reached an extraordinary level and obtaining bearable competitive advantage has become a key to survival for most of the firms. Empirical evidence
has shown that market orientation is a vital player in the SME business performance (Wilson, Pereprlk, Zhang and Vachon, 2014). Market orientation also provides an organization with a strategy and is a vital approach to understanding markets (Vorhies, Morgan and Mason, 2009). Kohli and Jaworski (2000) and Narver and Slater (2000) are the proponents of the market orientation concept. They stated that, market orientation provides better understanding of the environment, and businesses that adopts market orientation adequately, and meet the customer needs in a better way (Grainer and Padanyi, 2005). Firms with sound market orientated culture perform better in understanding their customers and other competitors (Lings and Greenly, 2009). Proper market orientation culture result in better customer relationship which can enhance performance outcomes as sales, growth, market share and profits (Crosby, Evans and Cowls, 2000).

For many years, the assertion that the businesses that adopt market orientation improve on their performance has been made by both academicians and marketing managers (Kotler and Andreasen, 2007). Market orientation as an antecedent of greater and better performance has been researched across many industries and regional locations for example in medium scale enterprises in countries like Spain (Bigne and Blesa 2003). The same conclusions were arrived at in bigger corporations in Japan (Deshpande, Farley and Webster, 2003) and in the USA. Market oriented firms have been found to respond better to their external environment and therefore offer superior value to the customers. These firms put strategies that give an edge in the competitive environment. People's interest in market orientation has been rekindled because of an accelerating pace of changes in the market place. Globalization, international competition, the removal or lowering of tariff barriers and highly demanding consumers are some of the factors
that are forcing businesses to be more responsive to market needs (Webster, 2008). Rapid changes in customer tastes and the technology explosion have substantially reduced the time for conducting business. With internet commerce opening immense opportunities as well as substantive competition, even small firms must look beyond their conventional spheres of operation. Jabeen et al., (2000) has suggested that SMEs should adopt market orientation concept in developing economies to cope with the challenges of changing business environment.

1.2 Problem statement

Market orientation of a business has been strongly linked to superior performance in a highly competitive industry (Akomea and Yeboah 2016). In any event, marketing orientation has been definitively linked to multiple areas of firm strategy and business performance. Of the considerable research that has been conducted on marketing orientation, however, very little has focused on the small to mid-sized enterprise. Yet, in SMEs, there is great potential for the Chief Executive Officer CEO’s vision to be reflected strongly in the organizational characteristics and operations. Much as an entrepreneurial firm is the expression of the founder’s vision and philosophy, so the continued operation of small and mid-sized firms reflects the priorities and marketplace perspective of the company’s CEO. As noted by Carson and Gilmore (2016), marketing in SMEs is often “dominated by the inherent characteristics of the entrepreneur/owner/manager of the SME itself”.

In addition, much of the existing research on marketing orientation has focused on the external environment rather the internal environment. For example, industry characteristics such as market turbulence or market growth, competitive conditions such as hostility or intensity, and
even the degree of technological turbulence have all been examined. The internal environment has been investigated, but the characteristics studied were more suited to large-firm research such as decentralization (Jaworski and Kohli, 2003).

Several studies have been conducted on the market orientation to growth relationship, but there exists a mixed finding. Some of the studies that reported a positive and significant relationship between the two constructs includes Fonfara (2016) and Shoham and Rose (2017). However, Au and Tse (2015) reported a negative association between market orientation and business growth; whereas, the study of Mokhtar, Yusoff and Ahmad (2014); Oztoran, Ozsomer and Pieters (2014) found a mixed findings between market orientation and growth relationships. Therefore, market orientation to growth relationship studies can be said to be inconclusive. Therefore, this study seeks to identify for itself the effect of market orientation on SME growth.

1.3 Objectives of the Study

The main aim of the study is to examine the impact of market orientation on SMEs growth in Ghana; the mediating role of resource capabilities. Specifically, the study seeks to;

1. Assess the effects of market orientation on the growth of SMEs in Ghana.
2. Examine the relationship between market orientation and resource capabilities of SMEs in Ghana.
3. Evaluate the effect of resource capabilities on the growth of SMEs in Ghana.
1.4 Research Questions

The study was premised on the following questions.

1. What are the effect of market orientation on resource capabilities of SMEs in Ghana?
2. What are the effects of resource capabilities on the growth of SMEs in Ghana?
3. What is the relationship between market orientation and growth of SMEs in Ghana?

1.5 Significance of Study

The relationship between market orientation of a firm and its performance has been studied in many sectors across continents; researchers have been able to establish a positive relationship between the two (Narver and Slater 2015). This study will be an addition to those other studies with emphasis on Ghanaian SMEs. This research will contribute to the body of knowledge that stresses the important role market orientation plays in the performance of SMEs. The work will benefit the owners/managers of SMEs by giving them the first hand information on the best market oriented practices that they will have to adopt and its effect on the company’s. Finally, the study will add to the existing literature, and will be a valuable tool for students, academicians, institutions, corporate managers and individuals who want to learn more about market orientation.

1.6 Scope of the Study

The study revolved around market orientation and its effect on SMEs. The study was carried out within the Kumasi Metropolis. The study focused on owners/managers in the company since they had in-depth understanding of issues under consideration. Five (500) SME managers were selected for the study.
1.7 Organization of the Study

The work is organized into five chapters. Chapter one presents the general introductions, problem statement, objectives, research questions, significance, scope and limitation of the study. Chapter two outlines a review of literature relating to the subject matter of the study. Chapter three spelt out the research methodology used to gather, analyze and present information from both primary and secondary sources, whiles chapter four deals with the presentation of data and analysis. Chapter five handles the summary, conclusions and recommendations of the study.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This chapter brings to light key concepts that are pertinent to the study of market orientation and SMEs growth. We will also be taking a look at some definitions that are relevant to this study.

2.2 Market Orientation

The concept of market orientation is defined as a dynamic capability of the firm to integrate or combine organizational resources and capabilities. Eisenhardt and Martin (2016). There has been plethora of research and empirical evidence on the concept of market orientation. (Hunt and Morgan, 2015; Baker and Sinkula, 2015, Akomea and Yeboah 2016). Hunt and Morgan (2014) have considered the concept of market orientation as an intangible resource. They related this resource to how competitive advantage could be gained by making use of information on customers, competitor and response to them. Market orientation could be seen as knowledge-producing behaviour from the behavioural angle (Baker and Sinkula, 2015). Another set of researchers has considered market orientation as embodied in the culture of an organization. Therefore organizations which have such culture could gain competitive advantage by applying the concept as performance norm (Hunt and Morgan, 2015).

Beliefs and values of organizations encourages continuous cross functional learning about the latent and current needs of customers, then competitors competencies, capabilities and strategies, and how the organization cross functionally coordinate action to create and exploit the learning (Slater and Narver, 2014). Those firms that really understand market and respond to various
needs of customers in that way are described as market oriented firms. The operationalization of
the marketing concept is the root of market orientation. The insights that are gained from the
market when they are embedded in the decision of the firm would project the firm as market
oriented (Birchall and Tavstiga, 2014).

2.3 Models of Market Orientation

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embedded in the decision of the firm would project the firm as market oriented. The various
components of market orientation are customer orientation, competitor orientation, inter
functional coordination, gaining information, and dissemination of information and planned and
implemented response. (Slater and Narver 2016)

2.3.1 Customer Orientation

Customer orientation is the organizations understanding of market intelligence pertaining to
current and future needs of customers and how this is disseminated into the organization to guide
all of its decisions. Maintaining customers can have clear and positive effect upon firms’
profitability. Focus on customers (or customer orientation) is associated with the competitiveness
of the environment in which organizations operate(Tanja and Jurij, 2014) Again embodied in the
customer focus is appreciation of needs and satisfying them as well as reducing perceived sacrifices involved in the acquisition and use of company products and services. (Tanja and Jurij, 2014).

