



Relationship between quality management practices and the performance of small and medium size enterprises (SMEs) in Ghana

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Abstract

Purpose – The purpose of this paper is to investigate the relationship between quality management practices and SME performance in Ghana.

Design/methodology/approach – Based on the literature, the paper adopted the MBNQA variables of leadership, strategic planning, human resource, customer focus, information and analysis, process management, and quality and operational results as tools of quality management practices. Seven hypotheses were postulated to examine the relationship of each of the MBNQA variables with the five SME performance indicators of profitability, customer satisfaction, sales growth, employee morale, and market share. A survey comprising 80 questions was administered to a sample of 200 small firms employing fewer than 50 workers and covering all sectors in Ghana. The questionnaire asked the participants to indicate on a five-point Likert scale the extent to which each quality management practice was evident or was practiced of those that influence their firms' performance. Statistical analyses were conducted using SPSS to calculate descriptive statistics, reliability analysis, correlation and regression.

Findings – Overall, the paper found a number of significant relationships between the quality management variables and firm performance. It also found support for the argument that quality management practices improve organizational performance in both large and small businesses and in any part of the world.

Originality/value – These findings have added to the body of knowledge that quality management practices improve organizational performance. Contrary to some studies conducted recently in Ghana to investigate the relationship between sophisticated planning and performance that did not find any significant relationship, the study reports a significant positive relationship.

Keywords Quality, Quality management, Baldrige Award, Ghana, Small to medium-sized enterprises

Paper type Research paper

Introduction

Ghana operates a mixed economic system with the main economic sectors being Agriculture, Services and Industry respectively in terms of size. Since the introduction of the Economic Recovery Program (ERP) in the 1980s, Ghana has achieved some successes in the development of its economy. However, there is a lot to be done and the private sector is to play a leading role in accelerated economic development of the country. Under the present government's declared era of "the Golden Age of Business", the need for a vibrant private sector to act as the engine of growth has even gained



more recognition. SMEs play a unique role in countries industrial development in terms of employment creation, income generation and ensuring equitable distribution of limited resources. Unfortunately, in Ghana, the SME sector's contribution has fallen short of its potential due largely to lack of effective and quality management and coordinated effort to support SME operations. The economic performance during the 2001 fiscal year showed an overall GDP growth of 4.2 percent, an increase of 0.5 percent over 2000 (*African Economic Outlook, 2004/2005*). In 2003, the real GDP growth rose to 5.2 percent and was estimated to increase to 5.8 percent in 2004 (*African Economic Outlook, 2004/2005*), which it did but remained the same in 2005.

Most Ghanaian SMEs struggle to operate, manage and improve their businesses efficiently in order to consistently deliver quality products and services on time. Among the numerous challenges to increase performance and growth of most of these companies includes quality management practices. Some researchers, business executives and managers of SMEs have attributed the failure of SMEs in Ghana and Africa to owner/managers inability to access credit (Adegbite, 1997; Tagoe *et al.*, 2005). However, quality management practices have been overlooked by governments and other business people over the years and have not been addressed. The lack of owner/managers to practice quality management has been identified as one of the major causes of SME failure (Jennings and Beaver, 1997). In a study done by (El-Namacki, 1990), he concluded that the practice of strategy planning by small firm owner/managers was "scanty and perfunctory" (Beaver, 2002) emphasized that an "overall lack of strategic management skills and abilities have been the underlying problem" (p. 175). As Ghanaian small businesses battle for their goods to be accepted on the international markets, implementation of quality management practices is crucial in reducing the direct cost associated with poor quality and this in turn will lead to increase in productivity. The question therefore is if these firms implement quality management will this improve the performance of their businesses? According to (Hodgetts *et al.*, 1999), firms that implement quality practices are better performers. But do indigenous owner/managers know about these practices? Do they understand these practices? If they do not, are they prepared to learn and practice? Is there a significant difference in performance between SMEs that are owned and managed by foreign individuals in Ghana and SMEs owned and managed by indigenous managers? There is the perception that SMEs that are owned and managed by foreign nationals do better than indigenous ones. Does it mean they practice quality management?

