Original Research Article

Comprehension of the application of Mckinsey's 7s model by women in SMEs in Ghana; the mediating role of commitment.

Abstract

Purpose: One of the issues facing SMEs is how to align the internal structures of the organization to improve performance. This study seeks to investigate how SMEs apply the Mckinsey's 7s framework to align together to improve performance. The study further examines the role of employee commitment on McKinsey's 7s to performance.

Design/ Methodology/ approach: The study employed causal and descriptive research design with a sample size of 378 women entrepreneurs in SMEs in Ghana selected through purposive sampling method. Quantitative data were collected from participants through surveys with the use of questionnaire. Data were analysed by employing structural equation modelling (SEM) supported by AMOS 23.0 with maximum likelihood estimation to test the formulated hypotheses. The mediation analysis was done via bootstrapping through AMOS.

Findings: The findings showed that the application of Mckinsey's 7S has a positive contribution to performance of SMEs. The study further revealed that 4 out of the 7 variables have direct, statistically, and significant influence on employee commitment. The variables include strategy; structures; skills and shared value. The other 3 variables that shown insignificant relationship with employee commitment were Systems, staff and style.Also, the results of the mediating

variable suggests that employee commitment has no direct influence on performance results outcome and the hypothesis is not supporting but indicated inverse relationship.

Key words: Performance, Organizational Commitment, McKinsey's 7s, women entrepreneurs, AMOS.

1.0 Introduction

The ever-increasing competition in the global market has prompted more attention to be given to the subject of entrepreneurship through establishing micro and small enterprises (Cui, Sun, & Bell, 2021). Entrepreneurship as a social science phenomenon is receiving amplified attention globally.

Clampit et. al (2021) have indicated that small and mid-size enterprises (SMEs) are businesses that maintain revenues, assets or a number of employees below a certain threshold (Clampit, Lorenz, Gamble, & Lee, 2021). Women entrepreneurs create something from nothing, they are initiators, owners, and managers of businesses. Societal challenges and the environment might constrain and control the business activities of women entrepreneurs.

Against this background, this study seeks to use the Mckinsey"s 7s to align together to improve performance applying to only women in SMEs. The study will measure Mckinsey's 7S model (strategy, systems, structure, style, staff, skills and shared values) against the performance of women in SMEs in Ghana and mediates with employee commitment. The use of the 7s framework is that all the seven elements need to be aligned and jointly reinforcing for an organization to perform well. The study shows which of the 7S of the McKinsey's 7s model is principal in an organization and whether Shared Values, which is at the centre of the model, has any special impact on the effective performance of an organization or not.

The Mckinsey"s 7S (Peters & Waterman, 1980) analyses an organization's effectiveness through shared values, strategies, structure, systems, style, staff and skills and can effectively be used by women entrepreneurs for operational success. For effective operation of the elements, each of them must be aligned and linked: with shared values being central to the development of all the other elements.

With the seemingly dominant variables in entrepreneurial performance, which are commitment (Rostini, Souisa, Masmarulan, & Yasin, 2021) and financial disciple, researchers may enhance their insight into how women entrepreneurs achieve business performance using their specific creation of combined resources to deal with the resource-constrained environment.

Studies have found that the development of entrepreneurship and SMEs have been a remedy for poverty mitigation (Abisuga-Oyekunle, Patra, & Muchie, 2020; Morris, 2021) among the fastest growing economies of developing countries including Ghana. Women-led SMEs and their performance are critical for poverty alleviation especially in developing countries because it provides employment opportunities and economic benefits (Bui & Long, 2021). Women who perform well in their businesses stand to see improvements in their productivity and overall well-being of female entrepreneurs.

Despite the many accomplishment of women entrepreneurs in developing countries, studies on women entrepreneurship in Africa depict women-owned micro and small enterprises as being under financed and thus continue to record poor performance compared to male owned SMEs (Msimango-Galawe & Mazonde, 2021). Only a hand full of women entrepreneurs have access to affordable and proper financial capital (Ghosh & Vinod, 2017). Lack of collateral requirements, low income and unsound business plans are some of the major reasons for the unwillingness of

formal banks' lending money, to majority of entrepreneurs who own micro and small enterprise resulting in low performance in their businesses.

Women who want to succeed and perform very well in entrepreneurship are expected to have an entrepreneurial commitment to the business being run. Entrepreneurship commitment can be realized if work prospects are met. Entrepreneurs stay committed when they are passionate about their businesses.

Sahabuddin (2014) has iterated that, entrepreneurial commitment is the intentions, desires, beliefs, and abilities in a person managing an enterprise in order to achieve business success (Sahabuddin, 2014). This encourages a person to act focused on success, into the future, and be brave in taking risks. A committed woman entrepreneur needs support from employees, business associates and friends, who will give critiques and feedback that can assist her progress with her business dreams.

The variables that will be used to measure the dependent variable; performance of women in SMEs are grouped under quantitative (market share, return on investment, level of production) and qualitative perspectives (leadership style, goals and achievement, customer satisfaction).

The novelty of this paper lies in incorporating commitment as a mediating variable to measure the performance of women entrepreneurs with the use of Mckinsey's 7S and so as to fill the gap in the women entrepreneurs' performance literature in developing countries unlike the existing studies made by Alene (2020) and (Ibáñez, Guerrero, & Mahto, 2020).

The objectives of this paper are to;

1. identify the effect of employee commitment on the application of Mckinsey's 7s in women in SMEs.

2. ascertain the significance of McKinsey's 7s on performance of women in SMEs.
3. investigate the important role of employee commitment on performance.
4. identify the effects of employee commitment on the relationship between Mckinsey's 7s and performance of women in SMEs.

This paper proceeds as follows: First, it discusses review of related literature. Second, it describes the methodology of the study. Third, it discusses and presents the statistical results, and finally, it presents the conclusion, limitation, and future implication of the study**.**

2.Theoretical background

This study is built on organizational commitment; (Meyer & Allen, 1997) because of its comprehensive theoretical foundation. The framework uses the tri-dimensional model to conceptualize organizational commitment in three dimensions, that is, affective, continuance and normative commitments. These dimensions refer to the different ways of organizational commitment development and the implications for employees' behavior(Ko, Jang, & Kim, 2021).

Commitment, as explained by Jaramillo et al., (2006) reflects general emotional responses to the organization as a whole and individual's psychological identification and connection to the organization (Jaramillo, Mulki, & Solomon, 2006). Mowday et al., (1979) also stressed that commitment highlights attachment to the organization, including its purpose and value (Mowday, Steers, & Porter, 1979).

