

Are SME Owner-Managers Entrepreneurs? Evidence from Ghana

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Abstract

This study seeks to examine whether SME owner-managers are entrepreneurs. This is a particularly essential question in light of the term ‘entrepreneur,’ being ‘loosely’ used in most entrepreneurial studies to refer to SME owner-managers. The study adopts Covin and Slevin’s entrepreneurial orientation concept. The concept presents a good scale (comprising risk-taking, innovativeness and proactiveness) for measuring an SME owner-manager’s entrepreneurial ability. Using a systematic sampling approach the study interviewed 300 SME owner managers in Accra, Ghana in various sectors such as services, trade, manufacturing and agro-processing. The study found that SME owner-managers are not innovative and do not take risks although very proactive. Consequently, this study concludes that SME owner-managers are not entrepreneurially oriented and as such cannot be labelled as entrepreneurs. Appropriately, they should be labelled as businesspersons.

Keywords: Entrepreneurial orientation, entrepreneur, SME owner-manager, risk-taking, innovativeness and proactiveness.

1. Introduction

This study is predicated on the belief that the term entrepreneur is applied to SME owner-managers in a way that does not reflect their enterprise initiatives. Thus in Ghana, any SME owner-operator is apt to be referred to as an entrepreneur. Thus the definition of an entrepreneur remains confusing and to an extent even controversial (Carland, Carland, & Stewart, 1996). Consequently, this study examines what constitutes an entrepreneur. In other words, what indicators can be assembled to define an entrepreneur thus allowing us to determine who among the SME community in Ghana fits the definition. Furthermore, this quest is pertinent in light of the fact that at least cursory observation of goods on the Ghanaian market does not seem to reflect entrepreneurialism among Ghanaian SME’s. An Association of Ghana Industries (AGI) Report (2008) found that Ghana heavy relies on imported goods. The study found that the average percentage of processed food imports into Ghana between 1999-2006 was 73.92, while for the same period, the average processed wood products was 70.22 percent. In addition, the average for textiles and garments imports over the same period was 79.64 percent. Then again, the few Ghanaian made goods on the market, either lack standardization or overall quality or both.

Also, theoretically there are several approaches that have evolved in defining entrepreneurship and ultimately who the entrepreneur is; and along with these approaches are its tensions. There have been two popular schools of thought used to define entrepreneurs. These are the Schumpeterian and the Kirznerian schools of thought (Roininen & Ylinenpää, 2009). Some authors have also suggested Lachman’s approach to defining the entrepreneurial approach (Chiles, Bluedorn, & Gupta, 2007). These tensions have given rise to the improper use of the word entrepreneur to describe all manner of persons. One of the most frequently used without justification is the implicit reference to SME owner-managers as entrepreneurs (Bouchard & Basso, 2011; Fernández-Ortiz & Lombardo, 2009; Javalgi & Todd, 2011; Serrasqueiro & Nunes, 2012). This assertion may be due to the fact that the Kirznerian school of thought assumes people who take advantage of market inequalities to be entrepreneurs. However, there are no studies to support this assertion.

The juxtaposition of the common reference in most entrepreneurial studies to SME owner-managers as entrepreneurs and the prevailing difficulty of Ghanaian SME owner-managers to produce basic quality goods, begs us to pose an eminent question, are Ghanaian SME owner-managers truly entrepreneurial? A confirmation or otherwise of this question will have significant implications for entrepreneurship research. This paper is organized as follows; section 2 deals with literature review, there we briefly review the few existing seminal literature that attempts to define the term entrepreneur. In section 3, the term entrepreneurial orientation and its accompanying indicators are outlined. The study’s approach and sampling techniques as well as the analysis and interpretation of the data are discussed in section 4. Section 5 presents discussion of the findings. Conclusions made from the research are presented in section 6.

