

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Entrepreneurship over the years was the corner stone of developed nations ‘ building foundation. Even though it is amongst the youngest paradigms in management sciences; it has also been attracting an increasing interest in recent times in developing nations. The considerable amount of information available on the internet, the hundreds of titles of books published every year as well as the academic advancements in the field have no room for doubts regarding the recent focus on entrepreneurship. This interest resulted from a general perception that small and medium size companies, under the direction of entrepreneurs are major contributions to job creation, economic growth, wealth creation and distribution. This view is shared by economists, politicians and many others. Hence, several countries are encouraging and promoting entrepreneurial activity. (Andretsch & thurik, 2010; Reynolds at al., 2001, wennekers,thurik & Buis,2008).

Entrepreneurship has become one of the economic drivers in both developed and developing countries of the world (Alemany, 2014).With increased poverty, countries of the world have come to realize the role of entrepreneurship in social economic developments. In developing countries, micro and small enterprises have been a source of employment for decades despite the challenges experienced by entrepreneurs ranging from; financing, production, and marketing and human resource development (Alemany, 2014). A number of governments in developing countries in the past decade have been emphasizing of boosting their economic growth through formulation of policies that support micro enterprises. Micro enterprise can be regarded as income generating activity that employs 1-5 workers (Daniel, 2010).

Entrepreneurs are likely to enhance competitiveness of their enterprises if they have the ability to analyze the business environment, develop clear goals, develop strategies, implement and evaluate strategies based on the formulated objectives. In addition, Mwanja (2015) argues that entrepreneurs will have a competitive advantage if they can develop financial budgets, predict market dynamics and possess human resources management skills. He further concludes that performance of small enterprises is purely determined by the competencies of entrepreneurs.

Small and medium sized enterprises (SMEs) are the backbone of virtually all economies of the world because of their role in employment creation and provision of personalized services (Wattanaputtipaisan, 2013) SMEs have strong influence on the sustainable development process of less developed as much as developed countries because they foster economic growth and alleviate poverty (Ayyagari, Beck and Demirguc-Kunt, 2012). Udechukwu (2013) asserts that the development of SMEs is an essential element in the growth strategy of most economies and holds particular significance for developing countries like Nigeria.

The best performing economies in Asia are heavily based on SMEs which are major sources of dynamism in economic development. The requirements for SMEs to access the global market and upgrade their position within the international market as a result of trade liberalization are becoming increasingly difficult due to competition (Abonyi, 2013). Berry (2012) suggests that the increasing prevalence of flexibility and specialization of SMEs has persuaded many business analysts to believe in the strategic role SMEs play in the industrial structure of any developing nation. But he noted that SMEs are quite vulnerable to external shocks due to the global competition from the liberalization of trade. There is reasonable assurance that given favorable policy environment, SMEs can successfully compete in the global market (Briggs, 2015).

Most governments, especially in Less Developed Countries (LDCs) now recognize the need to formulate policies that create conducive atmosphere for the establishment and operation of SMEs. The new emphasis by various governments in LDCs on SME development can be linked with the current global trend of economic liberalization and the need to bridge the development gap that hitherto exists between them and industrialized countries. Governments in developing countries, especially in Nigeria, provide a wide variety of programs to develop and assist SMEs. Despite these programs, it has been observed that their impact on the performance of SMEs has been less than satisfactory (Manbula, 2012). This can be attributed to some factors that governments and policy makers in developing countries have failed to put into consideration in the design and implementation of SME development programs.

Most SMEs either remain small, moribund or shut down within few years of operation due to some constraints that hinder their growth, especially finance (Rodriguez and Berry, 2012). There is no available evidence in Nigeria that the situation has improved with economic liberalization (trade and financial market) that brought about stiff competition from well-established Multinational Corporations (MNCs). The proponents of economic liberalization claim that it improves the situation of SMEs by giving them better access to finance and encourages competition which will in turn reduce poverty (Tagoe, Nyarko and Anuwa-Amarh, 2015).

It develops the argument that government programs for SMEs development are not properly implemented which has hindered SMEs competitiveness. The institutional structures upon which these programs can function effectively are either not in place or insufficient. This has resulted in a biased economic environment for SMEs to compete with well-established MNCs under a liberalized trade environment.

Every year, a lot of people take a leap of faith to quit their nine to five jobs and start a business. While many aspire to be entrepreneurs, few really understand what it takes, or know how to start a business. There are a lot of requirements that must be fulfilled, and steps that must be followed to successfully start and grow a business in Nigeria or anywhere else in the world. Most SMEs in Nigeria die within their first five years of existence, a smaller percentage goes into extinction between the sixth and tenth year while only about five to ten percent survive, thrive and grow to maturity (Aremu & Adeyemi, 2011).

1.2 STATEMENT OF PROBLEM

In Ogujuba and Cornelissen (2020) while making Comparison between the Keynesian and New Classical Model, pointed out that United States of America being viewed as one dominant economy in the globe is faced with this monster of Unemployment. The issue has raised concerns from country to country until the globe is on fire because of the rate at which unemployment is increasing. The International Monetary Fund (IMF) and World Bank have introduced many schemes to combat unemployment (Okoro & Egbunike, 2016). In Nigeria, government has introduced different training agencies, workshops and symposia to see to it that unemployment is reduced all to no avail (Odiri, 2016; Odiri, 2016) Noting further, unemployment is a macroeconomic problem that does no good to individuals and the effect is debilitating in the society as it is unquantifiable. They noted that unemployment is a threat to future lives of Nigerian

youths as it causes vices such as dejection, frustration, poverty and family dependency (Nwachukwu and Ogbo, 2012). Poverty in any community is a serious setback to the economic, political, social and general development of the society. More so, in a society like this characterized by low educational level, unskilled labor, wasteful lifestyle, non-delivery of total quality policy package based on needs, policy leakages to non-target population and traditional values and norms have all affected the performance of poverty alleviation initiatives. Emanating from the above, one can conclude that economic of Nigeria and most of developing countries are largely characterized and defined by the rate of poverty, hunger and employment subsisting in them.

It seems as if all strategies applied in the past to fight poverty proved ineffective, but the world seems to have found a most promising strategy through Entrepreneurship Practices. Entrepreneurship refers to an individual ability to turn ideas into action. Entrepreneurship is the process of designing, launching and running a new business, while the person who creates this business is called an entrepreneur. Despite the significant academic attention paid to the concepts of entrepreneur and entrepreneurship, consensus has yet to be achieved with respect to single definition that are concise and that present entrepreneurship as a field of study. (Popoola et al., 2018)

The National Bureau of statistics in Nigeria, noting the report from National Institute for Labour and Productivity (2020) reported that the rate of Nigerian youth unemployment increased to 53.40% in the fourth quarter of 2020 from 40.80% in the second quarter of 2020. Thus, by now it has increased far beyond the stated rate if no unprecedented check is carried out. This now brings to mind the role of managing unemployment.

Unemployment also arises where there are low skills and untrained mindsets. Training and education is an indispensable means of transmitting the skills and knowledge needed by individuals to unrestricted entrepreneurial boost by participation and contribution to the economic development of a nation while also engaging in social and/or political activities (Onyali & Akinfolarin, 2017). Functional and productive education implies the expression of 'societal realities. The National policy on education (Federal Government of Nigeria, 2004) noted that functional and productive education relevance is practical acquisition of appropriate skills and development of competencies are required for the individual to live and contribute to the development of his society.

1.3 OBJECTIVES OF THE STUDY

The primary objective is to determine the impact of entrepreneurial practice on performance of selected SMEs in Ilorin metropolis. the specific objectives are:

- i. To establish the influence of management knowledge on performance selected SMEs in Ilorin metropolis
- ii. To determine the influence of financial knowledge on performance of selected SMEs in Ilorin metropolis
- iii. To determine the influence of marketing knowledge on performance of selected SMEs in Ilorin metropolis

1.4 RESEARCH QUESTIONS

- i. To what extent does management knowledge affect performance selected SMEs in Ilorin metropolis?
- ii. How financial knowledge does affects performance of selected SMEs in Ilorin metropolis?
- iii. To what level does marketing knowledge affects performance of selected SMEs in Ilorin metropolis?

1.5 RESEARCH HYPOTHESES

For the purpose of this study, the following null hypotheses shall be tested;

H₀₁ Management knowledge has no significant effect on performance of selected SMEs in Ilorin metropolis

H₀₂ Financial knowledge has no significant effect on performance of selected SMEs in Ilorin metropolis

H₀₃ marketing knowledge has no significant effect on performance of selected SMEs in Ilorin metropolis.

1.6 SCOPE OF THE STUDY

The study would be confined to small and medium scale enterprises in Ilorin metropolis to establish the entrepreneurial practices that influenced performance. Specifically, the study focused on small and medium scale enterprises in Ilorin metropolis. Independent variables of the study comprised of management knowledge, financial knowledge and marketing knowledge while the dependent variable performance of selected SMEs in Ilorin metropolis

1.7 SIGNIFICANCE OF THE STUDY

The study would facilitate the availability of information for small and medium scale enterprises by using the information to make strategic business decisions that would enhance financial competitiveness of their individual enterprises. The findings would help policy makers such as ministry of commerce and trade and Enterprise Development in the Country to enhance the choice and survival of businesses among women entrepreneurs. The study would also be useful to potential investors who may wish to invest in small scale businesses they would be equipped with the knowledge of various areas of investment, risk management practices in the area and the type of business to choose from the industry. The knowledge gained from this research would benefit the young scholars as a source of knowledge for further research on the choice of business enterprise by women entrepreneur in the county. The scholars would also use the research study as a source of literature review when carrying out a related research on women entrepreneurs.

1.8 OUTLINE OF THE STUDY

This research work was structured into five chapters. Hence, the chapters are charted below in order of standard;

Chapter one: This is the first part of the research work and it provides a background knowledge to the study, followed by the statements of the research problem the aim and objectives of the research, research questions, the hypotheses of the research questions, followed by the significance of the study, sources of data, limitation of the study, scope of the study, outline of chapters contain in the study, operationalization of variables and definition of terms. Hence, the next chapter is chapter two which present the conceptual frame work, theoretical frame work, empirical frame work and gap in literature concerning the impact of Corporate Social Responsibility on Sustenance

of Business Organisation. Furthermore, chapter three discusses the research methodology, research design, population of study, sample size determination, sample techniques/procedure, research sample frame, collection of data, research instrument, validity of research instrument, reliability of research instrument and ethical consideration.

