The Effect of Non-Financial Support Services on Small and Medium Enterprises (SMEs) Development in a Developing Economy

Wilberforce OWUSU-ANSAH (PhD)*
Department of Marketing and Corporate Strategy, School of Business
Kwame Nkrumah University of Science and Technology
University Post Office, Kumasi, Ghana

Gifty Afi CUDJOE
Department of Marketing and Corporate Strategy, KNUST School of Business
Kwame Nkrumah University of Science and Technology
University Post Office,Kumasi, Ghana

Kofi POKU (PhD)
Department of Marketing and Corporate Strategy, KNUST School of Business
Kwame Nkrumah University of Science and Technology
University Post Office,Kumasi, Ghana

Abstract

The contribution of Small and Medium Enterprises (SMEs) to worldwide economy and holistic development approach cannot be underestimated. However, in Ghana there is an apparent overemphasis on financial support for SME development to the neglect of non-financial support. The study investigates the effect of non-financial support on SME development by using a descriptive research design approach. 370 SME entrepreneurs were sampled of which 92.3% responded together with 11 Business Advisory Centre (BAC) heads in Ghana. The study showed a general positive moderate relationship between non-financial support and SME development. Business advice & consulting and on-the-job training were found to be the most important non-financial support which yielded increased revenue and high product quality. It is recommended that before the implementation of non-financial supports, needs assessment of SMEs should be conducted, coupled with critical content support assessment in order to meet the aspirations of SMEs and to maximize the associated benefits.

Key Words: SME development, Ghana, Non-financial support

1. Introduction

Small and medium enterprises (SMEs) have been recognized as the engine of growth in many nations(Steel and Webster, 1992; Kayanula and Quartey, 2000; Aryeetey, 2001, Abor and Quartey (2010). SMEs are also believed to contribute about 70% to Ghana's GDP and account for about 92% of businesses in Ghana. Besides, the world over, substantial money and energy have been invested in support services for the SME sector as the interest has grown in the development of small enterprises (Bolton and Firms, 1971; Birch, 1979; Timberg, 1992; White, 1999). In spite of the interest, evidence suggests that the majority of the programmes and institutions designed to support small enterprises have reached and assisted only a minority of them (Farbman and Steel, 1992).

There is even a raging debate over the effect of the support services on the development of the assisted firms (Gibb and Manu, 1990; White, 1999). On one hand, empirical studies from developing countries have generally highlighted a limited impact in terms of growth, profit generated or jobs created (Kilby, 1979; Little, 1987). On the other hand, studies by Sharma and Rahman (1979) and Bhatt (1981) on SMEs in India and Tecson *et al.*(1990) on those in the Philippines reported a significant role for support services in improving the performance of assisted firms.

These tend to reinforce conclusion drawn in parallel studies in developed countries that assistance can enhance performance of small firms (Gibb and Scott, 1985; Chrisman and Leslie, 1989; Monk, 1991). In a three-year empirical study on the effectiveness and role of support services on small firms in Dhaka, Bangladeshi involving over 60 private and public support organizations/agencies, reports that despite the substantial support, the growth and development of the small firms sector had been slow and unsatisfactory (Reza *et al.*, 1992; Sarder *et al.*, 1997); raising questions about the effectiveness of the support services offered (Mannan, 1993; Sarder *et al.*, 1997).

