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**INTERNATIONALIZATION OF GHANAIAN SMEs IN THE AGRO
PROCESSING SECTOR: GROWTH AND SURVIVAL IN FOREIGN
MARKETS.**

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International Business

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“You see you wouldn't ask why the rose that grew from the concrete had damaged petals. On the contrary, we would all celebrate its tenacity” T. Amaru Shakur

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DEDICATION

In memory of my late dad Michael Kodzo Tettey

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ABSTRACT:

The world has witnessed increased globalization in recent decades due to the introduction of more liberalized trade policies and rapid pace of technological advancement. The growth in liberalization, integration and competition in world economies has influenced most firms to engage in international business activities. SMEs over the years have been a major contributor to the economic development of most developing economies particularly Ghana. The aim of this thesis is to identify and augment our understanding on the factors which influences the growth and survival of Ghanaian Agro Processing SMEs operation in foreign markets. Additionally, the study also seeks to identify and analyze the internationalization processes, motives and challenges of SMEs.

In line with this, several conventional and mainstream literatures were applied to explain internationalization based on SME perspective. The review of literatures covers topics such as internationalization approaches, motives, export performance determinants, growth and survival factors. The study also explained the developments SMEs in Ghana and their internationalization processes. To achieve the objective of the study, a qualitative research method was employed based on case study approach. The sample size consist of four Ghanaian indigenous companies and the primary data was collected through interviews with top management using semi structured questions. Secondary sources which served as an auxiliary information source was used to obtain a deeper knowledge and understanding of the case firms.

The study first revealed the significance of SME internationalization despite the several challenges they encounter. Undoubtedly, internationalization have contributed enormously to the growth of the case companies. The findings widely support previous studies on export performance and the growth and survival factors of firms. Based on the empirical results and in line with extant researches, profitability, managerial experience, international knowledge and experience, product quality and substantive resource capabilities were the principal factors which influences the growth and survival of agro processing SMEs operating in foreign markets. The role and government and effective networking also have positive impact on the operations of SMEs. The study concluded with a managerial suggestion which urged entrepreneurs and SME owners from Ghana and developing countries to pay critical attention to the aforementioned influential factors in order to succeed in foreign markets.

KEY WORDS: Internationalization, growth, survival, export performance

1 INTRODUCTION

1.1 Background

The state of international business engagement has been a major development by firms due to the opportunities such as; profit and growth, exploitation of economies of scale, increase resource capabilities and improvement of competitive advantage. The trend of business has driven many firms to widen their businesses, explore new opportunities and expand boundaries outside their home markets. Factors such as stability in monetary transactions, formation of international and regional integration of economies; free and uninterrupted flow of goods and services, advances in transportation, information technology and communication has made it feasible for firms to increase their foreign business. (Leonidou et al. 2018:4).

International expansion is a key decision for small and medium enterprises (SMEs) with limited financial capabilities and geographic scope. Most of the companies in their quest to increase sales and broaden their networks tend to pay critical attention to internationalization strategies with keen emphasis on how to implement the best strategy. The incremental pattern in the international expansion of firms has resulted in many scholarly studies attempting to explain the concept from different perspectives. These include the economic perspective (Dunning 2000), international entrepreneurship perspective (Oviatt & McDougall, 1994), behavioural point of view (Johanson and Vahlne 1977), and the network perspective (Johanson & Mattsson, 1988).

Theoretical and practical examples suggest that the internationalization pathways which firms utilize depend on factors such as the market conditions, the objectives and resource capabilities. It is important for companies to make detailed analyses of all these factors to achieve a clear understanding of their strengths, weaknesses, threats, and opportunities. When a firm expands its operations to foreign markets, it comes under intense pressure to adapt to local strategies, especially where there are vast differences between the home country and the foreign potential market.

In the face of high level of unemployment and the decline of most traditional heavy industries in many countries, there have been much emphasis on the development and high investment into new and smaller firms. Small and medium scale enterprises have been a major drive for both job creation and the rapid diffusion of innovation to all sectors of an economy. Advanced nations have benefited significantly from the widespread of innovations especially in the products and services development sector. The relevance of SME growth in Africa has been aligned with their role in growth stimulation, creating employment avenues, alleviating poverty and reducing societal criminal activities (Abor & Quartey 2010). In general, SMEs role in economic development is universal, even in developed nations such as US, Germany, UK, Japan where the activities of large MNCs are prevalent, SMEs still contribute to the development of these nations

The African region has for the past decade recorded an upsurge of over 90 percent of SMEs in the private sector. Additionally, more than 50 percent of employment and GDP growth in the continent has been credited to the business activities of these firms. The SME sector has demonstrated a remarkable capacity to achieve a relatively stable employment avenue in Ghana. The sector has as well been a major force in the creation of new jobs, reviving the region based on resource development and favoring industrial innovation. The sector contributes about 70 percent of GDP as well as 92 percent of businesses in the country (Abor & Quartey 2010). The importance of SMEs economic development in Ghana and the African continent is unquestionable. Most countries in the region are seriously promoting and prioritising policies to support this sector.

The agricultural sector on the other hand plays an essential role in the general economic development of Ghana. The sector accounts for one fifth of Ghana's GDP and employs about half of the labour force which is the main source of income for most households (World Bank. 2017). According to the world bank report (2017) on the sector, two thirds of the countries recent oil exploration activity which is the major source of revenue earnings depends on agriculture for raw material. Undoubtedly, food is one of the essential needs for human survival and the agrarian sector has contributed significantly to the livelihood among the populace especially those living in the deprived areas. The main export products is cocoa which accounts for 20 percent of total foreign exchange

earnings. The Ghanaian cocoa which commands a high percentage of market premium with an international reputation for high quality accounts for 20 percent global export (World Bank. 2017). Indeed, agriculture is expected to lead a significant economic transformation through sectoral improvement and increased productivity.

Despite the internationalization benefits, SMEs are increasingly confronted with diverse issues. They are often subjected to the liability of foreignness, the lack of adequate knowledge and social networks as well as the inability to understand the rules of operating in foreign market (Zaheer 1995). The recent political and economic instability in the African region has also hinder the progress of Ghanaian SMEs to move to foreign markets. Contrast to been regarded as innovative and creative, SMEs have limited access to financial resources as compared to multinationals which indeed hampers their operation. As indicated in (Abor & Quartey 2010), weak infrastructure, inadequate managerial leadership and entrepreneurial skills counteract the growth of SMEs. These setbacks hinder the effective contributions of SMEs to the economic growth of Ghana.

To build on existing studies on SME internationalization, this study will explore the factors which influences the growth and survival of Agro processing firms involved in active internationalization. Although limited studies have been conducted on the Agro processing sector in Ghana, this study will make use of books, articles, journals that are published on the University of Vaasa library database and other relevant sources on the internet as an information hub. To gather the data, a qualitative research approach will be utilized. This is because it will enable the author to gain deeper understanding and knowledge of the topic studied.

As indicated in (Myers 2013:8), qualitative method enables researchers to better understand people, their motivation, and actions as well as the wider context in which decisions and actions are taken. Data is obtained through primary or secondary means. For this work, both sources served as an origin for gathering the data to ensure a better understanding of the phenomenon under consideration. The primary data was gathered through interviews with the respondents. A well-structured questionnaire was designed as a guiding tool during the interview. The secondary data on the other hand was obtained from governmental websites and other company reports, articles, journals and other authentic gazettes in Ghana. To ensure the accuracy of the data gathered, top management

personnel were interviewed. The company selection criteria is based on their involvement in international activities which is the focal point of the research and most importantly of Ghanaian indigeneity.

1.2 Research Objectives and Questions

The success of a firm in foreign markets depend largely on approaches and strategies that the company implement. Researches acknowledge that, effective global marketing strategies play a crucial role in the performance of firms. This study focuses on the agro processing business and review the growth and survival of SMEs from an emerging economy. Building on extant studies, this paper aims to augment the understanding of Ghanaian SMEs operating in foreign markets. The research question of this paper is *“What are the factors that influence the growth and survival of Ghanaian Agro Processing SMEs operating in foreign markets”*. In addition to the above stated question, the study will also achieve the following objectives;

Theoretically:

- To analyse existing literatures relating to internationalization
- To review the of export performance determinants of firms
- To examine the factors which contribute to growth and survival of firms.

Empirically:

- To identify the factors which influences Ghanaian SMEs to engage in international activities.
- To investigate the challenges which Ghanaian SMEs encounter in their international operations.
- To analyse the export performance determinants and its effect on growth and survival of Ghanaian SMEs operating in foreign markets
- To discuss the significance of networks and collaboration on their growth and survival in foreign markets.

The study is expected to sensitise and provide managerial guidelines to SME owners especially from emerging economies about the pros and cons of internationalization. In addition, the study will also contribute towards the development, growth and survival of agro export firms venturing into foreign markets.

1.3 Delimitations

Delimitations are basically the characteristics that limit the scope and define the boundaries of a research. With this study, the research aims to narrow down the scope into a specific context of the topic being studied which pertains to growth and survival. Internationalization consists of a broad range of activities and complex phenomena. The major delimitation of this study is that, it does not cover all SME exporters in Ghana. The study focuses only on Ghanaian agro processing SMEs which are engaged in active export activities. The main purpose is to explore the growth and survival of the firms operating in the foreign market considering their export performance and other factors which influence such growth and survival. The choice of Ghanaian SMEs is justified by the nationality of the author who has keen interest in the international activities of SMEs. The sample size though not a true representation of the overall sector consists of four SMEs which are all of Ghanaian origin. The selected case companies have experienced significant growth despite encountering challenges and currently surviving operations in foreign markets. This will enable the researcher to acquire vital information pertaining to the topic under study.

SMEs have various definitions which are mainly based on country or region specifics. They operate in diverse market conditions and environments. This study will adopt the definition of NBSSI which classify them into three groups (micro, small and medium sized) based on the number of employees, fixed assets and annual revenues they generate. For instance, the micro employs less than 5 people; small with a workforce of between 6 to 29 employees; whereas medium has between 30 to 99 employees. This definition has been consistently and widely cited in several Ghanaian scholarly researches (Adjasi, 2006; Abor & Quartey, 2010) and several other African countries.

In identifying the variables which influences the performance of SMEs, the study does not describe all possible factors since the determinants are complex and multifaceted (Larimo 2006; Katsikeas et al. 2000). In view of this, the study will limit the determinants to international orientation and experience, resource capability, product quality, profitability and sales growth which have a direct influence on the growth and survival

of SMEs (Chen et al. (2016). The influence of networks (Johanson & Vahlne 2009; Hollensen 2011) and role of government (Andam et al. 2015; Appiah et la. 2015), in SME internationalization activities will also be covered. Extant studies revealed that, firms use strong network ties in acquiring market knowledge and exploring opportunities. Alliances with these networks will provide broad access to resources (Lee et al. 2012) which will positively affect the growth and survival chances in the international market. In addition, the research also discusses exporting as an entry mode often used by Ghanaian SMEs in the non-traditional sector. An analysis of SME activities in Ghana and Africa at large is discussed for readers to understand the context of study.

A qualitative method of data collection is used in this study. Both primary and secondary data sources were utilized and is based on a deductive approach where existing theories are tested. Most importantly the primary data was obtained through a semi structured interview using the WhatsApp platform since it is the most cost-effective way of communication between the interviewer and the interviewees. The novelty of this study is focusing on the Agro Processed SMEs since limited studies has been conducted in this field especially from emerging markets.

1.4 Key Terms and Definitions

In this section, key definitions are provided for the most essential concepts that will make it easy to understand by readers. More details of these concepts are provided in the subsequent chapters.

Internationalization

The definition of internationalization differs among various authors in the field but with similar concepts. Table 1 is a summary of prevalent definitions used in the field of international business. The basic level of understanding as defined by (Johanson & Vahlne, 1977; Welch & Luostarinen 1988), is it's the process through which a firm increases its foreign operations. Calof and Beamish (1995) also defines it as the process of adopting firm's operations (strategy, structure, resources.) to international

environment. McDougall and Oviatt (2000:903) propounds that internationalization is “*a combination of innovation, proactive and risk-seeking behaviour that crosses national borders and is intended to create value in the organization*”. Pertaining to the subject of relationship building and networking, (Johanson & Mattsson 1988; Alajoutsijärvi et al., 2000), views internationalization as a process of creating personal relationship with foreign customers and building trust for a long-term business.

Table 1. Definitions of Internationalization.

Authors	Definitions	Key Note
Johanson and Vahlne (1977:23)	“... a process in which firms gradually increase their internationalization involvement”	Gradual Process Increase involvement
Welch and Luostarinen (1988:36)	“.. the process of increasing international operation”	Increase Involvement
Johanson and Mattsson (1988:296)	“... establishes and develops positions in relation to counterparts in foreign networks”	Positioning, Networking
Beamish (1990), cited in Coviello and McAuley (1999) and Coviello and Munro (1997 :77)	“...The process by which firms both increase their awareness of the direct and indirect influences of international transactions on their future, and establish and conduct transactions with other countries”	Increasing Awareness and Establishing Transactions
Calof and Beamish (1995 :116)	“...The process of adapting firms' operations (strategy, structure, resource, etc.) to international environments”	Adaptation
Oviatt and McDougall (2005a: 540)	“...The discovery, enactment, evaluation, and exploitation of opportunities – across national borders – to create future goods and services”	Entrepreneurship, Fast Involvement

Small and medium scale enterprises (SME)

The term SME is heterogeneous with no specific definition, but it depends on factors such as whom and where the term is being used for operational definition. In addition to the heterogenic nature, it can be argued, every firm has its own level of capitalization, number of people employed, net profit, mode, and sector of operation, all of which are likely to vary from one country to another hence defying any specific definition. Figure 1 displays the definitions of SMEs based on different geographical regions.

Often, the parameters for defining the term is based on country and regional level of development. For instance, in the UK SMEs are business considered to have below 200 employees, while from the US perspective it is less than 500 employees. According to the publication of the organization for economic co-operation and development (OECD 2017), SMEs employ fewer than 250 people. SMEs can further be divided into sub categories “micro enterprises (fewer than 10 employees), small enterprises (10 to 49 employees), medium-sized enterprises (50 to 249 employees). Large enterprises employ 250 or more people”. (OECD 2017: 13).

In the Ghanaian context, the National board for small scale industries (NBSSI) which is responsible for promoting small businesses defines small firms as firms which employs less than 10 people and with a total asset excluding land, buildings and vehicle valuing at less the cedi equivalent of 10, 000 USD whereas medium and large firms are viewed as firms with more than 10 employees and total fixed assets (land, buildings, vehicles) factored out and still valued more than 1,000,000USD. Most of these SMEs are dominated by an individual (owner), who controls all the activities and makes the vital decisions. Despite the variations in defining the term, SMEs are still the major contributors of economic growth and provides employment avenues for many people.

VARIOUS COUNTRIES						BRICS					
	EU	USA	Asia (Malaysia)	Egypt	Ghana	Brazil (industrial)	Brazil (commercial)	Russia	India	China	South Africa
Name											
	Small and Medium Enterprise	Small and Medium Business	Small and Medium Enterprise	Micro, Small and Medium Enterprise	Micro, Small and Medium Enterprise	Small and Medium Enterprise	Small and Medium Enterprise	Small and Medium Enterprise	Micro, Small and Medium Enterprise	Small and Medium Enterprise	Micro, Very Small, Small and Medium Enterprise
Number of employees											
Micro	<10	–	<5	1–4	1–5	1–19	1–9	–	0	–	<5
Small	<50	<100	5–50	5–14	6–29	20–99	10–49	15–100	0	<300	20–49
Medium	<250	<500	51–150	15–49	30–39	100–499	50–99	101–250	0	300–2000	50–200
Annual turnover											
Micro	<€2	0	RM250.000	0	\$10k	0	0	–	<Rs50m	–	<R200k
Small	<€10	0	RM250.000– <RM10m	0	\$100k	0	0	400m RUB max	Rs50–60m	<Y30m	R3m–R32m
Medium	<€50	0	RM10m– RM25m	0	\$1m	0	0	1bn RUB max	Rs60–99m	Y30–Y300m	R5m– R64m

Figure 1. SMEs definitions based on different countries (Edinburgh Group, 2012:9).

1.5 Outline of the Study

The thesis is structured into six main chapters as shown in figure 2

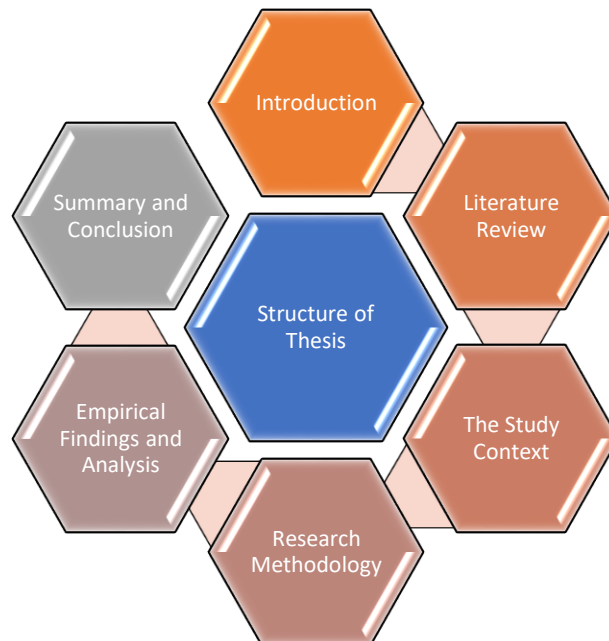


Figure 2. Structure of Study

Chapter One covers the introduction, background of the study, research objectives and questions, Delimitation, Key terms and definitions and Organization of the study.

Chapter Two is mainly the literature review of internationalization of firms. It describes what internationalization is and highlight some of the theories available on the topic. It continues with the reasons for internationalization. Export performance determinants are also discussed as well as the growth and survival factors.

Chapter Three explores the role SMEs play in the development of Ghana as well as the role government plays in promoting SMEs. In addition, the activities of SMEs within the African region were discussed.

Chapter four deals with the methodology used in gathering the relevant data, the sources of data and the approaches used in gathering data for the empirical content.

Chapter Five gives an overview of the case companies, the findings and analyses pertaining to the topic under study.

Chapter Six presents the summary, conclusions. It ends with some managerial implications, limitations, and suggestions for future studies.

2 LITERATURE REVIEW

This chapter provides critical review of literature, relating to extant studies and publications made on the topic of internationalization. Further emphasis is placed on the issues of SME internationalization pertinent to the research question. This subject has received a great deal of attention in development literature, since the SME sector in general has been the engine of growth and economic development in most developing countries, particularly Ghana. For a clear understanding of the context within which this thesis is being conducted, a confab of adequate knowledge is required. This chapter also provides extant studies of other related issues on the topic. Pictures, diagrams and tables are often used for in-depth analyses and explanation. In the course of reviewing the existing literatures and assessing the outcome of what the previous researchers have outlined, this research eliminated any form of duplication of antecedent researches.

2.1 Dimensions of Internationalization Strategy

The internationalization strategy of a firm is one of the most important aspects when aiming to establish a successful and long-lasting business operations in foreign markets. The trend of entering international market is inevitable when a firm wants to expand its business, widen its customer base and increase profit. The appropriate choice of internationalization strategies is mainly based on the exploration of macro and micro factors of the firm. This will strongly affect the choice of strategy as companies clearly seek to maximize their efficiency in terms of speed (time), costs, flexibility (adaptation), risks (competitive and political), payback period (return of investment), and long-term perspective (profit objectives). All these factors are crucial and needs to be carefully integrated into the firms' internationalization strategy in order to provide positive outcome. Kutschker and Bäurle (1997) asserts that, majority of researches focus on the issues of growing competitions among industry players as well as complexities in the business environment. With the existence of different dimensions of internationalization (Johanson & Mattson 1986; Porter 1986; Welch & Luostarinen 1988, Kutschker 1994a), Kutschker and Bäurle (1997) in their article enumerated four main dimensions concerning

the internationalization strategies of a firm. These are; the Distance – number and geographic-cultural distance of foreign markets; Value-added – scope of activities performed in foreign markets; Integration – degree of coordination between the markets and finally Time – “distance, value-added, and integration at different points in time”.

On the distance dimension, the degree of internationalization is largely affected by the number of countries in which firms operate. It is obvious that firms that expand their operations to many foreign markets tend to be more internationalize than those that operate in few foreign markets. In addition, scholarly researches from (Johanson/Wiedersheim-Paul 1975, Johanson/Vahlne 1977) added that, both geographic and cultural distances between the home and foreign market needs to be considered as well. In their assertion, the degree of internationalization is high when the foreign market of operation is less proximate and unfamiliar. The effect of distance dimension on Ghanaian SMEs is that, due to the limited availability of resources, they tend to venture into countries with low proximity and culturally similarity. The second dimension which is the value added are various internal activities which firms perform to increase their presence in foreign markets. These activities include, purchasing, research and development, manufacturing, logistics and sales. Kutschker and Bährle (1997) indicated that, the degree of internationalization of a firm is boosted by the extent to which actual values are added to firms' operations in foreign markets and these activities need to be well coordinated in the foreign market. The third dimension which is “integration” across foreign markets delineates how distances and value-added dimensions are effectively coordinated and integrated into the foreign market.

Kutschker and Bährle (1997) further proposed that, integration increases as a result of high flow of capital resources, human resources (personnel), knowledge sharing and flexibility of infrastructure. The purpose of these three dimensions is to ascertain whether a firm is more internationalized than the other. The fourth dimension “Time” which is an add-on, synthesizes the above three and examines the dynamism of the strategies and the various processes undertaken during internationalization. Firms internationalization process is often triggered by internal and external factors which required emergent decisions without prior strategic plans.

2.2 Internationalization Approaches/Theories

Theoretical and practical examples suggested that the internationalization pathways that firms utilize widely depend on factors such as the market conditions - size, competitors, industry, laws.; the company's capabilities - resources, size, technology, networks; as well as the organization objectives - short and long-term sets of goals. In view of this, it is important for companies to make detailed analysis of all these factors in order to achieve a clear understanding of their strengths, weaknesses, threats, and opportunities. The findings of such analysis should indicate which internationalization approach would be most suitable for firms to achieve competitive advantage and increase profitability.

Two main theories regarding the process of internationalization; the economic approach and behavioural approach are often reviewed by scholarly studies. These two approaches view the internationalization process of firms from different perspectives. While the economic approach is usually aligned to multinational enterprises (MNEs), the behavioural approach usually favours small and medium sized enterprises (Andersson, 2000; Mort & Weerawardena, 2006), although, both external and internal organizational factors influence internationalization approaches. Both economic and behavioural approaches are salient to a firm's foreign market operation, but for this study, much focus will be on the latter, with little light shed on the former.

The focus of the economic approach is on a company and the environment in which it operates. Most firms operating in cross national trade are always cautious when it comes to investment choices and the allocation of resources. There is no room for mediocrity when the optimum aim of the firm is targeting high return on investment coupled with foreign market expansion. In view of this, the primary aim of management is to access the right information regarding the market dynamism and trend of operation (Andersson 2000). Most firms in their early stage of international expansion opt for locations that minimize total cost but yields high dividend on investment. Cost such as (labour, transport, infrastructure), governmental policies, economic and political conditions, existence of trade barriers are some of the critical determinants of location choices (Benito & Gripsrud, 1992). There is a vast number of theories associated with the economic approach, but notably *the Dunning's eclectic theory*, and *the Transaction Cost Approach* are widely used. For the purpose of this study, focus will be placed on the former.

