Project Management and Sustainability of Microfinance Institutions in Ghana: An Empirical Assessment

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***Abstract:* - The rampant collapse of several microfinance companies in Ghana is a worrying phenomenon that needed thorough investigations. Due to the fact that project management enables businesses to plan and execute tasks and responsibilities effectively, within time and budgetary constraints, it has become an important management tool for successful enterprises. However, literature gap with regards to project management tools application on MFIs sustainability exist, motivating the author to investigate the role of project management in ensuring the sustainability of microfinance institutions in Ghana. Using a quantitative research method, data were collected from 10 MFIs in Western and Ashanti regions of Ghana. 30 respondents were purposively sampled to enable inclusion of microfinance companies deemed to be thriving and those perceived to be on the brink of failure. A simple linear regression model, coefficient and chi-square test were used. The paper documents that using project management principles and techniques has significant positive impact on business management, business expansion and business sustainability and therefore recommended that managers of MFIs must adopt project management principles in the management of firms and task themselves to ensure prudent economic management in all facets of their endeavors.**

***Keywords:* Microfinance Institutions (MFIs), bankruptcy, project management, sustainability**

I. INTRODUCTION

Microfinance institutions are typically mission driven organization set to provide access to finance services to poor families and SMEs in developing economies RandØy et al (2014). This was confirmed in in an earlier study in Ghana by Mensah (2004) that saw microfinance industry as the biggest financier of small and medium scale enterprises, accounting for 90% of all SME loans and credits. Biosca et al (2014) and Ahmed & Chowdhury (2007) posit that the contribution of the microfinance sector to small and medium-scale enterprises (SME) is immense, ensuring that the SME sector serves as the engine of national economic growth, making up 90% of all business ventures and employing up to 60% of the national population. Due to this telling contribution of the microfinance sector to the growth and sustainability of small companies and poor individuals and the subsequent contribution of SMEs to the national economy, it is imperative that the microfinance sector is supported to be sustainable and prosperous. Notwithstanding its immense contribution to the Ghanaian economy, there have been news reports of declarations of bankruptcy leading to total collapse of tens of microfinance companies (Marfo, 2015). Stories of such scenarios date back decades, with the likes of Piram financial services collapsing suddenly in the early 1990s depriving hundreds, if not thousands, of their deposits running into millions of Cedis (Bawumiah, 2010).

APM (2006), Karlan & Valdivia (2011) and Peutz (2011) suggested that businesses that adopt “plus” approach (e.g. adopting project management principles and techniques, in their planning, coordination and control of complex and diverse tasks and activities have significantly improved resulting in profitable performance and competitive advantage. Prieto (2015) posit that adoption of project management principles and techniques also ensures the reduction of risks and uncertainties due to effective planning and forecasting of uncertainties and time factors. This study submits that the high uncertainties in the macro and micro economic environments in Ghana pose a great risk for all companies. Therefore, companies can effectively circumvent these risks given that they adopt a project management mindset in all their business endeavors.

Sustainability is a product normally derived from combined synergy of two or more interrelated components. For example, a financial benefit and or clear business project case leads to a strong undertone for implementing sustainable activities. See Haanaes (2011); Peutz (2011); and Artiach (2010).

The following research questions are formed to guide the study: Do business management and acquisitions play any significant role in the collapse of microfinance companies in Ghana? What is the role of project management in managing business expansion (i.e., creating new branches)? What is the role of project management in managing acquisitions (mainly of landed infrastructure) by microfinance companies?

Since there is the need to ensure that the plans and activities of microfinance companies results in their improvement, the paper also test two main hypotheses.

II. LITERATURE REVIEW

This section reviews the theoretical and empirical literature. Each is discussed in turn.

2.1 Theoretical Review

The project management theory is largely informed by the transformation of resources to end products. This process is further informed by a number of principles that guide the management of projects. The study considers three theoretical foundations and relates them to the study objectives.

According to Prieto (2015), the theory of planning is important to successful project implementation. The theory of planning refers to the detailed planning that should characterize each phase of project execution, rather than a general planning process often referred to earlier by Ballard (1999) as "last planner" linking planning and execution.