Evidence from Africa has highlighted the sustainability of job creation from SME expansions and more often than not start-ups fold up and are therefore short-lived (Liedholm and Mead, 2013). Fredrick(2005) concludes in a study that SMEs and entrepreneurs have enhanced several economies such as that of the United States of America (USA) and United Kingdom (UK) and therefore state authorities have come up with strategic financial and counseling programmes to support them. SMEs in developing countries including Ghana, are poorly managed both technically and professionally with regard to planning, marketing, finance and personnel probably as a result of low level education and business training of the typical entrepreneur (Schiffer and Weder, 2001).According to Altenburg, (2000)enterprise competiveness is the ability to sustain a market position by supplying quality product on time and at competitive price through acquiring the flexibility to respond quickly to changes in demand; hence, the need for non-financial support to aid in improving quality and productivity in the operations of the SMEs.
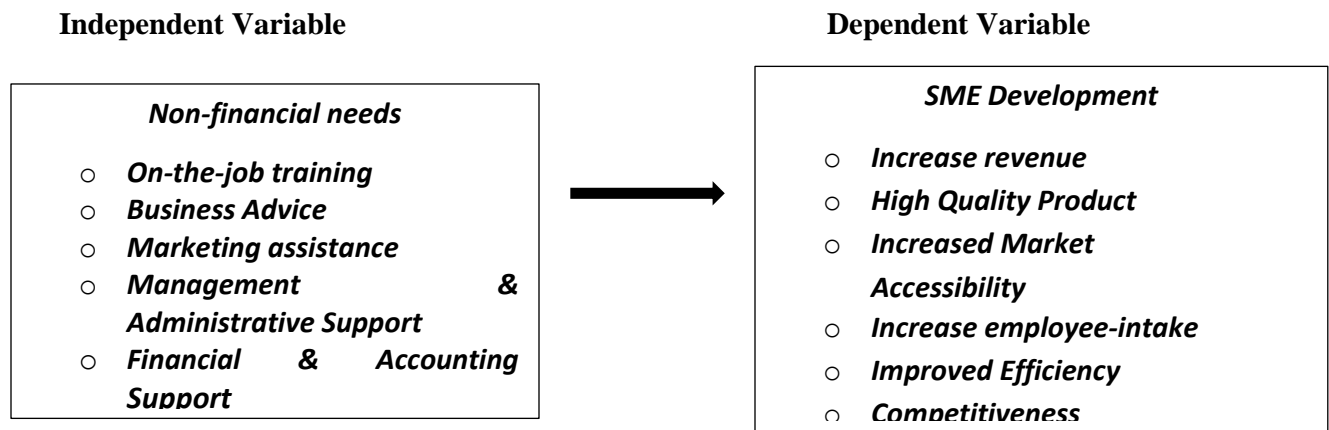Even though most business owners believe that their biggest challenge and needis finance(AGI, 2010), and numerous efforts have been directed towards this direction to help in the development and expansion of SMEs by both government and other financial and non-financial organizations in developing economies, many challenges have been encountered (Nkuah *et al.*, 2013) without providing the desired results. There appears to be an overemphasis on financial support for SMEs as anecdotal evidence reveals that possibly as a result of illiteracy, poor understanding of business operations, complacency, high cost of starting and raising business associated with SMEs. For instance, Gockel and Akoena (2002), identified lack of managerial skills, customer relations, regulatory issues, counseling, costing and pricing and marketing as relevant components for business development. The long effect is seen in high default in credit payment by SMEs, employee turnover, low revenue generation, poor performance and eventually collapse of business.

This is because access to finance only by SMEs is crucial but not sufficient. It must be combined with the provision of non-financial resources such as business development services, technology advice and monitoring, alongside access to networks and market (YBI, 2011). Non-financial support for SMEs is seen in areas such as market access, infrastructure, policy advocacy, accounting/bookkeeping, consulting, input supply, training and technical assistance, technology and product development and business incubation (Parker *et al.*, 2009). For performance of SMEs to be enhanced, their capacity must be built. Support inputs must therefore be targeted at enhancing SMEs development through increasing access to market, improving profitability as well as competitiveness in respective industries of operation (Hallberg, 2000).In addition, non-financial supports for SMEs can also be seen in terms of training, advice and consulting, supply of information, technical and technological transfer (Smart, 2007). Ghana's economy, like all other developing economies, is dominated by a large proportion of businesses in the SME sector. The growth and survival of this sector therefore is very critical in the development of a growing economy such as Ghana's as well as reducing the high unemployment rate. The government of Ghana in an effort to ensure the growth of SMEs established the National Board for Small Scale Industries (NBSSI) by Act 434 of 1981 and is mandated to promote the growth and development of Micro and Small Enterprises (MSEs). NBSSI has its Head Office in Accra, secretariats in all the regional capitals and Business Advisory Centres (BACs) in one hundred and ten (110) district capitals. Services offered by the NBSSI include business development services for micro and small enterprises (www.nbssi.org). NBSSI's mandate include: the creation of an enabling environment for the small-scale enterprises development; development of an enterprise culture in Ghana; facilitation of SMEs' access to substantial and high quality Business Development Services for their development; and access to credit for small enterprises.

