

Sustaining and Growing the Informal Sector in Ghana Using Management Consulting: A Case Study of the Fashion SMEs in Kumasi Metropolis

Asiamah Yeboah Kumasi
Technical University, Post Office Box 854, Kumasi-Ghana

Abstract

The purpose of this paper is to explore how the informal sector could be made relevant and sustainable using management consulting, by examining why entrepreneurs use or do not use consultants. A representative sample size of 210, made up of 200 fashion businesses and 10 consulting firms participated. Structured questionnaires and interviews were used for the data gathering. Stratified random sampling technique was used. Chi-square test of association, correlation and logistic regression were used to determine the relationships or associations of variables. The study revealed that even though the skills level of entrepreneurs is low they are reluctant to engage the services of consultants

Keywords: informal sector, fashion, SME, entrepreneur, management consulting, micro-enterprises

DOI: 10.7176/EJBM/13-22-07

Publication date: November 30th 2021

1.0 Introduction

The informal sector in Africa is dominated by Traditional apprenticeships for skill training and development of which Ghana is not an exception (Filipiak 2007; Haans 2006; Liimatainen 2002). This situation is further emphasized by the World Bank report 2009. According to the report, 70 percent of the informal sector workers in big cities in Africa receive their training through the traditional apprenticeship system. These enterprises are categorized into three main occupational groups namely; agriculture/fishery, craft and other related trade workers as well as service/sales workers. The informal sector today is a global phenomenon and is found in developing and industrialized countries worldwide (Becker 2004; OECD 2009). According to the January 1993 resolution of the 15th Conference of International Statisticians under the ILO, the informal sector is dominated by all kinds of unregistered or unincorporated enterprises in the service sector that are below a certain size and are managed by self-employed people who work on their own account or who employ contributing family members and, on an occasional basis, wage employees. In defining the informal sector, Farrell et al (2000) stated that, the informal sector can be defined by using two approaches. These are “definitional and behavioural”. According to the definitional approach, the Informal sector constitutes economic activities that are not recorded in the official statistics such as the gross domestic product and /or the national income accounts. The Behavioural approach defines the informal sector from different perspective. The definition of ‘informal sector is based on compliance of these enterprises with the established judicial, regulatory, and institutional framework (Farrell et al, 2000). Even though, the informal sector covers different areas, this research focuses on the fashion industry in Ghana with special emphasis on dressmaking and hairdressing in Kumasi Metropolitan.

The informal sector is seen to be growing steadily and rapidly with anticipated huge economic benefits, particularly in developing countries such as sub-Saharan Africa (Akingunola and Onayemi, 2010). Employment in the informal sector amounts to 1.8 billion workers out of a total of 3 billion workers worldwide (Ghecham, 2017). In 2008, informal sector employment was estimated as high as 48% in North Africa and beyond, 71% in sub-Saharan Africa (ILO, 2013). The informal sector provides a serious platform to individuals and firms to sharpen entrepreneurial culture generating wealth (Adams et al., 2013). Research shows that even in the midst of economic crises, employment in the informal sector tend to rise but does not translate into improved standards of living (Horn, 2010). Hence productivity in the sector has not been satisfactory due to several factors such as inadequate support (Amu, 2004). According to the resource-based approach, resources and capabilities become a potential source of competitive advantage of enterprises (Teece 2014; Blackburn et al. 2013) yet, limited resources, including the knowledge and managerial capabilities which are necessary for doing business efficiently (Dyer and Ross, 2007) prevails in these firms. They have problems with formulating an appropriate plan of work or a development strategy and building the dynamic capabilities of an enterprise (Vos 2005).

Management consulting is normally viewed as an essential form of external support in helping to deal with the challenges confronting MSMEs so as to make them more relevant (Wojciech and Edwards, 2017). Suggestions and proposals regarding the practice and operation of management may be gained from professionals and informal advisors and may impact on the acquisition of knowledge and capabilities of managers and help in formulating efficient strategies (Wojciech and Edwards, 2017). In the end, management consulting may help managers in overcoming obstacles and barriers of development (Bennett and Robson, 2003; Johnson et al. 2007). It appears

that using efficient business consulting and possessing an appropriate development strategy are crucial for the survival of micro-enterprises and their achieving market success (Smallbone and Welter, 2010; Chepurensko, 2011)

While the informal sector as an emerging industry plays an important role in economic development, recent scholars have noted that “the emergence of this sector is an important phenomenon that remains relatively neglected by researchers” (Forbes and Kirsch, 2011, p. 590). One reason for this is that previous studies of informal sector emergence are dispersed across a number of fields of research (Malerba, 2007; Robinson and Propp, 2008), including industrial economics (Klepper and Graddy, 1990; Dosi et al., 1995), marketing (Kotler, 1991), socio-technical systems (Rip, 1995; Geels, 2005; Kaplan and Tripsas, 2008), industrial dynamics (Murmman and Homburg, 2001; Afuah and Tucci, 2003) and systems theory (Windrum and Birchenhall, 1998). The main focus of these models and frameworks is on the growth and maturity phases of the industry lifecycle (Agarwal et al., 2002; Malerba, 2007), although there is evidence to suggest that the emergence phase has distinctive characteristics that distinguishes it from these later phases (Fixson and Lee, 2012).

Despite the essential contributions of the informal sector and the challenges confronting the sector in the Ghanaian economy, and the role of management consulting in reducing barriers of growth and developing managerial skills in MSMEs, there is no specific study that has attempted to empirically link the informal sector to management consulting. The issue of the role of management consulting for MSMEs is still poorly recognized in literature (Robson and Bennett, 2000; Glodek and Lobacz, 2015). Recent work along these lines has proposed that the primary reason why the informal sector especially hair dressing and dressmaking is not developing is lack of managerial skills because of low level of education coupled with entrepreneurs unwillingness to engage the services of private consultants (Milan Kubr 2002). The question now is how does lack of requisite skills interact with willingness to engage consultants to produce growth in the informal sector? It is this question that provides the motivation for this paper, which builds on other theories of growing the informal sector to explore how to develop the Sector in Ghana Using Management Consulting; why entrepreneurs use or do not use Consultants. The results of the study may provide useful implications for any support policy in Ghana and other transition economies which are at the same or similar level as Ghana. The findings will also contribute to the informal sector and management consulting debate and help clearly define the path and the relationship between the two. The research is organized into five sections; this introduction is followed by the review of related literature before the research methodology. The analysis or discussion and findings and recommendation seal the work.