Tuman (2006) posits that execution as a theory have a structured procedure for project managers, teams and subcontractor to decide about tasks and responsibilities to be carried out on a later date. This ensures complete understanding of tasks and responsibilities by all factions and ensures that teams and individuals can conduct their tasks effectively. The theory of control comprises of measurement of how realistic the rate of assignment is in order to allow for investigations so as to remove factors that reduce the realistic rate of assignment. Souder (2005) calls this the theory of risk analysis.

Bonini et al (2010) posit that sustainability is measured in three levels. Agenda setting and board prioritising; at executive where sustainability is embedded among the top three priorities and at the operational level where sustainability is included in the culture with commitment to managing them

2.2 Empirical Review

For MFIs to be sustainable there is the need for them to adopt additional non-financial "plus" services by seeing its activities as project that require project management principles and adoption. Karlan & Valvida (2011) posit that a key benefit of adding "plus" services to MFIs' operations stimulates clients' loyalty and retention. To retain customers in the spate of increasing competition improves MFIs financial sustainability largely due to scale economies. Hartarska, Shen & Mersand (2013) having more clients could be equated with greater breadth of MFIs' outreach mission. MFIs that add "plus" services recorded an improved loan repayment Valdivia (2011). Hartarska (2013) posit that a plus services motivated better investment with higher potential returns which enhances the financial performance of MFIs leading to its sustainability. Haanaes et al (2011) in recent survey of 3000 managers, of which 50% affirmed that their attention to sustainability issues led to between 25%-29% in efficiencies and competitive advantage. Sievers & Vandenberg (2007) considers that adoption of non-financial "plus" services only do not impact positively the MFIs' clients but also influence the performance of the MFIs themselves.

For projects to succeed, they must meet the values of time, cost and quality (McCoy, 2006). The success of these measures can only be assessed at determined midpoints in the life cycle or on completion of the project. This fact notwithstanding, the measurement of project quality can be done anytime during the cycle of the project.

In a study of team effectiveness in making successful infrastructure acquisitions of hospitals and other big infrastructural constructions by Vinokur-Kaplan (2005); the study assessed risks and posits that companies should not make rash and hasty decisions in acquiring projects since hast decisions in acquisition affects the success of projects.

Baker et al (2005) conducted a study 20 on going and 20 completed projects in the greater Manhattan area of the city of New York and found out that during the progress of project, the values of time and cost are of just as great importance as the value of quality. A similar study by Hartman and Ashrafi (2006) made the findings that during the implementation or execution of the project, the roles of time and cost are more prominent compared to project quality yet after the completion of the project, client satisfaction is often focused on the quality of work achieved.

Tuman (2006) conducted a study on the role of project planning on business and acquisitions management. The study analysed both qualitative and quantitative data from a respondent population of 4500 and found that the more detailed organizations and managers planned, the more likely the projects like acquisitions were to be successful and the more business management proved to be effective. The study therefore posited that project success had direct correlations with detailed planning.

Munns and Bjeirmi (2006) conducted a study that sought to determine the role of project management in managing business expansion (i.e., creating new branches). The study was conducted in a retail industry, using a total of 600 retail enterprises. The study showed that when company management applied the project management theories of planning and execution in their expansion efforts, hasty decisions are avoided thereby preventing significant losses of resources and higher propensities of success are assured. The findings of this study therefore confirmed the effectiveness and efficiency of project management principles and theories in companies that are not involved in construction nor other manual operation but in all other businesses. Based on the conceptual framework above, the researcher formulates testable hypothesis on the application of project management principles on ensuring MFIs' sustainability.

III. METHODOLOGY

Using a quantitative research method, data were collected from 10 MFIs in Western and Ashanti regions of Ghana. The study population included all microfinance companies operating in the Ashanti and western regions of Ghana. The Ashanti and western regions of Ghana have a total of 85 registered Microfinance Institutions representing 20% of 429 total registered (Bank of Ghana, 2017). The assertion is also made by Marfo (2015) that 75% of such microfinance companies have collapsed a justification for the researcher to interrogate these reports by investigating the extent of use of project management principles and techniques in the management of selected microfinance companies in order to determine the overall management practices by microfinance. A purposive sampling technique was used to enable the sampling of microfinance companies deemed to be thriving and those perceived to be on the brink of failure. This enabled comparative assessment of project processes and activities. Three management staff connected to project of the 10 selected microfinance companies were each selected, making up a respondent sample size of 30.

