Examining the role of organisational structure and transparency in enhancing stakeholder engagement in SMEs: An emerging-economy perspective

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ABSTRACT

This study sought to examine the effects of organisational structure (OS) and organisational transparency (OT) on stakeholder engagement (SE) in Ghanaian small and medium-sized enterprises (SMEs). It adopts a quantitative study approach underpinned by organisational design theory and the stakeholder theory paradigm. Also, the study used a cross-sectional design to collect primary data from the respondents, which were later analysed using PLS-SEM. A total of 488 SMEs made up the targeted population. Using convenience sampling, a total of 463 SMEs were sampled, representing 92.6% of the population. Additionally, the data collection was done by means of a structured questionnaire distributed both in hard copy and soft copy to the selected respondents. Thirty-eight (38) of the questionnaires were either rejected because of incomplete data or non-response; hence, valid responses became 425. The findings show that the organisational structure and transparency components have a positive significant effect on stakeholder engagement. Also, transparency is found to moderate the effect of structure on engagement such that the relationship becomes stronger at high levels of transparency. Internal system alignment with transparent communication support leads to building better and more profound levels of trust among stakeholders. The results provide direct implications for SME leaders, policymakers, and development agencies who would want to enhance governance processes, stakeholder relations, and sustainable business practice in emerging markets such as Ghana. The study recommends that since the design is cross-sectional in nature, no inference of causality can be drawn. A longitudinal or experimental design in a future study to reform structure and transparency and test its effect on engagement over time would go a long way toward redressing this weakness. Also, the study is specific to Ghanaian SMEs; therefore, conducting a similar comparative study between other Sub-Saharan African economies will bring regional perspectives into sharper focus and also validate the degree to which results may be generalised. Additionally, future research may look at how technological tools, for instance, enterprise resource planning systems and digital dashboards, promote organisational transparency and stakeholder responsiveness while increasing SME digitisation in Africa.

Keywords: Ghana, Organisational Structure, Stakeholder Engagement, SMEs, Transparency

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I. INTRODUCTION

Small and medium-scale enterprises have been identified as key players in the drive of national development in emerging economies such as Ghana. They are over 90% of the total number of businesses and contribute about 70% to the country's gross domestic product (Ghana Statistical Service [GSS], 2021). Though very pivotal in the economic growth and employment creation process, governance issues, stakeholder alignment problems, and strategic

communication challenges remain some of the numerous challenges faced by Ghanaian SMEs (Abor & Quartey, 2010). Recent studies continuously emphasise fostering robust stakeholder engagement for obtaining organisational legitimacy, sustainability, as well as long-term performance (Freeman et al., 2021). However, this cannot be easily achieved without the existing internal mechanisms of an organisational structure on one hand and a transparency culture on the other.

Organisational structure refers to the system of tasks, workflows, reporting relationships, and communication channels that link the diverse parts of an organisation (Galbraith, 2014). In SMEs, where hierarchies are even flatter and less formalised by steps, the clarity and working of organisational structure has great implications on the engagement of both internal and external stakeholders. A clearly articulated structure fosters not only efficiency but also accountability and stakeholder participation through a better facilitated decision-making process wherein information flow is streamlined. Flexible structures in SMEs allow for plurality and decision-making capacity, which result in stakeholder environments.

Organisational transparency is the degree to which an organisation willingly discloses relevant, accurate, and timely information to its stakeholders (Bushman et al., 2004). Transparency builds trust and confidence, acting as a flow channel for more purposeful and sustainable stakeholder engagements (Auger et al., 2021). In the case of SMEs, transparent communication on operations, governance, and social impact builds confidence in stakeholders who are then willing to work together with the firm to make decisions (Schnackenberg & Tomlinson, 2016). However, transparency is not a well-institutionalized practice among most Ghanaian SMEs due to weak systems and inadequate capacity as well as regulatory enforcement.

Organisational structure and transparency have a very interactive relationship in the process of enhancing stakeholder engagement. Though both of these variables contribute individually towards better stakeholder relationships, their combined effects lead to enhanced organisational responsiveness and inclusivity. A coherent structure helps transparency by formalising reporting relationships and channels through which information flows (Galbraith, 2014). Improved transparency increases the level of stakeholder inclusivity that can be achieved in aligning SMEs even more perfectly with the interests and requirements of stakeholders (Harrison et al., 2019).