Objectives and importance

The focus of this study is to identify tools, variables, elements or ingredients of modern quality management practices, investigate the relationship between QM and performance. It is also to throw more light on the topic of quality management in Ghana and Africa at large since there is very little research on the topic in that part of the world. The study will be a source of reference to government and policy makers that will redirect the attention on the need to assist SMEs in the practice of quality management and not just access to credit. Again, it will give a policy direction to NGOs, foreign agencies like the Africa Project Development Foundation (APDF), African Development Fund (ADF), and United States Agency for International Development (USAID), and others that are committed to seeing the development, growth and the alleviating of poverty in Africa and Ghana for that matter. Finally, to

business advisors this study will open avenues for opportunities in business consulting. Small firms that are willing to implement quality practices will need the services of business advisors or management consultants for quality management implementation. Above all, the study will contribute to the literature by presenting evidence from an often-neglected region in management research.

Literature review

The objective of this study was to examine the relationship between quality management practices and small firm performance in Ghana. A number of researches in this area have been done but they are mainly focused on firms in the developed world. In contrast, little is known about this concept in the developing world.

Small firms it is said lack those resources to implement quality management. Be that as it may, quality management is seen as a strategic tool to improve organisational performance in both large and small businesses and in any part of the world. One would ask, what is quality management after all? To answer what quality management is, it must be understood that different writers mention the term quality management differently, however it basically mean the same thing. It is sometimes referred to as strategic quality management, total quality management (TQM) or simply put quality management. The authors prefer to use quality management in this study (Evans and Lindsay, 1993) stated that TQM “implies that quality is not solely a control or technical issue but that must be addressed from the perspective of strategic management” (p. 33). Flynn *et al.* (1994) also define quality management as “an integrated approach to achieving and sustaining high quality output” (p. 342). Department of Trade and Industry (2004) in the UK defines quality management, best practice management or modern management as doing things right first time. In the USA, the Malcolm Baldrige National Quality Awards (MBNQA) was created for organisations to meet international standards and fight international competition (Award Criteria, 1994). The MBNQA promotes three characteristics: awareness of quality to increase competitiveness, understanding the requirements for excellence in quality and sharing the information and benefits derived from successful quality strategies that are employed by the companies (Award Criteria, 1994). Seven categories are identified. These are Leadership, Information and Analysis, Strategic Quality Planning, Human Resource Development and Management, Management of Process Quality, Customer Focus and Satisfaction and, Quality and Operational Results. Similar quality awards and frameworks have been created in other developed countries. These include the Australian Quality Award, the European Foundation for Quality Management (EFQM) that established the European Quality Award.

(Evans, 1996) said, “quality management practices today simply represent sound management practices and that practices once regarded as quality management activities are now viewed as generic management activities” (p. 43). In recent times the concept of quality has been a concern for most businesses. There have been studies regarding the relationship between certain variables of quality management and performance. Considerable amount of such studies have been devoted to planning and performance of SMEs (Aram and Cowen, 1990; Wijewardena *et al.*, 2004; Yusuf and Saffu, 2005), human resource management and performance (Huselid, 1994; Huang, 2001; Marlow and Hannon, 2000), and leadership and firm performance (Anderson and Sohal, 1999). There have also been studies about the relationship between quality

management and quality performance. Most of these are based on empirical studies (Ahire and Golhar, 1996; Dow *et al.*, 1999; Flynn *et al.*, 1994). Other studies (Adam, 1994; Powell, 1995; Samson and Terziovski, 1999) linked performance measures to quality products. This study will adopt the MBNQA variables identified as tools of quality management practices. Thus the study framework will include:

- leadership (mission, vision, composition, education, experience);
- strategic planning;
- human resource (local, hiring process, training, career development, appraisal);
- customer focus (satisfaction survey, complaints procedure, credit number rating, supplier, supplier defect quality);
- information and analysis (level of IT in the organisation – financials, customer and suppliers);
- process management; and
- quality and operational results (safety, environment and community involvement).