The first part of organizational commitment by Meyer and Allen (1991) in their model is affective commitment. This denotes the individual's passionate attachment, identification with, and involvement in the organization. People who are committed on an affective level (Kooij

&Boon, 2018) stay with the organization because they view their personal employment relationship as harmonious to the goals and values of the organization.

Continuance commitment which is the second dimension of the tri-dimensional model of organization, looks at the awareness of the costs associated with leaving the organization (Hakim & Pristika, 2020). Meyer and Allen (1991), further state that "employees whose primary link to the organization is based on continuance commitment continue to be with the organization because they need to do so". This indicates the difference between continuance and affective commitment. The latter entails those individuals stay in the organization because they want to.

The last aspect of the organizational commitment model is normative commitment. Meyer and Allen (1991) define normative commitment as "a feeling of obligation to continue employment". Normative commitment is the individuals who believe they are duty bound and obligated to sustain affiliation in the organization (Hakim & Pristika, 2020). According to Meyer and Allen (1991) "employees with normative commitment feel that they ought to remain with the organization". In terms of the normative dimension, the employees stay because they should do so or it is the proper thing to do.

It must be admitted that it is of essence to articulate how organizational commitment influence performance, taking into consideration the strategy, systems, structure, style, staff, skills and shared values effectively managed by the organization. This situation is even more prominent in SMEs of developing countries, like Ghana. Deducing from the above discussion and the empirical evidences drawn, the researcher is of the view that the organizational commitment framework is more suitable for studying the performance of women in SMEs in Ghana; the mediating role of commitment.

2.1 Literature Review

2.1.1 Organizational Performance

An organization according to Cornelissen (2020) is an organized group of individuals with a specific purpose (Cornelissen, 2020). Performance on the other hand is identified by Aguinis (2019) as a continuous process of identifying, measuring, and developing the performance of individuals and teams and aligning their performance with the strategic goals of the organization (Aguinis, 2019). Hatch (2018) iterated in his book that organizational performance deals with some specific areas of the outcomes in an organisation (Hatch, 2018).

The market organisational performance can meet the expectations and demands of its numerous consumers in terms of service or goods produced (Gunawardana & Aravinda, 2021). Some organizations measure market performance by looking at the market share (Belleflamme, Peitz, & Toulemonde, 2021) they possess and comparing it with the area their competitors possess, some through their ability to attain social responsibility (Maqbool & Zameer, 2018).

Moreover, financial performance includes return on assets, profits, return on investments (Gartenberg, Prat, & Serafeim, 2019), etc because it is easy to determine the financial performance of a firm by looking at them. It also refers to the ability of an organisation in measuring its policies and operations in monetary terms or terms of value, for instance, cedis, euro, pounds, dollars, etc. Shareholder value is the ultimate measure of organisational performance and determines how much the firm has been able to enrich its shareholders. Hofmeister (2018) posited that shareholder return includes total shareholder return, economic value added (Hofmeister, 2018), etc. The shareholder value is the value the shareholder possesses. Performance in the organization can be measured either quantitatively or qualitatively.

2.1.2 Measuring organizational performance

Performance measurement is a process to evaluate an organization's functioning activities in terms of its actions and activities for a period according to the objectives set. In other words, performance measurement is an assessment of the level of effectiveness and efficiency of organizational activities. The term performance may not be fully explained by a single measure. There have been inconsistencies in measuring organizational performance even though several researchers used quantitative data in measuring organizational performance (Wang, Bhanugopan, & Lockhart, 2015). Assessing SMEs' performance from a quantitative perspective, (Anggadwita & Mustafid, 2014) looked at efficiency, level of production, financial results, number of customers, market share, profitability, productivity, dynamics of revenues, costs and liquidity (Zimon, 2018, 2020), etc. Similarly, from a qualitative viewpoint: goals achievement, leadership style, employee behaviour, customer satisfaction (Frangieh & Rusu, 2021; Zulkurnain, Khairushalimi, & Azizan, 2014), product and process innovation, organizational and marketing innovation (Hock-Doepgen, Clauss, Kraus, & Cheng, 2021) etc.

2.1.3 Mckinsey's 7S

In the 1980s the McKinsey 7S Model was developed by Tom Peters and Robert Waterman (Peters & Waterman, 1980) , who were two consultants working at the McKinsey & Company consulting firm. The model is useful in detecting the causes of organizational malaise and in articulating programs for improvement (Channon & Caldart, 2015).

The model was created as identifiable and easily remembered framework in business. The seven variables, all beginning with the letter "S" include "strategy", "structure", "systems", "staff", "skills", "style", and "shared values'' (Alam, 2017).

Effective organizations achieve a fit between these seven elements. These elements are categorized in so-called hard S's and soft S's (Alexandru-Ilie, Alexandru, Iulian, & Valentin, 2020). The hard elements (strategy, structure, and systems) are feasible and easy to identify. The four soft S's (shared values, skills, staff, and style) however, are hardly feasible. Hanafizadeh & Ravasan, (2011) have given definations to the 7S' in Mckinsey's model.

List 1 :Description of the elements of McKinsey 7S model

Dimension	**Description**
Strategy	Actions a company plans in response to changes in its external environment.
Structure	Basis of specialization and co-ordination influenced primarily by strategy, size, and diversity of organization
System	Formal and informal procedures that support the strategy and structure.
Style	Consisting of two components as below: Organizational culture: the dominant values, beliefs, and norms which develop over time and become relatively enduring features of organizational life. Management style: more a matter of what managers do than what they say; how do company managers spend their time; what are they focusing on.
Staff	The people/human resource management- processes used to develop managers, socialization processes, and ways of introducing young recruits to the company
Skills	The distinctive competences- what the company does best.
Shared values	Guiding concepts, fundamental ideas around which a business is built. It must

	be simple, usually stated at abstract level, have great meaning inside the organization even though outsiders may not see or understand them