2. Literature review

The definition of an entrepreneur remains confusing and to an extent even controversial (Carland et al., 1996). There several approaches that have evolved in defining entrepreneurship and ultimately who the entrepreneur is; and along with these approaches are its tensions. There have been two popular schools of thought used to define entrepreneurs. These are the Schumpeterian and the Kirznerian schools of thought (Roininen & Ylinenpää, 2009). Some authors have also suggested Lachman's approach to defining the entrepreneurial approach (Chiles et al., 2007). There have also been those that have proposed that entrepreneurship can be defined using an indicative or functional approach (Hansemark, 1998); to this suggestion others have added a third which is that entrepreneurship can be situational (Siegel & Renko, 2012). However this study discusses the two broad ones of the Schumpeterian and Kirznerian thoughts. This is because most of the currents are just minor variations of these two (Hansemark, 1998).

The Schumpeterian school of thought describes an entrepreneur from the creative destruction approach proposed by Schumpeter (Chiles et al., 2007). In effect the entrepreneur has to be innovative. These forms of innovation may be in the form of new methods of production, new markets, new products, new process and others. These entrepreneurs distort equilibrium of markets with their creative destructive actions; however these actions lead to development ultimately (Betta, Jones, & Latham, 2010). According to Betta et al. (2010) reflecting on the Schumpeterian approach these innovative tendencies come from within the entrepreneur. They also note that there is the reaction to external pressures that Schumpeter notes as adaptation. Galindo (2013) also discussing the Schumpeterian approach notes that the key point Schumpeter makes is that an entrepreneur is one that leads the means of production into new channels and not some extra-terrestrial being. Suggesting that leadership in innovative production is at the heart of entrepreneurship or economic change. In that case the leader (entrepreneur) makes a margin from being the leader or having the first mover advantages.

As mentioned earlier there is also the Kirznerian school of thought led by Israel Kirzner that believes that entrepreneurship is a discovery process (Roininen & Ylinenpää, 2009). This school sees entrepreneurship regards as alertness on new possibilities (Kirzner, 1973, 1996). According to Roininen & Ylinenpää (2009) this school of thought believes that the entrepreneur seizes the imbalances and opportunities on the market and exploit them for their own benefit. This supports the "Austrian framework argument that discoveries of entrepreneurial opportunities depend, to a certain extent, on the distribution of information in society, where the possession of distinctive information allows people to see different opportunities (Kirzner, 1973). Moreover, the discovery of entrepreneurial opportunities is an ability to identify commercial opportunities rather than an optimizing process; therefore the entrepreneur needs to see new means-ends relationships in order to combine existing concepts and information into new ideas (Shane, 2003)".

These two definitional approaches to entrepreneurship emphasize certain behavioral tendencies of the entrepreneur in the face of social and economic circumstances. The "creative destruction" of the Schumpeterian school sees the entrepreneur taking steps to distort social equilibrium (proactivity), developing new and better things to replace old ones (innovation) and facing the risk of failure (risk-taking). In the Kirznerian School's alertness to opportunities and market possibilities, the entrepreneur actively seeks for market information (proactivity), closes any imbalances (innovation) and still run the risk of failure (risk-taking) due to possibilities of inaccurate market information. All these three indicators that belong to both Schools can be found in Covin and Slevin's entrepreneurial orientation concept. The indicator presents a good scale for measuring an SME owner-manager's entrepreneurial ability. The scale was originally developed for large scale enterprises (LSEs). However, it can also be adopted to suit SMEs since besides differences in size, LSEs and SMEs have common characteristics in that both aim at profit, and in achieving it, largely relies on similar business principles such as planning, organizing, leading and control.

The study focuses mainly on owner-managers as opposed to managers who may not necessarily own the enterprise. Although a variety of authors (Bouchard & Basso, 2011; Buame, Asempa, & Acheampong, 2013; Franco, 2013; Galindo, 2013) have described entrepreneurship as embodying risk-taking, innovativeness and proactiveness, Covin and Slevin (1989) have been more explicit in presenting the three indicators as forming the core of entrepreneurship. Consequently, this study adopts Covin and Slevin (1989) understanding and interpretation of entrepreneurial orientation.

