Staff Performance in Small and Medium Enterprises as An Impetus For Economic Growth in Kumasi Metropolis.

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Abstract

There is a growing paucity of knowledge on the efficiency of employee performance within the small and medium enterprises (SME) sector in the Kumasi Metropolis. This knowledge gap makes it challenging for business owners to evaluate staff performance and develop effective strategies to boost productivity. Employing a sample of 100 participants, this study examined the intricate relationships between staff/employee commitment, engagement, and SME performance within the organisational context. The collected data were carefully analysed following appropriate protocols through categorisation and coding, using the Statistical Package for the Social Sciences (SPSS) and Microsoft Excel. Correlation analysis was the principal statistical technique employed. The results revealed significant positive correlations between all three dimensions, reinforcing the symbiotic nature of commitment, engagement, and performance. Specifically, greater degrees of commitment were found to be linked with increased engagement and superior performance outcomes. Similarly, greater engagement was associated with elevated performance levels. These results resonate deeply with existing literature, underscoring the pivotal role that commitment and engagement play in shaping staff /employee performance, as well as SME growth for economic development. The study sets the foundation for further exploration and strategic implementation in SMEs settings to promote economic growth and development in Ghana. It also provides empirical evidence for policies that target the sustainable development of SMEs in Ghana.

Keywords: *staff performance; engagement, commitment; SMEs; Employment; economic growth.*

INTRODUCTION

In established economies such as the United Kingdom and Germany, small and medium-sized enterprises (SMEs) comprise a significant portion of registered companies. In Ghana, a developing economy, although data on SME growth and development trends is limited, the Registrar General's Department indicates that approximately 92% of registered companies are SMEs (Adjabeng and Osei 2022). Moreover, SMEs in Ghana account for 85% of manufacturing employment and contribute 70% to the national GDP (Adjabeng and Osei 2022). SMEs play a vital role in the economic development of many countries including Ghana. SMEs are the backbone of Ghana's economic growth, contributing significantly to employment and GDP. However, despite their crucial role, SME staff performance remains a major challenge, particularly in the Kumasi Metropolitan Area (KMA). Issues such as limited training, low motivation, weak management, and infrastructural constraints hinder efficiency and productivity, ultimately affecting economic growth within the region. In the modern economy, small and medium-sized enterprises (SMEs) are recognised as engines of sustainable economic growth in both developed and developing economies. SMEs are considered vital for economic growth and development because they contribute to the gross domestic product (GDP) and help reduce unemployment and alleviate poverty. As a result of the critical role SMEs play in supporting sustainable economic growth

globally, Africa has yet to benefit from this situation to the same extent as the rest of the world.

The study is focused on the Kumasi Metropolis because it is the commercial and trade hub of Ghana, second only to Accra. The metropolis is home to some of the largest markets in West Africa, such as Kejetia Market and Central Market, where thousands of SMEs operate. It is a key center for wholesale and retail trade, manufacturing, construction, and services sectors that rely heavily on SME contributions. The presence of key industries and businesses further underscores its economic significance. The Kumasi Metropolis is characterised by a blend of traditional and modern elements, as reflected in its architectural landscape and cultural practices. The city's educational institutions, healthcare facilities, and infrastructural developments contribute to its dynamic urban environment. Given its multifaceted nature, Kumasi Metropolitan Area provides a compelling setting for research exploring the intricate relationships between employee commitment, engagement, and performance, offering insights into the complexities of organizational dynamics within an urban context in Ghana. Kumasi Metropolis has a high density of SMEs, including micro-enterprises, informal businesses, and growing firms. Many of these SMEs operate in the textiles, wood processing, agro-processing, construction, and transport sectors, making it a rich ground for studying staff performance and business growth. However, the efficiency of staff performance in these SMEs in the region is poorly explored in the literature.

Small and Medium Enterprises (SMEs) are crucial to Ghana's economic growth, making significant contributions to employment, income generation, and business innovation (World Bank, 2020). In the Kumasi Metropolitan Area (KMA), SMEs are the backbone of the local economy, supporting various sectors such as trade, manufacturing, construction, and services. However, the overall impact of SME staff performance on economic growth remains underexplored, despite growing concerns over productivity, efficiency, and business sustainability. Many SMEs in Kumasi struggle with low workforce productivity, inadequate skills, weak management, and limited technological adoption, all of which directly impact their competitiveness and profitability. Additionally, external factors such as infrastructure challenges, access to finance, and market instability further compound staff performance issues. If SMEs staff /employees are not performing efficiently, businesses fail to expand, job creation is hindered, and economic growth remains stagnant (Adjabeng & Osei, 2022). Study by Kusi et al. (2015) explored the factors that hinder the growth and survival of small businesses in Ghana (a case study of small businesses within Kumasi metropolitan area). SME development, economic growth and structural change: evidence from Ghana and South Africa. Effects of ethical leadership and employee commitment on employees' work passion (Ahadiat & Dacko-Pikiewicz, 2020).

Findings from this study can help policymakers, business owners, and investors make informed decisions on workforce development and SME support strategies. By focusing on Kumasi, the study can offer region-specific insights that are both academically valuable and practically useful for enhancing SME performance and economic growth. The challenges hindering SME staff performance in the Kumasi Metropolitan Area are not unique to this area. Many of these challenges—such as limited access to finance, weak management, inadequate training, and poor infrastructure—are common across SMEs in Ghana and other developing economies. However, certain factors make the situation in Kumasi distinct:

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adoption, all of which directly impact their competitiveness and profitability. Additionally, external factors such as infrastructure challenges, access to finance, and market instability further compound staff performance issues. If SMEs staff /employees are not performing efficiently, businesses fail to expand, job creation slows, and economic growth remains stagnant.

While previous research highlights the role of SMEs in Ghana's economy, there is a lack of empirical evidence on how staff performance directly influences economic growth in Kumasi. Understanding this relationship is crucial for designing effective policies, enhancing SME workforce management, and refining economic development strategies. Therefore, this study aims to investigate how the performance of SMEs staff affects productivity, employment, income levels, and overall economic growth in the Kumasi Metropolitan Area.