Understanding the concept of internationalization is a process involving the application of practical and theoretical approaches. The behavioral approach which is also referred to as the process approach is based on organizational theory and adopts a more dynamic perspective on internationalization. The focus of this approach is on the impact of international experience and the process in which firms use to internationalize. This approach is mostly used by management of small firms in their quest to internationalize since they have little to no knowledge about the foreign markets they intend to enter with limited resources at their disposal. The research works of (Johanson & Wiedersheim-Paul 1975; Johanson & Vahlne 1977) has been the inspiration and widely used by most small firms entering foreign markets. Table 2 was adopted from (Hermannsdottir 2008) which gives a summary of the variables of internationalization approaches.

Table 2. Internal and external approaches to internationalization theory (Hermannsdottir: 2008:3).

Main Variables	Economic Approach	Behavioral Approach
Internal	<ul style="list-style-type: none"> • Ownership advantages • Tacit knowledge • Product characteristics • Communication ability 	<ul style="list-style-type: none"> • Experiential knowledge • Learning
External	<ul style="list-style-type: none"> • Location advantages • Comparative advantages • Industry characteristics • Uncertainty • Government intervention • Opportunism 	<ul style="list-style-type: none"> • Psychic distance • Geographic distance • Cultural differences • Inter-organizational networks

2.2.1 Dunning Electric Theory

The concept of internationalization of firms has been extensively researched with explicit approaches and perspectives outlining deep understanding of the growth pattern of firms in the international market. The Dunning model provided a framework which explores the linkages of firm interactions and determinants of foreign operations and entry mode

choices (Agarwal & Ramaswami, 1992; Pan & Tse 2000). The model has been widely considered as a salient determinant of foreign direct investment and activities of multinational firms. The initial concept drew an interconnection between static and efficiency issues, but recent attention was on dynamic competitiveness and location strategy of firms (Dunning 2000). In addition, the model tends to explain the steady transformation of national firms to the status of multinational ventures. The eclectic paradigm (OLI approach) which denotes "*ownership advantages*", "*location advantages*" and "*international advantages*" (Dunning 1988) has been substantial among FDI theories. Figure 3 shows firm specific advantages which a firm needs to possess when entry into international markets.

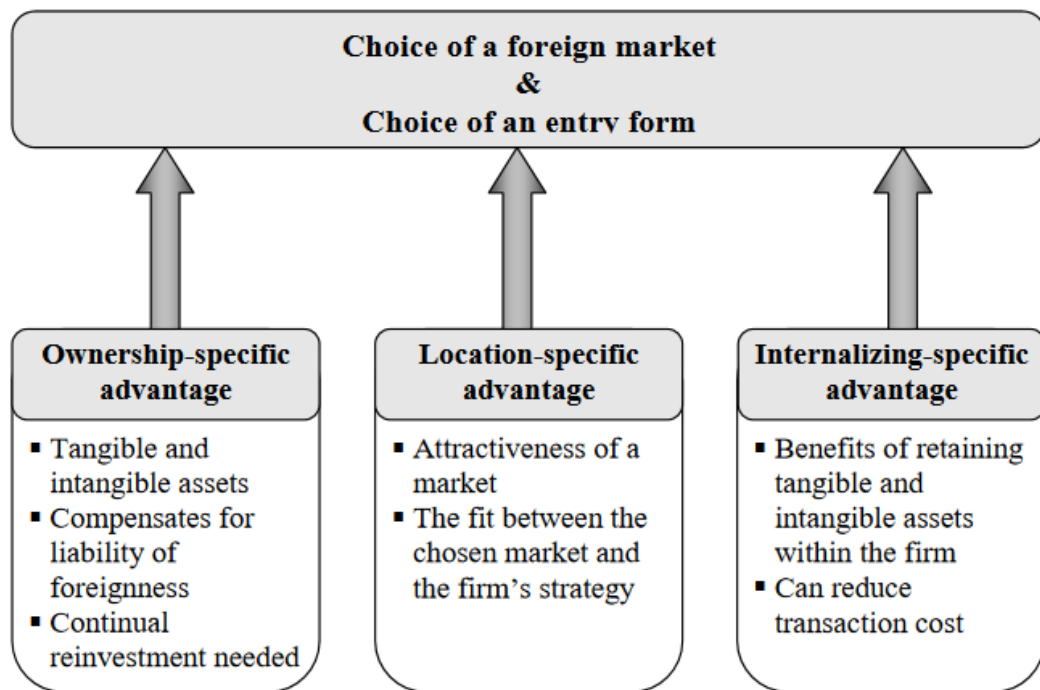


Figure 3. Firm specific advantages (Hermannsdottir 2008:7).

Dunning's holistic framework delineates the various strategies firms can formulate, adapt, and organize their international operations in response to external forces in the foreign market. The ownership advantage is the firm specific strength which is significant during international operations. It explains the importance of a firm acquiring either tangible or intangible assets prior to entry into a foreign market to compete and gain superiority over rival firms. The electric approach emphasized that, firms with these assets coupled with

the ownership of production facilities have a unique and sustainable competitive edge over their foreign counterparts. In order for SMEs to overcome the issue of liability to foreignness, it is viable to possess certain ownership advantages in order to sustain foreign market pressures. For instance, considering SMEs capital deficiencies, having a quality product, unique technological capabilities, skilled workforce or extensive economies of scale can serve as an ownership advantage.

The location advantage emphasized is the key determinant of foreign productions of multinational enterprises (Dunning 2009). The location advantage influences the specific area of production in the host market. Factors such as proximity to customers, low transport cost, cheap labor, foreign government trade applications are among the few attractive packages which firms need to consider. Locations that offers a firm with better economic and institutional incentive tend to attract more foreign direct investment(FDI). Relative to the pros and cons associated, Anderson (2011), posits that, firms with location advantage enjoys more benefits than their counterparts disadvantaged by location.

Finally, the internalization factor focuses on how a firm operates in the host market through managing and coordinating internal activities. The internalization advantage basically deals with how a firm reduces its transactional cost in the face of an imperfect market (Glückler, 2006). Insofar as, the perceived coordination and transaction costs are deemed low by management of a firm, then it would be prudent for the firm to internationalize its operations. Despite the basic idea of the OLI framework used to explain the FDI decisions of firms, SMEs would probably export to foreign markets if the perceived risk is reduced. Through internalization, the firm augment their return on investment by carrying out transactions in the foreign markets which yield more dividends. In short, Dunning (1998) analogized the OLI triad to a three-legged stool; “each leg is supportive of the other, and the stool is only functional if the three legs are evenly balanced”. Although the OLI model is often applicable to FDI, nonetheless some of the propositions could be applied in the context of SMEs since export activities have perceived risks and rewards. SMEs from Ghana enters neighbouring markets where they can fully exploit opportunities. In addition, the SMEs avoid entry into imperfect markets since activities will be mostly influenced by government legislation which threatens their operations. Some markets have stringent policies which limits the operations of foreign

firms. Regarding the ownership advantage, most of the case companies under study possessed some significant amount of resources which facilitates their international operation.

2.2.2 Uppsala Model of Internationalization

The Uppsala model assumes that lack of knowledge about foreign markets is a major lacuna to international operations, although, such knowledge can always be acquired (Johanson & Vahlne, 2000). The Uppsala (U-Model) which has its foundation rooted in the behavioral theory of firm is viewed as one of the pioneering models for firms' internationalization process. The model indicates that, internationalization of a firm is as a result of a series of incremental decisions and adjustments to changing conditions of the firm and its environment. Companies start internationalization by venturing into markets with minimal geographical distance, easy to understand, high growth opportunities and the perception of low market uncertainties. The degree of internationalization is high when the foreign market of operation is less proximate and similar to home market. The model which was pioneered by (Johanson & Wiedersheim-Paul 1975) was termed "the establishment chain" identified four different modes of entering foreign markets. The firm first enters with occasional exporting, then export via agents, followed by establishing foreign sales subsidiaries and finally establishing production units.

The firm initially begins the internationalization process by irregular exportation to outside customers without any obligation of fully internationalising. By acquiring credible and adequate market knowledge, it furthers the process by exporting through an independent agent. Subsequently, the firm proceeds to establishing its own sale subsidiaries in the foreign market and finally with the assumption that enough knowledge has been acquired, the firm establishes a full-scale operation and manufacturing in the foreign market. For small firms which are resource and capital constrained, the element of networking is very crucial in all the four stages to fulfil the quest of internationalization. For instance, establishing subsidiaries or alliance with overseas firms requires some sort of connection with local stakeholders which can provide vital information. Figure 4 shows the perspectives of the U-Model internationalization process which was adopted from (Bell 1995).

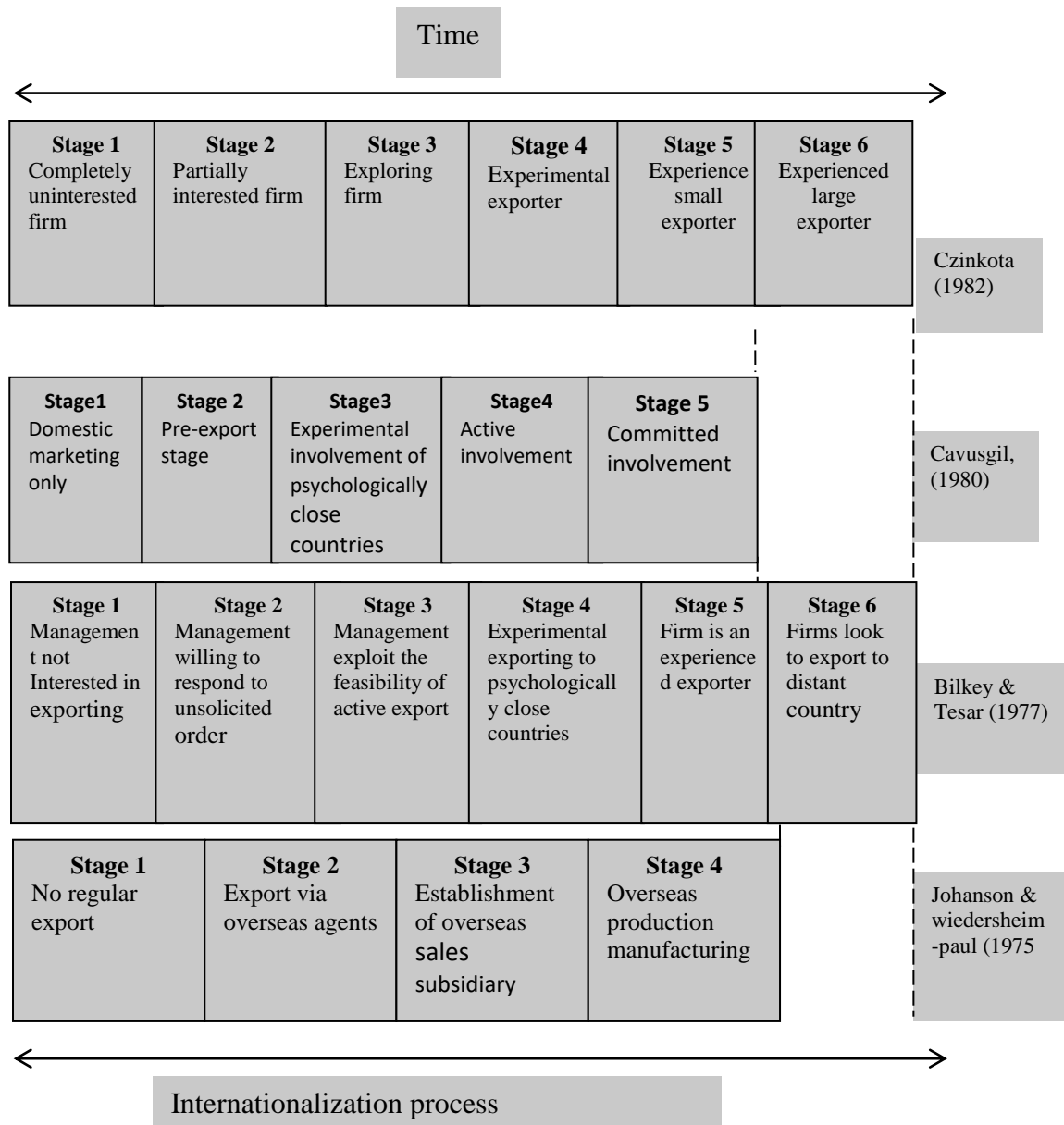


Figure 4. Perspectives of U - Model internationalisation process (Bell 1995:61)

The erstwhile process of internationalization was further expounded by Johanson and Vahlne (1977) based on an empirical research. The core idea of the model is firms internationalization is a process that goes through a "gradual acquisition, integration and use of knowledge about foreign markets and operations, and on the incrementally increasing commitments to foreign markets" (Johanson & Vahlne, 1977: 26). Figure 5 shows the link between the state and change aspect. This model categories the concept into state and change aspects. The model emphasises on the need for the acquisition of in depth knowledge and commitment in foreign market, with consequent long-term effect

on the firm. Where both market knowledge and market commitment are referred to as the state aspects while the change aspects are the performance of current business activities and the decisions to commit resources.

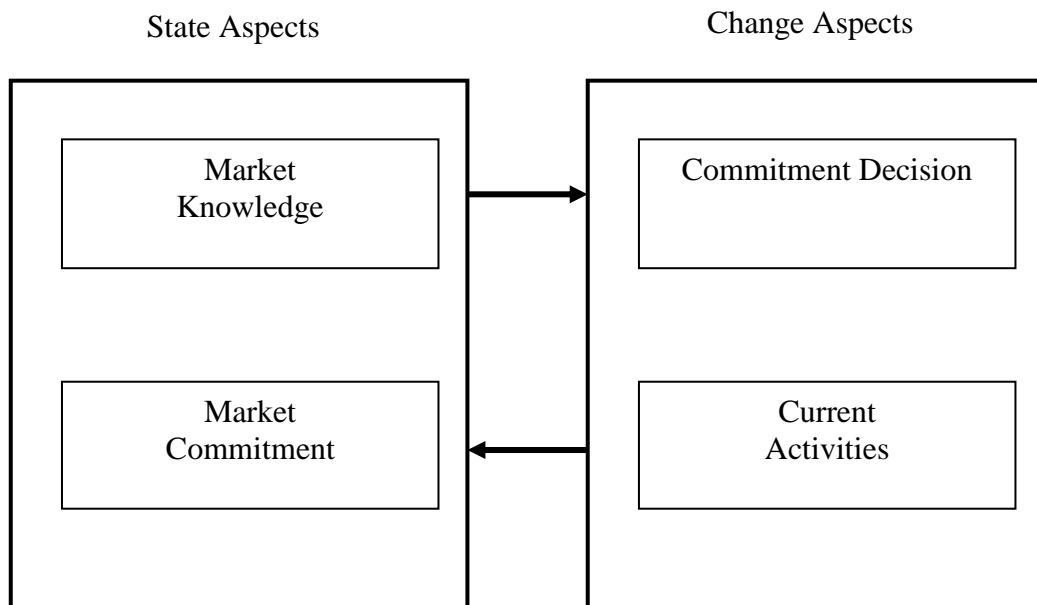


Figure 5. Basic Mechanism of Internationalization (Johanson and Vahlne 1977:47).

The model is viewed as an ongoing process of evolution whereby the firm increases its international involvement as a function of increased knowledge and market commitment (Johanson & Vahlne 1977). The above figure 5, depicts the changes in the firm's internationalization process and the way internationalization is carried out in the firm. It can be argued that, increased knowledge of a foreign market will apparently lead to increased commitment. The whole internationalization process goes through stages which are dependent on the level of knowledge acquired as the firm initiates the journey of foreign market operation (Forsgren 2002). Figuiera de Lemos et al. (2013), proposed that, the current issue with internationalization does not principally pertain to knowledge acquisition but how firms are able to cope and manage the lack of market knowledge

Furthermore, in accordance with the model, it was suggested that, it is viable for firms to enter into markets with low psychic distance where the operations of their foreign markets are similar to the home market. Hollensen defines psychic distance as “the individual's perception of difference between two markets, in terms of differences in country and people characteristics, which disturbs the flow of information, goods, and services

between the firm and the market” (Hollensen 2012:55). The effective flow and availability of information usually influence the psychic distance as it is assumed that neighbouring countries have less psychic distance which permeates easy business transactions, whereas high psychic distance permeates high risk of business transactions.

In the subsequent work of Johanson and Vahlne (2003; 2006; 2009), the authors highlighted the importance of acquiring knowledge and learning from firms involved in foreign operations. The extent of commitment to internationalization has a direct relationship with the degree of firm specific knowledge available. In building strong and effective relationships, the firm acquires new knowledge and opportunities of the market which essentially helps in their growth and survival. For SMEs, their partnership with networks which include suppliers, distributors, customers and other stakeholders helps the firm to learn and acquire sufficient market knowledge. Furthermore, Johanson and Vahlne (2009), maintained that, trust facilitates effective relationship within networks. Firms learn through relationships which are formed based on mutual trust and commitment which are significant in building and maintaining strong relationship in business transaction (Morgan & Hunt 1994). Figure 6 below is the revised model of the earlier mechanism of internationalization which explains the significance of relational network of a firm. With high level of trust between partners, the network grows from strength to strength which is beneficial to all parties involved. The figure shows the connection between the state and change variables.

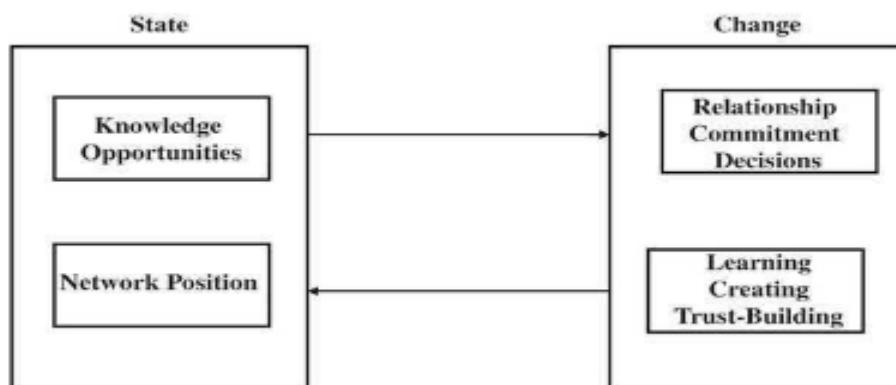


Figure 6. Model of internationalization process of the business network (Johanson & Vahlne 2009: 1424).

To consider a new reality and enriching the previous model, the updated Uppsala model was developed mainly to explain the evolutions pertaining to multinational business enterprises. Although there are several theoretical frameworks which explain the internationalization process, the Uppsala model seems to be incomparable to other studies. The new change variables relate to firms' intermittent decision whether or not to commit its resources and secondly the continuous knowledge development process which is acquired through learning, creating and trust building. (Vahlne & Johanson 2017).

SMEs especially those from developing countries will only be committed to an international activity if the firm is certain of a successful outcome devoid of any risk factors. Resource allocation decisions are only put into effect when the firm anticipates a positive outcome. Resource commitment can be enhanced through knowledge development process which is often acquired through networks. The process resides in the tacit experience which a firm acquires through collective collaboration with a firm or group of firms. Vahlne and Johanson (2017), assert that, the entrepreneurial knowledge development process includes but not limited to relationship building, flexibility in strategy implementation and the adaptation to operating environment. Figure 7 as shown below presents the main component of the Uppsala model and the relationship among the variables

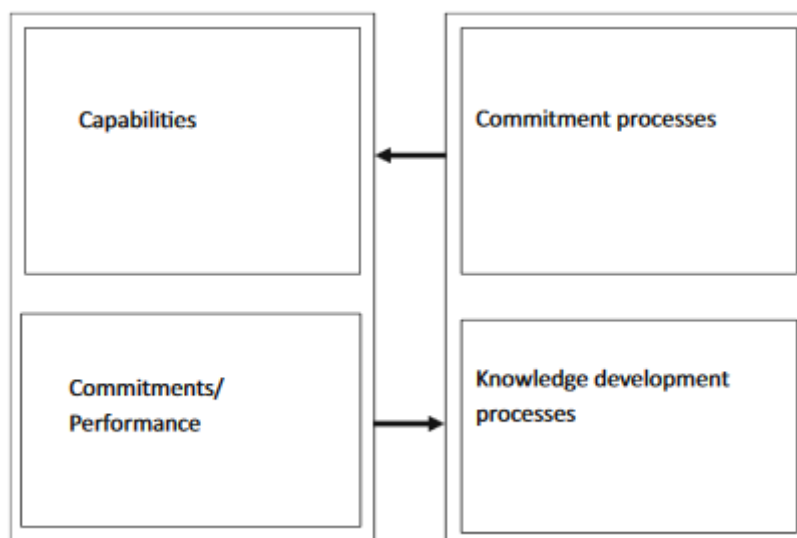


Figure 7. Uppsala Model 2017 (Vahlne and Johanson 2017:1092)

The state process on the other hand have two differential variables: capability and commitment/ performance. Generally, a firm embarking on an international operation must possess certain capabilities; dynamic or operational which reflects on their ability to effectively use resources to achieve organizational goals. Internationalizing firms especially SMEs from developing economies must be able to control their specific advantage either tangible or intangible in order to maintain a sustainable business activity in the foreign market. Considering the weak state of the Ghanaian economy, Kujala and Törnroos (2018) argued that, SMEs can only successfully thrive if they possess adequate capabilities in both home and foreign market. Due to market volatility, it is prudent for firms to continually adjust their capabilities to meet market demands especially in their foreign domain. High performance in the international market can be achieved when a firm is committed to allocating and effective use of its resources. Both commitment and performance variables relate to how resources are distributed effectively to all operating markets and what have been achieved. (Vahlne and Johanson 2017). Though the augmented and updated model mainly has a direct impact on multinationals, the variables can as well be used in the context and management of SMEs involved in international operations.

Irrespective of the clarity of the Uppsala model to explain a firm internationalization approaches, the study of (Ferencikova & Hluskova 2014), contradicts the assertion that geographical proximity guarantees less psychic distance. For instance, most central and eastern European (CEE) countries in former socialist states preferred to transact business to neighbouring developed non-former socialist countries like Austria, Germany, Italy. In addition to the limitations, the model also neglected the other forms of market entries such as franchising, licensing and strategic alliances which are relatively less risky and provide some degree of control (Doole & Lowe 2008).

It is also argued that, the homogeneity of the modern business environment has rendered the psychic distance effect less important especially with the robust internationalization process of born global firms. Unlike, BG firms which internationalize quickly, it is contradictory to Uppsala Model which believes market knowledge can only be gained through experiential knowledge. The increased globalization effect as well as the emergence of improved technologies in modern business has provided solid platform for

businesses to explore opportunities thereby overcoming psychic distance. Firms nowadays have easy access to knowledge about doing business in foreign markets, especially due to the growing effect of IT.

The inconsistent and irregular exporting activities of Ghanaian SMEs raises the debate of whether or not the logic of psychic distance is applicable in this context. Although Togo and Burkina Faso share geographical boundaries with Ghana, only few firms extend their foreign operations to these countries, perhaps due to the weak economic structures and the language gap between Ghana and these two countries. Owing to high competition within the Ghanaian market, many firms within the NTE sector are often attracted to foreign opportunities and thereby seek to extend their operations abroad to gain competitive advantage. These firms perceive internationalization as a manner which can “promote learning and the accumulation of the knowledge, skills and capabilities that SMEs need to survive and prosper” (Zahra et al. 2009). In line with the Uppsala model, when firms gain knowledge from foreign markets, they are well positioned to develop new products and strategies which stimulates profitability and growth.

