SOCIO-CULTURAL FACTORS AFFECTING THE PERFORMANCE OF MICRO AND SMALL SCALE ENTERPRISES IN ANAMBRA AND ABIA STATES, NIGERIA

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A THESIS PRESENTED TO THE DEPARTMENT OF SOCIOLOGY AND ANTHROPOLOGY, UNIVERSITY OF NIGERIA, NSUKKA, BEING PART OF THE FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF DOCTOR OF PHILOSOPHY (Ph.D) DEGREE IN SOCIOLOGY AND ANTHROPOLOGY (INDUSTRIAL SOCIOLOGY)

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CERTIFICATION

This is to certify that Osadebe, Nnabuike Oguguam a postgraduate student in the department of Sociology and Anthropology, with registration number PG/Ph.D/07/43995, has satisfactorily completed the requirements for the course and research work for the degree of Doctor of Philosophy (Ph.D) in Sociology and Anthropology (Industrial Sociology). The work embodied in this thesis is original and has not been submitted in part or full for any other diploma or degree of this or any other university.

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DEDICATION

This thesis is dedicated to the Glory of Almighty God for His mercies, immeasurable grace, continual favour and countless blessings upon my life and destiny; the author of my life. He who was, who is and is to come.

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Abstract

Micro and Small Scale Enterprises (MSSEs) have been generally acknowledged as engines for sustainable economic growth and development. Efforts to promote MSSEs in developing countries may be traced to as far back as the 1950s. Recently, Nigeria has shown increased interest in the establishment, enhancement and promotion of this sector in which about 70% of the population is currently engaged. Thus the promotion and development of MSSEs for increased performance have remained a primary concern of successive governments in Nigeria resulting in a number of policies, programmes, credits and financial supports for the sector. Despite these policy supports, the sector remained ónotoriously volatileô and experienced a high degree of non performance. Previous research on MSSEs performance had focused mostly on the skills necessary for survival, growth and performance of business organizations while relegating socio-cultural and organizational environment to the background. However, the findings of Drafke and Kossen have shown that such factors could be one possible explanation for the non performance of MSSEs in Nigeria. Consequently, the general objective of this study was to identify the socio-cultural factors affecting the performance of MSSEs in Anambra and Abia States of Nigeria. The cross-sectional survey design was adopted. The study was carried out in Anambra and Abia states of Nigeria because of high concentration of MSSEs activities in these states. The study population consisted of the officially registered MSSEs in Anambra and Abia states, numbering 2,658 and 1,950 respectively. The sample size of 1,104 respondents (operators) was selected using multi-stage sampling techniques. The major survey instrument was questionnaire, complemented by In-depth Interview (IDI). Face validity of the questionnaire instrument was done by 5 experts in Sociology, Anthropology and Social Work departments, who are all members of academic staff of the University of Nigeria, Nsukka. The internal reliability of the items in the survey instruments was determined using Cronbachôs Alpha, and reliability co-efficient of 0.89 was obtained. Quantitative data were analysed using Statistical Package for Social Science (SPSS). Descriptive statistics and inferential statistics were used to describe and interpret the data. The research hypotheses were tested using chi-square (χ^2) statistics since most of the data collected were categorical variables. Qualitative data were analysed using thematic method. Verbatim quotes were used to complement the results of the quantitative data. Crime rate was identified as the major social and environmental factor negatively affecting MSSEs performance as indicated by 57.2% of operators. Both male (73.8%) and female (64.4%) operators encountered financial constraints due to unwillingness of the banks to grant them long-term loans. There was low level of awareness of government policies (20.1%). More than half of operators (51.6%) had negative perception of government policies as they saw it as indirect way to levy taxes on them. As high as 90.2% of operators had not benefited from government policies. Ignorance and stringent collateral requirements were the reason for their not benefiting from government policies. There was no statistically significant relationship between positive perception of government policies and better performance ($p > .05$). Significant relationship existed between education and performance ($p < .05$). There was significant difference in business location and performance in terms of annual profit ($p < .05$).