Previous studies on staff performance in SMEs and economic growth have provided valuable insights; however, significant research gaps remain, particularly in the context of the Kumasi Metropolitan Area. In Ghana, several studies have examined the challenges facing SMEs, including staff performance. Notwithstanding, inadequate training and development, poor leadership, and limited resources are major challenges affecting staff performance in SMEs in Ghana. SMEs in Ghana face significant challenges in attracting and retaining skilled employees, which affects their performance. Productivity and efficiency are likely to increase when committed staff and employees are present, leading to higher output per worker in SMEs/organization. Employee job performance is considered a key benchmark for measuring a business firm's overall productivity and organizational success (Ahmed & Nawaz, 2022; Khan & Khan, 2020). Ofori et. al (2024) examined Small-scale Enterprises Performance and Economic Growth in Kumasi Metropolis, Ghana. Prempeh et al. (2022) conducted a study on Accounting Records Keeping and the Growth of Small and Medium Enterprises in Kumasi Metropolitan. Moreover, Muteti et al. (2018) study about accounting systems for records keeping practices for small enterprise development in Makueni County. Also, a study by Musah (2017) and Amoako (2013) founds that these references provide valuable insights into the factors influencing SME performance and their impact on economic growth in the Kumasi Metropolitan Area. These gaps include:

a. Limited Focus on the Local Context

    Many existing studies on SME performance and economic growth focus on broader national or regional levels, often neglecting city-specific dynamics. There is a lack of research that directly examines how staff performance in SMEs within Kumasi influences local economic growth, considering the region's unique business environment and economic structures.

b. Insufficient Exploration of the Relationship Between Staff Performance and Economic Growth

    While research exists on SME contributions to economic growth and on factors influencing staff performance, few studies establish a direct link between the two. The causal relationship between improved staff performance in SMEs and overall economic expansion in Kumasi is underexplored.

c. Neglect of Context-Specific Factors Affecting Staff Performance

    Studies often generalize staff performance factors without considering Kumasi's unique socio-economic factors such as access to finance, education levels, infrastructure deficits, and local business culture, which may shape staff productivity differently than in other regions. To address these gaps, future research should focus on localized empirical studies, integrate policy analysis, and explore the impact of digital transformation on staff performance. Filling these gaps will provide SMEs in Kumasi with actionable strategies to enhance productivity and contribute more significantly to economic growth.

Objectives of the Study
- The study's objective is to investigate the link between staff performance in small and medium-scale enterprises and economic growth in Ghana, with a focus on the Kumasi Metropolis. Specifically, the study aims to:
- The key objective of this research is to analyse the impact of staff performance on SMEs for economic growth in the Kumasi Metropolis.
- To determine the relationship between SMEs' performance, staff engagement, and staff commitment to promote economic growth.
- Provide recommendations for enhancing the effectiveness and efficiency of staff performance of small-scale enterprises through the strategic application, thereby contributing to overall economic growth in Ghana.

Research Questions
1. What is the relationship between the staff /employee commitment and employee performance?
2. What is the relationship between staff engagement and employee performance?
3. What impact do staff commitment and employee engagement have on staff performance?
4. How does SME staff performance influence business productivity and profitability in Kumasi?

Hypothesis of The Study
H1: There is no significant positive relationship between staff commitment and employee performance.
H2: There is a positive relationship between employee engagement and employee performance

LITERATURE REVIEW
Concept of Staff /Employee Commitment
Staff performance is a critical factor in the success of SMEs. According to Armstrong and Baron (2017), staff performance refers to the extent to which employees achieve their job objectives and contribute to the organisation's overall goals. In the context of SMEs, staff performance is essential for improving productivity, quality, and customer satisfaction. Several scholars have examined the factors that impact staff performance in SMEs. Training and development, leadership style, and organizational culture are significant predictors of staff performance in SMEs. Employee motivation, job satisfaction, and organisational commitment are crucial factors influencing staff performance in SMEs. In Ghana, several studies have examined the challenges facing SMEs, including staff performance. Notwithstanding, inadequate training and development, poor leadership, and limited resources are significant challenges affecting staff performance in SMEs in Ghana. Moreover, the performance of these enterprises is further impacted by persistent difficulties in attracting and retaining skilled employees.

Productivity and efficiency are likely to increase when committed staff and employees are present, leading to higher output per worker in SMEs/organizations. Employee job performance is considered a key benchmark for measuring a business firm's overall productivity and organisational success (Ahmed & Nawaz, 2022; Khan & Khan, 2020). Staff commitment fosters business development and enhances competitiveness. Employee's job performance has a significant impact on organisational success and is viewed as a crucial asset for every organisation, as their job performance is instrumental in achieving the firm's goals (Mefi & Asoba, 2021; Armstrong & Baron, 2020). According to Sharma and Sharma (2022), they emphasised the importance of employee engagement in driving organisational success, including the willingness of

committed staff members to stay with the business and exert extra effort to meet organisational objectives.

This notwithstanding (Klein et al., 2020), organisational commitment emphasises the employee's willingness to participate in the organisation's structure and goals, which is organisational commitment. Ideally, it should come from the willing participation of employees. Study by Meyer and Herscovitch (2015), provide different perspectives on the nature of organisational commitment.

Staff/Employee Engagement

In the business consulting sector, employee engagement has garnered attention due to its statistical connections with job satisfaction, employee commitment, organisational citizenship behaviour, and job involvement. These factors, in turn, influence the productivity and profitability of firms, particularly SMEs in Ghana, thereby promoting economic growth. Committed workers/employees tend to maintain higher quality standards, which can improve the reputation of SMEs and lead to increased customer satisfaction. Moreover, committed employees are more likely to contribute innovative ideas, leading to improvements in products and services, and potentially new business opportunities.