Easy accessibility of information by customers and flexibility in dealing with them has been suggested by Homburg (2018) as some of the dimensions that firms should interact with the customers. The customer therefore becomes the focus of the firm. All actions would be geared toward meeting the demands of the customer, which is generated from marketing intelligence conducted to guide such a decision. The company that puts the customer in focus in all decisions would be able to respond to changes in customer preferences and taste which will in the long run build a large number of loyal customers for the company. The main aim of a customer oriented organization is to gain the loyalty of customers by offering superior value to the customer continuously (Hasanzadeh and Ghadiri, 2010). The company that is customer oriented continuously try to understand the whole purchaser value chain (Tanja and Jurij, 2014).

2.3.2 Competitor Orientation

The gathering of information on competitors and the use of same for the decisions of the firm has been identified as a key to the success of the firm. Competitor orientation has been studied to be the analysis of short term weakness and long term strategies and capabilities of competitors (Ali et al., 2014). They were of the view that the competitor oriented firm would not consider only the current competitors but rather future key competitors.
In their work to consider the link between competitor orientation and customer orientation posit that when a firm has a prior good knowledge of the customer satisfaction drivers and embody them in their market intelligence activities they will be more inclined to set customer oriented priorities. Birgelen, Ruyer and Wetzels (2017).

Competitor orientation and customer orientation appeared as components of the early studies of market orientation under which the relationship between the two components and organizational performance were also established (Dawes, 2017). Significance of competitor orientation lies in the fact that the application of such an orientation creates a stable competitive advantage and offers stable value for customers according to Ali et al (2014).

2.3.3 Inter Functional Coordination

Inter functional coordination is defined as the communication and sharing of information and resources, and integration and collaboration of different functional areas/departments. Inter functional coordination in the earlier work of the famous Narver and Slater (2016) was defined as the coordinated utilization of company resources in creating superior value for target customers. In their seminal work, they identified inter functional coordination as one of the components of market orientation. The assessment of the extent to which a company is market oriented is influenced very much by the level of inter-functional coordination. Companies that were delivery stellar service were seen to have stronger inter functional coordination Peng and George (2017).

Inter-functional coordination is the degree of co-operation between the different functions/departments within the organization Tay and Tay (2017). There is no organization that
could deliver its objectives without effective inter-functional coordination they stressed. In their research it was established that functions though have their different roles to play but they are eventually to deliver the expected value to the customer. Auh and Menguc (2015) viewed inter-functional coordination as “a key form of internal social capital” and described inter-functional coordination as the ability of different functional areas to accommodate disparate views and work around conflicting perspectives and mental models. It is possible for conflicts to arise in the performance of the individual functions but they stressed the need to cooperate to benefit from the entire human capital that the organization possesses to the benefit of the customer.

The various functional areas of the company play critical role in delivering value to the customer, however there are chances of conflict which arise from the process of delivering value to the customer. Inter-functional coordination is useful in order to make a correct understanding of the needs and wishes of the customer and planning to overcome competition (Mohammad et al 2013).

2.4 Growth of SMEs

In Ghana, available data from the Registrars’ General Department indicated that 90% of companies registered are micro, small and medium enterprises. This target group has been identified as the catalyst for the economic growth of the country as they are a major source of income and employment. Data on this group is however not readily available. As cited by Mensah (2015), the Ministry of Trade and Industry (MOTI), in 1998 estimated that the Ghanaian private sector consisted of approximately 80,000 registered limited companies and 220,000 registered partnerships. Generally, this target group in Ghana is defined as:
Micro enterprises – they are businesses that employ up to 5 employees with fixed assets (excluding real estate) not exceeding the value of $10,000;

Small enterprises – are business that employ between 6 and 29 employees with fixed assets of $100,000; and

Medium enterprises – they are business entities that employ between 30 and 99 employees with fixed assets of up to $1 million (Mensah, 2015).

Several forms of definitions for Small and medium scale enterprises have been churned out for academic purposes. Interestingly, the varying forms of definitions across the world primarily take into consideration headcount (number of people employed) as well as asset base of businesses in classifying them into either small or medium enterprises. Different research papers have on the other hand sought to establish a standard definition with the use of varying approaches, but the most commonly used, is the number of employee’s approach. According to the Ghana Statistical Service (GSS), firms with less than 10 employees are Small Scale Enterprises whereas their counterparts with more than 10 employees are considered as Medium and Large-Enterprises. This brings to fore a level of distinction between the two. Ironically, the GSS in its national accounts considered companies with up to 9 employees as Small and Medium Enterprises (Mensah, 2015).

Government agencies such as the National Board of Small Scale Industries (NBSSI) in Ghana apply both the ‘fixed asset and number of employees’ criteria. Hence, it defines a Small Scale Enterprise as one with not more than 9 workers with an ownership of plant and machinery (excluding land, buildings and vehicles) not exceeding 10 million cedis (US$ 9506, using 1994
exchange rate. Additionally, certain traits and characteristics can be identified with major businesses within the Ghanaian economy. However, the main difficulty or challenge has been how to identify and classify these businesses within the SME bracket. A clear case scenario happens to be that of SSNIT as cited in the work of Mensah (2015). In his work, data from the Social Security & National Insurance Trust (SSNIT) indicated that, by size and classifications, the Ghanaian private sector is highly skewed, with 90% of companies employing less than 20 persons, and a small number of large-scale enterprises. They are dominated by one person, with the owner/manager taking all major decisions. The entrepreneur possesses limited formal education, access to and use of new technologies. Other studies provide a more detailed outline of the peculiar nature of SMEs. Extensive research findings on SMEs have attested to the fact that characteristics of SMEs are quite similar amongst many countries the world over (Nwaniki, 2016).

2.4.1 Measures of SME Growth

Studies on the growth of small and medium enterprises can be classified into two groups which focus on personal and the organizational aspect. The aspects of personality covers areas such as individual characteristics, demographic, and competencies while the study of organizational aspects includes the resources of the organization, the company's competence, organizational culture, and structure. Growth determinants of small businesses can be classified in many factors: individual, organizational, and environmental (Noble, Sinha, and Kumar, 2017).
2.4.1.1. Individual Determinants

Personality traits an entrepreneur, motivational growth, individual competence and personal background are the most important determinants that determine the growth of SMEs. Dawes (2017) divides the characteristics of an entrepreneur into two types, namely:

Attribute: The attributes includes age, gender, religion, the influence of family, etc.

Attained: Attained include education and experience of the owner/manager. Entrepreneur character is influenced by several internal and external factors, namely the family, education, personal values, and work experience.

2.4.1.2. Organizational Determinants

The growth of SMEs can be determined by the effectiveness and capabilities of the company's resources such as labor, capital and knowledge acquired, organized and transformed into products and services through the activities of the organization, practices and structures. Some of these include; firm attributes firm strategies, firm-specific resources, organizational structure and dynamic capability (Zhou, Brown, and Dev, 2017).

Organizational Determinants Firm growth is an increase in certain attributes, such as sales, employment, and/or profit of a firm between two points in time (Hakkert & Kemp, 2006). Firm growth can be determined by the degree of effectiveness and capability with which firm-specific resources such as labour, capital and knowledge are acquired, organized, and transformed into sellable products and services through organizational routines, practices, and structure. Thus, organizational determinants should have more direct impacts on firm growth. Various empirical studies have been conducted to explore the determinants of growth with respect to this dimension. Some of these organizational determinants are firm attributes, firm strategies such as
market orientation and entrepreneurial orientation, firm specific resources including human capital and financial resources, organizational structure and dynamic capability.