2.2.3 Network Approach

The modern business environment is competitive and challenging, and firms require an in-depth knowledge and understanding of the trend of businesses and where value can both be created and captured. The network model of internationalisation “combines the experiential learning-commitment interplay as the driving mechanism from the old internationalisation process model with a similar experiential-commitment mechanism focusing on business network relationships” (Johanson & Vahlne 2003:97). To an extent, businesses depend on networks and relationships to continually analyse where value can be created and reaching out to customers. Adding to the above, collaboration in businesses have also become prevalent among firms in recent times. Mostly, a firm’s capacity and competitive forces are widely considered as the factors that enhances collaboration. To build an effective value creating system, it is imperative for firms to widen their networks by collaborating with key stakeholders such as customers, suppliers, allies, and partners in the market. With the growing number of SMEs sprouting across all sectors especially

in developing countries, the interdependency between these firms is crucial to their success in both domestic and foreign markets.

The network approach to internationalization which was formulated by Johanson and Mattsson (1988) highlights the importance of relationship in business. The networks help firms to identify opportunities, establish credibility and form co-operations and alliances based on the mutual trust and understanding by both business partners. (Oviatt & McDougall, 2005). In the case of industrial markets, instead of a firm concentrating its attention on the products or market, the buyer – seller relationship ought to be the number one priority. According to Johanson and Mattsson (1988) network approach, internationalization is the exploitation of network advantage where firms' relationship is viewed as platform to reach another network. The actors within the network normally comprises of customers, distributors, suppliers, competitors, and government which plays a vital role in solidifying the network. It is further argued that, as the firm increases its internationalization efforts, the network also increases in both numerical value and strength.

Johanson and Mattsson (1988), further indicated that, by internationalising, firms apparently create and foster relationships with other stakeholders in the foreign markets which occurs in various ways. Firstly, through relationships with partners in countries which are new to the firm (international extension); secondly, through increasing the commitment level in an already established foreign network, (penetration) and finally, by integrating the positions in the networks in the various countries of operation (international integration). Not too long ago, network relationships have been considered as an indispensable tool for SMEs to achieve international success and growth, but in recent times, networks are powerful tools for entrepreneurs, SMEs, and all business entities. The main aim of network approach is to bring the parties involved closer. The establishment of close ties is mostly achieved through commitment and building mutual trust. Johanson and Vahlne (2009) contends that, commitment and trust are vital in networks as members will be willing to divulge information with the hope of high level of confidentiality maintained.

During the internationalization process, firms usually want access to information regarding the local business context and the business network that exists. By setting up an effective network ties in foreign markets, SMEs gain access to contemporary business opportunities and potentials, closing the resource, knowledge and infrastructural gap as well as expanding their customer base. In countries and markets where access to information is either unavailable or cumbersome to obtain from official sources, networks serve a panacea and fills the experience gap of small firm. This has become a pre-emptive strategy to access information and build on the capacity to grow in the foreign market. Figure 8 which was adopted from Hollensen (2011:82), gives a clear picture of how a firm having effective network ties benefits from all stakeholders within the network., transcending even to the governmental level.

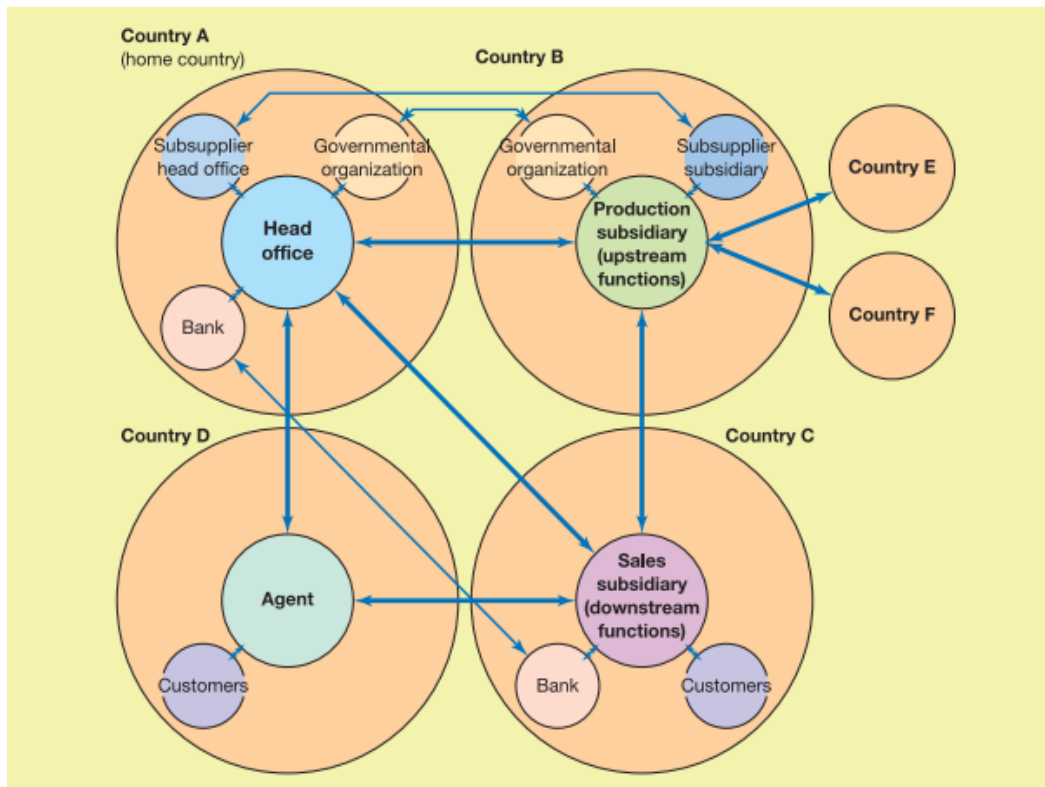


Figure 8. An international network (Hollensen 2011:82).

Hollensen (2011) further indicated that, the degree of internationalization is high when a firm operates and have strong ties with other partners in a network. Since most SMEs have limited resources when entering foreign markets, the network apparently serves as a backbone to their survival. However, aside the various benefits associated with building

a business network, new entrants into an existing network ought to be wary of certain shortfalls they may encounter. In as much as members in the network influence each other, the firms with lower capacity and strength tends to be reliant on others. The existence in the network means to control or be controlled and consequently, there are less chances for new entrants to have a high level of control over the whole network. According to Kujala and Törnroos (2018) on their study on SME internalization in Ghana, entrepreneurs from emerging economies like Ghana which are faced with challenges such as institutional changes, instability, weak infrastructure are likely to succeed in internationalizing through means of joint effectuation (effectual acting and interacting in network) and networking process logic though these processes are considered poor managerial methods in the current strategic and planning viewpoint. In line with Kujala and Törnroos (2018), this study will attempt to explain through empirical analysis the role of networks in the growth and survival of Ghanaian SMEs in foreign markets. With the exposure to the international market, the firms are likely to benefit from their ties with other firms which promotes growth and success. For instance, in 2017, the first edition of Ghana SME CEOs summit was launched with the aim of networking government and SMEs to boost the economy and provide employment avenues. The summit also created the platform which enabled integration and interaction between domestic and foreign CEOs, and other stakeholders to share ideas, knowledge, form partnerships and synergies for both personal and corporate growth (SME CEO 2017).

2.3 SME Internationalization Stimuli

Behind the decision to internationalize a variety of reasons can contribute to why a firm go into internationalization. The motivation to internationalize is a strong stimulus for firms to seek new potential markets abroad. The major reasons why firms go abroad have been categorised into proactive and reactive stimuli (Czinkota et al. 2005; Hollensen 2011). In the long run, all these fundamental reasons must contribute to the growth and profitability of the firm. Proactive motives are those stimuli that creates a firm-initiated strategic change, whereas reactive motives indicate that, the firm reacts and adapts to changes imposed by the outside environment (Czinkota et al. 2005:352). SMEs with proactive motive views internationalization as an opportunity to exploit new international

market, whereas reactive SMEs views it as a necessary response to unfavorable conditions in the home market. In most circumstances, firms adopt a multiplicity of motives for their internationalization process, however, there is a particular motive which is primary, and the rest are supplementary (Albaum et al. 2005:70). Table 3 gives a summary of the reasons why firms internationalize based on extant studies.

Table 3. Motives of Internationalization (Hollensen 2011:51)

Proactive motive	Reactive motive
<ul style="list-style-type: none"> • Profit and growth goals • Technology competence /unique products • Managerial urge • Foreign market opportunities/market information. • Economics of scale • Tax benefits 	<ul style="list-style-type: none"> • Unsolicited foreign orders • Competitive pressures • Domestic market: small or saturated • Extend sales of seasonal products • Overproduction/excess capacity. • Proximity in international customer/psychological distance

2.3.1 Proactive Reasons

Proactive means acting in advance, anticipating something would happen and planning for the situation. Companies who are proactive in internationalization are mostly better positioned than other firms which simply react due to situational demands. The proactive reason for going international is for firms to make profits. SMEs in their initial stage of exporting have a desire for short term profit to boost their business activities. The motivation for growth may also be a factor for firms to go abroad since every firm wants to attain a high growth rate both domestically and abroad. In addition to profitability, firms with a unique product offering, technological advantage or other resourced based values can act as a stimulus to internationalize. If products and technologies are unique and differential, they can certainly provide a sustainable competitive advantage and result in success abroad. Going international can give a firm exclusive information and knowledge about the activities of foreign customers or prospects and market situations which distinguishes the firm from its competitors. Moving abroad also guarantees exclusivity over foreign markets or sectors that are unexploited, which the firm can take

advantage of. The international market offers new opportunities, ways of transacting business and innovativeness, pushing firms to the edge of dynamic product and marketing development and technological advancement. Manager's interest in international markets could also act as a motivational factor for international expansion. The desire of the manager to internationalize reflects on their general entrepreneurial motivation of continual market expansion and growth. Furthermore, firms move abroad to access scarce resources such as trained/skilled workforce, natural resources, cheap labor cost which they may lack in the domestic market but are available in foreign markets. Tax incentives or benefits can also be an enough reason for a firm to move abroad. As a result of better tax incentives in the foreign market, firms offer their products at a lower cost to accumulate a higher profit. Final major proactive motive for firm internationalization is the ability to reduce cost of production and achieve economies of scale. International activity may enable a firm to increase their output at a lower production cost making the firm more competitive in both domestic and foreign markets. (Hollensen 2011, 51-56, Czinkota et al. 2005, 352-35).

2.3.2 Reactive Reasons

It is unlikely for firms to predict every event that might occur in the future. Thus, sometimes when a firm decides to expand beyond its geographical borders it is as a result of reactive actions to an event. These reasons tend to be passive action taken in response to changes in the market due to pressure from competing firms. The fear of a firm losing its domestic market share due to factors such as economies of scale gained by its competitors is considered as the prime motive to enter into foreign markets. Competitors are essential external factors that stimulate a firm to internationalize. When the life cycle of a product becomes short, moving abroad could be the remedy to prolonging them. The home market becomes saturated with obsolete goods making customers seek for foreign alternatives. In addition, moving abroad can serve as a temporal safety measure to the issues of overproduction as a result of underutilization of equipment for production and dynamic market demands in the home market. In situations like this, the firm widens its distribution to foreign markets enhancing an evenly division of fixed costs. (Hollensen 2011, 51-56, Czinkota et al. 2005, 352-353).

The proximity to international markets is another stimulus for internationalization. Both physical and psychological closeness to international markets and customers plays an essential role in the export activities of firms. Perceived risks and uncertainties are minimized when the distance between customers and markets is close. For instance, the closeness of the Nigerians market which has more market potentials, similarities and prospects attracts Ghanaian firms. (Hollensen 2011:51-56, Czinkota et al. 2005, 352-353). The psychic distance is a contributing factor for SMEs venturing abroad. As they initiate their operations in countries with similarities such as language, culture, business practices, they later move to other far away countries after gaining the experience and capabilities (Kontinen & Ojala 2010). Also, the closeness of the foreign markets encourages domestic firms to initiate their exporting plans. Firms through advertisement, trade journals, exhibitions, social media platforms receive unsolicited orders from foreign customers. Through the orders and enquiries from the foreign customers, the firm becomes aware of opportunities and embark on full internationalization pursuit (Albaum et al. 2005: 67-68).

2.4 Entry Modes

The international market entry is usually considered an entrepreneurial act with high risks and uncertainties (Knight & Cavusgil 2004), however, firms tend to gain more experience and increase sales through strategic initiatives and dedication to succeed. When a firm embarks on internationalization and makes it a priority, they screen potential markets that are viable to enter and apparently choose the suitable mode of entry into such markets (Kotler et al. 2013: 578). Firms can choose among several modes of foreign market entry (exporting, contractual agreements, licensing, joint venturing, wholly-owned subsidiary, greenfield investment) with the aim of learning and gaining experiences from foreign markets (Pan & Tse 2000).

Pragmatically, SMEs due to their limited resource capabilities are risk averse and therefore critical in their entry mode. The strength of the firm usually determines the entry choice to commit resources as well as the ability to manage perceived risk in the foreign

market (Laufs & Schwens 2014). For SMEs, the most consistent pattern normally utilized is 'evolution rather than revolution' thus gradually moving from a low-commitment to high-commitment modes over time (Benito & Welch, 1994). Unlike the large MNCs that are resourceful with strong financial backing, SMEs usually fall short of such resources and are characterized by low entry mode strategies. Nevertheless, study by Maekelburger et al., (2012) show that, SMEs with previous international experience and knowledge have the tendency of using high commitment entry mode such as direct investment or acquisitions. In the absence of the necessary knowledge and experience in a foreign market, firms are unlikely to succeed and achieve the control of operations.

The decision on how to enter an international market is crucial to successfully attain company objectives and growth. Firms need to formulate comprehensive and explicit strategies which are appropriate for target customers and markets. The market strategy relates to the mode of entry and the marketing plans which will be implemented when a firm is deciding on market entry mode. Two significant factors that need to be considered; market attractiveness and political risk. The size of the market and the ability of the products and services to gain market recognition, in tandem with a stable political environment, minimal government interventions will impel the firm to invest more of its resources into that market. In addition, the works of Dunning (1988, 2000, 2009) all proposed an extensive framework which maintains that market entry choice is affected by three determinant factors: ownership, location, and internalization advantage of the firm.

It is important to note that, once an entry mode has been selected, it will be difficult to change since it has long-term consequences for the firm (Brouthers & Hennart, 2007). A schematic representation of entry choice factors by Agarwal and Ramaswami (1992) demonstrates that, for firms to be able to withstand market forces and survive in foreign domains, they must possess sustainable resources alongside strong financial capabilities. Nonetheless, some SMEs especially in the developing economies do not have a strategic plan, neither do they have a long-term commitment to enter foreign markets. Rather, they tend to be reactive and explore opportunities that coincidentally present itself.

An entry mode is a “*structural agreement that allows a firm to implement its product market strategy either by carrying out only the marketing operation thus via export modes or both production and marketing operations by itself or in partnership with others through contractual modes, joint ventures, wholly-owned operations*” (Sharma and Erramilli 2004:268). There is however no ideal market entry strategy, each firm decides which method to adopt when entering a foreign market (Hollensen 2011:316), depending on its ability to succeed and fulfil the purpose of market entry.

For INVs, entry mode choice is a key strategic decision as it involves significant level of resource commitments, risks, control and profit returns in different target markets (Ripollés & Blesa 2017). Different entry modes can be classified in different ways depending on the resource commitment in foreign markets. Some researchers have classified them as equity and non-equity modes (Pan & Tse 2000; Brouthers & Hennart 2007), where exporting is mainly considered as low commitment modes with less or no investments, whereas strategic alliances, joint ventures as high commitment modes that are established through investments. The choice of entry is subject to the control a firm wants to have in the market. A higher control of market activities means that the firm will opt for a high hierarchical mode, committing heavy resources into the market. However, this choice also represents a higher potential risk (Hollensen 2011:316). Figure 9 is obtained from Pan and Tse (2000), with their classification of entry mode strategy. For the purpose of this study, exporting would be used since most of the SMEs in Ghana which are engaged in international operation uses export modes.

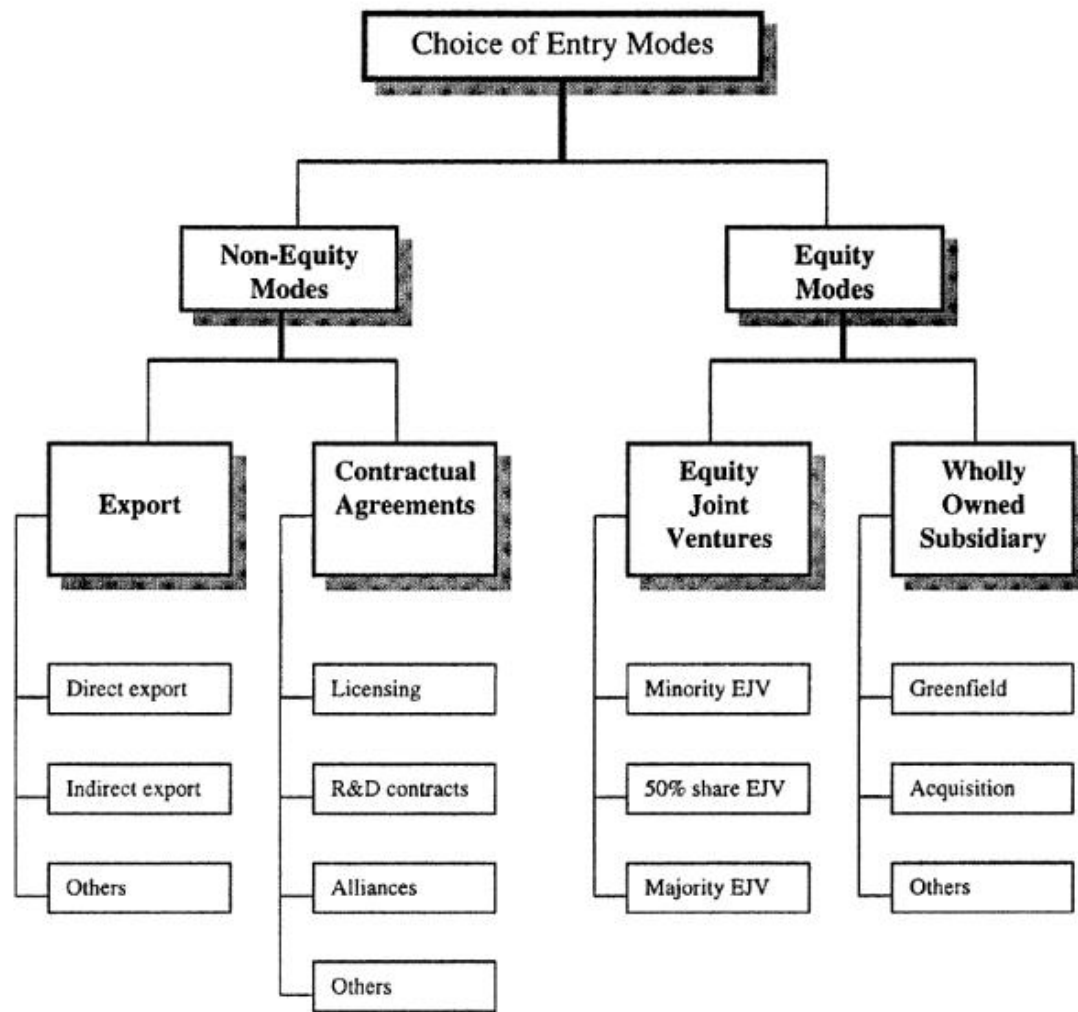


Figure 9. Hierarchical model of choice of entry modes (Pan& Tse 2000:358).

2.4.1 Exporting

This is often regarded as the traditional and most frequent entry mode to foreign markets by new entrants. According to the internationalization theory, the firm is deepening its commitment gradually from the onset (Johansson & Vahlne 1977), and this is considered as a low risk strategy since little or no investment is required. Exporting is defined as “entering a foreign market by selling goods produced in a company’s home country, often with little modification” (Kotler et al. 2013: 579). With rapid changes in the scope of international business, exporting is a critical channel for firms expanding internationally and key to their growth and survival (Chen et al. 2016). With exporting, the firm has a

higher level of control over choice of markets and partners (Agarwal & Ramaswami 1992). The export activities increase organizational capabilities of the firm which boost performance through the resources generated (Chen et al. 2016). During exporting, the firm may either choose to export its surplus products or make an active commitment of selling a whole new range of products to a specific market. Exporting has two distinctive advantages: firstly, it reduces the expenditure on establishing a wholly new manufacturing operation in the host country; and secondly, it helps in achieving economies of scale. The trademarks, patents and other intangible assets (if there exist any) of the firm are protected when a firm chooses exporting as a market entry mode. There is a high chance of increased sales which could lead to high profits.

Although exporting firms enjoy success, they encounter certain challenges which hamper their operations. In tackling these challenges and barriers of exporting (Pickernell et al., 2016; Volpe Martincus and Carballo, 2010) suggests that, government ought to come to the aid of SMEs and support them by means of offering extensive export promotion programmes. Export promotion programmes such as trade shows, fairs and missions help firms establish and build business networks internationally. Trade shows for instance, provide a neutral territory and network platform for participating firms to interact, collaborate and exchange key resources to help advance their internationalization process (Evers & Knight 2008). Exporting is mostly carried out either through direct or indirect means.

Indirect exporting is the use of intermediaries to penetrate the foreign market. The intermediary can be both in the domestic country of the exporter or in the foreign market. Through indirect entry modes, an SME can utilize and explore the resources of other independent bodies and expand its business. Firms can choose from several indirect entry modes such as export via agent, as exporting via foreign sales agents, foreign importers and distributors, foreign offices and subsidiaries, or collaborating with other firms. There are several reasons why exporters use intermediaries. Firstly, the exporter lacks the requisite knowledge and experience in the target market. In addition, the exporter benefits from the distribution network of intermediaries. Finally, it is often regarded as low cost and time-saving method compared to the attempts to carry out equivalent activities through

internal staff or setting sales operation in the foreign market especially when there is uncertainty about the size and viability of the market. (Hollensen 2011:337).

Direct exporting is when the exporter undertakes the exporting activities by itself. The manufacturer sells the products directly without the use of any intermediaries to a buyer in a foreign market. The advantages of direct exporting for a company include more control over the export process which can lead to potentially higher profits and a closer relationship with overseas buyers and prospective customers. However, the company needs to devote more time, human resources, and financial strength to understand the foreign market and find the most suitable channels to export. Some channels that are used in direct exporting are sales representatives, distributors, foreign retailers, or direct sales to end users (Hollensen 2011:316).

2.5 Internationalization of International New Ventures/ Born Global Approach

The process of internationalization of firms has been a salient research area by many academic scholars in recent decades. The stage and other similar models indicated that, firms go abroad at a conservative and gradual pace due to factors such as less knowledge of foreign markets, risk and uncertainties and high market competitiveness. Contrary to this, other researchers have identified a rising number of firms which have defied the odds and rather aimed at internationalizing right from their inception (Oviatt & McDougall 1994; Gabrielsson et al. (2008). Several definitions which highlights this type of firms have emerged from different researches as global start-ups, born global, instant internationals and global high-tech firms (Andersson et al. 2014), but the predominantly used term which depicts these firms has been either international new venture (INV) or born global (BG). Born-global firms, sometimes referred to as international new ventures, have been described as “*companies that from or near foundation, obtain a significant portion of total revenue from sales in international markets* (Knight & Cavusgil, 2005: 15). These firms are noted to experience early and accelerated internationalization.

Oviatt and McDougall (1994) originally defined INVs as business organizations that, from inception, seek to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries. Although this definition seems to be widely accepted, other scholars are of the view that, it is rather general and equivocal without any emphasis on a particular theme. Knight and Cavusgil (2004) argued that, firms considered as BGs, ought to engage in international business through exporting in multiple countries within a time frame of 3 years of their inception and seek to derive significant competitive advantage with its resources in multiple countries. Expatiating on the erstwhile delineation, Gabrielsson et al. (2008) proposed a more precise criterion, indicating that, for a firm to be classified as BG, it must obtain at least 25% of sales revenue from foreign market within a timeframe of 2-5 years from inception and must operate in at least five countries. It is however explicit that, there is absolutely no single accepted definition of born global or its kind. For the purpose of this study, BGs or INVs are thus defined as firms engaged in international operations within the first 3 years of inception; generates sales revenue of at least 25%; operates in multiple foreign markets with high psychic distance from home country; have the vision and intent of operating in multiple continents.