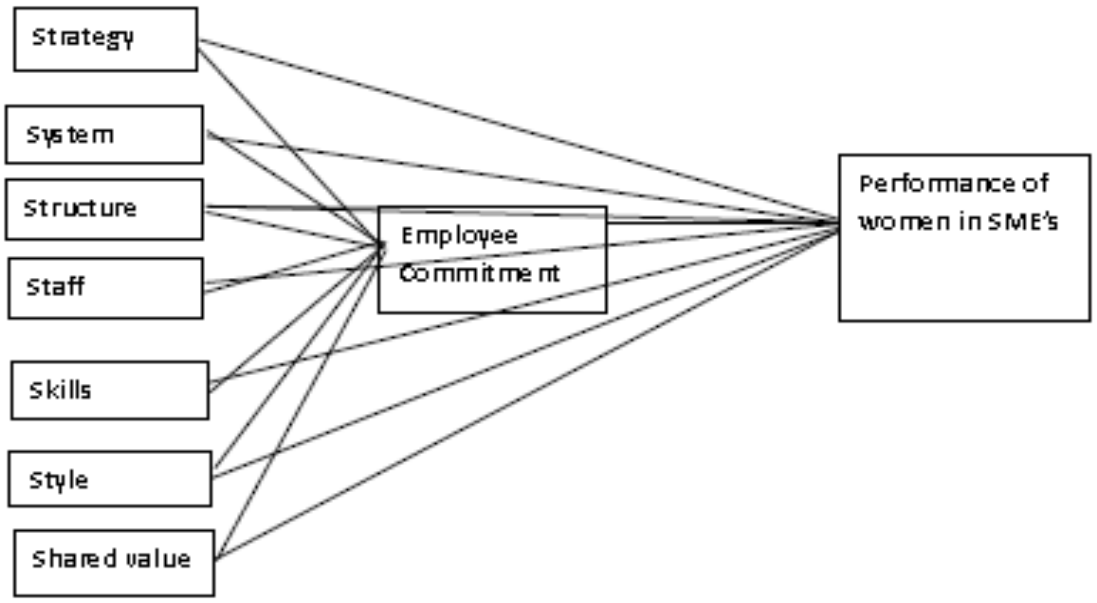
Source; (Hanafizadeh & Ravasan, 2011)

Regarding the high capability of the 7S model to give a comprehensive view of every organization, including SME's the author has exploited the model in developing the conceptual framework of this paper.

2.3 Research Framework and Hypotheses

Building upon the Organizational commitment framework, Mckinsey's model and on a synthesis of earlier studies, this study proposes the following relevant factors that can results in effective performance of women entrepreneurs in SMEs in Ghana as shown in figure 1. In this research, the dependent variable, Performance of women in SMEs is defined in accordance with Zulkurnain, Khairushalimi, & Azizan, (2014) as a social factor significantly influencing business performance of women entrepreneurs in SMEs.

Picture 1. Research Framework



Source: Conceptual framework by author.

Hypotheses development

Consistent with the literature, the hypotheses' structure (see figure 1) Mckinkey's 7s (strategy, system, structure, staff, skills, styles and shares values, organizational commitment and performance of women are hypothesise below.

H1; Effective use of McKinsey's 7s will significantly affect employee commitment.

H2; Effective use of Mckinsey's 7s will significantly affect the performance of women in SMEs

H3; Employee commitment will significantly affect performance of women in SMEs.

H4; Effective use of Mckinsey's 7S moderated by Employee commitment will significantly affect the performance of women in SMEs.

3.0 Materials and Methods

This study seeks to measure Mckinseys's7S model against the performance of women in SMEs in Ghana and mediates with organisational commitment. The researcher adopted quantitative method in the data collection and analysis procedure. As a way of measuring the constructs, testing and verifying the hypotheses, the researcher administered a survey to women in SMEs. The study administered the survey to the respondents covering Mckinsey's 7S through organizational commitment to performance of women in SMEs.

Primary data were collected by administering a structured questionnaire followed by interview. The questionnaire was designed covering the quantitative perspective of performance (market share, return on investment, level of production) and qualitative perspective of performance (leadership style, goals and achievement and customer satisfaction) with respect to each of the 7S (Shared Values, Strategy, Structure, Systems, Style, Staff and Skills) of McKinsey's 7S framework. The scale used is a 5- point Likert scale, in which. 1. Strongly Disagree 2. Disagree 3. Neither Agree nor Disagree 4. Agree 5. Strongly Agree

The study used structural equation model (SEM) to analyse the data. The use of structural equation model in this study is appropriate since it takes a confirmatory approach to analyse data by stating specific relationships among variables (Teo, 2013). The application of SEM also enables the researcher to assess the factorial validity of the questions which make up the scales by revealing the extent to which it is likely to measure identical concepts or variables (Hardy & Bryman, 2009).

4.0 Data Analysis

In this study, SPSS 26.0 was used for statistical analysis, including statistical description and correlation analysis. In addition, AMOS version 23.0 was utilized to construct the models and conduct mediating effect analyses. Descriptive statistics such as the mean and standard deviation (SD) were used whilst normality diagnostics such as the skewness and kurtosis were used. Correlation analysis was carried out to examine the strength of the association between the study constructs. It was also used to determine the collinearity among the constructs. The interrelationship among the constructs was examined using structural equation modelling (SEM) framework (Little et al., 2002). This was necessary because the technique has been verified that parcelling items in a scale or subscale into several small parts of items has important significance in improving the variable-to-sample size ratio and increasing the stability of the estimated parameters (Tian et al., 2018). The technique used the maximum-likelihood estimation in the AMOS 23.0 for its estimation process. The following model indices were used to evaluate the goodness of fit of the proposed model: Chi-square statistic (χ^2) and the chi-square-to-degrees-of-freedom ratio (χ^2/df), the root mean square error of approximation (RMSEA), the goodness-of-fit index (GFI), the comparative fit index (CFI), and (5) the Tucker- Lewis Index (TLI) among others as shown in the Table 4. Studies have shown that a model is adequate when it met these criteria:$\chi^2/df < 3$,GFI, CFI, and TLI ≥ 0.95 (the closer to 1, the better the index); and RMSEA ≤ 0.08 (the closer to 0, the better the RMSEA; Kim et al., 2009). As part of the SEM, it was necessary to examine the path relationship and determine whether each structural path (Direct effect) was statistically significant. In examining the mediation effect bootstrapping procedures was used to further confirm the mediation effect of employee commitment on the relationship between Mckinsey's 7s and performance result outcome. A total of 5,000 bootstrapped samples

were drawn, and 95% confidence intervals (CIs) with bias corrections were reported in this analysis. Statistical significance was determined with a 95% CI that did not contain zero (Hayes, 2012).

