



Factors That Influence the Survival of Women-Owned Small Business Start-Ups in the City of Tema, Ghana

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Abstract

The one objective of the study was to find out what business practices would be appropriate in helping women in starting and operating their small businesses in Tema, Ghana. Another objective was to find any government policy or law that serves as a barrier to women's entrepreneurship development. The researcher investigated the factors that influenced the survival of women-owned small-scale enterprises in the city of Tema in Ghana. The findings of the study revealed that several major factors were shared among the subjects that affected their businesses survival. These factors included innovation (the most influential), a business plan, a strong family support system, social networks, and professional development. The findings also show that the interviewees had experienced gender discrimination in terms of government economic policies, statutory and customary laws, lack of capital, and administrative hurdles.

Keywords: Ghanaian women entrepreneurs, Innovation, Economic development, Small business

1. Introduction

1.1 Background of the City of Tema

Tema is a port and industrial city about thirty miles east of Accra, the capital of Ghana. There are several rationales for selecting Tema for this study. According to the Ghanaian Times September 20 1999 issue, Tema is strategically located in terms of economic and business activities. Also, women in Tema are well known for their entrepreneurial spirit. Lastly, women-owned business start-ups' survival rates in Tema are 19% higher compared to the national average/other cities in the country. The researcher believes that the findings from the study could be used to help potential and current businesswomen in other parts of the country in starting and operating their business successfully.

1.2 Economic Activity

Most of Ghana's major manufacturers are located in Tema. This is largely due to its large seaport/harbor and the availability of industrial lands and infrastructure. The major economic activities in the municipality include industrial, agricultural, mining, commercial and service sub-sector, with the industrial sector representing the most in terms of local revenue generation. There are over 250 factories in the city, categorized into eight major areas including chemical, textiles, food-processing, engineering, paints, fish cold storages, printing/arts work and woodworking industries, among others (Courtesy of Tema Development Authority, Tema Municipal Authority, and Tema Tourist Board).

2. Review of the Literature

The literature that follows discusses the concepts of entrepreneurship and innovation. It also looks at entrepreneurship in the context of Ghana women entrepreneurs.

2.1 Entrepreneurship and Innovation

Entrepreneurial innovation is considered a key factor in business survival and success (Schumpeter, 1934). Innovations are 'the outcome of the innovation process, which can be defined as the combined activities leading to new, marketable products and services and/or new production and delivery system' (Burgelman and Maidique, 1996, p 2). According to Drucker (1994, p 17), 'innovation is a specific instrument of entrepreneurs, the means by which they exploit change as an opportunity for a different business or a different service'. Successful innovation procedures can be learned and practiced. Thus entrepreneurs need to understand and apply the principles of successful innovation because there are plenty of entrepreneurial opportunities within the areas of change (Drucker, 1994). Entrepreneurs develop new products and services for a market niche, or confront established firms with better quality, additional features or lower prices. These activities are identified with the process of creative destruction and defined as entrepreneurship (Schumpeter, 1947).

The innovation advantage of large firms tends to be in industries that are capital-intensive, advertising-intensive and highly unionized. On the other hand, industries that are highly innovative, small firms have the advantage (Audretsch, 2004). Therefore, innovation in small firms can be more efficient and effective (Vossen, 1998).

The literature stresses several barriers for small firms to innovate successfully. The lack of financial resources, shortfall in marketing and management expertise, and weaknesses in external information and linkages are factors that limit their competitiveness (Freel, 2000; Rothwell, 1994). By contrast, smaller firms have several advantages. Because of their smaller size, they are more flexible and have closer contact and relationships with their customers. This enables them to respond faster to developments in the market, especially to technical changes (Scozzi and Garavelli, 2005). A crucial factor contributing to the occurrence of networking opportunities was based on attendance at social functions such as conferences. Conferences are identified as an effective mechanism in terms of getting to meet potential customers, keeping up to date with the latest developments and analyzing competitors' activities (McAdam and McAdam, 2006).

In the early stages of new firm creation, information networks represent an important resource for the entrepreneurial firm. Effective information networks enrich the entrepreneur's environment, thereby enhancing the other networks and processes in which the entrepreneur engages. The information-seeking behavior undertaken by the entrepreneur is very personal and is primarily a social encounter. The entrepreneur will rely on any informal contacts made throughout his/her personal life as well as business career (Johannisson, 1986).

Access to capital is crucial to the development of small businesses. The uses of capital are multitudinous and range from investments in fixed assets to the adoption and installation of new and better technology for business enhancement. Access to working capital financing is also necessary to smooth out fluctuations in income due to differences in the timing of production and sales. Lack of sufficient capital tends to affect SMEs' ability to develop new products and services or to grow so as to meet demand (Abor and Biekpe, 2006). Heilbrunn (2004) posited that 90% of business start-ups that failed did so because of the lack of management skills of the owners. Similarly, the lack of financial resources, shortfall in marketing and management expertise, weaknesses in external information and linkages are factors that limit their competitiveness (Freel, 2000).