Given the challenges SMEs face in Ghana, it raises questions regarding the effect of the business development services provided by NBSSI on SME growth and development. It is against this background that the study sought to examine the effect of non-financial support services offered by NBSSI on SME development in the Ghana.

Principally, what are the non-financial support services provided by the NBSSI to SMEs in Ghana? What are the relevance and benefits of these non-financial support services on SMEs in Ghana? What are challenges involved in the delivery of non-financial support services to SMEs in Ghana? In order to address this conceptual framework is formulated based on the relevant literature and non-financial services provided by NBSSI.

Figure 1: Conceptual Framework

Independent Variable   **Dependent Variable**

Non-financial needs
o *On-the-job training*
o *Business Advice*
o *Marketing assistance*
o *Management   & Administrative Support*
o *Financial   &   Accounting Support*

SME Development
o *Increase revenue*
o *High Quality Product*
o *Increased Market Accessibility*
o *Increase employee-intake*
o *Improved Efficiency*
o *Competitiveness*

A Conceptual framework showing non-financial support and their effect on SME development

Source: Authors, 2015

This conceptual framework represents the relationship between the independent variables and dependent variables hence show the relationship between the non-financial support and their impact on SME development. The conceptual framework has been developed from the reviewed literature. The independent variables are Non-financial support: On-the-job training, business advice, market assistance, management & administrative support and financial & accounting support. The dependent variable is SME Development. Factors such as increase revenue, high product quality, increased market accessibility, improved efficiency and competitiveness are indicators of SME Development. The independent variables when applied effectively leads to SME Development.

2.0 Methodology

The study was descriptive in nature and a field survey approach used for data collection. To gather the information required, the study population of 10,000 SME operators (BAC, 2014) and 25 BAC heads, respectively, in 24 districts in Ghana was targeted. A representative sample size of 370 SMEs was selected from Manufacturing (85), Services (200) and Trade (85).The data being at 95% confidence level and 5% margin of error, and a population of 10,000 (Saunders *et al.*, 2011). 360 responses were received out of the 370 sampled SMEs (97.3% response rate). In order to have a more holistic and consistency of the perception of the service provider and recipients (Business Advisors and SME Entrepreneurs), 11 BAC heads were sampled and administered with questionnaire. Purposive and convenience sampling techniques were used in order to find a representative sample of BAC Heads and SME operators' respectively.The descriptive analysis of the quantitative data was presented in the form of percentages and tables to ease comparison and comprehension. Statistical Package for Social Science (SPSS) IBM version 20 and excel were used to analyze the data. Multiple regression analysis was run to examine the relationship between non-financial support and SME development. Cronbach's coefficient Alpha of 0.7 was taken as the cut off value for reliability of the data.

Table 2: Sampling Procedure

Category	Target Population	Sample Size	Sampling Method
SME Operators	10,000	370	Convenience
BAC Heads	25	11	Purposive

Table 3: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No. of Items
.702	.702	5

3.0 Results and Discussions

The general characteristic of the study population has been given in table 1a and b. In Table 1a, there were 9 male BAC Heads(81.8%) and 2 females (18.2%). Majority of the BAC heads were in the 26-35 age -cohort. Also, all respondents had some form of tertiary education and at the time of the study were serving 30 clients or more. All the BAC heads also had some level of knowledge about some organizations that provides non-financial support to SMEs.In Table 1b, the demographics of the SME operators have been presented. There were 187 (51.9%) males and 173 (48.1%) females. The modal age for the SME operators was found to be between 26-35.This is an indication that majority ofthe people in charge of these SMEs are men and most of them are in the youthful age range which is between 26-35 years which is the age group identified as the larger contributor to the Ghana's economy.

Table 1a: Demographics of BAC heads

Parameters	Frequency	Percentage
BAC Heads		
Gender		
Male	9	81.8
Female	2	18.2
Age Group		
26-35	6	54.5
36-45	5	45.5
Marital Status		
Single	2	18.2
Married	9	81.8
Level of Education		
Tertiary	11	100
Number of Clients of BACs		
Above 30	11	100
Knowledge of non-financial support provision		
Yes	11	100

The results in Table 1b also indicate that majority of these SMEs are operated by people with basic educational level as 64.7% (n=233) had their education terminated at Junior high school level. This in a way justifies the need for emphasis on other support than financial support. Majority (54.4% or n=196) of these SMEs were in the services sector and this is in conformity with the report which identified the services sector as the largest contributor to Ghana's GDP (51.7%), (GhanaStatisticalService, 2015)as at January 2015. Most of the businesses (90%) were operating under sole proprietorship and this poses a higher level of risk to the business as observed by Woldie *et al.*, (2008). Majority of the SMEs (77.8% or n=278) employed less than 6 people with an annual turnover of less than USD$5,000 dominating with 66.9%.