4.1 Sample Profile

The results in Table 1 displays the demographic characteristics of the participants. The study used sample size of three hundred and seventy-eight (378) participants. Out of the total of 378, 18%(n=68) were between 18-25 years, 23.3%(*n=88*) were between 26-30, 28.6%(*n=108*) were between 31-35 years, those between 36-40 years formed 10.8%(*n=41*), 14.3%(*n=54*) represents those between the age group 41-45 whilst those above 50 years formed 5%(*n=19*). The results suggest those with no formal education formed about 18%(*n=68*), primary school level formed 23.3%(*n=88*), senior high school leavers formed about 28.6%(*n=108*), those with vocational or technical education formed about 10.8%(*n=41*), Higher National Diploma (HND) formed about 14.3%(*n=54*) whilst only few participants have first degree and masters as they formed 3.2%(*n=12*) and 1.9%(*n=7*) respectively. As evidence, 25.4%(*n=96*) indicated that their firms have been in business for less than 5 years, 25.7%(*n=97*) represents those who indicated that their firms have been in operation between 6-10 years, 24.6%(n=93) indicated 11-15 years whilst 24.3%(*n=92*) indicated above 15 years in business. In the case of the number of employees for the firms, the result shown that 51.9%(*n=196*) have between 1-10 employees, 23.5%(*n=89*) have between 11-50 employees, 17.2%(*n=65*), have between 51-250 employees whilst 7.4%(n=28) have more than 251 employees. The sectors where the participants belong to is shown in the table , as majority of them were in the manufacturing (Agriculture, mining, construction) as it formed about 16.9%(*n=64*), followed by those in the educational sector as they formed about 15.1%(*n=57*), followed by those in the finance / insurance services as they formed 13.5%(*n=51*),

then those in the retail / wholesale business as they formed about 13.2%(*n=50*) whilst the least sector which is transportation / warehousing formed about 9.3%(*n=35*). The results reveal that out of the total number of participants used for the study, 22.2%(*n=84*) were owner managers, 23.8%(*n=90*) were managers, 27.5%(n=104) were superiors whilst 26.5%(*n=100*) were employees.

Table 1 Participants' profile

Variable	***(N=378)***	***Percent (%)***
Age group (Years)		
18-25	68	18.0
26-30	88	23.3
31-35	108	28.6
36-40	41	10.8
41-45	54	14.3
>50	19	5.0
Highest Level of Education		
No schooling	68	18.0
Primary	88	23.3
Senior High	108	28.6
Vocational/ Technical	41	10.8
Higher national diploma	54	14.3
First degree	12	3.2
Masters	7	1.9
PhD	0	0.0

How many years has the firm been in business?		
Under 5	96	25.4
6-10	97	25.7
11-15	93	24.6
>15	92	24.3
Number of employees in the firm		
1-10	196	51.9
11-50	89	23.5
51-250	65	17.2
>251	28	7.4
What type of sector do you run		
Education	57	15.1
Transportation /Warehousing	35	9.3
Administrative	39	10.3
Healthcare / Social Assistance	43	11.4
Manufacturing (Agriculture, mining, construction)	64	16.9
Retail/wholesale	50	13.2
Finance/Insurance	51	13.5
Other services (Estate /ICT, Rental, Food services, Accommodation)	39	10.3
What is your job position in the firm?		
Owner manager	84	22.2
Manager	90	23.8
Supervisor	104	27.5

Employee	100	26.5

4.2 Descriptive statistics on constructs

An analysis of the respondents' views on the various constructs for this study is shown in Table 2. As evidence the overall mean and standard for the construct Performance result outcome was (M=3.72, SD=1.14) an indication that the participants agree to performance. Shared valued had estimated mean and standard deviation of (M=3.33, SD=0.97), Style had an average score of 3.20 and standard deviation of 0.89. the estimated skills value was (M=3.67; SD=0.96), Staff had score of (M=4.37, SD=0.73), structure with estimated value of (M=4.08, SD=0.97), Systems had a score of (M=3.88, SD=0.90), Employee Commitment had an estimated score of (M=4.25, SD=0.89) whilst strategy had an estimated score of (M=4.36, SD=0.91). These findings are also supported by the respondents' ratings of each constructs understudy. Overall, the estimated mean and standard deviation for the items ranged between (M=2.81 to 4.49, SD=0.60 to 1.23). Results of the skewness and kurtosis tests generally suggest the data is normally distributed as the values for all the indicators of the various constructs fall within the recommended ±2 threshold (George & Mallery, 2010; (Kline, 2015). The overall skewness and kurtosis for the items ranged from (Skewness=-1.01 to 0.94, Kurtosis=-1.07 to 1.87) an indication of normality distribution.

Table 2Mean, Standard Deviation, Kurtosis, and Skewness Statistics

	Mean(M)	***SD***	***Skewness***	***Kurtosis***
Performance result outcome				
PRO1	3.76	1.15	0.30	-0.77
PRO2	3.75	1.17	0.21	-0.92
PRO3	3.66	1.18	0.40	-0.79

PRO4	3.77	1.18	0.11	-1.07
PRO5	3.89	1.23	0.12	-1.07
PRO6	3.46	0.95	0.47	-0.42
Shared value				
SV1	3.24	0.96	0.55	-0.43
SV2	3.15	0.95	0.76	0.09
SV3	3.06	0.97	0.94	0.47
SV4	3.01	0.92	0.91	0.64
SV5	3.33	1.07	0.50	-0.72
Style				
STL1	2.81	0.79	0.93	1.05
STL2	3.40	0.94	0.83	0.17
STL3	3.36	0.98	0.70	-0.11
STL4	3.20	0.83	0.81	0.58
STL5	3.25	0.92	0.70	0.00
Skills				
SK1	3.25	0.86	0.79	0.43
SK2	3.66	0.97	0.27	-0.81
SK3	4.24	0.96	-0.43	-0.68
SK4	3.53	0.99	0.44	-0.43
SK5	3.67	1.03	0.30	-0.88
Staff				
ST1	4.28	0.69	-0.87	1.50

ST2	4.49	0.60	-0.67	1.74
ST3	4.33	0.69	-0.75	1.69
ST4	4.46	0.66	-1.01	1.87
ST5	4.31	1.02	-0.54	-0.61
Structure				
STRU1	3.73	1.01	0.16	-0.99
STRU2	4.25	0.91	-0.98	0.77
STRU3	4.14	0.96	-0.19	-0.89
STRU4	4.17	0.97	-0.20	-0.86
STRU5	4.13	1.01	-0.27	-0.77
Systems				
SYS1	3.73	0.84	0.32	-0.33
SYS2	3.86	0.90	0.13	-0.78
SYS3	3.72	0.89	0.33	-0.43
SYS4	4.09	0.92	-0.27	-0.69
SYS5	4.00	0.95	-0.07	-0.87
Employee commitment				
OC1	4.12	0.87	-0.29	-0.79
OC2	4.25	0.96	-0.37	-0.63
OC3	4.22	0.87	-0.26	-0.59
OC4	4.27	0.92	-0.29	-0.68
OC5	4.37	0.86	-0.49	-0.28
Strategy				