This theoretical linkage notwithstanding, empirical studies that examine the joint influence of organisational structure and transparency and stakeholder engagement in Ghanaian SMEs are scanty. The few available have been conducted on larger corporations or multinational firms operating within developed economies. Thus, there is a dearth of understanding of these dynamics within smaller resource-constrained firms in emerging markets (Schaltegger & Burritt, 2018). Filling this gap should be considered very important at a time when Ghana is on its way towards the formalisation of the SME sector through different policy reforms and digitalisation strategies (Ministry of Trade and Industry [MoTI], 2022).

This study seeks to analyse how organisational structure and organisational transparency work towards stakeholder engagement in the Ghanaian SME sector. It assesses to what extent these factors, that is, structure and transparency, influence how the SMEs interact with their key stakeholders and respond to them. The study also contributes theoretically and practically by providing context-specific evidence on the ways through which internal mechanisms may facilitate more inclusive, participatory, and sustainable stakeholder relations. The remainder of the paper is structured as follows: the next section of this paper presents theoretical and empirical literature for hypothesis development. This is then followed by a discussion of the research methodology adopted in generating data for an analysis that includes results and discussions leading to some concluding remarks with policy as well as practice implications.

1.1 Research Objectives
  i.   To examine the effect of organisational structure on stakeholder engagement among Ghanaian SMEs.
 ii.   To assess the influence of organisational transparency on stakeholder engagement among Ghanaian SMEs.
iii.   To investigate how organisational transparency moderates the relationship between organizational structure and stakeholder engagement.

II. LITERATURE REVIEW

2.1 Theoretical Review
2.1.1 Stakeholder Theory

Stakeholder Theory was originally posited by Freeman (1984) as the value management of the organisation for all stakeholders who can affect or are affected by organisational outcomes. Hence, it inspired and articulated a concept that suggests an appreciation and active engagement of diverse stakeholder interests in strategic management. Stakeholder engagement by SMEs extends beyond the immediate confines of business to involve regulators, customers, communities, employees, and broader civil society (Freeman et al., 2021). The communication and collaboration support inside internal organizational systems depend on the extent to which SMEs' decisions reflect stakeholder interests. The

theory is relevant because it explains why and how organisations engage stakeholders, plus how organisational structure, together with transparency mechanisms, function as enablers of such engagement. Stakeholder engagement requires meaningful processes of information flow, accountability, and feedback mechanisms. These are largely a function of structural configurations and the degree of transparency that obtains in an organisation.

2.1.2 Organizational Design Theory

Organisational Design Theory shows how internal dispositions-reporting channels, assignment of tasks, communication networks, and hierarchies for decision-making-impact the firm's results, its agility, and how it responds to stakeholders (Burton et al., 2019; Galbraith, 2014). Without a sound organisational structure, consistency in dealing with external parties cannot be achieved. Role clarity reduces ambiguity and improves the chances of delivering such consistency. Structural inflexibility in SMEs is mainly perceived as a strength because it allows quick manoeuvres to satisfy stakeholder demands. In the absence of formal structures, efforts at engagement become ad hoc and inconsistent, thus destroying trust and long-term relationships (Child, 2015). Theoretically speaking, flat and decentralised structures are better placed to enhance stakeholder interaction in dynamic and complex environments (Mintzberg, 1983). Thus, SMEs that have institutionalised systems for engagement in their structural setup are more likely to practice inclusive governance involving collective decision-making from innovation driven by stakeholders (Desmidt & Heene, 2013).

2.1.3 Transparency Theory

Transparency theory is premised on how organisations provide information disclosure of relevant, timely, and accurate information to both internal and external stakeholders. Bushman et al. (2004) establish transparency as the availability of firm-specific information to enlighten the stakeholders about performance, governance, and strategy. Herein lies an assumption in the theory that increased transparency creates an environment of trust, legitimacy, and participation among stakeholders. Schnackenberg and Tomlinson (2016) argued that organisational transparency is a three-fold concept comprising disclosure, clarity, and accuracy; elements which determine the degree of willingness by stakeholders to cooperate with an organisation they view as having integrity in its operations. In SMEs, leadership orientation, regulatory compliance, and general cultural norms often inform such perceptions (Auger et al., 2021). Transparent organisation signals openness and accountability, hence signalling all other stakeholders to become active with reduced perceived risks therefore making it ethical yet strategic for transparency practices to be embedded within normal organisational routines as part of engaging stakeholders (Foss & Saebi, 2017).