Lastly, this section expatiates on discussions of data presentation and analysis of the research work which includes the empirical result and interpretation of result, test of questionnaires, test of hypothesis and discussion of results which was made available in chapter four. And chapter five, which is the final chapter of this research work and it reflected the summary of the work, discusses the findings in the study, give conclusions, it also outlines the researcher's recommendations based on the findings of the study and suggests for further study and contribution to knowledge.

1.9 DEFINITION OF TERMS

Entrepreneurship

Entrepreneurship is the creation of a new business venture and a new organization for that venture” (Stoner et al., 2000). Gana (2001) defines entrepreneurship as the willing-ness and ability of an individual to seek out investment opportunities in an environment, and be able to establish and run an enterprise successfully based on the identified opportunities.

Entrepreneurial Practice

Entrepreneurship Practices is the process, actions, activities behavior and sentiment employed by entrepreneurs who are showcase in their business dealings. (Ogundele 2012). Omisakin et al., 2016 and Ogundele 2017 explain that entrepreneurship practices has all activities employed by entrepreneurs in their business dealings.

Management knowledge

it is the process of identifying, planning, organizing, leading and controlling the needed resources to achieve goals and objectives. It relates to policies and practices that must be installed in the internal environment of the entrepreneurial organisation or in a country where entrepreneurship must flourish

Financial knowledge

It has to do with fund accessibility, fund management, fund control and budge development.

Marketing management

It refers to product development, price fixation, promotion and distribution.

Small and medium scale enterprises

SME's – in the context of this study, SMEs refer to the licensed start-up enterprises with internal financing and less than 15-20 employees businesses in Ilorin metropolis

1.10 Operationalization of variables

It is the process of having two constructs, there is need to examine the relationship between the dependent and independent variable. Thus, it is taken that performance of SMEs these outlets depends on entrepreneurial practice. Thus,

Independent Variable

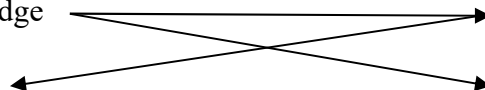
Entrepreneurial practice

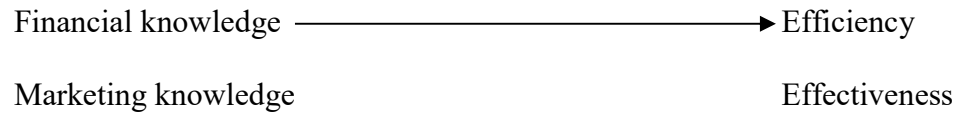
Management knowledge

Dependent Variable

Performance of SMEs

Profitability





CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This study reviewed relevant literatures on impact of entrepreneurial practice on performance of SMEs in the following orders, conceptual review, theoretical, empirical and gap in literature

2.1 Conceptual Review

2.1.1 The concept of entrepreneurship

The word entrepreneur is derived from the French word “entrepreneur” meaning “to undertake”. The definition of an entrepreneur has evolved over time as the world’s economic structure has changed and become more complex. Since its beginning in the middle ages, when it was used in relation to specific occupations, the notion of the entrepreneur has been refined and broadened to include concepts that are related to the person rather than the occupation. Jean-Baptiste, an aristocrat industrialist, with his unpleasant practical experiences developed the concept of entrepreneur a little further which survived for almost two centuries. According to him, an entrepreneur is one who combines the land of one, the labour of another, and capital of yet another, and thus, produces a product. By selling the product in the market, he pays interest on capital, rent on land and wages to laborers and what remains is his/her profit. The entrepreneur has been described by Collins et al. (1964) as a “risk taker” – a person who braves uncertainty, strikes out on his own through native wit, devotion to duty and singleness of purpose somehow creates an industry where none existed before. Essentially, an entrepreneur fills in the people, financing production and marketing gaps by acquiring and assembling the necessary resources into newly created form (Baun et al., 1975).

Entrepreneurship is the process of giving birth to a new enterprise. Entrepreneurship is what entrepreneurs do. The term “entrepreneur” was first used by the early 18th century French economist Richard Cantillon who defines the entrepreneur as the “agent who buys means of production at certain prices in order to combine them” into a new product (Schumpeter; 2011; Burnett, 2013). Schumpeter (2007) added to Cantillon’s definition by including the idea that entrepreneurs had to be leaders claiming that an entrepreneur is one who brings other people together in order to build a single productive organism. For Drucker (2010), entrepreneurship is

about taking risk. The behavior of the entrepreneur reflects a kind of person willing to put his or her career and financial security on the line and take a risk in the name of an idea, spending much time as well as capital on an uncertain venture. On the extreme, it is a term used broadly in connection within the innovation of modern industrial business leader, which describe an originator of a profitable business idea (Akanni, 2010). Akanni, (2010) posited that the word entrepreneur originated from the French word, “entreprendre” which means “to undertake”. But note that entrepreneurship is a derivative word from entrepreneur. Garba (2010) asserted that the term entrepreneurship means different things to different people and with varying conceptual perspectives. He stated that in spite of these differences, there are some common aspects such as risk taking, creativity, independence and rewards. According to Joseph Schumpeter, an Australian economist, the single function which constitute entrepreneurship concept is innovation, such as; new products, new production method, new market and new forms of organisation. Wealth is created when such innovation results in new demand. Entrepreneurship is therefore a process which involves the creation of an innovative economic organisation for the purpose of gain or growth under condition of risk and uncertainty (Dollinger, 2001 quoted in Akanni, 2010). Vanderwerf and Brush (1989), reviewed twenty-five definitions of entrepreneurship and they concluded that entrepreneurship is a business activity consisting of some intersections of the following behaviours: creativity, innovation, general management, risk bearing and intention to realise high levels of growth. Hisrich and Peters (1992) state that entrepreneurship is a continuous process of creating something different that has value to the users.

Badi et al. (2006) defined entrepreneur as a person with vision, original idea, decision-making and daring to try. The entrepreneur is also an investor who brings in new ideas, new commodities, new processes and encourages his team in the new activities. For Scarborough and Zimmerer (2000),

an entrepreneur is “a person who creates a new business in the face of risk and uncertainty for the purpose of achieving profit and growth by identifying opportunities and assembling the necessary resources to capitalize on them”. “Entrepreneurship is the creation of a new business venture and a new organization for that venture” (Stoner et al., 2000). Gana (2001) defines entrepreneurship as the willing-ness and ability of an individual to seek out investment opportunities in an environment, and be able to establish and run an enterprise successfully based on the identified opportunities.

Though Gana’s definition was based on the managerial perspective, it is important to mention that the entrepreneur has certain personality traits which influence his behaviour (psychologists view). He also lives in a society (sociologist view) and he is obviously affected by the economic opportunities and government incentives (economist view). Gana therefore cautioned that any attempt to describe the entrepreneur against only one dimension will be inadequate and would not give a holistic view of who the entrepreneur is. According to Burnett (2000), throughout the theoretical history of entrepreneurship, scholars from multiple disciplines in the social sciences have grappled with a diverse set of interpretations and definitions to conceptualize this abstract idea. Over time, “some writers have identified entrepreneurship with the function of uncertainty-bearing, others with the coordination of productive resources, others with the introduction of innovation, and still others with the provision of capital” (Hoselitz, 2012). Burnett then concluded that even though certain themes continually resurface throughout the history of entrepreneurship theory, presently there is no single definition of entrepreneurship that is accepted by all or that is applicable in every economy. Mbaegbu reported that Inegbenebor and Osaze (2009) have differentiated various grades of entrepreneurs on a continuum from craftsman entrepreneurs to opportunistic entrepreneurs. According to Inegbenebor, the craftsman entrepreneur generally

establishes his own self-employed business which could be a micro enterprise or a small/ medium enterprise. The number of outside people he employs depends on the size of the enterprise. The opportunistic entrepreneur on the other hand has the potential of establishing a business and growing it into a large scale bureaucratic corporation employing hundreds of people. Thus, our most appropriate and adopted definition is a combination of three different definitions, wherein, entrepreneurship can be defined as a force that mobilizes other resources to meet unmet market demand (Jones, 2013); the ability to create and build something from practically nothing (Timmons, 1989); that is the process of creating value by pulling together a unique package of resources to exploit an opportunity (Stevenson and Gumpert, 2005). Mbaegbu (2008) submitted that there is, therefore, no “one-best” definition for the entrepreneur: He however stated, “anyone who creates a business, establishes it, and nurses it to growth and profitability or takes over an existing business because the founder is dead or has sold it, or who inherited it and continues to build and innovate on it, or a man who runs a franchise, qualifies as an entrepreneur in our usage” (Nwachukwu, 2010). The bot-tom line is career in self-employment and profiting from self-employment. We are therefore adopting and operationalizing the combined definition of “entrepreneurship” for the purpose of this work.

2.1.2 Concept of Entrepreneur

Entrepreneurs are individuals who recognize opportunities where others see chaos, or confusion. One anonymous quote found by Jeffery A. Timmons sums up the realities for entrepreneurs. “Anyone can be an entrepreneur, who wants to experience the deep dark canyons of uncertainty and ambiguity; who wants to walk the breathtaking highlands of success”. Entrepreneurship in the modern dispensation in Nigeria can be traced to the colonial era due to the problem of trade by barter of exchanging agricultural products. It means primarily innovation, to others it means risk-

taking. To others, a market stabilizing force and to others it means starting, or owning and managing small business. Thus, an entrepreneur is viewed as a person who either creates new combination of production factors such as new methods of production, new market, find new sources of supply and organizational form or as a person is willing to take risks or a person who exploits market opportunities, eliminates disequilibrium between aggregate demand and supply or a person who owns and operates a business. Institutions and individual's promoting rural development see entrepreneurship as a strategic development intervention that could accelerate the development process.

2.1.3 Types of Entrepreneurs

Danh (1949) in his study classified entrepreneurs as follows:

1. Innovating Entrepreneurs: - He introduces new goods, inaugurates new method of production and discovers new market.
2. Imitative Entrepreneurs: - these are characterized as very great Caution and skepticism in experimenting any change in their enterprises.
3. Fabian Entrepreneurs: - they take very great caution and skepticism in experimenting any change in their enterprises.
4. Drone Entrepreneurs: - they are characterized by a refusal to adopt even at the cost of several reduced returns relative to other producers. Other types of entrepreneurs include Solo Operators, Active partner, inventors, challengers, buyers and life timers etc. Nwachukwu (2010) said in his book that an average Nigerian thinks of owning business of his own but never fulfils the desire. Only very few actually begin a going enterprise or actualize their dreams.