STR1	4.46	0.93	-0.40	-0.21
STR2	4.49	0.93	-0.45	-0.18
STR3	4.14	0.91	-0.63	0.27
STR4	4.32	0.83	-0.99	1.32
STR5	4.37	0.95	-0.29	-0.43

4.3 Non-response bias, common-method bias and amount of variance explained

This study address issues relating to no-response bias during the data gathering stage, through two main approaches. Firstly, the study recorded a response rate of 88.9% (378) and a non-response forming about 11.1% (47). This was due to many factors such as unwilling of the participants to provide responses to the questions. Although this value is significant, it could not overturn the outcome of the responses provide by the 378 participants, hence not a potential non-response bias (Podsakoff et al., 2003). Secondly, in addition to procedural remedies, Harman's single-factor test was used as a statistical remedy to identify a potential common-method bias. (Podsakoff et al., 2003). Thus, a single-common-method factor was applied to examine common-method bias, using Exploratory factor analysis (EFA), comparing a single-factor model with the original measurement model. The results obtained as shown in Table 3 suggest that no single factor is found to explain more than fifty percent (>50%) of the variance. The single factor with an eigen value of 12.96 has estimated variance of 28.18% less than the proposed value. Hence there was no serious common-method bias in this study.

Also, the sample used for the study was examine for adequacy and the test results reveals based on KMO test results had an estimated value of 0.921 above the recommended value of at least 0.70(Hair et al.,2010). Hence the sample was statistically adequacy for the study.

Table 3*C*ommon-method bias, Sample adequacy and Variance explained

Factor	***Total***	***% of Variance***	***Cumulative %***
1	12.963	28.180	28.180
2	5.446	11.839	40.019
3	3.652	7.940	47.959
4	2.977	6.472	54.431
5	2.032	4.418	58.849
6	1.942	4.222	63.071
7	1.723	3.745	66.817
8	1.524	3.313	70.130
9	1.440	3.131	73.261
Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy			(0.921)

4.4 Statistical analysis technique

The results of SEM include two components: the measurement model and the structural model. The measurement model examines the relationships between latent variables and observed variables, which focus is to provide reliability and validity based on these variables whilst the structural model studies path strength and the direction of the relationships among the latent variables.

4.5 Results for the measurement model

The model fit indices in the covariance structure analysis that are used in this study were adopted from Hu and Bentler (1999) and Hair et al. (2019). The commonly reported fit indices used in

this study and their cutoff values are shown in the Table 4: Chi-square(χ^2) divided by degree of freedom(χ^2/df) – threshold for a good model fit takes values ranged from 1 to 3 (<3 is good); CFI -threshold for a good model fit is close to 0.95(>0.95); IFI – threshold for a good model fit is close to .95 (>.95 is great); RMSEA -threshold for a good model fit is less than 0.08(<0.08); NNFI – threshold for a good model fit is close to .95 (>.95 is great); CFI – threshold for a good model fit is close to .95 (> .95 is great; > .90 is traditional; > .80 sometimes permissible); and SRMR – threshold for a good model fit is close to .08 (< .08 is good). The results obtained as shown in the Table 4 suggest that all model fit indices were adequate and acceptable since they all met the threshold proposed by previous studies.

4.6 Reliability and Validity

The internal consistency of the responses provided by the respondents was calculated using the Composite reliability (CR) which offers a more retrospective approach of overall reliability and estimates consistency of the construct itself including the stability and equivalence of the construct (Hair, Black, Babin, Anderson, & Tatham, 2010. The results in Table 5 displays the reliability and validity statistics for the constructs. As evidence, all the reliability values for the nine constructs were higher than the suggested threshold of 0.7 (>.70), which are considered acceptable (Hair et al., 2019) and further confirms the reliability of the measurement items. Hence reliability for the constructs is achieved, as the constructs take valves ranged from 0.818 to 0.946.

In the case of the validity, two approaches were used: convergent validity and discriminant validity. The convergent validity measures the amount of variance explained by the constructs. This is confirmed using the Average Variance Extracted and should be above 0.50(Bagozzi &Yi,

2012). The results suggest that all AVE for the constructs ranged from 0.530 to 0.778 an indication that constructs confirm to construct convergent validity. The discriminant validity which measures the independency of the constructs was evaluated and showed that the square roots of Average variance extracted (AVE) on diagonal were greater than correlations in all cases Table 5, as a result discriminant validity was confirmed. This implies that there is no problem of multicollinearity (Byrne, 2001).

Table 4 Summary of model fit indices

Measure	*Estimate*	*Threshold*	*Interpretation*
Chi-square (χ^2)	1024.448		--
Degree of freedom(df)	629		--
$\boldsymbol{\chi^2/df}$	1.629	Between 1 and 3 (Bentler ,1990))	Excellent
Comparative Fit Index (CFI)	0.961	>0.95(Bentler,1990)	Excellent
Standardized Root Mean Residual (SRMR)	0.043	<0.08(Gaskin & Lim, 2016)	Excellent
Root Mean Square Error of Approximation (RMSEA)	0.041	<0.06(Byrne,2001)	Excellent
Goodness of Fit Index (GFI)	0.939	>0.95(Chau ,1997)	Acceptable
incremental fit index (IFI)	0.962	>0.95(Gaskin & Lim, 2016)	Excellent
Non-normed Fit Index (NNFI)	0.906	>0.95(Bentler & Bonett,1980))	Acceptable
Tucker–Lewis index (TLI)	0.957	>0.95(Gaskin & Lim, 2016	Excellent
***p* of Close Fit (PCLOSE)**	1.000	>0.05(Gaskin & Lim, 2016	Excellent