Since an increase in employee engagement results in better staff performance, lower employee turnover, and improved employee well-being, managers have a vested interest in seeing this happen (Wright et al., 2001; Wright & Boswell, 2002). Workers pledge all their efforts to their employers, coworkers, and superiors, as well as a particular group of people, including partners, kids, parents, siblings, and even clients (Eisenberger et al., 2020; Grant & Parker, 2020). In their study Harter et al. (2002) and Bates (2004) they posit a solid foundation for understanding the concept of employee engagement and its importance in the workplace. In this study, employee engagement encompasses dimensions of enthusiasm, dedication, and a sense of purpose. Scholars have delved into various aspects of employee engagement in three different dimensions: (i) the antecedents, (ii) leadership style, (iii) organisational culture, and job characteristics. Leadership plays a crucial role, with transformational and supportive leadership styles being positively associated with higher levels of engagement. Organisational culture, emphasising values, communication, and inclusivity, also contributes significantly to employee engagement (Macey & Schneider, 2008). Moreover, job characteristics, including autonomy, skill variety, and task significance, have been identified as influential factors. The consequences of employee engagement are extensive and impact both individuals and organisations. Engaged employees generally experience higher job satisfaction (Rich et al., 2010), increased productivity (Bakker & Demerouti, 2008), and reduced turnover, lowering recruitment and training cost for firms (Angundaru, 2017).

SMEs Performance and Economic Growth

An improved staff performance can lead to increased efficiency in SMEs' operations, allowing them to sell their finished goods directly to customers without intermediaries, or through their social media network, such as online platforms where customers can purchase products directly from them. The productivity and efficiency of the economy's factors of production such as labour, capital, and other resources that can enhance the output of goods and services. This approach enables SMEs to exert more control over their distribution process and customer relationships, resulting in higher productivity levels that create job opportunities for economic growth and development. Again, the major international trade activities in the value chain relate to the importation of raw materials by SMEs into processed and semi-processed goods, such as plastics, pharmaceuticals, finished electronic products, and retail consumer goods. In the year 2021 and 2022 respectively, the European Union and (China & India) were the dominant suppliers of

imported raw materials and finished goods to Ghana by SMEs. Asian product suppliers are capturing a growing market share in Ghana through active participation in distribution channels and effective promotion of their products.

Successful SMEs can inspire entrepreneurship and business growth in the region, fostering a vibrant business ecosystem. Growing SMEs may drive the demand for infrastructure development and services, such as transportation, communication, and utilities, which in the long run leads to an improved quality of life. Enhanced economic activity can lead to improvements in the quality of life for residents, through better services and amenities. A thriving SMEs sector can contribute to economic diversification, reducing reliance on a few industries and enhancing economic resilience. Understanding and improving staff performance in SMEs can, therefore have far-reaching effects on the productivity and overall economic growth of the Kumasi Metropolis.

Furthermore, committed staff are more likely to diversify the economy and contribute innovative ideas, leading to product and service improvements and potential new business opportunities. Again, higher commitment levels of employees can reduce staff turnover, lowering recruitment and training costs for SMEs. This is because committed workers are more likely to engage in continuous learning and skill development, which can enhance the overall skill level of the workforce, diversify economic resources, and promote SME growth.

Three key metrics for evaluating an organisation's performance are product market performance, return on shareholders' investment, and overall financial success. It has long been recognised that employee commitment and attitudes significantly impact an organisation's performance. According to early organisational scientists, employee dedication and experience are key factors in an organisation's ability to succeed. Since integrity is regarded as the pinnacle of human virtue, it is believed to enhance worker dedication, which in turn boosts output and performance, thereby contributing to economic growth and development (Zeidan & Itani, 2020). The dedication of employees is crucial for an organisation's success. Low-commitment individuals typically do the bare minimum necessary and prioritise their success over the organisation's success. Employees with a high commitment level, on the other hand, actively participate in the organisation's mission and values, and see themselves as essential to it. They consider any threats to the organization as personal dangers and work tirelessly to improve their performance at work. Employees that are committed to the company show a sense of ownership and devotion to it. Many scholars have examined the relationship between worker commitment and productivity. For example, Hadian and Afhshari (2019) studied the impact of employee dedication, including affective, continuance, and normative commitments on job performance in Pakistan's oil and gas industry. Their results showed a positive link, suggesting that employee commitment is influenced by job success.

Policies that recognise and support committed workers, such as through technological training programs and incentives, can further enhance their impact on the economy (Ocen et al., 2017). A supportive regulatory environment can encourage SMEs to prioritise employee commitment, leading to positive economic outcomes. Committed SMEs and their employees are more likely to engage in community activities, thereby fostering social development in Ghana and contributing to economic growth. Additionally, a workforce committed to performance can foster a favourable work environment that benefits workers' health and morale, ultimately improving their quality of life and leading to growth and development. By focusing on workers' commitment to performance, this approach highlights the direct link between employee behaviour and the economic growth of the Kumasi Metropolis, understanding the importance of human capital in driving SMEs' success and regional development.

The contribution of SMEs to Ghana's economy is noteworthy. Approximately 90% of businesses in Ghana are SMEs. In terms of employment (SMEs) employs about 80%of the energetic

youth such as market women, farmers, and artisans. Again, SMEs contribute approximately 60% of the country's total GDP, promoting economic growth. According to statistical data from Ghana's Registrar General's Department, approximately 92% of businesses are registered as MSMEs. These enterprises are the largest employers of vulnerable groups, including women, youth, and low-skilled workers, and have the potential to drive economic development, create wealth, and alleviate poverty.
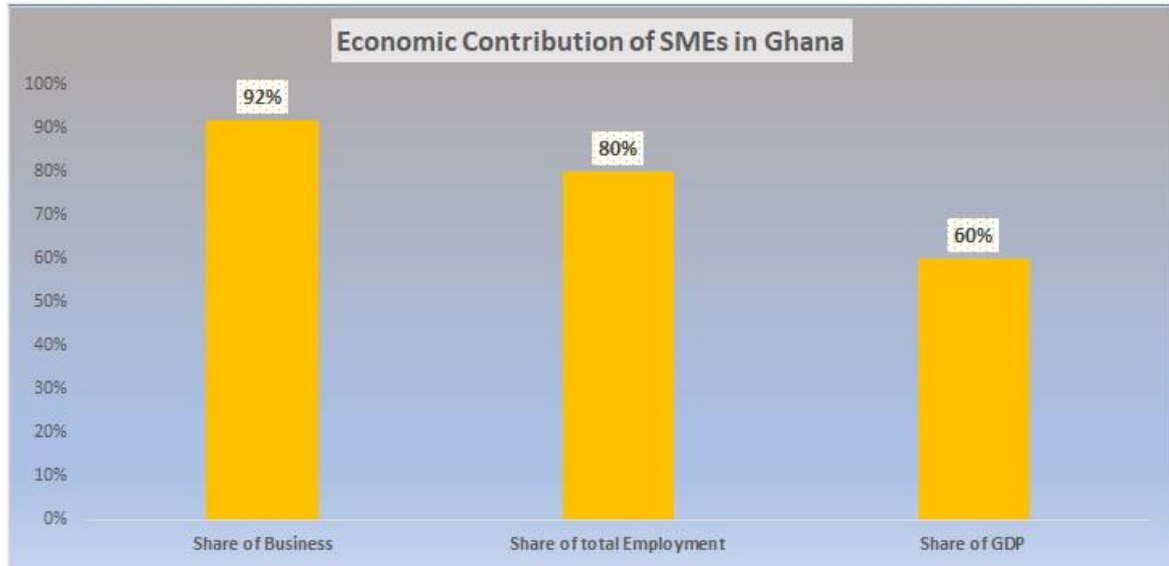