3. Entrepreneurial Orientation and Hypotheses

Covin and Slevin (1989) uses the term entrepreneurial orientation (EO) in reference to a firm's strategic orientation, capturing specific entrepreneurial aspects of decision-making styles, methods, and practices. As

such, it reflects how a firm operates rather than what it does (Lumpkin and Dess, 1996). Miller (1983) summarizes the characteristics of an entrepreneurial firm: “An entrepreneurial firm is one that engages in product market innovation, undertakes somewhat risky ventures, and is first to come up with “proactive” innovations, beating competitors to the punch” (p. 771). Based on this, several researchers have agreed that EO is a combination of the three dimensions: innovativeness, proactiveness, and risk taking as previously mentioned. Thus, EO involves a willingness to innovate to rejuvenate market offerings, take risks to try out new and uncertain products, services, and markets, and be more proactive than competitors toward new marketplace opportunities (e.g., Covin and Slevin, 1989; Wiklund, 1999).

Covin and Slevin (1989) note that the innovativeness dimension of EO reflects a tendency to engage in and support new ideas, novelty, experimentation, and creative processes, thereby departing from established practices and technologies. A high rate of product and market innovation, as implied by the innovativeness dimension, can be used by the owner-managers to pursue new opportunities. Innovativeness is fundamental to contemporary definitions of entrepreneurship (Miller, 1983; Shane and Venkataraman, 2000). Kropp et al. (2006) identified that the innovativeness component of an entrepreneurial orientation is important to the success of a new business. Entrepreneurial firms operate in dynamic environments “where customers’ tastes, product-service technologies, and competitive weapons often change unpredictability” (Miller, 1983, p. 775). Innovativeness is required for product/market development in the services industry to deal with the continuous change and uncertainty (Miller, 1983). The greater the environmental dynamism and hostility, the greater the innovation required (Miller, 1983). Creative and innovative owner-managers will outperform other owner-managers types in more dynamic environments (McKee et al., 1989). Innovativeness is thus associated more with the ongoing process of business continuity once the business is started than with new entry.

H1: SME owner-managers who are entrepreneurs are innovative

According to Covin and Slevin (1989) proactiveness refers to a posture of anticipating and acting on future wants and needs in the marketplace, thereby creating a first-mover advantage vis-a-vis competitors. It involves pioneering behaviour undertaken to face future contingencies and overcome competitors’ actions. Lumpkin and Dess (2001) also conceptualize proactiveness as a mindset that focuses on introducing new products or services in anticipation of future demand and shaping the environment. Some of the activities associated with proactiveness include new opportunity identification and evaluation, identification and monitoring of market trends, and new venture team formation. Opportunity recognition is one of the key elements of the entrepreneurial process (Schwartz et al., 2005). Lumpkin and Dess (1996) also suggested two additional narrowly related components for proactiveness; autonomy, or the independence to bring forth and implement new ideas and ventures, and competitive aggressiveness, or a challenging attitude towards competitors that attempt to achieve entry or improve their position (Jun et al., undated). Comparatively, entrepreneurial owner-managers tend to develop creative and innovative projects in anticipation of the opportunities in the environment and to beat competitors’ actions, and their expectations of reward involve significant but calculated risks. In contrast, non-entrepreneurial owner-managers tend to adopt a reactive, risk-averse posture based on a policy of following and imitating competitors. In the words of Barringer and Bluedorn (1999), firms without entrepreneurial orientation adopt a “wait and see” posture.

H2: SME owner-managers who are entrepreneurs are proactive

According to Covin and Slevin (1989), risk taking is associated with a willingness to commit more resources to projects where the cost of failure may be high. EO has also been described risk taking as a component of entrepreneurial orientation and a distinctive facet of entrepreneurial behavior (Das and Teng, 1997; Lee and Peterson, 2000). Risk taking can be at an individual level (Sitkin and Pablo, 1992; Brockhaus, 1980) or a firm-level trait (Baird and Thomas, 1985) that differs by a firm’s stage of development (Lumpkin, 2002). Palmer and Wiseman (1999) distinguished between managerial risk, which relates to choices associated with uncertain outcomes, and organizational risks, which involves volatile income streams. Forlani and Mullins (2000, p. 304) describe entrepreneurs’ perception of risk as the “uncertainty and potential losses associated with the outcomes which may follow from a given set of behaviors.” Defined as substantial variance in important outcomes (MacCrimmon and Wehrung, 1986), risk represents the likelihood that an individual will forego a safe alternative with a known outcome in favor of a more attractive choice with a more uncertain reward (Brockhaus, 1980). Some aspects of strategic risk include venturing into new and unknown territories. It also involves committing a relatively large share of assets and significant borrowing (Baird and Thomas, 1985, pp. 231-2 cited in Lumpkin and Dess, 1996). Risk-taking therefore is a very important component of entrepreneurial ability.