It also came to light that about 163 (45.3%)of the SMEs did not have any knowledge of receiving non-financial support for their enterprises. This percentage however, does not totally reflect on the absence of support but rather the fact that a number of these SMEs only identify themselves with financial support as the only means of supporting their enterprises. This is also reflected on the responses given when the SMEs were asked about the relevance of non-financial support to the development of their firm. About 45.3% did not see any relevance of non-financial support to the growth and development of their firm.This contradict the assertion by Hallberg, (2000)who identified capacity building as the hallmark for development of SME.

Table 1b: Demographics of SME		
Parameters	**Frequency**	**Percentage**
SMEs		
Gender		
Male	187	51.9
Female	173	48.1
Age Group		
18-25	25	6.9
26-35	150	41.7
36-45	124	34.4
46-55	47	12.1
55 and above	14	3.9
Marital Status		
Single	83	23.1
Married	25.3	70.3
Divorced	15	4.2
Widowed	9	2.5
Level of Education		
Primary	73	20.3
JHS	160	44.4
SHS	92	25.6
Tertiary	35	9.7
Sector of Business operation		
Manufacturing	82	22.8
Services	196	54.4
Trade/Commerce	82	22.8
Legal Status of Business		
Limited Liability	2	0.6
Sole proprietorship	326	90.6
Partnership	32	8.9
Number of employees		
Below 6	278	77.8
Between 6-29	70	19.4
Above 30	12	3.3
Annual turnover of business		
Less than 5,000	241	66.9
Between 5,000-20,000	102	28.3
Above 20,000	17	4.7
Knowledge and Receipt of support		
Yes	197	54.7
No	163	45.3
Relevance of non-financial support to SME development		
Yes	197	54.7
No	163	45.3

Table 2a: Non-financial support given to SMEs from the perspective of BAC heads

Options	A N	%	B n	%	C n	%	D n	%	E n	%
5(Highly beneficial)	113	31.4	128	35.6	68	18.9	36	10.0	67	18.6
4 (Beneficial)	145	40.3	167	46.4	144	40.0	129	35.8	129	35.8
3 (Neutral)	38	10.6	44	12.2	102	28.3	107	29.7	86	23.9
2 (Less Beneficial)	45	12.5	20	5.6	30	8.3	76	21.1	57	15.8
1(Not Beneficial at all)	19	5	1	0.3	16	4.4	12	3.3	21	5.8
WAS	**3.8**		**4.1**		**3.6**		**3.3**		**3.5**	

Table 2b: Non-financial support given to SMEs from the perspective of SMEs

Options	A N	%	B n	%	C n	%	D n	%	E n	%
5(Very often)	4	36.4	7	63.6	3	27.3	1	9.1	4	36.4
4 (Often)	4	36.4	4	36.4	4	36.4	4	36.4	1	9.1
3(Average)	1	9.1	-	-	2	18.2	5	45.5	3	27.3
2 (Not often)	2	18	-	-	2	18.2	-	-	3	27.3
1 (Not at all)	-	-	-	-	-	-	1	9.1	-	-
WAS	**3.9**		**4.6**		**3.6**		**3.4**		**3.6**	

Table 2a and b above show the Weighted average scores (WAS) of five non-financial supportsoften offered to the SMEs from the perspective of the BAC heads and the SME themselves. A represents On-the–Job training, B; Business advice and consulting, C; Marketing assistance, D; management and office administration support and E; financial and accounting support. From Table 2a and b, it is obvious that from both BAC head and SMEs perspective, Business advice and consulting was the most frequent non-financial support offered to SMEs with WAS of (4.6 and 4.1) respectively. This was followed closely with On-the-Job training. Among the five non-financial support assessed, management and office administration support was the least offered non-financial support with WAS of (3.3) and (3.4) for BAC and SMEs respectively.