2.1.4 Roles of Entrepreneurs in the Nigerian Economy

The role of entrepreneurs in economic development and by extension, sustainable development involves increasing per capital output and income, initiating and constituting change in the structure of business and society; this change is accompanied by growth and increased output. Entrepreneurship facilitates the use of local raw materials and other resources. Being relatively labour intensive, enterprise creates substantial employment opportunities at low capital cost and being resilient, flexible, can better adapt to unexpected changes in the economic and financial environments. In agreeing with this, Okonkwo (2013) contended that the industrial future of Nigeria depends critically on the twin pillar of a stable macro-economic environment based on a foundation of proactive partnership between government and the public sector. Paying of more taxes which enable government to provide basic amenities, mobilize savings and investments, dispersal of industries, competition globally and earning foreign exchange for the economy (Onuoha, 2005).

Stimulation of indigenous entrepreneurship in developing country like Nigeria is made possible. Private individuals or groups are afforded the opportunity to manage the businesses with minimal resources requirement. Chuta (2014) mentions that investment in small businesses help to transform traditional sector. It modernizes the people's perception of life and introduces the use of machines instead of manual labour. Again, the skills of men are modernized and synchronized with developments in the new industrial sector. Another function of entrepreneurs in Nigeria's economy is creation of employment. In Nigeria of today, government cannot provide 100% employment for the citizens; entrepreneurship has helped many to be gainfully employed. It helps to reduce unemployment problem in the country i.e., the root of all socio-economic problems. It leads to wealth creation. Furthermore, utilization of resources is being accomplished. Resources that might end up to be idle in the hands of people are effectively mobilized (capital, skills etc.)

and employed productively. More so, it also induces backward and forward linkages which stimulate the process of economic development in the country. It helps to link up various sectors of the economy. It constitutes the market for Agriculture extractive and industrial outputs. Also, it helps in diversifying economic activities but also in saving foreign exchange for their mother country. It helps reduce the concentration of economic power, stimulates economic equitable redistribution of wealth, income and even political power in the interest of the country. It contributes to regional activity and cooperation. It promotes Nigeria's export trade, reasonable quantity of products or services from Nigeria are sold in other countries.

Trade among member states of ECOWAS is expanding. Good trades Relationship (import and export) are being fostered due to the factor of comparative cost advantage. According to Baumbach (2012), he states that some of the economic contributions of entrepreneurs include the following:

1. Interdependence of business: - No business is an entity on its own which does not interact. It must buy from other firms and sell either to different firm or customers in competition.

2. Maintenance of competition:- in a dynamic environment or an age of rapid change, a globalize world, competition can be the vehicle of change, through innovation or through improvement. Competition is needed to preserve a system of free and independent enterprise. Competitive capitalism insures freedom of enterprise which provides for individual creativity as well as a livelihood for a large segment of the population. Innovation is, new idea generation, inventions, improvement are needed to remain in a global world. There is a Japanese proverb which says "Fall seven times." It means innovation is required to remain competitive which are all needed to develop the economy.

3. Rural-Urban migration:- by providing employment for rural areas will reduce the incidence of urban migration.

4. Better Standard of living:- increase in demand , in supply of large quantities of goods and services as a result of numerous economic activities will in turn result in a better standard of living for the people (Osuala, 2013). Entrepreneurship as a distinct factor of production contributes to the economic development of an economy in many significant ways as mentioned above. The overall role of entrepreneurship in economic development of an economy is put as “an economy is the effect for which entrepreneurship is the cause.”

2.1.5 Significance of entrepreneurship business in Nigeria

The entrepreneurship existing in Nigeria is an indigenous type. In many parts of the world, the importance of entrepreneurship business in the process of socio-economic development has been documented. Entrepreneurship play transformative role in achieving sustainable development. Recent economic development around the world especially in the developing countries has led to the realization that large scale enterprises have not played and cannot let alone be expected to play the dynamic roles that are supposed to be played in the development of the economy. The importance of small scale enterprises includes among others, substantial contribution of the sector to the gross domestic product (GDP), employment generation, increasing local value added, and technological development in Nigeria. Since the entrepreneurship operated in Nigeria is indigenous, the operators understand the indigenous more than the foreign bodies. It generates employment opportunities for the country with the engagement of young school leavers; it reduces crime to a considerable extent, and reduces immorality in the country.

Another significance of entrepreneurship in Nigeria is retained earnings or plough back profit. This is when entrepreneurs re-invest their profit into the business in-stead of taking them to foreign countries. When such profits are retained in Nigeria, they help in the development of the whole country. The establishment of entrepreneurship business encourages social interaction and

promotes peace in the country. Entrepreneurship business in the country has also helped in increasing the level of local technology in the county. It can be seen that the industrialist has gone out virtually to acquire recent technology for the production of goods and services. With the introduction of this technology, it has helped in the area of development of locally produced goods rather than relying solely on imported goods. Another importance is the low level of capital requirement needed for its establishment.

A more equitable re-distribution of income is usually achieved in small scale enterprise. Inventions, adaptations, general technological development are more common in small-scale industries. Entrepreneurship business is very essential since it serves as the spring board and training ground for others. It is generally agreed that the strength of an economy to a large extent depends on the strength of its small business brought about by the development of entrepreneurship in such a country.

2.1.6 Small and Medium Enterprises (SMEs)

Small and medium enterprise (SME) is the phrase used for special type of enterprises that are becoming very important in the last decades of the 20th century. SMEs are recognized as: the engine of national economies growth; the biggest potential of self-employment; the new job generator, companies that have great influence in the national, regional and local development and as companies that obtained international character. SMEs are a key source of national economies growth (Spicer & Sadler-Smith, 2006). SMEs are determined using the criteria defined by the European Commission as companies with up to 250 employees, whose annual turnover does not exceed 50 million Euros and/or whose total capital does not exceed 43 million Euros (The New SME definition [TNSD], 2005). SMEs, as the largest category of companies 99.8% of total

enterprises in the EU and Serbia are SMEs have many common features, despite the diversity and specificity of each of them.

According to Barney (1991), the necessary condition for developing competitive advantage and reaching company's strategic goal is the availability of resources. He notes that sustainable competitive advantages of a company come from its resources that are valuable, irreplaceable and difficult to imitate. Due to the limitation of SMEs' resource potential, it is obvious that SMEs need extra help.

Shortage of financial resources (as a universal resource) is one of the most commonly used justification for the problems and failures of SMEs. SMEs' owners have difficulties with finance because they invest their personal savings and assets and the funds borrowed from family and friends into their business (Irwin, 1998). Based on the characteristics of SMEs (in particular -on the basis of modest resource capacities) and the problems they face, it can be concluded that the SME sector needs the help and support. SMEs' environment is a potential source of help and support.

SMEs' environment is an important factor, viewed from the aspect of SMEs' support that is explored in this paper. The business environment is the business potential and resource of SMEs (Lazic-Rašović & Omerbegović-Bijelović, 2006). According to Porter (1990) "root of companies' competitiveness is in the nature of their business environment". Actors of SMEs' business environment are its stakeholders: customers, suppliers, competitors, banks and investors, educational and research institutions, the government and its institutions, local communities, environmentally oriented organizations, media, organizations and agencies that provide support to the SME sector (Omerbegović-Bijelović, 2006).

About 99% of all firms in South Sudan are classified as small and medium-sized enterprises—SMEs. For example, a recent field assessment in the state of Northern Bahr el Ghazal found that 97% of the firms sampled were micro or small enterprises, and 3% medium; none was classified as large. South Sudan has a narrow trade basket that is heavily dependent on a single export commodity mineral fuel which makes the country's economy vulnerable to shocks from changes in production, global demand and world prices. Other potential export items, not currently exploited, include gum Arabic, fish, timber, and gold. The country's trade surplus is largely a result of its oil exports, and increased from South Sudanese Pounds (SSP)11.8 billion (equivalent to US\$3.99 million if evaluated at the official exchange rate of SSP 2.96/\$1)in 2009 to SSP 20.5billion(about US\$6.93 million)in 2012,reflecting the increase in oil exports. However, since 2013 South Sudan imports have been greater than exports resulting in trade deficit (Government of the Republic of South Sudan [GRSS], 2014) The skewed productive structure of South Sudan's economy is at the root of the country's instability. Oil exports dominate the economy and government revenue. They generate large revenues (about US\$20 billion from 2005 to 2014, equivalent to 98% of the annual government budget), but weak governance has meant that these have not been used to invest in building productive capacity. Slight changes in oil production, prices and demand quickly translate into massive economic shocks. Reliance on a single commodity has created inertia against institutional reform, and the political incentives of the nascent state are being shaped by capturing the gains from oil exports. At the other end of the production spectrum are people living at subsistence level. Between the two, the middle ground is virtually empty. The key challenge that remains unaddressed is filling this void by building productive capacity and diversifying production and trade. (Deng *et al*, 2014).

According to new SMEs are regarded as a significant component of the solution to South Africa's development issues. The creation and sustainability of new SMEs should be a huge concern to the economic prosperity of South Africa because without new SMEs, South Africa risks economic stagnation. The formal and public sector failed in South Africa to absorb the growing number of job seekers. Hence, enhancing focus on entrepreneurship and creation of new firms with potential for contributing to economic growth and job creation is the only advisable way to go. This argument concurred with Gree and Thurnik (2003) who claimed that the contributions of the SME sector cannot be continued without the creation of new ones. The argument also supports the submission of earliest economists; Schumpeter (1934) who believes in new firm creation. According to Schumpeter, new firms are the main reason for advancement of capitalism. Schumpeter believes that the innovative activity of entrepreneurs feeds a creative “destruction process” by triggering persistent disturbances to an economic system in equilibrium, creating opportunities for economic rent. Entrant of new SMEs leads to introduction of new products and development of new technologies. They bring competitive pressure on established firms as they are source of innovation.

2.2 THEORETICAL REVIEW

The theories reviewed are open system theory, opportunity-based theory and schumpeter theory of innovation.

2.2.1 Open System Theory

Open system theory was established by Ludwig (1956). The theory argues that both large and small firms are seen as open systems that lend themselves to the external environment for strategic

decision making (Johnson, Scholes & Whittington, 2008). Open systems have porous boundaries through which useful feedback can readily be exchanged and understood. Closed systems, unlike open systems, have hard boundaries through which little information is exchanged. Organizations that have closed boundaries often are unhealthy. The external environment includes a wide variety of needs and influences that can affect the organization, but which the organization cannot directly control. External influences can be political, economic, ecological, societal and technological in nature. A highly effective organization is regularly exchanging feedback with its external environment (Kooontz, Donnell & Weihrick, 2009). Drucker (2008) argue that entrepreneurship being a philosophy grounded on management principles like planning, organizing, leading, communication and controlling in the modern context helps firms to circumnavigate through the ever-changing environment in order to be efficient and effective in the long run. The theory argues that micro enterprises should align their practices with the changing needs of customers in order to survive in the dynamic business environment (Herman, John & Nicholas, 2011).