H3: SME owner-managers who are entrepreneurs take risks

4. Research Method

4.1 Study Approach and Sampling

This was a cross-section study conducted between October and December 2012 in Greater Accra Metropolitan Area (GAMA) in Ghana. The study divided GAMA into four classes of major areas based on Accra Metropolitan Area's (AMA) industry classification- the classification is based on the enterprise demographic characteristics in the area (www.ghanadistricts.com). The study selected three (3) industrial clusters in each class using simple random sampling method- amounting to a total of 12 communities. Each community was allocated 60 enterprises. Within the clusters systematic sampling was used to select enterprises in these clusters. Every ninth enterprise in these clusters was interviewed. The study sent out a total of 600 questionnaires of which 300 were usable representing a 50% response rate.

4.2 The Unit of Analysis

The unit of analysis in this study was SME owner-managers. These are people who own SMEs in Ghana. For the purposes of this study a "small enterprise is defined as a business activity above the micro level undertaken within the formal sector that employs more than five workers and has a starting capital base exceeding US\$5,000. Hence in this study, small enterprises are seen in functional terms as activities used by the owners to generate income or to accumulate assets" (Quaye, sik).

4.3 Measurement and Analysis

The study developed a structured questionnaire after an extensive literature review on entrepreneurial orientation. The questionnaire measured issues like risk-taking, innovativeness and proactiveness. The questionnaire, which were in English, were translated into Twi, Ga, Ewe and Hausa (local languages of study areas) and then back-translated into English. The interviews were conducted in local languages. It is worth mentioning that the researchers are fluent in the local languages. Pretesting exercises were conducted repeatedly among the field staff and respondents from selected locations before carrying out the actual survey. The constructs used in the study was validated using an exploratory factor analysis and one sample t-test and one-way ANOVA was used to answer the research questions.

5. Analysis and Interpretation

Table 1: Profile of Respondents

Description	Frequency	Percentage (%)
Gender		
Male	187	62.3
Female	113	37.7
Age of Respondent (in years)		
18-25	34	11.3
26-35	106	35.3
36-45	98	32.7
46-55	49	16.3
55-above	13	4.3
Education Level		
No education	16	5.3
Non formal	52	17.3
Primary education	87	29
Secondary education	132	44
University	11	3.7
Post university	2	0.7
Sector of Operation		
Trade	131	43.7
Service	58	19.3
Manufacturing	35	11.7
Agro-processing	76	25.3

Most of the SME-owner managers were male- 62.3% while 37.7% were female and between the ages of 26 to 45 years representing almost 70% of all responses. The highest educational level attained by most of the respondents was secondary education with 44% although primary education came a close second with 29% of all respondents. The dominant sector was trade with 43.7%; agro-processing was second 25.3% followed by services with 19.3% and finally manufacturing with 11.7%.

5.1 Factor Analysis and Reliability Testing

The study tested the EO scale proposed by Covin and Slevin among the respondents selected from the Ghanaian SME sector, using factor analysis. In order to do that the KMO and Bartlett's tests of sampling adequacy was conducted. The study found a KMO MSA of 0.931 and Bartlett's sphericity chi-square of 2097.807 (significant at 0.000). This suggests that the sample could be analysed by way of exploratory factor analysis. Using the principal component analysis as extraction method Table 2 below shows the total variance in the factors explained by the variables below as 56.895%; showing a fairly significant explanation of the phenomenon by the factors under study. The Varimax with Kaiser Normalisation was used to rotate the variable to get the rotated component matrix. Three factors emerged risk-taking, innovativeness and proactivity as suggested in the EO literature. All the variables that make up the factors had factor loadings greater than 0.4 with is the threshold for samples around 300 (Hair et al, 2012), item to total correlation among the variables were also all above 0.3 (Blankson and Stokes, 2002) while all the cronbach alphas were above 0.7 showing high reliability of the factors used (Nunnally, 1967). Please refer to Table 3.