Due to the dynamic nature of businesses in the international market, Oviatt and McDougall developed a framework that described four necessary elements for sustainable INV. Firstly, INVs distinguishes transactions that are internal within the firm from those that are controlled by the markets. Secondly, due to limited access to resources as compared to big MNEs, INVs rely strongly on alternative governance structures for resources. Thirdly, INVs need to effectively utilize their valuable knowledge resource as a means of garnering location advantages in the foreign market. And finally, INVs control over their unique resources, that's knowledge, through means of patent rights, licensing, imperfect imitability) to gain competitive advantage. (Oviatt & McDougall, 1994).

Gabrielsson et al. (2008) revealed stages in which innovative BGs can grow and become truly global firms, in the wake of intense competition, considering their limited resources to address the global market opportunities. In their study, three phases (BG) firms go through in internationalization. At the introductory phase, BGs operate with limited

resources and narrow organizational structure, but hugely rely on the unique and implicit skills of the entrepreneurs as well as the creative and coordinated workforce which is a source of competitive advantage. The growth and resource accumulation phase regarded as the knowledge acquisition period is when BGs learn from their business partners and networks to be able to compete in the global market in subsequent years as well as maximize resources. After gaining full experience and reaping significant benefits of organizational learning, the BG in the final break-out phase develop strategies to operate independently and distinguishes itself from the traditional entrepreneurial SMEs. BGs operating independently require global vision and must be fully committed to their strategies. (Gabrielsson et al. 2008). Born global usually possess key success factors which are categorized into organizational, strategic and environmental (Rialp et al. (2005). These factors include: managerial global vision, high degree of international, management, strong use of personal and business networks, market knowledge and market commitment, unique intangible assets, high value creation, proactive international strategy, strong customer orientation and relationship and flexibility to adapt to dynamic external conditions.

In simplicity, the normative assumption of BGs is that, they are early and have accelerated commencement of international sales with strong entrepreneurial orientation (Knight and Cavusgil, 2004), which influences both their actions and strategies. The BG thesis (Knight & Cavusgil, 2004), implicitly suggests that, the behavioral attributes of entrepreneurial orientations (proactiveness, risk – taking and innovativeness) are assumed by default to relate to firms that experience accelerated internationalization. Unlike the traditional firms, INV despite limited assets in foreign markets starts up with proactive strategy and explore potential growth opportunities. Although there are few indigenous Ghanaians BGs in the Agro sector, most of the SMEs are widely characterized as being globally oriented, follow an increasing pattern of internationalization and operate on a substantially limited amount of resources.

2.6 Export Performance and Drivers

Considering the competitiveness of current global market, it is essential for firms especially from emerging markets to improve their export performance. This precisely will guarantee the firms' continual growth and survival in their foreign operations. (Adu-Gyamfi & Korneliussen 2013). The expansion in market opportunities and the high level of competition from domestic players has been the motivating factor for SMEs in their quest to engage in international business to solidify their operations and survival (Larimo 2013). Firms from developing economies are often triggered by proactive reasons to engage in export activities. Exporting has often been the most common entry mode into foreign markets as it contributes significantly to employment, economic growth and trade balance. For a transition economy such as Ghana, the restructuring and expansion of the domestic market is key to maintaining economic growth in line with increase in employment rate.

In Ghana SMEs account for more than 85 percent of enterprises but clearly majority of them fail to be competitive, grow and expand to external markets. For instance, in the study conducted by Akomea et al. (2014), on the pharmaceutical sector, it was revealed that only a handful of firms were involved in exporting or any other form of foreign operations. Nevertheless, firms in the manufacturing sector have managed to improve their international exploit through export activities. The inconsistency has largely been blamed on the government's inability of revitalize most sectors. In some cases, most of the SMEs begin their export activities without proper planning and effective strategy in place to succeed. Although the existence of GEPA seems to increase the effectiveness of SMEs, Abor and Quartey (2010), also stated that, their export performance is still hampered by lack of knowledge of foreign markets, limited international business relations and inadequate information dissemination and usage. It can be argued that, SMEs from developing countries are faced with limited production capacity to battle out with stringent competitions in the foreign domain. In the wake of whether to export, SMEs are mostly disinclined to make a steady decision in favor of exporting. Traditional non - exporting practices are usually maintained due to the cognizant impressions of export barrier and challenges, hence retarding the progress of export.

The survival, expansion and growth of firms is strongly dependent on influences of export performance determinants. With the upsurge in global business and the influence of competitive forces export performance of a firm has been both a complicated and multidimensional concept with different measurements. Consequently, there has been a plethora of export performance studies with different indicators of measurement. The dearth of studies is due to the fact that, export firms are key contributors to growth in international trade, economic reforms, employment avenues and boost profitability.

In the study by Katsikeas et al. (2000) export performance was categorised using three measurement indicators: economic, non-economic and generic. Relating to the economic measurement include sales related, profit related and market share related. The most frequently used is sales related which includes variables such as export sales ratio, growth, volume and size though performances ought to be analysed using several indicators since the use of single measurement can be affected by other issues. The non-economic measurement used to evaluate performance deals with product related, market related and miscellaneous measures. The market related consist of five different variables which are widely examined although seldom studied. The aggregate export countries/ markets have been mostly studied though critics suggest that, these are unpredictable to the firm, products and marketing factors. Larimo (2006) suggested that, the use of number of export markets as a measurement for performance could be better used as a variable in analysing the various export strategy decisions of the firm. Finally, the generic measurement which has been less employed and only considered in studies focuses on perceived export success and achievement of export objectives as highly rated variables. These are basic measures of performance since they are unable to amply capture the domain of construct (Katsikeas et al.2000). The conceptual framework by Diamantopoulos and Kakkos (2007) clearly indicated that, a reliable export performance measurement must fulfil certain criteria:

- i. Must be composite and multi-dimensional with both objective and subjective measures
- ii. There is the need for frame of reference which can be used as a benchmarking tool against competitor performance

- iii. Export performance indicators can be assessed overtime in relation to frame of reference and/or time horizon.
- iv. Finally, it must reflect and have direct relation to the firm's strategic goals over a period.

Export performance is a complex phenomenon with different indicators. The study of Larimo (2006), outlined five mechanisms for evaluating performance. First, measurement should consist of multiple variables in order to obtain a complete result. Secondly, it must be both objective and subjective to achieve a neutral outcome. In addition, it must consist of all indicators, thus economic, non-economic and generic to ensure a logical result. Furthermore, all the export markets, products and customers must be included. Finally, both current and past time variations must be assessed. Although there has been an increase in extant studies on firm export performance, none of these are uniformly accepted conceptualization and operationalization of the construct (Sousa 2004). However, despite the numerous performance measurement variables, it appears some are frequently used than others, thus, export intensity, export sales growth, export profitability, perceived export success, export market share and export satisfaction with overall performance (Sousa 2004).

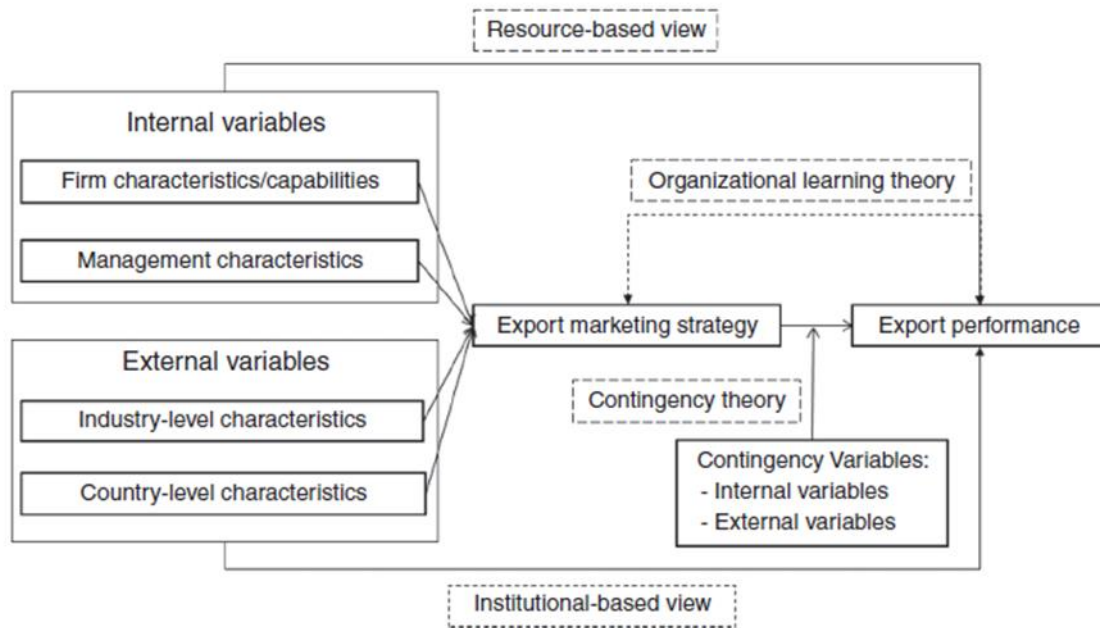
Building on existing literatures, Sousa et al. (2008) classified export performance into distinctive determinants: internal variables and external variables. The internal variables relate to firm level factors which consists of export marketing strategy, firm characteristics and management characteristics. The most frequently cited internal factor that influences export performance is the firm's export marketing strategy. It is undoubted that a well formulated export marketing strategy will result in successful export activity (Sousa et al. 2008). For SMEs especially from developing economies and considering their size and the limited resource capabilities, formulating a well export marketing strategy will help achieve strong market position. Since the foreign market is dynamic, it is imperative for firms to direct their marketing mix elements to meet foreign markets specifications. The external factors on the other hand relates to foreign markets characteristics and domestic markets characteristics. Every foreign market possesses some form of opportunities to be explored and possible threats which hampers the

operations of exporting firms. Firms internationalizing to foreign domains must consider the effect of cultural, governmental, and other market conditions which influences performance. The domestic market characteristics relates to the support assistance which positively affects export performance. (Sousa et al. 2008).

In measuring the export performance between family and non-family SMEs, Larimo (2013), revealed that non-family SMEs outperform family owned although the study indicated that, three variables reviewed: niche product/service, product adaptation, and communication strategies have the same performance impact on both firms. For instance, family firms usually ignore the level of experience and employ family members who often lack the necessary skills and knowledge to manage the firm which adversely affect performance.

Most export performance studies focus mainly on the linkage between antecedent and export performance and ignore the correlation between different determinants. Chen et al. (2016) provided a comprehensive insight of the on current export performance of firms. Their study identified three major issues which were ignore in previous studies, thus diversity, fragmentation and inconsistency all which were impediments to the development of export performance studies. Through the use of advanced statistical methods, Chen et al. (2016) explored the relationships between prior determinants and presented five new dimensions: measures of export performance, theoretical basis, fieldwork characteristics (i.e. country of study, industrial sector, firm size), sampling (i.e. sample size and unit of analysis), and statistical methods. For instance, with the country of study variable, although studies in emerging economies are low, there has been significant focus on export performance in Ghana. This is can largely be related to the extensive export activities of firms in Ghana. Figure 10 provides a conceptual framework of a more in-depth analysis of recent export performance determinants.

Figure 10. Export performance determinants (Chen et al. 2016:633)



Krammer et al. (2018) contends that the export performance of firms from emerging economies such as Ghana's will depend on the firm's specific capability and institutional environment. Firms are more motivated to engage in export activities when the home market is volatile with unstable political environment, high competition and corruption. Although Ghana is politically stable, issues like corruption in both private and public sectors affect the operations of firms. Most firms are motivated to seek opportunities outside their home market as they are unable to cope with the venal conditions (Abor & Quartey 2010). In addition, most firms seek export opportunities and other form of international activities as a result of competitive conditions in home markets. The proliferation of MNCs from developed nations seeking market opportunities in emerging markets like Ghana has led to intense competition. The resource - based view model, (RBV), explores the capabilities of a firm relating to its resources (tangible or intangible) enabling them to achieve competitive advantage and high performance. Based on RBV, the firm specific capabilities (skilled labour force, technological strength and experience of top management) are significant in achieving success during exporting. With all these capabilities in play, it is apparent that, firms achieve sustainable competitive edge when its strategies conform with its internal strength and access to external opportunities which positively impact on their performance. Although SMEs are often resourced constraint

during their internationalization process, success in the foreign market is a result of how the limited resources are adequately utilized. With all these capabilities feasible, it is obvious that, firms will achieve a successful export performance (Krammer et al. 2018).

Scholarly research in Ghana by Akomea et al. (2014), indicated that, SMEs willingness and level of commitment, resources allocated, mode of entry used tend to impact on the outcome of the export. Majority of the Ghanaian SMEs that have high level of commitment to export operations have positively impacted on their growth and survival in international trade than the one with less or no commitment. Sraha et al. (2016), also indicated that, the export performance of Ghanaian exporting firms is positively affected by both international experience and export commitment. International experience is thus referred to as “*the degree to which the firm’s management team has overseas experience, having lived or worked abroad, as well as the accumulated skills and abilities that help sustain the achievement of export market goals*” (Sraha et al. 2016). The prior international experience of key personnel shapes their mind, enables them apply knowledge acquired from previous workplaces leading to an effective performance in export markets. International experience is thus regarded as a valuable resource which influences the export performance of these firms.

As indicated in Hollensen (2011:323), the study of Dow and Larimo (2009) concluded that, business practitioners should comprehend that not all forms of experiences are equal. International experience from similar countries is positively related to high entry modes and experience in dissimilar countries seems to be unpredictable, thus sequentially exploiting each geographical region is advisable instead of moving from region to region. Taking this into account will augment the benefits of within-cluster experience. Committed exporters on the other hand, increasingly search for business opportunities globally to add up to their existing portfolio. Irrespective of the export dimensions, firms’ commitment to export activities is a key determinant for performance. Adequate measures such as export plans, entry modes, resource allocation are considerable to reduce uncertainties in the foreign market. As presented in Sraha et al. (2016), when commitment to export activities increases, the firm tends to direct more resources to this department which improves performance. The commitment to export thus transforms international

experience to a superior export performance. A firm that sees exporting as major boost to increase revenue usually prioritize it and commits more resources and human capital to achieve its goals, whereas firms that view export activities as secondary pays less attention to the outcome. The study conducted by Quaye et al. (2017) on some SMEs in Ghana shows the positive impact export promotion programmes such as trade fairs, tax and financial incentives have on export performance. In order to grow and create the most value from the product or service offerings, these firms must engage in the practices of strategic management because of high commitment, decisions, and actions designed and executed to produce a competitive advantage and earn above-average returns. In providing an explicit understanding of this study, multifaceted variables such as international orientation and experience, product quality, resource capacity, sales growth and profitability will be utilized in analysing the performance of the firms which has a direct impact on the firms' growth and survival.

2.7 Growth and Survival

The success of a firm in a foreign market depends largely on the method that the company uses to venture into that market. The survival, expansion and growth of firms is strongly influenced by export performance determinants. With the upsurge in global business the influence of competitive force, understanding export performance determinants and identifying key variables is essential to firm very survival (Sousa et al. 2008). The success of export performance has been the ultimate strategic decision-making process for firms. The export performance indicates the extent to which a firm has achieved its objectives and goals in international engagement giving the circumstances which the firm encounters in foreign domain.

Although global marketing strategy plays an essential role in determining a firm's performance in the global market, extant researches revealed that, de novo firms venturing into new markets experiences high failure rates in their initial stage of operation (Pe'er 2016). The exposure to multiple and diverse exogenous (competitive conditions) and endogenous (resource demands) stimuli creates an imprint for early adaptability to

the unknown market hence an internal receptive for change. In respect to realizing foreign market opportunities, SMEs are faced with the issue of liability of smallness and newness. SMEs are vulnerable to mortality because they lack the necessary relationships and status which are requisites to efficiently engage in both social and economic exchanges necessary for survival (Sapienza et al. 2006). The smallness of the SMEs sometimes results in lack of financial capabilities, difficulty in attracting qualified and skilled workforce, inability in paying high interest rates and other related administrative costs (Pe'er 2016). By attempting to expand into foreign markets, SMEs expose themselves to legitimacy problems since they lack the necessary knowledge, thereby resulting in the struggles of gaining competitive advantage over the indigenous firms with market experience and knowledge. The internationalization process model (Johanson & Vahlne, 2009) also elaborate on the dangers of internationalization of SMEs survival in the export market because these firms do not have sufficient time to get abreast of foreign market practices, hence increasing the rate of failure.

Despite these challenges, this study aims to reveal how SMEs from a developing economy, specifically Ghana grow and survive in foreign markets. Delmar et al. (2013) revealed that one of the main factors for SME survival and growth relates to profitability. Profitability helps firms to survive and grow, thereby reducing competitive pressures. Unlike any other firm which are prone to uncertainties, owners of SMEs use profitability gained from sales and revenue growth to learn about their productivity and as an internal capital for increase investment in the business (Delmar et al. 2013). Profitability is often linked with international growth as profits are the major proactive motivation for firms to go international (Czinkota et al. 2005:352). Compared to large firms, SMEs are less likely to survive and with high rate of exit which is related to poor sales performance and firms attaining good profitable margin enhances survival and growth. A marginal percentage increase in profitability will certainly reduce the probability of exit, which suggests that survival and growth of SMEs largely depends on how profitable they operate (Delmar et al. 2013).

Contributing to the survival and growth literature is the conceptual framework developed by Sapienza et al. (2006). The model was developed around three core factors, thus the

degree and age at internationalization; managerial experience; and resource fungibility which impacts on a firm growth and survival. According to Sapienza et al. (2006), the relationship between internationalization and firm survival is moderated by firm age. The relatively youthfulness of firms venturing into new markets is likely to influence their rate of capability development. With less established processes available and limiting their ability to adopt new practices, they are forced to capitalize on the emerging opportunities and create entirely new ones, such as taking high risks, proclivity to innovate and more proactive stances which requires significant investment. Although the chances of survival are hindered by these factors, Sapienza et al. (2006) asserted that, the capabilities developed in the foreign markets could be used to strengthen business activities in home markets, thereby increasing the probability of growth.

Drawing on managerial experience, the authors posit that, the knowledge gained through practices either individually or at corporate level contributes to a firm's growth and positively influences survival. Internationalization is an incremental and sequential process which is driven by the accumulation of knowledge from foreign markets (Johanson&Vahlne,1977;1990). It is obvious that, SMEs lack the needed knowledge when venturing into foreign markets, but the lack of managerial experience has been a major cause of failure for SMEs. A firm which lacks the necessary managerial experience, training and skills will result in the collapse of business (Maurel 2009). For instance, SMEs face huge consequences when there is a lack of basic managerial skills such as customer relationship management, inventory and account keeping, and other internal business practices. However, it is meritorious when employees or managers have gained previous experience which consequently reduces the cost and time spent on capability development.

In terms of international operations, the foreign market experience and knowledge is equally vital for successful operation. As indicated by Love (2016), knowledge and information about foreign markets can be acquired either directly or indirectly through recruitment, social networks or external advisory services. It can be argued that, the lack of prior experience in foreign markets among key managers affects both internationalization process and the problem-solving deficiency. Autio et al. (2000)

argued that, prior experience is not only an inadequate element for internationalization but even a liability to foreign operations as firms require extensive knowledge of the market to enhance successful operations. The probability of survival is high when the entrepreneur has prior experience and will be able to cope with uncertainties and conflicts. Prior foreign experience also creates strong positions in social structure among industry players which enables easy access to networks, hence facilitating growth. In exploiting foreign markets, SMEs intensify their experiential knowledge which is by virtue of continuous learning (Johanson & Vahlne 1990). Through learning which would lead to the discovery of new practices, a firm will have its own unique ways of managing resources. The knowledge acquired will help manage risks more efficiently and will increase the survival rate. It is also important for the firm to have a variety of international experience. A firm with multi-cultural and national will contribute to success with different creative ideas.

One of the core elements of failure of a firm is when resources are inadequate and unable to meet market demands. To achieve competitive advantage, SMEs must possess high control of those resources that are scarce and distinctive in the market. The survival of any firm is dependent on the role of resource acquisition. Resources include all but not limited to assets, capabilities, processes, information, knowledge and technologies possessed by a firm in implementing their strategies. Firms with adequate resources during the internationalization process are most likely to survive the constraint of growth in the foreign market (Schueffel et al. 2011). Firms that have valuable, rare, inimitable and non-substitutable resources are likely to be competitive and survive. The resource fungibility concept (thus, the extent to which the resources may be distributed for different uses at a low cost) “moderates the effects of initiation of internationalization activity on SMEs survival and growth” (Sapienza et al. 2006). The ability to deploy resources is key to survival of SMEs because the intrinsic uncertainty in foreign unknown markets can lead to abrupt conditions which requires an adjustment to routines and capabilities. In view of this, firms with more fungible resources can adapt their practices enabling them respond to changes and invigorate their chances of survival abroad. In addition to overcoming the liabilities of smallness and newness, firms need to acquire greater amount of resources which will boost their internationalization prospects. For

SMEs exploiting the international market, there is the need for resources to be amassed to sustain competitive advantage. Although the resource – based view which emphasizes the essence of intangible resources, Lee et al. (2012) suggested that, forming strong alliances with other firms operating in the international market will provide broad access to resources and greater external legitimacy which can stimulate SME survival. For SMEs, the importance of amassing financial resources to leverage performance and growth is obvious since it contributes vastly to growth and survival. For this study, all the growth and survival factors will be explored in order to gain insight into the international activities of the case firms.

3 THE STUDY CONTEXT

For a clear understanding of the context within which this thesis is being conducted, a confab of adequate knowledge is required. This chapter will therefore provide brief history about the economy of Ghana, the Non-Traditional Export and Agro Processing Sector, SME development and internationalization, and other related issues. Pictures, diagrams and tables will often be used for in-depth explanation.

3.1 Economy of Ghana

To appreciate the challenges and opportunities SMEs in Ghana encounter, it is important to delve into the national economic environment in which they operate. Formerly a British colony and covering a total land area of 227,540 sq. km. The country is located on the southern coast of West Africa, bordered by Togo, Burkina Faso and the Ivory Coast. Ghana has grown significantly in the areas of economic, political and social developments and has been touted as the gateway to Africa with strong influence on other nations within and beyond the African region. Over the last two decades Ghana continues to receive tremendous commendations and solid social capital for democratic system of governance, the independence of the judiciary, freedom of speech and press just to mention a few. Currently the country's population based on United Nations estimate is about 29.38 million people (worldometers 2018). Ghana has a tropical climate with weather temperatures between 21-35 degrees Celsius, which favors agricultural productions. Just like many other African countries, Ghana has a multi- ethnic social environment with over 70 ethnic groups and indigenous languages, but English has been predominant and the official language in schools, workplaces and other transactions. In 2014, Ghana was the second largest economy in west Africa, after Nigeria and the 10th largest in the whole of the continent. Ghana is gradually transforming from a semi planned to a market driven economy. The economy boasts of diversely rich resources, including but not limited to manufacturing and exportation of digital technology, automobiles, cocoa, timber and recently the exploration of oil. In a recent report on sub Saharan Africa, the increase in oil and gas production is predicted to strengthen and increase the growth of the economy

(Global economic perspective 2018). The country is ranked the world's 92nd largest exporter with top exports comprising of Cocoa, gold, crude petroleum oil. Over the two decades of democratic rule, the economic growth has been among the strongest in Africa at around 4.5 percent annually (OECD 2017). In 2016, Ghana was among the top ten exporters in Africa to have achieved growth (WTO 2017).