Combined, these theories allow for a multi-level analysis of the way structural and informational ingredients work in fostering stakeholder engagement. While Stakeholder Theory brings to the fore both normative and strategic reasons for the engagement of multiple actors, Organisational Design Theory gives an understanding of the way internal arrangements support or hinder such engagement. Transparency Theory offers an understanding of how openness and disclosure create the trust dynamic that will sustain any interaction. Therefore, when applied to Ghanaian SMEs, these theories begin to explain the organisational dynamics behind effective stakeholder engagement under resource limitations and dynamic institutional contexts.

2.2 Empirical Review
2.2.1 Organisational Structure and Stakeholder Engagement in SMEs

Organisational structure is the formal layout of roles, responsibilities, communication channels, and decision-making hierarchies inside an organisation (Galbraith, 2014). In SMEs, this setup tends to be informal at first but needs to be defined more clearly as they grow bigger and engage more stakeholders so that they can manage relationships and meet various demands properly (Burton et al., 2019). Flexible and open systems make talking easier; sharing thoughts helps in making decisions together, which attracts people who want to join activities; also, quick feedback from flat setups allows changes according to what others think, building shared belief plus support (Mintzberg, 1983). On the downside, structured command setups slow down reaction times too much, lowering the value felt by outside parties for a firm's moves.

Though theoretical work may link organisational structure with stakeholder involvement, empirical evidence cannot be found readily, particularly in Ghana. Even so, insights from the constructs can shed light on matters closely connected. According to Burton et al. (2019), clear internal organisational structures within SMEs tend to facilitate regular, consistent stakeholder engagement by establishing formal roles and concomitant communication channels that reduce ambiguity and foster accountability for actions taken or not taken. Ohene Afriye et al. (2024) postulate that those Ghanaian SMEs which have established explicit lines of reporting and decision-making are likely to have better customer and supplier satisfaction; hence, a major determinant of their level of stakeholder engagement. Another related study from Ghana on job design by Ohene-Afriyie et al. (2024) has found that structured roles and clear involvement pathways enhance employee engagement, which is internal stakeholder engagement that would translate into external engagement when applied similarly to partners and regulators.

Okofo-Darteh and Asamoah (2020) scanned the governance structures of SMEs in Ghana, such as the audit committee and board size. The results point to the fact that, though they do not exert a direct positive effects on performance, they are still largely underused by most SMEs. This indicates structural deficiencies that would channel and render other forms of stakeholder engagements ineffective. An adaptation of Burton et al.'s framework indicated that firms with decentralised decision-making structures tend to involve local suppliers and community groups more actively in Ethiopia. While this is not specific to Ghana, it brings out a generally applicable effect of structure on stakeholder relations in emerging-market SMEs.

2.2.2 Organisational Transparency and Stakeholder Engagement

Schnackenberg and Tomlinson (2016) define organisational transparency as the extent to which an organisation willingly discloses relevant, accurate, and timely information to its stakeholders. Transparency builds trust. It lowers uncertainty. Confidence translates into active participation by stakeholders in organisational processes, thereby enhancing confidence in the organisation's management (Bushman et al., 2004). Such a principle applies more so in SMEs where resources are not abundant, and questions of legitimacy materially arise because transparency reflects credibility and accountability as a strategic signal (Auger et al., 2021). Proactive disclosure acts that report clearly on stakeholder interests and mechanisms for open dialogues will develop such interest among stakeholder groups to build trust and willingness to engage. Freeman et al. (2021) found that when an organisation demonstrates integrity in its operations, transparency gives all indications of operating benevolently; this encourages cooperation amongst stakeholder groups.