Another barrier is related to financing the further development of the idea, the manufacturing, and the marketing. With sufficient capital, they would be able to develop the idea and the marketing plan in parallel. Failure to do so would lengthen the time to market and adversely affect income. Also, with sufficient capital they could advertise heavily and build up stock to offer faster delivery and meet larger orders (Larsen and Lewis, 2006). Similarly, there might be a role for government support agencies to develop mechanisms for introducing innovative small and medium-sized enterprises to venture capital (Freel, 2000).

Although the traditional image of the entrepreneur as intrinsically made has been broken to a certain extent, it is still strong enough for some women to find it hard to be taken seriously, which has an adverse impact on applications for funding and finding clients (Brush, 1997). Warren (2004) found that, while this was the case, women were willing to assume the mantle as it pleased others; for example, in order to obtain finance. The study also found the women's experiences of the entrepreneurial identity came secondary to their wish to maintain other aspects of their lives, for example, family, 'yet renegotiate that around the identity of a professional business personal (Warren: 2004, p 33).

This discrimination against women seems to be even worse in Sub-Saharan African countries such as Ghana, where the financial sector is male-dominated (90% of staff in most institutions in Ghana are men). Illiteracy or semi-literacy among the majority of women in Ghana creates a further barrier to processing paperwork. Women's lack of control over resources, such as land and labor, also limits their eligibility for loans. Banks' ability to lend is often constrained by inflation-induced de-capitalization, resulting mainly in insufficient funds available to finance loan request. In such cases, it is the women who receive lowest priority (IFAD, 2000).

2.2 Women Entrepreneurs in Ghana

Small and medium-sized enterprises (SMEs) in Ghana and elsewhere have a significant impact on the growth of economies through the generation of employment, productivity and innovation (Abor and Biekpe, 2006). However, the low level of women's participation in entrepreneurship and technology has been identified as a problem in terms of economic development and women's personal advancement (Hollowell, Mellors, and Silver, 2006). This discrimination against women seems to be even worse in Sub-Saharan African countries such as Ghana, where the financial sectors in male-dominated (90% of staff in most institutions in Ghana are men). Illiteracy or semi-literacy among the majority of women in Ghana creates a further barrier to processing paperwork. Women's lack of control over resources, such as land and labor, also limits their eligibility for loans. Females are mostly involved in sole-proprietorship businesses, which are very small firms, and as such may lack the necessary collateral to qualify for loans (Abor and Biekpe, 2006).

According to the literature, women in Ghana play a vital role in the management of small enterprises and often have a

strong traditional and contemporary knowledge of their environment. In the rural areas, they perform the bulk of household subsistence work and carry major household responsibilities for farming, food provision, health care, and the utilization and management of enterprises. Women are often the primary users and managers of land, forests, water, and other natural resources. In Ghana, women produce nearly all the food their families consume. Yet for the most part, they still do not have access to land, credit, technology, education, employment and political power (Ardayfio-Schandrof, 1999; Abzug, 2002).

Sarris (2002) states that certain social structures prevent Ghanaian women from having access equal to that of men, particularly to land, credit, education, and extension services, and most of them have their roots in the traditional society. Ardayfio-Schandrof and Wrigley (2001) also reveal that this restricted access to productive resources has clearly undermined the type, level, and extent of women's participation in economic development.

Arhin (2000) reports that the basic problems of Ghanaian women engaged in economic ventures are finance and unfavorable government policies. He points out that traditionally, a woman's debt was held to be the collective responsibility of the family or the husband and therefore a family or husband could prevent a woman from acquiring a loan from the bank or the moneylender. Abzug (2002) endorses this by showing that Ghanaian women engaged in enterprise development could not expand the businesses, as they were not able to obtain financial assistance from the banks. A study by Joeques (1999) in Ghana's Northern Region showed that most women relied on family labor for their small-scale production. About 83.3% of the women wanted to expand their businesses but were hindered by various problems such as difficulty in borrowing money from banking institutions, obtaining help from extension officers and difficulty in obtaining inputs needed for expanding their productive capacities.

Apart from equity concerns, the economic empowerment of Ghanaian women has been shown to bring direct welfare benefits for the family and national economic development. At the minimum, women's economic progress shifts labor from the subsistence economy to market production, which promotes growth and incomes (Fyle, 2002). Expenditure studies in various parts of Ghana have shown that women consistently spend more of their incomes directly on children and other household supplies, while men tend to concentrate more on capital investment and their own personal needs (Tripp, 2001).

One of the main factors that have shaped the direction of women's economic activities in Ghana has been the male-biased allocation of traditional entitlements and modern assets, a relic of neo-patriarchal ideologies of gender relations found in both patrilineal and matrilineal kinship systems in parts of the country. The same cultural norms, however, embody windows of opportunity for women to acquire wealth, by granting them the right to own their self-acquired property.

In many respects the pattern of men's and women's roles and statuses in Ghanaian society has continued very much as it was in the past, retaining varying degrees of rigidity in a gender-segregated division of labor in non-market production for the home, as well as in market-based production and public office (Yoshikuni, 1999). Over the year, local and international pressure for the increased participation of women in the economy and other affairs of the nation has led to limited efforts on the part of the state to create a more opportunities for girls and women. Nevertheless, despite at least twenty years of such attempts and the evidence of some progress, the gap between women and men in terms of their participation in both the traditional and the modern economy remains wide (Riddell, 2002).