The gross domestic product (GDP) growth is centred on 3 main sectors: agriculture, industry and service. There has been an improvement in GDP from 3.7 in 2016 to 6.1 in 2017 and it has been projected the figure could rise to 8.3 in 2018 (Global economic perspective 2018). The projection was based on the increased crude oil production and measures the government is implementing to stabilize the economy. The Agric sector for long has been the largest employer with over 50% of the populace engaged in an agrarian activity. Since the rebasing of Ghana's GDP in 2010, there has been a massive shift from an agrarian to a service driven economy, with more than half of GDP obtained from the sector. The economic performance can also be probably attributed to reforms and programmes such as eliminating price controls, privatisation of state owned enterprises, open market for foreign investments by both current and past governments aimed at strengthening the country. In addition, the expansion in the oil industry has boosted economic growth despite the fall in recent oil revenue. Despite the significant growth, key economic drawbacks facing the country include the recent power crisis, high debt burden, the rising unemployment rate and the consistently poor performance of the country's currency on the international trade market.

3.2 SME development and Challenges in Ghana

The growth of the SME has been significant to the Ghanaian economy, especially by virtue of creating job opportunities and alleviating poverty. SMEs are catalysts in the socio-economic development in both the advanced and emerging economies as they drive the achievement of macroeconomic objectives. Aside the fact that it contributes to increasing GDP, it also encourages indigenous entrepreneurial skills, enhance regional economic balance through industrial dispersal and generally promote effective resource utilization that are considered vital in engineering economic development (Oppong et

al.2014). Ghanaian SMEs are typically family owned and dominantly controlled by the founder. Notwithstanding the difficulty in accessing data in Ghana, statistics from the registrar general's department suggests that 92 percent of companies registered are SMEs (e-services 2011). SMEs are exposed to vast array of opportunities for expansion and diversification across all sectors of the economy. While there is prevailing crisis in developed markets, the market size in Ghana and other emerging countries in Africa is seemingly growing with attractive opportunities for SMEs in manufacturing, food processing, pharmaceutical, IT and agrarian and service sector (e-services 2011).

Several years ago, financing and promoting SMEs was not the priority of government and little attention was paid to increase productivity in this sector. As the country is gradually transforming in to a market driven economy, the activities and operations of SMEs have received high recognition and considered the engine of economic growth. SME development has enjoyed much prominence in recent years than any development plans in Ghana. The role of entrepreneurial oriented individuals, foreign direct investment (FDI) inflows and the support of government must be appreciated since their efforts has led to a massive rise in SMEs in the country. Although SMEs development has been on the rise, their performance in respect to economic development has been questionable and a major concern for government and the private sector. Realizing their potential and importance to national development, the government has set up programs to support, promote and sustain their development. The mentoring and assistance, financial, technical, marketing and managerial assistance from the government are necessary for SME growth (Oppong et al.2014).

With the government focusing attention on industrialization and the importance of SMEs in national development, it was apparent to establish an integrated organization which will solely be responsible for improving the needs and empowering the SME sector. The national board for small scale industries (NBSSI), is exclusively responsible for promoting and developing micro and small enterprises in Ghana. The NBSSI's main objectives are to contribute to the development of the culture of entrepreneurship, creation of sound business environment for SMEs, protecting the interest of SMEs and facilitating access to credit by linking them with financial institutions (NBSSI 2017).

In addition, the government is in collaboration with other non-governmental agencies and foreign donors to support the growth of SMEs. Recently, the ministry of business development partnered with both German and Indian governments to acquire benefits and trade ideas in enhancing the growth in the SME sector. With growing awareness of the importance of nurturing entrepreneurship among Ghanaians and strengthening the local content, A “Made-in-Ghana” policy was re-launched in 2016. Further new policies such as the National Industrial Revitalization Programmed with a stimulus package for industry, a National Entrepreneurship and Innovation Plan (NEIP) and a One District One Factory policy to promote industrialization, curb the high unemployment problem and reduce poverty is currently underway.

Despite the massive contribution of SMEs to the economic development of Ghana, the sector has been faced with certain challenges which hamper their growth. According to the study conducted by Oppong et al. (2014), the growth of Ghanaian SMEs is constrained by financial and non-financial issues. Access to adequate funds has been a major setback to the implementation of many business ideas and the outward expansion of existing firms. Most banks are hesitant to give loans to SMEs because of inaccuracy in information, lack of adequate collaterals in case of default in payment which the banks can use to offset their losses (Ackah et al. 2014). In addition, most SMEs sometimes bloat their business plans with unrealistic figures and financial projections which adversely lead to credit denial by most financial institutions.

The integrity of any firm is particularly based on their transparency as a result of good record keeping. The prevailing corrupt practices which have negatively affected the Ghanaian society and wide spread in most business settings have prevented most SMEs from keeping adequate records. Many SME owners are culprits of tax evasions and illegal business practices, deterring foreign investors from supporting them (Oppong 2014). The lack and high cost of reliable supply of electricity has limited the operations of SMEs which have a direct impact on the economy. The magnitude of this bottleneck has led to the collapse of many SMEs since most are financially constraint to afford the high cost of acquiring extra power to run their businesses.

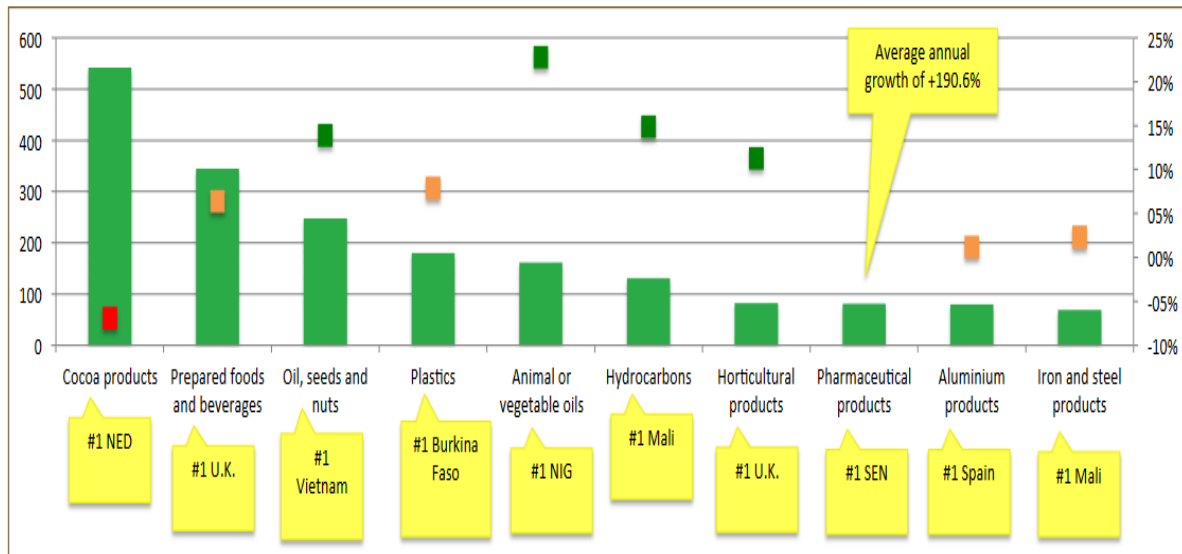
SMEs in Ghana operate in a deplorable environment with lack of basic infrastructure which hinders their growth and prospects of internationalizing. The poor state of

infrastructure coupled with inability to access market and other social amenities prevents the development and sustainability of both new entrants and existing SMEs. Although a wide range of structural reforms have led to the improvement of SME development, regulatory issues poses serious problems to SME operations in Ghana (Abor& Quartey 2010). The high start-up costs for firms, including licensing, registration requirements and long delays in granting permit for commencement of business imposes excessive burden on SMEs. In addition, settling of legal issues and the delays in court proceedings unfavorably affect the operations of SMEs (Abor& Quartey 2010; Oppong 2014).

3.3 The Non-Traditional Export and Agro Processing Sector of Ghana

The Ghanaian export sector is categorised into traditional and non-traditional. Whiles the county is famous for its traditional exports as defined in the 1995 export Act (Act 503) like cocoa, timber, electricity, mineral resources, unprocessed gold and other minerals, the demand and market for non-traditional exports such as handicrafts, yams, cashew nuts, prepared food and beverages, wood products, horticultural and fishery products, shea butter, textiles continually keeps growing. Currently, there are about 400 different non-traditional products in Ghana (GEPA 2017). With the government's continuous policies and incentives to increase exports to help balance trade deficit, some projected 5 billion US dollars (GEPA 2017) in revenue will be generated in 2019 from this sector due to its substantial growth. Meanwhile, GEPA report in 2016 indicated that the NTEs fetched the country 2.643 billion dollars in revenue though this represented a decrease of 2.3 percent from the previous year (GEPA 2017). It was further indicated that, NTE has contributed to 23 percent of total export in 2016 and this was achieved through the three main subsectors; agriculture, processed and semi-processed products and handicraft. Most of the export is done to close by geographical regions (Johanson & Vahlne 2009), where Burkina Faso was the largest export destination with 10.1 percent share of total NTEs in 2016. Figure 11 and Table 4 presents the top 10 NTEs sectors and their export performances between 2012 - 2016.

Figure 1 – Top 10 NTE sectors (green bars: USD million in 2016, squares: average annual growth '12/'16)

**Figure 11.** Top Ten NTE Sectors in Ghana (GEPA 2017).**Table 4.** Export performance of NTEs (GEPA 2017).

EXPORT PERFORMANCE 2016
ANNUAL UPDATE NON - TRADITIONAL PRODUCTS
Country and Market share (%)
Burkina Faso 10.08, United Kingdom 8.25, Vietnam 6.28, Netherlands 6.13, Togo 5.95, Nigeria 5.78, France 5.07, Mali 4.97, United States of America 4.61, Spain 4.39.
<ul style="list-style-type: none"> • Total export value of Ghanaian non -traditional products reached 2,463 million USD. A decrease of 2.3% over the year 2016 and an average annual growth of 1% during 2012 -2016. • Burkina Faso is the largest export destination with 10.1 % share of total non - traditional exports in 2016. It is main destination for plastics, while also present in the top three destinations in other sectors like aluminium / iron and steel products.

- Besides cocoa products, also prepared foods and beverages, oil seeds and nuts and plastics are large export sectors for Ghana. All these sectors have other main export destinations (respectively U.K., Vietnam and Burkina Faso).

- Pharmaceutical products (+190.6 %) reached the highest average annual growth over 2012 - 2016.

Largest export partner for pharmaceutical products was Senegal in 2016. Other good growing sectors over this period include animal or vegetable oils (+22.8 %), as well as oil seeds and nuts (+13.9 %)

The Ghanaian market is relatively open with complete free trade for members of the West African countries and reduced rate for other countries which is aimed to foster business activities (Diao et al 2014). The government and other stakeholders have implemented various strategies to promote agro processing which serves as a means of transforming the agrarian based economy into an industrial hub (Andam et al. 2015). According to the Food and Agriculture Organization FAO (1997), agro -processing is the transformation of products originating from agriculture, forestry and fisheries. The role of agriculture in creation of jobs needs to go beyond just the mere farming activity but by improving the non-farming sector through the development of agro processing, trading and other supplementary activities. In the past three decades, there has been a rapid growth in the agro industry in developing economies. As indicated in FAO (2017) the period between 1980-2005 witnessed almost a double increment in the shares of developing countries value addition in global manufacturing of agro processed products.

It is expected that, the agro processing will expand market for farmers and increase value addition to agriculture. In recent times, the demand for processed foods have increased significantly partly due to the rapid urbanization which serves as a motive for growth in food processing and adding value to agricultural products. Growth in income and increase urbanization in developing countries are factors that drive the demand for agro processed foods (Reardon et al. 2015; Tschirley et al. 2015b).

The (FAO 2017), contends that agro processing, marketing and logistics services tend to agglomerate in the major cities within a cluster area. Most urban dwellers in Ghana due to time constraints in preparing food rely on processed products. In Ghana, agro processing sector is classified into two groups: domestic processing and factory processing (Quartey and Darkwa 2015). The domestic processing are mostly local SMEs with low resource base, whereas the factory processing are mostly foreign based or large indigenous Ghanaian firms with high operating capital. With the presence and support from the private sector, export of processed horticultural products for instance had a positive impact on the economy as well as series of opportunities for adding value to agricultural products. In 2016, Ghana was the number one global exporter of cashew in shell (GEPA 2017). Consequently, agro business has undoubtedly been an integral part in the transformation of Ghana.

3.4 SME internationalization In Ghana

The internationalization of SMEs is key to both macroeconomic and export -firm growth. Proponents of firm internationalization explains that, moving abroad, a firm gains an increased market share which could potentially lead to increase in sales and volume of production (Anderson 2011). The study conducted by Osei – Bonsu (2014), emphasized the key roles SMEs play in revitalizing socio-economic conditions and contributing to employment opportunities through internationalization. Statistically, small firms tend to have high failure rates, yet most successful SMEs tend to generate high earnings in the foreign market. It is evident from both developed and developing economies that, the average firm engaged in exporting tend to be more productive relative to their competitors which focused all their attention to the domestic market. Internationalization is not just a matter of export, but the general issue is how companies become integrated into the global market. Kuada and Sorensen, (2001), argued that, being a latecomer into the foreign market with already industrialized players, it is challenging for Ghanaian firms to internationalize through export. The authors further classified Ghana's export products into traditional and non-traditional exports and expressed doubt about potential growth for the latter, since the former which comprises of products like gold, timber and cocoa have large export base making it difficult for the non-traditional to compete.

Most Ghanaian SMEs produce to satisfy the local market, due to the huge capital investment for engaging in international operation. The common feature of Ghanaian SMEs is considered as a “sequential and orderly process of increased international involvement and the associated changes in organizational forms” (Johanson & Vahlne 1977). The firms commit greater resources by move gradually to closely related markets (Johanson & Vahlne, 1977; Czinkota, 1982). For instance, SMEs in Ghana prefer to do business in Nigeria because of similarity in language and common business practices as well as the relative large market size. With a high fixed cost of entry into foreign markets, most Ghanaian SMEs considering their weak financial capabilities adapt the “waterfall strategy” (Onkelinx & Sleuwaegen 2010). This suggests a slow movement from one country to the other upon gaining experience and acquiring much resources. Overall, the mode of Ghanaian SMEs internationalization follows the gradual process, prior experiential knowledge and psychic distance assumption behind the stage model.

There is an increasing number of indigenous firms particularly in manufacturing and agricultural sectors that are actively engaged in exportation through similar international practices. The international activities of these firms are mostly limited to close geographical countries, with only a handful engage in export to industrialized markets. This limitation can be attributed to challenges such as resource constraints, questionable product quality, unattractive packaging, inability to meet foreign requirement, inaccessibility to appropriate technologies lack of foreign orientation of the business owners and finally little access to foreign partners (Abor, & Quartey, 2010; Anderson, 2011). In the pursuit of overcoming these challenges, the role and support of government has been significant in the internalization process of SMEs. Appiah et al. (2015) suggests that the support of government, technological innovation, entrepreneurial factors, easy access to finance have will have a positive impact on SME competitiveness in foreign markets. Anderson (2011) asserts that, unless the assistance of export promotion programs, it will be difficult for SMEs planning to enter foreign markets achieve their goals. Table 5 gives a summary of extant researches on SME internationalization in Ghana. It is important to note that, the terms export, internationalization and international orientation engagement are used interchangeably in different contexts but means the same throughout the study.

Table 5. Summary of Recent Studies on SME Internationalization in Ghana.

<u>Author</u>	<u>Title</u>	<u>Objective</u>	<u>Findings</u>
Kujala, I; & Törnroos, J. (2018)	Internationalizing through networks from emerging to developed markets with a case study from Ghana to the U.S.A.	<i>“To develop an understanding of SME internationalization in an emerging African market context using a business network”</i>	Considering the poor state of Ghana's economy, it seems that effectuation processes and capabilities were the only way for an entrepreneur or SME to prosper. In reality, effectuation processes and capabilities are strongly embedded in the local African business culture
Obi Berko, O. Damoah, (2018)	A critical incident analysis of the export behaviour of SMEs: evidence from an emerging market	<i>“To explore the critical incidents that trigger the export initiation of SMEs from the garment and textile sub-sector of Ghana”</i>	The study shows that, that being in the receipt of unsolicited order, winning government award and having international orientation are among the critical incidents that catapult SMEs in the garment and textile sub-sector of Ghana to initiate export business.
Quaye M; Sekyere. K. N; & Acheampong G. (2017)	Export promotion programmes and export performance: A study of selected SMEs in the manufacturing sector of Ghana	<i>“To understand the relationship between export promotional activity participation and export performance by Ghanaian manufacturing firms”.</i>	The findings of this study show that export promotion programmes (trade fairs, foreign offices and tax and financial incentives) have a strong positive relationship with export performance
Adomako, S; Opoku, A.R.; Frimpong, K (2017)	The Moderating Influence of Competitive Intensity on the Relationship between CEOs' Regulatory Foci and SME Internationalization	<i>“To investigating how the impact influence of CEOs' regulatory foci on firms' degree of internationalization depends on the intensity of competitive market condition”</i>	The findings of the study revealed when competition is intense in the domestic market, the potency of a CEO's promotion focus as a driver of internationalization is amplified. In addition, the research shows that intense domestic market competition weakens the negative influence of a CEO's prevention focus on a firm's degree of internationalization.

Sraha G., Sharma R.R., & Crick D., (2016)	Ghanaian exporters' international experience and performance: the mediating role of export commitment	<i>To examine how the interaction between international experience and export commitment enhances export performance</i>	The study revealed that, international experience enhances export commitment to increase performance outcomes as indicated in the strong effect within the two relationships.
Appiah K; Habte S; Burnley R. (2015)	Determinants of SME international competitiveness: a case of Ghanaian horticultural exporters	<i>“To examine the extent to which horticultural SME exporters in Ghana are competitive in the export markets”.</i>	The main findings suggest that government support policies, Access to finance, Technological Innovation, Entrepreneurial Factors, and the number of exporting destinations of the SME had a positive impact on the competitiveness of SME horticultural exporters in international markets.”
Osei-Bonsu, (2014).	Understanding the internationalization process of small-to medium-sized manufacturing enterprises (SMEs): evidence from developing countries	<i>“To explore the key drivers and influential factors such as; firm specific resources and key personnel factors that motivates manufacturing SME in the developing countries to internationalize their operations”.</i>	The study revealed that, successful internationalization requires a long-term commitment to the implementation of an internationalization strategy

3.5 SME internationalization in Africa.

Africa is arguably the most naturally resourceful continent with favourable climatic conditions but despite the abundance and diversity of these resources still ranked the poorest continent with high rate of impoverishment and excessive dependency on foreign aid (Obi, 2010). The modern dynamic trends in business implies that firms of all sizes are able to operate across national boundaries with minimum difficulties. This occurrence has largely enabled businesses especially those from emerging economies to internationalize even at an early stage of inception than decades ago (Anderson et al. 2004). Firm

internationalization strategies are becoming more salient in current business environments due to the constant changes affecting the business environments as well as homogeneity of markets. Most firms rely on feasible foreign operation modes such as exporting to expand their operations into foreign markets. Review of some existing literatures (Shamsuddoha et al. 2006;2009) revealed that though many studies of internationalization of SMEs in emerging countries, focus on Africa and Asia, there are some disparities within the two regions. In view of this, there is the need for separate studies from the African perspective to close these gaps and investigate more on the performance of the SMEs. Most of the studies conducted in this field are mostly used to generalize the activities of SMEs in Africa which is deluding and lacks foresight. For instance, the business culture in most countries are divergent which defies the concept of generalizing these studies.

The ability of firm internationalization largely depends on several factors, particularly in Africa, there are evidence of influential factors such as government role, market knowledge, owners entrepreneurial orientation (Matenge 2011). There are no vast disparities between firm internationalising in advance economies compared to emerging economies (such as Africa) in terms of primary factors that facilitate moving abroad. Despite the steady progress in certain African economies, the region as a whole still lags behind other geo-economic regions on several socio-economic indicators such as low involvement in global trade, investment flow, entrepreneurial orientations and political stability (Ibeh et al. 2012). Africa seems to be isolated and dissociated from global business and trade arguably due to the intense border restrictions (Carmody 2017). Whiles the likes of Europe and other continents have removed most trade barriers and there is flexibility in the trading among nations, free trading in Africa seems to be an impossible task, with strong national borders which are adversely affecting the free movement of goods and services. Adding to the increasing lacunae of trade is the poor infrastructure, technological and transportation systems linking Africa and the rest of the world is underdeveloped (Carmody 2017). Generally, there is limited depth of international involvement among African firms. Likewise, the global share of export mainly contributed through natural resources and other key marketable commodities have fallen to an insignificant level (Ibeh 2012). The retarded growth of exports and foreign investments in Africa is as a result of high transactional cost environment marked by

corruption, unfavourable macroeconomic policies, weak infrastructure, unattractive labour cost compared and developed regions and worst of it all is corruption (Ibeh et al. 2012). SMEs in the region operate in difficult environments and lack managerial, organizational, technical and technological resources to compete with foreign counterparts.

The lack of knowledge and unavailability of adequate information which has often been stressed on by extant literatures as an apparent barrier to internationalization has interestingly been identified more among SMEs in Africa. For instance, the article by Mursali (2012) on Tanzanian SMEs stressed that, due to the underdeveloped nature of markets for information acquisition and resource constraints, firms from this region encounter difficulties to export abroad. This assertion is not too different from other African SMEs of which most lack the resources and capability to invest in research and development and gain adequate market knowledge of exporting markets abroad. Undoubtedly, the lack of knowledge and information arise as a result of limited or unavailable export programmes in some regions to facilitate effective SME internationalization and apparently the limited resources on the part of SMEs.

Moreover, SMEs in Africa are mostly faced with problems of transport and logistics and shortage of electricity supply. Most businesses especially those in the remote parts lack access to good transport network which will link them to the ports for export coupled with the inconsistent electricity supply. Nigeria for many years has been the number one exporter of crude oil in the African region but the country has the worst possible supply of electricity which has affected vast number of businesses (Okpara, 2011). European countries have been the main target market for African exports, which apparently accounts for high shares than other giants in other parts of the world. Ibeh et al. (2012), revealed that, although majority of firms in Africa engage in intra-regional trade, the few that internationalise to other continents (particularly Europe) is as a result of proximity, size, attractiveness of the European markets, type of product offerings and probably an effective trade ties that might have been facilitated between businesses.

The problems facing the growth and survival of SMEs in Africa can be classified into four main categories: administrative, operational, strategic and exogenous (Okpara, 2011). The administrative focuses on the structure of the organization and their capacity

to obtain the necessary resources which are adequate for operation. The operational constraints relate to issues of how resources must be allocated in an effective and efficient manner. Thirdly, strategic issues relate to the ability of entrepreneurs to understand the needs of customers and design their product offerings in order to meet the demands of the market. Finally, the exogenous deals with other negative external activities like corruption, poor infrastructure, unstable economy which affects the growth of SMEs. Most African SMEs are hampered by illegal business practices, bribery and dishonesty which affect growth. (Okpara, 2011).

African SMEs have strong desire to engage in international operation not just intra-regional, but even to developed markets that are not proximate. Depending on the nature of the products and the demand from foreign markets, some SMEs may just concentrate on regional markets but others with confidence of success as a result of high demand of their products may target markets in developed countries without the usual gradual path. The efforts of governments and export driven groups in facilitating an increasing involvement in foreign trade is essential. The African Union can use its diplomatic ties with the European Union and other continental organizations to facilitate flexible trade agreements and partnerships for SMEs to operate. Furthermore, as a means of neutralising the export barriers, SMEs in their own capacity can build relationships and leverage network ties with both local and international partners in order to enhance resources and access to vital market information in the foreign markets.