Firm attributes refer to firm age and size. The discussion on the relationship between firm age/size and firm growth has its origin in Gibrat’s law (Audretsch et al., 2004), which states that the growth rate of a firm is independent of its initial size and that there is no difference between firms in the probability of a given growth rate during a specific time interval within the same industry. However, empirical studies do not find supporting evidence (Becchetti & Trovato, 2002). Several studies show that younger firms show higher growth rates than firms that exist for many years. The negative effect of age on firm growth is consistent even among various countries and industries (Geroski & Gugler, 2004). The stylized fact of firm size has been found in the industrial economic literature. Small firms grow relatively fast since they have to achieve a minimum efficient size (Audretsch et al., 2004). Similarly, Yasuda (2005) finds a negative effect of firm size on firm growth in the case of Japanese manufacturing firms. Other studies which incorporated different countries and industries also indicate a negative effect of size on firm growth (Almus & Nerlinger, 2000). Furthermore, researchers who studied firm growth in different size groups suggest that Gibrat’s law of size independence only holds for firms above a certain size threshold, for instance a relatively large size with over 400 employees (Bigsten & Gebreeyesus, 2007). Therefore, we can conclude that there exists a negative relationship between firm size and growth especially for firms with less than 400 employees.

Firm growth can be determined by how successfully one sells products and services to the customers. Therefore, market orientation can be considered an important determinant of growth. Firms with market orientation are able to track and respond to the customer’s needs and preferences. They are more likely to develop their market intelligence as well as have the ability
to coordinate internal processes in order to respond quickly and effectively to customers and external stakeholders. Consequently, market orientation enables better satisfaction of customers and stakeholders which in turn result in a firm’s growth (Hult, Snow & Kandemir, 2003).

A firm’s financial resources and human capital are the most important resources for small business growth (Wiklund et al., 2007). However, the empirical evidence on this phenomenon still remains ambiguous. While some studies show significantly positive relationship between financial performance and growth (Bottazzi & Secchi, 2005), others find only moderate effects (Coad, 2007) and even some negative effects (Hardwick & Adams, 2002). The rationale behind this is that there are a large number of unexplained variations in the growth rate (Coad, 2007).

2.4.1.3. Environmental Determinants

Most SMEs start and grow, but it is easy to fall due to competition. One major reason is that most of them start businesses that are imitative in mature industries that serve the local market (Brown et al., 2018). Environmental Determinants A general finding in literature is that most firms start small, live small and die small. One major reason for this is that a majority of the business start-ups are imitative businesses in mature industries that serve local markets (Baldwin & Gellatly, 2003). Samundsson and Dahlstrand (2005) studied 262 young Swedish technology based firms and found that firms seeking to exploit opportunities based on new market knowledge are less likely to attain substantial growth than firms seeking to exploit opportunities based on existing market knowledge. The environment varies along several dimensions, such as dynamism, heterogeneity, hostility and munificence, and this may largely determine the growth potential of firms. Dynamic environment, either market dynamics or technology dynamics, is measured by the level of environmental predictability. It is argued that there are more
opportunities for growth when there are changes in society, politics, market and technology (Wiklund et al., 2007). Munificence represents an environment’s support (for example, great market potential) for firm growth. A firm in such an environment with better access to required resources has higher chances to grow. Unfortunately, a previous study shows a slightly significant direct effect of munificence on firm growth (Baum et al., 2001). Hostile environment can create threats to the firm through increased intensity of competition. Competitive intensity thus reduces the growth opportunities for small firms. Heterogeneity indicates the complexity of environment regarding the concentration or dispersion of organizations in the environment. It is argued that small firms which serve niche markets can find growth opportunity with relatively more ease in a heterogeneous market than in a homogeneous one (Wiklund et al., 2007).

2.5 Resource Capabilities

The resource-based view (RBV) of a firm predicts that certain types of resources owned and controlled by firms have the potential and promise to generate competitive advantage, which eventually leads to superior organizational performance.

Recruitment: According to Soehad et al, (2015) recruitment is described as the set of activities and processes used to legally obtain a sufficient number of qualified people at the right place and time so that the people and the organization can select each other in their own best short and long term interests. In other words, the recruitment process provides the organization with a pool of potentially qualified job candidates from which judicious selection can be made to fill vacancies. Successful recruitment begins with proper employment planning and forecasting.
Training refers to bridging the gap between the current performance and the standard desired performance (Baker and Sinkula, 2016). Training refers to a planned intervention aimed at enhancing the elements of individual job performance”. It is all about improving the skills that seems to be necessary for the achievement of organizational goals. Training programs not only develops employees but also help an organization to make best use of their human resources in favour of gaining competitive advantage.

Internal and External Sources of Funds: One way of categorizing the sources of finance for a start-up is to divide them into sources which are from within the business (internal) and from outside providers (external). The main internal sources of finance for a start-up are as follows: personal sources, borrowing from family and friends, retained profits and share capital invested by the entrepreneur. The external sources include; a bank loan, business angels and venture capitalist.

Resources used by all types of organizations can be divided into four basic types:

Human Resources: The success of an organization is heavily reliant on the talent and strength of its employees. The hiring of experienced professionals with track records of excellence within their area of expertise ensures that the mission and goals of the company will be carried out efficiently and with competence. Strong team members can be recruited using a variety of methods. Staffing agencies and executive search firms specialize in placing talent of all levels within every industry. An alternative is to find employees through referrals from individuals whose judgment is trusted (Hasanzadeh and Ghadiri, 2010).
Financial Resources: The most important element in starting a business is funding. Even the most basic home business incurs a multitude of startup costs, including registering a business name, obtaining a business telephone line and printing business cards. Financial resources can be obtained from a variety of sources, the easiest being from the personal accounts of the company’s founder. Alternatively, loans and lines of credit may be granted from financial institutions, friends and relatives, private investors and even the government. In addition, many grants are offered from private and public sources to entrepreneurs of all demographics and personal situations (Clark, 2017).

Tangible Resources: Whether a small business or a large one with multiple locations, every organization must have the appropriate physical resources to survive. This includes a proper workspace, working telephone line, adequate information systems and effective marketing materials. This aspect of business planning can be one of the costliest. As such, it is important for an entrepreneur to realistically assess his needs before making any purchases (Choe, 2015).

Information Resources: It is an element of infrastructure that enables the transaction of certain selected significant and relevant data, prepared so as to provide content and information services that can be used directly by the user. It is necessary to establish some minimum socio-technical requirements for an element to qualify as a resource. These include all kinds of useful information and data needed for the effective decision making, also knowledge and key competences of the employees (Narver and Slater, 2017).
2.6 Market Orientation and SMEs Growth

Market orientation is an important internal influence and has been shown to have a positive relationship to organizational performance. Market orientation refers to the organization wide generation, dissemination, and responsiveness to market intelligence (Kohli and Jaworski, 2017). Market orientation is viewed as a source of sustainable competitive advantage for an organization in that it helps to create superior value for customers (Narver and Slater, 2016). Therefore, stressing on market orientation can be expected to result in higher business performance of an organization. Many scholars found a positive link between the extent of market orientation and business performance (Ruekert, 2015; Jaworski and Kohli, 2014). In fact, recent studies indicated that market orientation still has a positive impact on performance particularly large organizations (Mokhtar and Yusoff, 2017).

Other marketing authorities such as Kotler (2016); Levitt (2017) and Webster (2018) also addressed the notion that a business that increases its market orientation will improve its market performance. Slater and Narver (2016) found in their research that market orientation is positively related to business profitability, measured by return on investment (ROI). Kohli and Jaworski (2017) suggested that market orientation enhances the performance of an organization in terms of return (ROI), profits, sales volume, market share and sales growth.

