

Nexus between NGOs Entrepreneurial Interventions and Entrepreneurial Orientation on Micro-Enterprise Performance: A Study of a Developing Country

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ABSTRACT

Micro, medium and small scale enterprises contribute as the work field provider, to reduce unemployment and social and economic divide while ensuring equal income distribution of wealth. Microbusinesses are also recognised as entities that helped to proliferate entrepreneurship mindsets. This paper aims to investigate the interaction effect of NGOs entrepreneurial interventions on the influence of entrepreneurial orientation (EO) on the performance of micro-enterprises in northern Ghana, a developing country. A quantitative approach is used to attain data from 196 micro-enterprises in northern Ghana through structured questionnaires and analyzed by Smart PLS version 4.0. Out of three distinct EO constructs used, proactiveness, risk-taking and innovation significantly influenced the performance of micro-enterprises. NGOs entrepreneurial interventions also had a statistically significant moderating effect on innovativeness and risk-taking. The implications of these findings have been provided for policymakers like government and NGOs operating in the northern enclave of Ghana, practitioners and successive researchers.

Keywords: NGOs Entrepreneurial Interventions, Entrepreneurial orientation; Micro-Enterprises Performance; Developing Country; Ghana; Resource base-view theory.

INTRODUCTION

Involvement of firms in the informal sector have been highlighted as a vital driver of economic growth and development by governments globally based on their role in job creation and innovation. Micro-enterprises' contributions in any form contribute to nations' economic development. They may operate full-time, part-time businesses at home or out of homes, or in small shops and in front of street stalls, facilitating enterprise formation. Al-Mamun et al. (2016) claim that micro-enterprises can greatly support low-income households' socio-economic growth and provide sustained economic growth. Thus, microbusinesses make significant contributions to both economic and social growth. The truth is that micro-enterprises, which subsequently develop into SMEs and major organisations, provide significant benefits to SMEs and large businesses. Microbusinesses are more likely to be more enterprising and actively involved in employment generation for the masses. Yet, micro-enterprises' definition varies from the organization or country and is based on the size, number of employees, and total assets value. According to the World Bank (2013) report, no specific global definition exists for micro-enterprises and that either micro, small or medium enterprise must fulfill two out of three criteria for MSME definition (i.e., employees, assets, and sales). Hence, micro-enterprises are firms that employ less than ten with total sales and assets base not exceeding 100,000 USD. The Ghana Statistical Services (2016), also defined micro-enterprises having less than five (5) and 10 million New Ghana Cedis or ten thousand United States Dollars (10,000 USD) as its maximum asset value.