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THE ROLE OF SMEs IN EXPORT PROMOTION: EVIDENCE FROM THE MANUFACTURING INDUSTRY OF GHANA

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ABSTRACT

The study sets to investigate the complex nexus of why the majority of SMEs from the manufacturing industry of Ghana decide to focus on the domestic market, while few choose to sell a proportion of their goods abroad (thus engage in export activities), even though they face and operate in similar market conditions. While a huge variety of clarifications to this issue exists in current writing analyzing the export behavior of SMEs organizations, these clarifications anyway are uncertain and confined in geographic extension along these lines created nations setting. Methodologically, the study utilizes both quantitative and qualitative techniques in addressing the phenomenon. The quantitative method involves the logit probability regression analysis while the qualitative analysis is based on a systematic content review of data amidst descriptive statistics. Overall, firm size, sub sector, workforce education levels, government inclusion, financial availability and participation in international and domestic business networks are found to be the key drivers explaining why some manufacturing SMEs from Ghana choose to export, while majority of others remained focused on the domestic market. In light of the discoveries it is presumed that SME proprietor administrators in Ghana trying to fare ought to put resources into the improvement of both local and global systems as a methods for improving their entrance to worldwide markets. From a policy point of view, an intriguing suggestion for the legislature of Ghana to give further help in a bid to encourage the actions of industrial associations in Ghana is profoundly underscored.

Contribution/ Originality: This study is one of very few studies which have investigated export propensity among SME firms in the manufacturing industry in the context of a developing economy.

1. INTRODUCTION

Most developing countries have adopted export-led strategies as an engine for growth and employment over the past decade and have steadily diversified export markets and goods. The global economic downturn in 2008 highlighted the critical importance of trade as an engine for growth and jobs in Africa and, more critically, as a way to smooth out the effects of the crisis. In view of this, SSA's export structure is one of the main reasons why out of the crisis it was able to get a head start. As many expected, Africa has not missed the boat because of its dependence on exports of commodities; on the contrary, it has benefited from its export structure, particularly due to high demand from China (Songwe & Winkler, 2012). Hausmann, Hwang, and Rodrik (2007) investigation highlights the extreme importance of national exports. Nonetheless, for various reasons, manufacturing exports are generally considered to be of the greatest importance in terms of export composition. Teal (2008) contends that the extraordinary financial advancement that most modern countries have encountered in the course of the most recent thirty years is straightforwardly corresponded with their capacity to accomplish supported development underway in terms of export demand. Export manufacturing is a key driver of organizational development, driving noteworthy advancements in expectations for standards of living. Babatunde (2016) contends that the exchange structure of Sub-Saharan African (SSA) economies is exceptionally subject to exchange of natural essential wares, easing back their pace of monetary development. Proof from both created and rising economies has merged to demonstrate that by and large trading organizations have all the earmarks of being progressively aggressive comparative with their household showcase centered partners. Naude and Gries (2004) claims that because of its absence of adequate assembling sends out, the primary purpose behind Africa's absence of industrialization and its poor financial development yield is. Matthee, Idsardi, and Krugell (2016) found that while SSA has roughly 12% of the total populace, its commitment to world assembling exporting is less than 1%. king et al. further contended that somewhere in the range of 1994 and 2008, just five SSA economies (Mauritius, South Africa, Botswana, Swaziland, and Namibia) sent out more than US$ 100 for each capita of made products. As indicated by these creators, the figure was underneath US$ 10 for every capita for most different economies in the SSA. Hence, given the significance of overall assembling sends out the commitment of Africa, particularly sub-Saharan Africa, is appallingly low contrasted with the remainder of the world (Cline, 2004). The development in their fare of modern products was the most unmistakable component of the Asian tiger economies in the Soderbom and Teal (2003).

Again, Soderbom and Teal (2003) further argues that the major cause of the collapse of African economies in the time since independence is due to the collapse of exports, especially exports from manufacturing. Following the Soderbom and Teal (2003) variant, Elhiraika (2008) analyzed 36 African countries and found that an increased share of total export manufacturing has the potential to increase GDP growth and decrease development vitality. This is mainly due to the fact that most SSA countries began ' industrialization ' through import substitution immediately after independence, but the industrialization program failed as inefficiencies associated with this strategy emerged. It is not surprising that Ghana is still dealing with industrialization, like many African countries. In addition, SSA economies ' poor performance is due to low level of manufacturing exports. Commission report for Africa, 2005: 256 also shows that there has been stagnation in Africa over the past three decades. The composition of exports from Africa has remained virtually unchanged, which has led to the decline of the share of world trade in Africa. Note that a couple of natural essential products (for example cocoa and certain mineral items) (Woolf, 2008) despite everything command the export composition of Ghana. This is principally because of the way that Ghana's assembling areas are commonly little and immature.

Because of the void found in exante literature, the reasons for this are. The manufacturing output of Ghana's exporters has been declining since 2012. Similar situation can be said about the records of the sector. In the light of the above, this study examines how exporting firms in the manufacturing industry in Ghana can enhance their export performance. Based on extant literature, the study develops a conceptual model that brings additional insights into the mechanism of how selected key determinants influence export performance in Ghanaian firms. The model mainly demonstrates how firm characteristic variables such as firm size, firm age, foreign ownership, financial availability, government participation inter alia mediate export involvement,

export promotion programs, and international experience to clarify the dynamics between their export performance associations. The empirical model proposed deepens our understanding of how selected main determinants ' interplay and mechanisms enhance export efficiency in an emerging economy. The study also discusses recent calls for advancing theoretical advancement in Africa's export performance literature, given that factors influencing export performance have been less studied and received little attention in emerging economies such as Ghana.

2. LITERATURE REVIEW

2.1. Theoretical Base of the Study

The research integrates internationalization ideas to support the basic claims. Upon exploring the generally accepted theories of internationalization, the comprehensive theoretical framework in this study includes resource-based perspectives, stage theory, network theory and the theory of international entrepreneurship. In order to address the research hypotheses behind the analysis, these theories are established.

2.2. The Role of SMEs in Export Composition Explored: Review of Related Literature

Based on the framework of a dual institutional and network-based internationalization approach, Sharma (2018); Haddoud, Jones, and Newbery (2017); Matanda, Ndubisi, and Jie (2016) and Pickernell, Jones, Thompson, and Packham (2016) examines whether firms become productive by learning through exporting by estimating the production function using micro data of Indian manufacturing firms operating in the period 1991–2001. In comparison to studies on developed countries, the results of the study indicate that Indian manufacturing companies are experiencing an increase in productivity by entering export markets and thus experiencing the learning impact. We also consider that before selling, there is a production boost. The findings therefore also endorse the process of self-selection for exporting. In order to complement the resource-based approach with a cluster approach to identify which components, both internal to the business and locally accessible, boost the export output of companies, Díez-Vial and Fernández-Olmos (2013) explains that while in the resource-based view exporting firms are contingent upon the development of intangible resources, from a cluster approach exporters exploit local externalities, mainly related to local information, knowledge and resource spillovers. Mosbah and Debili (2014) also offers empirical evidence from the Iberian ham cluster in Spain, confirming the importance of intangibles such as R&D and marketing promotion, but also cluster relations with local development centers, universities and the use of Designation of Origins to boost export efficiency. Contrary to assumptions, adjacent exporters have no significant effect on employee employment, operational experience, and information and knowledge-based spillovers. It is important to note that while these findings suggest that an augmented system may improve the predictive elements of cluster export efficiency, it is focused on the developed economy perspective. In their research, Wang, Chen, Wang, and Li (2017) also explores how the involvement of a business in government export promotion programs (EPPs) can lead to improved export efficiency. A controlled model of EPPs on export output was proposed and tested in Chinese manufacturing SMEs based on the perspective of diverse capabilities. Their results show marketing implementation capabilities mediate the effect of information-related programs on export performance, and the financial aid-related EPPs moderate the process. Contributing to the studies relating EPPs and export performance the results confirm the instrumental role of EPPs in enhancing export performance and examine the interplay between different types of EPPs. Wang et al. (2017) further highlights a guideline for managers as to how they can benefit from government EPPs. The findings also imply that policy makers should develop EPPs with a specific emphasis rather than a general goal of export performance while developing new insights on how export ventures exploit EPPs to develop useful capabilities. The research further extends current export thought by understanding that exporting is influenced by different types of EPPs. The literature contribution is to clarify the role that meaning plays in understanding these findings. Following the variant of Stoian, Rialp, Rialp, and Jarvis (2016); Narooz and Child (2017) Reports on a qualitative comparative study of how decision-makers in internationalizing SMEs respond to networking activities to relevant institutions in their domestic setting. In all, twenty SMEs are compared between a developing (Egypt) and a developed (UK) economy, respectively. Both countries contrast to network relations