The market orientation concept does not apply to consumer or industrial product companies, but also to service companies. Orvis (2016) investigated the influence of market orientation on retail store performance in the United State and the result support the positive association between high measures of market orientation and high level of retail store performance. Lancaster and
Velden (2014) support that a high level of intelligence generation and dissemination (i.e. Understanding present and future needs of customers) and performing activities to develop products and services that meet customers wants and need will lead to higher levels of performance. Appiah-Adu and Satyendra (2018) found a positive and significant association between market orientation and performance among UK SMEs. Finding by Pelham and Wilson (2016) reinforce similar finding which suggests a customer orientation (i.e. Market orientation) is significantly and positively related to business performance across a range of US SMEs.

2.7 Market Orientation and Resource Capabilities

Studies have shown that there is a significant relationship between capabilities and market orientation (Herington and Weaven, 2016; Morgan et al, 2017; Caruana, Ramaseshan, and Ewing, 2018). Capabilities are conceptualized and categorized as, inter alia, organizational skills and collective learning, core competencies, resource development competence, organizational integration, strategic decision making and alliance-building, product development, relationship-building and informational and technological capabilities. With excellent strategic organizational practices and strategic integration, deployment of resources and capabilities, firms can attain competitive advantage and better performance. Organizational capabilities are indeed an important element in a firm’s strategy, and a firm's knowledge is one of the vital ingredients in attaining competitive advantage and growth.

2.8 Resource capabilities and growth

The concept of capabilities is frequently used to define a group of individual qualifications, assets and accumulated knowledge, exercised through organizational processes allowing reaching a better coordination of activities and a better use of resources. The capabilities are
many times developed either in functional areas or in combination of physical, humans or technological resources, controlled by the firm. Capabilities along with the resources are the core competences on firm’s strategy formulation and therefore constitute the firm’s identity.

In the view of Degravel, (2011) capabilities must be maintained, protected, managed, acquired, transformed and redeployed. Resource capabilities are a notion which emphasizes on an organization’s uniqueness in the industry sector to contribute to growth (Parnell et al 2015). Embedded in resource are distinctive core competencies that give an organization a competitive advantage to perform. According to Camison, (2005) distinctive core competencies distinguish relevant strategic assets sustaining conservative attainment of competitive position through exploitation of resource characteristics. This multidimensional uniqueness like rent appropriability, scarcity, inimitability, durability and non-substitutability describes the exceptional and dynamic competencies of leadership and skillful teamwork through innovative exploration of sustained capabilities as a growth benchmark.

Sustained capabilities are those that are not easy or quickly reproduced by the competitors and must form the base of firm’s strategy. These resources and capabilities are the key for the achievement of competitive advantage which ultimately has strong correlation with growth of a firm (Eckhardt and Shane, 2003; Phillips and Tracey, 2007).

Moreover, resource capabilities improve customer relationship management to foster customer loyalty. Furthermore, capabilities create leadership and management practices, shared mindset in capacity for change especially learning from past challenges in competence, efficiency and collaborative practices through benchmarking of paradigm shifts in economic uncertainties and situations (Gryger et al, 2010).
Linkages among firm’s resources, capabilities and profitable firm growth have been espoused by a number of researchers. Ferreira and Azevedo (2008) found that the association between resources and capabilities and growth is strong. In their study they found that variables of resource capabilities that forms entrepreneurial orientation of firms such as proactiveness, risk taking and innovativeness have strong positive effect on growth.

2.9 Empirical Review

Market orientation and organizational performance relationship has attracted many researchers. Varied predictions have been made about the outcome of this relationship (Voss and Voss, 2015). Many have predicted positive relationship based on the premise that market orientation provides better understanding of the customer and the competition and therefore better decisions could be made that would result in good performance. Again some empirical studies have shown strong positive relation between market orientation and businesses in some sectors of the economy. Kirca, Jayachandran and Bearden (2015), cited strong positive relationship between market orientation and organizational performance in the manufacturing sector. They however posit that the relationship is not strong for the service sector.

Again the nature of the relationship between the market orientation and organizational performance has been influenced by the perception of the managers on the overall firm’s performance (Deshpandé and Farley, 2017). Differences in the outcomes in the relationship between the two constructs have also been linked to the performance variables that the mangers are interested in. The work of Pelham and Wilson (2016), looked at the mangers perception and financial performance whiles Frishammar and Hörte (2017) looked at managers” perception and
new product performance. Cultural setting of the society has also shown to impact on the outcome of the relationship between market orientation and firm’s performance. The work of Kirca, Jayachandran and Bearden (2015), alluded to this by showing that there was stronger impact in countries with low power distance and low uncertainty avoidance.

There are two other set of researches that looked at the environmental influence and the introduction of a moderating or mediating variable on the relationship between the market orientation and firms” performance. Palmer and Pels (2015) are among the first group that considered the nature of the business environment impact on the outcome of the market orientation and business performance. They considered the UK market which is relatively stable and that of Argentina which is emerging and turbulent. Their conclusion was that the turbulent nature of the market has no effect on market orientation. Matsuno and Mentzer (2014) introduced strategy as a modifier of the market orientation and organizational performance. Looking at the relationship between marketing orientation and organizational performance with strategy as a modifier however this research used internal communication as a mediating variable because it influences employee engagement which also directly affects their performance Kohli and Jaworski (2016). Since service is a high contact activity the performance of the employees is the product that is consumed by the customer (Kotler, 2014), therefore highly engaged staff is an antecedent of high performing organization.
2.10 Conceptual Framework

Key

MO = Market Orientation
CO = Customer Orientation
CompO = Competitor Orientation
IFC = Inter Functional Coordination
RC = Resource Capability
HR = Human Resources
FR = Financial Resources
TR = Tangible Resources
IF = Information Resources
ID = Individual Determinants
OD = Organization Determinants
ED = Environmental Determinants

MO → CO → CompO → IFC → Resource capability → Growth

H1

H2 → H3
CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

In this section, the study looks at the research design, population, sample and population, data collection instrument, data collection procedure and data analysis.

3.1 Research Design

To obtain the more valid result, selection of the appropriate methodology is highly important. (Silverman, 2011). Basically, there are two main approaches to conducting research, namely quantitative and qualitative approaches (Yates, 2004). However, given the purpose and nature of this study where most of the analyses were quantitative in nature, quantitative approach was deemed the most appropriate and, therefore, adopted. The explanatory study design was used for this study. The explanatory research design was chosen mainly because it allows data to be collected predominantly by questionnaire or by structured interview.

3.2 Population and Sample Size

The target population consisted of all the manufacturing and service SMEs in the Kumasi metropolis. Out of the total of 3485 manufacturing and service SMEs found in the sampling frame obtained from National Board for Small Scale Industries, a representative sample of 500 was drawn for the study.

3.3 Sampling Technique

Sampling means selecting a particular group or sample to represent the entire population. Sampling methods are majorly divided into two categories probability sampling and non-probability sampling. In the first case, each member has a fixed, known opportunity to belong to
the sample, whereas in the second case, there is no specific probability of an individual to be a part of the sample. For a layman, these two concepts are same, but in reality, they are different in the sense that in probability sampling every member of the population gets a fair chance of selection which is not in the case with non-probability sampling. (Surbhi S 2016)

For this study, a probability sampling was selected specifically a simple random sampling. Simple random sampling method, specifically lottery method, was adopted in selecting these SMEs from the population. This technique was chosen because it provides an opportunity for each of the SMEs to have an equal chance of being selected.

3.4 Data Collection Instrumentation

A questionnaire was chosen as the data collection instrument. The questionnaire had close-ended questions and was divided into various sections to capture the critical areas spelt out in the objectives of the study. The questions were thoroughly explained to the respondents after copies of the questionnaire were handed to them. The purpose was to help the respondents understand the relevance of the research and provide their independent views on the questionnaire items given them. To have a valid and a reliable data, the questionnaires were well prepared which allowed error minimization.

3.6 Data Analysis

The present study employed quantitative techniques for data analysis to achieve the set objectives. The Statistical Package for Social Sciences (SPSS) was used to analyze the data collected. Tables and other statistical inferences were made from the data gathered.
Representations like charts, pie charts etc. will be used to ensure easy and quick interpretation of data. Responses were also expressed in percentages.