2.0 Development of Fashion Industry in Ghana

2.1 Clothing and Textiles

The development of fashion SMEs in Ghana is believed to have started before colonial period where our forefathers used animal skins to cover themselves and has progressed through the introduction of wax prints and “dress” by the colonial masters (Turnings, 2002). Today, Ghanaian Fashion industry has completely changed because of globalization resulting in an intense competition from their foreign counterpart. Fashion can be seen as a particular style that is popular within a particular period of time. It can be clothing, furniture, housing, automobile, toys, and many others, but most commonly, it refers to a style of clothes, cosmetic, hair dressing, or particular dressing that satisfies an occasion and situation (Rouse, 1993; Drew 1992). The definition to fashion comprises all sorts of clothing items, textiles fabrics and their study (Pearsall, 2002). Frings (1999) also defined fashion as ‘something more than a designer’s whim – a reflection of cultural, social, economic and political artistic force of any given time’

It is evidently clear from the definitions given by various researchers that, fashion goes beyond style, but it is the term use for clothing and accessories for human body. It also comprises textiles in the form of things made of fabrics for home, office and industrial furnishings as well as hair style. Fashion industry is considered very important in the socioeconomic development of every nation by helping generate income for living, generating employment and it is a means through which people acquire their clothing needs. Not only that, it also portrays the cultural identity as well as religious and moral up-bringing of a particular group of people in the world.

Even though dynamism in fashion is fundamental, today’s fashion is being created by globalization. Jarnow and Dickerson (1997) agreed that, globalization process is having great impact on the fashion industry; the result is that, the production and marketing of fashion products by the various entrepreneurs have changed. Jones (1998) describes globalization as a growing integration of the world’s economy.

Hines and Bruce (2001) also agreed that, globalization is the growing internationalization of the production, distribution and marketing of goods and services, and the expansion of politics and cultures across the planet. The retail fashion industry is not stable or static, but is characterized by a continuously changing environment whereby retailers continuously adapt their products, services and images to meet the demands of the consumer market (Lewis and Hawksley, 1990). This means that, customers are looking out for new styles which commensurate with the condition and occasion. There is therefore the need for management consultants who can conduct a thorough research to determine the taste and preferences of the client in the fashion industry in order to compete favourable with their foreign counterpart.

Unfortunately, the impact of globalization in fashion industry is gradually changing the culture and moral values of Ghanaians since they have developed more taste for foreign styles. For instance, Ghanaian youth today ignore the local traditional ethics and culture in the way of dressing. According to Ainooson (1999) young ladies wear transparent blouses, short skirt, and skimpy pair of trousers which expose part of their body meant to be covered by clothes. This is contrary to Ghanaian culture and up-bringing. Haag (2002) suggested that quality education for the development of the elegant Ghanaian traditional skirt and blouse can set a trend on the national and international markets to portray that one does not only need neck ties and suit to dress formerly and tastefully.

This trend has influenced the advanced countries such as China to easily penetrate through the Ghanaian fashion market thereby fueling the competition. Today, Ghanaian ladies no longer appreciate their natural hair. They prefer Chinese hair, Peruvian hair, Brazilian hair and many more at a higher cost instead. The taste and preferences keeps on changing. There is therefore the need for a thorough research to determine the changing trend in fashion industry in order to sustain the growth and development of the sector.

The most important trend is the number of new internet retailers, enjoying the advantage of commonly low market penetration costs, which results from the rising level of internet sales of goods as a part of total retail sales (Retail Week, 2011). Various research on this enterprise have indicated that customer loyalty leads to better business results is considered paramount in the fashion retailers industry, by reducing marketing costs and generating barriers to market entry (Marzo-Navarro et al. 2004). Therefore, the development and implementation of effective CRM is more critical in the new economy than ever before so as to sustain competitive advantage in the retail fashion industry (Kenyon and Vakola, 2001; Moore and Fairhurst, 2003).

Fashion training and education in the various institutions has also been improved; it is now being studied at the tertiary level of Ghana's educational institutions, where graduates are expected to acquire quality demand-driven employable and marketable skills that will make them take their roles in the industrial sector, work and be economically productive (Amankwah, 2007). However, the improvement is limited to only clothing and textile education. In spite of this breakthrough, the fashion businesses in Ghana are still dominated by roadside dressmakers and apprenticeship whose market value is very low. Their main production is based on "custom-made" items. The main Ghanaian fashion export destinations including European Union (EU) countries, United States of America (U.S.A.) and some parts of the Economic Community Organization of West African States (ECOWAS) have declined due to competition with other African countries and poor finishing of products which make products not able to conform to standards required (Quartey, 2006). Dickerson (1999) comment that the fashion industry is not exempted from the globalization process, since the business of fashion is now a global economy Fashion manufacturing being labour intensive has migrated from high wage developed world to developing countries. Some foreign countries such as India, China, Indonesia, Bangladesh, and other Asian countries are generating valuable foreign exchange through exportation of clothing and textiles products to U.S.A., Europe and developing countries like Ghana and others (Jones, 1998; Bheda *et al.*, 2003; Bird *et al.*, 1996). The case of some developing countries, especially Ghana the situation is entirely different. Little attention, in the area of research and studies has been given to the development of Fashion SMEs.

2.11.2 Hair Dressing

Hair dressing is one of the fastest growing firms in the fashion industry. The practice of hair dressing started as far back in the colonial era and has gone through major transformation since then. As cited in the theses of Doris Essah (2008), Hairdressings expressed the symbolic systems of national identity; the meanings attributed to hairdressings serve as texts to identify intellectual, socio-cultural and economic practices and discourses through which men and women in Ghana fashioned citizenship.

Doris further stated that, in 1990, as the International Labour Organization studied and defined the expansive informal economy, urban workers in the informal economy formed professional associations that joined the Industrial and Commercial Unit (ICU) of Ghana's Trades Union Congress (TUC). The hairdressers who formed the Ghana Hairdressers and Beauticians Association gained technical assistance from the ICU to negotiate with governmental and nongovernmental bodies for the requisite skill-training and payment for utilities of their private sector. The hairdressing business in Ghana was born out of talent and apprenticeship training but not with formal education as it is practiced in other developed countries. For instance, according to the Australian National Training Authority, the National Hairdressing Training System (NHTS) is an industry designed training system based on the *National Hairdressing Competency Standards* which is run as formal educational institution and awards certificate from basic to diploma level in the country.

In recent times, some private institutions in Ghana have started running certificate as well as ordinary diploma programmes in beautician and cosmetology which is likely to be wide spread and gain national acceptance very soon.