Figure 1. Economic Contributions of SMEs in Ghana
Source: Ghana Statistical Service (2023)

The statistical data available from the Ghana Statistical Service (GSS) (2023) indicate that the contribution of the informal sector to GDP, which is significantly dominated by SMEs, amounted to a total of GH₵156.75 billion in nominal GDP in 2022, representing a 31.86% increase compared to 2021. This represents a 25.69% share of the total GDP. The real GDP of the informal sector grew by 4.23%, representing GH₵48.81 billion in 2022, compared to GH₵46.12 billion in 2021.
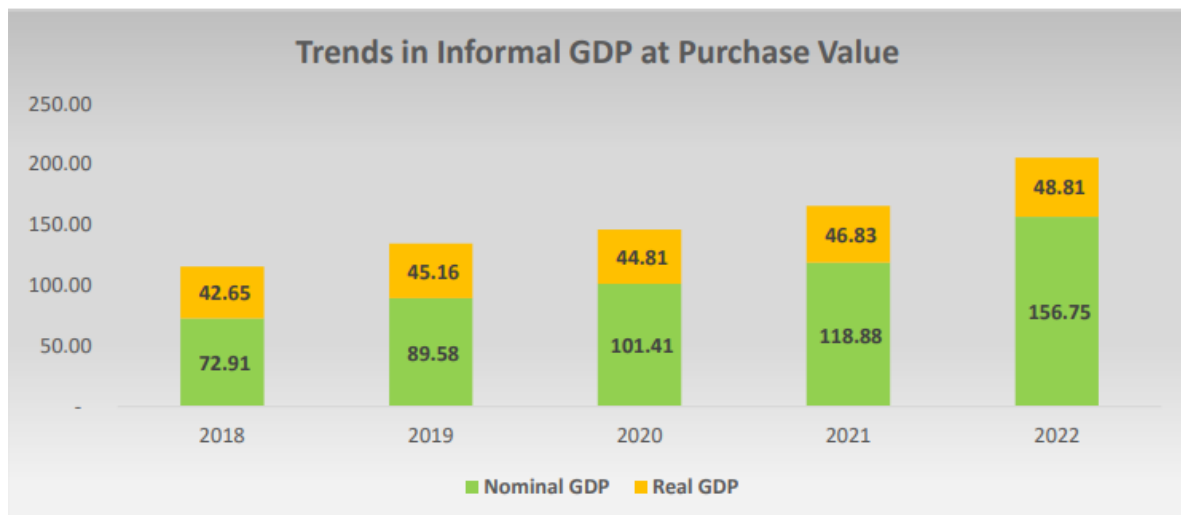

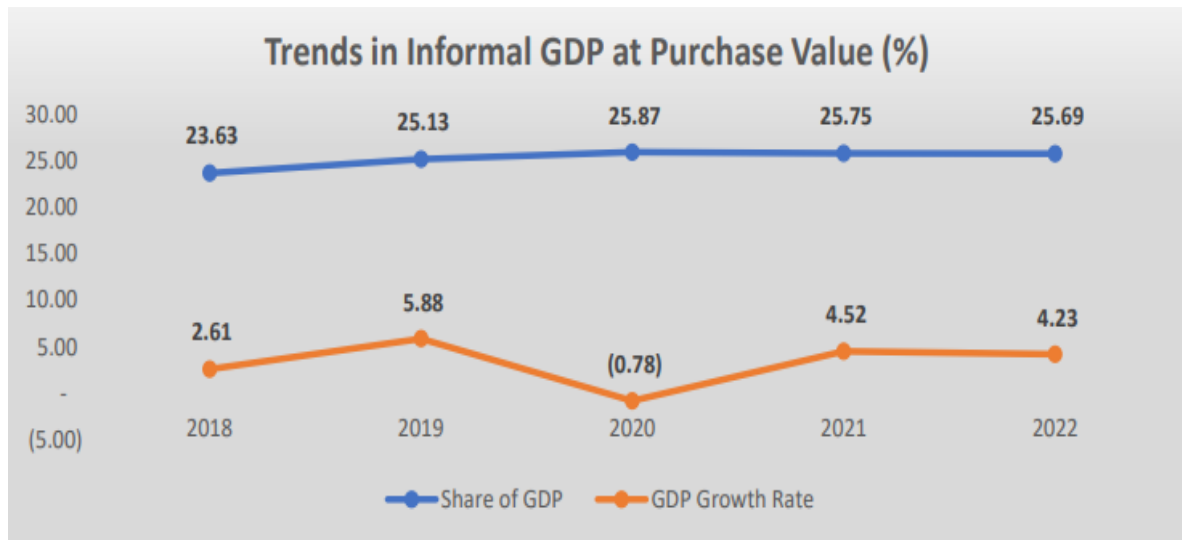**Figure 2.** Trends in Informal GDP at Purchase Value

Figure 3. Trends in Informal GDP at Purchase Value

Empirical Review

A study conducted by Yousf and Khurshid (2021) involved two banks to examine how employee engagement and commitment were affected by employer branding. Their research found that organizational commitment and employee engagement are positively and significantly correlated. Similarly, Đorđević et al. (2020) explored the correlation between organizational productivity in Serbia and employee dedication, which encompasses employees' desire to remain with the company and contribute to its success.