Data was collected by interview sessions using a semi-structured interview guide. The collected data was manually coded into Statistical Package for Social Sciences (SPSS) computer software and the necessary analysis run.

There is the need to ensure that the plans and activities of microfinance companies results in the improvement; hence, the study adopted the following hypothesis.

Hypothesis one: Business sustainability is based on profits. Profits come when expenditure is low relative to income. Business expansion projects make up the bulk of the expenditure of microfinance institutions. Business expansion projects are expected to contribute significantly to microfinance sustainability. The study conducted a linear regression analysis to assess the effect of expansion projects on business sustainability. The study used the responses obtained for questionnaire items on business expansion and business sustainability. The study performed the regression analysis using business expansion as independent variable and business stability as dependent variable. The equation of a simple linear regression is:

$$Y=a+b1x1 \qquad (1)$$

Where Y is the value of the dependent variable (what is being predicted), a represent the constant and b1 is the slope (beta coefficient) for x1, where x1 is the independent variable (peer relations).

Hypothesis Two: Profits ensure the growth and sustainability of businesses. Acquisitions increase expenditure and reduce profit margins, resulting in low or lack of growth. Business acquisitions project of microfinance companies are expected to significantly affect microfinance sustainability. To test this hypothesis, the study conducted a Chi-square statistical test to test the relationship between business acquisition and business sustainability in the microfinance sector in Ghana. The paper categorized microfinance company according to numbers of acquisitions they have made (in terms of capital projects, mergers and acquisitions, etc) as perceived by their employees. The study cross-tabulated the levels of microfinance company acquisition (in terms of the number of acquisitions made by each microfinance company).

IV. RESULTS AND DISCUSSIONS

4.1 Project Management and Business Acquisition

The aim of the first objective of the paper was to assess the role business and acquisition management play to MFIs' collapse and how *project management principles and techniques should be used very extensively to ensure MFIs' viability and sustainability especially in volatile developing Ghana.*

Table 1 Role of Business and Acquisitions Management as Causes to the Collapse of MFIs in Ghana

	N	**Mean**	**Std. Deviation**	**Std. Error Mean**
Poor Planning	30	4.1333	1.13664	0.20752
Poor Coordination of Resources	30	4.0667	1.25762	0.22961
Lack of Effective Control Over People and Resources	30	4.1333	1.19578	0.21832
Lack of Effective Leadership	30	4.0000	1.20344	0.21972
Lack of Clear Objectives and Structures	30	3.9667	1.18855	0.21700
Over-Ambitious Acquisitions	30	3.8667	1.38298	0.25250
Investing in Fixed Assets on a Regular Basis	30	4.0667	1.22990	0.22455

Source: Field survey,2017

The study showed that poor planning (mean=4.1333), lack of effective control over people and resources (mean=4.1333), poor coordination of resources (mean=4.0667), lack of effective leadership (mean=4.0000) and Lack of Clear Objectives and Structures (mean=3.9667) were the major flaws of business management that could mostly hampered microfinance sustainability and eventually cause microfinance collapse. The study also showed that bad investment decisions like investing in fixed assets on a regular basis (mean=4.0667) and making overly-ambitious acquisitions were the business acquisition challenges that most often plaque microfinance companies in the two selected regions of Ghana.

The findings indicate that effective business management is a pre-requisite for business sustenance in the microfinance sector since bad business management practices can have fatal consequences on the life of a business. Important business management factors like planning, control over people and resources, coordination, leadership and objective setting are critical to keeping a business afloat and in prosperity. The degree of the importance of these factors is seen in the majority of respondents who attested to their criticality to microfinance sustenance in Ghana and also in the works of other researchers and extant literature (as reviewed in the qualitative data above). One branch manager noted that:

"For a microfinance company to succeed, management must be willing to put in extra shifts in terms of management competency. All the classic business management practices like planning, control, coordination, scheduling, leading, directing, etc must be undertaken in tandem with strategic

goal setting and decision making in order to ensure business sustenance and avoid bankruptcy or collapse."