2.10 The Role of Management Consultants to the Development of SME

Different authors have given various definitions to consulting and its application to problems and challenges faced by managers in various organizations. Fritz Steele defines consulting as "any form of providing help on the content, process, or structure of a task or series of tasks, where the consultant is not actually responsible for doing the task

itself but is helping those who are". In the view of this writer, consulting is assisting management and the staff in the organization to become abreast with the best practice that can improve productivity and add value to the stakeholders. The Institute of Management Consultancy (IMC) defines consulting as "the service provided to business, public and the other undertakings by an independent and qualified person" (Ajmal et al., 2009). Again, Larry Greiner and Robert Metzger also wrote that "management consulting is an advisory service contracted for and provided to organizations by specially trained and qualified persons who assist, in an objective and independent manner, the client organization to identify management problems, analyze such problems, recommend solutions to these problems, and help when requested, in the implementations of solutions" (ICMCI) International Council of Management Consulting Institute also discussed that, "Management consulting is the provision of independent advice and assistance about the process of management to clients with management responsibilities". It is clear from the different definitions that management consulting aims at providing supportive services by way of transferring knowledge to clients' required to improve upon the management and operation of their businesses and other organizations.

The objective is to add value to clients, in order to help them to be more effective in running and developing their businesses. According to Kubr (2002), the fields of knowledge embrace by management consulting relate to two critical dimensions of client organizations. These are; *Technical dimension and Human dimension*. Technical dimension concerns with the nature of the management or business process and problems faced by the client and the way in which these problems can be analyzed and resolved. Human dimension on the other hand deals with the interpersonal relationships in the client organization with regards to people's attitudes and feelings about the challenges at stake and the zeal to improve upon the current situation, as well as the interpersonal relationship that should exist between the consultant and the client.

The emergence of management consultancy was as a result of the rising of managerial challenges. The first Management Consultancy Firm to be established was by Professor Arthur D. Little, in 1886. This was followed by Booz and Company by Edwin G. Booz of Kellogg School of Management of Northwestern University in 1914. Later on other consulting firms such as Proud Foot Consulting (in 1946), Boston Consulting Group (in 1963) and Monitor Group by six (6) Professors from the Harvard University (in 1983) were all established (Kubr 2002). Today, management consulting firms are found in all the countries across the world.

2.2 Consulting Models and Strategies

Models are standards frameworks which befit certain conditions or situations. The consulting theories over the years have been reshaped into a pattern which can be used to solve any consultancy assignment.

2.2.1 Strategic Alliance as Consulting Strategy

A report published by The Minority Business Development Agency (MBDA) clearly stated that minority businesses can increase their competitiveness by forming "strategic alliances" (Greenhalgh, 2008). According to this strategy, consultants can develop a team work strategy where individual entrepreneurs in the SMEs are brought together for training to improve upon their skills and managerial competencies. This form of business networking ensures effective utilization of social capital, which is the capable of leveraging one's networks, and business for personal gain (Cochrane, 2010).

2.2.2 Social Media & Technology

Related to the strategic alliance is the use of social media and technology. Considering the current trend of technological advancement, it has become undisputable clear that, for small business to survive, they need to take advantage of the networking resources available at their disposal through social media and technology. Social media sites such as e-mail, website, LinkedIn, provide the cheapest and best alternative solution to reaching the target groups for forming business relationships. A recent article published on professional networking sites, "LinkedIn" states that, the world's top decision makers, and the companies have indicated at least one executive from every top 500 company is present on its site" (Talbert, 2011). This has open the way for smaller businesses to freely tap the managerial as well as technical skills adopted by the business giants through social media which can broadened the potential for small business growth and sustainability.

2.2.3 (U,G,I) Model

This model was proposed by Kluckhohn and Murray which is a tripartite framework for cross-cultural remedy. It is structured around three dimensions of human behaviour. These are; the universal (U), the group (G), and the individual (I)] (Leong and Huang, 2008). The universal (U) dimension asserts that, there is commonality in human behaviour whilst the group (G) dimension is of the view that most individuals are like some other individuals. The model emphasizes the importance of social grouping, which may be based on culture, race, ethnicity, gender or social class (Leong and Huang, 2008). This means that, individuals in their social grouping turn to behave alike. The individual (I) dimension on the other hand acknowledges that, some individual possess unique behaviour that cannot be not duplicated by any other human (Leong and Huang, 2008). To be successful as consultant, all the three dimensional models of human behaviour (U,G,I) should be applied to the organization in order to ascertain the social groupings and respond to them appropriately.

2.2.4 Process Consulting Model

Different theories have been propounded to support consultancy service, but this study will adopt Edgar Schein's consulting theory, which is further developed into the famous "process consulting model" (P.C) model. Schein's Process Consulting model, defines the collaboration that should exist between a client-consultant relationships. This model described three ways in which consultants can offer their assistant to their client which serves as a model for effective consultant client relationship. These include; Doctor to Patient model, Expert model and Process Consulting model.

The Doctor to patient model equates consultant and the client to Doctor and patient respectively. The client acknowledges the symptoms of the problem in the business but has no idea as to how to solve the problem. The consultant then diagnoses the problem by way of collecting information from client and prescribes possible solution to the problem. The success however depends on the willingness of the client to deliver accurate information and also the confidence that the client has on the consultant's prescription. The consultant role is to offer education in order to eradicate ignorance.

The expert model sees the consultant as a custodian of knowledge which is lacking in the client's business. The consultant then conducts thorough research to identify the problem and come out with a proposed solution to the client. The power is then given to the consultant to offer the special service but after the assignment, the power goes back to the client. This role may not be appropriate at the beginning as indicated by Schein that, consultants who adopt this role may not be successful at the beginning if the problem is complex

Process Consulting model bring together the collaborative effort of both the consultant and the client by way of sharing and exchanging information to enhance the business operation. Therefore the consultant need to humbly enquire from the client to ascertain the necessary rules and procedures of the business in order to avoid being seduced by power position. This model assumes that, only the client knows the culture of the business and is able to identify the complexity of the situation.

2.4 The Concept of Consulting (Fees), Price and Value Creation

Consultants offer their services to businesses with the intention of helping to improve the performance of businesses. Clients are willing to engage the services of consultants provided there are perceived value for money. Various studies on the concept of value have let to different definitions and perception on price and value. According to Rhett et al. (2006), value is measured with reference to the perceived quality of the results received and how this quality is compared against the perceived cost to the customer. In situations where the perceived value is higher than the cost, the customer will not consider the cost since the net effect will result in the improvement of the client's business. Forsstrom (2005) also pointed out that, the idea of perceived value does not include the measurable units in monetary terms but the idea of value is subjective to individual's perception after comparing what has been gained to what has been sacrificed. In fact, the definitions from both authors lay greater emphasis on cost benefit analysis in the determination of consultancy services by client.

Hinterhuber (2008) identifies several pricing strategies in consultancy services which include; base pricing, cost-plus pricing, target pricing, break-even-based pricing, contribution margin pricing, competition-based pricing, penetration pricing, skimming pricing, cost-oriented pricing, customer-based pricing, perceived value pricing, performance pricing and ability to pay pricing. Various studies have shown that, each pricing approach is appropriate for a particular condition. For instance, (Erdonmez and Nutzenadel 2006) asserted that, cost-oriented pricing is conducive for insurance transactions whilst (Buscheken, 2001, Mochtar and Arditi 2001); also were of the opinion that, competition pricing is appropriate for industrial equipment transaction and construction projects. In fact competition pricing has been identified as a widely used pricing approach in the industrial and manufacturing sector. This is therefore appropriate for consultants to develop a pricing strategy for the SMEs which can be embraced by majority if not all of the clients in the industry.