Most often, some of these non-financial supportsare given to the SMEs without any cause to the benefits derived from these supports from the BAC head and the SMEs. There was therefore the need to ascertain the benefits of some of these non-financial supports from the service support providers that is the BAC heads as well as the recipients; the SMEs. The results have been presented in Table 3a and 3b below. Five rankings were used as follows; 5-Higly beneficial, 4-benficial, 3-Neutral, 2-less beneficial, 1-not beneficial at all. The six sampled benefits identified were represented as follows: A: Increased Revenue, B: High product quality, C: Increased market accessibility, D: Increased employee intake, E: Improved efficiency, F: Competitiveness. From Table 3a, the BAC heads ranked improved efficiency and competitiveness (WAS=4.6) as the highest benefit derived from non-financial support offered to SMEs with increased employee intake being the least ranked (WAS=3.5).

Increased revenue and product quality were the highest (WAS=4.1) benefit derived from non-financial training offered to SMEs from their own perspective. This apparently supportsthe need for more emphasis on non-financial support since the derived benefit could far outweigh that of the financial support by offering higher revenue and quality product and services for customers. This also collaborates with work done by Altenburg, (2000)who indicated that the enterprise competiveness is boosted by the ability to sustain a market position by supplying quality product on time at competitive price.It is relevant to emphasize that both the BAC heads and SMEs ranked increase employee intake as the least ranked benefit derived from these non-financial supports.
This could also suggest other support like financial should also be in place to make these SMEs expand their operations resulting in their growth.

Table 3a: Benefits of some non-financial support given to SMEs from the perspective of BAC heads

Options	A		B		C		D		E		F	
	n	%	n	%	n	%	n	%	n	%	n	%
5	6	54.5	4	36.4	2	18.2	2	18.2	3	27.3	3	27.3
4	4	36.4	7	63.6	6	54.5	3	27.3	9	72.7	7	63.6
3	1	9.1	-	-	3	27.0	5	45.5	-	-	1	9.1
2	-	-	-	-	-	-	1	9.1	-	-	-	-
1	-	-	-	-	-	-	-	-	-	-	-	-
WAS	4.5		4.4		3.9		3.5		4.6		4.6	

Table 3b: Benefits of some non-financial support given to SMEs from the perspective of SMEs

Options	A		B		C		D		E		F	
	n	%	n	%	n	%	n	%	n	%	n	%
5	130	36.1	142	39.4	77	21.4	45	12.5	114	31.7	117	32.5
4	142	39.4	139	38.6	159	44.2	100	27.8	144	40.0	112	31.1
3	73	20.3	56	15.6	100	27.8	127	35.3	79	21.9	103	28.6
2	13	3.6	20	5.6	20	5.6	77	21.4	22	6.1	21	5.8
1	2	1	3	0.8	4	1.1	11	3.1	1	0.3	7	1.9
WAS	4.1		4.1		3.8		3.3		4.0		3.9	

Table 4a: Challenges faced by BAC heads in giving non-financial support to SMEs

Options	A		B		C		D		E	
	N	%	n	%	n	%	n	%	n	%
5	3	27.3	3	27.3%	3	27.3	2	18.2	1	9.1
4	6	54.5	6	54.5%	4	36.4	5	45.5	5	45.5
3	-	-	2	18.2%	3	27.3	-	-	2	18.2
2	1	9.1	-	-	-	-	3	27.3	3	27.3
1	1	9.1	-	-	1	9.1	1	9.1	-	-
WAS	3.8		4.1		3.7		3.4		3.4	

Table 4b: Challenges faced by SMEs in accessing non-financial support

Options	A		B		C		D		E	
	N	%	n	%	n	%	n	%	n	%
5	130	36.1	103	28.6	88	24.4	62	17.2	83	23.1
4	60	16.7	122	33.9	61	16.9	104	28.9	60	16.7
3	64	17.8	71	19.7	87	24.2	108	30.0	96	26.7
2	84	23.3	58	16.1	90	25.0	73	20.3	80	22.2
1	22	6.1	6	1.7	34	9.4	13	3.6	41	11.4
WAS	3.5		3.7		3.2		3.4		3.2	