in terms of both the effectiveness of their institutional support for SMEs and their cultural norms. In their results, the authors found significant differences in the networking behavior of SME decision makers in response to specific institutional conditions between the two national samples. In a new theoretical model, the links between institutional conditions, national cultural norms and responses to SME networking are explained. Using the hierarchical multiple regression approach based on data collected from Bangladesh, a developing country in South Asia and a leading exporter of clothing items worldwide with a sample of 224 early internationalizing clothing companies to test the hypotheses, Faroque and Takahashi (2015) explores the dependent relationship between government export marketing assistance and the success of early internationalizing companies in the low-tech industry of developing countries. The findings of the study define as direct the relationship between export support and efficiency. Again, the authors note that neither information-based nor experiential marketing assistance is directly related to export performance while the relationship between information assistance and export performance is significantly, but (unexpectedly) negatively moderated by export commitment. The effect of experiential assistance is positively, but only marginally, moderated by export commitment. By drawing on the resource-based view and on elements from social network theory, Boehe (2013) uses a sample of southern Brazilian small and medium-sized furniture manufacturers to find evidence for the hypothesis that access to local network resources, facilitated by a firm's membership in an industry association, strongly predicts the propensity to export. The findings show that the local cooperation strength of a company is positively linked to its export intensity and that both relationships are moderated by the gap between the company and the core of the local network. Bayon, Vaillant, and Lafuente (2015) examines export behavior from a broad perspective, taking into account the influence of entrepreneurial attributes in Romanian small and medium-sized enterprises (SMEs) on export entry, export sustainability and de-internationalization. Based on theoretical context from the firm's resource-based view (RBV) and the paradigm for institutional economics (IE), Bayon et al. (2015) Proposed theories are evaluated using a rich data set of 319 Romanian SMEs analyzed through a multinomial-logit regression. The study findings reveals that exporting is not a single event and that variables commonly used to study export propensity linked to the entrepreneurial attributes have a differential influence over the export decisions. More concretely, export entry is positively impacted by the presence of management studies and an entrepreneurial team while sustainment in the international arena is strongly and positively influenced by decision-makers' prior labor experience. Also, de-internationalization is explained by the entrepreneurs' fear of business failure. The results of this study point to a holistic view of export policy that indicates important consequences for the internationalization of SMEs.

Despite the above reviewed literature, there is omission. Altun (2017) explores the determinants of Turkish SMEs ' export performance with a focus on the factors affecting the performance of exporting firms primarily exporting to Europe and the Middle East. The research adopts the methodology of a qualitatively examined comparative analysis through an inductive approach based on a case study and a method of interviewing data collection performed in a bid to provide rigorous analysis with reliable data. The case study data were obtained from 20 Turkish small and medium-sized companies exporting to Europe and the Middle East with respect to their international business activity in order to obtain direct information by answering open-ended questions to the company owners. The analysis indicates that internal factors at the corporate and managerial level have a positive impact on the export activities of exporting companies to Europe. Therefore, the technological and political environment as external factors also has a positive effect on firms ' export efficiency, while the economic, social and cultural climate may have some negative effects on firms. Love and Roper (2015) claims that SMEs with track records of innovation are more likely to export, are more likely to export successfully, and are more likely to generate export growth than non-innovative companies. Love and Roper (2015) focusing on a qualitative approach analyses both internal and eco-system factors and external factors related to shaping innovation and exporting to SMEs. The findings of the study show that there is strong evidence for the importance of skills, R&D, capital investment and liquidity in shaping SME innovation and exports. On the other hand, there is a weaker evidence base particularly for SMEs in terms of the value of design, management of intellectual property, people management, employee engagement,

diversity of workforce and other firm features such as family ownership. The findings revealed, in terms of external factors, that ' openness ' thus purposeful ties developed between SMEs and their partner's plays a positive role in innovation and export growth, particularly in strong eco-systems. In their investigation, Stouraitis, Boonchoo, Mior, and Kyritsis (2017) investigates the impact of EU enactment on UK fabricating little and medium-sized undertakings (SMEs) trade choices by looking at residential and have nation based inspirations behind the choice of SMEs to fare and fare to the EU locally. In their examination (Stouraitis, Boonchoo, et al., 2017) investigates the impact of EU strategy on UK manufacturing of small and medium-sized (SMEs) export decisions by looking at domestic and host country-based motivators behind the option of SMEs to export and export to the EU regionally. Stouraitis, Boonchoo, et al. (2017) found that small and medium-sized organizations whose most recent international market entry was not in the EU scored significantly higher in external dimension factor scores for motivators than participants whose latest entry was in the EU. A few motivators show a connection with the export alternative in essence. The discoveries feature the significance of regionalization to the usage of exports (and EU participation) in the EU.

Again, Stouraitis, Mior, and Kyritsis (2017) adopts the methodology of survey, correlation analysis, and factor analysis with a sample of the UK's independent manufacturing SMEs to investigate the impact of exporting motivators on managerial perceptions of small and medium-sized enterprises (SMEs) manufacturing in the UK by examining the ties between export motivators and bias (i.e. predictable behavior). The analysis identifies and explains the impact of literature's most recurring motivators and motivator clusters on the export decision of SMEs by investigating dimensions (research, external, reactive). The findings of the study indicate that export motivators can be divided into different dimensions contributing to potential bias in selection. However, the value of scale, awareness of foreign markets, and unsolicited orders show a correlation with motivator stimulus perceptions to different dimensions (research, external, reactive).

In addition, Ahmad (2014) discusses the international business approach as key drivers and main obstacles that may impede the success of the internationalization of small and medium-sized enterprises (SMEs) in developing economies.

Rialp-Criado and Komochkova (2017) building on a contingency approach as a technique examines the types of technological innovations that are successful in increasing the level of internationalization of Chinese exporting SMEs (measured as export intensity) within the institutional context of China. The authors emphasize that the effect on their degree of export internationalization of their technological innovation inputs (external and internal R&D intensity) and outputs (product and process innovations) depends on several domestic business-environmental constraints. However, the study reveals that the better Chinese exporting SMEs match their technology-innovation strategy with the local institutional climate, the greater their export intensity will increase.

By using a disaggregated approach, Pascucci, Bartoloni, and Gregori (2016) offers new insights into the relationship between' Export Market Orientation' (EMO) and' Export Quality.' In the context of small and medium-sized enterprises (SMEs), the authors want to provide empirical evidence of some EMO precedents and their contribution to export success. The authors use empirical research methods consisting of a survey carried out using cross-sectional data from a sample of 300 small and medium-sized Italian coffee roasting companies. Results show how roasting firms seem more likely to respond to market changes than to produce and exchange market information, as the importance of export intelligence responsiveness is higher than dissemination of export intelligence and generation of export intelligence. The number of foreign markets and the involvement of an export department are strongly and positively linked to the two components of EMO on the basis of the precedents, whereas the number of years has no effect. Finally, the regression analysis also shows how the responsiveness directly influences export efficiency, while the generation and distribution of market intelligence are fundamental drivers of responsiveness.