Kooontz, Donnell and Weihrick (2009) suggest that micro enterprise need to analyze scrutinize internal and external factors during formulation of planning, organizing, leading, and controlling policies. Entrepreneurs should focus on should focus on improving their processes, structures and systems in order to become leaner, agile, flexible, and right-sized. To survive and thrive in today's unpredictable environment, entrepreneurs need to become actively adaptive to internal and external factors that influence strategy implementation. Engrained within their strategic futures they need to have plans and structures that align and realign the organization's values with those of the extended social environment. They need to understand that not only does the environment change their organization, but they themselves can also influence the environment (Heldman, 2011).

This theory is applicable in this study based on the notion that women entrepreneurs are can compete in the changing business environment by making informed decisions with regard to ways of surviving in the future, managing people and controlling resources of the organization. It is through appropriate management policies or plans and environmental intelligence women enterprises can expand and achieve their long term goals.

2.2.2 Opportunity-Based Theory

This theory was advanced by Stevenson (1983). The theory views entrepreneurial management practices as a set of opportunity-based management practices which help firms remain vibrant in their contributions to themselves and value creation to the society.

The theory conceptualizes entrepreneurship as a management approach. Stevenson classified the management behavior of the promoter and trustee types along six dimensions which include: Strategic Orientation, Commitment to Opportunity, Commitment of Resources, Control of Resources, Management Structure and Reward Philosophy (Stevenson, 1983; Stevenson & Gumpert, 1985). He developed his thoughts with trivial variations in a series of subsequent papers where he overtly added two more dimensions: Entrepreneurial Culture and Growth Orientation (Stevenson & Gumpert, 1985; Stevenson & Jarillo, 1986; 1990).

Ideally, Stevenson's view of entrepreneurial management practices puts opportunity-based behaviour at the core and thus unlike Fayol's Theory of Management, this theory was used to explain the impact of strategic orientation, entrepreneurs' commitment, business appraisal and management structure on performance of the SMEs.

2.2.3 Schumpeter's Theory of Innovation

The famous innovative theory of entrepreneurship was developed by Joseph Schumpeter. He was interested in the case of a capitalist closed economy which, according to him, is in a state of

stationary equilibrium. Schumpeter believes that entrepreneurs disturb the stationary circular flow of an economy by introducing new innovations which take the economy to a new stage of development. Thus, he believes that the activities of the entrepreneurs create the disequilibrium as they affect the routine circular flow of an economic system. In this context, therefore, Schumpeter argues that innovations of entrepreneurs are responsible for the speedy economic development of any nation.

Schumpeter, referred to an innovation as new combinations of the factors of production. He considered the role of innovator to the entrepreneur, who is not a person of ordinary managerial abilities, but one who presents something completely new. He argued that innovation could involve: innovation of new products, innovation in novel methods or processes of production, the opening up of a new market, finding new sources of supply of raw materials, innovation in management, which means the reorganization of an industry. The introduction of new products means the products which the clients are not familiar with and they are of a new and better quality and usefulness. A new method of production means a novel process not yet been used in commercial production which may improve the productivity and minimize cost of production. The discovery of a new market refers to a new market which might have been in existence before but was not entered by the enterprise for commercial purposes. The new sources of raw materials refer to the sources which has not been commercially discovered by the enterprises. Innovation in management means rearrangement and reconciliation of the position of the enterprise in the industry by building a monopolistic approach and disorganizing the existing monopolistic tendencies of the competitors in the industry.

Schumpeter differentiates invention from innovation. According to him, invention means creation of new materials and innovation means application of new materials into practical use in an

industry. Likewise, there is a difference between an innovator and an inventor. According to Schumpeter, the inventor is the one who invents new materials and new methods, while the innovator is the one who utilizes these inventions in order to make new combinations. Thus, the main task of the entrepreneur is to bring about innovations and not the maintenance of the enterprise. Schumpeter believes that innovation is considered as an indispensable driver of competitiveness and economic dynamics. Thus, he believes that anyone seeking profits must innovate and this will lead to the different employment of economic system's existing supplies of productive means. He argued that invention is not the cause: discovery and execution are "two entirely different things." "The pure new idea is not adequate by itself to lead to implementation. It must be taken up by a strong character (entrepreneur) and implemented through his/her influence". To him, entrepreneurship is not just the power of ideas but the power that gets things done. Schumpeter's theory of entrepreneurship is still considered as momentous in the development of entrepreneurship theories today. Thus, it was used in this study to explain who an entrepreneur is and how do entrepreneurial actions determine performance of an enterprise.

2.3 EMPIRICAL REVIEW

Mohammed & Rusinah (2017) in their study, the impact of entrepreneurial orientation on competitive advantage moderated by financing support in SMEs in Iraq. The purpose of the study was to examine the relationship between entrepreneurial orientation and competitive advantage (CMA) and to investigate the moderated role of financial support (FNC) between the influences of entrepreneurial orientations on CMA. The study adopted a quantitative approach using survey instruments. The used sample size of 680 from a total manager population in 3526 SMEs working in Kurdistan Region Government (KRG) in Iraq. The total number of usable questionnaires was 580. Structural equation modeling was employed to examine the relationship between the

variables. The statistical result showed that entrepreneurial orientations significantly influenced on CMA. The results also highlight that FNC had a moderated role in the relationship between entrepreneurial orientation and CMA in SMEs in Iraqi KRG.

Olannye & Eromafuru (2016) in their study, the dimension of entrepreneurial marketing on the performance of fast food restaurants in Asaba, Delta State, Nigeria. The study examined the effect of entrepreneurial marketing on the performance of fast food restaurants in Asaba, Delta State. The study applied survey research design method and sample objects were 160 staff and customers of some selected Fast Food Restaurants in Asaba, Delta State. They used 20-item validated structured questionnaire served as the research instrument. The correlation and multiple regression analysis were used as major analytical tools. The findings revealed that entrepreneurial proactiveness, entrepreneurial innovation, and entrepreneurial opportunity recognition as indicators of entrepreneurial marketing exhibited a significant positive effect on competitive advantage. The study concluded that entrepreneurial innovation determined the development of new markets; products or processes which help firms establish an edge over competitors. They agree that entrepreneurial innovation is pertinent in gaining competitive advantage. The study, therefore, recommends that firms should display a general innovativeness or openness to newness, and a specific predisposition to be among the first to adopt innovation within a specific domain. Being innovation focused, allows firms to concentrate on new ideas that lead to new markets, products and processes. The study established that entrepreneurial marketing is a multidimensional construct whose aspects have a direct effect on competitive advantage in the fast food restaurants.

KAMAU (2016) studied the influence of entrepreneurial marketing orientation on competitive advantage among mobile service providers in Kenya. The research aimed at determining the influence of entrepreneurial marketing (EM) on competitive advantage (CA) among mobile

service providers (MSPs) in Kenya. It was based on a population of about 30.4 million MSPs, with sample size $n=291$ obtained from a systematic random sample of customers visiting MSP's customer service centers in Nairobi on a cross-sectional survey. The research design was explanatory with a mixed research method including both quantitative and qualitative items in questionnaires. Four explanatory variables (entrepreneurial orientation (EO), market orientation (MO); strategic orientation (SO) and resource leveraging (RL) were adopted from reviewed literature to develop a conceptual framework on EM as a means to develop a marketing function that is alert to opportunities for creating, promoting, and delivering value to consumers so as to cause favourable CA to the MSP. Data collected were analyzed using SPSS version 23.0 and reported using descriptive and inferential statistics. The correlation coefficient was used to determine any relationship between the research variables while multiple linear regressions models were used to describe the nature of these relationships. He found that except for resource leveraging, all the hypothesized explanatory variables had a significant contribution to competitive advantage ($p=0.05$). He concludes that the phenomenon of skewed competitive advantage among the MSPs in Kenya was due to the different EM orientation of the firms. Based on the findings obtained, the study recommends that CAK should focus on encouraging the MSPs to adopt EM instead of concentrating on price controls of services. It also recommends that the out-competed MSPs should focus more on creating, promoting, and deliver superior value to their consumers by being innovative, pro-active and taking necessary risks to exploit potential opportunities instead of price-wars.

HANMAIKYUR (2016) studied the effect of entrepreneurial marketing practices on the performance of small and medium scale enterprises in Makurdi Metropolis of Benue State,

Nigeria. The study investigated the effect of Entrepreneurial Marketing practices on the performance of Small and Medium Enterprises (SMEs) in Makurdi Metropolis of Benue state, Nigeria. A cross-sectional survey design was put in place for the study. The unit of analysis was organizations while the owner/managers of SMEs were the respondents. Systematic, simple random and snowball sampling techniques were employed to collect the needed data for the study. A sample size of 401 SMEs covering all sectors that exist in the study area was drawn from a population of 1101 SMEs. Descriptive and Inferential statistics were used to empirically and statistically analyze the data collected for the study with the aid of Statistical Package for Social Science (SPSS) version 20. Regression analysis was used to test the hypotheses. Performance variables include Return on Investment, Customer Satisfaction, Market share and Sales Growth. The findings of the study revealed that Entrepreneurial marketing practices made up of Customer Relationship Management with a p-value of 0.012, Market segmentation with 0.038, Quality with 0.026 and Market Promotion 0.031 have significant positive effect on SMEs performance, while cooperation with 0.002 was not found to be a predictor of SME performance in Makurdi Metropolis of Benue State, Nigeria. The study found that marketing practices have a positive effect on the performance of SMEs in the study area. The study recommended among others that SMEs managers and operators should always employ appropriate marketing practices for their firms. They should also regularly and effectively evaluate the marketing practices employed to ensure they are positively impacting on their firm's performance.

Nwaizugbo & Anukam (2014) in their study, assessment of entrepreneurial marketing practices among small and medium scale enterprises in Imo State Nigeria: prospects and challenges. The study seeks to explore with empirical evidence the extent of overlap, similarities, and dissimilarities between entrepreneurial practices and the marketing concepts among Small to

Medium size Enterprises (SMEs) in Owerri, Nigeria. It inquires and assesses approaches to marketing practices entrepreneurs apply. They employed Primary data collection tools consisting of structured instruments for personal interviews and guide for focused-group discussion (FGD) and the questionnaire was used to collect survey data. Secondary data were sourced from firms' records, periodicals, and related literature. The study through convenient sample examined twenty (20) SMEs and found that traditional marketing is structured and its framework requires certain conditions to thrive-formal planning and theoretical structures. Entrepreneurial marketing (EM) improvises and does not seek for a perfect condition to grow a firm. Thus, the highlights of the interface between entrepreneurship and marketing as discussed in the findings on the areas of differences, similarities, overlap, and collaboration will give practitioners, academics and scholars greater synergetic leverage over unstable marketplace in the application of marketing and entrepreneurial processes for greater results.