2.5 Empirical Review on Fixing the Consulting Fees.

One major contributory factor that determines the engagement of consultancy services in the client's business is the fees charge for the service. A study conducted by Jon White 2002, indicates that, there has been a divergence views of Consultants and their clients in determining what constitute the important factors in accounting for differences in consultancy fees. According to the study, the major determinant of fixing a consulting fees include the level, importance and the difficulty nature of the programme requested, the composition of the team who are to initiate the programme, and the consultancy's requirement for income.

The consultant/client relationship was also considered a major factor that influences the fees setting. The major consideration is whether the customer is an existing or new client. In situations where the client is an existing one, the fee setting is not difficult since both of them have engaged in similar assignment before. Some consultants also suggest that the client's available budget should be taken into consideration when fixing the consulting fees. The budget is assessed to find out the client's ability to pay and fees are accordingly fixed the fees working backwards from the budget: What fees are clients willing to pay depends of the perceived Complexity and the

special knowledge require in performing the work. According to the study, some consultants were in agreement for using standard formulae such as marking-up for setting fees for consultancy service. This assertion was not generally accepted. Some consultants opposed this idea on the grounds that, the marking –up formulae is not clear and difficult to be understood by the client. The survey also revealed that, there was little agreement on fees setting base on results, since it is difficult to accurately measure the outcome of consultancy service and use it as benchmark.

On the part of the clients, the important consideration is the value of services to be executed, the technical know-how of the people, the level of advice offered, the creativity of the idea presented, the time and expenses involve in managing and completing the assignment.

The survey indicated that, most clients are aware of the difficulty of having solution to the problem at different levels of complexity. Strategic advice alone is not all that important for the client to achieve the objectives but effective consulting involves advisory service and implementation. The significant aspect is the quality of advice and the creativity that is involved. The study further stated that, clients are comfortable when consultants use a formula which is well communicated to the client and can be easily calculated. Oparanma AO (2008) held different opinion. According to Oparanma Management consultancy services are mostly engaged by the bigger organizations. The SMEs do not patronize the consultancy services even though they are confronted with numerous problems with the fear that, their charges are expensive. Again, some SME operators are of the view that, the consultant may expose the secret of their business to the public.

There are as many fee arrangements as there are consultants, but client should be careful of the contingency fees which depend on the achievement of the objectives of the firm. According to him, consultancy is advisory role and the outsiders must work through management to achieve the results therefore charging specific consulting fees can lead to some sort of arguments on what specific charge should be. Fees should be a matter of mutual trust since no amount of documentation can replace the doubts in the client’s mind about consultant’s integrity. In his opinion, consultants’ incur two main types of expenses. The first is indirect expenses which can simply be defined as, the cost of running the business whilst a direct expense is a cost that can be attributed to a particular client or project. Here is one example of how to set a value on (price) for your consulting assignment: (1) Determine the fee/disclosing the fee. (2) To set a daily billing rate you must add daily labour rate + overhead + profit to equal daily billing rate. The fess should be charged by adding the expenses to the profit margin

3.0 RESEARCH METHODOLOGY

3.1 Population

The population for the study was all small and medium enterprises engage in fashion businesses and development in Kumasi Metropolitan. The area was purposely selected based on earlier survey conducted by (GSS, 2008) that, more urban workers in small and medium enterprises are engaged in non-agricultural activities such as trading, fashion, craftsmanship etc. (43 %). On the other hand, greater percentage (75 %) of their rural counterparts mainly engages in agriculture. Since the research was conducted in the fashion industry, it was therefore an appropriate to select Kumasi metropolis for the study.

In addition, a purposive sampling method was used to select ten operators of Management Consulting firms at Adum in Kumasi Metropolitan for the study. The reason for selecting Adum is that greater percentage of management consulting firms are concentrated in the area which is regarded as the major business center in Kumasi. The aim of selecting these firms is to broaden the scope of the survey to include all the players in the SME industry to contribute their views on the research.

3.2 Population Structure

INSERT TABLE 3.1

Source: 2010 National population census

3.5 Sampling Procedure and Sample Size Determination.

The process of selecting a portion of the population to represent the entire population is known as sampling (LoBiondo-Wood & Haber 1998:250; Polit & Hungler 1999:95).

Writing on sample size, Nwana (1992) suggested that, "if the population is a few hundreds, a 40 percent or more sample will do; if many hundreds a 20 percent sample will be better representation; whilst few thousands 10 percent sample will be appropriate; on the other hand, 5 percent will be conducive for several thousands.

According to 2010 National Population and Housing Census, Kumasi Metropolitan is the largest single district in the whole Ghana with the population of 2,035,064 (See table 3.4.1). The city is further divided into ten Sub-metros namely; Kwadaso, Nhyiaeso, Subin, Asokwa/Atonsu, Oforikrom, Asawase, Manhyia, Old Tafo, Suame and Bantama with thousands of fashion SMEs. Four of these Sub-metros, covering about 40% of the whole Kumasi Metropolitan were selected. The four Sub-metros were selected randomly using purposive sampling method (See

table 3.4.1). They include; Asokwa/Atonsu, Subin, Bantama, Manhyia. The reason for selecting these four was based on available information which indicates that, currently only the four aforementioned out of the ten sub-metros are operating fully. The sample frame therefore consists of all the fashion SMEs (Tailoring, Seamstress, Barbers and Hair Dressers) within the selected Sub-metros.

Getting documented data on the fashion SMEs in Kumasi to determine the sample frame was the greatest challenge in the study. Almost all the Sub-metro offices visited were not able to provide proper information on the categories of the SMEs selected. The situation reaffirms the earlier assertion that, not much research has been conducted on fashion MSMEs in Ghana. The researcher therefore resorted to the use of the numerical strength in each of the sub-metros in terms of percentages to determine the sample size from each of the sub-metros selected based on the size of the population. The actual sample size selected is based on the demographical distribution of the Kumasi Sub Metropolitan Assemblies.