Fernández and Nieto (2005) followed a qualitative approach studies some elements of the SME family policy for internationalization. After analyzing the different problems faced by family SMEs in terms of internationalization, several strategies are discussed in terms of lack of resources to

mitigate their negative effect. Lautanen (2000) also model small firms' decisions to export by applying an existing model of the theory of diffusion of innovations as methodology to test the predictions of the model with data on Finnish SMEs. The model, incorporating so-called epidemic learning and rank effects, describes nicely the different phases of this decision-making process. The data used by Lautanen (2000) in the empirical analysis was been collected by interviewing directors of small industrial firms especially for this study. Among other things, the findings suggest that the development of exporting in a small company is especially influenced by the entrepreneurs ' language skills, and that the smaller the company, the faster the export strategy is adopted. In addition, export growth in firms that started exporting in the 1990s was higher than in firms that started exporting before the 1990s. Demirbas (2009) further discusses the gaps between exporters and non-exporters of small and medium-sized enterprises (SMEs) in Turkey in order to understand the effect on their export decisions of government programs. The study uses empirical data from a survey conducted in Turkey of 300 Turkish SMEs (150 exporters and 150 non-exporters). In a bid to find out why some SMEs are exporting while others of a similar size are not, although the government export promotion programs are same for all SMEs, Demirbas (2009) Suggests that the dependent variable should be dichotomous, and that the relevant empirical paradigm will come from the model's binary-choice genre. Results of the study indicate that government export-promoting policies, company size, and company manufacturing status make a positive contribution to export success in SMEs, but obstacles such as managerial education, lack of financial capital, lack of language knowledge, too many government regulations and furthermore, high charges negatively affect Turkish SMEs ' export results. Shih and Wickramasekera (2011) highlights the key dimensions such as enhancing factors (benefits/advantages), inhibiting factors (barriers/costs), and managerial factors (characteristics/commitment) that play an important role in the internationalization of SMEs located within the Taiwanese electronics industry. The methodology of the logistic regression model is utilized by Shih and Wickramasekera (2011) to predict the company's chances of being an exporter. The findings of the study show that Taiwanese companies have been very successful in achieving growth through expansion of the international market. In particular, the Taiwanese electronics industry has shown a dynamism lacking in comparable industries around the world. Nevertheless, many of Taiwan's larger manufacturing firms have moved in recent years to outsource their production to low-cost producers such as China in order to remain competitive. In comparison, most small to medium-sized enterprises (SMEs) in Taiwan have maintained their production facilities in Taiwan. These small and medium-sized businesses seek to extend their revenues beyond the domestic market by using an export strategy, making a significant socioeconomic contribution to national and regional economies.

Basing on a subjective approach prompting numerous contextual analyses with inside and out meetings directed inside six little firms, Stoian et al. (2016) Investigates the internationalization of small firms from the developing business sector economy of Central and Eastern Europe (CEE), in this manner considering the continually changing institutional structure just as the asset (un)availability that may influence their inclusion in remote market tasks. Thus, it underpins the relevance of the refreshed model of the Uppsala internationalization cycle (2009), underscoring the primary job systems play by universal movement. The revisited Uppsala model used in their analysis is generally true in their results for the studied small firms. Networks also play a crucial role in creating and sharing information and are often the most reliable resource accessible to businesses. In addition, the findings revealed that trust is an essential ingredient that shapes relationships between networks. Institutional reforms have been a drive for the internationalization of small firms. In another study of the phenomenon, Golovko and Valentini (2011) advances and test the idea that innovation and export are complementary strategies for SMEs' growth. The authors argue that in a dynamic virtuous circle, innovation and export support each other positively, and we define and explain the mechanism by which this relationship of complementarity takes place. Participation in export markets can promote the learning of companies and thus improve the performance of innovation. At the same time, companies can enter new global markets with new and better goods through innovation, thereby making exports more competitive and, by the same way, they can also improve the quality and thereby increase the sales of the products sold domestically. Golovko and

Valentini (2011) tests their theory using an unbalanced panel of Spanish manufacturing firms over the period 1990–1999. The findings of the study provide a strong empirical support for their hypothesis: in line with the existence of complementarity, we show that the positive effect of innovation activity on the growth rate of firms is higher for firms already engaged in exports, and vice versa. Furthermore, the findings indicate that the implementation of one growth strategy by ceteris paribus businesses (e.g. entering export markets) positively affects the adoption of the other (e.g. innovation). The abundant literature on what determines firms ' export propensity and intensity pays limited attention to some variables of organizational and operational management, especially when it comes to small businesses. Nevertheless, it could be argued that, given the complexity of global enterprises, new successful organizational schemes and advanced operational management practices are required for small businesses. In the light of this opinion, an empirical investigation was carried out on a sample of small units by De Toni and Nassimbeni (2001). De Toni and Nassimbeni (2001) in their research, contrasts the adoption of just-in-time, concurrent engineering and total quality management activities by exporters and non-exporters, as well as human resource management and inter-organizational relationships, and finds that these factors have an impact on SMEs ' export propensity. Among developed countries, such as USA and UK, SMEs continue to play a huge role in the economy of the country (Aranoff, 2010). There is evidence that SMEs in all countries have a significant and strategic role in economic growth and development (Abor & Quartey, 2010) In most countries around the world, this accounts for up to 90 percent of businesses. SMEs are the driving force behind various developments and contributions to the national economy's development through job creation, investment and exports. Because of Asian tigers ' performance, the interest is to direct SMEs to meet and reduce the economic and development gap, especially in developing countries that are in the rat race, Chinese and foreign experts estimate that SMEs currently account for about 60% of China. Industrial production hires nearly 75% of the labor force in China's cities and towns (Schaper, 2002). Due to the constant transition from communism to a market economy, these SMEs create jobs for employees who have been fired from state-owned businesses. According to Cook and Nixson (2000) interest in small and medium-sized enterprises (SMEs) growth remains at the forefront of developing countries ' political debates. According to an article formerly called Asian Sources Electronics Engineer (EE Times Asia) in August 2006 in the English version of the online print edition "Electronic Engineering Times-Asia" magazine. According to the Taiwan government, the so-called "brand Thai initiative" is a seven-year program designed to help pledge small and medium-sized enterprises (SMEs) in creating their own brand. It began with a vision of the potential of SMEs, particularly in the medium term, to revive the economy. 72,000,000 people are employed by small businesses (Schaper, 2002).

2.3. Relationship between Main Variables and Integrated Framework of the Study
2.3.1. The Age of the Firm and the Propensity to Export

Stage theory and RBV theory give significant help to a firm's age's beneficial outcome on its export penchant. The resource based view accept that control of critical assets represents inconsistencies in the yield of organizations in a market, regardless of whether local or foreign. Nonetheless, the stage theory predicts the requirement for broad experiential aptitude in the fare business and furthermore predicts that an organization may set aside a long effort to pick up understanding. What can be deduced here is that the two theories expect that more established organizations in a similar segment will have more ability (assets) than new and more youthful firms.