The dependent variable is performance, which will be measured by several indicators. There is always a difficulty as to which performance indicator to use for such a study. This is because there are methodological issues (Fredrickson and Mitchell, 1984; Ramanujam *et al.*, 1986.). The performance indicators for this study will include profitability, sales growth, customer satisfaction, employee morale, and market share. Some of these performance indicators have been used in previous studies (Yusuf and Saffu, 2005; Lerner and Almor, 2002; Saffu and Manu, 2004).

The study framework

The study framework in Figure 1 describes the implementation of the quality management practices. The framework sees leadership as the implementer of the other variables. The leadership of SMEs that is owner/manager and a team of managers must begin with quality initiatives and develop the strategic plan based on the visions of the owner/manager. The strategic plan includes the mission and objectives of the firm. The plan gives details on customer and market focus strategy, how the firm hopes to deal with its analysis on information and what to use the information for, the

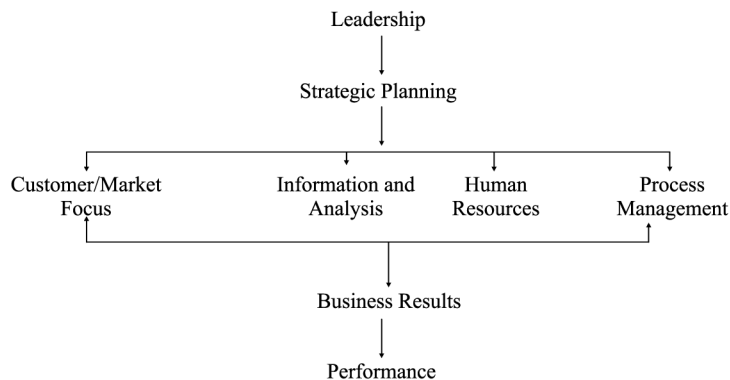


Figure 1.
Study framework

human resource aspect in terms of selection and recruitment, training and development, employee involvement, how to build teams in the organisation, how to motivate employees and maintain employee loyalty and above all how to link all these functions in terms of processes using information technology. This may include IT strategy, selection and implementation, though this may be too much and expensive for a small business. The proper and successful implementation and execution of the plan with the support of the owner/manager and top management will eventually improve performance as indicated by research.

The study now discusses the variables.

Leadership

The study looks at leadership in general and how it improves organisational performance with emphasis on small firms. This is about how senior managers in the organisation guide the company in setting organisational values, directions and performance expectations. The European Foundation for Quality Management (EFQM) defines leader as “the people who coordinate and balance the interests of all who have a stake in the organisation, including the executive team, all other managers and those in team leadership positions or with a subject leadership role” (European Foundation for Quality Management, 1999). Most organisations and for that matter multinational organisations have been successful and continue to be successful because they have leaders that implement the organisations visions and missions. It is therefore imperative that all institutions both large and small have good leaders to move it forward. Research has shown that quality leadership enhances organisational performance (Anderson and Sohal, 1999). Evans emphasized the leadership of an organisation that promote quality and high performance “create a strategic vision and clear values which serve as a basis for all business decisions at all levels of the organisation and that the vision and values revolve around customers” (p 43). In line with these arguments the following is hypothesized:

H1. Quality leadership is positively correlated to SME performance in Ghana.

Strategic planning

Planning plays an important role in business. It is an activity, which involves decisions about ends and results. It takes account of the organisation’s strengths and weaknesses as well as the opportunities and threats. Safranski and Kwon (1991) wrote “to many people, strategic planning is something meant only for big businesses, but it is equally applicable to small businesses”. A number of studies have concluded that good planning is a major contributor to profitability (Hillidge, 1990; Ryans, 1997). However (Mintzberg, 1979) has criticized the use of planning in small firms. Other studies have found no significant relationship between planning and performance. Saffu and Yusuf in their studies on sophisticated planning and performance in small firms in Ghana did not find any significant relationship (Berman *et al.*, 1997) concluded that, “firms that plan, produce better financial results than firms that do not plan” (p. 14). These observations lead to the following hypothesis:

H2. Strategic planning will positively influence the performance of SMEs in Ghana.