3. The Theoretical Foundation of the Study

In a general sense, feminism is a theory that men and women should be equal politically, economically, and socially (Jaggar & Rothenberg, 1984). Berg (1979) defines feminism as a broad movement embracing numerous phases of women's emancipation. Even though Western perspectives of feminist theory share a commonality with African feminist theory, as regard to women economic empowerment and autonomy, these two orientations of feminist theory are significantly unique in their own ways. According to Mikell (1997), African-feminist theory differs radically from Western forms of feminism that developed in the 1960s. First, the African feminist theory of development owes its origins to different dynamics than those that generated Western feminism. This difference is because African women's resistance to Western domination and its legacy within the African Culture have largely shaped African feminist theory.

Secondly, unlike Western feminist theory, it does not grow out of bourgeois individualism and patriarchal control over women within capitalist, individualizing societies. Thirdly, Western feminism emphasizes individual female autonomy, while African women have been stressing culturally linked forms of public participation. Last, African feminist theorists are concerned about how to reconcile feminism with culture. That is, how to use African culture in assertive and positive ways as they seek solutions to the many problems facing them, their communities, and their states. Similarly, Hooks (2000) note that using Western-oriented feminist theory in investigating African women is not an appropriate reference point. The authors chose to discuss African women's issues and problems from an African experiential base, which, essentially separate from the West's, engages dialogues different from those significant to Western feminist theory. Based on the above, the researcher believes that the most appropriate and useful theoretical

foundation of this study is the African feminist theory of development. This theory, unlike Western feminist theory, emphasizes the understanding and incorporation of local culture and its impact on African women and development.

4. Objectives of the Study and Research Question

The objectives of the study were twofold: To find out if there were government policies, statutory or customary laws that make access to resources difficult for women entrepreneurs in Tema. And To find out the factors that influence the survival of small businesses owned by women in Tema. The research question was as follows: What factor(s) has the most influence on the survival of small businesses owned by women in Tema?

5. Methodology

The qualitative method was used in conducting this study. There have been numerous publications on the nature and attributes unique to the qualitative research methodology. For example, Bryan (1988) notes that one underlying attribute of qualitative methodology is its strong adherence to viewing events from the viewpoints of the subjects. Similarly, Hakim (1987) states that the focus on qualitative research is on an individual's own account of his or her attitude, motivation, and behavior. Hakim goes on to say that the qualitative approach allows the researcher to get a descriptive report of the subject's perception, attitude, views and feelings. As Bryan (1988) comments, "the emphasis on description entails attending to mundane detail. The apparent superficial trivia and minutiae of everyday life are worthy of examination because of their capacity to help us to understand what is going on in a particular context and to provide clues and pointers to other layers of reality" (p. 63). Bryan and Burgess (1999) also argue that the data from qualitative research observation consists of detailed descriptions of people activities, behaviors, actions and the full range of interpersonal interactions and organizational processes that are part of observable human experience.

5.1 Sample Selection Criteria

The following criteria were used for the purpose of sample selection: The subject had to be a female because of the focus of the study. The subject had to have at least five years of experience in setting up and operating a small business. The subject had to be located in the city of Tema. The subject had to have no more than 30 employees as stated in the definition used for the purpose of the study for a small-business. The subject had to be in the formal sector. That is, registered and licensed by the government. Creswell (1998) notes that using criterion sampling is useful for quality assurance.

5.2 The Pilot Study

Prior to introducing the research instrument to the actual studied population in Tema, the researcher carried out a pilot study to pre-test the instrument. Seven women entrepreneurs were interviewed in the city of Accra, Ghana's political capital. They were recruited through a local contact and met the criteria for selection and participation as predetermined by the researcher. The instrument and an introduction letter were sent to the participants of the pilot study a week in advance, explaining the purpose to the study. The participants in the pilot study shared similar characteristics with the subjects that were involved in the actual study. After the pilot study, minor adjustments were made to the research instrument. For example, the researcher learned from the pilot study that the interviewees were not comfortable being called business leaders, as stated in question one of the research instrument, but rather would like to be referred to as simply good businesswomen. Therefore, the words "business leader" were deleted from question one. Another change that was made after the pilot study was that the word "service" was added to question four. The reason was that not all the businesses were selling both services and products. Some were selling products only, while others were offering service only. So, for instance, an entrepreneur who was not selling products would not be able to respond to a question as to how she provided high-quality products and vice-versa. Therefore, instead of having question four addressing product quality only, it was adjusted to inquire about service quality provision also, so that the subjects could respond to the nature of the quality of their products or service, accordingly. These were the only adjustments made to the instrument before it was introduced to the actual study population in Tema.