Mulikat F.U and Sadiat I.A (2017) carried out research on effect of entrepreneurship on poverty reduction by using empirical fact from Sokoto State Nigeria. The use of primary data in terms of 300 questionnaire were administered. It comprises 233 entrepreneurs and 67 non-entrepreneur. The study showed that there is positive relationship between entrepreneurship and poverty reduction, that is, as the level of entrepreneurship rise, the rate of poverty reduced. The study advise that the government should provide funds, power and good transportation system as well entrepreneurship skill programme within its policy frame work in order to boost the level of entrepreneurship and reduce the level of poverty in the state. He further advised that government should intensify the high level of awareness of the benefit of entrepreneurship to the generality of

its people but also provide enabling environment for entrepreneurial activities to function effectively.

The study also, emphasises his recommendation that the government in order to promote the level of entrepreneurship, should provide enough fund, power and good transportation system as well as entrepreneurship skill programme within its policy framework

Adofu and Akoji (2013) on their research study on alleviating poverty through the use of entrepreneurship skills acquisition in Kogi State Nigeria. Quantitative research was used. The result showed 65% of the respondent accepted that lack of entrepreneurship skills among youth especially in the rural areas is responsible for high rate of poverty in Nigeria. It further showed that entrepreneurship could reduce poverty rate by the use of quantitative research approach. The result featured that the high rate of poverty in Nigeria, which is rampant among the youth nowadays is caused by the inability to acquire entrepreneurship skill.

Veena, Venkatachalm and Joshi (2013) in their study, Entrepreneurial Characteristics and Success of women entrepreneurs operating fashion and apparel business in India. The purpose of the study was to examine the relationship between entrepreneurial characteristics and success of women entrepreneurs. The study adopted a quantitative approach using random stratified sampling. The study also use questionnaire as research instrument to elicit response from respondents. The total number of usable questionnaire was 291 based on complete response received. Delinious Hodges Cumulative Method was employed to examine relationship between the variables. The statistical result showed that entrepreneurial characteristics significantly influenced on women entrepreneurs performance.

Felix and Ngene (2015) studied entrepreneurial characteristics and performance of learning institution in Kenya. The research aimed at determining the influence of entrepreneurial

characteristics on learning institution in Kenya. The study was carried out in North rift region, Kenya; targeting entrepreneurs or founders of learning institutions and in their absence, the managers. The target population was 200 learning institutions within the Eldoret Municipality, Kitale Municipality and Kapsabet Municipality, Kenya. A census study was used. This implied the use of all the targeted institutions, thus the study population for this study was 200. The study used both primary and secondary sources of data. Questionnaires were used to collect data. Data was analyzed using both descriptive and inferential analysis. Descriptive methods such as frequencies mean and standard deviation were used. Inferential statistics include Pearson correlations and multiple regressions analysis. Based on the findings obtained, the study recommends that entrepreneurs in education sector need specific education background and adequate experience as they focus on providing quality education to their clients.

Anisa ans Besa (2013) in their study, Entrepreneurial characteristics amongst University students in Albania. The study seeks to investigate the tendency toward entrepreneurship among university students in Albania. Specifically, it aims to examine the relationship between the desire for having your own business and family business background on university students.

The study was conducted on a random sample of fourth year university students (n= 519) from three Albanian universities. The study reveals that prior exposure to entrepreneurship education has a positive effect on students' attitudes toward a career in entrepreneurship and on perceived behavioral control or entrepreneurial self efficacy.

Brownhilder (2011) studied the Impact of Entrepreneurial Characteristics and Business Practices on the long term survival of small and medium Enterprises (Smes) in Free State, South Africa. The primary objective of this study was to investigate which entrepreneurial characteristics and business practices have a bigger influence on the long-term survival of SMEs, and the extent to

which they do so. The empirical research was conducted by self-administered questionnaires to entrepreneurs in the Motheo district (Bloemfontein; Botshabelo and Thaba“Nchu). The questions was developed through a modification of entrepreneurial self-assessment tools for entrepreneurial characteristics and through a review of the literature on business practices. A total of 353 questionnaires were issued, 218 questionnaires were received but only 200 questionnaires were considered in the study because they were those fully completed by the respondent and thus gave the study a response rate of **56.7%**. The statistical analysis used was descriptive statistics, frequencies, chi square, T-test, ANOVA and Pearson correlation. Based on the result gathered, the study recommends the need to improve the entrepreneur’s level of education and business knowledge skills through simplified training programmes and courses. The inclusion of these training courses will certainly foster the survival and growth of SMEs.

2.4 GAP IN LITERATURE

Much effort has been taken to address issues on affecting SME growth but much of these studies have focused on finance, structures and policies. There are limited study that has been done to examine integrated approach of the variables of the study and more specifically in Ilorin metropolis Nigeria. Secondly, each study carried out were confined to different contextual environments ranging from countries and sectors and their findings cannot be generalized in this study. Majority of the studies carried were limited to different countries like United States, Israel, Saudi Arabia, Ghana and Tanzania but failed to focus in Ilorin Nigeria. In addition, some studies addressed different variables like gender, attitudes and technology.

CHAPTER THREE

METHODOLOGY

3.0 Preamble

This section of the study described the methodology that was used in attaining the stated objectives of the study. It includes the research design that was adopted, the study population and sample size, sampling techniques that was used, sources of data, the procedure and instrument that was used to answer the research questions of the study.

3.1 Research Design

Survey method was adopted because most journal and articles related to this work used survey method. Ojo (2011), Irefin (2017) asserted that this method offers the researcher the opportunity to generate data, thereby providing a valid generalization of research findings. More so, it investigated beliefs, opinions, attitude, preferences or disposition of the population element without subjecting them to any form of manipulation and control. According to Otokiti (2005),

survey method is explained as type of field study that involves the collection of data from a sample of element drawn from a well-defined population.

3.2 Population Of The Study

A population is any group of individuals that have one or more characteristics in common and that are of interest to the researcher (Best and Kahn, 2006). The entire study population was about 176. This population comprises of owners of businesses in Ilorin metropolis.

3.3 Sources of Data

The data for this study was collected using the primary source and the primary data was the first-hand data which was generated during the course of the research work.

3.4 Data Collection Methods

The hallmark of research is data collection Otokiti, (2014). Data collection is very crucial in research. There are two major methods of collecting data and these were primary and secondary. Hence, this study adopted the primary source of data. The primary data was obtained mainly with the use of close ended questionnaire.

For the purpose of this research, a closed ended structured questionnaire was adopted and distributed to the targeted respondents within the proposed sample size.

3.5 Sample Size and technique

The sample is that unit from which information is obtained which thereafter provides the basis of analysis and subsequent generalization. The sampling unit for this study was the POS agents in Ilorin metropolis and using scientific measure in arriving at the sample size. The researcher adopts

Taro Yamane Formula (1967) - Hence the formula entails a 95% confidence level at a point of 5% assumption

$$n = \frac{N}{1 + N (e)^2}$$

Where n = Sample size

N = Population of the study

e = Level of precision or Sampling Error or Tolerable error (5%) is assumed

For example $n = \frac{176}{1 + 176 (0.05)^2}$

$$n = \frac{176}{1 + 176 (0.0025)}$$

$$n = \frac{176}{1 + 0.44}$$

$$n = \frac{176}{1.44} = 122.2 \quad n = 122$$

1.44

3.6 Method Of Data Analysis

The result gotten from the research field work was analyzed using frequency distribution table to display the percentage of the demographic data and to show the level of agreement and disagreement to the research statements in the closed ended questionnaire with the help of Statistical Package for Social Sciences (SPSS). In addition, Simple regression analysis method

was adopted to test the effects of the independent construct (i.e. Financial literacy) on the dependent construct (i.e. Performance of SMEs) as asked in the hypotheses stated in previous section.

3.7 Validity of Research Instrument

The research instrument was validated by the project supervisor. The instrument was prepared by the researcher and submitted to the project supervisor for scrutiny. The corrections made by the supervisor were carefully incorporated by the researcher in order for the instrument to be valid.

3.8 Reliability of Research Instrument

Osaeze and Izedonmu (2000) define reliability as the consistency between independent measurement of the same phenomenon, which implies stability, dependability and predictability of a measuring instrument. The result gotten from the questionnaire was compared to see if they correlated. The test re-test approach was adopted.

3.9 Ethical Consideration

The work considered highest level of confidentiality on reasonable level from management of questionnaire to enveloping disclosure therein. This information shared during structured interview was transcribed with near perfect interpretation and without any interference from the researcher. Similarly, the research ensured that the interpretation was divorce of personal interest.

CHAPTER FOUR

DATA ANALYSIS, INTERPRETATION AND DISCUSSION OF FINDINGS

4.1 Introduction

This chapter focuses on data presentation, analysis and interpretation, and hypothesis testing. The various questions in the questionnaire are analyzed using simple percentage and the hypotheses are tested using the ordinary least square regression.

4.2 Questionnaire's Response

The responses from the copies of questionnaire were very encouraging, that is to say out of the one hundred and twenty two copies of questionnaire administered and distributed to the owners of businesses in Ilorin metropolis, only one hundred and sixteen were correctly filled and returned to the researcher. This was recorded as 96% success rate while five (6) of the copies of questionnaire were not returned to the researcher, which was recorded as 4%. Thus, copies of the questionnaire

collected were deductively analyzed and represented in tables, and in linear regression co-efficient used for hypothesis testing.