LIST OF ACRONYMS

AHB	Anambra Hand Book
BOI	Bank of Industry
CB	Community Bank
CBN	Central Bank of Nigeria
CMD	Centre for Management Development
DFIs	Development Finance Institutions
EDP	Entrepreneurial Development Programme
FEAP	Family Economic Advancement Programme
FMI	Federal Ministry of Industry
FOS	Federal Office of Statistics
GDP	Gross Domestic Product
IFC	International Finance Co-operation
ILO	International Labour Organisation
ITF	Industrial Training Fund
MFNL	Micro Finance News Letter
MFP	Micro Finance Policy
MLSUP	Ministry of Land Survey and Urban Planning
MSSEs	Micro and Small Scale Enterprises
NASSI	National Association of Small Scale Industries
NBCI	Nigeria Bank for Commerce and Industry
NCI	National Council on Industry
NERFUND	National Economic Reconstruction Fund
NESG	National Economic Summit Group

NIDB	Nigeria Industrial Development Bank
NIPC	Nigerian Investment Promotion Commission
NMTI	Nigeria Ministry of Trade and Industry
NPC	National Population Commission
NTT	Netherland Technical Team
OECD	Organisation for Economic Co-operation Development
PBT	Profit Before Tax
RMRDC	Raw Material Research and Development Council
SAP	Structural Adjustment Programme
SBDP	Small Business Development Programme
SEEDS	State Economic Empowerment Development Strategy
SMEDAN	Small and Medium Enterprises Development Agency of Nigeria
SMEEIS	Small and Medium Enterprise Equity Investment Scheme
TTESP	Technical Training and Extension Service Programme
	USAID United States Agency for International Development

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Considered as the shared values, beliefs and norms of a society, culture is an important contextual factor, collectively programming and affecting entrepreneurs in a given community, ethnic group, region or country and generating differences across national and regional boundaries (Mucller and Thomas, 2001; Pretorias and van Vuuren, 2003; Stewart, Carland, Watson and Sweo, 2003). Culture incorporates the belief systems, which in turn underline the perception, interpretation and management practices of entrepreneurs in a given society. Culture involves at least three components: what people think, what they do, and the material product they use/produce. Thus, culture plays an important role in the performance of business organizations, and the levels of entrepreneurial activity in a country are affected by cultural norms (Gem, 2002; Ligthelm and Cank, 2002; Lee, et al., 2006).

From a sociological perspective, organizational behaviour is treated within the framework of different entrepreneurial and management practices resulting from variation in cultural background (Yakubu, 1977). Socio-cultural conditions and aspects of a countryôs culture create an environmental goodwill that may benefit Micro and Small Scale Enterprises (MSSEs) (Wasilczuk, 2000; Gurol and Atsan, 2006), or may present pressures that stifle entrepreneurship (Themba, 1999; Rogerson, 2001; Tushin, 2001).

The socio-cultural environment provides multiple ideas and concepts that affect organizations and their performance, what they produce, and how they operate (Nabli and Nugent, 1989). The impact of the environment and its peculiar historical processes on business organizations are particularly evident on MSSEs, which have been generally acknowledged as the bedrock of the industrial development of any country, and a catalyst for economic growth and

development (Yumkella, 2001; Sanusi, 2003; Ihua,2009; Osotimehim e tal,2012).MSSEs constitute a major component of many economies hence most governments, bilateral and multilateral agencies, as well as non-governmental organizations worldwide, have policies in place to assist and promote their development (Honig, 1998; Luiz, 2001; Rogerson, 2001; Robertson, Collins, Medeiva and Slater, 2003; Lange, Ottens and Taylor, 2005).

Efforts to promote MSSEs in developing countries may be traced to as far back as the 1950s (Cook, 1996). However, both the reasons for the existence of and type of support for MSSEs have changed over time (Cook, 1996). Earlier, the support mechanism centered on direct assistance programme using state or parastatal agencies. For instance, by the mid 1950s, Mexico, Venezuela and Argentina adopted the above mentioned approach by creating a well organized financial assistance for small scale enterprises. Similarly, in India, the government adopted a demand-oriented protectionist approach towards cottage and village industries (i.e. micro and small scale enterprises) through the introduction of a variety of regulatory incentives, subsidy and market reservation measures for small business enterprises (Cook, 1996).

By the 1960s Kenya and Tanzania were among the first African nations, post independence, to establish policies aimed at promoting small enterprises and industrial estates. Entrepreneurial training programmes were also introduced by Governments in Botswana, Kenya and Ghana (Uribe-Echevarria, 1992).

In Nigeria, after years of neglect and exclusion in the development schemes, considerable attention is presently being focused on MSMSEs and the imperatives of including them in the nationôs development calculus (Yumkella, 2001; Umebali, 2010). About 70 percent of the population of Nigeria is engaged in this sector (Sanusi, 2003; Olaitan, 2006; Anwatu,2006). Government has recognized that for sustainable growth and development, financial

empowerment of this sector is vital as it is the repository of the predominantly poor in society and in particular MSSEs.