Likewise with the size of the firm and its possession structure, the experimental results in regards with the impact of age and whether the SME will send out additionally changes, Schulz, Borghoff, and Kraus (2009) recommend that the exceptional presence of little and medium-sized new pursuit organizations on the worldwide market at its development negates the assumption that an organization's age will positively affect its inclination to trade (for example as asserted by the stage hypothesis). McDougall, Shane, and Oviatt (1994) examined the behavior of new worldwide undertaking firms and found that emerging small and medium-sized undertaking firms don't follow the relentless theory appeared by the speculation of the point, which recommends that increasingly energetic firms are likely not going to convey. Moen and Servais (2002) analyzed the

fare conduct of little and medium-sized endeavors in Norway, Denmark and France. The authors found no proof in this examination to help the case that fare showcase choices are influenced by the association's age. Also, Bell (1995) utilized a cross-national examination in a study on Finland, Ireland and Norway of the progressive export improvement suspicion in the stage hypothesis, yet neglected to help the speculation. However, Wolff and Pett (2000) used a study of 157 US firms to investigate the connection between the SME's hypothesis of gradualism and export behavior, but also failed to find support for the hypothesis. Andersson, Gabrielsson, and Wictor (2004) analyzed a number of contingent factors and their effect on small business foreign activities. The authors found in their analysis, using data from Sweden, that the number of years a company had existed was not an important determinant of the extent of its internationalization. Some analysts suggest that they face systemic uncertainty as companies expand in years, which lets them comfortable, even when it comes to export business decisions. Etemad (2004) contends that the powers of globalization have rendered immaterial the standard adopted by the stage hypothesis of the time organizations need to trust that the fundamental experience will arrive at the export market. That is, the stages are presently shorter, despite the fact that a few firms can follow stages. As indicated by Etemad (2004) because of globalization, organizations approach a consistent stream of differing information that neutralizes the stage hypothesis' speculation of gradualism; thus, age may not include in the fare market's choice when to join. Utilizing a UK study, Hall and Cook (2009) additionally found that age was not a critical indicator of fare inclination. Boojihawon (2007) and Ruzzier and Antoncic (2007) further contend that the slow procedure of asset securing and learning doesn't proceed as system associations empower SMEs to get to a wide scope of assets and in this manner enter the fare advertise at a quicker pace. Conversely, by utilizing a Greek review, Brouthers and Nakos (2005) found that more established firms were related with a higher level of fare activity than more youthful firms. Javalgi, White, and Lee (2000) examined 20,204 U.S. producing organizations and tried the effect of firm age on trade affinity; they discovered help for the impact of age on the organization's fare inclination. In this examination, the creators battled that the ascent in age raised the inclination to trade both at the total and firm stage. Subsequently, given the breaking of this proposed relationship, it is legitimately and instinctively sensible to contend that the long periods of training of an organization in an industry establish its information and experience (assets) stock. Consequently, the relationship between the firm's age and whether or not it will export will also be discussed empirically in the study, based on the resource-based view of the company as well as the theory of the point.

2.3.2. Human Capital and Export Propensity

With regards to the exploration field of internationalization, the effect of human capital on private venture trade choices is disputable. In this discourse, there are various lines of study. Human capital generally refers to factors related to the personality of the owner-manager and the effect this has on the export actions of the company. This perspective is popular in the literature (see Hall and Cook (2009)). The ongoing comprehension of the entrepreneur's human capital incorporates the universal business aptitudes of the business visionary, global business travel and direction, the managerial know-how and information on the degree of natural hazard.

In addition, Hall and Cook (2009) drawing from a UK review, included the business person's following components of human capital: (1) the ownership or absence of a degree – which they characterized as the business visionary's instruction; (2) the long periods of past business experience; (3) past administrative involvement with the fare firm, and (4) capability in one extra unknown dialect. A portion of the above estimations were utilized by different analysts and combined with different factors, contingent upon the examination question they needed to address; specifically, consideration was paid to the degree of training, gender and age of the business person (Obben & Magagula, 2003).

At the other hand, some researchers moved the emphasis away from the human capital dimensions of the owner-manager and then explored the human capital dimensions of the entrepreneurial association's supervisory crew and their effect at the lead of SME sends out (Reuber & Fischer, 1997). Another group of researchers focused on the human capital of the company's general workforce and its impact on the company's export propensity. This line of research is roused by the possibility that the gifts and capacities of representatives are identified

with their instructive levels and along these lines, the higher the nature of the workforce, the more noteworthy the likelihood that the business can send out (Alvarez, 2007; Bernard & Jensen, 2004). The current study expands the latter line of research, arguing that neither age nor a person nor a group of individuals (e.g., the founder and/or his top management team) can be the only major factor behind the success of a company in this knowledge. Hence, fruitful global market associations will be those that rely upon the range of abilities of the whole workforce, not only one business person or the supervisory group. Following Audretsch and Thurik (2001) it tends to be said that human capital workforce and its capacity to improve the choice of a business to join the fare showcase are identified with the overflow hypothesis of data. Information overflow hypothesis includes the exchange of information straightforwardly and by implication starting with one association then onto the next (Audretsch & Thurik, 2001). The overflow hypothesis expect that creative strategic approaches (for example mechanical advancement, inventive information about new items or administrations, and development about authoritative procedures and schedules) are spreading to different firms that positively affect the activities of the beneficiary firms, including trade choices. The recipient organizations might be in a similar segment, work as groups, work at a similar area, or work in provincial focuses now and again. As to the inclination to send out, it tends to be contended that laborers who have recently worked in trade firms are probably going to move their unsaid information to the present firm, along these lines empowering the fare choice of the business. Be that as it may, Daniele Cerrato and Piva (2015) utilizing an overview of 1,324 SMEs in Italy, found that the quantity of graduates in the workforce, corresponding to the complete number of representatives of the organization, has a solid and significant effect on the choice of SMEs to send out. Gilbert, McDougall, and Audretsch (2008) utilized a U.S. concentrate to test the theory of data overflow. Along these lines, after the organization's RBV, organizations with an informed workforce will have a bigger assortment of aptitudes and capacities than practically identical organizations that don't have such an informed workforce.

The diversity of educated workforce skills will then enable the company to respond positively to the export stimuli and join the export market. The influence of the workers ' education on decisions on whether or not to export will also be analyzed statistically in the study in accordance with this line of argument.

2.3.3. Sector's Influence and Export Propensity

It is contended that the translation of the event being researched would not be completely unwound except if the outer condition's impact is known as portrayed in the writing. In the literature, some attention has been paid to the importance of the effect of the external environment on the actions of SME exports. The effect of foreign and domestic market characteristics on the SME's export actions has been highlighted among the external factors (Sousa, López, & Coelho, 2008; Zhao & Zou, 2002). Among the characteristics of the domestic market, the export strength and tendency, the scale of the sector and the concentration of the industry have all attracted the attention of researchers (Suárez-Ortega & Alamo-Vera, 2005; Zhao & Zou, 2002). Since the organizations in the informational index utilized in this investigation have a place with various assembling segments (i.e. the chemical sub-sector, the food sub-sector, the metal sub-sector, the wood sub-sector), particular effects of the industry are being studied.

Along these lines, in the investigation, the connection between part/industry impact and the fare penchant of SMEs is factually dissected in the light of the suppositions of possibility hypothesis concerning the effect of the outer condition on the export action of the private venture. The accompanying table outlines the observational outcomes chose comparable to the effect of remote proprietorship, firm size, age (among others) and inclination to send out. The general depiction of the proposed coordinated hypothetical structure applied to the postulation recommends that there are requirements on every one of the hypothetical systems fused into the theory. This joining along with these lines stresses and endeavors to make up for their particular shortcomings. What's more, so as to give a more full comprehension of what is thought to be an intricate marvel, the figure speaks to the mix of elements from: (1) stage theory (for example . previous domestic business experience, previous experience in the export market, receipt of unsolicited requests, psychological gap, company size, company age, incremental export growth and older manager companies); (2) network theory (e.g. the network relation with business

associates, agents, customers and suppliers, family members and friends, government department/agency/ministry and industrial associations, either in the local market or the international market or both); (3) the RBV theory (e.g. internal resource stocks of the small firm, including the personality characteristics of the owner-manager); (4) IE theory (e.g. Excessive knowledge of attractive international opportunities, optimistic international attitudes and outlook, international business networking behavior, international temperament, excessive desire for foreign ideas, a high need for international achievement, strong personal incentive, enthusiasm and internationalization inspiration, international risk-taking.) and (5) contingency theory factors (e.g. competitor action, government action, industry influence, and the influence of trade associations).