Human resource (local, hiring process, training, career development, appraisal)

Human resources are the most dynamic of all the organisation's resources. Where an organisation has a well-trained workforce, it can produce better jobs, they can be creative and have increased morale. This will go a long way to enhance the organisation's productivity and ultimately performance. However, for small businesses, because of their nature of smallness, they are unable to recruit high quality professionals or employees that are dedicated to the human resource activities (Hornsby and Kuratko, 1990). One area that is often overlooked is training. Training has been linked to performance. When employees are given the right type of training they perform. Training can take two forms. On the site training where instructors are brought on the firm's premises to give training to employees. They can also be sent outside the premises of the organisation where the training is taken place. Training motivates employees. Other aspects of human resource practices that must also be taken seriously include employee appraisals, career development, the hiring process, and employee motivation. Studies have found a positive relationship between HRM and performance in firms (Huselid *et al.*, 1997; Huselid, 1994) and based on the literature, the following is hypothesized:

- H4.* The implementation of human resource practices in firms will enhance firm performance in Ghana

Customer focus (satisfaction survey, complaints procedure, credit number rating, supplier, supplier defect quality)

The definition for customer focus in this study means meeting the requirements and expectations of internal and external customers. As an organisation, to be able to exceed customer expectation is to understand customers' needs and requirements. Firms must listen, collect customers' data, analyse and understand what customers want. One area that has been identified as a good management practice with regards to this variable is market orientation. In this global environment where the customer dictates the market, it is imperative that SMEs owner/managers listen to the customers' needs and expectations. Therefore firms cannot afford to ignore the needs of these consumers if they want to stay in competition and become competitive. As much as possible, to be able to compete firms need some knowledge about the customer. From the foregoing, the following is hypothesized

- H6.* Customer and market focus will positively influence the performance of SMEs in Ghana

Information and analysis (level of IT in the organisation – financials, customers and suppliers)

These elements of the framework serve as a central collection and analysis point in an integrated performance measurement system that relies on financial and non-financial data and information (Kuratko *et al.*, 2001) stressed, "Effective use of information drives the firm's continuous improvement in performance and competitiveness" (p. 295). It has been stated that firms that collect and analyse information consistently are more successful than firms that do not. Fredrickson and Mitchell (1984) and Dean and Bowen (1994) have refuted this argument. Key decisions are taken by organisations

based on the information and the analysis that come out of it. Thus the following hypothesis is proposed:

- H3. Proper implementation of the information and analysis variable will increase firm performance in Ghana.

Process management

Deming noted that organisations are a set of interlinked processes and that improvement of these processes is the foundation of performance improvements. Globalisation has forced organisations to innovate (Baker and Maddux, 2005) have stressed, "Process management requires knowledgeable individuals who are able to manage in the increasingly complex process oriented environment" (p. 44). The implementation of this may pose challenges to SMEs because they may not have the financial and human resources to deal with it. However, looking at the global competitiveness, it is important that small businesses take this seriously to be able to restructure their processes, come out with quality products and stay in competition. The redesign of business processes will create efficiency and reduce waste and costs. There must be continuous evaluation and improvement of the processes to achieve better performance. The previous discussion leads to the following hypothesis:

- H5. A positive relationship exists between process management and SME performance in Ghana.

Quality and operational results

This element examines the firm's performance and improvement in key areas, which includes, customer satisfaction, financial and marketplace performance, human resource results, supplier and partner performance and operational performance. Every organisation needs results. The results on each of the areas indicated above will help in the decision taken by either the owner/manager or management of the firm (Potts, 1977) noted "the clearest and most startling distinctions between successful and discontinued small businesses lie in their approach to the uses which can be made of accounting information" (p. 2). The results must deal with all the other aspects of the quality management variables. The customer is the key in this because; the firm is assessed in terms of product and service quality. The firm is also assessed through its key processes improvement activities, its financial and market performance. This leads to the proposition that:

- H7. There is a strong positive correlation between operational and business results and firm performance in Ghana.