### 3.7 Ethical Considerations

The researcher considers the research values of voluntary participation, anonymity and protection of respondents from any possible harm that can arise from participation in the study. The researcher requested the respondents to participate in the study on a voluntary basis. Refusal or abstaining from participation was permitted. The researcher also assured the respondents of confidentiality of the information they will give and protection from any possible harm that could arise from the study since the findings would be used for the intended purposes only.

#### Table 3.1: Measurement of Variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>Dimensions</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Orientation</td>
<td>Customer Orientation</td>
<td>(Slater and Narver 2016)</td>
</tr>
<tr>
<td></td>
<td>Competitor Orientation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Inter Functional Coordination</td>
<td></td>
</tr>
<tr>
<td>Resource Capabilities</td>
<td>Human Resources</td>
<td>(Narver and Slater, 2017).</td>
</tr>
<tr>
<td></td>
<td>Financial Resources</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tangible Resources</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Information Resources</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Organization Determinants</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Environmental Determinants</td>
<td></td>
</tr>
</tbody>
</table>
CHAPTER FOUR

DATA ANALYSIS, PRESENTATION, AND DISCUSSION OF FINDINGS

4.1 Introduction

This chapter presents the results of the empirical study carried out to examine the effect of market orientation and resource capabilities on small and medium enterprises growth in Ashanti Region. The analysis and discussion of the results centred on the research objectives. First, the demographic information of respondents is analysed. Then the effects of market orientation on the growth of SMEs are also analysed and discussed. The study also assessed the impact of the effect of market orientation on resource capabilities of SMEs. The study was conducted on 500 SME owners out of which 493 respondents representing 98.6% response rate were received. Tables are used to present the results in this chapter.

4.2 Demographic Information

Table 4.1

<table>
<thead>
<tr>
<th>Variables</th>
<th>Levels</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td>Male</td>
<td>221</td>
<td>49.1</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>229</td>
<td>50.9</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td>25 - 35</td>
<td>11</td>
<td>2.2</td>
</tr>
<tr>
<td></td>
<td>35 - 45</td>
<td>116</td>
<td>23.5</td>
</tr>
<tr>
<td></td>
<td>45 - 55</td>
<td>230</td>
<td>46.7</td>
</tr>
<tr>
<td></td>
<td>55 and above</td>
<td>136</td>
<td>27.6</td>
</tr>
<tr>
<td><strong>Educational status</strong></td>
<td>Basic</td>
<td>186</td>
<td>37.7</td>
</tr>
<tr>
<td></td>
<td>Secondary</td>
<td>193</td>
<td>39.1</td>
</tr>
<tr>
<td></td>
<td>tertiary</td>
<td>102</td>
<td>20.7</td>
</tr>
<tr>
<td></td>
<td>none</td>
<td>12</td>
<td>2.4</td>
</tr>
<tr>
<td><strong>Business History</strong></td>
<td>1 - 3</td>
<td>34</td>
<td>6.9</td>
</tr>
<tr>
<td></td>
<td>4 - 7</td>
<td>229</td>
<td>46.5</td>
</tr>
<tr>
<td></td>
<td>8 - 10</td>
<td>173</td>
<td>35.1</td>
</tr>
<tr>
<td></td>
<td>above 10 years</td>
<td>57</td>
<td>11.6</td>
</tr>
</tbody>
</table>

Source: Researchers field work (2019)
4.2.1 Gender

The researcher selected the sample based on targeted units using the non-probability sampling method of random sampling, specifically the purposive sampling technique. A sample size of 493 comprising 288 male staff (representing 58.4%) and 205 female (representing 41.6%) responded to the administered questionnaire. Details are shown in Table 4.2. The research data revealed indicate that of almost equal representation of both genders, thereby implying that even though the male dominated the respondents, there was a strong show of the female. The results of the study indicate that there are more male SME owners in the Kumasi Metropolis than their female counterparts.

4.2.2 Age

Table 4.1 shows that the age distribution of the respondents in the study ranged from 25 years and above. It can be observed that most of the respondents in the study 230 (46.7%) fell within the 45 -50 year group. The second largest group in terms of age was those who were 55 years and above (27.6%). Respondents who were between the ages of 35 and 45 were 116 (23.5%) whilst those between the ages of 25 and 35 were 11 representing 2.2%. This implies that respondents in the study were dominated by people above the ages of 45. The research posit that few SME firms are owned by young people, however the sector is dominated by adults within the age range of 45 to 55 years.
4.2.3 Level of Education

The study revealed that all the respondents are well educated with the least holding a Basic education certificate. Majority (39.1%) of the respondents have attained SSSCE certificate; 37.7% were BECE holders and the remaining 20.7% have gone through the tertiary education. 12 of the respondents representing 2.4% of them held had no certificate. The results implies that majority of SME entrepreneurs have at least secondary education.

4.2.4 Business History

Using the normal statistical distribution, four classes were obtained for the business history. Table 4.4 reveals that 6.9% of the respondent’s firms had between 1 - 3 years of existence. This was followed by 4 - 7 years of existence (46.5%), 8 - 10 years of existence (35.1%) and 10 years and above had (11.6%). The data output implies that majority of SMEs in the Ashanti Region cannot survive beyond 10 years.

4.3 Reliability of the study

Table 4.5 Reliability of the study

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach alpha</th>
<th>No. of Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Resource Capability</td>
<td>0.771</td>
<td>7</td>
</tr>
<tr>
<td>Financial Resource Capability</td>
<td>0.809</td>
<td>7</td>
</tr>
<tr>
<td>Tangible Resource Capability</td>
<td>0.824</td>
<td>7</td>
</tr>
<tr>
<td>Information Resource Capability</td>
<td>0.806</td>
<td>7</td>
</tr>
</tbody>
</table>
The reliability of the study is based on various scales and variables used and the Cronbach alpha is used to determine the reliability. The reliability is to make sure of how consistent the variables used are. The reliability is to make sure of how consistent the variables used are. An alpha value of 0.7 or more has been described as reliable (Clark 2009). The alpha coefficients of 0.771, 0.809, 0.824, 0.806, 0.848, 0.864, 0.712 and 0.740, which represent Human Resource Capability, Financial Resource Capability, Tangible Resource Capability, Information Resource Capability, Customer Orientation, Competitor Orientation, Inter Functional Coordination and SME Growth, were recorded. This means that the variables used were consistent.

### 4.4 Correlation Matrix

The Correlation matrix below shows the relationship that existed between the variables used in the study and is used to assess if there is multicollinearity between the variables used.

For the study to be strong, the Correlation should not be more than 0.7 (F. Hair Jnr. 2007). As shown in the Correlation matrix table of the study, at both the significant level or 10% and 5%, there was some form of multicollinearity among some of the variables used for the study.
Table 4.6 Correlation Matrix

<table>
<thead>
<tr>
<th></th>
<th>HRC</th>
<th>FRC</th>
<th>IRC</th>
<th>TRC</th>
<th>CO</th>
<th>ComO</th>
<th>IFC</th>
<th>SmeG</th>
</tr>
</thead>
<tbody>
<tr>
<td>HRC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FRC</td>
<td>.768**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IRC</td>
<td>.800**</td>
<td>.854**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRC</td>
<td>.800**</td>
<td>.854**</td>
<td>1.000**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CO</td>
<td>.746**</td>
<td>.793**</td>
<td>.771**</td>
<td>.771**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ComO</td>
<td>.654**</td>
<td>.711**</td>
<td>.770**</td>
<td>.770**</td>
<td>.828**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IFC</td>
<td>.676**</td>
<td>.661**</td>
<td>.704**</td>
<td>.704**</td>
<td>.655**</td>
<td>.719**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SmeG</td>
<td>.619**</td>
<td>.623**</td>
<td>.689**</td>
<td>.689**</td>
<td>.682**</td>
<td>.670**</td>
<td>.678**</td>
<td></td>
</tr>
</tbody>
</table>