Therefore, it is expected that the integrated system will provide a full understanding of why one small and medium-sized company responds positively to export stimuli, initiates export business and is able to fulfill its export orders while similar others do not, although they all operate in the same sector, location and face the same market conditions. Furthermore, the proposed structure suggests that while the company may pursue export opportunities through its own motives and/or resources (i.e. impact on RBV and stage theories), such internal capacity alone is not adequate, especially when considering a business in a developing African country (e.g. Ghana). As a consequence, it is a firm's exposure to its network relations' stock of resources that puts it into the position to achieve export success. The worldview recommends that, in the present quick evolving world, a great choice requires a firm to have the capacity to adjust its methodology (planned and/or emergent) to the changing trends of the external environment. Therefore, a business must be alert to the contingency factors in the external environment in order to be successful in the export market.

3. RESEARCH METHOD
In line with preceding studies (e.g. (Hall & Cook, 2009; Zhao & Zou, 2002)) the study utilizes the Stata Statistical Software Package (SSSP) to run the analysis in this study.

3.1. Model Specification
The issue of whether a firm should send out or not can be determined by utilizing the direct likelihood model (for example the likelihood of an event happening), where direct likelihood model can be executed in a clear manner. If the linear probability model is used, according to Gujarati (1999) the expected values that lie outside the values0 & 1. Consequently, for a dichotomous dependent variable, such a problem restricts the logit regression. Consequently, when the response variable is qualitative, the use of linear probability model contributes to model mis-specification. Following Hall and Cook (2009) the logistics distribution is used to transform the model so that the dependent variable outcomes will generate a 0 and 1 probability value. Once the model is defined correctly through the logit function, it avoids omitted variable bias that could influence the causality path.

3.2. Hypotheses of the Study
The hypotheses are based on previous research disparities in SMEs and on the tendency to export. Considering the research goals, the considering theories will be included in this study:

H1: Domestic SMEs with foreign ownership are more likely to respond confidently to export opportunities and shift their approach from fully engaging in domestic business to entering the export market than their wholly domestic-owned counterparts.

H2: The larger the firm's size, the more likely it will respond positively to export opportunities and shift its strategy from fully engaging in domestic business to entering the export market.

H3: The more established the firm, the higher the probability that it would respond emphatically to export and change from connecting entirely in local business and enter the foreign market and turn into a universal business firm.

H4: The aggregate full-time workers' education level in a firm will be positively related to the export propensity of the firm.

H5: Government engagement and or inclusion with SME firm's activities will most likely propel positively the export propensity of a firm.

H6: Financial Availability for SME firm's activities will most likely propel positively the export propensity of a firm.

4. REGRESSION RESULTS AND DATA ANALYSIS

The element of analysis of this study is professional excellence of the World Bank's secondary data set (i.e. the enterprise survey data) in Ghana's SME firms exporting from the Ghanaian manufacturing sector. Of this population, samples used in the thesis were originally drawn from the World Bank (i.e. a secondary data set) for the Enterprise Survey Data 2013 in Ghana. The World Bank's Enterprise Surveys (ES) gathers information from enterprises in assembling and key assistance segments in each country globally by utilizing a worldwide philosophy that incorporates institutionalized overview instruments and a uniform inspecting system. Perceiving the private area's (SMEs) effectiveness at assigning assets and prodding financial development, the World Bank Group tries to distinguish deterrents to its improvement.

4.1. Reliability and Validity Test

Out of 720 questionnaires that were administered by the World Bank known as "GHANA 2013 Manufacturing Module A", 720 filled questionnaires were collected translating to 100.0% (=720/720 X 100) response rate. According to Benaquisto and Babbie (2002) any response of 50% and above is adequate for analysis and therefore, the response rate of 100.0% is fully adequate. Hence, the data collected can be evaluated using inferential statistics (Cavana, Delahaye, & Sekeran, 2001; Leedy & Ormrod, 2005). The 100% respondents responded to all items in the questionnaire for the main measures of the research using a binary (Yes or No) for the dependent variable or some-point Likert-type scales for the independent variables.

Factors that have impact on whether a firm can export or not is measured with 9 items and the scale is (α = .834). Some examples of these factors include:
1. Firm age (fge) = age of the firm in calendar years thus the number of years the firm has operated.
2. Foreign ownership (fsp) = firms that have an internationally-recognized quality certification and firm ownership is partly foreign and partly local.
3. Business-Government Relation(bgr) = SMEs business and related government policies and other regulations.
4. Financial availability (fav) = Finance available to firms.
5. Firm size (fsz) = the total number of full-time employees.
6. Workers' education (wdu) = aggregate education levels of full-time workers.
7. Chemical (cml) = Chemicals sector.
8. Wood (wod) = Wood sub sector.
9. Food(fd) = Food sub Sector.
10. Metal (mtl) = Metal sub Sector Etc.

In accomplishing the validity and reliability test, Table 1 shows the Crombach's alpha, KMO and Average Variance Explained (AVE). The research calculated an overall score for a measure by averaging ratings on items for the measure. The higher the score on a measure, the higher would be the level of the variable being measured.

Table-1. Reliability test results

Variable	No. of Items	Crombach's α	KMO	AVE
Dep. Variable	1	0.876	0.822	65.34
Inde. Variables	9	0.899	0.834	66.42

The value of crombach's α and KMO range between 0 and 1. High values of Crombach's α and KMO indicate a reliable data for analysis. In addition, a value of a high value of Average Variable Explained is an indication of reliable data. From Table 1, the dependent variable information of the respondents' scale (α = .878) evaluated respondents' question on whether a firm have the capacity to export or not. The scale used 2 items (Yes or No). The independent variables on the

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other hand provides a scale (α = 0.899). With this statistics, it shows that the data passed the reliability test and fits for the analysis.

Table-2. Of Standardized item loading.

Variable	Item	Loading
Dependent Variable	Export Propensity	0.822
Independent Variables	Firm Age (fge)	0.837
	Foreign Ownership (fsp)	0.853
	Government Relation(bgr)	0.832
	Financial availability (fav)	0.839
	Firm size (fsz)	0.825
	Workers' education (wdu)	0.848
	Chemical (cml)	0.838
	Wood (wod)	0.829
	Food(fd)	0.826
	Metal (mtl)	0.836

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On the individual items loading, most of the values are above 0.8 which show that the items and variables included in the analysis passed the reliability test and hence good for the stated analysis.

4.2. Stated Preference Survey (SP) Design

So as to capture the possibly compelling elements on whether a SME in Ghana can possibly export or not; a SP survey as a poll is created by the World Bank. The study incorporates 720 qustions. The dependent variable is the export propensity. Therefore, whether the firm will export takes the value = 1, and should it not export, this takes the value = 0, consistent with previous studies (e.g. (Kumar et al., 2009; Mittelstaedt, Harben, & Ward, 2003; Obben & Magagula, 2003)). The independent variables include the following:

1) Firm age (fmage/fge) - estimated as the quantity of years a firm has existed since the beginning of its activity - consistent with researchers, (e.g., (Hall & Cook, 2009; Hall & Tu, 2003)).

2) Foreign ownership (fownership/fsp) estimated as the organizations whose ownerships are mostly outside and somewhat neighborhood - consistent with researchers, (e.g., (Aitken, Hanson, & Harrison, 1997; D. Cerrato & Piva, 2007)).