Performance measures

The definition of performance is not clear among researchers and academics. Depending on the topic of study, different researchers have different indicators to measure firm performance. There are some issues as already indicated and therefore the difficulty as to which indicator to use. The performance indicators for this study will include profitability, customer satisfaction, sales growth, employee morale, and market share. Some of these performance measures have been used in previous studies (Yusuf and Saffu, 2005; Lerner and Almor, 2002; Saffu and Manu, 2004).

Methodology

In conducting this study, the quantitative approach and the survey method of collecting data was used. The questionnaire was administered through the face-to-face method of collecting data. Questionnaire was designed to ask owner/managers their views on quality management tools, how often they use these variables and how its implementation will impact on their firms' performance. Most of the questions in the questionnaire were adopted from the work of (Samson and Terziovski, 1999). Respondents were asked to indicate their present position on a particular quality management practice on a five-point Likert scale, 1 representing strongly disagree to 5 representing strongly agree. The questions on performance covered five aspects – profitability, customer satisfaction, sales growth, employee morale, and market share. Respondents were asked to indicate their firms' current performance levels in relation to the practice of quality management. Questions also included demographics such as age of firm, number of workers employed, and educational background of owner/manager, foreign owned and/or managed or indigenous owned/managed, female or male owner/manager.

Selection of participants

The target population of this study was small firms in Ghana that employ fewer than 50 workers. The subjects for the study were owner/managers or top and key managers of these firms. Adopting the guidelines of Samson and Terziovski, a survey instrument was developed, adopted and structured into three parts. Questions on part one was based on respondent's organisation – the demographics. Part 2 was based on the quality management constructs of the study framework. Each section was related to the elements of quality management practices as identified by the MBNQA and also on performance. The seven constructs are as follows:

- (1) Leadership.
- (2) Strategic planning.
- (3) Information and analysis.
- (4) Human resource development and management.
- (5) Management of process quality.
- (6) Customer and market focus.
- (7) Business and operational results.

Part 3 of the questionnaire was on performance and the impact of quality management practices on SMEs in Ghana.

The survey instrument was an 11-page survey questionnaire. A total of 80 questions made up the questionnaire. The interview was conducted within one month and was done with the assistance of four university students who were given a day's training on interviewing.

To facilitate the work of this study, some assumptions were made. These included:

- the owner/managers or top managers will answer questions;
- the survey was done in a timely manner as time is of the essence;
- a random sample of 200 firms would be used from a multiple list of the different industries in Ghana; and

- the respondents answered the questions honestly without pressure or fear of repercussions.

The face-to-face interview was the preferred method as against telephone or mail interview because it is deemed to be the more effective way of collecting data in Ghana because of the unreliability of the postal system as well as the underdeveloped telephone system (Yusuf and Saffu). Using a simple random sampling, a total of 200 sample was selected from a list of about 5,000 SMEs that employ less than 50 workers and the target population was limited to the Accra-Tema metropolis because of time and financial constraints.

Data processing and analysis

The Statistical Package for Social Sciences (SPSS) was used in the analysis of the data. The quality management variables were measured on a five-point Likert scale and the demographic attribute on a two-point scale. Cross tabulation was performed to segregate the demographic profile of the firms. Frequency statistics was performed to determine frequency of a particular variable use and cross tabulation was conducted to group the firms into sector groupings. A *t*-test was performed to determine the extent to which items in the quality management variables were practiced by firms. The cross tabulation was also performed to help analyze firms that are familiar with quality management practices and those that are not. A mean ranking was established on the performance measures, which included profitability, customer satisfaction, market share, employee morale and sales growth. To test the hypotheses of the relationship between quality management practices and performance, regression analysis for 5 percent statistical significance was conducted on each of the quality management variables. The variables assigned to each of the seven-quality management constructs and performance was subjected to an analysis to ensure that they are reliable indicators of those constructs (Nunnally, 1967). Because the questionnaire was adopted, it was assumed to have content validity. A reliability test was undertaken to ensure that the research study findings have the ability to provide consistent results in repeated incidences.