Empirically, transparency with greater stakeholder participation in SMEs. According to Bushman et al. (2004) transparent disclosure of operations and performance fosters trust and responsiveness. Empirical work in Ghana by Acheampong and Boateng (2022) has described the process through which transparency practices lead to the building up of investor and customer confidence, therefore improving their engagement. Cross-industry studies were performed by Auger et al. (2021), who found that voluntary disclosure practices generate better co-creation and collaboration due to superior stakeholder trust, as confirmed in Ghana-based mining findings above, where broader community involvement was observed due to transparent CSR activities at Newmont Ahafo Mines from local community members, NGOs, and regulatory authorities. Hadi (2017) also showed that firms in Ghana use a more structured way of sharing sustainability information and asking for feedback from stakeholders. The methods used were through workshops and training, as well as an open-door communication policy.

2.2.3 Combined Effects: Structure and Transparency on Stakeholder Engagement

While structure and transparency have distinct effects on stakeholder involvement, their conjunction may yield synergistic results. Even a well-defined structure without accompanying transparency may cause stakeholder distrust owing to perceived opaqueness. Similarly, openness without internal structure may lack the procedures required to address stakeholder concerns (Foss & Saebi, 2017). When structure and transparency are linked, information flows successfully through the appropriate channels and is acted on systematically. Organisations that incorporate transparency into their structural design by establishing communication, reporting, and feedback loops are better positioned to maintain meaningful stakeholder connections (Galbraith, 2014; Harrison et al., 2019). This comprehensive strategy improves the consistency and legitimacy of engagement programs.

Few studies have directly examined the interplay between organisational structure and transparency in promoting stakeholder engagement, particularly in SMEs. However, similar findings from corporate sustainability research (CSR) can provide insight. Tian et al. (2021) discovered that Ghanaian SMEs who combined strong supply chain integration (structure) with stakeholder pressure (transparent mechanism) obtained better performance results through co-creation of value (Tian et al., 2021). The consequence is that internal systematisation (structure) improves the firm's ability to respond to transparent disclosure and stakeholder feedback.

More broadly, Foss and Saebi's (2017) examination of different contexts found that transparency is most effective when embedded within formal governance or structural frameworks, allowing stakeholder feedback to lead to adaptive change. According to the case study of Newmont Ahafo CSR in Ghana (Ansu-Mensah et al., 2021), openness alone is insufficient without institutional avenues to address stakeholder issues, such as community liaison offices and regular feedback loops.

Isolation of either factor (structure or transparency) frequently results in low engagement. Transparent SMEs without a formal structure, for example, may fail to respond to input, whereas structured SMEs without open disclosure may foster distrust. The complementary structure appears to be essential for maintaining stakeholder confidence and participation. Empirical research in Ghana typically focuses on CSR-related performance or financial results (Hadi, 2017), rather than structural and transparency measures. There has been minimal quantitative study linking organisational structure (e.g., formalisation, decentralisation) and stakeholder participation in SMEs. There is less empirical research on interaction effects in SMEs in Ghana and Sub-Saharan Africa.

Table 1
Summary of Empirical Insights

Relationship	Evidence Source (Ghana /Sub-Saharan Africa)	Implication for Hypotheses
OS → SE (H1)	(Okofo-Darteh & Asamoah, 2020; Ohene Afriyie et al., 2024)	Structure clarity and formalization indirectly support engagement (Supports H1)
OT → SE (H2)	(Acheampong & Boateng, 2022; Ansu-Mensah et al., 2021; Hadi, 2017)	Greater transparency leads to stronger stakeholder trust and involvement (Supports H2)
OS × OT → SE (H3)	(Tian et al., 2021; Foss & Saebi 2017; Ansu-Mensah et al., 2021)	Integrated systems amplify stakeholder collaboration and legitimacy. Suggestive of H3 (synergistic effect)

2.3 Hypotheses Development

Stakeholder engagement is seen as a strategic imperative in organisations that aim for long-term sustainability. This is especially true and important for small and medium-sized enterprises (SMEs) operating in emerging economies. It is within such a context that two organisational variables —organisational structure and transparency have been identified as critical drivers of stakeholder engagement. Thus, based on the theoretical reasoning and empirical basis, the following hypotheses are formulated to guide this study:

Ho_1: Organisational structure has a positive and significant effect on stakeholder engagement among Ghanaian SMEs.
Ho_2: Organisational transparency has a positive and significant effect on stakeholder engagement among Ghanaian SMEs.
Ho_3: Organisational transparency moderates the relationship between organizational structure and stakeholder engagement such that the relationship is stronger when transparency is high.