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

4.5 The effects of market orientation on the growth of SMEs in Ashanti Region.

The analysis below seeks to establish the effects of market orientation on the growth of SMEs in Ashanti Region. In assessing the effects of market orientation on the growth, regression analysis was done. Customer orientation, competitor orientation, inter functional coordination were used as dependent variables while growth of SMEs was used as dependent variable.
### Table 4.7 Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.750&lt;sup&gt;a&lt;/sup&gt;</td>
<td>.563</td>
<td>.560</td>
<td>.50825</td>
</tr>
</tbody>
</table>

<sup>a</sup> Predictors: (Constant), IFC, CO, ComO

### Table 4.8 ANOVA<sup>b</sup>

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>162.588</td>
<td>3</td>
<td>54.196</td>
<td>209.806</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>126.316</td>
<td>489</td>
<td>.258</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>288.904</td>
<td>492</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<sup>a</sup> Predictors: (Constant), IFC, CO, ComO

<sup>b</sup> Dependent Variable: SmeG
### Table 4.9 Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>.787</td>
<td>.097</td>
<td></td>
</tr>
<tr>
<td>CO</td>
<td>.277</td>
<td>.044</td>
<td>.336</td>
</tr>
<tr>
<td>ComO</td>
<td>.115</td>
<td>.052</td>
<td>.129</td>
</tr>
<tr>
<td>IFC</td>
<td>.368</td>
<td>.044</td>
<td>.365</td>
</tr>
</tbody>
</table>

a. Dependent Variable: SmeG

Key: CO = customer orientation, ComO = competitor orientation, IFC = inter functional coordination, SmeG = SME growth

The regression analysis results show that there is a strong relationship (R-value of 0.750) between market orientation and growth of SMEs. The r square value of 0.563 shows that 56.3% of SME’s growth depends on market orientation.

From the ANOVA results, the output shows that the impact of market orientation on the growth of SMEs is statistically significant and is fit for the model. (f = 209.8; sig. = .000).

#### 4.5.1 Relationship between customer orientation and growth of SMEs

Regression results of customer orientation showed a coefficient value (b) of 0.277. This implies there is a positive relationship between SME growth (dependent variable) and customer orientation (independent variable). The customer orientation of SMEs is statistically significant
and has a greater influence on sustainability of banks. This is evident in the t value of 6.221 and significant of 0.000. The result is in support of a study by Hult (2001) which states customer orientation is reported to be a major source of growth in many managements and marketing researches (Hult and Ketchen, 2001).

4.5.2 Relationship between competitor orientation and growth of SMEs

However, the regression results of competitor orientation showed a coefficient value (b) of 0.115. This implies there is a positive relationship between competitor orientation and growth of SMEs. However, competitor orientation involvement in growth of SMEs is statistically significant and has an influence on the sustainability of the growth of SMEs (t value of 2.195 and significant of .029). Hult (2001) also reported that competitor orientation is a source of growth in SMEs (Hult and Ketchen, 2001).

4.5.3 The effect of inter functional coordination and growth of SMEs

Again a regression test was conducted on the impact of inter functional coordination on the growth of SMEs. The results showed a coefficient value (b) of 0.368 which means there is a positive relationship between inter functional coordination and the growth of SMEs. The significant test results showed, inter functional coordination involvement in growth of SMEs is statistically significant and has an influence on the sustainability of the growth of SMEs (t value of 8.380 and significant of 0.000). Burns, (2006) acknowledge that inter functional coordination have a high proportion of small businesses performance (Burns, 2006).
4.5.4 Beta Values

After analysis of the individual independent variables (customer orientation, competitor orientation, inter functional coordination) impact on the dependable variable (SME growth), the beta values outputs of 0.336, 0.129 and 0.365 for customer orientation, competitor orientation, inter functional coordination respectively were used accordingly from the results of the study, it was identified that inter functional coordination was making the highest contribution to the growth of SMEs in the Ashanti region. This implies that majority of SMEs in Kumasi believe that inter functional coordination is a great contributor to growth of SMEs.

4.6 The effect of market orientation on resource capabilities of SMEs.

In evaluating the market orientation on resource capabilities of SMEs, customer orientation, competitor orientation, inter functional coordination were used as dependent variables while resource capabilities was used as dependent variable.

Table 4.10 Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.887a</td>
<td>.787</td>
<td>.786</td>
<td>.36709</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), IFC, CO, ComO
### Table 4.11 ANOVA\(^b\)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>243.343</td>
<td>3</td>
<td>81.114</td>
<td>601.94</td>
<td>.000(^a)</td>
</tr>
<tr>
<td>Residual</td>
<td>65.895</td>
<td>489</td>
<td>.135</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>309.237</td>
<td>492</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^a\) Predictors: (Constant), IFC, CO, ComO

\(^b\) Dependent Variable: ResCap

### Table 4.12 Coefficients\(^a\)

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>(Constant)</td>
<td>.289</td>
<td>.070</td>
<td></td>
</tr>
<tr>
<td>CO</td>
<td>.533</td>
<td>.032</td>
<td>.626</td>
</tr>
<tr>
<td>ComO</td>
<td>.068</td>
<td>.038</td>
<td>.074</td>
</tr>
<tr>
<td>IFC</td>
<td>.274</td>
<td>.032</td>
<td>.263</td>
</tr>
</tbody>
</table>

\(^a\) Dependent Variable: ResCap
The summary regression results show that there is a strong relationship (R-value of 0.887) between market orientation and resource capabilities of SMEs firm. The R square value of 0.787 shows that 78.7% of resource capabilities can be attributed to the how market oriented an SME firm is. From the ANOVA results, the output shows that the impact of market orientation on resource capabilities of SMEs is statistically significant and fit for the model. A statistical value of 4 and above shows that the model is fit hence (F = 601.942; sig. = .000) indicate that the model was fit for the study.

4.6.1 Customer Orientation

With regards customer orientation, the coefficient value (B) of .533 depicts a positive relationship with SME research capabilities. This means that when all other variables are held constant, customer orientation would help increase SME research capabilities. Moreover, customer orientation is statistically significant and has a greater impact on SME research capabilities with a t-value of 16.605 and significant of 0.000. Kohli described effective implementation of customer orientation as a growth strategy (Kohli and Jaworski 2000),

4.6.2 Competitor Orientation

Again, the regression results of a coefficient value (B) of 0.068 illustrate a positive relationship between competitor orientation and resource capabilities of SMEs. The interpretation is that when all other variables held constant, competitor orientation would help increase the resource
capabilities of SMEs. Competitor orientation however with a t-value of 1.800 and significant of 0.073 shows that it is statistically insignificant and has an influence on research capabilities of SMEs. This is in support of a study by Tanjaand Jurij (2014) which posit that a company that is customer oriented continuously try to understand the whole purchaser value chain to effectively use its resources (Tanjaand Jurij, 2014).

4.6.3 Inter Functional Coordination

Regression results of the inter-functional coordination variable; coefficient value (B) of .274 shows a positive relationship with the research capabilities of SMEs. This means that when all other variables (customer orientation and competitor orientation) are held constant, inter functional coordination would help increase competitive the research capabilities of SMEs. Inter Functional Coordination is statistically significant and it has influence on research capabilities. This is evident in the t value of 8.646 and significant of 0.000. Empirical evidence has shown that inter functional coordination is a vital player in the SME business performance (Wilson, et. al 2014).