To give effect to this aspiration, various policies have been instituted over time by the government to improve the performance of MSSEs, enhance their full potentials and put the sector on the front burner of government development strategy (Olaitan, 2006). Government policies, programmes, support initiatives aimed at bolstering the performance of MSSEs include: the Industrial Policy of Nigeria, 1998; Sector Specific Development Finance Institutions (DFI) such as the Nigeria Industrial Development Bank (NIDB), National Economic Reconstruction Fund (NERFUND)and Bank of Industry (BOI). Others include the Nigerian Indigenization Policy, which was established by the Nigerian Indigenization Decree (1972); the Entrepreneurial Development Policy, which was also designed to acquire entrepreneurial skills and secure loans and capital that would enable operators of MSSEs establish firmly and the Micro Finance Policy ï instituted to supply loans, savings and other financial services to the poor (Ehigiamusoe, 2005; Okonjo-Iweala, 2005).

In spite of these policy provisions, support initiatives and programs cited above, MSSEs have performed far below expectations in Nigeria (Arinaitwe, 2006). To find adequate explanations for this non-performance, it is important to systematically examine and consider the contributions of socio-cultural environmental factors, especially in view of the generally acknowledged impact of such factors on the survival and performance of business organizations (Drafke and Kossen, 1998). To this end, the present study seeks to identify and examine the effects of socio-cultural factors on the performance of MSSEs in Anambra and Abia States of Nigeria.

1.2 Statement of the Problem

Given the general acceptance of Micro and Small Scale Enterprises (MSSEs) as a spring boards for sustainable economic development (Olorunshola, 2001), and a broad basis for rapid economic growth, developing countries including Nigeria, have since the 1970s, shown increased interest in their promotion and establishment. Three main reasons have been suggested for this interest, namely; the failure of past industrial policies to generate efficient self-sustaining growth; increased emphasis on self-reliant approach to development and the recognition that dynamic and growing MSSEs contribute substantially to a wide range of developmental objectives (FMST, 1992; Olorunshola, 2001).

According to Owuala (2001), Ihua (2009), Apulu (2010) and Osotimehim e tal (2012), the focus on the MSSEs was aimed at efficient use of resources, employment creation, mobilization of domestic savings for investments, encouragement, expansion and development of indigenous entrepreneurship and technology as well as income distribution, reversal of rural-urban migration, linkage balance by spreading investment more evenly, ability to operate profitably in very narrow markets with low purchasing power, among others. It is hoped that the MSSEs sub- sector can be used as a catalyst for industrial revolution as has been exemplified by a situation in the ñAsian Tigersò and Latin American economies (NESG, 2001; Olorunshola, 2001). Consequently, policies and programmes of assistance in the areas of finance, extension and advisory services, training and provision of infrastructures, monetary and fiscal policies, among others were designed by the government for the development of MSSEs to enhance the attainment of these objectives (Teriba and Kayode, 1977; FMST, 1986 and 1992).

Active participation of Nigerian government in the promotion of MSSEs is traceable to the 1960s (FMST, 1992). Since then a number of development plans and policies have been put

in place to assist and develop MSSEs. For instance credit policies, (aimed at ensuring that adequate credits are made available to the MSSEs) were initiated and pursued through various measures like selective credit allocation to the preferred sector of the economy, enhancement of micro-credit to MSSEs, establishment of sector specific Development Finance Institutions (DFIs) like Nigerian Industrial Development Bank (NIDB), among others. Between 1980 and 1988, for instance NIDB disbursed a total of ₦174.6 million to micro, small and medium scale enterprises (F.M.I, 2003; CBN, 2005; Essien and Akpan, 2007). The purpose was to make sure that finance often cited by the majority of owner-managers of MSSEs as their most critical problem is taken care of.

The credit policy encouraged banks, through a package of incentives, to allocate the bulk of their loans and advances to Micro and Small Scale Enterprises. Under this policy, MSSEs were specifically favoured (Essien and Akpan, 2007). In addition, in order to ensure that the credit facilities of MSSEs are expanded, the MSSEs credit were increased from ₦23.9 billion in 1992 to ₦41.5 and ₦177.1 billion in 1995 and 1997, respectively (CBN, 1998). In the years 2000, 2001, 2002, 2003 and 2004, the loans given to MSSEs by the banks were ₦40m, ₦45m, ₦65m, ₦80m and ₦45m respectively

However, the activities of these banks still leave much to be desired as the actual operators of MSSEs have continued to complain of lack of credit (SMEDAN, 2004; Aremu and Adeleye,2011). The perennial problems of unavailability of credit facilities to the MSSEs end-operators which Community Banks (CB) attempt to resolve still persist (Sule, 1986); even though the overriding purpose of establishing them was to make credit available to those that were traditionally denied access to credit.