3) Business-Government Relation (bgr) = measured as the extent to which government inclusion affects SMEs and inhibits them in engaging in export activities. This consists of factors such as tax system, policy regulations, and judicial systems in terms of company registration among others.

4) Financial availability (fav) = Finance availability measured as the total amount of funds available to firms.

5) Firm size (fsz) - estimated as the total number of full-time employees in line with researchers (e.g., (Kumar et al., 2009; Zhao & Zou, 2002)).

6) Human capital (workersedu/wdu) - measured as the aggregate education level of the full-time employees. Here the degrees of education are characterized as: usually of about 6 years − primary education in Ghana, usually of about 10 years - center instruction in Ghana, usually of about 17 years - auxiliary training and the normal of as long as 21 years − college or degree education in Ghana, steady with how the World Bank characterized normal total instruction levels in its unique investigation and like specialists (Abor, 2008). The last four variables are the 'sub sectors' of the firms, where the firms that operate wholly in the manufacturing industry are used as the reference group. Among others this will consist of the following:

7) Chemical (cml) - measured as firms wholly in the electronic sub-sector.

8) Wood (wood/wod) − measured as firms wholly in the wood sub-sector.

9) Food (fd)- Measured as firms wholly in the food sub-sector.

10) Metal (mtl)- Measured as firms wholly in the metal sub-sector.

4.3. Stated Preference Survey Method

In order to obtain more reliable respondents' perception data, the man-to-man survey where questionnaires were served by the World Bank to the target audience in Ghana is adopted in this research. A binary logistic model is finally applied to estimate the impacts of the independent variables on the dependent variable.

4.4. Survey Results
4.4.1. Independent Variable (Export Propensity)3

Table-3. Whether a firm will export or not.

Export Propensity	Frequency	Percentage
Yes = 1	70	9.7%
No = 0	650	90.3%
Total	720	100%

The results above in Table 3 show that only 70 out of 720 respondents agreed that a firm will export and this constitutes 9.7% of   the total respondent whereas 650 out of 720 respondents agreed that a firm will not export and this constitutes 90.3% of the total respondents. The research can therefore conclude that there are more respondent who agree that a firm will not export than those who agree that a firm will export in the survey outcome. This is indeed a clear indication that most of the target audiences are in support of a firm not exporting.

4.4.2. Firm's Age (fge)

Table-4. Age of firms.

Firm's Age	Frequency	Percentage
< = 2000	367	51%
> = 2001	353	49%
Total	720	100%

Table 4 above reveal that 367 out of 720 firms were established before or in the year 2000 and this represents 51% of the total respondents while 353 out of 720 firms were either established in the year 2001 or above and this represent 49% of the total firms. The implication therefore is that more firms were established in year 2000 or before.

4.4.3. Business-Government Relation (bgr)

Table-5. Firms' legal status.

Firms' Legal status	Frequency	Percent
Share-coy with stock mkt	20	2.8
Share-coy without mkt	16	2.2
Sole proprietorship	441	61.2
Partnership	53	7.4
Limited partnership	188	26.1
Others	2	0.3
Total	720	100

The result in Table 5 above reveal that 20 firms are Shareholding companies with shares trade in the stock market and this gives 2.8% of the whole firms while 16 firms belong to the Shareholding companies with non-traded shares or shares traded privately in the stock market representing 2.2%.

However, 441 firms are Sole proprietorships and this represents 61.2% of the whole firms whereas 53 and 188 firms are Partnership and limited partnership and these give 7.4% and 26.1% of the total firms respectively. Other category was minimal with only 2 firms which represent an infinitesimal 0.3%. The research can therefore conclude that Sole Proprietorships dominate the legal status and have more percentages in the research outcome than the other firms. Thus, the majority of Ghanaian firms during the period of the World Bank survey were Sole Traders while the least are other category.

4.4.4. Finance Availability to Firms (fav)

Table-6. Finance availability to firms.

Finance Availability	Frequency	Percentage
Yes = 1	280	39%
No = 0	440	61%
Total	720	100%

Table 6 above show that 280 out of 720 firms have access to finance possible from the stock market and this accounts for 39% of the total firms while 440 out of 720 firms do not have finance availability and this accounts for 61% of the total firms This is not surprising because majority of the firms are sole proprietorship that source for funds from their savings or borrowing from relatives and friends.

4.4.5. Foreign Ownership (fsp)

Table-7. Firms that have an internationally-recognized quality.

Firms' Foreign Ownership	Frequency	Percent
Full Foreign	90	12.5
Partially Foreign	26	3.6
Domestic own	604	83.9
Total	720	100

Table 7 above show that 90 out of 720 firms are fully foreign owned and it accounts for 12.5% of the total firms, 26 out of 720 firms are partially foreign owned and this accounts for 4% of the total firms while 604 out of 720 firms are domestically owned and this account for 84% of the total number of firms. Therefore, it can be deduced from the analysis that the domestically owned firms have the highest in the research outcome.

4.4.6. Workers' Education/Experience (wdu)

Table-8. Workers, education.

Workers' Education	Frequency	Percent
0-10 yrs	248	34.4
11-20 yrs	307	42.6
21-30 yrs	119	16.5
31-40 yrs	36	5.0
Above 40 yrs	10	1.5
Total	720	100

Table 8 shows that 248 out of 720 respondents have experience of 1-10 years working in the firms which represent 34.4%. Those that have 11-20 years of experience are 307 which amounted to 42.6%. Those that fall in the 21-30 years of experience are 119 which represent 16.5%. The numbers of firms' workers that fall within the range of 31-40 years are 36 representing 5%. And those within the range of over 40 years are only 10 which amounted to 1.5%. Therefore, it can be

concluded from the analysis that those that have 11-20yrs category s the highest in the research outcome.

4.4.7. Firms' Type

Table-9. Type of firm.

Firm Type	Frequency	Percent
Micro<=5	472	65.6
Small>=5&<=19	189	26.2
Medium>=20&<=99	59	8.2
Large>=100	0	0
Total	720	100

Table 9 above show that 472 out of 720 firms are Micro firms less than 5 workers and it accounts for 65.6% of the total firms, 189 out of 720 firms are Small with number of workers between 5 and 19 and this accounts for 26.2% of the total firms in the manufacturing industry while 59 out of 720 firms are medium with workers between 20 and 99 and this accounts for 8.2% of the total firms. The survey however shows that there are no large firms with number of workers above 100. Therefore, it can be deduced from the analysis that the Micro firms constitute the majority followed by Small firms' category in the research outcome.

4.4.8. Firms' Size

Table-10. Firms' size.

Firms' Size	Frequency	Percent
1-10	485	67.4
11-20	109	15.1
21-30	36	5.0
31-40	51	7.1
41 & above	39	5.4
Total	720	100

Table 10 above show that 485 out of 720 respondents are within the range of 1-10 workers in a firm which represents 67.4% while 109 are within the range of 11-20 workers which represents 15.1%.

Those in the category of 21-30 workers per firm are 36 which represent 5% whereas 51 workers fall within the range of 31-40 workers which represents 7.1%. And those within the range of 41 and above are 39 representing 5.4%. Therefore, it can be deduced from the analysis that the 1-11 range has the highest number of workers in terms of firm size.

4.4.9. Descriptions of Explanatory Variables

Ten explanatory variables are considered in this study. These variables are classified into whether a firm will export or not. The list of explanatory variables is shown in Table 11. For the explanatory variables, all have different scales.