Table 2: Total Variance Explained

Variables	Communalities	Total	% of Variance	Cumulative %
I consider myself daring	0.539	7	43.751	43.751
I take bold decisions necessary to achieve the firms objectives	0.598	1.1	6.877	50.628
I understand risk-taking and how it works	0.676	1.003	6.267	56.895
The term "risk taker" is considered a positive attribute for people in our business	0.617			
People in our business are encouraged to explore and develop new ideas	0.471			
The demands of running a business does not force me to compromise on my decisions	0.307			
I actively seek new markets and new marketing methods	0.609			
I am motivated to be creative in methods of operation	0.594			
My business seeks out new ways that will add value	0.683			
I have a strong emphasis on product/service gaps	0.551			
My business introduces new lines of products or services	0.338			
I take the lead and competitors follow	0.626			
I am not afraid to fail	0.627			
My firm adopts a very competitive posture	0.687			
I am not over-awed by any new situation	0.391			
I excel at identifying opportunities	0.791			

Extraction Method: Principal Component Analysis

Table 3: Rotated Component Matrix

Variables	Loadings	ITC	Alpha
<i>Risk-taking</i>			
I consider myself daring	0.658	0.591	0.795
I take bold decisions necessary to achieve the firms objectives	0.644	0.651	
I understand risk-taking and how it works	0.799	0.687	
The term "risk taker" is considered a positive attribute for people in our business	0.729	0.638	
People in our business are encouraged to explore and develop new ideas	0.627	0.560	
The demands of running a business does not force me to compromise on my decisions	0.522	0.340	
<i>Innovativeness</i>			
I actively seek new markets and new marketing methods	0.773	0.567	0.810
I am motivated to be creative in methods of operation	0.597	0.647	
My business seeks out new ways that will add value	0.801	0.710	
I have a strong emphasis on product/service gaps	0.560	0.624	
My business introduces new lines of products or services	0.446	0.486	
<i>Proactivity</i>			
I take the lead and competitors follow	0.689	0.646	0.827
I am motivated to be creative in methods of operation	0.580	0.681	
My firm adopts a very competitive posture	0.612	0.748	
I am not over-awed by any new situation	0.507	0.549	

Extraction Method: Principal Component Analysis

Rotation Method: Varimax with Kaiser Normalization.

5.2 Are SME Owners Entrepreneurs

Table 4

Variables	t	df	Mean	Sig. (2-tailed)
Risk-taking	-1.843	299	3.7280	0.048
Innovativeness	-2.013	296	3.7232	0.045
Proactivity	2.13	297	4.0914	0.034
Entrepreneurial Orientation ¹	-1.376	294	3.8475	0.047

Hypothesized Value = 4

¹This is a composite of risk-taking, innovativeness and proactivity for comparison purposes

In order to answer the question of whether SME-owner managers are entrepreneurs; three hypothetical statements discussed in the literature stage were tested using a one-sample T-Test with a hypothesized value of 4. The 4 on the likert scale represented “Agree”. The study found that the risk-taking behavior of SME-owner managers was below the hypothesized value. It had a t-value of -1.843, mean of 3.9280 which was significantly below the hypothesized value of 4 at 0.046. Innovativeness was also not up to the hypothesized mean. The t-value was -2.013; mean of 3.9232 and significant at 0.045. The study found that respondents were very proactive with a t-value of 2.13, mean of 4.0914 significant at 0.034. A composite variable entrepreneurial orientation was created to assess the overall entrepreneurial abilities of SME-owner managers in Ghana. The variable recorded a t-value of -1.376 a mean of 3.8475 which is significantly below the hypothesized mean value of 4 at 0.047.