The government of Nigeria introduced micro finance policy in 2005 with the cardinal objective of promoting synergy and mainstreaming the informal sector as well as enhancing

service delivery by small and medium scale enterprises. However, despite this effort by the government, the MSSEs, at best recorded limited access to sustainable micro credit facilities during the period (Sule, 1986; Okonjo-Iweala, 2005; Arinatitwe, 2006).

Again, government of Nigeria initiated policy that is aimed at solving the problem of high interest rate and inadequate allocation of credit to MSSEs by the banks. This policy is meant to provide tax relief to MSSEs during the first six years of operation (Uduebo, 1985; Ojo, 1992; Adebusuyi, 1997; CBN, 2004).

Entrepreneurial Development Policies (EDP) were also introduced to enable small scale operators acquire entrepreneurial skills and secure loans and capital to facilitate their establishment. In particular, the Central Bank of Nigeria (CBN) has through its credit guidelines over the years, required the erstwhile commercial and merchant banks to allocate credit to the preferred sectors including the MSSEs. This led to the commercial banks initiative to set aside, since 1999, 10 percent of their Profit Before Tax (PBT) under the Small and Medium Enterprises Equity Investment Scheme (SMEEIS) to address the problem of long term funding in the sector (Olorunshola, 2001; SMEDAN, 2004). With the introduction of the scheme, as at August 2002, the sum of ₦11.572 billion was set aside by 77 banks. Out of this amount, ₦1.692 billion was invested in the MSMSEs (Olorunshola, 2001). In addition, NERFUND disbursed US$144.9 million (foreign exchange component) and ₦681.5 million (naira component) to micro, small and medium scale enterprises for their optimal performance (CBN, 2005). On their part, the African Development Bank granted a stimulation loan of US$252 millions repayable in 20 years with concessionary interest rate of 7.3 percent for micro, small and medium enterprises in Nigeria (CBN, 2005).Other efforts by CBN to enhance performance and growth of MSSEs include the removal of collateral as a condition for loans to individuals between ₦5,000.00 to ₦20,000.00 limits; then from ₦100,000.00 to ₦500,000.00 to individuals (MSSEs) with collateral.

According to CBN, in 1990, commercial and merchant banks total credit outstanding to small-small enterprises wholly owned by Nigerians was raised from 16 percent to 20 percent (Akpokodje, 1998; C.B.N, 2006; Essien and Akpan, 2007). This is in recognition of the importance of mobilizing financial resources for the MSSEs. Moreover, commercial bank lending to MSSEs between the years 2002 to 2006 have also increased from ₦955,762.1 to ₦2,572,921.4. In order to further expand credit delivery to MSSEs, government negotiated some financial assistance in 1989 with the World Bank to complement other sources of funding the MSSEs. Altogether, this facility involved a loan of US$270 million, which was to be made available for lending to MSSEs through eligible participating banks, though CBN administered it. Between 1990 and 1996, a total of US$239.9 was disbursed (Olorunshola, 2001).

However, despite all the numerous government policy efforts, measures, initiatives and strategies to ensure the growth and development of the MSSEs in Nigeria, they have witnessed limited success and remained stagnant (Meyer and Magarajan, 1998; Okonjo-Iweala, 2005; Mohammed, 2007). According to Meyer and Magarajan, (1998), irrespective of the numerous efforts by the government to assist the development and performance of the sector (MSSEs), the MSSE, sector is notoriously volatile and experiences a high degree of non-performance. This implies that MSSEs are limited in their ability to create long-term sustainable employment and even development. In fact, according to Akinboyo (2007) the MSSEs have not justified the central objective of initiating these policies. This is illustrated especially in Anambra and Abia States of Nigeria which have the highest concentration of MSSEs activities. By virtue of being ranked the highest in MSSEs activities in Nigeria, it is expected that the extent of even distribution of development, meeting the needs of the poor and job creation would have been felt more by the large segment of the State. On the contrary, Anambra State (Onitsha to be precise) has the highest population of job seekers in

the Southeast (CBN, 2008). According to Federal Office of Statistics (FOS) (2005), unemployment rates in Anambra and Abia States were 9.8% and 7.9% respectively, while Delta State had 4.5% unemployment rate, Oyo and Osun States had 5.3% and 1.9% respectively. In view of this, Sule (1986), Ogujiuba,Ohuche and Adenuga (2004), Okonjo-Iweala (2005) and Mohammed (2007), opined that this sector (MSSEs) have not lived up to expectation with regard to gainful employment and meeting the needs of the poor. Odedokun (1981) noted that in spite of the quantum of credit policies made available to the sector, its contribution and performance has not justified the establishment of these policies efforts.