Additionally, factors affecting employees' commitment and engagement have been examined among individuals who work at least four days a week away from their company's main office. A survey of 120 participants from various industries examines the factors that influence the level of engagement and commitment among virtual workers. His study aimed to determine the importance of these elements for remote workers. The research draws on well-established elements that increase commitment and engagement in traditional work environments. The survey's findings emphasize that autonomy, clearly defined team goals, and strong interpersonal relationships with coworkers are crucial elements that raise remote workers' levels of commitment and engagement. Based on these findings, the study highlights how organisations can implement effective management strategies to reduce turnover rates and retain motivated remote workers, thereby promoting economic growth and development.

Teo et al. (2020) examined how high-performance work systems (HPWS) can improve the affective dedication of workers in the hospitality industry. The study found that the relationships between HPWS, affective dedication, and organisational support are mediated by work engagement. Additionally, workplace bullying, a common issue in the hospitality industry, mediated the relationship between HPWS and affective commitment. Similarly, in Ghana's manufacturing sector, the impact of employee engagement on both employee commitment and competitiveness has been examined. Findings highlight a strong and positive relationship between employee participation and employee commitment. Ahakwa (2021) explored the connection between employee engagement, work atmosphere, and job fulfilment with organizational commitment and performance at work in Ghana's Banking industry, with a focus on moderated-mediated interaction. Data were gathered from 720 employees in selected financial banks in the Greater Accra Region of Ghana using simple random probability sampling. The findings indicated that organizational commitment fully mediated the relationship between work environment and

staff performance.

Conceptual Framework

Figure 3 illustrates the relationships between the variables under consideration. Employee commitment, as the independent variable, directly influences the performance of SMEs, which is the dependent variable. Additionally, employee engagement has been shown to have a direct impact on the performance of SMEs.
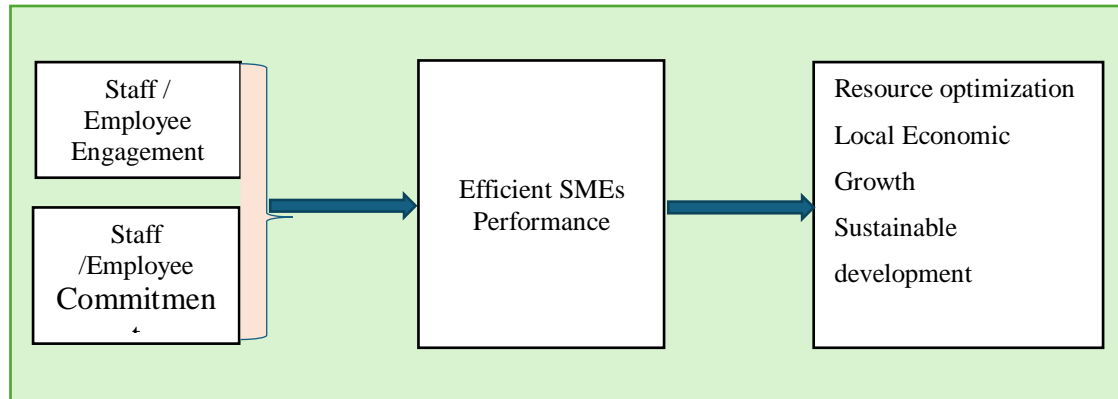

Figure 3. Conceptual Framework
Source: Researcher's Construct, 2024

RESEARCH METHOD

The study employed a mixed-methods approach, combining quantitative and qualitative research methods. This approach ensures a comprehensive understanding of the relationship between SME staff performance and economic growth in the Kumasi Metropolis. Quantitative Method: A survey-based cross-sectional study conducted using structured questionnaires to collect numerical data on SMEs staff performance and economic indicators. Qualitative Method: In-depth interviews and focus group discussions (FGDs) were conducted with SME owners, managers, and employees to understand underlying factors affecting staff performance. The target population includes 100 participants from SMEs staff, managers, and business owners within the Kumasi Metropolitan Area. They were categorised into: Micro-enterprises (1–5 employees), Small enterprises (6–29 employees), and Medium enterprises (30–99 employees), based on the sample size determination criteria proposed by Krejcie and Morgan (2020) and Charan and Biswas (2020). Sectors Covered includes, Trade & commerce, Manufacturing, Hospitality & tourism, Services (health, education, IT, etc.). A stratified random sampling technique used to ensure fair representation of SMEs across different sectors. The Yamane formula was applied, where N is the total population of SMEs, e is the margin of error (5%), and approximately 250–350 SMEs are represented across different sectors. Data Collection Methods. Surveys: Self-administered and interviewer-assisted structured questionnaires. Interviews: Key informant interviews (KIIs) with business leaders and policymakers. Focus Group Discussions (FGDs): Groups of 6–10 SMEs employees discussing work performance and productivity. Secondary data, including economic reports, government publications, and business registration records, were used for this study.

Inclusion Criteria

SMEs must be officially registered and have been operating in the Kumasi Metropolitan Area for a minimum of three years. Business owners, managers, and staff with at least 6 months of experience in the SME sector. Employees work at least 30 hours per week. SMEs across various

sectors (trade, manufacturing, services, etc.) On the other hand, exclusion criteria include large enterprises (100+ employees). SMEs operate outside the Kumasi Metropolitan Area. Businesses that have been operational for less than 3 years. Informal businesses that are not legally registered. Temporary, part-time, or seasonal employees working less than 30 hours per week. Data Analysis was conducted using (SPSS), applying descriptive and inferential statistics (regression analysis, correlation, ANOVA) to assess the relationship between staff engagement, commitment SME performance and economic growth.