The high majorities of respondents attesting to the importance of business acquisition factors like bad investment decisions and making overly ambitious acquisitions showed that the handling of business acquisitions could make or unmake a microfinance company. Another branch manager commented that: *"As a business, you can't just invest in anything, especially landed fixed assets. Those assets are not easily converted back to money and the management of working capital can seriously be affected by haphazard investments".*

4.2 Project Management and Business Expansion (Creating New Branches)

The second objective of the paper sought to examine the role of project management in managing business expansion in ways such as creating new branches, acquiring other banks and setting up branches in new places The study further showed project management functions such as planning, objective setting, working within the confines of time, cost and quality, team formation, leading, coordination and controlling play significant roles in the management of business expansion projects in the microfinance sector.

Also a forced regression via hypothesis-business sustainability is based on profits. Profits come when expenditure is low relative to income. Business expansion projects make up the bulk of the expenditure of microfinance institutions. Business expansion projects are expected to contribute significantly to microfinance sustainability.

Table 2 showed the Forced Entry Regression of Business Expansion on Business Sustainability.

Model	B	Beta	R	R^2	t	Sig.
1: (Constant)	2.054				6.029	0.000
Business Expansion	0.680	0.756	0.756[a]	0.572	6.115	0.000

Dependent variable: Business Sustainability

From the Table, it can be inferred that Business Expansion has significant effects on Business Sustainability (beta = - 0.680, t= 6.115, p<0.000). The effect though is neither positive nor negative. This implies that when businesses expand, it could bring with it both positive and negative effects on business sustainability. For some microfinance business, expansion creates more revenue streams, higher profitability levels and recruitment of more qualified personnel whilst attendant challenges like corruption and mismanagement tend to fester. The study therefore showed that though expansion affects stability, it could be in either a positive or negative way. The model also predicted that for every unit increase in the business expansion, business stability increases by .680 units. Again, the contribution of business expansion to business stability accounted for 5.72 %(i.e., R^2 = .572). Therefore, the amount of variation in the business stability scores that was explained by the independent variable (business expansion) was 5.72 %. The 5.72 % shared variance was maximum effect size between the variables in the study since the model was able to explain in the variation in the model (Cohen, 2004). Thus, the study hypothesis was supported, as there was a statistically significant effect between business expansion and business stability.

These findings were confirmed by high percentages of respondents. The above result confirms previous studies by Tuman (2006) on the role of project planning on business and acquisitions management and Vinokur-Kaplan (2005) on risk assessment and measurement before expansion by way of acquiring additional infrastructure to enable the determination of the realistic rate of assignment in terms of the success or failure of the acquisition planned.

4.3 Project Management and Infrastructure Acquisitions (Mainly of Landed)

The third objective of this paper sought to examine the role of project management in managing acquisitions (mainly of landed infrastructure) by microfinance companies.

Table 3 The role project management in managing acquisitions

	N	Mean	Std. deviation	Std. Error Mean
Expansion projects should be managed like projects, in the confines of time, cost and quality.	30	4.3000	1.14921	0.20982
Effective planning should be put into executing expansion projects	30	4.2000	1.12648	0.20567
Effective teams should be set up to manage expansion projects	30	4.4333	1.13512	0.20724
All stages of expansion projects should be effectively coordinated and controlled	30	4.4000	1.16264	0.21227

Source: Field survey,2017

Table 3 showed that project management plays a significant role in managing acquisitions in the sense that when project management principles and techniques are applied to the management of acquisitions in the microfinance sector, the aims and objectives of the acquiring microfinance company is achieved. These findings were confirmed by high percentages of respondents. Specifically, large majorities of the study respondents agreed that: All stages of expansion projects should be effectively coordinated and controlled (mean=4.4000). Effective teams should be set up to manage expansion projects (mean=4.4333). Expansion projects should be managed like projects, in the confines of time, cost and quality (mean=4.3000). Effective planning should be put into executing expansion projects (mean=4.2000).

To further confirm, a Chi-square statistical test on acquisition and sustainability was tested: The chi-square statistical test showed that in total, 6 respondents reported their microfinance companies as having low stability over the course of their operations whilst 24 respondents reported to having high stability. 11 respondents reported to having low levels of acquisition whilst 19 reported to having high levels of acquisition. Table 4 showed that business stability and levels of acquisitions were significantly correlated [X^2= 12.9; df=1; p-value 0.001]. The study showed that acquisitions levels could have significant effects, both negative and positive on a company's stability.

