

# Supporting women's entrepreneurship in Ghana

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## Dr Jennifer Jennings discusses her colleague's field research related to women's entrepreneurship in Ghana and the inferences for economic development organizations

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In a prior Open Access Government article, Dr Jennifer Jennings from the University of Alberta shared findings from her doctoral student's research on women entrepreneurs in the African country of Libya. Here, she summarizes findings from two field studies led by one of her departmental colleagues, Dr Angelique Slade Shantz, that were set within the African country of Ghana. As elaborated below, the research findings possess important practical implications for economic development organizations striving to foster women's entrepreneurial activity in poverty-stricken regions – especially those with informal institutions similar to those found in the Ghanaian context.

### Impetus for the two studies

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Dr Slade Shantz's studies were motivated by previously reported evidence that interventions designed to stimulate entrepreneurial activity in impoverished contexts sometimes fall short of fully attaining their hoped-for goals. Entrepreneurship training programs and microfinance initiatives, for instance, often increase the number of businesses in a community but can sometimes fail to produce innovative, growth-oriented ventures that create substantive value. The cooperative organizational form, which tends to be promoted within many emerging economy contexts, is sometimes found to be unsustainable in the longer term. Dr Slade Shantz's research illuminates a key reason why: interventions are often built upon implicit Global North assumptions about entrepreneurship, which can run counter to the distinct informal institutions underlying many impoverished contexts in the Global South.

### Nature of the first field study

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For the first field study, the research team partnered with an NGO that had been working to foster entrepreneurship in the impoverished region of northern Ghana for over a decade. With the assistance of two field officers who served as local interpreters, the researchers conducted interviews and focus groups with 37 individuals from various rural communities. The participants consisted of entrepreneurs, community members, other NGO field officers, and 'insiders/outside' who were initially from remote villages in the region but had relocated to an urban centre.

Notably, all of the 17 interviewed entrepreneurs were women. This is typical of the rural northern Ghanaian context, wherein females are predominant within the SME sector. Most of the interviewed women entrepreneurs sold agricultural products (e.g., maize,

soybeans, rice) or simple value-added products (e.g., shea butter, bean cakes, porridge), with several involved in the 'petty trading' of goods produced by others.

## **Key findings regarding the role of informal institutions**

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Qualitative analysis of the transcribed data produced several insights with important implications for initiatives striving to foster entrepreneurial activity in settings such as rural northern Ghana. Of special note was the role played by two cultural values emphasized by the research participants. One was collectivism, which prioritizes an individual's social obligations to the local community. The other was fatalism, which refers to the strong belief in the inevitable or predetermined nature of one's life outcomes.

Further analysis revealed that these cultural values shaped the women's occupational identities as entrepreneurs, influencing their business practices in noticeable ways. For instance, the women's collectivist beliefs led them to view themselves primarily as a social safety net for their community, with attendant obligations to loan money to others, provide certain necessary goods/services, and even mentor potential competitors. Similarly, the women's fatalistic beliefs led them to perceive themselves as mere followers of a predetermined/ inherited path over which they exerted limited control and to eschew high levels of financial success. Due to these obligations and constraints, the women tended to pursue imitative rather than innovative entrepreneurial opportunities through ventures that were not highly growth-oriented.

## **Nature of the second field study**

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For the second field study, the research team led by Dr Slade Shantz once again partnered with a development organization operating in the impoverished rural region of northern Ghana. This time, however, the researchers designed and implemented a field experiment to help guide the structuring of the cooperative organizational form that is being utilized increasingly for poverty alleviation efforts in the Global South. More specifically, they sought to shed light on whether managing these collectives via a hierarchical versus flat control structure tends to be more effective.

To achieve this aim, Dr Slade Shantz and her collaborators altered the training program the development organization had historically provided to newly formed cooperatives in the region. One set was assigned to the hierarchy condition, wherein four members were designated as 'executives' in charge of membership, finance, production, or marketing.

The other set was assigned to the flat condition, wherein responsibility for these key tasks was designated to four separate committees comprised of multiple members. Of the 45 collectives that received the revised training, 23 and 22 were assigned to the hierarchical versus flat conditions, respectively. Notably, both sets of collectives were composed entirely of women.

## **Key findings related to formal and informal hierarchies**

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The findings from the second study also possess important practical implications for efforts to promote entrepreneurial activity in contexts such as Ghana's rural northern region. Regarding whether collectives, in particular, should be managed using hierarchical versus flat control structures, the research evidence is clearly in favour of the latter. Within these predominantly all-female groups, the imposition of formal hierarchy tended to reduce the members' sense of psychological ownership and heighten interpersonal conflict.

Notably, however, the researchers also discovered a structural feature that attenuated these deleterious effects. More specifically, they noticed that intragroup conflict did not increase when collectives assigned to the formal hierarchy condition also exhibited a high degree of informal hierarchy. In the northern rural region of Ghana, this informal hierarchy was evident within collectives comprised by both younger and older women. Follow-up interviews revealed that the presence of older women, who possessed informal authority in this setting, helped other members make sense of the imposed system of formal hierarchical control.

## Overarching conclusion

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Taken together, the findings from the Ghana-based field studies led by University of Alberta researcher Dr Slade Shantz offer a compelling caution for efforts to stimulate women's entrepreneurial activity in contexts with informal institutions similar to those in the rural northern region of this African country. The key inference is that many of these well-intentioned initiatives are unlikely to attain their desired goals if they are (implicitly) built upon principles and practices from the Global North, which may not resonate with the cultural values, beliefs, and interaction styles predominant within the Global South.

Full versions of the published academic studies can be found [here](#) and [here](#).

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