Table 4.2 Summary of Respondents' Demographic Information

S/N	Items	Frequency	Percentage(%)
1.	Gender		
	Male	80	69
	Female	36	31
	Total	116	100.0
2.	Age		
	18-25yrs	40	34.48
	26-35yrs	50	43.10
	36-45yrs	14	12.06
	46-above	12	10.34
	Total	116	100
3.	Marital Status		
	Single	49	42.24

	Married	53	45.68
	Divorced	8	6.89
	Separated	6	5.17
	Total	116	100
4.	Education qualification		
	FSLC	14	12.06
	SSCE	34	29.31
	OND/NCE	38	32.75
	HND/BSC	20	17.24
	OTHERS	10	8.62
	TOTAL	116	100
5.	Years of experience		
	Less than 6 month	34	29.31
	1 -2 yrs	39	33.62
	3 – 4 yrs	25	21.55
	More than 5 yrs	18	15.51
	TOTAL	116	100

Source: Author's Field Survey, 2023

Table 4.2 above is a representation of the summary of the demographic information of the sampled questionnaire where the gender column presented that 80 respondents amounting to 69% are male and 36 with 31% are female respondents which means that the study has more female respondents covered in the cause of the administration of questionnaire. Also shows that majority 50 (43.10%) of the respondents were between the age of 26 – 35 years while majority 40 representing 34.48% were between 18 – 25 years, 14 (12.08%) were between 36 – 45 and 12 (10.34%) were between 46 years above. It also reveals that majority 53 (45.68%) of the respondents were married, while 49 (42.24%) of the respondents were single and 8 (6.89%) were divorced and 8 respondents representing 9.41% were separated. Also shows that most of the respondents are OND/NCE holders representing 38 (32.75%) while 34 respondents representing (29.31%) were SSCE holders, 20 respondents representing (17.24%) were HND/BSc. Holders, 12 (14.06%) of the respondents were FSLC and holder while 10 representing (8.62%) have higher and professional certificates other than HND/BSc. It also shows that majority 39 (33.62%) of the respondents have 1 – 2 years of experience, while 34 representing (29.31%) have a working experience of less than 6 month. Meanwhile, 25 representing 21.55% have 3-4 years of experience and 18 representing 15.51% have more than 5 years working experience.

TABLE 4.3DISTRIBUTION TABLE FOR MANAGEMENT KNOWLEDGE

S/N	Factor	Factor Level	Frequency	Percentage %
1.	I have long term vision of my business	SA	90	77.58
		A	10	8.62
		U	13	7.83

		D	3	1.80
		Total	116	100
2.	I have clear objective to achieve by end of the year	SA	68	58.62
		A	34	29.31
		U	14	12.06
		Total	116	100.00
3.	I have basic management skills to enable me make plans or strategies for my business	SA	38	32.75
		A	46	39.65
		U	19	16.37
		D	12	10.34
		SD	1	0.86
		Total	116	100
4.	I manage employee who operate my enterprise with minimal difficult	SA	39	33.62
		A	41	35.34
		U	26	22.41
		D	8	6.89
		SD	2	1.72
		Total	116	100
5.	I know ways of motivating my workers to perform	SA	41	35.34
		A	36	31.03
		U	24	20.68
		D	12	10.34
		Total	116	100

6.	I can control ways my enterprise is performing	SA	37	31.89
		A	45	38.79
		U	27	23.27
		D	7	6.03
		Total	116	100

Source: Author's Field Survey, 2023

From the distribution, 90 of the respondents representing 77.58% said they strongly agreed to the statement that I have long term vision of my business, 10 of the respondents representing 8.62% said they agreed to that I have long term vision of my business, 13 of the respondents representing 7.83% said they are undecided to the statement, 3 of the respondents representing 1.80% said they disagreed I have long term vision of my business. Therefore the largest population agreed that I have long term vision of my business.

Also, from the distribution table above 68 of the respondents representing 58.62% said they strongly agreed I have clear objective to achieve by end of the year, 34 of the respondents representing 29.31% said they agreed that I have clear objective to achieve by end of the year, 14 of the respondents representing 12.06% said they are undecided to the statement,. Therefore the largest population agreed that I have clear objective to achieve by end of the year.

Additionally, from the distribution, 38 of the respondents representing 32.72% said they strongly agreed I have basic management skills to enable me make plans or strategies for my business, 46 of the respondents representing 39.25% said they agreed that I have basic management skills to enable me make plans or strategies for my business, 19 of the respondents representing 16.67% said they are undecided to the statement, 12 of the respondents representing 10.34% said they

disagreed that I have basic management skills to enable me make plans or strategies for my business. Therefore the largest population agreed that I have basic management skills to enable me make plans or strategies for my business

In addition, from the distribution, 39 of the respondents representing 33.62% said they strongly agreed I manage employee who operate my enterprise with minimal difficult, 41 of the respondents representing 35.34% said they agreed that I manage employee who operate my enterprise with minimal difficult, 26 of the respondents representing 22.41% said they are undecided to the statement, 8 of the respondents representing 6.89 % said they disagreed that I manage employee who operate my enterprise with minimal difficult, 2 respondents representing 1.72% said they strongly disagreed that I manage employee who operate my enterprise with minimal difficult. Therefore the largest population agreed that I manage employee who operate my enterprise with minimal difficult.

Consequently, from the distribution, 41 of the respondents representing 35.34% said they strongly agreed I know ways of motivating my workers to perform, 36 of the respondents representing 31.03% said they agreed that I know ways of motivating my workers to perform, 24 of the respondents representing 20.62% said they are undecided to the statement, 12 of the respondents representing 10.34% said they disagreed that I know ways of motivating my workers to perform, Therefore the largest population strongly agreed that I know ways of motivating my workers to perform.

Finally, from the distribution, 37 of the respondents representing 31.89% said they strongly agreed I can control ways my enterprise is performing, 45 of the respondents representing 38.79% said

they agreed that I can control ways my enterprise is performing, 27 of the respondents representing 23.27% said they are undecided to the statement, 7 of the respondents representing 6.03 % said they disagreed that I can control ways my enterprise is performing, Therefore the largest population agreed that I can control ways my enterprise is performing.

TABLE 4.4 DISTRIBUTION TABLE FOR FINANCIAL MANAGEMENT

S/N	Factor	Factor Level	Frequency	Percentage %
7.	I have adequate information on how I can obtain funds for my business.	SA	56	48.27
		A	37	31.89
		U	18	15.51
		D	5	4.31
		Total	116	100
8.	I know various institutions that can offer me a loan to expand my business.	SA	34	29.31
		A	28	24.13
		U	38	32.75
		D	16	13.79
		Total	116	100
9.	I have budget development and record keeping skills.	SA	32	27.58
		A	41	35.34
		U	19	16.37
		D	12	7.22
		SD	6	5.17
		Total	116	100

10	I know how to minimize costs of operation and maximize profits of my business	SA	31	26.72
		A	28	24.13
		U	41	35.34
		D	16	13.79
		Total	116	100
11	I have no problem repaying my loans	SD	30	25.86
		A	43	37.06
		U	24	20.68
		D	19	16.37
		Total	116	100
12.	I know implications of loan default to my business	SA	21	18.10
		A	28	24.13
		U	41	35.34
		D	19	16.37
		SD	7	6.03
		Total	116	100

Source: Author's Field Survey, 2023

From the distribution, 56 of the respondents representing 48.28% said they strongly agreed that I have adequate information on how I can obtain funds for my business, 37 of the respondents representing 38.79% said they agreed that I have adequate information on how I can obtain funds for my business, 18 of the respondents representing 15.51% said they are undecided to the statement, 5 of the respondents representing 4.31 % said they disagreed that I have adequate

information on how I can obtain funds for my business. Therefore the largest population strongly agreed that I have adequate information on how I can obtain funds for my business.

In addition, 34 of the respondents representing 29.31 % said they strongly agreed I know various institutions that can offer me a loan to expand my business, 28 of the respondents representing 24.13% said they agreed I know various institutions that can offer me a loan to expand my business, 38 of the respondents representing 32.75% said they are undecided to the statement, 16 of the respondents representing 13.79 % said they disagreed I know various institutions that can offer me a loan to expand my business. Therefore the largest population said they are undecided to the statement.

Also, 32 of the respondents representing 27.58% said they strongly agreed that I have budget development and record keeping skills, 41 of the respondents representing 35.34% said they agreed that I have budget development and record keeping skills, 19 of the respondents representing 16.37% said they are undecided to the statement, 12 of the respondents representing 7.22 % said they disagreed that I have budget development and record keeping skills.. 6 respondents representing 5.17 strongly disagreed that I have budget development and record keeping skills. Therefore the largest population agreed that The skills acquired have helped in managing finance.

In addition, 31 of the respondents representing 26.72% said they strongly agreed that I know how to minimize costs of operation and maximize profits of my business, 28 of the respondents representing 24.13% said they agreed that I know how to minimize costs of operation and maximize profits of my business, 41 of the respondents representing 35.34% said they are

undecided to the statement, 16 of the respondents representing 13.79% said they disagreed I know how to minimize costs of operation and maximize profits of my business, Therefore the largest population strongly agreed that I know how to minimize costs of operation and maximize profits of my business.

Consequently, 30 of the respondents representing 25.86% said they strongly agreed that I have no problem repaying my loans, 43 of the respondents representing 37.03% said they agreed that I have no problem repaying my loans, 24 of the respondents representing 20.68% said they are undecided to the statement, 19 of the respondents representing 16.37 % said they disagreed that I have no problem repaying my loans. Therefore the largest population agreed that I have no problem repaying my loans.

Finally, 21 of the respondents representing 18.10% said they strongly agreed that I know implications of loan default to my business, 28 of the respondents representing 24.13% said they agreed that I know implications of loan default to my business, 41 of the respondents representing 35.34% said they are undecided to the statement, 19 of the respondents representing 16.37% said they disagreed that I know implications of loan default to my business. 7 respondents representing 6.03% strongly disagreed that I know implications of loan default to my business Therefore the largest population agreed that I know implications of loan default to my business.

4.5 DISTRIBUTION TABLE FOR MARKETING MANAGEMENT

S/N	Factor	Factor Level	Frequency	Percentage %
13.	I know how to convince customers to buy my products or services	SA	44	37.93
		A	35	30.17
		U	25	21.55
		D	12	10.34
		Total	116	100
14.	I know factors that can change the price of products and services	SA	42	36.20
		A	38	32.75
		U	21	18.10
		D	12	10.34
		SD	3	2.58
		Total	116	100
15	I know ways of keeping long term relations with my customers	SA	48	41.37
		A	36	31.30
		U	24	20.68
		D	8	6.89

		Total	116	100
16	I have information on how I can reach more customers through integrated marketing communication channels	SA	36	31.03
		A	40	34.48
		U	29	25
		D	11	9.48
		Total	116	100
17	I have a training on customer care skills	SA	32	27.58
		A	47	40.51
		U	33	28.44
		D	4	3.44
		Total	116	100
18	I promote my business by excellent service delivery	SA	37	31.89
		A	51	43.96
		U	28	24.13
		Total	116	100

Source: Author's Field Survey, 2023

From the distribution, 44 of the respondents representing 37.93% said they strongly agreed that I know how to convince customers to buy my products or services, 35 of the respondents representing 30.17% said they agreed that I know how to convince customers to buy my products or services, 25 of the respondents representing 21.55% said they are undecided to the statement, 12 of the respondents representing 10.34% said they disagreed that I know how to convince customers to buy my products or services. Therefore the largest population strongly agreed that I know how to convince customers to buy my products or services

Also, 43 of the respondents representing 36.20% said they strongly agreed that I know factors that can change the price of products and services, 38 of the respondents representing 32.75% said they agreed that I know factors that can change the price of products and services, 21 of the respondents representing 18.10% said they are undecided to the statement, 12 of the respondents representing 10.34 % said they disagreed that I know factors that can change the price of products and services, 3 respondents representing 2.58% strongly disagreed that I know factors that can change the price of products and services. Therefore the largest population agreed that I know factors that can change the price of products and services

In addition, 48 of the respondents representing 41.37% said they strongly agreed that I know ways of keeping long term relations with my customers, 36 of the respondents representing 31.30% said they agreed that I know ways of keeping long term relations with my customers, 24 of the respondents representing 20.68% said they are undecided to the statement, 8 of the respondents representing 6.89% said they disagreed that I know ways of keeping long term relations with my

customers. Therefore the largest population strongly agreed that I know ways of keeping long term relations with my customers.