The future trend of business in Africa looks bright. The research by Adeleye and Boso (2016), affirms that, with the increasing opportunities in the region, many firms are likely to proactively expand and compete with the successful firms. The push and pull factors have led to rapid internationalization of African firms and even those with limited resources and growth potentials are tempted to expand to other geographical regions. Interestingly, the proposed African Continental Free Trade Agreement which when effectuated, will promote regionalization activities, paving way for less border restrictions thereby boosting the intra African trade and business.

4 RESEARCH METHODOLOGY

In aiming to conduct an integrative review of literature, researchers ought to provide details of the methodology used by outlining how the literature was identified, analyzed, composed and reported (Torraco 2005). This chapter addresses the methodological frameworks, which explains how the research was conducted; data collection method, drafting questionnaire and other relevant issues. An appropriate research method will be taken into consideration and the research strategy which will be based on multiple cases. The chapter is intended to explain how both research questions and objective will be achieved, and a qualitative method of data collection would be utilized to get better insight about the topic to achieve the research purpose. The chapter will explain the research design, strategy, data source and collection and finally, the quality of the study would be presented.

4.1 Research Design

This study is based on the case study approach which involves the establishment of theories and explanations from cases. Research design addresses issues such as criteria for company selection, the population to be studied and the kind of information to be obtained. In order to create a coherent and logical structure of this study, it is essential to establish an accurate research design. Research design is a “logical sequence that connects the empirical data to the study’s initial research questions and, ultimately, to its conclusion” (Yin 2009:26). Thus, it outlines ways and procedures the researcher uses in achieving set objectives for the work. Generally, the design explains how the research question(s) will be answered, methods used in collection and analyzing data and the processes involved in conducting the study. The research onion (Saunders et al. 2016) as illustrated in figure 12 explicates the research design process in this study.

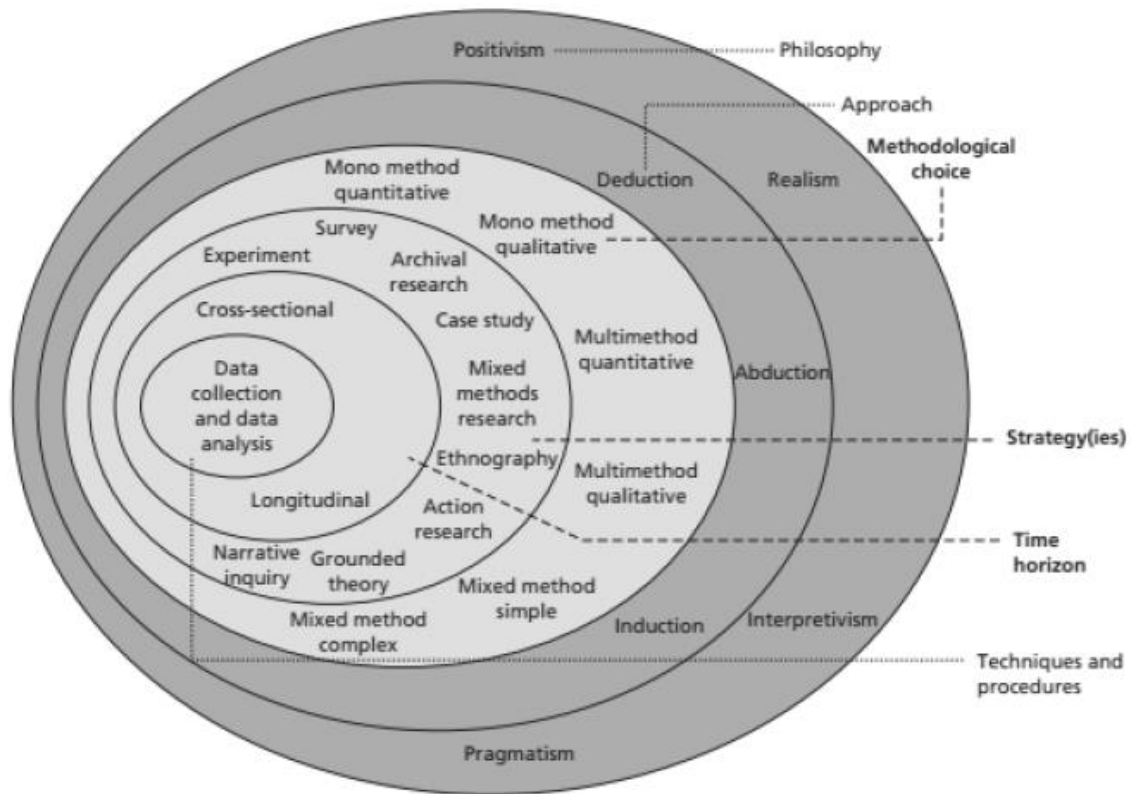


Figure 12. Research onion (Saunders, Lewis & Thornhill 2016)

4.2 Research Strategy

In conducting a social science research, case study is but one of the several strategies (surveys, experiments, histories and archival information analyses) utilized. According to Yin (2009:18), a case study is “*an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident*”. Just like other research strategies, case study is a way of examining an empirical topic through a set of procedures. Depending on conditions such as the type of research question, the investigator’s control over event undertaken and phenomena of study, each strategy is believed to have a peculiar advantage and disadvantage. When the research questions relate to “how” and “why” case studies are often used as compared to other strategies, especially when the researcher has little or no control over the events and the focus on current real-life situations. Case study research can be categorized into descriptive, explanatory, and exploratory. The

descriptive case studies analyze and present the sequence of an events under study, while the explanatory case studies answer the questions of 'how' or 'why' and finally, the exploratory case studies provide answers to the 'what' or 'who' questions. Furthermore, regardless of the type of case study, researchers should be cautious in designing cases to avoid the traditional criticism of lack of rigor. (Yin 2009:224).

Since this research is exploratory, a multiple-case study method is decided, because it is appropriate for answering the research questions especially focusing on the topic being studied. In this study, the purpose of using a multiple case is to serve as a basis for empirically testing prior theories and research findings relating to this topic. The choice of multiple cases provides detailed analyses within and across the study context from which the researcher can obtain a more generalized and robust result. Comparing case studies with other research strategies (experiment, survey), it is often used to cover up for contextual conditions because they are deemed suitable for phenomenon of study (Yin 2009). For instance, in a survey, although the designer deals with phenomenon and context, investigating the context becomes extremely limited, as reducing the number of variables to be analyzed becomes a problem. Case studies helps in obtaining a unique knowledge from the respondent under study, social and organizational events. Saunders et al. (2016:183) indicated that, using a holistic multiple case, the researcher can wholly examine the organization and there is a potential for success by business practitioners if they effectively implement the findings. The use of case study strategy comprises of an all-encompassing method which leads to designing specific and comprehensive data collection and analysis (Yin 2009).

4.3 Research Approach

The approach to designing researches are based on either inductive, deductive, or abductive process (Saunders et al. 2016:51). For deductive, the researcher adopts a clear theoretical approach by testing the data collected. Deductions are used to determine the validity of arguments used to test the theory. The approach is often applied when gathering empirical data which is used to either support or refute hypothesis (Saunders et al. 2016:52). In contrast, the inductive approach is when a researcher explores and

develops theoretical explanations through the reliance on empirical findings. Using the inductive approach does not necessary prevent the researcher from using existing theory to formulate research questions but to integrate the data collected into a meaningful idea to build a theory (Saunders et al. 2016:52). In conjunction with both inductive and deductive approach, the abductive approach which is described by Dubois and Gadde (2002:554) as “*a process where theoretical framework and empirical fieldwork and case analysis evolve simultaneously*”. This approach combines both empirical findings and theoretical framework to draw a conclusion. This approach helps the researcher to determine which research strategies or methodologies are either suitable or otherwise for the research (Saunders et al. 2016:149). The research approach used for this study will be more deductive, as the aim is to redefine, and test existing theories based on the current empirical findings. Consequently, the research which has already explored the necessary literatures will be followed by the empirical part.

4.4 Data Collection Method

In seeking to acquire an explicit knowledge of the growth and survival of Ghanaian Agro processing SMEs internationalization, a qualitative research method will be used. In qualitative data collection, purposeful sampling is used so that individuals are selected because they have experienced the central phenomenon (Creswell 2009: 217). Saunders et al. (2016: 569), distinguished qualitative data from quantitative as “based on meanings expressed through words (spoken and textual) and images, collection results in non-standardized data requiring classification into categories and analysis are conducted through the use of conceptualization”. Meanings are simply derived from words and images and not numerical presentations. To measure the quality of research depends on the clarity of both data collection and analysis (Saunders et al 2016: 568). In view of this, data will be collected from several authentic and credible sources through both primary and secondary means. Both sources will serve as an origin for gathering the data to ensure a better understanding of the phenomenon under consideration. The primary data will be gathered through interviews with the respondents.

A research interview as defined by Saunders et al. (2016: 388), is “*a purposeful conversation between two or more people, requiring the interviewer to establish rapport and ask concise and unambiguous questions, to which the interviewee is willing to respond, and listen attentively*”. Using interviews will give us an insight of the experiences and perceptions of the respondent about the study topic. Interviews are important data collection method in a case study as it provides the researcher with valid and credible data which are pertinent to the research questions and objective (Yin 2009). In a case study, three types of interviews are mostly used; structured, unstructured, and semi-structured. In structured interviews, the questions are standardized and predetermined whereas in unstructured the conversations are informal with no predetermined question which allows the respondent to express freely about the topic of discussion. The semi structured also refers to qualitative research interviews that allows the researcher to utilize a list of themes and key issues to be covered and depending on the flow of the interview, the researcher use additional questions to achieve the interview goals. (Saunders et al 2016: 390).

A well semi -structured questionnaire was designed and used as a guiding tool during the interview. An outline of topics and themes was prepared with questions and terms that will be easily understandable by the respondents. This is aimed at allowing the respondents to freely express themselves. The WhatsApp platform was used as medium of communication between the interviewer and the respondents since it is the cheapest and most commonly used platform. To develop a deep knowledge and understanding of the cases under study, secondary data gathered through documents, survey and multiple sources (Saunders et al. 2016:319), will serve as an auxiliary information source. The secondary data for the research was obtained from governmental websites, company reports, articles, journals and other authentic gazettes (Saunders et al. 2016:) in Ghana. To ensure the accuracy of the data gathered, top management personnel were interviewed. The choice was either the founder, CEO, managing director or the export manager to acquire adequate information of the firms’ international activities. A total of four companies of Ghanaian origin was selected and analyzed for the study. These firms met the criteria of being an indigenous Ghanaian SME, involved in active export activities and suits into the definition of an SME. The company selection criteria were based on their involvement in international activities which is the focal point of the research.

4.5 Quality of Study

The principal aim of qualitative research is to address issues pertaining to human lives and social world. To measure the quality of the research the participants view must be fairly represented in the analysis. The quality of a qualitative research is determined by “whether participants’ perspectives have been authentically represented in the research process and the interpretations made from information gathered are authentic”. (Fossey 2002:723). Moreover, the research findings must be logical and coherent from the context in which data was obtained. Reliability and validity are often used to determine the accuracy of the research. It determines the trustworthiness of the overall research and study. These two factors are interdependent and used to measure the quality of the research. Reliability refers to “an indicator of a measure’s internal consistency; dependability of the research, to the degree to which the research can be repeated while obtaining consistent results” (Quinlan et al. 2015:24). To determine this, respondents must respond in the same manner to identical questions. This implies that, irrespective of who conducts the research, the same results should be obtained and there should be stability in the measurement. Validity on the other hand refers to the “how logical, truthful, robust, reasonable and useful is the research; the accuracy of a research measure or the extent to which a score truthfully represents a concept” (Quinlan et al. 2015:24). Due to the qualitative nature of this research, both the validity and reliability are contestable (Saunders et al. 2016:202) since the answers given by the respondents are based on their individual thoughts and perception. The study measures what it intended to be measured and must be valid, reliable and useful.

Although both reliability and validity are extensively used in measuring research quality, this study will adopt the measurement cited in Shenton (2004) which was based on the classical work of Lincoln and Guba (1985) to measure the trustworthiness of the study. The criteria include (credibility, transferability, dependability and comfortability) which all corresponds to both validity and reliability. What constitutes a credible study is whether what was supposed to be investigated or researched was rightly done. The credibility of this study is related to the interviews granted which was directly linked to the theoretical review. The small sample size which comprises of only four firms out of

numerous firms limits the trustworthiness of the study. In spite of the small sample, the result obtained could be generalised and applied to an extensive domain. These research findings can be transferred to other SMEs in Ghana who are engaged in similar international operations with the aim of growth and survival. The dependability criteria relate to the extent to which the study can be replicated depending on the context and region of the study. Although this study is limited to only Agro Processing SMEs, the growth and survival factors and other stimuli for internationalization can be reproduced by other sectorial SMEs which are participating in foreign businesses. The final criterion which is confirmability concerns the originality of the study. The study must be a true reflection of the subject studied and not the influence of the author. The confirmability of this study is tested by the interview questions and the direct responses from the interviewee was quoted without any influence or alteration from the researcher. (Shenton 2004).

The importance of power relations between the researcher and the respondent needs to be transparent during the collection, analysis and presentation of data highlights the quality of a study (Fossey 2002). In this study, the respondents were made to feel comfortable in answering the questions and the interviews conducted in simple language in which the respondents adequately express themselves. The study also adopted multiple information sources and, the interviews were conducted with key decision makers of the firms. Additionally, the language used will be comprehensible by the respondents and the same questions will be administered to all respondents to prevent an issue of inaccuracy. Figure 13 shows the general process used in the study.

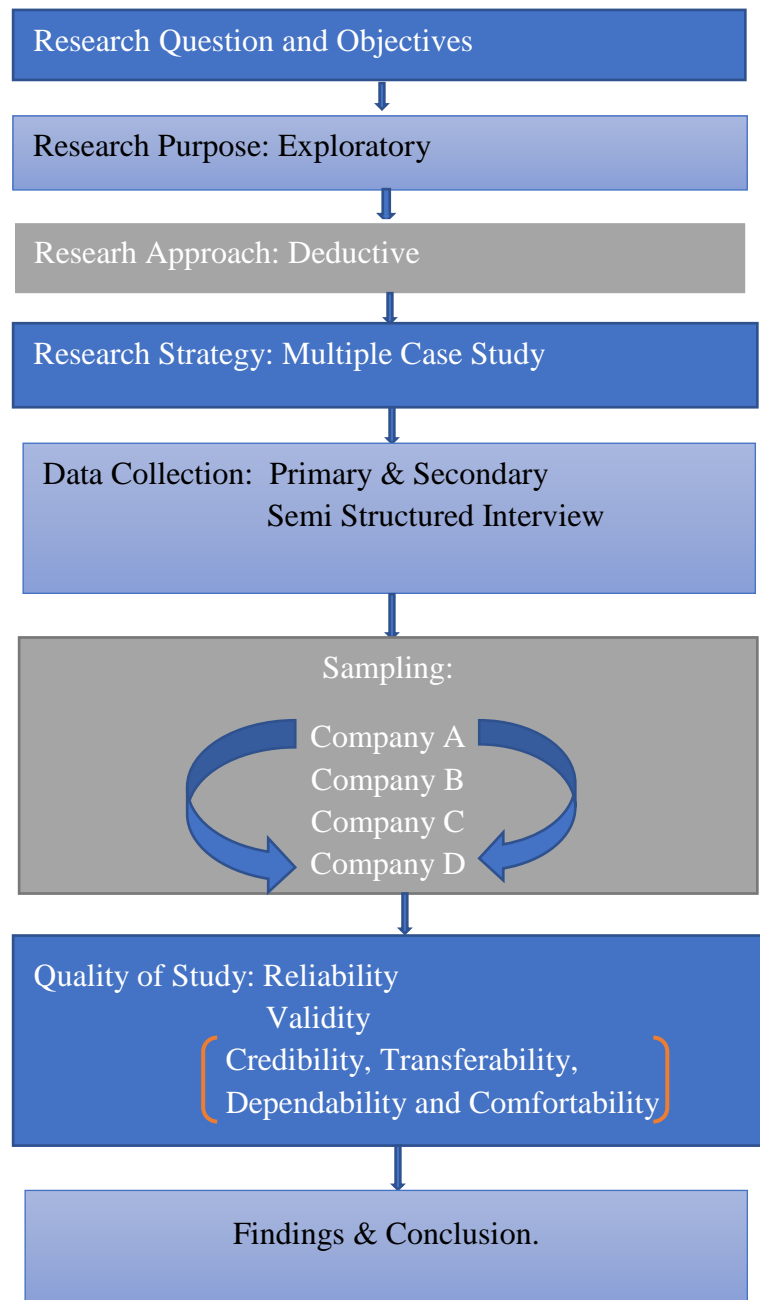


Figure 13. General Research Process

5 EMPIRICAL FINDINGS AND ANALYSIS

In this chapter, the findings gathered through the interview with the case companies' representatives will be presented. A total of four companies which fulfilled the criteria of an SME, Ghanaian origin, operate in the agro processing sector and have been involved in an active international operation for at least the past 3years. Due to the busy schedule of the respondents, each interview was estimated to last not more than an hour. Respondents' consent was sought regarding the recording of the interview, as it was made explicit to them that the whole data gathering was purely for academic purpose and the information divulged will be highly protected. The participants were also fully assured of their rights of confidentiality and privacy. In this regard, the case companies were labelled A, B, C, D and no individual names mentioned during the process. Furthermore, for the sake of clarity and easy understanding, the whole process was conducted in English as it is the official language of Ghana. First, a brief background of the case firms outlining their internationalization process was introduced using both secondary and primary sources. It continued with further analysis based on firm's motive for foreign engagement, challenges, performance and factors for growth and survival.

5.1 Background of Case Companies

Company A

The firm started its operations in 2005 through the collaborative efforts of three entrepreneurs with a uniform aim and vision of becoming one of the leading exporters of Ghanaian chocolate and confectionery products. With an employee size of 86 personnel, the company transforms and processes Ghanaian cocoa beans into rich luxurious chocolate and confections through creativity and imaginations in order to satisfy both local and foreign markets. The company makes an annual turnover of close to a million US dollars during the past 3years through sales in both domestic and foreign markets. Switzerland has been the top export destination although the firm operates in 13 countries across 3 continents (Africa, Europe, Asia). The products range from 100 percent dark,

white, bissap and milk chocolates. This company has been a benchmark for several companies in Ghana because of its continual high performance and quality of products. With Ghana being the second largest producer of cocoa in the world, availability and access to raw material was unchallenging.

Company B

Company B is a wholly Ghanaian owned firm which was established in June 2006. Its main office is in the industrial area of Tema in Ghana. With a current employment of 80 permanent personnel, they deal in variety of processed wheat, maize and fortified soya beans cereals for both adults and infants. The firm is owned and managed by an individual Ghanaian entrepreneur with vast experience in business, food science and industrial engineering. The vision of the company is to become a premier MNC fortified food manufacturer making nutrition affordable and convenient through technology, innovation and skilled labor. The company operates only in the African continent and currently present in 15 countries with Nigeria being the highest export market. Although most of their activities are conducted in the Ghanaian market, 45 percent of their products are exported to foreign markets. This company is considered as one of the successful start-ups with several national awards and recognitions. The respondent is the founder and CEO of the company with two master's degrees in the field of business and management and other diploma certificates obtained from the United Kingdom and France. With his multi - lingua skills he worked with various firms across the world which has been key to the firm internationalization process.

Company C

This is a fully owned Ghanaian company within the fast-moving consumer goods industry. It was established in the year 2003 as a limited liability firm which focus on the export of red palm oil and other ethnic foods to Europe, America and multiple African markets. For the past decade, palm oil has been the company's main product serving as a niche product for Ghanaians in the diaspora. The company was founded by a female entrepreneur with a dream of building an agro-business realm through adding value to agro products. The founder is a graduate in food science and hold an advance diploma in

business administration from studies in US and UK respectively. She had previously worked in US, UK and South Africa on temporal basis before relocating finally to Ghana.

The birth of the company was a result of the founder's inability to secure a sustainable job hence venturing into a business of a her own. The company plans to become a global food ingredient firm, through the provision of quality, innovative, authentic, ethnic and culinary range of African food products. The company has grown tremendously in both local and international market due to high level of managerial efforts and dedication to achieving success. With an employment capacity of 70 permanent and 25 temporal workers, the firm exports mainly to Egypt, USA and Europe. Company C has been the recipient of various awards and recognitions; both locally and internationally. With modern equipment and ease in accessing raw materials, the firm has been able to supply sufficient products in serving all its markets.

Company D

This is a food processing company which was incorporated as a limited liability firm in September 2012. Founded by a retired civil servant with vast experience in the sector of business and agriculture, the company is considered as one of the finest firms that produces more than 6 different tropical fruit beverages. The respondent who is the CEO held various high profile governmental positions and has studied in Nigeria and UK. He holds an MA in public administration and an executive MBA in management. The respondent worked for various firms both domestically and internationally. The firm is headquartered in Accra and has permanent working staff of 35 people. With the vision of becoming one of the best producers of quality fruit beverages in the world, it has invested highly on technology and infrastructure geared towards producing products for both local and foreign markets. The company prides itself in producing and delivering fresh natural fruit juices with zero additives, colors, chemicals or any form of flavors. Table 6 below shows the summary of the companies' profile.

Table 6. Profile of Case Companies.

Company	No. of Employees	Products	Year of Est.	Annual Turnover	Respondent	Major Markets
A	86	Dark, white, bissap, milk chocolate	2005	Approx.: USD 1 million	Second Vice President	Switzerland, Africa, Europe, Asia
B	80	Maize, wheat, fortified soya beans cereals	2006	Unspecified	Founder/CEO	Nigeria Africa.
C	95	Red palm oil, ethnic foods	2003	USD 0.8 million	Founder	Egypt, Africa, Europe, USA.
D	35	Tropical fruit beverages	2012	USD 0.35 million	CEO	West Africa; Nigeria, Togo, Cote D'Ivoire and Liberia

5.2 Internationalisation Process

Company A

On the entry mode selection, the respondent indicated that, throughout their international involvement, exporting was the only mode utilized. He further indicated that, depending on the market factors (e.g.: proximity, accessibility to customers and infrastructure) they either operate directly or indirectly. The respondent also disclosed that, the firm is proactively seizing opportunities in foreign markets and efforts are being made to enter into at least two foreign markets each year. Plans are also underway for a joint venture agreement with a Singaporean firm although it is in the early stage.

Company B

The main market entry policy is exporting, either direct or indirect. The products are mostly exported to foreign markets through agents, foreign wholesalers or distributors. In some markets, the company owns its production facility and products are distributed through its sales representative. As reported by the respondent, the firm has been able to minimize its cost of transport and logistics, export barriers because of its production facility.

Company C

Exporting has been the main entry mode for this company. Aside the UK and Danish market which the company have established foreign sales subsidiaries, the firm exports mainly to via its wholesale entities in most of the markets.

Company D

In addition to the home market, the firm exports to four additional West African countries (Nigeria, Togo, Cote D'Ivoire and Liberia). With Nigeria been the main export market, the firm utilizes indirect means of entry into its markets. Products are usually exported through foreign agents and distributors. Traditionally, the firm concentrates mainly on the Ghanaian market with about 40% of products exported. Figure 14 provides a summary of the internationalization process of the case companies.