Table 4a above indicates the challenges encountered by the BAC heads who are mainly the providers of non-financial support to SMEs. The five rankings used are as follows; 5-Highly challenging, 4-challenging, 3-Neutral, 2-less challenging, 1-not challenging at all. From Table 4a, five main challenges were identified by the BAC heads and this has been represented as; A: High complacency of SMEs (owners), B: Lack of understanding about non-financial support by SMEs, C: Location constraint (Non-accessibility of providers), D: Lack of monitoring to ascertain the effect of non-financial support, E: Less capacity building for BAC heads. Lack of understanding and appreciation of what non-financial support was the biggest (WAS=4.1) challenge of SMEs as identified by the BAC heads.

This is mostly because in most circumstances, most of these SMEs have lived under the impression that the only way to be successful in their businesses is to be provided with a financial support from either government or non-governmental organizations. Similar observation was made in a study by Ernst and Young (2009), which identified most non-financial supports as being too expensive hence majority of the SMEs do not seek to invest in them. They therefore seek financial support to the neglect of non-financial support in their questto expand and grow their businesses. The least of the challenges identified by the SME operators as seen in Table 4a (WAS=3.4) was lack of proper monitoring to evaluate the effect of these non-financial support on the SMEs growth and development. It was also evident that most of these BAC heads are themselves lacking the capacity to monitor the service provided to SMEs.An extensive education on the need for non-financial support for SME as well as building the capacity of BAC headsis critical to the growth and development of these SMEs.

Five major challenges hampering their growth and development were sampled as **A:** High cost of non-financial support, **B:** Non-qualified providers, **C:** Location constraint (Non-accessibility of providers), **D:** Non-practicality of support, **E:** Provision of generalized solutions to identified problems. In using WAS to score these challenges by the SME operators, the lack of qualified providers of these non-financial support to the SMEs was the biggestof the challenges encountered in accessing non-financial support(WAS=3.7). The least of the SMEs challenge was location constraints and provision of general solution to specific challenges(WAS =3.2). From the study, Rural Enterprises Programme (REP), Roots and Tuber Improvement Management Programme (RTIMP), Business associations such as Association of Ghana Industries (AGI), Association of Small Scale Industries (ASSI) and Ghana Chamber of Commerce and Industry (GCCI) were all identified by SMEs as organizations that provide various non-financial supports to SMEs through the Business Advisory Centres (BACs) in the various districts in Ghana. Organizational safety, health and business linkages, apart from the 10 sampled supports in the perspective of the SMEs, are relevant to SME development. However, SMEs value Business Advice & Consulting, Training (On-the-job training), Marketing assistance, Management & Office Administration support and Financial and accounting. It is evident that most SMEs undoubtedly are aware of the numerous benefits of non-financial support. Increased revenue and high product quality were identified as the most achieved benefits. However, others included proper management and administrative practices, business networking, improvement in customer care and skills improvement. Lack of understanding about non-financial support by SMEs was the biggest challenge faced by the BAC Heads while lack of monitoring and less capacity building for BAC heads was the least of the challenges. This result was indicative of SMEs having very little knowledge about non-financial service though most of them receive such support in one way or the other.

3.1 Model Summary and Regression Result

Table 5.0 Effect of Non-financial support on SME development

Independent Variable (Non-financial Supports)	Dependent Variable (SME Development)					
	R	R^2	B	Std. error	Beta	Sig.
(Constant) (α)	.586[a]	.473	0.211	0.113	-	.000
Training (On-the-job training)			-.611	0.006	-.636	.000
Business Advice & Consulting			-.513	0.008	-.561	.000
Marketing Assistance			.427	0.003	.481	.002
Management & Office Administration support			.200	0.009	.210	.035
Financial and Accounting Support			.201	.005	.223	.000

R represents the relationship between the dependent and the independent variables.
R^2 represents how much of the dependent variable can be explained by the independent variable.
B represents the coefficient of the independent variables.

Beta establishes the magnitude of contribution of the independent variables towards the dependent variable. Sig. represents the statistical significance level of the model (the accepted level of the sig.is 0.05). The output in the Table (5.0) above represents a multiple regression to establish the effect of non-financial support on SME Development. The regression equation was therefore $y=a+b_1X_1+b_2X_2+b_3X_3+b_4X_4+b_5X_5$.