Table 5Reliability and validity

Constructs	***CR***	***AVE***	***1***	***2***	***3***	***4***	***5***	***6***	***7***	***8***	***9***
1.Shared value	0.946	0.778	*0.882*								
2.Performance Outcome	0.937	0.750	-0.576***	*0.866*							
3.Employee commitment	0.917	0.689	-0.364***	0.247***	*0.83*						
4.Strategy	0.918	0.693	-0.213***	0.115*	0.445***	*0.833*					
5.Systems	0.881	0.649	-0.262***	0.372***	0.395***	0.536***	*0.805*				
6.Staff	0.848	0.584	-0.153**	0.086	0.361***	0.497***	0.383***	*0.764*			
7.Skills	0.818	0.530	-0.182**	0.241***	0.478***	0.311***	0.407***	0.349***	*0.728*		
8.Style	0.882	0.713	-0.080	0.210***	0.284***	0.242***	0.410***	0.189**	0.458***	*0.844*	
9.Structure	0.879	0.708	-0.420***	0.372***	0.521***	0.277***	0.382***	0.208***	0.338***	0.270***	*0.841*

Note: Values in the leading diagonal(italics) represents the square root of the AVE

Structural model

Results for the structural model

The theoretical framework and statistical diagram for the study is displayed in Figure 1 has seven (7) direct hypotheses and seven (7) indirect(mediation) hypotheses of the relationship between the constructs. The Figure 2 displays the path diagram resulting from the structural modeling analysis using Analysis of moment of structures (AMOS version 23.0). The results exhibit that all the measurements have significant loadings to their corresponding construct. This implies all the model fit indices as shown in Table 4 and 5 were satisfactory indicating good model fit. Hence, it was possible to proceed to examine the path coefficients.

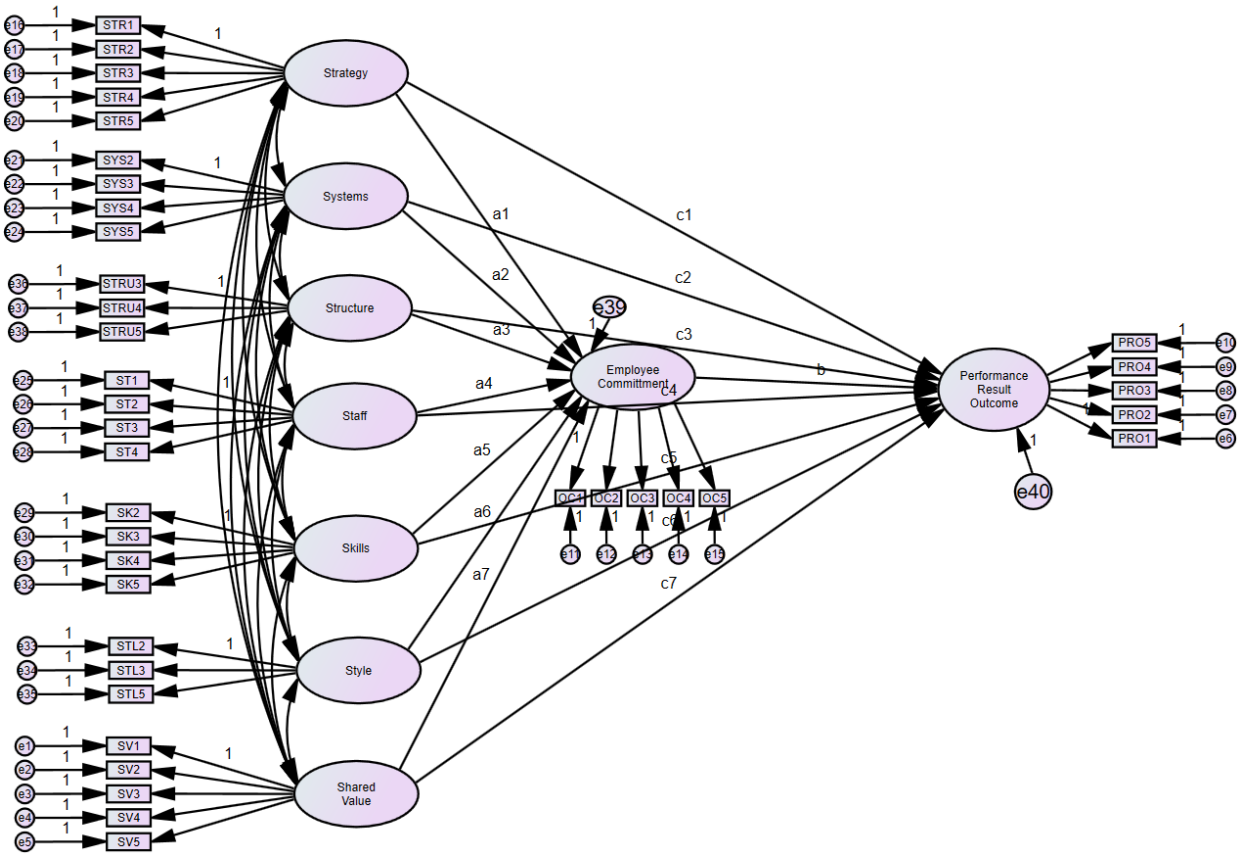


Figure 1 . Structural equation model

4.7 Hypotheses testing

The results of the proposed structural equation model analysis (direct effect) are also presented in Table 6. The results present three main direct hypotheses. In the case of the hypotheses 1(H1a-H1g), The results shows that four variables have direct, statistically, and significant influence on employee commitment. The standardized direct path coefficient for the significant relationship include strategy (*β=0.216, p<0.05*); structures (*β=0.303, p<0.05*); skills (*β=0.254, p<0.05*) and shared value (*β=-0.134, p<0.05*). The other variables that shown insignificant relationship with employee commitment were Systems (*β=-0.013, p>0.05*), staff (*β=0.084, p>0.05*) and style (*β=0.012, p>0.05*). Hence such hypotheses were not supporting. In addition, **Figure 3** shows the diagrammatic representation of the standardised path coefficient (Direct) of the relationship among the constructs.

Next, is the examination of the hypothesis two (H2a-H2g), in these results only three were statistically and significant supporting. The standardised estimates for these supporting hypotheses include Strategy (*β=-0.147, p<0.05*), systems (*β=0.273, p<0.05*) and shared value (*β=-0.507, p<0.05*). The other insignificant relationship were style, skills, structure, and staff on performance result outcome as shown in the result (See for details).

Also, in the case of the hypothesis three(H3) the results suggest that employee commitment has no direct influence on performance results outcome and the hypothesis is not supporting but indicated inversely relationship (*β=-0.061, p>0.05*).