III. METHODOLOGY

3.1 Research Design

This study adopted a cross-sectional survey in assessing the relationship between organisational structure, transparency and stakeholder engagement among Ghanaian SMEs. Cross-sectional surveys collect data within a very short period from a defined population at a point in time (Polit & Beck, 2017). These surveys are preferred because they aid in examining existing relationships and perceptions due to time efficiency. Cross-sectional design is mostly applied in descriptive and causal studies because it allows the measurement and comparison of variables with a large sample size (Bryman & Bell, 2015; Creswell & Creswell, 2018). Therefore, its use is appropriate for this study where several organisation-related constructs have to be examined concurrently.

3.2 Target Population

The target population comprised 488 SMEs located within the Accra Metropolis of the Greater Accra Region. This provides a specific economic context within which SME practices can be examined. The population was selected based on proximity and the assumption that it is made up of various organisational structures and stakeholder compositions that reflect urban SMEs in Ghana's principal commercial city.

3.3 Sampling and Sampling Technique

Convenience sampling was employed as the method of sampling in order to reach organisations within the target population. This non-probability technique was employed because it is easier and less expensive to reach SMEs compared to other sampling methods. The advantages of convenience sampling are shorter time and expenditure on data collection, better response rates due to ease of contact with readily accessible participants, and administrative simplicity in contacting geographically spread-out or inaccessible SME populations. A total of 463 firms (92.6% of the population) were contacted. Furthermore, 38 questionnaires were excluded due to incomplete or missing information, leaving 425 complete responses. Although convenience sampling has limitations in comprehensiveness, the approach was feasible for the research given the realities of operations in reaching SMEs systematically.

3.4 Data Collection Instrument

A structured questionnaire in hard and soft copy was used to collect data. Three validated and reliable scales contextualized to Ghanaian SMEs were used to measure the constructs based on Mintzberg's typology of Organisational Structure, Bushman et al. (2004) concept of transparency for Organisational Transparency, and Freeman's stakeholder theory for Stakeholder Engagement. All scales utilized a five-point Likert-type response format anchored by strongly

disagree and strongly agree. The instrument was pretested on 30 respondents to check clarity and contextual appropriateness and revised accordingly.

3.5 Data Collection Procedure

The respondents were either owners or top management personnel of SMEs with explicit knowledge of organizational systems and stakeholder relationships. An email was sent to their management introducing the study and soliciting their participation. Participation was voluntary, with informed consent comprising an explanation of the purpose of the study and assurance of confidentiality and anonymity in reporting results. Consistency was ensured by administering a single questionnaire per organization, eliminating response duplication. The questionnaires collected no personal identifiers. The digital records were password-protected with restricted access to raw data. In line with Ghana's Data Protection Act (Act 843, 2012), secure disposal will be conducted following institutional guidelines on data storage within a year after submission as required by the institution.

3.6 Data Analysis

Partial Least Squares Structural Equation Modelling (PLS-SEM) was run on SmartPLS version 4.1.0.7 for the data analysis. A justification for the application of this analysis approach lies within its abilities to accommodate highly complex models with several latent constructs and due to its robustness in situations involving small sample sizes or samples departing from normality, hence non-normally distributed data. The analyses were carried out in two steps: firstly by checking the measurement model-reliability (using Cronbach's alpha, composite reliability), validity (average variance extracted-AVE for convergent validity; Fornell-Larcker criterion and HTMT ratio of correlations for discriminant validity) then structural model assessment-hypothesis testing using path coefficients, t values and p values from a bootstrapping procedure with 5,000 subsamples together with R^2 statistic and Q^2 statistics as a means of evaluating the model performance.

IV. FINDINGS & DISCUSSION

4.1 Findings
4.1.1 Measurement Model Assessment
Table 2 shows the results of the reliability and convergent validity test of all constructs used in the study.