Validity and Reliability

The validity and reliability of a research study are crucial for ensuring the precision and coherence of the findings (Sekaran & Bougie, 2016; Creswell & Creswell, 2018). The reliability and accuracy of the measurement tools used in gathering the data were established by the researcher in the current study. A statistical method used to assess the dependability of the measuring instruments in this study is the Cronbach's alpha coefficient, which gauges the internal consistency of the scale's items (Tavakol & Dennick, 2011; Streiner, 2013; Cho & Kim, 2015). A measurement tool is deemed reliable when its Cronbach's alpha value is high, specifically above 0.7. In this study, the researcher ensured validity by conducting a pilot study to test the questions and confirm that they effectively measured the intended constructs.

FINDINGS AND DISCUSSION
Descriptive Statistic

This stands as a foundational and essential element of data analysis, presenting a succinct and insightful summary of crucial aspects within a dataset. Descriptive statistics utilise measures of central tendency, such as the mean, median, and mode, to reveal the typical or central values in a dataset, making it easier to grasp its essential features quickly. Measures of dispersion, including range and standard deviation, further enhance understanding by delineating the variability and distribution of data points. This statistical methodology not only simplifies complex datasets but also helps identify outliers, anomalies, and potential patterns that warrant further investigation. Descriptive statistics thus serve as a guide, steering researchers through the initial phases of data exploration, assisting in the formulation of hypotheses, and establishing the foundation for more intricate inferential analyses. Descriptive research was chosen because it is a successful method of gathering information to test theories or provide answers to queries about the state of the research. The outcomes of the descriptive analysis for the variables considered in the current study are presented in the table below.

Table 1. Descriptive Statistics

Variable	N	Mean	Std. Deviation	Skewness	Kurtosis
Gender	100	1.72	.451	-0.995	-1.031
Marital Status	100	1.66	.497	-0.432	-1.205
Educational Background	100	2.96	.197	-4.767	21.144
Working Experience	100	2.03	1.872	1.502	0.507
Employee Commitment	100	3.64	1.098	-1.133	0.171

| **Employee Engagement** | 100 | 3.43 | .995 | -0.733 | -0.022 |

<div align="center">Source: Researcher's Field Data, 2024</div>

Table 1 provides a summary of the descriptive statistics for the various variables included in this study. To shed light on the dataset's features, this table presents a snapshot of the central tendencies, dispersion, skewness, and kurtosis of the variables in the study. There are one hundred responders in the sample, with a slightly higher average percentage of men. With a moderately negative skewness of -0.995 in the gender distribution, the number of male participants is higher. In comparison to a normal distribution, the kurtosis value of -1.031 indicates that the distribution may be slightly less peaked.

Most participants appear to be trending toward singledom based on their marital status (Mean of 1.66). With a moderate negative skewness of -0.432, the distribution suggests a higher proportion of single people. It can be inferred from the distribution's kurtosis value of -1.205 that the tails are marginally less extreme. The respondents' educational background is diverse, with an average value of 2.96. The distribution is highly negatively skewed (-4.767), suggesting that a larger proportion of participants have one specific educational background (have tertiary education). The extremely high kurtosis value (21.144) indicates a very peaked distribution, with a potential concentration of participants in one category.

On average, participants have approximately 6 to 10 years of work experience. The distribution is positively skewed (1.502), indicating a higher number of respondents with lower levels of experience. The kurtosis value of 0.507 suggests a distribution that is closer to a normal distribution in terms of its tails. The variables Total Employee Commitment (TEC), Total Employee Engagement (TEE), and Total SMEs Performance (TEP) indicate specific characteristics with average values of 3.64, 3.43, and 3.72, respectively. The skewness values for these variables are moderately negative (-1.133, -0.733, -1.231), suggesting that the distributions are slightly skewed to the left. The kurtosis values (0.171, -0.022, 0.445) indicate that the distributions are relatively close to a normal distribution.

Demographic Characteristics

To grasp the complete importance and consequences of the collected and analysed data, it is essential to possess a thorough understanding of the context in which it was gathered. Hence, background information plays a crucial role in interpreting the results presented in this study. To evaluate the participants' professional connections with the organisation, the researcher included a set of demographic questions in the initial section of the questionnaire. These questions explored aspects such as the respondents' work experience, age, gender, marital status, and educational background. The detailed examination of these findings is outlined in the frequency table presented subsequently.

<div align="center">**Table 2.** Demographic Characteristics</div>

Variable		Frequency	Valid Percent
Gender	Male	46	46
	Female	54	54
Marital Status	Single	65	65
	Married	35	35

Educational Background	Degree	54	54
	Masters	46	46
Working Experience	1-5 Years	25	25
	6-10 Years	12	12
	11-15 Years	15	15
	16-20 Years	20	20
	Above 21 Years	28	28
	Total	**100**	**100.0**

Source: Researcher's Field Data, 2024

The data includes information on the gender distribution of the respondents. Of the 100 respondents in total, 46% are male, and 54% are female. This indicates a relatively balanced representation of both genders in the study. The marital status variable provides insights into the participants' relationship status. Among the respondents, 65% are single, while 35% are married. This information is valuable for understanding the demographic composition of the study participants. These variable sheds light on the educational qualifications of the participants. The data shows that 54% of the respondents hold a degree, and 46% have a master's qualification. This breakdown provides a snapshot of the educational diversity within the surveyed group. The working experience variable classifies respondents according to the number of years they have spent in their roles. The distribution is as follows: Of the total number of experienced individuals, 25% have 1-5 years of experience, 12% have 6-10 years, 15% have 11-15 years, 20% have 16-20 years, and 28% have more than 21 years of experience. This breakdown provides a comprehensive view of the participants' professional tenure, enabling an analysis of the study findings about their varying experience levels.