Table 6Standard Coefficients and Significance Values for Hypotheses (Direct effects)

Path	***B***	***β***	***S.E.***	***C.R.***	***p-value***	***Remarks***
HIa.Strategy→Employee Commitment	0.211	0.216	0.059	3.574	0.000	Support
H1b. Systems→Employee Commitment	-0.011	-0.013	0.055	-0.199	0.842	Not support

H1c. Structures→Employee Commitment	0.270	0.303	0.051	5.250	0.000	Support
H1d. Staff→Employee Commitment	0.104	0.084	0.070	1.494	0.135	Not support
H1e. Skills→Employee Commitment	0.246	0.254	0.061	4.029	0.000	Support
H1f. Style→Employee Commitment	0.010	0.012	0.048	0.212	0.832	Not support
H1g. Shared value →Employee Commitment	-0.111	-0.134	0.041	-2.694	0.007	Support
H2a.Strategy →Performance Result Outcome	-0.207	-0.147	0.086	-2.400	0.016	Support
H2b Systems→Performance Result Outcome	0.349	0.273	0.082	4.254	0.000	Support
H2c Shared value→Performance Result Outcome	-0.607	-0.507	0.065	-9.395	0.000	Support
H2d. Style →Performance Result Outcome	0.078	0.062	0.069	1.122	0.262	Not support
H2e Skills→Performance Result Outcome	0.099	0.071	0.088	1.126	0.260	Not support
H2f Structure→Performance Result Outcome	0.127	0.099	0.076	1.665	0.096	Not support
H2g.Staff →Performance Result Outcome	-0.104	-0.058	0.101	-1.023	0.306	Not support
H3. Employee commitment →Performance Result Outcome	-0.089	-0.061	0.091	-0.972	0.331	Not support

Note: B represents Unstandardized coefficients; (β) represents Standardized coefficients

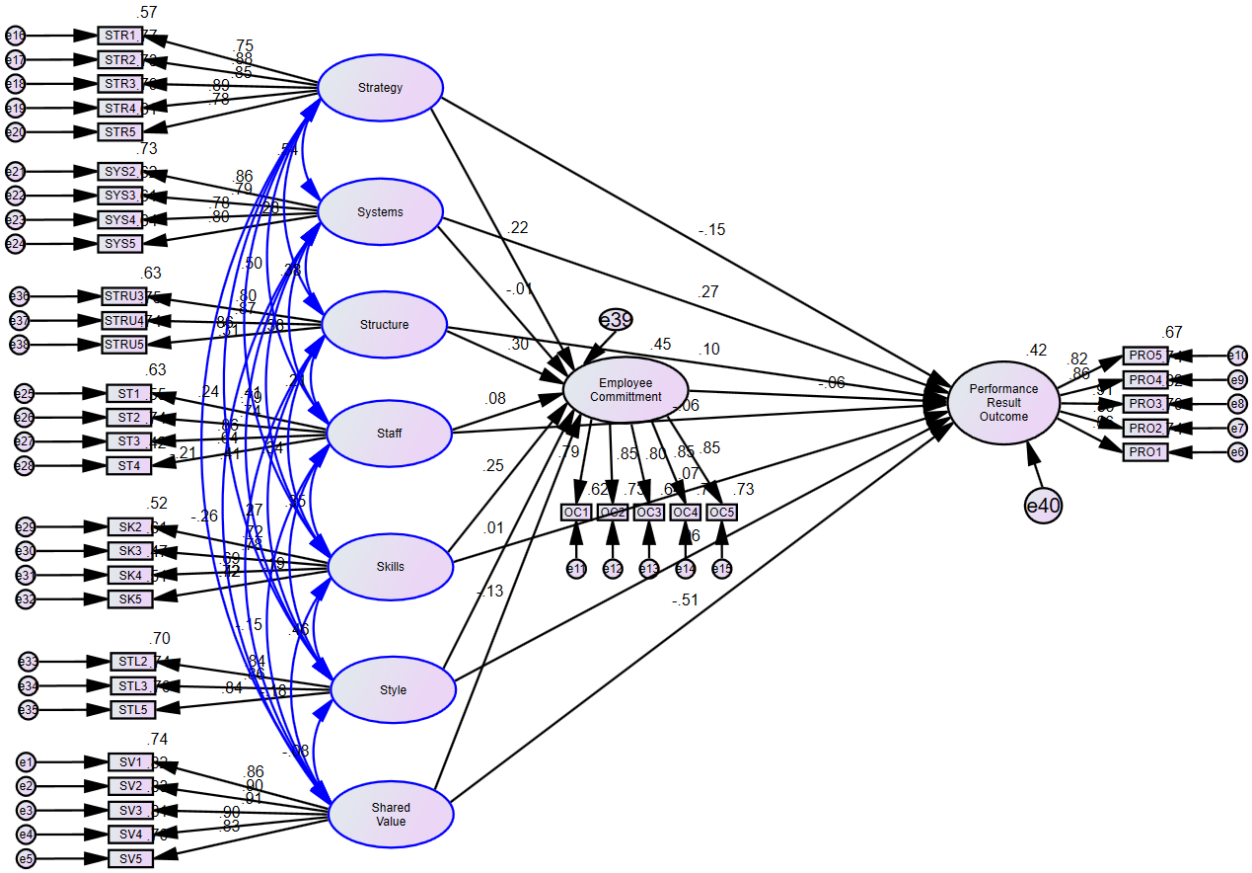


Figure 2 Results For The Standardized Path Coefficients (Direct)

4.8 Mediation Analysis using Latent Variables in Analysis of Moment Structure Software (AMOS)

The indirect effect of the employee commitment was carried out using the bootstrap estimation procedure in AMOS (a bootstrap sample of 5,000 was specified; Preacher et al., 2007). The Table 7 presents that the indirect effects of employee commitment on the relationship between Mckinsey's 7s and performance result outcome. The results obtained suggest that the seven (7) mediation hypotheses were not supporting indicating that employee commitment did not the positive relationship between Mckinsey's 7s constructs and performance result outcome

Table 7Bootstrapping estimate for the relationship between Mckinsey's 7s and performance results outcome mediated by employee commitment

Parameter	***β***	***Lower***	***Upper***	***p-value***	***Remark***
H4a. Strategy →Employee Commitment → Performance_Result_Outcome	-0.019	-0.078	0.020	0.313	Not suupport
H4b. Systems →Employee Commitment →Performance_Result_Outcome	0.001	-0.012	0.028	0.662	Not suupport
H4c.Structure →Employee Commitment→Performance_Result_Outcome	-0.024	-0.086	0.029	0.359	Not suupport
H4d. Staff →Employee Commitment → Performance_Result_Outcome	-0.009	-0.060	0.008	0.257	Not suupport
H4e. Skills →Employee Commitment→Performance_Result_Outcome	-0.022	-0.086	0.024	0.342	Not suupport
H4f.Style → Employee Commitment →Performance_Result_Outcome	-0.001	-0.020	0.009	0.612	Not suupport
H4.g Shared Value →Employee Commitment →Performance Result Outcome	0.010	-0.009	0.043	0.305	Not suupport