Non-financial supports had a positive moderate relationship with SME development with a correlation value of .596[a]. This corresponds with Pallant, (2010) assertion that when the correlation value falls between .30 and .70, it is considered a moderate correlation. The positive correlation value implies that when the independent variables (non-financial supports) increase, SME development increases. On the other hand, when the independent variables (non-financial supports) decrease, SME development decreases accordingly. The R^2 value of .473 (37%) indicates that, 47% variations of SMEs development could be explained using non-financial supports.

The findings also showed that Training had coefficients of estimate which was significant basing on (β_1= -0.636, p<0.000).This implied that there was up to 0.636 decrease in SME performance for each unit increase in Training. The inverse relationship between on-the-job training and SME development might have occurred due to the training content and the negative implications on SMEs operations. SMEs might be enthused about a particular concept and may invest hugely but yield minimal or no benefits. Training content hence may need to be critically assessed in its delivery.

The findings showed that Business Advice & Consulting had coefficients of estimate which was significant basing on (β_2= -0.561, p<0.000). This implied that there was up to 0.561 decreases in SME performance for each unit increase in Business Advice & Consulting. The inverse relationship may be a consequence of the content of the business advice delivered to SMEs and the non-realization of anticipated results thereof. Thus, service providers need to critically look at the content of their delivery and direct SMEs properly with implementation.
The findings showed that Marketing Assistance had coefficients of estimate which was significant basing on (β_3= 0.481, p-value<0.002). This implied that there was up to 0.481 increases in SME performance for each unit increase in Marketing Assistance.

The findings indicated that Management and Office Administrative Support had coefficients of estimate which was significant basing on (β_4= 0.210, p<0.035). This implied that there was up to 0.210increase in SME performance for each unit increase in Management and Administrative support.The findings indicated that Financial and Accounting Support had coefficients of estimate which was significant basing on (β_5= 0.223, p<0.000). This implied that there was up to 0.223 increases in SME performance for each unit increase in Financial and Accounting Support.

3.2 Correlation – The effect of non-financial support

From the correlation results, it can be observed that the use of non-financial support correlate with SME performance as follows; Increase income (0.412, p=0.000), High Quality product (0.416, p=0.000), Increase market accessibility (0.474, p=0.000), Improved efficiency (0.425, p=0.000) and competitiveness (0.467, p=0.000).

Table 6.0 Correlation between the effect of non-financial support and SME development

The effect of non-financial support		
SME Performance	**Pearson coefficient 2-tailed**	**p-value**
Increase revenue	0.412	0.000
High Quality product	0.416	0.000
Increase market accessibility	0.474	0.000
Increase employee-intake	0.403	0.000
Improved efficiency	0.425	0.000
Competitiveness	0.467	0.000

Correlation values are significant at the 0.01 level (2-tailed)

Conclusion

The results of the study have highlighted on the effect of non-financial support on SME development.The study revealed an inverse relationship between SME development and Training as well as with Business advice &consulting. Interestingly, these were the most delivered non-financial support to SMEs by BAC heads and the most valued by SMEs. Even though one would have expected a more positive relationship between them and SME development, given the fact that the study showed a positive correlation between the non-financial support and SME development, this was not so. This may be because perhaps the content of these supports may not be in sync with the critical needs of the SMEs. There is therefore a need for critical assessment of the content the supports before delivery to SMEs in order to achieve the optimum benefits. Until proper assessment, delivery and monitoring systems are put in place, resources might not yield expected outcome.

The study further buttressed the importance of both non-financial and financial supports in the development of SMEs. The provision of these supports result in an increase in revenue, high product quality, increased market accessibility, competiveness and employment opportunity and other at varying degrees; which reflect in efficiency and productivity. A holistic approach to SME development to a larger extent relies on financial and non-financial support. Proper education and understanding of the implications and effects of non-financial support is highly needed. Furthermore, challenges associated with the delivery of the supports as well as challenges in SMEs accessing these supports will be curbed if the right countermeasures are implemented.It is recommended that non-financial support delivered to SMEs must be tailor-made to suit each category or growth stage. Proper needs assessment and monitoring system must be instituted and implemented to ensure efficiency and effectiveness in the delivery of non-financial supports to SMEs, by BACs as well as private Business Development Service (BDS) providers.

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