5.3 Subjects Recruitment

Various methods were used to identify the interviewees. Initially, the researcher tried to identify women who had been operating small businesses through literature such as the local trade publications. This did not yield much since such information did not exist. Next, the researcher went to the city chamber of commerce and searched the directory of its members. This did not work either. This is because some of the members were not located in the city of Tema, but their businesses were allowed to be listed in the directory for advertisement purposes. Moreover, the majority of the listed businesses did not have their telephone numbers listed in the directory due to the fact that the directory had not been updated for the past seven years. This made it impossible to locate potential interviewees. Finally, the researcher visited three women-oriented organizations and spoke with the officials there. They were told the purpose of the study and how its findings would benefit their organizations and their clients alike. The officials were very receptive and provided current lists of their membership. The lists contained the names of the women, the type of businesses they operated, their phone numbers, business locations, dates of membership, and the dates of their business

establishment. These lists were used to select and contact the subjects. The organizations also provided limited specialized business advisory services to women entrepreneurs and had more or less the same (overlapping) membership. Each female entrepreneur had to register with each organization in order to be a member and benefit from its specialized services. This facilitated the work since the various lists seemed to have confirmed the same women. Based on the above selection criteria, forty female entrepreneurs were clearly identified and selected. Their enterprises represented a cross-section of businesses that were being run by women in Tema. They included food processing, fashion and design, arts, floral business, pharmacy, cookware, beauty salon, textile, building materials, restaurant, agro-business, crafts, etc.

After the identification, potential interviewees were contacted by phone using the above organizations as references. The phones and fax numbers were given by the above organizations also. A week in advance, the subjects were sent letters through fax, introducing the researcher and explaining the purpose of the research. A copy of the interview questionnaire guide was also provided. Follow-up phone calls and visits were made to the subject business sites to secure the interview sessions. All the subjects agreed that their identities, including their names, addresses, contact phones, voices would be protected as stated in the letters. The Human Subject Forms were signed and submitted to the researcher. Three of the target interviewees turned down the researcher's request to interview them for security and personal reasons. They said they did not want their voices to be audio-taped. So there were thirty-seven potential subjects left for interview. Another potential interviewee cancelled the scheduled interview session. She told the researcher that she was traveling to South Africa to attend a business conference. The researcher was then left with thirty-six subjects for the interview survey.

The researcher then set the interview appointments schedule. He limited the number of interviews to three per day. One was done in the morning hours, while the other two were carried out during the afternoon and evening hours, respectively. The schedule was arranged this way to enable the researcher to have ample time to review interview notes and reflect on the session before going to the next interview in the day. Also, transportation and traffic problems could be avoided since public transportation was the primary mode use to move from one interview to the next. The availability of the interviewees was also taken in account. For this reason scheduling was made flexible enough to accommodate all of the interviewees. The times and sites for each interview were suggested by the interviewees. These were centered on their availabilities, comfort, confidentiality, anonymity, and security.

5.4 Data Collection and the Research Questionnaire

The instrument used in this research to collect data was an open-ended questionnaire guide. An in-depth interview strategy and techniques were used. In-depth interviewing entails paying careful attention to the interviewees and recording the answers and then doing follow-up questions as needed. The general interview guide method of conducting in-depth open-ended interviews was utilized. This was appropriate because it provided the researcher with a list of issues that was a basis for exploration during the interview sessions. The subjects were encouraged during the interviews to talk freely about their experiences during the start-up and the operation of their small business enterprises.

5.5 The Interview Procedure

The questionnaire was administered by means of face-to-face interviews. The interviews were carried out at locations chosen by the subjects. This was necessary because it allowed for the subject's privacy, convenience, and comfort. Moreover, it allowed for full confidentiality of the interview process. The interviewees were guaranteed that their identities (names, addresses, telephone numbers, and voices) would not be exposed under any circumstance. The interviews conducted sought responses to questions such as: How did you develop into a good businesswoman? What were some of the obstacles you encountered when starting your business? What advice would you provide to an inspiring women entrepreneur in regard to starting and running a successful small business in Tema? Follow-ups probing were made. The follow-ups probing allowed for the collection of more data relevance to the research. Each interview session lasted between 60 to 90 minutes, and was audio-taped and later transcribed. Later, summary notes from the audio-taped interviews were presented to the interviewees for verification and confirmation to avoid errors or misquotes. This editing enabled the researcher to correct any error, and, where necessary, follow-up field checks were carried out. The study was conducted during the months of May, June, and July of 2007.

After completion of all the interview sessions and transcriptions, the verification and confirmation of the transcripts were sought from the subjects to make sure there were no further addition or subtraction needed to be made to the data collected. After that was done, a careful, proper and critical review of the interview transcripts was carried out several times to see if there were some recurring themes from the interviews. The following themes later emerged: Vision and Business Plan, Education and Professional Development, Social Support Network and Trade Association Membership, Community Involvement and Family Support, Flexibility, Human Resources and Relations Management, and Innovation and Quality Control. The participants expressed these recurring themes repeatedly, with strong emphases, during the interview sessions. The themes help explain why small businesses owned by women in Tema survive against all odds. The researcher used textual content analysis and coding, based on the above recurring themes, to analyze the

data. The analysis of the results is found in the data analysis section of the paper. It shows the type of knowledge and skills relevant to empowering women entrepreneurs, now and in the future, for business survival in Tema in particular and other parts of Ghana in general.

6. Data Analysis

The contextual content approach was applied in analyzing the data collected during the study. The analysis starts with the major obstacles that hinder Tema women entrepreneurship. It also looks at other factors that influence their ability to overcome those obstacles.