5.3 Do Differences Occur Across Industries?

Table 5: One-Way ANOVA

Variable	Sector	N	Mean	F-Value	Significance
Risk-taking	Trade	131	3.7977	3.115	0.027
	Service	58	3.9971		
	Manufacturing	35	4.0095		
	Agro-Processing	76	4.0636		
Innovativeness	Trade	129	3.8016	8.538	0.000
	Service	57	4.2211		
	Manufacturing	35	4.1657		
	Agro-Processing	76	3.7947		
Proactivity	Trade	130	3.9942	1.875	0.134
	Service	57	4.2632		
	Manufacturing	35	4.1571		
	Agro-Processing	76	4.0987		
Entrepreneurial Orientation	Trade	128	3.8737	3.49	0.016
	Service	56	4.1668		
	Manufacturing	35	4.1108		
	Agro-Processing	76	3.9857		

The study also sought to establish if the lack of entrepreneurial ability in the overall sample is reflected in the across the various sectors sampled. Significant differences are observed between the various sectors when risk-taking was observed. An F-statistic of 3.115 with a p-value of 0.027 was recorded. The highest mean was recorded for agro-processing of 4.0636 and the least was recorded for trade with mean of 3.7977. The highest N was recorded for trade of 131 and the least was for manufacturing of 35. Significant differences are also observed between the various sectors when innovativeness was observed. An F-statistic of 8.538 with a p-value of 0.000 was recorded. The highest mean was recorded for services of 4.2211 and the least was recorded for agro-processing with mean of 3.7947. The highest N was recorded for trade of 129 and the least was for manufacturing of 35. No significant differences are observed between the various sectors when proactiveness was considered. An F-statistic of 1.875 with a p-value of 0.134 was recorded. The highest mean was recorded for

services of 4.2632 and the least was recorded for trade with mean of 3.9942. The highest N was recorded for trade of 130 and the least was for manufacturing of 35. Significant differences are observed between the various sectors when the composite variable- entrepreneurial orientation was observed. An F-statistic of 3.490 with a p-value of 0.016 was recorded. The highest mean was recorded for services of 4.1668 and the least was recorded for trade with mean of 3.8737. The highest N was recorded for trade of 128 and the least was for manufacturing of 35.

6. Discussion of Findings

This study sought to answer the question as to whether SME-owner managers can be considered entrepreneurs. This is a particularly important question considering the resultant confusion in the way the term is applied to SME owner-managers in many entrepreneurial studies. A confirmation or otherwise of this implicit assumption that SME-owners are entrepreneurs will have significant implications for entrepreneurship research. The study adopted Covin and Slevin's entrepreneurial orientation concept. The concept presents a good scale (comprising risk-taking, innovativeness and proactiveness) for measuring an SME owner-manager's entrepreneurial ability. The scale was originally developed for large scale enterprises (LSEs). However, it can be adapted to suit SMEs since besides differences in size, LSEs and SMEs have common characteristics in that both aim at profit and in achieving it, largely relies on similar business principles such as planning, organizing, leading and control. Using a systematic sampling approach the study interviewed 300 SME owner managers in Accra, Ghana in various sectors such as services, trade, manufacturing and agro-processing. Exploratory factor analysis was used to explore the data with three factors- risk-taking, proactiveness and innovativeness emerging in accordance with literature (Covin and Slevin, 1989). One sample t-test was then used to answer the question of whether SME owner-managers are entrepreneurs while One-Way ANOVA was used to check if differences existed across industries. Three hypotheses used as the basis of the research question will form the basis of the discussion of the findings.

Hypothesis one asserts that SME owner-managers who are entrepreneurs are innovative. The study finds that most Ghanaian SME owner-managers are not innovative. Covin and Slevin (1989) note that the innovativeness dimension of EO reflects a tendency to engage in and support new ideas, novelty, experimentation, and creative processes, thereby departing from established practices and technologies. A high rate of product and market innovation, as implied by the innovativeness dimension, can be used by the owner-managers to pursue new opportunities. Innovativeness has also been seen as fundamental to contemporary definitions of entrepreneurship (Shane and Venkataraman, 2000). Kropp et al. (2006) identified that the innovativeness component of an entrepreneurial orientation is important to the success of a new business. This low levels of innovativeness among SME owner-managers may explain why the Ghanaian market is devoid of locally manufactured goods, and dominated by imported goods. It may also explain the high attrition rate among SMEs with few surviving past three years (Buame et al., 2013; Okpara, 2011). The study also found that significant differences existed in the innovative behavior of SME owner-managers in the various sectors. SME owner-managers engaged in provision of services are seen to be more innovative. This may be attributable to the very complex nature of services in that it is intangible, and as such any little effort invested is easily interpreted as innovative by customers. Those in agro-processing on their part scored lowest on innovativeness. The likely reason been SME owner-managers in that sector mainly uses obsolete equipment which are still very traditional and therefore ineffective.