4.5. Modeling Small and Medium Enterprises in the Manufacturing Industry of the Ghanaian Economy

In this section, the public response to Micro, Small and Medium manufacturing firms prediction models are developed using SP data collected by the World Bank for the Ghanaian economy. Owing to the choice of set of each firm, the dependent variable consists of two alternatives, namely: whether a firm will export or not, the probability linear model (PLM) is used in this study. The dependent variable Y can take on two values: Y = 1, if a firm will export and Y = 0, if a firm will not export. In the two-outcome category model, a binary logistic function is needed. In line with Gujarati (1999) the following econometric logit model is adapted for this study:

In (Pi/1-Pi) = $\beta_0+\beta_1 fge+\beta_2 fsp+\beta_3 bgr+\beta_4 fsz+\beta_5 fav\ \beta_6 wdu+\ \beta_7 food+\ \beta_8 wood+\beta_9 chemical+\ \beta_{10}$

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$$metal + \varepsilon_i \hspace{3cm} (1)$$

Where:

Pi is the probability of an SME becoming an exporter and

(1 − Pi) is the probability of an SME not becoming an exporter.

The ratio Pi/(1-Pi), known as the odds ratio, is simply the odds in favor of an SME becoming an exporter or engaging in export propensity.

The natural log of this odds ratio is known as the log odds, and therefore the above model is referred to as the logit model, implying that the log of the odds ratio is a linear function of the explanatory variables. Here βs is the constrained model whilst the ε_i is the error term.

Table-11. List of explanatory variables, codes and abbreviations.

No.	Explanatory Variable	Code	Abbreviation
1	Firm age (fge)	1= <= year 2000; 2=>=year2001	B5
2	Foreign ownership (fsp)	1=full foreign; 2=partial foreign; 3= domestic own	B2b
3	Business-Government Relation(bgr)	1=share with stock; 2=share without stock; 3=sole proprietorship; 4=partnership; 5=limited partnership; 6= others	B1
4	Financial availability (fav)	1=access to finance; 2	A9
5	Firm size (fsz)	1=1-10; 2=11-20; 3=21-30; 4=31-40; 5=41 & above	B6
6	Workers' education (wdu)	1=1-10; 2=11-20; 3=21-30; 4=31-40; 5=41 & above	B7
7	Chemical (cml)	1=cml; 0=others	A41
8	Wood (wod)	1=wod; 0=others	A42
9	Food(fod)	1=fod; 0=others	A43
10	Metal (mtl)	1=mtl; 0=others	A44

4.6. Model Estimation Results

In order to estimate the relationship between whether a firm will export or not and possible contributory factors, the binary logit model is estimated using the aforementioned methodology. The data used for estimating the models is from the SP survey conducted by World Bank (2013). The Maximum Likelihood Estimation (MLE) procedure is used to estimate the coefficients of the model and indicates which explanatory variable is statistically significant to enter into the logistic model. For simplicity and ease of interpretation of the results, the SPSS 22 program is used for model development and the hypothesis testing is based on 0.05 significant levels because of the sample size. Table 11 lists the results of maximum likelihood analysis of explanatory variables. As shown in Table 11, most explanatory variables show significant association with the firms' response under the information provided.

Table-12. Likelihood test analysis of explanatory variables.

Explanatory Variable	Abbreviation	Chi-Square	df	Probability
Firm finance	Fav	7.94***	1	0.008
Firm legal status	Bgr	18.47***	1	0.000
Foreign ownership	Fsp	42.60***	1	0.000
Firm age	Fge	5.27**	1	0.022
Firm size	Fsz	61.16***	1	0.000
Workers' education/experience	Wdu	3.027*	1	0.082
Chemical sub-sector	Cml	0.020	1	0.887
Wood sub-sector	Wod	4.329	1	0.049
Food sub-sector	Fod	7.229***	1	0.007
metal sub-sector	Mtl	0.083	1	0.773
Overall statistics	Ovs	102.01***	10	0.000

Note: ***,**,* indicate significance of the variables at 1%, 5% and 10% respectively

The results in Table 11 further shows the significance and non-significance of the explanatory variables under the different factors: Firms' size, Foreign ownership, Business-government relation, Firms' size, finance availability to the firms, Workers' education and sub-sectors' (Chemical, Wood, Food and metal).

Therefore, those significant related explanatory variables were used to develop firms' response under the information provided by the SP survey/questionnaires by the World Bank (2013) although included the non-significance explanatory variables, and the estimation result is shown in Table 13 categorized on the basis of the factors under consideration.

From the likelihood ratio analysis, all the explanatory variables are found to be statistically significant at the 1%, 5%, and 10% and entered into the overall analysis except the sub-sector of chemical and metal sector that are not statistically significant. Firm finance, Firm legal status, foreign ownership status, Firm size, and Food sub-sector are all significant explanatory variables at 1% levels.

Firm's age and Wood sub-sector on the other hand are statistically significant at the 5% level while Workers' education/experience is statistically significant at the 10% level given their high Chi-square values and their corresponding probabilities values less than the 5% level bench mark.

4.7. Binary Logit Model for SME of the Manufacturing Industry in the Ghanaian Economy

Table-13. Binary logistic model for SMEs in Ghana.

Variable	B	S.E	Wald	Df	Sig.	Odd ratio
Firm finance	-0.193	0.403	0.228	1	0.633	0.825
Firm legal status	0.375	0.136	7.546	1	0.006	1.454
Foreign owner	-0.669	0.172	15.077	1	0.000	0.512
Firm age	-0.718	0.317	5.118	1	0.024	0.488
Firm size	0.476	0.095	24.955	1	0.000	1.610
Workers edu	0.017	0.165	0.010	1	0.919	1.017
Cml	0.033	0.125	0.068	1	0.795	1.033
Wod	1.251	0.551	5.159	1	0.023	3.494
Fod	1.465	0.397	13.578	1	0.000	4.326
Mtl	-0.606	0.702	0.747	1	0.388	0.545
Constant	-2.163	1.033	4.383	1	0.036	0.115

Note: ***,**,* indicate significance of the variables at 1%, 5% and 10% respectively.

4.8. Discussion of Findings

From the regression results above, all explanatory variables are statistically significant except for chemical and metal sub sectors which are statistically insignificant. The ramifications of these factors are that, from the model, the negative signs related with sub-divisions consequently chemical and metal suggest that organizations from these sub sectors have less probability of entering the export market, contrasted with those in the wood and food sub-segments.

In addition, the positive sign associated with the wood sub-sector implies that firms from wood sub-sector have a likelihood of entering the export market. In addition, company's age anticipated better reaction to the variable (export propensity), which affirms one of the assumptions in the stage theory.

The constructive outcome of the age variable in this investigation underpins the contentions of the brought into the world worldwide specialists (for example (McDougall et al., 1994; Schulz et al., 2009)) who elaborates that as firm develop in years, structure latency makes them be less aggressive thus H3 (Hypothesis three) is bolstered. The finding of firm age in this study contradicts what was found in Sweden (Andersson et al., 2004) but confirms what was found in Canada (McNaughton, 2003).

As to the critical factors, in the light of the outcomes above, it very well may be contended that the beneficial outcome of little and medium firm size contrasted with small scale firm size predicts the choice to start send out business from Ghana. This affirms the significance of fixed expenses and the economies of scale speculations related with trade business (see for example (Hall & Cook, 2009; Mittelstaedt et al., 2003)). The fixed cost theory as to SMEs business trade conduct infers

that fare business is appended to fixed expenses (for example sunk cost) which sending out firms can't keep away from. Huge firms will have the fortitude to meet the fixed expense related with trade business and will think that its simpler to react decidedly to send out improvements and start trade business contrasted with SMEs.

Furthermore, as a result of the equivalent fixed cost issue related with send out business, huge firms that appreciate economies of scale preferences will be less influenced by the weight of the fixed expense contrasted with the smaller sized firms. Most researchers (see for example (Hall & Cook, 2009; Mittelstaedt et al., 2003)) utilize these two factors as a noteworthy defense for the significance of size on export choices.