INSERT TABLE 3.2

INSERT TABLE 3.3

3.6 Data Collection Procedure

Questionnaires and structured interview guide were used as the data collection instruments for this research work. In all, two hundred and ten (210) sample was selected for the study comprising ten (10) management consulting firms and two hundred (200) fashion SMEs shops in the Sub-metros selected using purposive and stratified sampling method (See table 3.5.1 a & b). Considering the scattered nature of fashion MSMEs in Kumasi Metropolitan, Stratified Sampling method was considered appropriate for the study in order to enhance the reliability and validity of the result. Gay in his assertion stated that, stratified random sampling is an appropriate methodology in order to make proportionate, and therefore meaningful, comparisons between sub-groups in the population. Robson (1993) also agreed, that sampling theory supports stratified random sampling as an efficient choice because the means of the stratified samples are likely to be closer to the mean of the population overall. Finally, Leary (1995) indicates that a stratified random sample will typically reflect the characteristics of the population as a whole.

In each of the shops selected, the owners of the shops were interviewed using a structured questionnaire and interview guide. This was done to ensure consistency and also to avoid bias from the results of the research. Questionnaire and structured interview guide were also used as a means of collecting data from ten management consulting firms in Kumasi Metropolitan. The ten consulting firms were selected from the major management and business consulting firms in Kumasi Metropolitan

3.7 Data Analysis

Data collection was preceded by thorough analysis of the results. The entire success or failure of a good research study will depend very much on data analysis. The researcher, after collecting the data started with data editing, coding and follow it up with data entry. These were done to ensure accuracy, consistency and uniformity in the processing of the data. The researcher collected all the appropriate primary and secondary data about the fashion small-scale entrepreneur businesses involved in the study (the sample). The relevant information related to the achievement of the study objectives was considered. The data collected were analysed using both quantitative and qualitative method of analysis with statistical inferences. The quantitative data were processed using statistical inference such as regression analysis, pie chart, bar chart as well as tables to enhance better understanding and interpretation of the results. The researcher used Statistical Package for the Social Sciences (SPSS) in the analysis of both quantitative and qualitative data. The reason for selection the SPSS programmes was that it enabled the researcher to process and analyse the data effectively through the use of tables, charts, and percentages where appropriate.

4.0 RESULTS AND DISCUSSIONS

4.1 MSMEs Willingness to Pay for Consultancy Service

INSERT TABLE 4.1

Respondents were asked whether they have paid for any consultancy services before. It was observed that 7 percent said they have paid consultancy services before. It was revealed that the average cost of consultancy services was GHC137.27 and maximum cost was GHC700.00 (See table 4.1). The subsequent variables measuring whether consultancy fee too high or not. It was observed that 79 percent of the respondents considered the consulting fee too high and 21 percent considered it not (See table 4.1). High percentage of the respondents think consulting fee is deterrent to MSMEs operators. It was observed that 33 percent of the respondents are willing to payGHC50.00 and more for consultancy services (See table 4.1). It was observed again that 10 percent of the respondents are willing to pay more than GHC100.00 for consultancy services (See table 4.1). The findings above indicate that

most MSMEs are not willing to pay for consultancy services because they think the fee is high. This has a link with the educational background of the Entrepreneur. The few entrepreneurs who are more literate (7%) were willing and paid for consultancy service (See table 4.1). This is in line with Oparanma Management consultancy Services view that consultancy services are mostly engaged by the bigger organizations. The MSMEs do not patronize the consultancy services even though they are confronted with numerous problems with the view that, their charges are expensive. This finding in line with the finding of (Kubr, 2002). Again, some MSMEs operators are of the view that, the consultant may expose the secret of their business to the public.

4.2 Attitude towards Hiring Consultant

INSERT TABLE 4.2

The respondents were asked to indicate the pool of attitude that best describe their attitude towards hiring a consultant to help in their business. The mean scores measuring how averagely each variable was scaled by respondents. Relative index was also used to measure how respondents ranked/scaled each variable in relation to the others. The results showed that the entire eight attitudes towards hiring consultant are highly significant. Their mean scores ranges from minimum of 4.1 to 4.37 indicating that averagely respondents agreed to all the variables (See table 4.6.1). Many MSMEs operators fail to engage consultants because of the high fees was ranked first, the few small-scale businesses who are aware of consultancy services think they cannot afford it was ranked second and every small-scale business in Ghana should be recommended to hire a consultant to help in the business growth was ranked third with indexes 0.87 each (See table 4.2). Generally the fees charged by consultants are too high for the services they offer, most small-scale businesses are not aware of consultancy service available for their businesses, consultancy services sharpen management competences, employing a consultant helps improve business growth and consultants help to solve business problems and serves as sources of learning and information were ranked 4th, 5th, 6th, 7th and 8th respectively with indices of 0.86, 0.85, 0.85, 0.82 and 0.82 (See table 4.2). Most entrepreneurs feel that the cost of consultant fee is higher than the benefits hence, their refusal to engage them. This confirms the assertion of Forsstrom (2005) that, the idea of perceived value does not include the measurable units in monetary terms but the idea of value is subjective to individual's perception after comparing what has been gained to what has been sacrificed.

INSERT TABLE 4.3

4.3.2 Correlation and Regression Model

This section of the analysis was used to test the hypothesis that there is no relationship between consulting fee and demand for consulting services. Correlation analysis was used to measure the relationship between the variables and logistic regression was used to determine the effect of awareness and consulting fee on demand. The coefficients and odds ratio of logistic regression were reported. The coefficient shows how much the independent variables; awareness and consultancy fee affect the dependent variable; demand. The odd ratio was used to estimate the effect of the log odds of demand of consulting per unit increase in awareness and consulting fee.

INSERT TABLE 4.4

There was positive correlation between awareness of consultancy services and engagement of consultant for business development. The p-value of $0.012 < 0.05$ level shows the correlation was significant (See table 4.4). This means that as if business owners become aware of the availability of consultancy services and the benefit associated with hiring consultant, the more they will engage them for consultation for the development of their businesses.

However, there was negative correlation between consultancy fees and engagement of consultancy services. It was observed too be significant, p-value of $0.000 < 0.05$ level (See table 4.4). The higher the consultancy fee, the lower the demand for consultation by businesses. This means, increasing the consulting fees will result in low demand for consulting services. Meanwhile, the responds from the entire consultant indicates that they do not have pricing strategy different for SMEs and the companies. The available results reveal that, if the consultants want the clients in SMEs to patronize their services, there is the need to formulate a different pricing strategy for them.

4.6.3 Logistic Regression Model

From table 4.5 below, the model chi-square was significant and the Pseudo r-square was 0.147. This showed the model fit well.

INSERT TABLE 4.5

INSERT TABLE 4.6

The estimated logistic coefficients were significant. The awareness of consultancy services availability significantly affects the engagement of consultancy services positively. From table 4.6 the coefficient was 1.039, meaning that a unit increase in the awareness of consultancy services holding consultancy fee constant will increased demand for consultancy by 1.039. The coefficient of consultancy fee was observed to be -1.931 and significant (See table 4.6). This means that holding awareness constant, a one cedi increase in the consulting fee will reduce demand by 1.931 (See table 4.6). This effect was highly significant. The odds ratios of the coefficient have been presented in the table below.