Table 4: Chi -square statistical test on Level of Acquisition and Business Stability

		Business Stability		Total	df	X^2	p-value
		Low	High				
Level of Acquisition	High	6	5	11	1	12.9	0.000
	Low	0	19	19			
Total		6	24	30			

Source: Field survey,2017

The findings of the quantitative data correspond to extant literature and previous studies (qualitative data) on the topic. The assertion was made by Lock (2007): "Building an effective team and maximizing team performance is a key organizational imperative in today's increasingly complex and dynamic business environment. Team members often span organizational lines, geographical boundaries, cultures, and even languages. Despite their different backgrounds, skill sets, and personalities-not to mention their varying priorities and levels of commitment-you need to ensure everyone is aligned and progressing toward the same goal. This statement solidifies the finding of the paper that effective teams should be set up to manage expansion projects (mean=4.4333). Furthermore, other studies tout the role of project management principles and techniques in ensuring effective management of microfinance operations and activities. Munns and Bjeirmi (2006) conducted a study that sought to determine the role of project management in managing business expansion (i.e., creating new branches). The study was conducted using the retail industry, using a total of 600 retail enterprises.

V. CONCLUSIONS

The paper showed that when company management applied the project management theories of planning and execution in their expansion efforts, hasty decision is avoided thereby preventing significant losses of resources and higher propensities of successes are assured. The findings of this study therefore confirmed the effectiveness and efficiency of project management principles and theories in companies that are not involved in construction nor other manual operation but in all other businesses. This study accepts therefore that the project management way could be of immense benefit to the Ghanaian microfinance services sector too.

In view of these findings, the study recommends that MFIs see every managerial decision and operational activity as a project requiring effective project management techniques and therefore adopt project management principle's application in their expansion and acquisitions management with the ultimate interest of the business in mind not just to compete against other expanding microfinance companies.

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Appendix B: Supporting Data

Research Objective 1: Examine the role of business and acquisitions management as causes to the collapse of microfinance companies in Ghana.

KEY: [1-Strongly Disagree, 2 – Disagree, 3 – Undecided, 4 – Agree, 5 – Strongly Agree]

Table 1.1: Poor planning contributes significantly to microfinance collapse

	Frequency	Percentage	Valid Percentage	Cumulative percent
Valid 1	2	6.7	6.7	6.7
2	1	3.3	3.3	10.0
3	2	6.7	6.7	16.7
4	11	36.7	36.7	53.3
5	14	46.7	46.7	100.0
Total	30	100.0	100.0	

Table 1.2: Lack of effective control over people and resources contributes significantly to microfinance collapse

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	2	6.7	6.7	6.7
	2	2	6.7	6.7	13.3
	3	1	3.3	3.3	16.7
	4	10	33.3	33.3	50.0
	5	15	50.0	50.0	100.0
	Total	30	100.0	100.0	

Table 1.4: Poor coordination of resources contributes significantly to microfinance collapse

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	2	6.7	6.7	6.7
	2	3	10.0	10.0	16.7
	3	1	3.3	3.3	20.0
	4	9	30.0	30.0	50.0
	5	15	50.0	50.0	100.0
	Total	30	100.0	100.0	

Table 1.5: Investing in fixed assets on a regular basis contributes to microfinance collapse

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	2	6.7	6.7	6.7
	2	3	10.0	10.0	16.7
	4	11	36.7	36.7	53.3
	5	14	46.7	46.7	100.0
	Total	30	100.0	100.0	

Table 1.7: Over-ambitious acquisitions lead to microfinance collapse

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	2	6.7	6.7	6.7
	2	6	20.0	20.0	26.7
	4	8	26.7	26.7	53.3
	5	14	46.7	46.7	100.0
	Total	30	100.0	100.0	

Research objective 2: Examine the role of project management in managing business expansion (i.e., creating new branches).
KEY: [1-Strongly Disagree, 2 – Disagree, 3 – Undecided, 4 – Agree, 5 – Strongly Agree]

Table 2.1 Acquisitions should be set out as an objective and researched extensively

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	4	13.3	13.3	13.3
	2	2	6.7	6.7	20.0
	3	1	3.3	3.3	23.3
	4	16	53.3	53.3	76.7
	5	7	23.3	23.3	100.0
	Total	**30**	**100.0**	**100.0**	