In light of this finding, the suspicions of the RBV and the stage models can be upheld as conceivable hypothetical systems for understanding SMEs' export choices. This outcome additionally affirms the discoveries of Hall and Cook (2009) in the UK, the USA (Mittelstaedt et al., 2003; Mittelstaedt, Kilbourne, & Mittelstaedt, 2006) and in Jamaica (Williams, 2008).

Over all, the speculation that organizations with remote proprietorship will be bound to react to send out boosts and change their technique from connecting entirely in residential business and enter the fare advertise than their partners that are completely locally possessed (H1) is upheld. The beneficial outcome of having a mostly remote proprietorship contrasted with having an entirely residential possessed firm to encourage send out commencement is additionally bolstered, which affirms the significance of the fare overflow speculation (Aitken et al., 1997; D. Cerrato & Piva, 2007).

Export spillover hypothesis assumes that arrangement of unions with remote business by indigenous firms encourages their (the indigenous firms) send out inception. Besides, this discovering merges the suspicion of system hypothesis which is tended to in the hypothetical writing part of this proposition. This worries human and other capital assets, whereby unions and additionally associations with remote accomplices add to the asset limit of the indigenous firms (Johanson & Mattson, 1988). Along these lines the more established the firm, the more the probability that it will respond emphatically to send out improvements, theory three (H3) is bolstered.

Another huge outcome is that the average education of full-time workers will undoubtedly encourage the change likelihood of a completely household business firm to a universal trading one, and hypothetically the standards of the RBV and the stage hypothesis are bolstered. Exactly, this discovering affirms what Alvarez (2007) found in Chile, just as what Cerrato. and Piva (2012) found in Italy. Along these lines theory four (H4) is upheld.

The beneficial outcome of the sub part factor underpins analysts who contend that the outer condition applies weight on whether the independent venture will start send out business and not exclusively the impact from an association's inside asset limit. In this investigation, firms in the wood and nourishment sub parts are seen as bound to trade contrasted with firms in the synthetic and metal sub area of the assembling business. Based on this finding, the precepts of the possibility hypothesis (along these lines industry's effect on little and medium estimated business affinity to send out) are upheld.

This discovering negates (Javalgi et al., 2000) as respects the significance of the wood and nourishment sub parts and fare inclination. In the investigation of Javalgi et al. (2000) it was found that organizations associated with creation of electrical and nourishment and wood, hardware, gear and supplies just as elastic and incidental plastic items are bound to change from entirely local business to starting fare business, though those in the timber and wood items enterprises are the to the least extent liable to send out. Roberts and Tybout (1997) likewise found that, in Colombia, in contrast with firms in the wood business just as those in the compound business were bound to transform from a completely locally engaged to a universally engaged technique. In general, the discoveries show that outer uncontrolled variables assume a significant job in the SMEs' choice with respect to whether to start send out business (Sousa et al., 2008; Zou & Stan, 1998). Likewise, the outcome demonstrates that the variable government consideration with coefficient "bgr" is measurably huge. This shows government commitment and additionally consideration with SME company's exercises will in all likelihood impel emphatically the changing of a SME firm in the assembling business into turning into a trading firm. In such manner, the speculation five (H5) is likewise bolstered.

There is a greater probability that small and medium-sized (firm size), those that have export experience structure, combined with those that work in the wood segment, will react emphatically to send out boosts and enter the fare business. Notwithstanding, the noteworthy outcomes from the logit model infer that most of non-exporting SMEs in Ghana are small scaled in measurement and don't have outside possession and work in segments which are not trade situated. Following from these discoveries, there is inquire about proof (for example (Ibeh & Wheeler, 2005)) to help the contention that the fare accomplishment of SMEs as to its choices whether to trade dwells profoundly inside its inward limit. While this is significant, it must be noticed that the impact of the outer condition assumes a significant job in clarifying the export conduct of the SME in detail. This backs the contention of scientists (Sousa et al., 2008; Zhao & Zou, 2002; Zou & Stan, 1998) who fight that the marvel of the SME's fare conduct can't be completely comprehended if the impact of the outer condition isn't viewed as together with the inner condition.

Because of the positive critical impact of the firm size (the stage theory and the RBV theory), foreign ownership (the network theory and RBV) and the impact of the sub division (the contingency theory), it tends to be contended that the outer legitimacy of the proposed hypothetical structure behind the examination is upheld.

Also, these discoveries bolster the contention that on the grounds that the export behavior of the SME is an intricate occasion, a solitary theoretical framework is inadequate to reveal insight into the marvel (for example (Nicole E Coviello & Cox, 2006; Nicole E Coviello & Martin, 1999; Crick & Spence, 2005)). Accordingly, the integrated theoretical methodology can offer an increasingly powerful comprehension of the export behavior of SMEs than researchers (see for instance, (Bell, 1995; N. E. Coviello & Munro, 1995; Moen & Servais, 2002; Reuber & Fischer, 1997)) who utilized a solitary hypothetical system to address a similar theme.

As foreign ownership became statistically significant with respect to export propensity, this indicates that the internationalization process may not be as gradual as assumed in the stage theory, but rather through access to the network partners' resources (among those who have a foreign partner) the stride can be faster. This finding supports the assumption of network theory (Gorman & Evers, 2008; Johanson. & Mattsson, 2015) as incorporated into the proposed integrated framework. To this effect hypothesis one (H1) is supported.

5. CONCLUSION

This research has expanded the significance of internal resource potential of SMEs in their international strategic change. With a large size, foreign ownership and educated workforce in particular, it is more likely that Ghana-based SMEs will be able to change their strategy from solely local to international. This answers to the call for more work to be carried out on their international strategic transition on small firms from Ghana.

In accordance with the logistic regression model, the factors which segregate best among sending out and non-trading little and medium-sized proprietor oversaw firms from Ghana are firm size, total all day laborers' training level, part and remote possession structure. Firm size identifies with the stage theory and RBV theory, full time workers' education level identifies with the RBV and the stage theory, the impact of segment identifies with the possibility hypothesis, while remote proprietorship identifies with the RBV and the system hypothesis. This proposes the coordinated hypothetical structure clarifies SMEs send out business in more detail than a solitary hypothetical system.

Furthermore, while a combination of various types of resources is critical in enhancing a firm's ability to enter the export market, the strength of these findings is that they are visible, accessible and measurable. As a result, it offers policy makers a clear picture of the type of firms they need to target with regard to stimulating export business.

The use of various tests such Crombach's alpha, KMO and Average Variance Explained (AVE), the likelihood test analysis of explanatory variables and the binary logit model regression coupled with the integrated theoretical frameworks in order to achieve the single objective of the this study, attest to the robustness of the results. Moreover, it is now known that though, about 92% of Ghanaian businesses are SMEs, only about 10% are involved in export business whilst many similar others do not, although they are exposed to the same government industrial programmes and market structures. The above results therefore, imply that firms that plan to

become international must build on their size, because different employees place a variety of skills at the disposal of the firm. In addition, mass production in the export business requires a large number of factory hands at any time.

At the policy level, the need for evaluation will precede the introduction of export promotion packages to target firms that demonstrate the attributes found in this report. Entrepreneurs preparing to take their business to the international market need to start thinking about shared ownership with foreign partners because the foreign partners are growing the indigenous companies' resource base.

In addition, international partners expose host country firms to upstream and downstream international contacts that promote their export decision, speed and scale. Governments in developing countries need to host various industry fairs and incentives for foreign companies willing to participate in the scheme.

As such, programs open up opportunities for indigenous businesses to show what they are doing, connect with foreign business people, and form different alliances On the other hand, in terms of when to reach the international market, time is no longer an obstacle, because the company's age was not important, meaning that businessmen should not wait too long to consider changing and becoming international companies. They should take advantage of developments in research, communication and transportation technology and access various sources of international media awareness. Therefore, when introducing export promotion programs, public policy should not only target older companies.

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