6.1 Obstacles Faced by Women Entrepreneurs in Tema

When asked about the obstacles encountered when starting their businesses an overwhelming and universal 100 percent mentioned lack of access to finance; 27 of the women noted high taxes; 29 stated red tape in government agencies and corruption in obtaining licenses/registrations for start-ups; and 31 mentioned institutional discrimination and sexism/prejudice. Moreover, 25 said that the lack of centralized information centers for business start-up resources was a problem. According to the data collected, when it comes to seeking advice on a critical business decision, two-thirds of the respondents have just one person they turn to, and in more that half of those cases it is a family member. Husbands top the list as the most frequently consulted in making a critical decision, according to the study. But when the husband is not the confidant, the family choice generally tends toward the male gender. Those whose advice is solicited will often be knowledgeable about the business, and sometimes are helping to run the daily operations. For routine matters, the respondents sought counsel from outside the enterprise, especially when in need of a specialist's advice, and, according to the data, 27 had solicited counsel from consultants in the past 12 months. Outside advisers included specialist such as accountants, lawyers, suppliers, other business owners and consultants. Finally, when asked about their advice/guidance for aspiring women entrepreneurs in Tema, all thirty-six of the respondents noted that strong family support and personal savings are very critical; 30 of the subjects said having a flexible business plan is very helpful; and 26 stated that affiliation with women-oriented business organizations and trade-related association is important. Moreover, 28 of the respondents mentioned that professional development is very crucial; 28 of the subjects also listed having a network of people for advice and support as critical; and 27 emphasized that entrepreneurial innovation is also significant.

6.2 Professional Development

Twenty-two of the respondents noted that they had attended business management classes at their local colleges over the course of their business life; 31 stated that they participated in a women-focused entrepreneurship workshops; while 27 of the subjects said they underwent specialized training courses in customer service and quality management. Moreover, 25 of the subjects stated that they do have regular training activities for their workers; while 11 mentioned that they invest in their employees' development once a while.

6.3 Sources of Finance

The majority (33) of the interviewees began their businesses with their own personal savings; 31 got some financial help from their families; while 20 mentioned that they also borrowed money from friends. Moreover, 4 received financial assistance from other sources, including financial institutions. Lastly, 15 of the women interviewed said they raised initial funds from susu collection (rotating credit).

6.4 Community Development

When it comes to giving back to their communities, 23 of the women said they have been involved with socially responsible initiative unilaterally. 13 noted they do give to their communities through social and trade organizations.

6.5 Business Plan

Seventeen of the subjects admitted that they used professionally written business plan for their enterprises; 11 noted that they developed their own business plans; 5 of the respondents said they did not have formal or comprehensive business plans but wrote their thoughts on papers; only 3 mentioned that even though they did not write their business plans on paper, they have them in their heads.

6.6 Networking

When it comes to social support all of the respondents listed family support as very critical to their business survival. Women-based organizational support was mentioned by 30 of the subjects. 27 of the respondents mentioned local community support; only 3 interviewees said government support; while 31 emphasized trade associations support. Moreover, the data shows that 30 of the women belong to a trade association, 32 are associated with some form of women-oriented organizations; while 27 noted that they are members of a church-based business organizations. Similarly, 29 of the respondents do have regular strategic network of people for advice and support. The reminding 7 noted they only seek advice once in a while when they see the need for that.

6.7 Business Innovation

When it comes to entrepreneurial innovation, 27 of the women said they have executed some innovations in their outfits; while 9 noted that they had had thoughts of innovating new ways of doing things in their enterprises. The women in the study said they frequently introduce new products, styles or approaches that are attractive to their customers.

6.8 Innovation and Business Survival

One major factor that most influenced the survival of these women-owned enterprises was the sense of innovation. This has been manifested through their business practices in terms of the acquisition of raw materials, product development, production processes, and marketing. Below are selected mini-cases of innovations implemented by four of the women in the study.

7. Mini-Cases of Entrepreneurial Innovations

Four cases below exemplify the influence of entrepreneurial innovations in establishment and operations of a variety of businesses owned by woman entrepreneurs in Tema.

7.1 Mini-Case 1: WVB Food Processing Enterprise

WVB Food Processing Enterprise is owned by madam WVB; she is the first Ghanaian woman entrepreneur to commercialize pasta (macaroni) production in Ghana, using wheat flour and eggs to produce Egg and Chinese noodles at a time when there was scarcity of all kinds of food items in the country. Although the base input for pasta manufacturing is hard wheat semolina, she was able to produce quality pasta in different shapes and sizes with local ingredients using kontonmire, fresh tomato, eggs, soya beans, and wheat flours to come out with highly nutritious pasta for the local customers. Initially her production was done on a small scale, but after a while she expanded because her company was growing. Madame WVB got her raw materials from farms and suppliers of farm produce and produced about 400 kilograms of pasta a day. Her rationale behind setting up her business was to avert post harvest losses and also to serve as a means of preserving farm produce, and to curtail the drudgery of traditional cooking, which takes a lot of time.