INSERT TABLE 4.7

From table 4.7, the odds of engaging consultant for business are about 2.83 times greater for respondents who are aware of consultancy services available to their business than those who are not aware of the consultancy services to their business. Based on this finding, awareness campaign about the availability of the consultancy services for businesses should be targeted to small scale enterprise. This means that awareness of consultancy services and the impact of such service will have on client's business will significantly increase the demand for consultant to help boost the small scale enterprise. The odds of engaging consultant for business service is about 0.145 less for respondents who considered the consulting fees too high than those who consider consulting fee to be low/moderate (See table 4.7). The p-value of $0.000 < 0.05$ showing that there was significant effect of consultancy fee on respondents towards engaging consultants for development of their businesses (See table 4.7). The lower the fee the higher the demand for consultancy services for businesses. Considering consulting fee to be too high will significantly reduce the demand for it.

5.1 Summary of the Findings

The results from the study indicate that entrepreneurs are unwilling to engage the services of consultant because of high consulting fees as 79% of the respondents indicated that high consulting fees deter them from using their services. This confirms the findings of (Kubr, 2002). The study revealed that the general level of education of the entrepreneurs engaged in fashion MSMEs are very low especially those who are in the hair dressing and seamstress business (7%). Their educational level has a tremendous effect on the management of their business hence affecting the growth and development of the sector. This confirms the findings of (Kubr, 2002). This was evidenced in the way some of these entrepreneurs keep records on their business. Not only that, it also came to light in the study that greater number of entrepreneurs in the fashion industry work in isolation. This means they are not affiliated to any business association neither do they involve themselves in any skilled development training as a result, they rely solely on the skills and experience acquired during the apprenticeship training. These entrepreneurs are not innovative enough to adapt to the frequent changes of consumers taste and preferences as such the demand for their service keeps on dwindling. It was also seen that because of fear of the business secret being revealed, most entrepreneurs are unwilling to use the services of consultants. Again, it was revealed that there is vast disparity between the amount the client are willing to pay as consulting fees and the amount the consultants are prepared to charge as consulting fees. Whereas most of the clients are will to pay GHC 50.00 or less, the minimum amount consultants are willing to charge for their service is **GHC1000.00**.

5.2 Conclusion, Limitation and Recommendations for Further Research

The study affirms that the fashion MSMEs is saddled with numerous challenges arising from poor managerial skills which can be attributed to the low level of education of managers in that sector. The operators of MSMEs in the fashion industry themselves acknowledged that they lack the managerial and technical skills yet, unwilling to use consultants to help them because of high consulting fees. There is therefore the need for external support in any form from the government to fill the gap by providing supplementary service to the entrepreneurs in this category of businesses.

Based on the finding of the study, the researcher can conclude that for MSMEs in Ghana to function well, the need for external support in the form support policy, financial support, training and workshops is inevitable as this will enable them acquire the needed resources and also develop the necessary managerial skills. As evidenced in the research, most entrepreneurs lack the appropriate managerial skills to manage their businesses and the fact that those who are members of business associations take part in periodic trainings to better equip them with the requisite managerial skills to manage their businesses, I recommend that it should be compulsory for entrepreneurs to join such associations to take advantage of such opportunities. These business associations must be placed under appropriate government ministry to ensure support and proper supervision to avoid corruption

For entrepreneurs to be ready and willing to accept the services of management consultants to improve upon performance of their businesses, I suggest that consultants should be strategic in pricing their service within the reach of their clients. Consultants should form associations and take advantage of the Skills Development Fund (SDF) by submitting joint proposals for funding to train the entrepreneurs within the informal sector.

To help improve the fashion sector (informal sector), further research could be conducted on how labour-market restrictions and the quality of government institutions such as the National *Board for Small Scale Industries* (NBSSI) and Microfinance and Small Loans Centre (MASLOC) affect the informal sector.

References

- Abor and Quaye (2010), Abugre, (1994) *impact of micro-credit on SME development*
Abor, J. & Quartey, P. (2010). *Issues in SME Development in Ghana and South Africa*. Research Journal of Finance and Economics Issue 39 (6): 215 - 228.
Adams, A.V., de Silva, S.J. and Mazmara, S. (2013) Improving skills development in the informal sector:

- Strategies for sub-Saharan Africa. Washington, D.C; World Bank adjustment. *World Bank Economic Review*, 6(3), 423–438.
- Afuah, A. and Tucci, C.L. (2003), “A model of the Internet as creative destroyer”, *IEEE Transactions on Engineering Management*, Vol. 45 No. 5, pp. 971-994.
- Agarwal, R., Sarkar, M.B. and Echambadi, R. (2002), “The conditioning effect of time on firm survival: an industry life cycle approach”, *Academy of Management Journal*, Vol. 45 No. 5, pp. 971-994.
- Akingunola, R.O and Onayemi, S.O. (2010) The Role of Informal Finance in the development of women micro-businesses in Nigeria: A case study of Ogun and Oyo States. *International Journal of Academic Research*
- Amu, N.J. (2004) The Role of Women in Ghana’s Economy. Accra, Ghana
- Aryeetey, E. (1996). *The complementary role of informal financial institutions in the retailing of credit. Evaluation of innovative approaches* (Tech. Rep. No. 58). Legon, Accra: University of Ghana, Institute of Statistical, Social and Economic Research.
- Bennett, R.J. and Robson, P.J. (2003): Changing use of external business advice and government support by SMEs in the 1990 s, in: *Regional Studies*, 37, 8, 795-811.
- Blackburn, R.A., Hart, M. and Wainwright, T. (2013): Small business performance: business, strategy and owner-manager characteristics. *Journal of Small Business and Enterprise Development*, 20, 1, 8-27.
- Boyle (2009), Buckley (1997) and Rogaly (1996): *microfinance in Africa*
- CBN Survey, 2005Cork and Nixon (2005) (Daniels&Ngwira, *Results of a nation-wide survey on SMEs in Malawi* 1993;
- Chepurenko, A. (2011): Entrepreneurship and SME policies in fragile environments: the example of Russia, in: Welter, F./Smallbone, D. (eds.), *Handbook of Research on Entrepreneurship Policies in Central and Eastern Europe*, Cheltenham: Edward Elgar, 190-209.
- Cochrane, P. (2010). African-American entrepreneurial venues and social capital. *Journal of Developmental Entrepreneurship*, 15(3), 287-300. Retrieved from <http://search.ebscohost.com.libproxy.wustl.edu/login.aspx?direct=true&db=bth&AN=56508013&site=ehost-live&scope=site>
- Dyer, L.M. and Ross, Ch. A. (2007): Advising the Small Business Client. *International Small Business Journal*, 25, 2, 130-151.
- Fixson, S.K. and Lee, W.H. (2012), “Shifting grounds: how industry emergence changes the effectiveness of knowledge creation strategies – the case of the US automotive airbag industry”, *Technology Analysis & Strategic Management*, Vol. 24 No. 1, pp. 1-19.
- Forbes, D.P. and Kirsch, D.A. (2011), “The study of emerging industries: recognizing and responding to some central problems”, *Journal of Business Venturing*, Vol. 26 No. 5, pp. 589-602.
- George Munchus, (1989), "*On the Seeking of a Definition of Management Consulting*", *Managerial Auditing Journal*, Vol. 4 Iss 1 pp. Permanent link to this document: <http://dx.doi.org/10.1108/EUM0000000001743>
- Ghana Statistical Service (2012). 2010 Population and Housing Census (PHC) Final Results. [http://www.statsghana.gov/docfiles/2010phc/December 23, 2012](http://www.statsghana.gov/docfiles/2010phc/December%2023,%202012)
- Ghecham, M.A. (2017) The impact of informal sector on income distribution: Could concentration of income be explained by the size of informal sector? *International Journal of Economics and Financial Issues*, 7(1), 594-600.
- Głodek, P. and Łobacz, K. (2015): Use and utilization of business advice in small innovative firms, Paper presented at the University-Industry Interaction Conference, 24-26.6.2015 Berlin.
- Greenhalgh, L. (2008). Increasing MBE competitiveness through strategic alliances. *Tuck School of Business*, Dartmouth. Retrieved from www.mdba.gov.
- GSS (2002) *Ghana Statistical Service 2000 Population and Housing Census. Summary report of final results*. Ghana Statistical Office, Accra
- Haan, Hans Christiaan. 2006. *Training for Work in the Informal Micro-enterprise Sector: Fresh Evidence from Sub-Saharan Africa*. Dordrecht, Netherlands: Springer.
- Hinterhuber (2008) The conceptualization of value-based pricing in industrial firms
- Horn, Z. (2010) No Cushion to Fall Back on: Global Recession and Informally Employed Women in the Global South. *Women’s Policy Journal of Harvard*, 7, 23-38
- Huang, T. (1999). *Who Shall Follow? Factors Affecting the Adoption of Succession Plans in Taiwan*. *Long Range Planning*, 32(6): 609-616.
- ILO (2013) *Measuring Informality: A Statistical Manual on the informal sector and informal employment*, Geneva. International Labour Organization
- Johnson, S., Webber, D.J. and Thomas, W. (2007): Which SMEs use external business advice? A multivariate sub-regional study, in: *Environment and Planning A*, 39, 1981-1997.
- Jon White, (2002), "*Fee setting in public relations consultancies: A study of consultancy and client views of current practice in the UK*", *Journal of Communication Management*, Vol. 6 Iss 4 pp. 355 – 367 Permanent link to

- this document:<http://dx.doi.org/10.1108/13632540210807189>
- Kaplan, S. and Tripsas, M. (2008), "Thinking about technology: applying a cognitive lens to technical change", *Research Policy*, Vol. 37 No. 5, pp. 790-805.
- Karlan and Zinman (2006), Kayalanu and Quartey, 2006 *the policy empowerment of SMEs in Ghana and Malawi*, Khan and Rahman, 2007 (*the impact of SMEs on livelihoods; case study of chittabong, Bangladesh*)
- Kotler, P.R. (1991), *Marketing Management: Analysis, Planning, Implementation, and Control*, Prentice Hall, Englewood Cliffs, NJ.
- Kubr, M. (2002): *Management consulting: A guide to the profession* (4th ed.), Geneva: International Labour Office, London
- Leong, F., & Huang, J. (2008). Applying the cultural accommodation model to diversity consulting in organizations. *Consulting Psychology Journal: Practice and Research*, 60(2), 170-185. doi: 10.1037/0736-
- Malerba, F. (2007), "Innovation and the dynamics and evolution of industries: progress and challenges", *International Journal of Industrial Organization*, Vol. 25 No. 4, pp. 675-699.
- Murmann, J.P. and Homburg, E. (2001), "Comparing evolutionary dynamics across different national settings: the case of the synthetic dye industry, 1857-1914", *Journal of Evolutionary Economics*, Vol. 11 No. 2, pp. 177-205.
- Oparanma A.O (2008). *Essentials of Business and Management*. Odesaa Educational Books (Nig) Publishers, Owerri, Nigeria
- Rip, A. (1995), "Introduction of new technology making use of recent insights from sociology and economics of technology", *Technology Analysis and Strategic Management*, Vol. 17 No. 4, pp. 417-431.
- Robinson, D.K.R. and Propp, T. (2008), "Multi-path mapping for alignment strategies in emerging science and technologies", *Technological Forecasting and Social Change*, Vol. 75 No. 4, pp. 517-538.
- Robson, P.J.A. and Bennett, R.J. (2000): The use and impact of business advice by SMEs in Britain: an empirical assessment using logit and ordered logit model, in: *Applied Economics*, 32, 13, 1675-1688.
- Schein, E. H. (1988) *Process Consultation*. Vol. 1 (Rev. Ed.!). Reading, Ma.: Addison-Wesley.
- Shein, E.H (1999) *process consulting Revisited*. Englewood Cliffs, N.J Prentice Hall
- Shein, E.H (2009) *how to offer, give, and receive help*. Understanding effective dynamics in one- to- one, group and or ganizational relationship. San Francisco, Berrett-koehlher publishers.
- Smallbone, D. and Welter, F. (2010): Entrepreneurship and the Role of Government in Post-Socialist Economies: Some Institutional Challenges, in: *Historical Social Research*, 35, 2, 320-333.
- Sowa, N.K., Baah-Nuakoh, A., Tutu, K.A., Osei, B. (1992). *Small enterprises and adjustment: The impact of Ghana's economic recoveryY proITamme on small-scale industrial enterprises (ODI Research Report, ISSN085003-18815)*. Legon. Accra: University of Ghana, Department of Economics: London, Chameleon Press Ltd.
- Steel, W. F., & Webster, L. M. (1992). How small enterprises in Ghana have responded to
- Steel, W.F., & Webster, L. (1990). *Ghana's small enterprise sector: Survey of adjustment response & constraints* (Industry Series Paper 41). Washington D.C: World Bank, Industry and Energy Dept.
- Talbert, M. W. (2011). Expanding your inner circle. *Black Enterprise*, 41(10), 52-52. Retrieved from <http://search.ebscohost.com.libproxy.wustl.edu/login.aspx?direct=true&db=aph&AN=60916173&site=ehost-live&scope=site>
- Teece, D.J. (2014): The Foundations of Enterprise Performance: Dynamic and Ordinary Capabilities in an (Economic) Theory of Firms, in: *The Academy of Management Perspectives*, 28, 4, 328-352.
- Tetteh, E.K and Frempong, G.K. (2008) *Developing the Rural Economy of Ghana through Micro and Small Enterprises (MSEs). Issues and Option*. African Technology Development Forum (ATDF), Vol. 5, Issue 3/4.
- Valdez, Z. (2008). The effect of social capital on white, korean, mexican and black business owners' earnings in the US. *Journal of Ethnic & Migration Studies*, 34(6), 955-973. doi:10.1080/13691830802211265
- Vos, J.P. (2005): Developing strategic self-descriptions of SMEs. *Technovation*, 25, 9, 989-999.
- Wojciech, G. and Edwards S. (2017) The role of Business Consulting in creating knowledge and formulating a strategy of development in Polish Micro-Enterprises. *Journal of East European Management Studies*, 22(3), 374-496.