Table 2

Reliability, Convergent Validity and Outer Loadings

Construct	Indicator	Outer Loading	IVIF	CA	CR	AVE	OVIF
OS	OS1	0.784	1.308	0.722	0.808	0.581	2.006
	OS2	0.638	1.139				
	OS3	0.613	1.136				
	OS4	0.650	1.424				
	OS5	0.641	1.399				
	OS6	0.680	1.343				
	OS7	0.665	1.302				
OT	OT1	0.691	1.361	0.826	0.869	0.657	1.963
	OT2	0.671	1.326				
	OT3	0.720	1.299				
	OT4	0.710	1.877				
	OT5	0.621	1.629				
	OT6	0.610	1.312				
	OT7	0.635	2.100				
	OT8	0.641	1.698				
SE	SE1	0.632	1.152	0.850	0.886	0.599	1.417
	SE2	0.650	1.477				
	SE3	0.672	1.762				
	SE4	0.626	2.071				
	SE5	0.645	1.890				
	SE6	0.684	1.976				
	SE7	0.738	2.456				
	SE8	0.677	2.040				
OT*OS	OT*OS	1.000	0.000	1.000	1.000	1.000	1.258

As shown in Table 2, all outer loadings for the measurement items were above the minimum threshold value of 0.60, thus indicating that the indicators were adequate representations of their respective constructs. Organisational Structure (OS) obtained factor loadings within a range between 0.613 to 0.784 while Organisational Transparency (OT) reflected loadings from 0.610 to 0.720; Stakeholder Engagement (SE) also demonstrated good loadings ranging from 0.626 until 0.738 The interaction term (OT*OS) reported a loading equal with one reflecting its formative computation .The reliability of the constructs was confirmed by Cronbach's Alpha (CA) and Composite Reliability (CR) values. All constructs attained the recommended thresholds of CA≥0.70 and CR≥0.70 exhibiting strong internal consistency. OS (CA=0 .722, CR=808), OT (CA =826, CR =869) and SE (CA =850, CR =886) were all considered reliable. The Average Variance Extracted (AVE) was utilized to check convergent validity. All constructs reported AVE values higher than the minimum acceptable value of 0.50; OS (AVE = 0.581), OT (AVE = 0.657), and SE (AVE = 0.599) shared adequate variance among measurement items. Also, both IVIF and OVIF values were less than the most conservative cut-off value of 3.3, hence there is no indication of multicollinearity concern among the indicators or constructs. Note: CA = Cronbach's Alpha, AVE = average variance extracted, CR = composite reliability, IVIF = Item Variance Inflation Factor, OVIF = Outer Variance Inflation Factor.

Table 3 displays the latent variable correlations. The diagonal elements are the square roots of average variance extracted (AVE) for each construct. These values are higher than the pertinent inter-construct correlations, which demonstrate adequate discriminant validity (Hair et al., 2017). Based on this criterion we can observe that the square root of AVE for organisational structure (OS) is 0.762, is greater than its correlations with organisational transparency (OT = 0.662), stakeholder engagement (SE = 0.560), and the interaction term OT*OS (0.410). Similarly, organisational transparency (square root of AVE = 0.811) is more strongly associated with itself than with OS (0.662), SE (0.588), and OT*OS (0.437). The same trend is observed for stakeholder engagement (square root of AVE = 0.774), thus confirming its distinctiveness from the other constructs.

Table 3
Correlations between Latent Variables (Fornell-Larcker Criterion)

Latent Variables	OS	OT	SE	OT*OS
OS	**0.762**			
OT	0.662	**0.811**		
SE	0.560	0.588	**0.774**	
OT*OS	0.410	0.437	0.415	1.000

The results for the Heterotrait-Monotrait (HTMT) ratios as another discriminant validity test is presented in Table 4. All HTMT values are well below the more conservative threshold value of 0.85, thus supporting that the constructs are quite distinct empirically (Henseler et al., 2015). The HTMT ratio between OS and OT is 0.610 and between OS and SE is 0.823, both falling within acceptable discriminant validity levels. The ratio between OT and SE (0.553) also falls within the acceptable level. All the values of the HTMT were below the recommended level, which implies that multicollinearity is not a concern and also the findings suggest that all of the constructs capture a specific theoretical dimension of the model. All these results, therefore, add up to reinforcing evidence of discriminant validity already obtained by the Fornell-Larcker criterion (Fornell & Larcker, 1981)**.**