Additionally, 36 of the respondents representing 31.03% said they strongly agreed that I have information on how I can reach more customers through integrated marketing communication channels, 40 of the respondents representing 34.48% said they agreed that I have information on how I can reach more customers through integrated marketing communication channels, 29 of the respondents representing 25% said they are undecided to the statement, 11 of the respondents representing 9.48% said they disagreed that I have information on how I can reach more customers through integrated marketing communication channels. Therefore the largest population agreed that I have information on how I can reach more customers through integrated marketing communication channels.

Consequently, 32 of the respondents representing 27.58% said they strongly agreed that I have a training on customer care skills, 47 of the respondents representing 40.51% said they agreed that I have a training on customer care skills, 33 of the respondents representing 28.44% said they are undecided to the statement, 4 of the respondents representing 3.44 % said they disagreed that I have a training on customer care skills. Therefore the largest population agreed that I have a training on customer care skills

Finally, 37 of the respondents representing 31.89% said they strongly agreed that I promote my business by excellent service delivery, 51 of the respondents representing 43.96% said they agreed

that I promote my business by excellent service delivery, 28 of the respondents representing 24.13% said they are undecided to the statement, Therefore the largest population agreed that I promote my business by excellent service delivery.

4.6 DISTRIBUTION TABLE FOR PERFORMANCE OF SMEs

S/N	Factor	Factor Level	Frequency	Percentage %
19.	Entrepreneurship has enabled my business to adopt to changes	SA	56	48.27
		A	37	31.89
		U	18	15.51
		D	5	4.31
		Total	116	100
20	Achievement of my objectives indicates good performance.	SA	49	42.24
		A	41	35.34
		U	20	17.24
		D	6	5.17
		Total	116	100
21	Improved volume of sales reflects improved performance	SA	35	30.17
		A	41	35.34
		U	28	24.13
		D	12	10.34
		Total	116	100

22	Organizations can improve their level of sales growth by effectively keeping the records of the transactions.	SA	42	36.20
		A	37	37.20
		U	26	22.41
		D	11	9.42
		Total	116	100
23	A budget helps to allocate future income towards expenses	SA	53	45.68
		A	39	33.62
		U	24	20.68
		Total	116	100
24	There specific desired goals to be achieved.	SA	37	31.89
		A	41	35.34
		U	24	20.68
		D	14	12.06
		Total	116	100
25	Cutting cost helps to bring about increase in profitability	SA	38	32.75
		A	44	37.93
		U	28	24.13
		D	6	5.17
		Total	116	100
26	The level of profit increases as a result of effective record keeping process employed by the organization	SA	33	28.44
		A	45	38.79
		U	24	20.68
		D	12	10.34

		Total	116	100
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Source: Author's Field Survey, 2023

From the distribution, 56 of the respondents representing 48.27% said they strongly agreed that Entrepreneurship has enabled my business to adopt to changes, 37 of the respondents representing 31.89% said they agreed that Entrepreneurship has enabled my business to adopt to changes, 18 of the respondents representing 15.51% said they are undecided to the statement, 5 of the respondents representing 4.31 % said they disagreed that Entrepreneurship has enabled my business to adopt to changes. Therefore the largest population agreed that Entrepreneurship has enabled my business to adopt to changes

Also, 49 of the respondents representing 42.24% said they strongly agreed that Achievement of my objectives indicates good performance, 41 of the respondents representing 35.34% said they agreed that Achievement of my objectives indicates good performance, 20 of the respondents representing 17.24% said they are undecided to the statement, 6 of the respondents representing 5.17 % said they disagreed that Achievement of my objectives indicates good performance. Therefore the largest population strongly agreed that Achievement of my objectives indicates good performance.

Additionally, 35 of the respondents representing 30.17% said they strongly agreed that Improved volume of sales reflects improved performance, 41 of the respondents representing 35.34% said they agreed that Improved volume of sales reflects improved performance, 28 of the respondents representing 24.13% said they are undecided to the statement, 12 of the respondents representing 10.34 % said they disagreed that Improved volume of sales reflects improved performance.

Therefore the largest population agreed that Improved volume of sales reflects improved performance

Also, 42 of the respondents representing 36.20% said they strongly agreed that Organizations can improve their level of sales growth by effectively keeping the records of the transactions, 37 of the respondents representing 31.89% said they agreed that Organizations can improve their level of sales growth by effectively keeping the records of the transactions, 26 of the respondents representing 22.41% said they are undecided to the statement, 11 of the respondents representing 9.42 % said they disagreed that Organizations can improve their level of sales growth by effectively keeping the records of the transactions, Therefore the largest population agreed that Organizations can improve their level of sales growth by effectively keeping the records of the transactions.

Additionally, 53 of the respondents representing 45.68% said they strongly agreed that A budget helps to allocate future income towards expenses, 39 of the respondents representing 33.62% said they agreed that A budget helps to allocate future income towards expenses, 24 of the respondents representing 20.68% said they are undecided to the statement. Therefore the largest population agreed that A budget helps to allocate future income towards expenses.

Inaddition, 37 of the respondents representing 31.89% said they strongly agreed that There specific desired goals to be achieved, 41 of the respondents representing 35.34% said they agreed that There specific desired goals to be achieved, 24 of the respondents representing 20.68% said they are undecided to the statement, 14 of the respondents representing 12.06 % said they disagreed

that There specific desired goals to be achieved. Therefore the largest population agreed that There specific desired goals to be achieved.

Consequently, 38 of the respondents representing 32.75% said they strongly agreed that Cutting cost helps to bring about increase in profitability, 44 of the respondents representing 37.93% said they agreed that Cutting cost helps to bring about increase in profitability, 28 of the respondents representing 24.13% said they are undecided to the statement, 6 of the respondents representing 5.17 % said they disagreed Cutting cost helps to bring about increase in profitability, Therefore the largest population agreed that Cutting cost helps to bring about increase in profitability.

Finally, 33 of the respondents representing 28.44% said they strongly agreed that The level of profit increases as a result of effective record keeping process employed by the organization, 45 of the respondents representing 38.79% said they agreed The level of profit increases as a result of effective record keeping process employed by the organization, 24 of the respondents representing 20.68% said they are undecided to the statement, 12 of the respondents representing 10.34 % said they disagreed The level of profit increases as a result of effective record keeping process employed by the organization Therefore the largest population agreed that The level of profit increases as a result of effective record keeping process employed by the organization.

4.4 HYPOTHESES TESTING

4.4.1 Test of Hypothesis one

H_{01} Management knowledge has no significant effect on performance of selected SMEs in Ilorin metropolis

Table 4.7**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.761 ^a	.579	.576	1.06033

a. Predictors: (Constant), Management knowledge

The model summary as indicated in table 4.7 above shows that R Square is 0.579; this implies that 57% of variation in the dependent variable (performance of SMEs) were explained by the Independent variable (Management knowledge) while the remaining 43% is due to other variables that are not included in the model. This mean that the regression (model formulated) is useful for making predictions since the value of R^2 is close to 1

4.8 ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	107.260	1	107.260	30.725	.000 ^b
	Residual	439.857	146	3.491		
	Total	547.117	147			

a. Dependent Variable: Performance of SMEs

b. Predictors: (Constant), Management knowledge

The table above summarized the results of an analysis of variation in the dependent variable with large value of regression sum of squares (107.260) in comparison to the residual sum of squares

with value of 439.857 (this value indicated that the model does not fail to explain a lot of the variation in the dependent variables. However, the estimated F-value (30.725) as given in the table above with significance value of 0.000, which is less than p-value of 0.05 ($p < 0.05$) which means that the Independent variable as a whole can jointly influence the increment in the dependent variable (performance of SMEs).

4.9 Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.354	.732		5.951	.000
	Management knowledge	.472	.085	.443	5.543	.000
a. Dependent Variable: performance of SMEs						

Interpretation

The dependent variable as shown in the table 4.9 was Performance of SMEs. This was used as a yardstick to examine the impact between the two variables (i.e. Management knowledge and Performance of SMEs). The predictors is Management knowledge, as depicted in table 4.4.1.3, it

is obvious that there is a direct relationship between Management knowledge and Performance of SMEs

According to the result in the table above Management knowledge t-test coefficient is 5.543 and the P-value is 0.000 which is less than 0.05 (i.e. $P < 0.05$). This means that these variables are statistically significant at 5% significant level. In line with the study of ISIAKA, KADIRI, SALMAN and ALABI (2017) titled Effect of entrepreneurial practices in managing small scale business for sustainable development in Nigeria: an empirical evidence

Decision Rule

As a result of the outcome, the Null Hypothesis (H_{01}) is rejected on the basis that the p-value is less 0.05. Hence the alternative hypothesis is accepted, that management knowledge has a significant effect on Performance of selected SMEs in Ilorin metropolis. Hence, it explains how significant hypothesis one is to be recommended to Performance of SMEs.

4.2.2 Test for Hypothesis 2

H_{02} Financial knowledge has no significant effect on performance of selected SMEs in Ilorin metropolis

Table 4.10 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.517 ^a	.667	.662	1.63511

a. Predictors: (Constant), Financial knowledge

The model summary as indicated in table 4.10 above shows that R Square is 0.667; this implies that 66% of variation in the dependent variable (Performance SMEs) were explained by the Independent variable (Financial knowledge) while the remaining 34% is due to other variables that are not included in the model. This mean that the regression (model formulated) is useful for making predictions since the value of R^2 is close to 1

Table 4. 11 ANOVA^a

		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	155.475	1	155.475	59.007	.000 ^b
	Residual	331.994	146	2.635		
	Total	487.469	147			

a. Dependent Variable: Performance of SMEs

b. Predictors: (Constant), Financial knowledge

The table above summarized the results of an analysis of variation in the dependent variable with large value of regression sum of squares (155.475) in comparison to the residual sum of squares with value of 331.994 (this value indicated that the model does not fail to explain a lot of the variation in the dependent variables. However, the estimated F-value (59.007) as given in the table above with significance value of 0.000, which is less than p-value of 0.05 ($p < 0.05$) which means that the independent variable as a whole can jointly influence the increment in the dependent variable (Performance of SMEs).