7.2 Mini-Case 2: UTS Textile Fabrics

UTS Textile Fabrics is owned by madam UTS. She designs specialized textiles and clothes with an ethnic touch. Madame UTS transcends the fabrics she makes, puts more attention in mixing of colors, and gives each design a certain distinctiveness. She tried textile printing as an additional innovation when her friend encouraged her to get into textile design because of her good sense of color and style. Madame UTS entered into that venture because many people in Ghana wore a lot of foreign clothes made of cotton, so she decided it would be an innovation to design and print with silk, rayon, and other fabrics. At the moment she incorporates African designs into European styles as well as producing home furnishings for which she utilizes unique African, ethnic designs and motifs so as to make exclusive designs for the market. Through color, imagery, and texture, her thoughts and inspiration come alive with ideas that bridge the gap between cultural and contemporary design.

7.3 Mini-Case 3: SBI Food & Beverages

SBI Food & Beverages is owned by madam SBI; she has developed a system of sustainable crop production in her backyard, and established a six-acre multiple cropping farm to address the problem of seasonality of fruit crops all year round. Madame SBI has experimented with different kinds of fruits to produce jams, wine, and jellies. She produces guava, mango, and pineapple juices. She also produces sour-sop jelly, paw paw, and carambola wines. The production of the sour-sop jelly is something she believes nobody has tried, and she feels proud to be the first person to do so in the country. Madame SBI has also developed her own equipment to keep her business operating. This is because the technology and equipment needed for her business production are not available in the country. She has recently developed another type of juice that is not 100% fruit juice, which she therefore sells for a slightly cheaper price. This is because customers complained that her other juices are a little expensive compared to other locally produced fruit juices. Initially she would import all of her packaging materials, but the government has increased tariffs on imports, making it very difficult to continue to import packaging materials. In order to deal with this problem, she created her own packaging materials from recycled aluminum, plastic, and paper products.

7.4 Mini-Case 4: LQY Enterprise

The last example of small business innovation in this study was exemplified by madam LQY. Since the establishment of her business, she developed innovative strategies to sustain its operations during bad times. For example, in order to overcome production bottleneck, she restructured her production process to include both short and long-term projects. This allows her to operate one flexible and cost effective production line instead of running two separate production lines as she had done initially at a heavy cost since the beginning of her business. The income generated from the short-term project is used to support her long term project. This strategy has helped her business to survive over the years. Today, she sells coconut products, palm oil products, and fish products. Due to the uneven demand for the

variety of product she sells, madam LQY uses the profit for one product line to cover for the losses from other product lines.

8. Summary of Findings

An analysis of existing government policy documents revealed that policies were developed under the assumption that women and men have equal access to resources. Based on this assumption, the criteria for access includes conditions such as detailed project documentation, high and select collateral, long-term customer relationships, business location, advanced degrees and high equity contribution. These requirements are based on the assumption that both women and men: Have resources to hire experts to prepare detailed feasibility studies; are highly educated; owned titled land in Ghana; have been able to establish long-term relationships with banks; have enough resources to contribute the required level of equity (Ghana Ministry of Trade and Industry Document, 2001). These criteria presuppose that women have equal access to land, buildings, education, and possess the freedom, finances, and time to carry out business in Ghana. But in Ghana, women are still less likely to own land and other assets, and they are less educated than men. Fulfilling bank requirements, therefore, is challenging for women. This is despite the reality that women comprise the majority of SMEs operators and SMEs form the bulk of the enterprises in Ghana. Moreover, the analysis of the literature shows that the government credit program's average loan has risen to levels beyond the reach of SMEs. This increase in loan size, combined with the bank's shift in focus from SME sector to tourism and mining, proves increasingly challenging for women who are primarily involved in SMEs.

Also, the macroeconomic environment of structural adjustment has had negative impacts on the input, output, income, savings and investment of micro enterprises owned by women and has restricted new entrants into enterprises ownership. Access to economic resources and appropriate technology remain major obstacles to the survival of women-owned enterprises. And access to international markets has not necessarily been improved for women (Abzug, 2002). Government/customary law bar women from inheriting ancestral land, which is traditionally passed down through male descendants. Registration provides titles in the name of the "head of the family" but once a man dies, his widow's continued access to the land may be threatened by his relative who may want the land. Widow inheritance rights do not exist in principle and land in the hands of widows tends to pass to a male heir of the next generation (Ardayfio-Schandrof, 1999). Women's rights are not specified in this system and they cannot, therefore, treat the land as an economic asset that allows them access to loans. Widespread disinheritance of women places them in a significantly weaker bargaining position within and outside the family (Collier, et al, 2001).

Furthermore, current land reform efforts do not address this problem since registration in the name of the "head of the family" continues to exclude women's ownership. Government document dealing with the land ownership, gives husbands the opportunity to oppose their wives' land ownership and her attempt to use it as a collateral to borrow needed funding for her enterprise. This law remains intact.

Moreover, the findings show that the following obstacles are faced by women entrepreneurs: (a) the tax system is a hindrance not only because the rates are high, but also because the system is complex, changes frequently, and facilitates corruption; (b) frequently changing legislations; (c) lack of access to starting and working capital, high interest rates, and unaffordable collateral; (d) administrative controls and (e) lack of official financing.

Finally, the entrepreneurial innovations of the women in this study, which are manifested in the operations of their businesses, have been a major factor that influenced their survival. Although other factors, such as professional development, social networking, business plan, and family support, contributed partially to their survival as stated in this study, their propensity to innovate, through the acquisition of raw materials, product development, production processes, and marketing stands out as the most significant factor that influences the survival of their businesses.