Table 2.2 Acquisitions should be carefully planned

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	2	6.7	6.7	6.7
	2	1	3.3	3.3	10.0
	4	13	43.3	43.3	53.3
	5	14	46.7	46.7	100.0
	Total	**30**	**100.0**	**100.0**	

Table 2.4 Effective teams should be formed to oversee various segments of the acquisition process

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	4	13.3	13.3	13.3
	2	1	3.3	3.3	16.7
	4	14	46.7	46.7	63.3
	5	11	36.7	36.7	100.0
	Total	30	100.0	100.0	

Table 2.5 Acquisitions should be managed as a project in the confines of time, cost and quality.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	3	10.0	10.0	10.0
	2	2	6.7	6.7	16.7
	3	1	3.3	3.3	20.0
	4	14	46.7	46.7	66.7
	5	10	33.3	33.3	100.0
	Total	**30**	**100.0**	**100.0**	

Research objective 3: Examine the role of project management in managing acquisitions (mainly of landed infrastructure) by microfinance companies.

KEY: [1-Strongly Disagree, 2 – Disagree, 3 – Undecided, 4 – Agree, 5 – Strongly Agree

Table 3.1 Expansion projects should be managed like projects, in the confines of time, cost and quality.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	2	6.7	6.7	6.7
	2	1	3.3	3.3	10.0
	3	1	3.3	3.3	13.3
	4	8	26.7	26.7	40.0
	5	18	60.0	60.0	100.0
	Total	**30**	**100.0**	**100.0**	

Table 3.3 Effective teams should be set up to manage expansion projects

		Frequency	Percent	Valid Percent	Cumulative Percentage
Valid	1	2	6.7	6.7	6.7
	2	1	3.3	3.3	10.0
	4	6	20.0	20.0	30.0
	5	21	70.0	70.0	100.0
	Total	**30**	**100.0**	**100.0**	

Table 3.2 Effective planning should be put into executing expansion projects

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	2	6.7	6.7	6.7
	2	1	3.3	3.3	10.0
	3	1	3.3	3.3	13.3
	4	11	36.7	36.7	50.0
	5	15	50.0	50.0	100.0
	Total	**30**	**100.0**	**100.0**	

Table 3.4 All stages of expansion projects should be effectively coordinated and controlled

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	2	6.7	6.7	6.7
	2	1	3.3	3.3	10.0
	3	1	3.3	3.3	13.3
	4	5	16.7	16.7	30.0
	5	21	70.0	70.0	100.0
	Total	30	100.0	100.0	

Table 4.2 Role of Project Management in Managing Business Expansion

	N	Mean	Std. Deviation	Std. Error Mean
Acquisitions should be set out as an objective and researched extensively	30	3.6667	1.29544	.23651
Acquisitions should be carefully planned	30	4.2000	1.09545	.20000
Processes leading to acquisitions should be coordinated and controlled effectively	30	3.9667	1.35146	.24674
Effective teams should be formed to oversee various segments of the acquisition process	30	3.9000	1.32222	.24140
Acquisitions should be managed as a project in the confines of time, cost and quality.	30	3.8667	1.25212	.22861

Hypothesis One (1)

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	number of branches[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: this company is stable

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	31.715	1	31.715	37.388	.000[a]
	Residual	23.751	28	.848		
	Total	55.467	29			

a. Predictors: (Constant), number of branches

b. Dependent Variable: this company is stable

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.054	.341		6.029	.000
	number of branches	.680	.111	.756	6.115	.000

a. Dependent Variable: this company is stable

Hypothesis Two (2)

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
level of acquisition * Business Stability	30	100.0%	0	.0%	30	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	12.955[a]	1	.000		
Continuity Correction[b]	9.770	1	.002		
Likelihood Ratio	14.866	1	.000		
Fisher's Exact Test				.001	.001
Linear-by-Linear Association	12.523	1	.000		
N of Valid Cases[b]	30				

a. 2 cells (50.0%) have expected count less than 5. The minimum expected count is 2.20.

b. Computed only for a 2x2 table

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.657	.000
	Cramer's V	.657	.000
N of Valid Cases		30	