Discussion and results

Descriptive statistics, reliability analysis, correlation and regression analyses were conducted. The collected data was coded to perform reliability analysis to determine whether the individual items of quality management and also for performance tend to group in the proposed manner. Using the SPSS reliability program, an internal consistency analysis was performed separately for the items of each factor of quality management that included 116 usable responses out of a total of 184 returned survey questionnaire. The analysis revealed that all the factors except one have a Cronbach's alpha value above 0.7, which testifies to the reliability of the instrument. Table I shows the reliability analysis of the quality management constructs and performance.

The analysis for the reliability of the quality management factors indicates that six factors meet the recommended level of 0.70 with the exception of the process of quality management factor, which has an alpha of 0.326.

Out of the 116 usable responses, 96 or 82.8 percent were male owners and 20 or 17.2 percent were female owners. Of the participants 41.4 percent represented foreign entrepreneurs and 58.8 percent represented local or Ghanaian entrepreneurs. In a

Table I.
Reliability analysis

Constructs	Cronbach's Alpha	No. of items
Leadership	0.748	5
Strategic planning	0.823	6
Information and analysis	0.778	6
Human resource development	0.786	7
Process management	0.326	6
Customer focus	0.787	5
Quality results	0.839	5
Performance	0.844	5

combined total, 42 of 116 had education up to high school and 74 of the combined total are graduates. Of these 42 high school respondents, 29 were Ghanaian males, nine Ghanaian females and four foreign male entrepreneurs. Also of the combined total of 74 graduate respondents, 26 were Ghanaian males and four females. The foreign entrepreneurs were 37 for males and seven females. This indicates that more foreign entrepreneurs are graduates compared to the local entrepreneurs (see Table II).

Seven hypotheses were tested each for the quality management practice variable against performance. Correlation results indicated that they were highly correlated to each other. Table III shows that leadership, human resource development, and customer and market focus were very highly significantly ($\alpha \leq 0.001$) related to SME performance, and strategic planning, quality process management were highly significantly ($\alpha \leq 0.01$) related to SME performance, and information and analysis, and operational and business results were significantly ($\alpha \leq 0.05$) related to SME performance.

Summary of hypotheses

- H1.* Quality leadership practice correlates positively to SME performance. Results indicated quality leadership correlates positively with performance; hence the alternate hypothesis is accepted.
- H2.* Strategic planning will influence the performance of SMEs positively. The results rejected the null hypothesis and accept that strategic planning influence performance positively.
- H3.* Proper implementation of the information and analysis variable will increase firm performance. There was a very weak significant relationship between the two variables though the alternate hypothesis is accepted.
- H4.* The implementation of human resource practices will enhance firm performance. This seems to have the most significant relationship of the entire hypotheses. There is positive significant relationship between human resource development and management and performance. The results strongly support the alternate hypothesis.
- H5.* A positive relationship exists between process management and SME performance. There was a positive significant relation between quality process management and performance.

Table II.
Educational background
of owner/manager ×
owner type × gender

Gender	Educational background of owner/manager	Ghanaian entrepreneur owner type	(%)	Foreign entrepreneur owner type	(%)	Total frequency	(%)
Male	Secondary education	29	(30.2)	4	(4.2)	33	(34.4)
	Graduate education	26	(27.1)	37	(38.5)	63	(65.6)
	Sub-total	55	(57.3)	41	(42.7)	96	(82.8)
Female	Secondary education	9	(45.0)	0	(0.0)	9	(45.0)
	Graduate education	4	(20.0)	7	(35.0)	11	(55.0)
	Sub-total	13	(65.0)	7	(35.0)	20	(17.2)
Total usable sample		68	(58.6)	48	(41.4)	116	(100.0)

Table III.