9. Recommendation and Policy Implications

In this section, the author provides some recommendations derived from his findings that can help would-be women entrepreneurs in Tema in particular and in Ghana in general. He also offers recommendations that the government of Ghana can adopt to encourage and assist women entrepreneurs in the country. Lastly, the author outlines several policy implications for the Ghanaian government.

9.1 Recommendations for a Tema Woman Entrepreneur

Several recommendations are made from this study. First, a woman entrepreneur in Tema should be innovative, flexible, and resilient in the operations of her enterprises. Second, it is recommended that she should be a member of at least one trade association where she can learn from and exchange ideas with like-minded people. Third, she should build support systems/social networks for advice and inspiration. Fourth, she should incorporate her families into her business and seek their support. Finally, a woman business owner in Tema should have a vision and business plan to guide her through the operations of her business.

9.2 Recommendations for the Ghanaian Government

First, the government should develop facilities that foster and support entrepreneurial innovations among businesswomen. Second, government, together with other women-focused NGOs in Tema, should foster the expansion of community based financial institutions and networks. Small business development funds need to be available to women entrepreneurs for loans, grants, or guaranteed low interest financial assistance through these institutions. This support should be given high priority for business start-ups. Women-owned small ventures have difficulties obtaining financial resources. Third, the government should integrate women-owned small enterprises into the formal sector. This could proceed along two lines as follows: (i) the inclusion of women entrepreneurs in economic planning by providing new incentives and disseminating information about existing incentives more effectively; (ii) studying and using international experience in increasing women-owned businesses, especially in industrial and urbanized transition countries. Lastly, the government should reduce the tax burden imposed on small businesses.

9.3 Policy Implications

There are several public policy implications that are derived from this study. First, the findings of the study mean that the Ghanaian government should drastically reduce the many regulatory hurdles for establishing and operating new private enterprises. Second, the findings also imply that government must ensure that women-owned small enterprises have access to bank credit. Third, the findings entails that government should promote informal lending schemes to women-owned small start-up businesses, such as group lending and special micro-venture schemes. Fourth, the findings imply that government should provide women-owned small and medium access to market and technical information and expertise. Fifth, the findings imply that government strengthens university and continuing education offerings related to business and entrepreneurial skills cater to women. Sixth, there should be a reduction in administrative controls and government corruption. The government and government agencies should also operate with transparent rules to minimize corruption. Two useful new directions for policy worth considering are: (i) eliminating corrupt practices, which should become an explicit feature of government support to women-owned small businesses; (ii) downsizing government agencies at all levels. The above should make it easier to start and run businesses. The maze of bureaucratic paperwork that is often required to start businesses in Tema seriously deters entry into many industries. Moreover, such administrative hassles can be especially bad: in some cases they may punish small, local entrepreneurs who lack the resources to overcome such high hurdles. Having more government agencies that can block a firm's path will lead to more points at which a firm is required to pay bribes to move the process forward. Finally, the development and establishment of clear policies with respect to SMEs and the financial sector will work toward eliminating some of the biases that limit the available credit in this sector. Furthermore, establishing these policies from a gender perspective will ensure that women will be served by the programs. By incorporating gender concerns, programs will reach those most in need and provide them with credit.

10. Conclusions

These conclusions are drawn from the researcher's professional involvement with women entrepreneurs in Ghana, analysis of the literature, and the interview data. The study shows a potential for women-owned business development and growth in the city of Tema. Women initiating businesses in Tema will need to understand that: First, Tema women are denied capital when attempting to initiate a business. They are faced with discrimination and sexism from their male counterparts and society at large. Second, outright sexism and discrimination exist among both private and government banks in Tema, but obtaining investment from family members and friends can provide an avenue to capital that may be more beneficial in terms of access and repayment. Third, there is a negative perception and attitude relating to the ability of Tema women-owned businesses to provide quality goods and services. However, this is slowly evolving toward a more positive concept. It will be some time before the negativism is eliminated. Fourth, the economic growth and potential being experienced in the city of Tema will provide business opportunities for the next few years. Tema women entrepreneurs need to study local growth industries and be ready to take advantage of these opportunities. Fifth, Government economic policies discriminate against women entrepreneurs. Sixth, there are very limited, if any, government initiatives in regard to institution capacity building to provide women with the necessary resources they need to start and operate a business successfully. Also there is no government initiative to promote and support innovations among women-owned businesses. Seventh, education, especially business-related training, is crucial to the survival of the interviewees' businesses. Finally, the entrepreneurial innovations of the women in this study, which are manifested in the operations of their businesses, have been a major factor that influenced their survival. Although other factors contributed partially to their survival as stated in this study, their propensity to innovate, through the acquisition of raw materials, product development, production processes, and marketing stands out as the most significant factor that influences the survival of their businesses. Hence, this investigation has answered the following stated research question: What factor has the most influence on the survival of women-owned small businesses in the city of Tema?