Owuala (2001), found out that many operators of MSSEs lacked the managerial skills to manage their enterprises effectively despite the trainings and workshops organized for them from time to time. Freeman (2000),Thornhil and Anit (2000) observed that management incompetence and insufficient management skills remain the most inhibiting factors to the performance of the MSSEs irrespective of the management trainings undergone by them in order to promote their business. Mba and Emeti (2014) are inconsonance with this view that management problem and other socio-cultural problems were the factors responsible for the stunted performance of MSSEs. According to Simpson et al (2004) organization socio-cultural environment has been identified as a determining factor that present situational variables, which may facilitate or inhibit MSSEs performance.

As a result, it is important to look at the socio-cultural factors and organisational environment bearing in mind that these factors provide multiple contexts that affect the organization and its performance. Organizations do not exist in a vacuum. Each organization is located in a particular environment that can cause the organization to perform or not to perform. In addition, organizations are socially constructed and their success or failure is governed by the interaction between the environment and organization itself (Doucal and Ligthelm, 2005). Agreeing with this view, Andries and Debackere (2007) opined that the socio-cultural

environment, organization and the group that comprise it are constantly trying to adapt, survive, perform and influence themselves. According to them some time they succeed and some other times they do not succeed.

According to Hisrich and Peters (2007), Guzman and Santos (2001), and Henning (2003), the business environment of a country provides MSSEs with the opportunities, threats, information and access to the expected target. These factors according to Pretorius et al (2005) and Nasser et al (2003) are the determining factors for MSSEs success. Consequently, the challenge facing most governments is how to provide a business environment that supports and promotes a vibrant entrepreneurial culture (OECD, 2002). According to Drafke and Kossen (1998) numerous organizational problems are as a result of the influence of socio-cultural environment. The major challenge of this study, therefore, is to identify the socio-cultural factors and ascertain the extent to which such factors can and do affect the performance of MSSEs in Anambra and Abia States of Nigeria.

1.3 Research Questions

In view of the above, the following research questions were formulated to guide this study:

1. What is the awareness level of MSSEs operators about government policies?
2. What are the sources of information to MSSEs operators about government policies?
3. To what extent do MSSEs operators access the government policies?
4. How are government efforts in micro and small scale enterprises perceived by the operators in Anambra and Abia States?

5. How relevant are the government policies and programmes to the performance and growth of the operators of micro and small scale enterprises in Anambra and Abia states?
6. What are the socio-cultural factors constraining the operators of micro and small scale enterprises in Anambra and Abia States?
7. What are the impact of the type of business and business environment of the area on the performance of MSSEs operators?
8. What are the measures or strategies to be adopted to overcome these constraints?

1.4 Objective of the Study

The general objective of the study was to identify the socio-cultural factors negatively affecting the performance of micro and small scale enterprises in Anambra and Abia states.

The specific objectives were:

1. To determine awareness level of MSSEs operators about government policies
2. To ascertain the sources of information to MSSEs operators about government policies
3. To find out the extent of MSSEs access to government policies
4. To find out how government efforts are perceived by the operators of micro and small scale enterprises in Anambra and Abia states.
5. To ascertain how relevant government policies and programmes are to the performance and growth of the operators of micro and small scale enterprises in Anambra and Abia states.
6. To identify various socio-cultural constraints faced by the operators of micro and small scale enterprises in Anambra and Abia States.

7. To determine the impact of the nature of business environment of the area on the performance of MSSEs operators.
8. To find out what the measures or strategies to be adopted in order to overcome these constraints.

1.5 Significance of the Study

The theoretical and practical significance of this study may be considered from a number of perspectives. First, irrespective of the vast literature on government policies and programmes for the performance of Micro and Small Scale Enterprises (MSSEs) in Nigeria, the socio-cultural factors affecting their performance have not been addressed. As a result, the literature gap becomes so obvious and critical when it is acknowledged that the cardinal purpose of the government programmes and efforts is to enhance the growth and performance of MSSEs as catalysts and engine for economic growth and development. Therefore, the study will bridge the obvious gap in literature in this regard.