The individual variables were accessed to ascertain the individual effect of the independent variables (customer orientation, competitor orientation and inter functional coordination) on the dependent variable (research capabilities). The beta values of the independent variables, 0.626, 0.074 and 0.263 for customer orientation, competitor orientation and inter functional coordination were used accordingly. From the results of the study, the study identified that customer orientation (beta value of 0.626) was making the highest contributing to the research capabilities of SMEs in Ashanti region.
4.7 The effect of resource capabilities on the growth of SMEs.

The effect of resource capabilities on the growth of SMEs was also evaluated. Information Resources Capabilities, Tangible Resources Capabilities, Financial Resources Capabilities, Human Resource Capabilities, were used as dependent variables while growth of SMEs was used as dependent variable.

Table 4.13 Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.708</td>
<td>.501</td>
<td>.497</td>
<td>.54338</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), IRC, FRC, HRC, TRC

Table 4.14 ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>144.817</td>
<td>4</td>
<td>36.204</td>
<td>122.619</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>144.086</td>
<td>488</td>
<td>.295</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>288.904</td>
<td>492</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), IRC, FRC, HRC, TRC

b. Dependent Variable: SmeG
Key: IRC = Information Resources Capabilities, TRC = Tangible Resources Capabilities, FRC = Financial Resources Capabilities, HRC = Human Resource Capabilities, SmeG = SME growth

Table 4.15 Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.125</td>
<td>.092</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>12.176</td>
<td>.000</td>
</tr>
<tr>
<td>HRC</td>
<td>.121</td>
<td>.052</td>
<td>.132</td>
<td>2.328</td>
</tr>
<tr>
<td>FRC</td>
<td>.057</td>
<td>.052</td>
<td>.069</td>
<td>1.080</td>
</tr>
<tr>
<td>TRC</td>
<td>.330</td>
<td>.068</td>
<td>.368</td>
<td>4.844</td>
</tr>
<tr>
<td>IRC</td>
<td>.174</td>
<td>.049</td>
<td>.194</td>
<td>3.516</td>
</tr>
</tbody>
</table>

a. Dependent Variable: SmeG

Results from the regression table 4.15 show that there is a strong relationship (R-value of 0.708) between resource capabilities on the growth of SMEs. The R square value of 0.501 shows that 50.1% of SME firms growth can be attributed to the ability of the firm to effectively use its resource available. This point to the fact that there is a strong relationship between resource capabilities and the growth of SMEs. From the ANOVA results, the output shows that the impact of resource capabilities on the growth of SMEs is statistically significant and fit for the model. A
statistical value of 4 and above shows that the model is fit hence (F = 122.619; sig. = .000) indicate that the model was fit for the study.

4.7.1 Human Resource Capabilities

In the regression results, the coefficient value (B) of 0.121 depicts a positive relationship with SME growth. This means that when all other variables (information resources capabilities, tangible resources capabilities, financial resources capabilities) are held constant, human resources capabilities would help increase SME growth. Human resources capabilities are statistically significant and it has influence on SME growth with a t value of 2.328 and significant of 0.020. Teece et al. (1997) argue that dynamic capabilities are in fact organisational and strategic routines by which managers alter a firm's resource base and renew competencies in order to generate new sources of competitive advantage.

4.7.2 Financial Resources Capabilities

Concerning financial resources capabilities regression results, the coefficient value (B) of 0.057 depicts a positive relationship with growth of SMEs. This means that when all other variables are held constant, the financial resources capabilities of an SME would help increase SME growth. Financial resources capabilities is statistically significant and has less influence on SME growth with a t value of 1.080 and significant of 0.281. Firm performance is directly dependent on access to long-term and short-term performance (Baliamoune-Lutz and Lutz 2017).
4.7.2 Tangible Resources Capabilities

Regression results of the tangible resources capabilities variable; the coefficient value (B) of 0.330 shows a positive relationship with SME growth. This means that when all other variables are held constant, tangible resources capabilities would help increase the growth of an SME firm. Tangible resources capabilities is statistically significant and has an influence on the growth rate with a t value of 4.844 and significant of 0.000. This supports Dess, et. al (2007) assertion that tangible resources increase organisational growth.

4.7.3 Information Resources Capabilities

Information resources capabilities regression results showed coefficient value (B) of 0.174 depicting a positive relationship with SME growth. This means that when all other variables remain constant, information resources capabilities would help increase the growth of an SME firm. Information resources capabilities is statistically significant and has an influence on the growth rate with a t value of 3.516 and significant of 0.000. Small business needs information to survive hence they cannot do away without information resource capabilities (Asi et. al 2012).

4.7.4 Beta Values

After analysis of the individual independent variables, an examination of the individual effect of the independent variables was carried out to identify the value that makes the greatest impact on the growth of SME. The beta values of the independent variables, 0.132, 0.069, 0.368, and 0.194 for human resources capabilities, financial resources capabilities, tangible resources capabilities, and information resources capabilities were used accordingly. From the results of the study, the tangible resources capabilities of an SME firm with the highest beta value of 0.368 was making
the highest contributing factor to the SME growth. The implication is that tangible resources contribute greatly to the growth of SMEs in Kumasi.
CHAPTER FIVE
SUMMARY, RECOMMENDATIONS AND CONCLUSION

5.1 Introduction
This study has touched on the effect of market orientation and resource capabilities on small and medium enterprises growth in Ashanti Region. After the main introduction to the study was covered in the chapter one, chapter two presented a thorough review of extant literature on the topic whiles the third chapter captured the methodologies adopted for conducting the study. Chapter four presented the data analysis and discussions of results on the data collected from field survey. In this last chapter, the major findings of the study are summarized; conclusions are drawn based on the findings and recommendations are made.

5.2 Summary of Findings
The summary of the study has been captured under the various objectives of the study and are presented below;

5.2.1 Effects of market orientation on the growth of SMEs.
In order to gain insight on how the individual effect of the independent variables (customer orientation, competitor orientation, inter functional coordination) on the growth of SMEs, respondents were presented with questions to identify the value that makes the greatest impact on their firms performance. The results showed that inter functional coordination was making the highest contribution to the growth of SMEs in Ashanti region.
5.2.2 The effect of market orientation on resource capabilities of SMEs.

The second objective of the study was to examining the effect of market orientation on resource capabilities of SMEs. From the study findings of study, the result showed that there is a strong relationship between market orientation and resource capabilities of SMEs firm. However, all variables measuring market orientation used had an impact on the resource capabilities of an SME firm, customer orientation has the greatest contribution to the resource capabilities of SMEs in Ashanti Region.

5.2.3 The effect of resource capabilities on the growth of SMEs.

Results from the regression output concluded that there is a strong relationship between resource capabilities on the growth of SMEs and a higher percentage of an SME firm’s growth can be attributed to resource capabilities.

Among the variables tested, tangible resources capabilities of SMEs was identified as the highest variable making the highest contribution to the growth of SMEs in Ashanti Region.

5.3 Conclusions and Recommendations

The study recommends that for small and medium scale firms to survive in ever dynamic competitive environment, it is evident that they should adopt or apply various marketing oriented activities to ensure that they are aligned to the need of the market environment.

Further the study recommends that small and medium scale firms operating specifically in Kumasi Metropolis should adopt inter functional coordination as their main competitive strategies in order to remain competitive in the business environment.
For the SMEs to be successful, the need to invest tangible resources capabilities that will ensure that they survive in the industry is of priority. SMEs should cultivate a culture of satisfying the need of customers.

5.4 Policy implication

SME policy makers should develop policies that will help improve tangible resources capabilities of SMEs since it affects SME performance.

Government should take the lead in financing SME to acquire more tangible resources.

A national policy for SME including capacity building strategies should be formulated, implemented and monitored.

The government should also make available enough loanable funds to the institutions set up to help finance the small – scale industries in acquiring tangible resources.

Again the SMEs should take bold initiative to introduce more marketing oriented policies.

5.5 Recommendation for future studies

Future research studies should aim at contributing to body of knowledge that will improve SMEs performance and also focus on how SMEs can be more oriented towards their customer, improve inter functional coordination in the use of resources and improve tangible resource capabilities.