Summary of regression

Variables	Hypothesis	<i>R</i>	<i>R</i> -squared	<i>p</i> -value	Decision
Leadership/performance	<i>H1</i>	0.461	0.212	0.000***	Accept <i>H</i> ₁
Strategic planning	<i>H2</i>	0.276	0.076	0.003**	Accept <i>H</i> ₂
Information and analysis	<i>H3</i>	0.206	0.042	0.027*	Accept <i>H</i> ₃
Human resource development	<i>H4</i>	0.510	0.260	0.000***	Accept <i>H</i> ₄
Quality process management	<i>H5</i>	0.267	0.071	0.004**	Accept <i>H</i> ₅
Customer and market focus	<i>H6</i>	0.302	0.091	0.001***	Accept <i>H</i> ₆
Operation and business results	<i>H7</i>	0.204	0.041	0.028*	Accept <i>H</i> ₇

Notes: * ≤ 0.05 , ** ≤ 0.01 , *** ≤ 0.001

H6. Customer and market focus will positively influence the performance of SMEs. The results of the test strongly support the alternate hypothesis.

H7. There is a strong positive correlation between operational and business results and firm performance. This hypothesis though significant was weak.

Conclusions and future research

This study has investigated seven quality management practices individually against five measures of performance on 116 SMEs in Ghana. The questionnaire used for the survey was based on the framework of the study which was pilot tested. In all 80 questions were asked including five performance indicators which were profitability, customer satisfaction, sales growth, employee morale, and market share. The study identified a number of significant relationships between the quality management variables and firm performance. The study finds support for the argument that quality management practices improve organisational performance both in large and small businesses and in any part of the world.

The findings of the study have added to the body of knowledge that quality management practices improve organisational performance. It is interesting to note that contrary to some studies conducted recently in Ghana to investigate the relationship between sophisticated planning and performance that did not find any significant relationship, this study reports of a significant positive relationship. This may be so because business conditions in Ghana have changed over the past years.

One area that has been of significance is on human resource development, which must be implemented by all firms. All the variables of quality management indicate a positive significant relationship with performance. It goes to confirm that quality management is made up of variables that combine to form quality management and that the implementation of the practices must be done individually at a gradual pace. It has also confirmed the findings of Brah and Tee who conducted a similar study in Singapore.

Limitations

The most obvious limitation is the sample size and the defined area. The numbers of small firms that fall within the defined category require a bigger sample size that covers the ten regions of Ghana. Interviewees were unwilling to disclose their performance especially on profitability for fear of being caught for tax invasion, which reduced the useable data from the originally planned sample. Another limitation was that owner managers were too busy for the interviews therefore some other type of managers were

asked to stand in for the owner manager. These managers lack the understanding of the questions due to some technicality of wordings in the questionnaire. Some answers may have been incorrect or distorted just to create the impression that all was well with the firm in terms of the practice of quality management.

Practical recommendations

This study based on the findings recommends the following for managers both local and foreign, NGOs, funding agencies and the government. First, owner managers must themselves know what quality management is and what comprises quality management if they are to implement them in their firms. This will assist them to know where to start from and seek for outside assistance if they lack the knowledge to implement. Implementation must be on a gradual basis rather than a wholesome venture. Management consultants who have the expertise in the area of quality management must be consulted for assistance. The implementation of quality management is said to be expensive so absolute care must be taken so as not to put firms into financial stress.

Organisations that run programs for SMEs should restructure their programs to include quality management practices and its implementation. NGOs and funding agencies whose main objective is assisting and supporting SMEs by given financial assistance must redirect their focus on helping these firms understand and implement quality management. This will help them meet customer demand thereby increasing their market base, which eventually goes to increase profit, customer satisfaction, market share and growth. Some of their programs must centre on quality management practices, which will enable firms to produce or manufacture quality products. Government, businesses and institutions should embark on a quality revolution to create the awareness for all to know the importance of quality and quality management practices.

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