

FACTORS AFFECTING PERFORMANCE OF LICENSED BUYING COMPANIES IN GHANA.

NAME: Emmanuel Adu-Sarkodie.

Abstract

The role of Licensed Buying Companies (LBCs) cannot be underestimated. This is due to the fact that, they are instrumental in the exportation of cocoa from Ghana. With the recent spate of under-performance and collapse of these LBCs, this research sought to find out the antecedents of their performance. The survey method was adopted for this research by finding out the relationship between the study constructs.

A sample population of four hundred (400) employees of LBCs were selected and used for the study. Three hundred and nine (309) of these responded. The researcher used the purposive sampling method for the selection of the respondents. The study revealed a positive relationship between existing regulations, price mechanism, and cooperation with other cocoa producing countries, managerial competence and performance of LBCs. The study lent support to the moderating role of flexible organisational structure on the relationship between cooperation, business processes and managerial competences and performance specifically financial. It was revealed that, rigid organisational structure moderates the relationship between cooperation and managerial competence and financial performance. In all, seven (7) out of the fifteen (15) hypotheses were supported. Various implications and conclusions were drawn based on the results obtained. The study identified that, there should be proper coordination between LBCs, the regulator and stakeholders for all related parties to understand the mode of operation of one another. There is the need for government to take into account the grievances of LBCs when making decisions that affect their operations. This study is very imperative in the role played in identifying issues affecting the performance of LBC's and how their organisational structure.

Keywords: Regulation, Business processes, Price mechanism, Cooperation, Performance.