

Modeling Managerial Competences for Effective Small Firm Performance in a Developing Economy

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Abstract : This paper explores the competencies that managers of small firms in Ghana use to enhance operational flexibility and lower organisational costs towards the attainment of higher productivity. This is because, managers of some Ghanaian firms may not have been able to achieve much in terms of competitive advantage, because the requisite competence required of such managers to be effective performers continues to be a challenge. Data was collected from three hundred (300) SMEs using a standardized self-completion questionnaire and analyzed using the Amos-based structural equation modeling approach. Based on the outcomes from both factor analyses and confirmatory factor analyses, it was found that the only competence which managers of small firms in Ghana exhibit towards effective /superior performance are realistic practices evident at the workplace. Based on this finding, it was concluded that a manager's demonstration of self-confidence and involvement in areas that he/she is good at, as well as his/her possession of skills that enables him/her perform at high capacity are indications of the manager's effectiveness. This research is relevant for the reason that it has provided both practical and theoretical insights into competences required by managers of small firms for superior performance in a challenged developing economy as in Ghana. Specifically for Ghana, this research has provided a knowledge base that will help inform policy-makers on the requisite managerial competences to be required by small firm managers for effective/superior performance.

Keywords : Managerial competence; small; effective performance; developing economy; Ghana

Conference Title : ICEP 2014 : International Conference on Electronic Publications

Conference Location : journal city, WASET

Conference Dates : November 23-23, 2014