4.12 Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.603	.636		5.668	.000
Financial knowledg e	.568	.074	.565	7.682	.000

a. Dependent Variable: Performance of SMEs

Interpretation

The dependent variable Short listing is used as a yardstick to examine the impact between the two variables (i.e. Financial knowledge and Performance of SMEs). The predictors is Financial knowledge, as depicted in table 4.13, it is obvious that there is a direct relationship between Financial knowledge and Performance of SMEs.

According to the result in the table above financial management t-test coefficient is 7.682 and the P-value is 0.000 which is less than 0.05 (i.e. $P < 0.05$). This means that these variables are statistically significant at 5% significant level. The result complement the study of Fawzy, Hamieda, Mohamed, Stuart And Aslam (2018) Comparative entrepreneurial practices in the spaza shop industry? evidence-based practices from a study of local and foreign spaza shop entrepreneurs in cape town

Decision Rule

As a result of the outcome, the Null Hypothesis (H_{01}) is rejected on the basis that the p-value is less 0.05. Hence the alternative hypothesis is accepted, that financial management has significant

effect on Performance of SMEs. Hence, it explains how significant hypothesis one is to be recommended to Performance of SMEs.

4.4.3 Test for Hypothesis 3

H₀₃ marketing knowledge has no significant effect on performance of selected SMEs in Ilorin metropolis.

4.13 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.588 ^a	.922	.342	1.04629

a. Predictors: (Constant), Marketing knowledge

The model summary as indicated in table 4.13 above shows that R Square is 0.92; this implies that 92% of variation in the dependent variable (performance of SMEs) were explained by the Independent variable (marketing knowledge) while the remaining 8% is due to other variables that are not included in the model. This mean that the regression (model formulated) is useful for making predictions since the value of R^2 is close to 1

4.14 ANOVA^a

	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	119.286	1	119.286	35.131	.000 ^b

Residual	427.832	146	3.395		
Total	547.117	147			

a. Dependent Variable: Performance of SMEs

b. Predictors: (Constant), Marketing knowledge

The table above summarized the results of an analysis of variation in the dependent variable with large value of regression sum of squares (119.286) in comparison to the residual sum of squares with value of 427.832 (this value indicated that the model does not fail to explain a lot of the variation in the dependent variables. However, the estimated F-value (35.131) as given in the table above with significance value of 0.000, which is less than p-value of 0.05 ($p < 0.05$) which means that the independent variable as a whole can jointly influence the increment in the dependent variable (Performance of SMEs).

Table 4.15 Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.191	.878		3.635	.000
Marketing knowledge	.611	.103	.467	5.927	.000

a. Dependent Variable: Performance of SMEs

Interpretation

The dependent variable Performance of SMEs was used as a yardstick to examine the impact between the two variables (i.e. Marketing knowledge and Performance SMEs). The predictors are Marketing knowledge this has a direct relationship between marketing knowledge and performance of SMEs.

According to the result in the table above t-test coefficient is 5.927 and the P-value is 0.000 which is less than 0.05 (i.e. $P < 0.05$). This means that these variables are statistically significant at 5% significant level. In the study of Aderoba and Babajide (2015) Business enterprises and entrepreneurial practices in Nigeria.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Preamble

This chapter is divided into four basic sections and these are; summary of findings, conclusion, recommendations and suggestions for further studies. The first section discusses the summary of findings where the findings were discussed extensively, also conclusion was explained and recommendation and suggestion for further studies were not neglected.

5.2 Summary Of Findings

The following finds were made from study:

Hypothesis one management knowledge has no significant effect on performance of selected SMEs in Ilorin was found null. Hence, the alternate hypothesis which states that management knowledge has significant effect on performance of selected SMEs in Ilorin was accepted through findings made in this study. This result is in line with the result of SALMAN and ALABI (2017) titled Effect of entrepreneurial practices in managing small scale business for sustainable development in Nigeria: an empirical evidence.

Hypothesis two financial knowledge has no significant effect on performance of selected SMEs in Ilorin was found null. Hence, the alternate hypothesis which states that financial knowledge has significant effect on performance of selected SMEs in Ilorin was accepted through findings made in this study. This result is in line with the result of Fawzy, Hamieda, Mohamed, Stuart And Aslam (2018) Comparative entrepreneurial practices in the spaza shop industry? evidence-based practices from a study of local and foreign spaza shop entrepreneurs in cape town

Hypothesis three marketing knowledge has no significant effect on performance of selected SMEs in Ilorin was found null. Hence, the alternate hypothesis which states that marketing knowledge has significant effect on performance of selected SMEs in Ilorin was accepted through findings made in this study. This result is in line with the result of In the study of Aderoba and Babajide (2015) Business enterprises and entrepreneurial practices in Nigeria.

5.3 CONCLUSION

For the purpose of this research, the study concludes that:

Based on the findings, the study concludes that management knowledge, financial knowledge and marketing knowledge are crucial for sustainable competitive edge of selected small and medium scale enterprises in Ilorin. Entrepreneurs need to be equipped with appropriate management skills in order to facilitate their plans, communication and control of resources. Further, owners of small and scale enterprises need to be empowered with financial management skills in order to be in a position to develop budgets, mitigate financial risks, comply with loan policies and keep financial records to measure the progress of their businesses. Further, to attract and retain more customers,

entrepreneurs should embrace customer centric culture that advocates on personal attention, customized services, improved communication and reliability of the services.

5.4 RECOMMENDATION

The study identified that management practices such as planning, organizing, leadership and staffing and controlling to a larger extent were not embraced by entrepreneurs in Ilorin metropolis. Therefore, the study recommends that government of Nigeria should partner with consultancy firms and higher institutions of learning to provide basic management skills among entrepreneurs thus enhanced growth of the entrepreneurial sector and sustainable economic growth.

The study established that despite the fact that financial management skills influenced performance of selected small and medium scale enterprises in Ilorin, to a larger extent financial illiteracy among entrepreneurs contributed to poor performance of the enterprises. Therefore, the study recommends that financial institutions should steer campaigns of sensitizing entrepreneurs of effective financial management skills. Free or subsidized trainings should be organized by commercial banks and microfinance institutions to enlighten entrepreneurs on budget development, loan management and financial record keeping thus improved enterprise growth.

The study found out that marketing had a positive significant effect on enterprise performance. However, it was observed that despite the fact, marketing practices were not embraced by owners of small and medium scale enterprises in Ilorin to a larger extent due to perceptions of costs. Therefore, this study recommends that companies dealing with mobile money transfer services

should ensure they advertise their products and services periodically and adopt other marketing strategies such as public relations, personal selling, direct marketing and sales promotions to boost efforts of entrepreneurs in promoting their businesses with minimal costs. Further, owners of enterprises should always ensure that they engage employees with customer care skills as an initiative of enhancing customer loyalty.

5.5 Suggestions for Further Research

Based on the fact that limited studies have been conducted in Ilorin seeking to examine the integrated approach of the variables of this study. It is suggested that future scholars and academicians should seek to examine other variables such as policies, attitude of the entrepreneur and technology on performance of the enterprise. Further, future studies should seek to test the moderating effect of government initiatives on performance of small and medium scale enterprises. Finally, future scholars should seek to conduct comparative studies among developing countries to assess whether similar variables can influence performance of small and medium scale enterprises from one context to another holding other factors constant such as economic changes and competition.

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Appendix

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Dear Respondent,

LETTER OF INTRODUCTION

The bearer, Raheem Habeeb Olawale with matriculation number:20D/27EM/00591 is a student of Business and Entrepreneurship Department, College of Humanities, Management and Social Sciences; School of Business and Governance, Kwara State University, Malete, Nigeria. He is currently conducting a research study titled **“Impact Of Entrepreneurial Practice On Performance Of Selected SMEs In Ilorin Metropolis.**

Hence, we request your support in helping him fill this questionnaire attached therein in order to make her carryout this research work objectively. Please note that the information supplied shall be treated with utmost confidence and use purely for academic purposes only.

Thanks for your cooperation.

Yours faithfully,

Dr A.N Brimah

SECTION A: Bio-data (Please tick whichever is applicable)

- 1) Gender: Male () Female ()
- 2) Age: 21-30 years () 31-40 years () 41-50 years () 51-60 years ()
- 3) Educational Status: OND/NCE () B.Sc./HND () MBA/Msc () PhD ()
Post-Doctoral ()
- 4) Marital Status: Single () Married () Divorce () Others ()
- 5) Working experience: less than 6 month () 1-2years () 3-4 years () 5 and above ()
- 6)

SECTION B:

Please tick (✓) the column that is applicable to you using the following key:

SA – Strongly Agree, A – Agree, N- Neutral, D – Disagree, SD – Strongly Disagree

	Research Statements	SA	A	U	SD	D
MANAGEMENT KNOWLEDGE						
1	I have long term vision of my business					
2	I have clear objective to achieve by end of the year					
3	I have basic management skills to enable me make plans or strategies for my business					
4	I manage employee who operate my enterprise with minimal difficult					
5	I know ways of motivating my workers to perform					
6	I can control ways my enterprise is performing					
FINANCIAL KNOWLEDGE						
7	I have adequate information on how I can obtain funds for my business					
8	I know various institutions that can offer me a loan to expand my business					
9	I have budget development and record keeping skills					
10	I know how to minimize costs of operation and maximize profits of my business					
11	I have no problem repaying my loans					
12	I know implications of loan default to my business					
13	MARKETING KNOWLEDGE					

14	I know how to convince customers to buy my products or services					
15	I know factors that can change the price of products and services					
16	I know ways of keeping long term relations with my customers					
17	I have information on how I can reach more customers through integrated marketing communication channels					
18	I have a training on customer care skills					
19	I promote my business by excellent service delivery					
Performance of SMEs						
21	Entrepreneurship has enabled my business to adopt to changes					
22	Achievement of my objectives indicates good performance					
23	Improved volume of sales reflects improved performance					
24	Organizations can improve their level of sales growth by effectively keeping the records of the transactions.					
25	A budget helps to allocate future income towards expenses					
26	There specific desired goals to be achieved.					
27	Cutting cost helps to bring about increase in profitability					
28	The level of profit increases as a result of effective record keeping process employed by the organization					