Future research works should investigate individual capabilities and their contribution to SME performance.
REFERENCES


APPENDIX

CHRISTIAN SERVICE UNIVERSITY COLLEGE

EFFECT OF MARKET ORIENTATION ON SME GROWTH IN GHANA; THE MEDIATING ROLE OF RESOURCE CAPABILITIES

This is a questionnaire designed to examine “effect of market orientation on SME growth in Ghana; the mediating role of resource capabilities”. You are assured that all information provided will be used for only academic purposes and will be kept strictly confidential. Please your cooperation and honesty will be deeply appreciated. Thank you.

DEMOGRAPHIC DATA

SECTION A (Kindly tick your response)

1. Gender
   [ ] Male  [ ] Female

2. Age
   [ ] 25 – 35  [ ] 35 – 45  [ ] 45 - 55  [ ] Above 55

3. Level of Education
   [ ] Basic Education  [ ] Secondary  [ ] Tertiary Education  [ ] None

SECTION B

1. For how long has your business been in existence?
   [ ] 1-3 years  [ ] 4-7 years  [ ] 8-10 years  [ ] Above 10 years

2. What is your nature and kind of business?
   [ ] Food processing  [ ] Wood processing  [ ] Bakery  [ ] Furniture making
   [ ] Metal works  [ ] Farming  [ ] Machinery works  [ ] Other
3. What is your monthly turnover?
   [ ] Less than GHS 5000
   [ ] GHS 5000-10,000
   [ ] GHS 10000-15,000
   [ ] GHS 15,000-20,000
   [ ] Above GHS 20,000

4. How did you finance the start-up of the business?
   [ ] Personal savings
   [ ] Bank credit
   [ ] Friends and relations   [ ] Other

5. How many employees do you have?
   [ ] 0-8
   [ ] 9-29 (medium size)
   [ ] 30-39 (large size)

6. What are the sources of funding for the business?
   [ ] Bank loan
   [ ] Personal savings
   [ ] Retained profits
   [ ] Private institutions
   [ ] Trade credit
   [ ] Family and friends
SECTION C: Resource Capability (Human Resource)

Please indicate (by ticking) to what extent you agree or disagree with the following statements

<table>
<thead>
<tr>
<th>No</th>
<th>Statements</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>The organization’s human resource requirements are systematically ascertained and an appropriate plan is formulated for satisfying the requirements</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>7</td>
<td>All major jobs are subject to formal job analysis</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>8</td>
<td>The organization has a wide network of computerized human resource information system with the latest software</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>9</td>
<td>Performance standards are carefully developed on the basis of employees’ opinion</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>10</td>
<td>Performance appraisal system is</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
extended to all members of the organization

<table>
<thead>
<tr>
<th></th>
<th>11</th>
<th>The organization has a formal policy of career planning and development</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12</td>
<td>The organization encourages employees to suggest product/process improvement</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

**SECTION C: Resource Capability (Financial Resources)**

Please indicate (by ticking) to what extent you agree or disagree with the following statements

<table>
<thead>
<tr>
<th>No</th>
<th>Statements</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>There are roper accounting records</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>14</td>
<td>Accounts department is in charge of all monetary transactions</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>15</td>
<td>There is proper technology (ICT) for processing all records</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>16</td>
<td>Financial resources of the organization are used wisely</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
### SECTION C: Resource Capability (Tangible Resources)

Please indicate (by ticking) to what extent you agree or disagree with the following statements

<table>
<thead>
<tr>
<th>No</th>
<th>Statements</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>The organization hires qualified personnel’s</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>21</td>
<td>Staff are well trained and developed</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>22</td>
<td>Buildings and equipment’s are well kept and maintained</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>23</td>
<td>Company property is well protected</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>24</td>
<td>Physical inventories are taken periodically</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
Policies regarding personal use of computer equipment and software are clearly stated

Access to company records are limited to employees with designated responsibility for such records

SECTION C: Resource Capability (Information Resources)

Please indicate (by ticking) to what extent you agree or disagree with the following statements

<table>
<thead>
<tr>
<th>No</th>
<th>Statements</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>27</td>
<td>Most of the resources I receive on a daily basis comes from my manager/owner</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>28</td>
<td>In most situations, I receive the resources I need to effectively perform my job</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>29</td>
<td>I receive most of the resources I need through informal channel</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>No</td>
<td>Statements</td>
<td>Strongly Disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>----</td>
<td>-----------------------------------------------------------------------------</td>
<td>-------------------</td>
<td>----------</td>
<td>---------</td>
<td>-------</td>
<td>----------------</td>
</tr>
<tr>
<td>30</td>
<td>My departments readily shares resources with other departments and vice versa.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>31</td>
<td>I receive the resources I need to perform my job in a timely manner.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>32</td>
<td>Getting resources for the organization is quite easy</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>33</td>
<td>The organization is able to maximize its resources</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

**SECTION D: Market Orientation (Customer Orientation)**

Please indicate (by ticking) to what extent you agree or disagree with the following statements:

<table>
<thead>
<tr>
<th>No</th>
<th>Statements</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>34</td>
<td>Our customer regularly share information within our business concerning competitors’ strategies</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>35</td>
<td>Our business objectives are driven primarily by customer satisfaction.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>36</td>
<td>We constantly monitor our level of commitment and orientation to</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>No</td>
<td>Statement</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>----</td>
<td>---------------------------------------------------------------------------</td>
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<td>---</td>
</tr>
<tr>
<td>37</td>
<td>We freely communicate information about our successful and unsuccessful customer experiences across all business functions.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>38</td>
<td>Our strategy for competitive advantage is based on our understanding of customers’ needs.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>39</td>
<td>Our business strategies are driven by our beliefs about how we can create greater value for customers.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>40</td>
<td>We measure customer satisfaction systematically and frequently.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

**SECTION D: Market Orientation (Competitor Orientation)**

Please indicate (by ticking) to what extent you agree or disagree with the following statements

<table>
<thead>
<tr>
<th>No</th>
<th>Statements</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>41</td>
<td>Our business objectives are driven primarily by our competitors.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>42</td>
<td>Our strategy for competitive</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
advantage is based on our understanding of our competitors

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>43</td>
<td>We regularly monitor our competitors’ marketing effort</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>44</td>
<td>We frequently collect marketing data on our competitors to help direct our marketing plans</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>45</td>
<td>Our salespeople are instructed to monitor and report on competitor activity</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>46</td>
<td>We respond rapidly to competitors’ actions</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>47</td>
<td>We are quick to respond to significant changes in our competitors’ pricing</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>
SECTION D: Market Orientation (Inter Functional Coordination)

Please indicate (by ticking) to what extent you agree or disagree with the following statements

<table>
<thead>
<tr>
<th>No</th>
<th>Statements</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>48</td>
<td>We gather and analyse all-important information regularly.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>49</td>
<td>We implement the information gained into our decisions</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>50</td>
<td>We have positive attitude toward all information advised by our stakeholders.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>51</td>
<td>We check information about potential resources.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>52</td>
<td>We focus on information coordination between all company departments.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>53</td>
<td>We focus on information coordination from the company to its environment.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>54</td>
<td>Our teams work round the clock to get new information</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
SECTION E: SME Growth

Please indicate (by ticking) to what extent you agree or disagree with the following statements

<table>
<thead>
<tr>
<th>No</th>
<th>Statements</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>55</td>
<td>I am very satisfied with the market performance of the company.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>56</td>
<td>The company is well known in the market.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>57</td>
<td>The company has reached an excellent technological competitive position</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>58</td>
<td>The size of our customer base has increased</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>59</td>
<td>The organizations market share and profit margins have increased</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>60</td>
<td>The organization has established new branches</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>61</td>
<td>The organizations operations have expanded</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

THANK YOU