****Significant at p < 0.001*

***Significant at p < 0.01*

**Significant at p < 0.05*

Dependent variable (Mckinsey's 7s), independent variable (Performance result outcome) and mediator (Employee commitment)

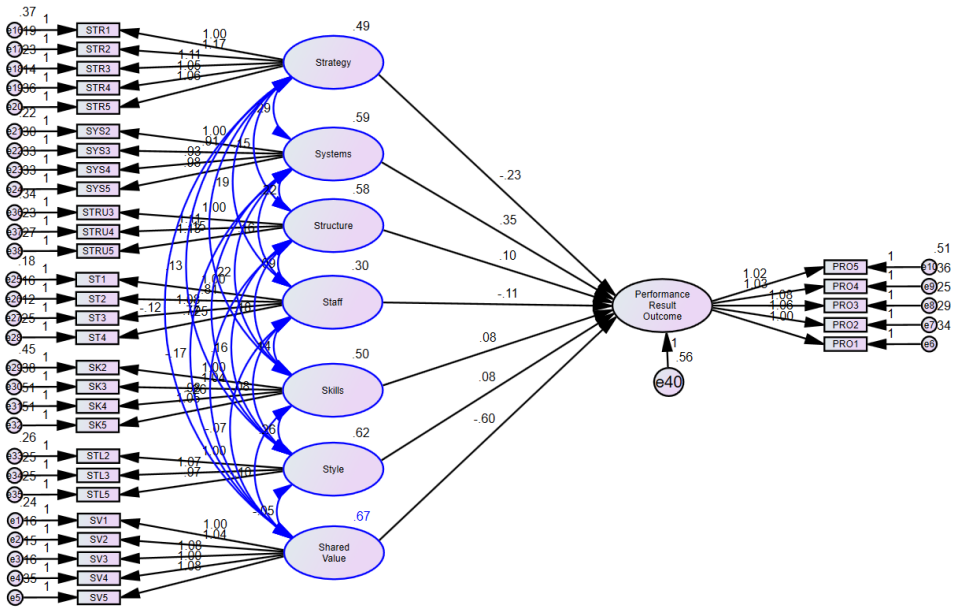


Figure 3 Path coefficient (Unstandardised estimates) without mediating effects

5.0 DiscussionandConclusion

The study aimed at investigating how SMEs apply the Mckinsey's 7s framework to align together to improve performance. The study further examines the role of employee commitment on McKinsey's 7s to performance. The elements of the McKinney's 7S that were analysed are strategy, system, structure, staff, skills, style, shared value and employee commitment. The research has established that the application of Mckinsey's 7S has a positive contribution to performance of SMEs.

The results of the hypotheses testing for H1 (H1a-H1g), shows that 4 out of the 7 variables have direct, statistically, and significant influence on employee commitment. The standardized direct path coefficient for the significant relationship include strategy ($\beta=0.216,\ p<0.05$); structures ($\beta=0.303,\ p<0.05$); skills ($\beta=0.254,\ p<0.05$) and shared value ($\beta=-0.134,\ p<0.05$). The other 3 variables that shown insignificant relationship with employee commitment were Systems ($\beta=-0.013,\ p>0.05$), staff ($\beta=0.084,\ p>0.05$) and style ($\beta=0.012,\ p>0.05$).

Hypothesis 2 (H2a-H2g), results had only three variables which were statistically significant and supporting. The standardised estimates for these supporting hypotheses include Strategy ($\beta=-0.147,\ p<0.05$), systems ($\beta=0.273,\ p<0.05$) and shared value ($\beta=-0.507,\ p<0.05$). The other insignificant relationship were style, skills, structure, and staff on performance result outcome.

Also, in the case of the hypothesis three (H3) the results suggest that employee commitment has no direct influence on performance results outcome and the hypothesis is not supporting but indicated inverse relationship ($\beta=-0.061,\ p>0.05$).

Hypothesis four (H4) was done via bootstrapping to estimate the relationship between Mckinsey's 7s and performance results outcome mediated by employee commitment. The results obtained suggest that the seven (7) variables were not supporting, indicating that employee commitment did not have positive relationship between Mckinsey's 7s constructs and performance result outcome.

Research Limitation/ Implications

Like many other studies the study is with limitations. Firstly, the use of purposive sampling, which is a non-probability sampling approach makes the study begs from generalisation, future studies can use probability sampling techniques which qualify for generalization such as random

sampling technique. Data used was from only Ghana which limits the study's global orientation. Future studies can use a cross country data to make it more global in nature.

The use of causal and descriptive research design in the context of a single country offers important insight in terms of understanding the performance of women entrepreneur context.

Practical Implication

The study contributes practically by establishing that McKinsey's 7s can be used as a basic framework in an organization for greater performance. This means that women entrepreneurs can practically use strategy, structure, systems, staff, style and shared value to improve performance in the organization.

Social Implication

The knowledge advanced by this study will help policy-makers to develop innovative entrepreneurship to entrepreneurs and the economy as a whole. Regulators through this study will streamline policies in relation to women entrepreneurs' performance for an improved economy.

Originality/ Value: The novelty of this paper lies in incorporating commitment as a mediating variable to measure the performance of women entrepreneurs with the use of Mckinsey's 7S so as to fill the gap in the women entrepreneurs' performance literature in developing countries. The study contributed to knowledge by establishing that employee commitment does not improve performance of women in SMEs.

Recommendations

The study suggested the government should conduct an analysis of the state of entrepreneurship, technology and innovation that provides a clearer picture of the current state of women entrepreneurship businesses.

The government should strengthen and fortify studies in entrepreneurship in the universities with the purpose of promoting women enterprises and businesses.

The government should develop and implement a law that integrates the commitment to establish a leader in entrepreneurship at all levels of the education system. The law should clearly state the role of the public, private and education division, and base itself on good practices from the Government and international organizations.

Schools with entrepreneurial students should develop an interactive teaching approach which makes use of case studies that are reformed to the local reality.

The government should create financial mechanisms that will reduce the gap between the poor and the rich. There should be equal access to funds and financial institutions for new self-organized startup business setup.

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