Table 3.1 Demographic distribution of Kumasi Sub-Metropolitan Assembly

<u>AREAS</u>	<u>(%)</u>	<u>TOTAL</u>	<u>MALES</u>	<u>FEMALES</u>
Kwadaso	5.3	251,215	119,111	132,104
Nhyiaso	2.8	134,488	64,858	69,630
Subin	3.6	174,004	81,475	92,529
Asokwa/Atonsu	2.9	140,161	66,786	73,375
Oforikrom	6.3	303,016	149,827	153,189
Asawase	6.5	312,258	149,170	163,088
Manhyia	3.2	152,225	71,753	80,472
Old Tafo	3.1	146,024	69,551	76,473
Suame	3.4	161,199	76,143	85,056
Bantama	5.4	260,474	123,584	136,890
TOTAL	42.6	2,035,064	972,258	1,062,806

Source: 2010 National population census

Table 3.2 Sample Distribution

<u>Sub-metros</u>	<u>percentage (%)</u>	<u>Actual sample size</u>
Asokwa/Atonsu, 19%*200		38
Subin,	24%*200	48
Bantama,	36%*200	72
Manhyia	21%*200	42
Total	100%	200

Table 3.3 Sample Distribution

<u>Sub Metros</u>	<u>Dressmaking</u>		<u>Hair Dressing</u>		<u>Total</u>
	<u>Tailoring</u>	<u>Seamstress</u>	<u>Barbering</u>	<u>Beauty Saloon</u>	
Asokwa/Atonsu	10	10	10	8	38
Subin	12	12	12	12	48
Bantama	18	18	18	18	72
Manhyia	10	10	10	12	42
Total	50	50	50	50	200

Table 4.1: Consultancy Services

	<u>Categories</u>	<u>Frequency</u>	<u>Percent</u>
Paid for any consultancy services before	Yes	13	7%
	No	175	93%
	Total	188	100%
Consider the consulting fees too high	Yes	101	79%
	No	27	21%
	Total	128	100%
Think consulting fee is deterrent to SME operators	Yes	134	82%
	No	29	18%
	Total	163	100%
Amount willing to pay for consultancy services	>GHC1,000.00	1	1%
	>GHC500.00	3	2%
	>GHC100.00	18	10%
	>GHC50.00	60	33%
	None	99	55%
	Total	181	100%

Source: Field Study, 2018

Table 4.2: Attitude towards Hiring a Consultant

	N	Sum	Mean	Std. Deviation	RII	Ranking
Many SME operators fail to engage consultants because of the high fees	194	848	4.37	0.625	0.87	1
The few small-scale businesses who are aware of consultancy services think they cannot afford it.	194	845	4.36	0.654	0.87	2
Every small-scale business in Ghana should be recommended to hire a consultant to help in the business growth.	100	435	4.35	0.9783	0.87	3
Generally the fees charged by consultants are too high for the services they offer	194	839	4.32	0.784	0.86	4
Most small-scale businesses are not aware of consultancy service available for their businesses	194	822	4.24	0.765	0.85	5
Consultancy services sharpen management competences.	194	821	4.23	0.79	0.85	6
Employing a consultant helps improve business growth.	194	799	4.12	0.828	0.82	7
Consultants help to solve business problems and serves as sources of learning and information.	194	796	4.1	0.705	0.82	8

Source: Field Study, 2018

Table 4.3 Attitude towards Hiring a Consultant -Test Statistics^{a,b}

	Chi-Square	df	Asymp. Sig.
Employing a consultant helps improve business growth.	7.079	3	.069
Consultancy services sharpen management competences.	1.000	3	.801
Most small-scale businesses are not aware of consultancy service available for their businesses	4.653	3	.199
The few small-scale businesses who are aware of consultancy services think they cannot afford it.	2.055	3	.561
Consultants help to solve business problems and serves as sources of learning and information.	5.159	3	.160
Many MSME operators fail to engage consultants because of the high fees	3.098	3	.377
Generally the fees charged by consultants are too high for the services they offer	1.676	3	.642
Every small-scale business in Ghana should be recommended to hire a consultant to help in the business growth.	12.358	3	.006

a. Kruskal Wallis Test

b. Grouping Variable: type of business

Source: Field Study, 2018

Table 4.4 Correlations

		Engaged consultant	Awareness	Fees too high
Engaged consultant	Pearson Correlation	1	.165*	-.303**
	Sig. (2-tailed)		.021	.000
	N	194	194	194
Awareness of consultancy Services	Pearson Correlation	.165*	1	.000
	Sig. (2-tailed)	.021		.999
	N	194	194	194
Consider consulting fees too high	Pearson Correlation	-.303**	.000	1
	Sig. (2-tailed)	.000	.999	
	N	194	194	194

*. Correlation is significant at the 0.05 level (2-tailed). **. Correlation is significant at the 0.01 level (2-tailed).

Source: Field Study, 2018

Table 4.5 Logistic Regression

Number of observation	194		
LR Chi-square =	25.57	Prob> Chi-square =	0.0000
Log likelihood =	-74.0858	Pseudo R ² =	0.1472

Source: Field Study, 2018

Table 4.6 Logistic Regression Coefficient Estimate

Demand	Coef.	Std. Err.	Z	P > Z	[95% Conf. Interval]	
Awareness	1.0387	0.4334	2.40	0.017	0.1892	1.8882
Consultancy fee	-1.9314	0.4872	-3.96	0.000	-2.8863	-0.9765
Const.	-1.5482	0.3751	-4.13	0.000	-2.2834	-0.8130

Source: Field Study, 2018

Table 4.7 Logistic Regression

Demand	Odds Ratio	Std. Err.	Z	P > Z	[95% Conf. Interval]	
Awareness	2.8255	1.2247	2.40	0.017	1.2083	6.6075
Consultancy fee	0.1449	0.0706	-3.96	0.000	0.0558	0.3766
Const.	0.2126	0.0798	-4.13	0.000	0.1019	0.4435

Source: Field Study, 2018