Table 3. Evalutaion of Reliability and Validity of Measurement Instrument

Latent Variable	Factor Loadings	Cronbach's Alpha	Composite Reliability	Average Variance Extracted
Work engagement	0.812	0.880	0.813	0.777
SMEs Performance	0.862	0.893	0.926	0.758
SMEs commitment	0.849	0.901	0.815	0.752

Source: Researcher's Field Data, 2024

A validity and reliability assessment of the measurement instruments was conducted following established protocols for evaluating these attributes. The computation of Cronbach's alpha, average variance extracted (AVE), and composite reliability revealed satisfactory reliability at the construct level, using the acceptable threshold criteria of 0.70 for Cronbach's alpha, 0.70 for composite reliability, and 0.50 for the average variance extracted. The analysis's findings demonstrated a strong, constant correlation between each set of items and its corresponding latent

variable. Table 3 above presents a matrix of the factor loadings for the variables. According to the matrix, every factor loading is higher than 0.70, which is the minimum factor loading that the latent constructs should have for the latent construct to explain at least half of the variance in the dependent variable.

Relationship Between Staff/Employee Commitment and SMEs Performance

The primary goal of the study is to investigate how staff and employee devotion affects the performance of SMEs within the Kumasi Metropolis. Employee commitment extends beyond job satisfaction, encompassing a profound connection and active engagement in organizational goals. This investigation aims to uncover the intricacies of how commitment influences the performance of SMEs in the unique context of Kumasi. Understanding this relationship is crucial for organisations seeking to improve overall performance and cultivate a dedicated workforce. The upcoming data analysis will reveal patterns and correlations, shedding light on the nature of the connection between Staff/employee commitment and SMEs' performance in Kumasi Metropolis. H0: There is a positive relationship between staff commitment and staff /employee performance in SMEs.

From the Hypothesis 1 (H1) shows that there is no significant positive relationship between staff commitment and employee performance. The results revealed a positive relationship between staff commitment and employee performance in SMEs. As indicated in Table 4 Model Summary b, staff commitment significantly correlated with employee performance, with a recorded correlation coefficient ($r = 0.780$ and (p-value < 0.01). As a result, the null hypothesis that there is no significant correlation between staff commitment and staff performance in the Kumasi Metropolis is rejected. This implies a significant association between SME staff commitment and staff performance. There is therefore the need to invest in staff commitment in order to maximise productivity.

Table 4. Correlation Between Employee Commitment and Employee Performance

Variable		EC	EP
EC	Pearson Correlation	-	.951**
	Sig. (2-tailed)		.000
	N	100	

**. Correlation is significant at the 0.01 level (2-tailed).

S/EC = Staff /Employee Commitment, SMEsP = SMEs Performance

Source: Field Data, 2024

Based on Pearson correlation coefficients, the correlation results above depict the relationships between Total SMEs Performance (SMEsP) and Total Staff /Employee Commitment (TSEC). The correlation coefficient, which ranges from -1 to 1, is a statistical measure that indicates the strength and direction of a linear relationship between two variables. A value of 0 signifies no linear relationship, while a value of 1 indicates a perfect positive linear relationship, and -1 denotes a perfect negative linear relationship. The correlation coefficient of 0.951 suggests a substantial positive linear relationship between Total Staff/Employee Commitment (TSEC) and Total SMEs Performance (TS/EP). Accordingly, workers who report higher levels of commitment typically perform at higher levels as well. The positive relationship suggests that performance tends to increase with increased commitment. The strength of this relationship is further supported by the higher level of statistical significance (p-value < 0.01). It implies that employee commitment and SMEs' success are indeed correlated, and that this connection is not likely to have developed by

accident.

Relationship Between Staff Engagement, Staff/Commitment, and SMEs Performance

This study's second objective examines the connection between employee involvement, employee commitment, and SMEs'SMEs' performance within the Kumasi Metropolis. Employee participation, encompassing emotional commitment and active involvement in one's job, is a key factor influencing organisational success. This objective aims to scrutinise the specific dynamics of how engagement impacts performance in the unique context of Kumasi.

Table 5. Correlations between Employee Engagement and Employee Performance

		EE	EP
EE	Pearson Correlation	-	.863**
	Sig. (2-tailed)		.000
	N	100	

**. Correlation is significant at the 0.01 level (2-tailed).

SEE = Staff /Employee Engagement, SMEs P = SMEs Performance

Source: Field Data, 2024

Based on Pearson correlation coefficients, the correlation results offered illustrate the connections between employee engagement and employee performance. Employee engagement and SMEs' performance appear to have a strong positive linear relationship, as indicated by the correlation coefficient of 0.863. This indicates that in the context of your study, employees who report higher levels of engagement also tend to exhibit higher levels of performance. The positive relationship implies that as engagement increases, performance tends to increase as well. The strong statistical significance (p-value < 0.01) reinforces the robustness of this relationship. This suggests that the observed correlation between employee engagement and SMEs' performance is unlikely to have occurred by chance, supporting the notion that there is a genuine connection between these two variables.

Impact of Staff commitment on Staff engagement and SMEs performance

The second objective of this study is to investigate the relationship between employee commitment and performance within the Kumasi Metropolis. Employee commitment, characterised by a strong emotional attachment and alignment with organisational goals, is a crucial element influencing workforce dynamics. This objective aims to explore the intricacies of how commitment contributes to employee performance in the specific context of Kumasi.

Table 4. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.883a	.780	.778	.469	1.950

a. Predictors: (Constant), EC = Employee Commitment

b. Dependent Variable: EE = Employee Engagement

Source: Field Data, 2024

Total Employee Engagement (TEE) is the dependent variable, whereas the model summary provides an overview of how well the predictor variable (S/EE) describes the variance in TEE. Given an R-squared value of 0.780, employee commitment can account for approximately 78% of the variation in employee engagement. This suggests a substantial influence of staff/employee commitment on staff/employee engagement.

Table 5. Anova

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	76.472	1	76.472	347.824	0.000b
	Residual	21.546	98	.220		
	Total	98.018	99			

a. Dependent Variable: SEE = Staff /Employee Engagement

b. Predictors: (Constant), SEC = Staff /Employee Commitment

Source: Field Data, 2024

The overall significance of the regression model is evaluated in the ANOVA table. The significance of the regression model is indicated by the very low p-value ($p < 0.001$) and a significant F-value (347.824). This suggests that the predictor variable (TSEC) significantly contributes to explaining the variance in employee engagement (TS/EE).