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Table 1. Business Profiles

Name of Business	Number of Employees	Owner's Education	Age of Owner	Year Firm Established	Type of Business
JKL Ent.	12	Graduate	54	1986	Cookware
DEF Ent.	28	Bachelors	41	1990	Flowers
GHI Ent.	7	Bachelors	56	1991	Arts/Painting
PQR Ent.	26	Bachelors	47	1983	Processed Foods
STU Ent.	7	Certificate	42	1990	Salon
VWX Ent.	19	Bachelors	39	1992	Pd. Foods/Beverages
YZO Ent.	17	Certificate	37	1993	Fashions Design
CEB Ent.	10	Bachelors	43	1995	Building Materials
WBE Ent.	11	Certificate	50	1990	Restaurant
MNO Ent.	5	Bachelors	35	1994	Drug Store
MAG Ent.	22	Bachelors	43	1993	School
FTD Ent.	12	Graduate	46	1994	Textile Fabrics
SBI Ent.	11	Bachelors	50	1989	Pd. Foods/Beverages
MBB Ent.	7	Associate	38	1991	Restaurant
ABC Ent.	23	Certificate	43	1988	Fashions Design
UIJ Ent.	7	Certificate	39	1995	Communications
IOJ Ent.	12	Bachelors	36	1994	Textile Fabrics
PYA Ent.	6	Bachelors	45	1995	Communications
UTS Ent.	13	Bachelors	43	1992	Textile Fabrics
WVB Ent.	5	Associate	51	1989	Processed Foods
IHF Ent.	12	Associate	55	1986	Salon
ZAP Ent.	9	Bachelors	39	1992	Clothing Boutique
HEZ Ent.	11	Graduate	51	1992	Educational Supplies
LQY Ent.	10	Associate	39	1993	Soap Manufacturing
DRN Ent.	10	Bachelors	41	1993	Transportation
EAK Ent.	5	Certificate	40	1994	Pd. Foods/Beverages
SOE Ent.	20	Bachelors	48	1991	Processed Foods
AMG Ent.	8	Graduate	44	1993	Structural Design
BIG Ent.	5	Certificate	32	1994	Fashions Design
TOA Ent.	7	Certificate	46	1990	Fashions Design
ZOE Ent.	16	Bachelors	52	1988	School
OTD Ent.	4	Certificate	31	1996	Cookware
DSM Ent.	8	Certificate	40	1990	Textile Fabrics
IMT Ent.	11	Certificate	51	1987	Construction Supplies
MKP Ent.	7	Certificate	35	1996	Restaurant
UKT Ent.	4	Certificate	41	1995	Salon

Table 2. Business Size

Number of Employees	Number of Businesses
1-----10	19
11-----20	13
21-----30	4

Table 3. Business Inception

Timeline	Number of Businesses
1980-----1990	13
1991-----2000	23

Table 4. Age Distribution of Interviewees

Age Groups	Number of Women
30----39 years	11
40----49 years	16
50----60 years	9

Table 5. Educational Levels of Interviewees

Type of Qualifications	Number of Women
Certificates	13
Associate	4
Bachelors	15
Graduate	4
Total	36

Table 6. Sectoral Composition of Interviewees

Type of Businesses	Quantity
Beauty Salons	3
Processed Foods	6
Textile Fabrics	4
Fashions Design	4
Education	3
Restaurants	3
Cookware	2
Communications	2
Construction Supplies	2
Others	7
Total	36

Table 7. Small Business and Professional Development

Type of Professional Development	Number of Women
Attended Business Courses	22
Attended Entrepreneurship Workshops	31
Attended Customer Service and Quality Management Training	27

Table 8. Small Business Finance

Source of Finance	Number of Women
Personal Savings	33
Family Funding	31
Friends Lending	20
Rotating Credit	15
Other	4

Table 9. Small Business and Social Responsibility

Channel of Contribution	Number of Women
Unilateral Contribution	23
Group Contribution	13

Table 10. Small Business Innovation

Nature of Innovation	Number of Women
Potential Innovation	9
Actual Innovation	27

Table 11. Use of Small Business Plan

Nature of Business Plan	Number of Women
Professional Business Plan	17
Self-Written Business Plan	11
Wrote Thoughts on Paper only	5
Have Thoughts in Head	3

Table 12. Small Business and Social Support System

Sources of Social Support	Number of Women
Strong Family Support	36
Women Business Organization Support	30
Local Community Support	27
Trade Association Support	31
Government Support	3

Table 13. Social Group Affiliation

Type Of Affiliation	Number of Women
Trade Association	30
Women Business Organization	32
Church-based Business Organization	27
Regular Social Network	29

Table 14. Small Business Obstacles

Type Of Obstacle	Number of Women
No Access to Credit	36
High Taxes	27
Difficulty Obtaining Business License	29
Sexism	31
No Central Business Information Center	25
Difficulty Obtaining Raw Materials	5

Appendix A: Research Instrument (Interview Guide)

1. What would you say to an aspiring women entrepreneur about how you developed into a good businesswoman?
2. What would you say to woman who wants to start a small business in Tema in regard to social responsibility and employee relations?
3. How do you ensure you provide excellent customer service?
4. How do you ensure you provide high quality products?
5. What was your vision for the future when you started your business?
6. How did you transform your vision into a business reality?
7. What were some of the obstacles you encountered when starting your business?
8. How did you overcome the obstacles you encountered when starting your business?
9. What advice or guidance would you provide to an aspiring woman entrepreneur in regard to starting a small business and its survival in the city of Tema?