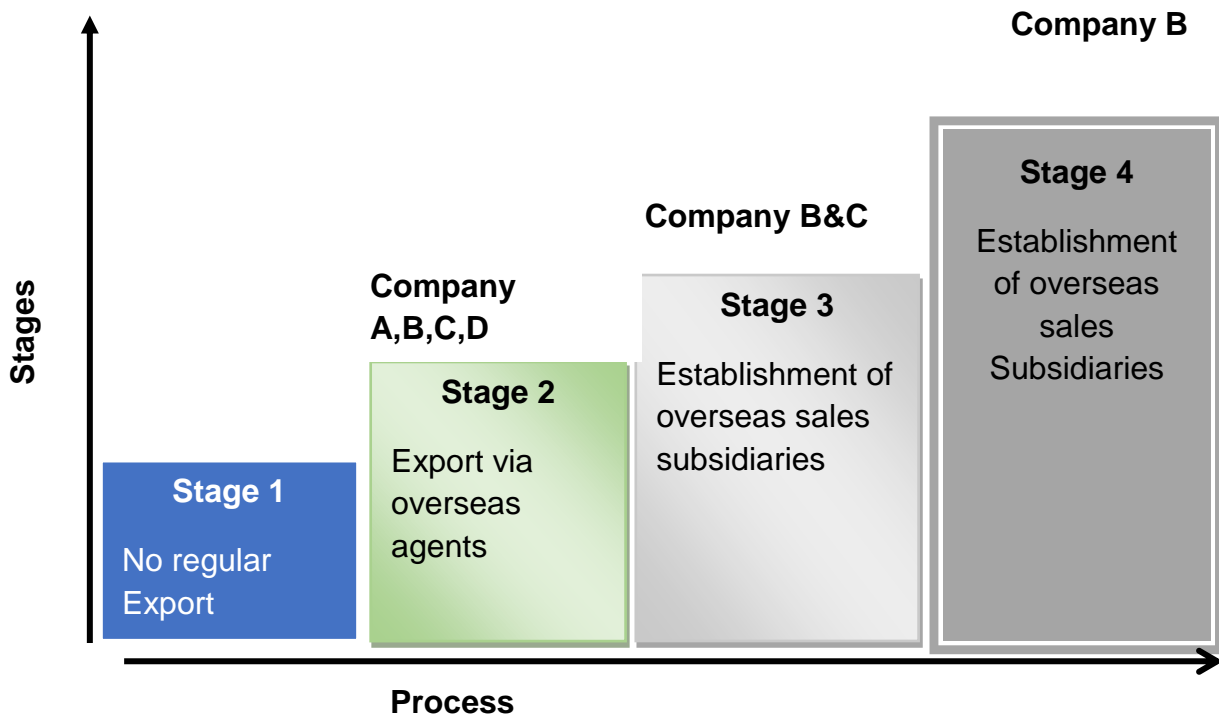


Figure 14. Internationalization Process of case companies.

5.3 Triggers for Internationalization.

The result from the interview and data collected is in accordance with the main stimuli for internationalization as exhibited in the theoretical review. Although most of the firms have similar motives others have differential reasons why they ventured into foreign market. What was common among all the firms was their desire to gain profit.

According to the second vice president who doubles as the director in charge of international operations for **Company A**, the whole idea of venturing into foreign markets was not the initial plan when the firm was established. He disclosed;

“At the start of operation, going abroad was not something we envisaged or anticipated. We had less knowledge about international business since it was not our focus. Our plan was to seize the opportunities available in the Ghanaian market and become the industry’s finest”.

The push for internationalization was engineered after a market survey in 2012, when the firm realized that most of their distributors in the home market were exporting the firm's product and making significant gains. The respondent further explained that although the company was a bit hesitant in going abroad, in 2013 after intense market research and analyses, the firm took a bold step by exporting to the Ivory Coast and Nigeria simultaneously. In further expression of the firm's international engagement, the respondent stated that;

“In the subsequent year we pooled our resources together and embarked on international operation through exportation. Although the fear of failure was our major concern, we engaged the services of consultants and did some researches before initiating our export activity”.

What emerged from the interviews was the firm's desire to increase profit and seize market share in the foreign market.

Pertaining to how **Company B** started its international operation, the respondent revealed that;

“The wakeup call for internationalizing started when we first exported to Nigeria 5 years after our inception (2011) through partnership with a local firm. After few months we realized there was an increase in demand not only in the Nigerian market but elsewhere”.

As part of their internationalization stimuli, the firm identified the potential to expand to the other geographical regions by virtue of the increase in demand from Nigeria and subsequent West African States. The international market offered new opportunities for growth and survival for the firm. Having had several international experiences, the respondent also admitted that his interest in the international market was a motivational factor for moving abroad.

“I have had over a decade of both educational and professional experience across the world so it's not by mere chance that I wanted to see my company operate overseas”.

The desire of the manager to internationalize reflects on his general entrepreneurial motivation of continual market expansion and growth. In addition, the respondent also stressed on the saturation of the domestic market with competitive products hence the need to expand operation abroad.

“The Ghanaian market was choked with similar products and sales growth have often been stagnant” said the respondent.

Company C on the other hand was involved in a re-internationalization process. As revealed during the interview, the first exporting was initiated in 2005 to Egypt but later that year, the firm halted its export activities due to certain constraints; lack of capacity, weak financial capability and external forces which the firms taking in to account its size and age could not handle. The rebirth of internationalization started again in 2010, after an in-depth market research and analysis vis a vis consultancy services. The respondent stated;

“I had a strong feeling there are great opportunities for my firm to succeed in the foreign market. I never gave up even though I was unsuccessful in my first attempt and lost significant amount of capital”.

The respondent explained that, they had to critically study each market due to the previous unsuccessful experience as well as the limited resources at their disposal. The demand for products from customers especially in the foreign market has been a motivational factor to export. The respondent acknowledged that, the high presence of African nationals especially Ghanaians in both the US and European markets has been a major factor for increase export to these regions. In addition, the respondent stated that due to the nature of their products which are basic in every Ghanaian home, concentrating only on the domestic market would not be sustainable in the long term with increased competition hence the need to target foreign customers. In addition, the desire to increase the firm's profit margin and market share necessitated the need for expansion in to other foreign markets. The profit margin in the domestic market seem marginal and through their foreign involvement, the firm was able to bolster its profitability. Regardless of the motives, international involvement provides opportunities for firms to improve productivity and solidify their chances for growth and survival.

Finally, the major reason which necessitated the export initiative of **Company D** was the entrepreneurial desire of the manager to operate abroad and maximize profit. Exporting right from the onset has been on the agenda of the founder, which however engineered the firm's internationalization activity. The respondent noted that, broadening the size of the market share and exploiting opportunities in the international market which optimistically will yield profit is the main reason for the international operation. In addition, with the growing number of firms producing similar products, the competition in the home market intensified and the respondent admit that venturing abroad will help the firm achieve economies of scale and growth. The respondent had this to say;

“Since the lifecycle of our products are short and with our modern equipment, there have often been high production, our trading in these proximate countries has helped us achieve economies of scale and increase in profit”.

The respondent indicated the firm's willingness and commitment to internationalize since they anticipate right from the inception that the foreign market will generate significant gains for the firm. Table 7 presents a summary of the motives for internationalization by the various case companies.

Table 7. Motives for Internationalization by case companies.

Company	Motives
A	<ul style="list-style-type: none"> ➤ Increase profit ➤ Growth opportunities
B	<ul style="list-style-type: none"> • Market expansion • Demand from customers • Growth opportunities • Entrepreneurial desire • Saturated market
C	<ul style="list-style-type: none"> ✓ Demand from customers ✓ High competition in home market ✓ Increase profit and market share ✓ Growth opportunities and increase productivity.
D	<ul style="list-style-type: none"> • Entrepreneurial desire • Maximize profit • Expand markets share • Exploit foreign opportunities • Intensified competition in home market.

5.4 Challenge and Solutions

This paragraph provides the challenges each company face in their involvement in international operation and the steps taken to minimize those challenges. Although all the companies encounter similar challenges in their international engagement, most of the respondent were critical about the issue of bribery and corruption and their operations within the African regions.

Company A

Regarding the challenges of operating abroad, the interviewee revealed that, several issues were encountered during their international involvement. In the initial stages, respondent alluded to the fact that, the lack of financial capital was a major issue since they had to incur unexpected costs in the foreign market. Every single market the firm

enters possesses different issues but within the African countries, they are mostly faced with issues of bribery, corruption as well as theft. The interviewee divulged;

“Although it is against the ethics of business, I must be sincere with you, our survival in most African countries largely depends on our ability to negotiate and make illicit payments for permits to be granted”.

Further to add, the firm’s products were frequently purloined and vandalized at the ports and storage facilities. Language barrier has been the major hiccup in the Asian markets. The language difficulty has prevented the company from fully understanding the customers’ demands and obtaining some vital market information. For the European markets they are confronted with the issue of Customs and trade regulations as well as high taxes. Although the firm operates in only two European markets, the high tax on their products affects their profit. International competition has also been an impediment to the internationalization process of the firm especially as high MNCs with their enormous resource capabilities have dominated most markets. The interviewee was quick to add that, although the foreign markets have been challenging, steps are being taken to minimize the problems. One of which is the close cooperation with stakeholders in the markets.

Company B

According to the respondent of company B, operating in foreign markets have been challenging. One of the main challenge they encounter in the initial stage of internationalization was access to capital. Considering the smallness of the firm, access to operating capital was limited and the sole source of financing was the owner’s personal savings. Most SMEs in Ghana are under-capitalized which remains a major challenge for their survival. Entrepreneurs tend to depend largely on personal or family savings to support their business. The respondent further claimed that;

“Banks and other financial institutions were reluctant in granting us loans and financial supports during our initial years of operation”.

Currently access to capital has been moderate as the firm was able to improve on its performance with high returns. The firm adopted a reinvestment strategy which has been key for expansion as they mainly rely on yearly profits and financing from banks.

The alarming spate of product duplicating by some local firms especially in the Nigerian and Senegalese markets has been another major concern to the firm. There has been some form of product imitation in most markets of operations in Africa and this has dented the image of the firm as customers face complications in identifying the right products. In overcoming this, the firm investment highly on advertisement and engage in series of campaigns to inform customers on identifying the right product especially in the markets where the duplication is rampant. Measures such as effective collaborations with local authorities are being facilitated in some markets to help reduce the menace.

The respondent was a bit reserved on the issue of bribery and corruption in their foreign engagement but admits they often succumb to some external forces, hence engaging in certain irregularities. Probing further on the challenges faced by the firm in foreign market engagement, the respondent highlighted on issues with high taxes and duties, intense customs and trade regulation in all markets. In overcoming these impediments, the firm resorted to collaborating with local authorities, the Ghanaian Diplomatic Missions present in those markets. The respondent also believes that, the African Union treaty which legitimizes free trade among member states when fully implement will ease the difficulty of doing business within the African territory.

Company C

On the part of company C, there have been similar challenges as encountered by the erstwhile firms. The respondent lamented bitterly to many issues and admitted to how those issues have adversely affected their operations. He expressed disappointment on issues pertaining to bribery and corruption, border controls, unfair competition which they specifically encounter within the African continent.

“I cannot fathom the reason why I should bribe for a common clearance document to be approved before we clear our goods at the ports of Country XYZ”, the respondent bemoans.

More often than not, there have been issues with documentation and red tape which delays the delivery of products. Trading across African borders has been cumbersome, and the respondent believes that the implementation of an automated customs management system and the passing into law the African treaty which permits free movement of goods and services will minimize this issue. Within the European and the US markets, the firm faces issues such as high taxes, market legislations, discrimination and unfair treatment from local authorities. Products quality compliance and logistics management have also been an issue for the firm especially in the US and European markets with austere consumer protection laws and stringent regulation. With the constant fluctuation of the Ghanaian currency as against its major foreign trading currencies (US dollar and Euro), the firm performance in the international markets have been hampered as the devaluation of the exchange rates affect export activities. In overcoming these challenges, the interviewee stated that;

“In as much as we tried to put effective mechanism and cooperate with authorities in minimizing certain issues, we have come to a stage where these are no more issues but rather common business practices which we had to adhere to”.

In coping with difficult markets conditions, the firm sometimes sort the assistance from government and some reliable Ghanaian firms operating in certain markets. The respondent also indicated that, due to their domestic experiences in tackling issues, they have been able to successfully tackle most challenges as a result of adapting and readjusting the firm’s approaches in order to survive the international market.

Company D

Few bottlenecks have hampered the firm during their internationalization process. Common among them relates to financial constraint which has been the major challenge for Company D. Taking into account the firm size and age, the respondent indicated;

“the initial stage of our exportation has been extremely difficult. We incurred so much unexpected cost that affected our operations”.

The respondent admitted that, they were not in the right position to access loans from financial institutions since most of the micro finances have outrageous interest rates. In

addition, during the initial stage, most financial institutions denied the firm in accessing credits due to their limited assets to be used for collaterals. Since the firms deals mostly with agents, distributors in most of its markets, the has been issue with payment when most of their partners either refuse to pay for the products or delay payments. When asked about whether the firm has encountered any form of bribery and corrupt practices, the respondent openly stated;

“I will say a resounding yes. Every market we enter there has been some form of illicit business practices especially with officials at various government agencies. They always want to take money from illegally, but we never succumb to their pressure”.

The respondent further admitted to the strenuous stress the firm endures with border control and customs officials at various entry points. The poor conditions of the road infrastructure have also been a main concern. The transportation network between the operating countries are very poor to the extent that, the firm loss significant amount of resources through accidents. Unfair market competition in the foreign markets has also been an issue for the firm since most of the host market players have embark on unfair market practices to demean their products. The respondent also indicated that, although the Nigerian market presents many opportunities to be exploited, it is a complicated and volatile market with so much irregularities.

In as much as these challenges affect the firm, the respondent was quick to add that, they have been able to minimize most of these constraint through firm’s strategic means, governmental supports and networks. The respondent indicated that, they do not tolerate any form of corruptible practices and employees are urged to desist from such acts which are clearly stated in the firm’s values. A summary of the various issues encountered by the case companies are presented in Table 8.

Table 8. Challenges encountered in foreign market.

Region/Market	Company A	Company B	Company C	Company D
Africa	Theft and Vandalism	Assessing operating capital	Bribery and Corruption	Bribery and Corruption
	Bribery and Corruption	Product Imitation	Border and customs controls	Lack of operating capital
	Lack of Capital	Bribery and Corruption	Unfair competition	Payment delays
				Road network
				Custom and Border controls
				Unfair market competition
Europe	Customs and trade regulations	-	Product Quality compliance	
	High taxes		Currency fluctuation	
US	-	-	Market legislations	-
			Unfair treatment from local authorities.	
			Product Quality compliance	
			Currency fluctuation	
Asia	Language Barrier	-	-	—

5.5 Significance of networks and role of government.

During the internationalization of firms, effective networking among actors help firms in accessing market information, opportunities and resources which are influential factors for the firm performance and growth in the foreign markets. The case companies exhibited the fundamental role of its partners, government and other stakeholders in their growth and survival in foreign markets.

Company A

On the issue of the firm collaboration and networks, the respondent admits that the effective relationship with some stakeholders have been significant in their growth and survival in foreign markets. Through collaboration and networking with already existing firms in some foreign markets, Company A was able to access some vital information about business operations in foreign markets. The respondent indicated;

“We developed strong ties with some existing Ghanaian firms who are not our direct competitors in some foreign markets. We made effective use of the information acquired and fully established ourselves in those markets”.

Although Company A had a little knowledge of foreign markets at the early stages, the close and effective relationships with key players in those markets was a vital factor to their success. To further maintain an effective network, the firm is an active member of an international network of organizations organization in their industry. In addition, the respondent lauded the efforts of the government of Ghana and its subsidiary institutions in their tremendous assistance throughout the internationalization process. GEPA for instance organized seminars and workshops on market access, products development, export trade information and other relevant issues which was crucial in their growth and survival. The respondent admitted that

“if not for the programmes by NBSSI and GEPA, we would have failed miserably in our first attempt in the foreign market”.

Company B

Responding to the effects of collaboration and networking, the interviewee indicated the positive impact these factors had on the internationalization process of the firm. Both local and international networks were significant for the firm's early development. This was what the respondent had to say;

“From the genesis of our operation till our present status, networks and collaborations with key stakeholders involved in our processes have been one of the salient reason for our growth and survival”.

The founder established an effective working relationship with all the producers and reliable suppliers in the agro processed industry to guarantee product quality. The firm has also leverage the network of its distributors right from the inception. Since the firm exclusively relies on exporting, a coherent distribution network has been crucial in their foreign operations. The respondent acknowledged that, the effective relationship and smooth cooperation with its agents, distributors and other parties involved have lessen the difficulty in delivery and overcoming the paucity of products.

Networking and keeping close relationships with other indigenous Ghanaian firms operating in foreign markets and the government of Ghana and its agencies have been beneficial in the firm's internationalization process. For instance, the Ghana diplomatic mission in some foreign markets have aided in minimizing certain challenges the firm encountered. In addition, through the assistance of GEPA and the Ministry of Trade and Industries, the company was connected to other Ghanaian Agro Processed MNCs which are already engaged in some form of internationalization activities. An intriguing claim the respondent made was that, in as much as they get assistance from government, in terms of finance, they had no assistance as efforts yielded futile. In addition, the respondent revealed that, although GEPA was influential during their internationalization process, little assistance was sought during their internationalization to certain proximate countries as the firm had adequate knowledge and information of those markets.

The founder's network and ties in both Burkina Faso and Senegalese markets is of extreme importance to the firm's growth and survival in those markets as their reliance

on those networks afforded the firm in sales, promotions, products development and market information. Furthermore, the company has been putting efforts in building and maximizing its international networks and connections as it is deemed critical for growth and survival.

Company C

It is an undisputed fact that, through effective network, firms have the opportunity to acquire vital market knowledge and respond to market demands. Company C epitomizes the benefits a firm gain in effective networking. The respondent acknowledged that, they relied on certain actors for information which aided in reducing uncertainties. Considering the nature of the products, the firm needed sufficient knowledge and information especially on customs and country specific requirements and laws before engaging in any form of export. With the experience in the home market, the firm created customer database, developed germane networks which contributed to their growth. The effective relationship with agents and intermediaries in the foreign market provided the firm with information such a product quality improvement, consumer response which impacted on their performance. As reported by the interviewee;

“We built so much trust in our partners as they provided us with trendy market news and information. The support from them did not only helped us in dealing with obstructive market conditions but enhanced our performance”.

It was clear that through the sustainable and effective relationship with partners, the firm was able to respond to market conditions which was a pivotal factor for growth. In addition, with the Ghanaian government agenda on promoting SMEs and their international activities, the firm benefitted immensely on the exemptions on tariffs and duties on most of their products. This initiative provided the firm with resources which was used to facilitate other internal projects. Through the training and assistance from notable governmental agencies (specifically GEPA and NBSSI), the firm obtained significant information and knowledge on doing business in foreign markets. According to the interviewee personnel we were able to add to their knowledge hub, through the organized trainings and seminars by these bodies.

Company D

For a success and survival in international operations, the firms needed to consider the cultures and institutions of operating in the international domain. Considering the size and limited resources of Company D, the firm relied much on external forces in acquiring knowledge which stems from the effective relationship with various network actor. The activities with key partners was beneficial in obtaining resources which helped in the firm's foreign development. The founder's ties and relationship especially in both the Liberian and Nigerian market have been significant in their operations. The respondent was able to build strong ties with various personnel during his tenure as a government official. These ties helped in facilitating business deals and winning contracts. The respondent divulged that;

“during the inauguration of the current Liberian president, albeit the fact that we are foreign company, we were awarded the contract for providing our products to ceremony attendants and dignitaries. I will say my personal relationship with the President was a key factor”.

The role of Ghanaian government could not be ignored in the growth and survival of company D in foreign markets. The government has played significant roles ranging from tax exemptions, intervention on some international and border disputes and financial supports. Due to the founder's strong political ties, the firm was able to obtain vital information and privileges. In building on the firm's network, the founder utilized the effective relationship with government to connect to other actors in foreign markets. This have been beneficial in negotiating deals which favors the firm. In addition, both the MoTI and GEPA were key in providing insightful market information about the various countries and some of the countries the firm intends to enter in the future. The firm in varying ways utilizes it network ties in its internationalization process. For instance, through the help of these ties, Company D was able to enter new markets and plans for further expansion, as well as gaining market opportunities.

5.6 Determinants of growth and survival.

It is important to understand the factors which enable firms to develop competitive edge and influences their growth and survival in foreign market. Contributing to the survival and growth literature, the framework developed by Sapienza et al. (2006) exhibits three core factors, thus the degree and age at, internationalization; managerial experience; and resource fungibility which are significant to firm growth and survival. In addition, (Sousa et al. 2008), also indicated that, export performance measures have strong influence on the survival, expansion and growth of firm. This study adopted the significant variables and dimensions of both extant literatures in determining the growth and survival of the case companies. Table 9 gives a synopsis of the determinants used during the interview and their relations to the case companies.

Table 9. Factors influencing Growth and Survival.

Influential factors	Companies			
	A	B	C	D
Prior managerial experience	+	+	+	+
International experience and knowledge	-	+	+	+
Product quality	+	+	+	+
Resources (Tangible and Intangible)	-	-	-	-
	+	+	+	+
Profitability	+	+	+	+
Networks	+	+	+	+

- (lacks one type of the resources)

+ (possess all or one resource type).

Company A

One of the export variables which influences growth and survival relates to the international experiences and knowledge of key management, but this conversely applies in the case of Company A. It was evident that all the key decision makers of the firm have high levels of education but none of them either studied abroad or have had any working experience overseas. The respondent asserts that, the lack of international experience did not necessarily hinder the firm from expansion but rather, growth and survival was a result of their zeal, entrepreneurial orientations and the strong ties they have with other stakeholders. Hitherto to the formation of the firm, most of the key managers and employees had vast working experience in the domestic market. Some of the workers prior to joining Company A have been working over a decade with other companies and understood the context of business activities in the domestic terrain.

Although the export performance has been incremental bereft of any managerial prior international experience, the respondent admitted that, gaining these experiences in the field would have been more beneficial and provided them with requisite knowledge on international operations. To compensate for this deficiency, the firm in recent times have invested in some workers to study abroad. Developing and training of internal personnel will reduce the risk and cost in obtaining the services of external labor. In response the interviewee had this to say;

“In the past three years we fully sponsored some employees to participate in short courses abroad. The idea is to expose these people to the international environment, acquire the necessary skills and capabilities which will help us improve on our performance in both domestic and foreign market”.

Growth in the international market has been encouraging for the past few years for this company. The respondent indicated that between 2015 till 2017, an average of 70% revenue was acquired from international sales. The firms made approximately close to a million dollars in total revenue accrued for the past three years. According the interviewee;

“In 2016, we hit a peak of our performance with total sales over a million dollar. This accounted for a significant growth as the firm made 45% profit of which 30% was gained through export. It is evident that, the international market has been an essential source of earnings to the firm”.

Maintaining high product quality has proven not only to be pre-eminent but determinant of growth and survival for Company A. The interviewee stated;

“We never compromise on quality and this is evident in our consumer feedback. Year after year we get positive feedback on not only our products but the delivery as well. Our team of experts are constantly monitoring the level of quality and delivery in all markets of operation”.

The high-quality products of the firm could be seen as their unique competitive advantage which other SMEs in the industry could not duplicate. Concluding remarks from the respondent indicated the significance of internationalization which apparently is key to the growth and survival of the firm despite the numerous challenges they encounter. The goals and objectives for foreign engagement have been attained though more room for improvement in certain areas. In as much as the company has been making significant returns, the respondent admits that due to market volatility, regular changes and processes are considered for increase growth and performance in the long term.