Table 4
Heterotrait-Monotrait (HTMT) Ratio

	OS	OT	SE	OT*OS
OS				
OT	0.610			
SE	0.823	0.553		
OT*OS				

4.1.2 Structural Model and Hypotheses Testing

Table 5 presents the path coefficients, t values, and their significance. From this table, it is seen that Organisational Structure has a highly significant effect on Stakeholder Engagement (ß = 0.412, t = 5.21, $p < .001$). It directly poses a positive effect as well as another variable, Organisational Transparency, which also has a direct positive effect on Stakeholder Engagement (ß = 0.358, t = 4.02, $p < .001$). Another interaction term, OS × OT gives a significant coefficient result at beta value of 0.145 and t value of 2.87 at the significance level of less than .01, indicating transparency increases the structure's effect towards engagement.

Table 5

Structural Path Analysis Results

Hypothesis	Hypothesized Path	Path Coefficient	t-value	p-value	Decision
H1	OS → SE	0.412	5.21	< 0.001	Supported
H2	OT → SE	0.358	4.02	< 0.001	Supported
H3	OS × OT → SE	0.145	2.87	< 0.01	Supported

Results in Table 6 show the R-squared, Adjusted R-squared, and Q-squared values for the construct of Stakeholder Engagement (SE). The R-squared value came out to be 0.310, meaning that this model used to explained 31.0 percent variation in stakeholder engagement. The Adjusted R-squared value is 0.305 and slightly less, which indicates that explanatory power remains consistent after adjustment for the type of predictor in the number of predictors included in the model. In addition, the Q-squared value of 0.318 is greater than zero, indicating that this model has predictive relevance regarding stakeholder engagement as it relates to predicting this particular endogenous variable of interest over and above the general population mean of zero.

Table 6

R-squared, Adjusted R-squared and Q-squared

Construct	R-squared	Adjusted R-squared	Q-squared
SE	0.310	0.305	0.318

4.2 Discussion

The study results provide very strong support for Hypothesis 1 which states that the organisational structure has a highly significant positive effect on stakeholder engagement among Ghanaian SMEs (ß = 0.412, t = 5.21, $p < .001$). This large effect size suggests that well-designed organisational structures—decentralised decision-making, role clarity, and formal communication protocols—are core drivers of stakeholder engagement. In the context of SMEs in developing economies, emerging structured organisations facilitate clearer pathways for stakeholders' participation and feedback. Organisational theory supports the finding in that structural clarity allows stakeholders to appreciate aspects such as organisational hierarchy, decision-making processes, and communication channels; thus, building confidence within them to engage actively and positively. Our study findings align with the findings of Yaxin and Adnan (2025) who found that decentralized or flexible structures tend to enhance stakeholder engagement by improving responsiveness and participatory decision-making, while formalized, centralized structures can improve consistency and transparency in engagement processes. The study findings also agree with the findings of Saka-Helmhout et al. (2024) who indicate that a well-structured engagement architecture—clear escalation pathways, standardized yet adaptable engagement processes, and coordination across business units—facilitates more effective engagement with diverse stakeholders.

The study findings also support Hypothesis 2, which indicates a direct positive effect of organisational transparency on stakeholder engagement among Ghanaian SMEs (ß = 0.358, t = 4.02, $p < .001$). The effect is slightly weaker than organisational structure however transparency is still a significant predictor of engagement. This finding demonstrates that when SMEs provide openness regarding operations, financial information and decision-making processes; stakeholders perceive them to be more trustworthy hence increased active participation. In emerging economies where information asymmetries and trust deficits often characterise business relationships; transparency becomes a key mechanism in reducing stakeholder uncertainty. The positive relationship implies that SMEs implementing transparent communication practices as well as operational disclosure build confidence which eventually leads to deeper involvement in organisational activities together with decision-making processes. The study findings corroborate those of Aaltonen et al. (2024) who found that transparency can influence engagement, but its effect depends on implementation quality and alignment with stakeholder needs. The study findings also support the findings of Hollmann et al. (2022) who indicates that transparent stakeholder engagement plans, including explicit disclosure of goals, methods, responsibilities, and feedback loops, lead to more inclusive participation, greater trust, and better alignment with stakeholder expectations. Schnackenberg and Tomlinson (2016) contend that transparency is essential for building trust in organization-stakeholder relationships. They further argue that clear, accurate, and open disclosure of information enhances stakeholders' perceptions of organizational integrity, which in turn fosters engagement.