Hypothesis two states that SME owner-managers who are entrepreneurs are proactive. The study finds that most of the SME owner-managers interviewed were very proactive. This confirms Covin and Slevin (1989) reference of proactiveness as a posture of anticipating and acting on future wants and needs in the marketplace, thereby creating a first-mover advantage vis-a-vis competitors and also involving pioneering behaviour undertaken to face future contingencies and overcome competitors' actions. It also confirms Lumpkin and Dess (2001) conceptualization of proactiveness as a mindset that focuses on introducing new products or services in anticipation of future demand, and shaping the environment. Considering the sectoral differences, SME owner-managers in service sector were seen as more proactive, which may be reasons earlier advanced elsewhere. Trade scored least and maybe due to the fact that trade involves tangible goods as opposed to services. These SME owner-managers do not proactively seek customers and as such cannot be labelled as proactive.

Hypothesis three mentions that SME owner-managers who are entrepreneurs take risks. However, the study found that SME owner-managers do not take risks and are rather risk-averse. This shows that these SME owner-managers do not confirm Covin and Slevin (1989) idea of risk taking as being associated with a willingness to

commit more resources to projects where the cost of failure may be high. In the EO-scale risk taking is a very important component of entrepreneurial orientation and a distinctive facet of entrepreneurial behavior (Lee and Peterson, 2000) and an entrepreneur that does not take risk may not be described as an entrepreneur after all. This is because risk-taking relates to choices associated with uncertain outcomes, and organizational risks, which involves volatile income streams. Forlani and Mullins (2000, p. 304) describe entrepreneurs' perception of risk as the "uncertainty and potential losses associated with the outcomes which may follow from a given set of behaviors." These are a critical part of the Schumpeterian school's definition of entrepreneurship. SME owner-managers in the agro-processing sector are seen to be those who take the highest risk while traders take the least risk. This may be the case because the agro-sector is very dependent on the forces of nature and as such volatile thus more prone to financial loss hence its members are forced to make quick choices. Traders, however, tends to deal in tangible goods, which are less prone to forces of nature thus diminishing the likelihood of capital loss. In turn, they make choices less readily.

Although not hypothesized a fourth variable was created from the composite of the three variable hypothesized. This was labeled entrepreneurial orientation. This variable was to combine the effects of all the three variables into one and answer the questions as to whether owner managers where entrepreneurs. The study found that SME owner managers are not entrepreneurially oriented and hence cannot be described as entrepreneurs. They may be appropriately called businesspersons. SME owner-managers in services were the most entrepreneurial oriented. As mentioned earlier, this may be due more to the fact that the intangible nature of services causes any little effort towards business development to be viewed by customers entrepreneurial. Trade scored least and could be attributable to the fact that the tangible nature of trade goods makes it more challenging to Ghanaian SMEs.

7. Conclusion and Limitations

This study sought to answer the question whether SME-owner managers can be considered entrepreneurs. This is a particularly important question considering the resultant confusion in the way the term is applied to SME owner-managers in many entrepreneurial studies. A confirmation or otherwise of this implicit assumption that SME-owners are entrepreneurs will have significant implications for entrepreneurship research. This study concludes that SME owner managers are not entrepreneurially oriented and hence cannot be described as entrepreneurs. They may be appropriately called businessmen and women. SME owner-managers in services were the most entrepreneurial oriented with traders been the least entrepreneurially oriented. Despite these findings further studies are needed to confirm or negate this position. Specific sectorial or country studies maybe used in this direction. Sectorial studies can be used to understand the specific entrepreneurial differences that were mentioned in this study. Their focus maybe to amplify this finding. Country studies may also be useful as these can explore the country differences. The study focused on only SME owner-managers in Accra, Ghana. Some studies may also use much larger sample sizes especially above 1000 respondents to test the robustness of these findings.

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