Company B

Resources are essential conditions for a firm operating distinctive internationalization strategies regarding international market growth and survival. One of the core resources that have been critical in the growth and survival of Company B has been its workforce (employees). The manager posits;

“the most essential asset we have as a firm has been our people. These are creative, experienced, innovative and hardworking personnel who have contributed immensely to the survival and growth in all markets of operation”.

The firm recruit qualified and competent staff with high level experience and knowledge and have been instrumental in the firm’s internationalizing process, growth and survival.

The company established an organizational culture that seem to emphasize on the impact of international market engagement and encourages its workers to aim for same. The profitable nature of the business has been as well a major contributing factor to Company B's growth and survival. The continuous annual growth which was a result of the various strategies the firm implemented was a major factor in achieving high profits. For two consecutive years, the respondent reported that, the company was able to generate profit in its export. Total profit generated from international sales averaged at 25%. This, the interviewee indicated was as a result of the effective and productive use of resources coupled with efficient managerial practices. For instance, the respondent elaborated on the effects of pricing;

“Most of the markets of operations have products at low prices but with the adaptation of competitive pricing policy in tandem with our high-quality products, we were able to increase efficiency and profitability as well as establishing a strong market position”.

In as much as profitability is not guarantee in the long term because of market dynamism, the firm aim at implementing strategies which will contribute to continuous growth and attaining high profits.

The knowledge and experience possessed by key personnel apropos to the international markets have been a contributing factor for performance which apparently reflects on the growth and survival in the foreign domain. Interestingly both the founder and international business manager happened to work in the same company in Germany and had obtained previous professional experiences in other countries and part of their educational knowledge was acquired in foreign countries. The respondent revealed that;

“Similar to the manager in charge of international operations, our working experience abroad afforded us the privilege in obtaining cross cultural and communication skills as well as knowledge in international business. This personally has broadened my mind relating to challenges and benefits of doing business abroad”.

Through these experiences, the management was able to make critical decisions such as identifying opportunities and tackling issues which could hamper the performance and

growth of the firm. Due to the CEO's language proficiency, he was able to negotiate business deals and facilitate effective international marketing communications which was crucial in their operations in certain markets. It was evident from the interview that, key managers' prior experience was instrumental in Company B's internationalization success.

The interviewee also indicated that establishing a strong market position relates to the consistency of product quality. Considering the vulnerability of the African market, product duplication and high competitive intensity, Company B is stern on product quality and thus hired an employee solely responsible for standard compliance and product quality in order to survive and sustain the business. Management perusal and constant review of products to meet the market standards has been a major influence on firm's performance. It was clear that, the high quality of products was essential for increased efficiency and had positive impact on the export performance as this contributed to high profitability. This orientation was significant to success in the international markets with continuous high customer satisfaction rate. In conclusion, the respondent stressed on the point that, internationalization has been very complex and complicated but a pertinent initiative as it contributed significantly to the growth of the company.

Company C

Key decision makers experiential knowledge in international operation is mostly measured by the number of years spent living and working abroad and is significant in successful export. firms' success in export markets. For the case of company C, the respondent stated that, majority of key managers have lived and worked abroad several years prior to their association with the company. The international experience of top managers of the firm was an influential factor in impelling export orientations. The high level of entrepreneurial orientation from the owner coupled with her previous international experience accounted not only for the continuous growth but success of the firm. Driven by the desire to succeed, the prior international experience has helped the owner in tandem with the management team to make strategic decision and long-term focus on continuous growth in the international market. Some of the key managers

developed a strong network during their prior experiences and acquired sufficient skills which were effectively used in penetrating some foreign markets. These managers were conversant with business practices, opportunities and threats in various foreign markets which were managed effectively before the firm initiated any export activities into such markets. The availability of skilled human capital and managerial experience contributed significantly to the growth of the firm. The respondent also indicated that;

“every year some selected personnel are scheduled to visit our partner firms in the foreign markets in order to upgrade, train and acquire vital knowledge which will be significant to our productivity and performance”.

In terms of profit gained from international operations, the respondent indicated that, between the year 2014 till 2017, the firm made an increasing profit through sales in both domestic and foreign market. Figure 15 shows the annual profit accrued from foreign operation as against total annual profit of the firm between 2014 to 2017. Profit margin for the past three years have been consistently growing and the respondent is optimistic the current year will produce far better result.

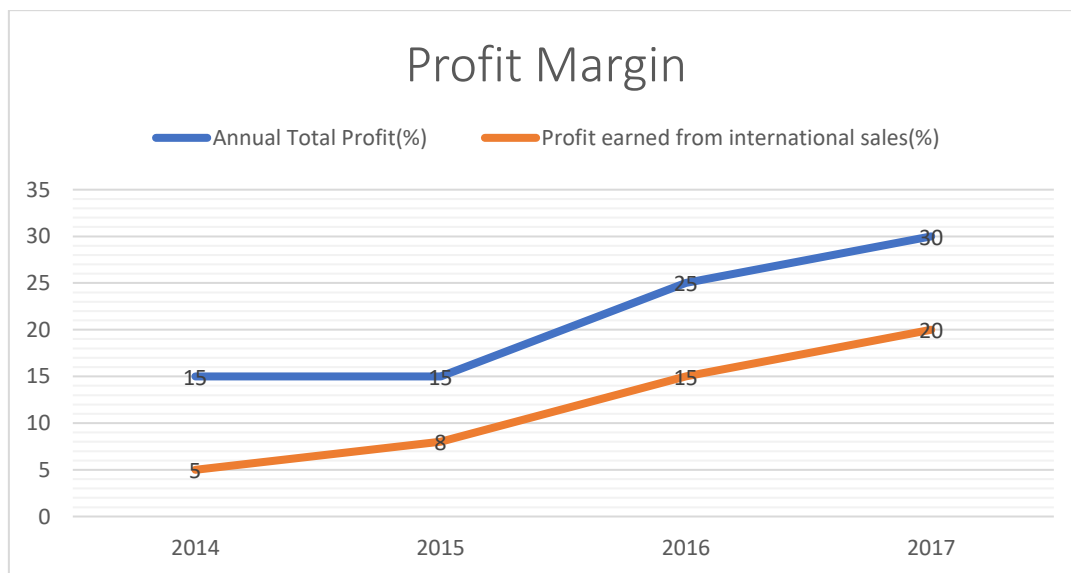


Figure 15. Profit Margin of Company C.

With highly skilled workforce and expertise, the firm was able to seize opportunities in the foreign markets and proactively responded to market conditions. The highly motivated and skilled personnel were vibrant throughout the internationalization. To improve on performance and expand their network, the firm acquired the services of a

local sales manager in certain markets. These local managers with already established networks have access to information and market knowledge which was essential for the firm's performance.

The tireless efforts by management for improvement in product quality and product delivery are contributing factors for the firm's growth and success. Company C adopted a more customer-driven strategy where customer responses are adequately addressed, and products tailored to meet their demands. With diverse cultures, consumer taste and preferences, laws and other market conditions, the firm sought to use an adaptation strategy in its foreign engagements. In this sense, the firm tailored its products to meet customers in specific markets. The respondent cited an instance which occurred in 2013, where the company had to compensate its customers due to the high number of customer complaints they had on a specific product. Although this cost the firm significant amount of money, the subsequent result proved positive as most customers stayed loyal and kept patronizing their products. Over the past years, the respondent stated that, the firm was able to maintain a consistent and quality supply of products which are influential factors for growth.

Company D

The prior experience and knowledge of the founder has been a key determinant in both the performance, growth and survival of company D. From the wealth of experience in both domestic and foreign contexts as well as strong desire towards the international market, the firm was successful in embarking on its international operations. The experience of other key managers of the firm has helped in promoting the firm and making essential decisions. The respondent reveals that, over 90% of permanent working staff are university graduates who at least have a minimum of 3years working experience prior to joining the firm. With this hub of knowledge and expertise available, the company was able to successfully implement its strategies and discover opportunities both domestically and abroad. The export performance of the firm has been positively affected by management's previous knowledge and experience. During the interview, the respondent expressed great satisfaction about the selfless and dedicated services of the employees;

“I must admit I am the luckiest man on planet earth since I have this high spirited and liberals who I work with. These are people were able to easily read into my business dream and have been magnificent in pursuing our export activities.”

Further influential factors which contributes significantly to the firm’s growth and survival relates to the quality of products being offered at a competitive price. With the growing campaign on “eating healthy”, the firm’s products which are 100% natural beverage with no additives and chemicals have been welcomed in all markets. In order to lower cost and gain economies of scale, the firm standardized all its products with slight modification on country specific requirements. In addition to product quality, the firm adapted a competitive pricing strategy to gain a competitive edge in the markets. The respondent also stated that, the firm embarked on series of promotional activities in both domestic and international markets. The traditional, print and social media are used to run effective and vigorous marketing campaigns. The respondent noted that;

“Since there are numerous, in fact hundreds of beverage products in all our markets of operation, we had to ensure our products are known to every household and our marketing campaign has always emphasized on the quality of our products”.

Undoubtedly, the firm thrives on the quality of their products which generates high profit. Between 2016 to 2017, total annual profit of the firm was 35% of which on average 15% was obtained from international market. Although the firm is relatively small and young in the international domain there have been a consistent improvement on annual growth and profit. The firm has made steady profits over the years and the respondent is optimistic this development will keep growing in the long term.

Although the firm possesses less tangible and financial resources, the amount of skilled human capital, and managerial experience have been instrumental in the growth of the firm. The respondent concluded by stating that, despite the firm currently operating in few countries, he is optimistic there will be continuous growth overtime.

6 SUMMARY AND CONCLUSION

In the previous chapters, the analysis and findings have been comprehensively discussed and dealt with. This chapter presents a coherent summary of all the main findings during the research. The main contribution of the study will be analyzed, managerial implication which could be beneficial to other firms, limitations and suggestions for future studies will be presented. This study shed light on the factors of growth and survival of SMEs from emerging market regardless of the challenges.

6.1 Summary and Main Findings

For an explicit summary of the study, it is noteworthy to revisit the main goal thus: “*the factors which influence the growth and survival of Ghanaian Agro Processing SMEs operating in foreign markets*”. The internationalization of SMEs has been prevalently researched topic in international business literature (Leonidou, et al. 2018). The aim of this study is to augment the understanding of the various factors that influence the growth and survival of SMEs in foreign markets despite the challenges they encounter. In view of this, both empirically and theoretical objectives were set to support the main goal setting. The study employed a qualitative research approach where case study was utilised to gather empirical data.

In the review of literatures, were the delineation of internationalization approaches, stimuli for internationalization, challenges, export performance and growth and survival factors. SMEs usually start international operation gradually from close distant markets where they can fully exploit opportunities and acquire market knowledge (Johansson & Vahlne 1977). They often use the export mode since it requires low commitment, minimum resources and lesser degree of risk involved as compared to other entry modes. There was a strong correlation between the empirical findings and the existing literatures as the case companies venture into foreign markets in a stepwise manner which is in line with the U model (Bell 1995:61). The study confirms the research of (Johansson & Vahlne 1977), indicating that SMEs with limited resources and knowledge start international operations in close markets before expanding to other distant regions. All

the case companies started exporting to proximate geographical regions such as Nigeria, Togo and other close sub Saharan countries before expanding to other markets after gaining adequate knowledge.

There was an element of strong networking which was exhibited during the internationalization process of the firms (Johanson and Mattson, 1988; Hollensen 2011). Interestingly, all the case companies however, export through foreign distributors and agents which indicated the significance of networking. The study also contributed to the importance of business network (Johanson & Vahlne, 2009) of SMEs from developing economies on their pursuit to succeed in foreign markets. Through effective networking, the case companies were able to acquire vital market knowledge and reduce both resource and information impediments. Additionally, both business and social network had strong influences on the exporting activities of the case companies. The findings supported the previous studies by (Andam et al. 2015; Shamsuddoha et al. 2009; Matenge 2011), on the influential role of government and its agencies on the internationalization of SMEs. The government of Ghana has empowered SMEs with tax incentives and support activities. NBSSI and GEPA for instance were significant in facilitating, developing and promoting of Ghanaian exports firms. Indeed, the initiatives (tradeshows, export training programmes) of the government agencies, had a profound impact on SME management's commitment and knowledge of foreign markets.

Prior studies explain the main reasons which influence firms to internationalize and this is often classified into proactive and reactive stimuli (Czinkota et al. 2005; Hollensen 2011). As indicated in (Albaum et al. 2005:70), there are multiple motives which influence firms to internationalize, however, there could be a specific motive which is primary. The empirical findings demonstrate that, all the companies venture abroad to enable them to achieve high profit. There was coherence in the profit margin for all the companies for the past three years. This consistency has however been instrumental in their growth and survival. In addition, the findings show that, SMEs from Ghana often engage in international operation purposely to exploit opportunities, increase market share and circumvent intense home competition. The African market in particular provides increasing opportunities which can be exploited (Adeleye & Boso 2016).

Undoubtedly, SMEs from Ghana are proactively engaged in intra-regional operations as exhibited by the case companies to exploit opportunities.

Despite the increasing internationalization of firms from developing countries, scholarly researches revealed that, there has been several challenges which affect the operations of these firms. (Okpara 2011; Ibeh et al. 2012). Ghanaian SMEs are no exception as they are faced with diverse challenges chiefly among them is access to financial capital (Oppong et al. 2014). The findings from the interview revealed that access to financial capital from external sources has been challenging for the firms. In addition, the most prevalent challenge which inhibits the performance of SMEs is the issue of bribery and corruption within the African region. In reality, every country has its own form of corruption which affects not only SMEs but the economy at large. However, the effect on SME development has been critical not only domestically but on the foreign domain as well. The issue of high taxes and strict legislations have been the major challenges which the firms face in other continents. In dealing with the challenges, the role firm networking and governmental support were seen as significant factors.

Focusing on the main theme of the study relates to the factors which influence growth and survival of SMEs. The empirical findings showed a strong correlation between the previous literatures (Chen et al. 2016; Sousa et al 2008) and the current practices of firms. Most of the growth and survival determinants studied were the drivers which were applicable to all the firms. The study of Sousa et al. (2008) indicated that, the export performance determinants of firms have a strong relationship and impact on their growth and survival. There are several extensive literature reviews on the export performance determinants (Katsikeas et al. 2000; Chen et al. 2016; Sousa et al. 2008) as well as growth and survival (Sapienza et al. 2006; Delmar et al. 2013). This study limited its investigation on profitability, prior managerial experience, international experience and knowledge, product quality and resource capability determinants. In line with Dunning (2000) ownership advantage, all the case companies possess some significant amount of firm – specific resources which facilitates their international operation. The human capital was a huge asset for all the SMEs as they were significant in their operations in the foreign markets. The findings show that, for SMEs from developing market, precisely Ghana to survive and attain higher growth in the international markets, they must possess not only

basic resources but a unique resource which can be used as a competitive tool. Findings revealed that most of the SMEs lack strong financial capabilities to engage in robust operations, but the effective use of human capital coupled with the strategies implemented resulted in successful foreign operations.

The lack of knowledge of the foreign market is often a crucial barrier for exporting firms especially from emerging economies like Ghana. In spite of the uniqueness or quality of product, it is requisite for managers in charge of export or international operation to possess some form of foreign experience and knowledge in regard to business activities, relationship with stakeholders and external factors of the export markets. These knowledge and experiences will certainly equip them to formulate ideal strategies in order to manage perceive opportunities, risks and threats (Sraha et al. 2016; Krammer et al. 2018). The empirical findings supported this assertion as almost all the top management of the case companies in a way or the other have acquired prior international experience and knowledge. Majority of the firms' top managers have experiences and knowledge of the foreign markets. The presence of the experienced managerial team enabled the firms to develop suitable strategies which positively impact on their export performance.

From the information gathered during the interview, all the companies revealed an increment in their annual profit margin and market growth for the past 3years. The firms gained significant sales revenue from their export activities over the years. Increased profit has been the main motive for firms to internationalise. It was evident from the findings that, irrespective of the firm's size and number of export markets, there was a consistence increase in profit and market grow. In relation to Delmar et al. (2013), profitability help firms to grow and survive market pressures. Objectively, a marginal increase in a firm's profit serves as the key motivational factor for the continuous business operations. Furthermore, the quality and uniqueness of the products offered by the firms have been a catalyst for growth and survival in their foreign operations. With variations in consumer taste and preferences, it is viable for firms to supply high quality products to meet market requirements and demands. Product adaptation strategy is often recommended to managers since it improves the export performance of the firm. (Chen et al. 2016). Some of the firms indicated that, due to market and country specifics, there was a need for product modification to suit different customers. Explicitly, the empirical

evidence indicates that, the growth and survival rate of the firms was in alignment with their quality products which were offered at competitive prices during their export operations.

Generally, the study reveals the positive impact of internationalization on the firms. It has been discovered that, SME owners from emerging markets engage in foreign operations based on their international orientations. As a means of achieving knowledge and resources, firms often rely on networks. The previous experience and foreign knowledge, resource and capabilities, product quality, profitability margin and networks possessed by SMEs helps in sustainable growth and survival. Based on the study, figure16 presents a framework identifying the factors which influence the growth and survival of firms. It was evident from the study that, the elements presented in figure 16 have been identified as intrinsic to the growth and survival of SMEs operating internationally.

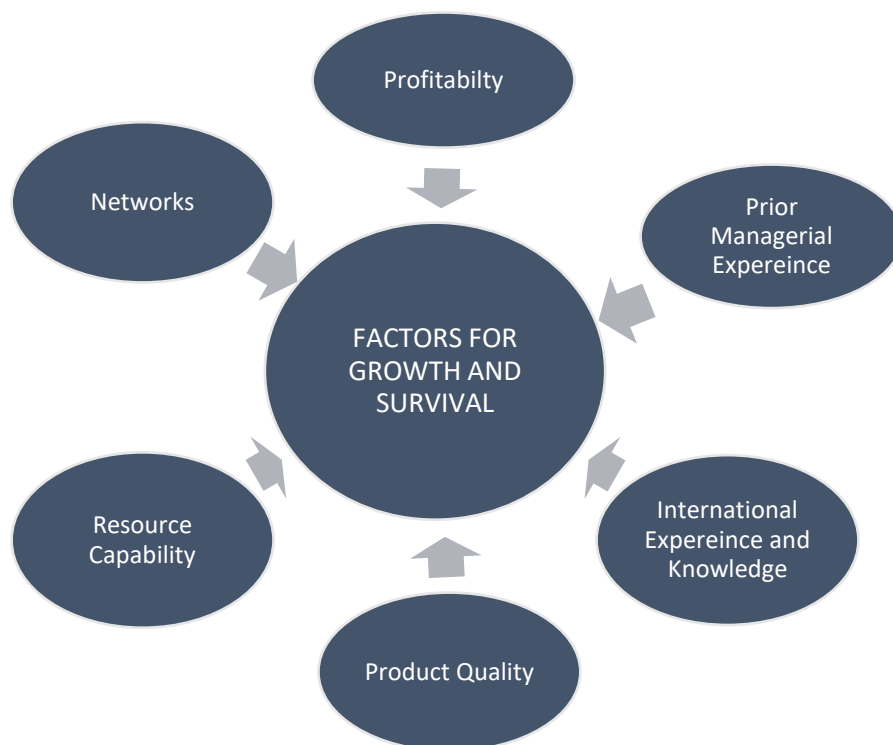


Figure 16. Framework of study

6.2 Managerial Implication

In line with the findings of the study, the subsequent suggestions can be beneficial to business practitioners, founders and management of SMEs. First of all, SME owners and entrepreneurs who want to be successful in their foreign operations need to acknowledge the importance network capabilities, managerial and international experience, resource availability, marketing mix elements and governmental support. Excelling on a specific factor is inadequate for a long-term sustainability. Generally, for firms to succeed, it is important they operate in a stable environment devoid of illicit practices and other external forces. Therefore, managers of SMEs need to carefully analyse the foreign market prior to initiating any international activity. Non-exporting SMEs who also desires to engage in foreign operations ought to be cognizant with the complex and dynamic phenomenon. It is therefore essential for them conduct a thorough market research and formulate strategies in alignment to the trends in foreign markets.

The empirical findings provided detailed insight on the challenges which SMEs encounter in their foreign operations. From a managerial perspective, SME owners with less or no knowledge of the foreign market can seek the assistance from government and its subsidiary agencies. It was established in the study that, the assistance of GEPA and NSSBI was instrumental in the internationalization process of the firms. In addition, the effective relationship with network actors also had a contributing factor for the survival of the firms. In view of this, managers need to build a strong and effective tie with all stakeholders in order to improve on the firm's growth and performance.

The lack of managerial and international experience is a lacuna for firms engaged in foreign operations. Internationalization benefits are achieved when SME managers leverage their learning opportunities through their foreign exposure. Hitherto going abroad, SMEs need to develop their own specific resource in order to gain competitive edge. The findings from the study supported the existing literatures that firms need to commit adequate resources to their foreign activity to enable them achieve growth. In applying this to organizational settings, SME managers need to develop substantial resource capabilities and develop strategies which are pertinent to the firm's performance. In order to achieve high profitability, products offered must be in high quality. The

foreign market as earlier stated, is complex and highly competitive and managers must thoroughly consider whether to adapt or standardize their strategies. In achieving high and steady growth and profitability, it is essential for managers to adequately direct the marketing mix elements to meet foreign market specification.

Finally, the result of the study contributes to existing literatures and provided applicable factors which influence the growth and survival of firms during internationalization. This study may be beneficial to future researchers who intend to expand their knowledge from the context of developing economies.

6.3 Limitations and future study suggestions

Notwithstanding the contribution of this thesis to the field of international business, there are certain limitations which the author encountered as well as opportunities for further researches. The main limitation is that, the sample size is relatively small considering the large number of SMEs which are into foreign operations from Ghana. In addition, the study explored only the non-traditional export sector, specifically the agro processing industry. It is therefore difficult to generalise the results since it does not represent all the internationalised SMEs and the sector in Ghana. The smallness of the sample firms limits the trustworthiness of the research. Future studies could explore the traditional sector or other industries such, pharmaceutical or high-tech firms. Moreover, since the topic was about internationalization, future studies could be conducted using cases from diverse emerging markets to increase the knowledge of their foreign operations.

As suggested by (Saunders et al. 2016:319), secondary data can be used as an auxiliary source to obtain in-depth knowledge and understanding in a case study. It was problematic to acquire secondary data of the case companies. Majority of the firms have either not updated or purposefully refuse to display information on their web pages. There was limited information about the companies in the Ghanaian daily gazette. The study therefore relied much more primary data source which were obtained during the interview. It is suggested that, future studies could make more use of secondary sources to ascertain the credibility of the study. The study was conducted based on a qualitative approach which further makes it further questionable to generalise the findings. Finding

the case companies was a difficult task since most of the SMEs in the agro processing sector in Ghana are not into active exporting. In addition, due to time and resource constraints, the interviews were conducted using WhatsApp tool for communication. The absence of face to face interview inhibits the researcher from studying the respondents' non-verbal expressions particular when responding to certain critical issues.

There are several influential factors which affect the growth and survival of firms. Contrarily, this thesis was limited to investigating factors such as profitability, resource capability, managerial and international experience. In order to address this limitation and broaden the existing knowledge of the influential factors, a more comprehensive study could be conducted constituting varied elements. For instance, the export performance dimensions which have a significant impact on firm's growth and survival comprises of multidimensional variables could equally be studied. Furthermore, the case firms in the study were into either B-to-B or B-to C businesses without differentiating their growth patterns. Further in-depth analysis, future researches could be conducted to investigate the contingency in dissimilarity between the growth patterns when operating in B-to C or B-to-B.

In conclusion, conducting a longitudinal research in the future is required to redefine and examine the relationship between the growth and survival of firms in a long term. This thesis was based on Ghanaian indigenous SMEs nonetheless, future studies could also be conducted using multinational firms operating in Ghana.

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