Table 6. Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.516	.163		3.168	.002
S/EC	.801	.043	.883	18.650	.000

a. Dependent Variable: S/EE = Staff /Employee Engagement

Source: Field Data, 2024

The coefficients table provides information about the specific effects of the predictor variable, Employee Commitment, on the dependent variable, Staff/Employee Engagement. The constant term is 0.516, indicating the expected value of when Staff/Employee Commitment is 0. The coefficient for Staff/Employee Commitment is 0.801. This standardized coefficient (Beta) suggests that for every one-unit increase in Total Employee Commitment, Total Employee Engagement is expected to increase by approximately 0.801 units. The t-value of 18.650 is highly significant ($p < 0.001$), indicating that the relationship between Staff/Employee commitment and Staff Engagement is statistically significant.

Table 7. Residual Statistics

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	1.32	4.52	3.43	.879	100
Residual	-.918	1.097	.000	.467	100

	Minimum	Maximum	Mean	Std. Deviation	N
Std. Predicted Value	-2.401	1.243	.000	1.000	100
Std. Residual	-1.958	2.339	.000	.995	100

a. Dependent Variable: S/EE = Saff /Employee Engagement

Source: Field Data, 2024

These statistics provide insights into the distribution of residuals, which are the differences between the actual and predicted values of Employee Engagement. The residuals have a mean of 0.000, which is expected in a well-fitted model. The standard deviation of residuals is 0.467, indicating the average distance of data points from the regression line. The standard residual ranges from -1.958 to 2.339, suggesting that most residuals are within this range.

Discussion

The study findings indicate a robust positive correlation between Staff/employee dedication and SMEs' performance in promoting economic progression in the Kumasi metropolis, which aligns with the primary research objective and the first hypothesis. This part of the study aims to investigate the impact of these two variables, and the results suggest that a greater sense of commitment is linked with improved SME performance. While this correlation suggests a positive relationship between commitment and performance, it is essential to note that it does not establish a causal link. Other factors may also contribute to performance. The strong positive correlation implies that when staff/employees are committed to an organisation, they often feel a sense of obligation to reciprocate by delivering better quality performance. This result aligns with the findings of Đorđević et al. (2020), who concluded that committed staff/employees are likely to exhibit higher performance levels, thereby promoting economic growth.

The results are consistent with the second research objective, which examined the relationship between staff/worker performance and staff/worker engagement. SMEs may find it advantageous to implement strategies that enhance staff/employee engagement in order to improve overall employee performance, given the strong positive correlation found between employee engagement and performance. This finding aligns with the study's second hypothesis, which posited a favourable correlation between staff/worker engagement and output. There is a favourable correlation between employee participation and performance, which aligns with the findings of the current study. Similarly, when employees are involved in organisational decision-making, they tend to demonstrate greater dedication and contribute to the organisation's competitive advantage.

After controlling for the constant term, the significant coefficient for Staff Commitment indicates a statistically substantial and favourable link between employee commitment and performance. The third research aim, which examined the impact of employee commitment on employee performance, is supported by these results. SMEs that focus on increasing staff commitment may see an increase in employee engagement, which can potentially result in a more motivated and productive workforce. The results of Ahakwa (2021), who discovered that organisational commitment significantly affects employee performance, are corroborated by this data.

CONCLUSIONS

Improving SME staff performance is essential for economic growth in Kumasi and beyond. This study will provide valuable insights into the root causes of performance issues and suggest

practical solutions to enhance SME productivity and economic contributions. The study's overarching objective was to investigate the impact of staff performance on small and medium-sized enterprises (SMEs) as a driver of economic growth in the Kumasi Metropolis. The findings revealed that staff performance is a critical factor in the success of SMEs, and that it has a significant impact on their productivity, competitiveness, and overall performance. These findings resonate deeply with the existing literature that emphasises the symbiotic nature of these constructs within the organisational context. This linkage resonates with the concept that engaged employees are driven by a sense of purpose, enthusiasm, and alignment with SMEs' objectives, leading to increased productivity and efficiency, which in turn promotes economic growth. The findings of this study offer profound insights into the dynamics that underpin the commitment-engagement-performance nexus, shedding light on strategies for enhancing staff and organisational well-being and success.

Recommendations

Government and financial institutions should improve SME access to affordable credit. SMEs should invest in staff training and modern business technologies. Policies should support SME-friendly tax structures and simplified regulatory processes. Infrastructure improvements, especially in electricity and transport, can enhance business operations. Business associations should promote mentorship and capacity-building programs to support the development of their members.

Promotion of Digital Entrepreneurship

Encouraging the emergence of digital entrepreneurs within the Kumasi Metropolis can foster innovation and the development of technology-driven solutions tailored to the needs of local SMEs. Initiatives such as incubation programs, startup competitions, and mentorship networks can foster a vibrant digital entrepreneurship ecosystem, promoting economic growth.

LIMITATION & FURTHER RESEARCH

- Causality Not Established – Although the study identifies strong positive correlations between staff/employee commitment, engagement, and SME performance, it does not establish a causal relationship. Other external factors, such as market conditions, leadership effectiveness, and government policies, could also influence SME performance. Future research should use experimental or longitudinal designs to explore causality.
- Context-Specific Findings – The study focuses on SMEs in the Kumasi Metropolis, limiting its generalizability to other regions or countries with different economic conditions, business environments, and cultural contexts. Cross-regional or international comparisons would provide a broader understanding of these relationships.
- Longitudinal Studies: Longitudinal studies can track the trajectories of employee commitment, engagement, and performance over an extended period. This approach would allow for the examination of causal relationships and potential shifts in these dynamics over time.
- Lack of Industry-Specific Insights – SMEs operate in diverse industries, each with unique challenges and opportunities. The study does not differentiate between sectors, which may limit its applicability across different types of businesses. Future research could examine industry-specific variations in employee commitment and performance.
- Mediating and Moderating Factors: There is a need to investigate mediating and moderating factors that influence the relationship between commitment, engagement, and performance. Factors such as leadership styles and organizational culture

- Limited Consideration of External Variables – While the study highlights internal factors like commitment and engagement, it does not extensively examine external influences such as competition, government policies, technological advancements, and macroeconomic conditions. Future research could integrate these factors to provide a more comprehensive view.

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