The study findings also confirm Hypothesis 3, which states that transparency has a significant positive effect on the relationship between organisational structure and stakeholder engagement (β = 0.145, t = 2.87, $p < .01$). The results show that transparency strengthens the positive effect that organisational structure has on stakeholder engagement. This means that in the presence of transparent communication practices together with well-defined structures for SMEs, stakeholders become more informed, confident and willing to participate or engage. The findings further imply that it may therefore not be enough to have structural clarity alone without transparency to drive

meaningful engagement wherein stakeholders fully understand and trust the organisational processes in place. In the Ghanaian SME context, where transparency plays a moderating role, SMEs should therefore prioritise investments in both strong organisational structure and the practice of transparency. Transparency is the catalyst that unlocks and magnifies the benefits of organisational structure in attracting stakeholder participation within an organisation. The study findings support the conclusion of Leonardi (2014) who asserted that in social enterprises, the relationship between organizational structure and stakeholder engagement is enhanced by transparency. Vertical (hierarchical) structures tend to use transparency for one-way information control, while horizontal (flat) structures foster participative, two-way transparency, leading to higher stakeholder commitment and engagement (Leonardi, 2014). The results from our study also fall in line with the findings of Myeza et al. (2024) who found that transparent communication and reporting, especially when embedded in governance structures, are crucial for stakeholder engagement. Delayed or inconsistent transparency erodes trust, while inclusive, transparent structures empower stakeholders and strengthen engagement, particularly during crises (Myeza et al., 2024). Král and Schnackenberg (2024) argue that the effect of transparency on stakeholder engagement depends on the interplay between institutional, societal, and leadership forces within organizational structures. While high transparency generally fosters engagement, certain structural configurations (e.g., "hollow" or "deceptive" transparency) can produce mixed or even negative outcomes if not managed carefully (Král & Schnackenberg, 2024).

V. CONCLUSION & RECOMMENDATIONS

5.1 Conclusion

This study analysed the impact of organisational structure and organisational transparency on stakeholder engagement in Ghanaian small and medium-sized enterprises, and also evaluated the transparency moderating effect between structure and engagement. Results indicated that a clearly articulated yet flexible organisational structure significantly improves stakeholder engagement. Organisational disclosure of both internal and external communications increases the level of confidence of stakeholders, thereby fostering their interest. Transparency enhances the positive influence that structure has on engagement, thus indicating, at its best, that there is a synergistic effect in structuring these two capabilities together; clarity in decision-making institutionalised by SMEs would be reporting openness to all stakeholders as well as to myriad groups therein involving workers, consumers, communities, or even governmental bodies. All this is meaningful because such facts are revealed considering emerging economies similar to Ghana, where institutional trust and attendant provision of responses to an organisation are central to sustaining a business entity.

5.2 Recommendations

This study has certain limitations and, within these very limitations, opens up new horizons of inquiry. First, since the design is cross-sectional in nature, no inference of causality can be drawn. A longitudinal or experimental design in a future study to reform structure and transparency and test its effect on engagement over time would go a long way toward redressing this weakness. The other big weakness, of course, is that it has been specific to Ghanaian SMEs; therefore, conducting a similar comparative study between other SSA economies will bring regional perspectives into sharper focus and also validate the degree to which results may be generalised. In addition to organisational structure and transparency as predictors in this study, futuristically moderating or mediating leadership style, digital capability or corporate culture, would enrich analysis. How SMEs actually manage such balancing acts between structure and transparency under complex stakeholder environments could well be examined through qualitative case studies. Another possible area that researchers may wish to look at is how technological tools, for instance, enterprise resource planning systems and digital dashboards, promote organisational transparency and stakeholder responsiveness with increasing SME digitisation all over Africa.

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