Furthermore, the result of this study will hopefully serve as a good base for future researches. The result will serve as a veritable source of reference material for researchers, academia, scholars, investors and the general reading public in and outside the country who are interested in the economic and industrial development of Nigeria. This study will contribute immensely to the body of existing knowledge on MSSEs. The study will also provide information on how socio-cultural factors influence performance of MSSEs in Nigeria. Again, the study will create analytical models of entrepreneurial value creation and also enhance the construction of management training syllabi for MSSEs in Nigeria.

Practically, the findings from this study will reveal the factors responsible for the stunted growth and inadequate performance of micro and small scale enterprises in Nigeria and

suggest ways to overcome them so that they will live up to expectation. The result of the study will help in suggesting the best way(s) of promoting and facilitating the government policies so as to meet with the objective of instituting them. It will also help the stake holders in the sub-sector to plan on the best way to sensitize operators in this sector so that they will justify the purpose of setting up the policies. This is because no matter how lofty a programme or policy is, without the participation of the target group, it is as good as nothing.

For the public sector, identifying factors that constrain MSSEs performance and growth would assist the government in developing policies and strategies that would remove the barriers to MSSEs and counter these distortions to ñlevel the playing fieldò. The enhanced performance of these sectors will also have a ripple effect on employment and development.

1.6 Operationalization of Concepts

- **Accessibility:** This is the ability of MSSEs operators to benefit from the policies made for them by the government in order to support, promote and develop their business.
- **Business Environment**: The business surrounding in which small scale enterprises operate their business.
- **Enterprise:** This refers to organization engaged in micro, small and medium scale economic activities for the major purpose of making profit or return on investment.
- **Entrepreneur**: A skilled initiator of a small venture who operates and manages the enterprise, and aimed at making profit and taking reasonable risk (Osuala,2004).
- **Environmental Organization**: Environmental organizations are organizations that exist or operate within a specific environment and not in a vaccum.

- **Funding:** This refers to credit and financial facilities provided for the enhancement and development of micro and small scale enterprises.
- **Growth**: This means an increase in the contributions which micro and small scale enterprises make towards the sustainable development of the economy as expected of them.
- **Industry**: These are companies or establishments that undertake the production of certain items
- **Low performance**: Inability of MSSEs to enhance their business and contribute meaningfully to the development of the economy as expected of them.
- **Management pattern**: These are various techniques, practices and strategies adopted by MSSEs operators at the course of running their business. For instance planning, decision making process, leadership style and record keeping (Udeze, 2000).
- **Medium scale enterprise**: This is enterprise with asset base not exceeding N200 million and or has 300 employees (SMEDAN, 2003)
- **Micro credit**: This is small loan made to low-income individuals to sustain self employment or to start up very small business (MFNL, 2008).
- **Micro enterprise**: This is enterprise with asset base not exceeding N1.5 million (Excluding cost of land) and or has10 employees (SMEDAN, 2003)
- **Microfinance** This is an umbrella term that describes the provision of banking services through flexible process to the poor segment of the population that are not being served by the mainstream financial services providers(CBN,2005).
- **Negative perception:** This is the way with which the MSSEs operators have wrong view or perception of government efforts/policies toward their performance. In this case, they see such policies as indirect way of luring them into paying of tax which most of them are

unwilling to pay. Again, it is when MSSEs operators perceive government policies as indirect way of taking a survey or monitoring of their business activities.

- **Perception:** This is defined as an individualôs awareness of conditions around him and his ability to perceive human action and events without distortion. In this case it is the awareness of MSSEs operators toward government policies. This perception may be positive or negative.
- **Performance**: This is ability of the MSSEs or the extent to which the MSSEs operators make turnover and operate at an appreciable level so as to attain a desired standard. The ability of the MSSEs to pay back the loan given to them as and when due is also part the performance.
- **Policies:** These refer to schemes, and efforts made by government in diverse ways in order to promote and encourage the growth, performance and development of micro and small scale enterprises in the socio-economic development of the country (National Policy on MSMEs, 2008).
- **Positive perception:** This is way with which MSSEs operators perceive government policies and efforts toward their performance and growth as a worthwhile or worthy policy that can be trusted and relied upon. This is when they see it as policy that will help to boost their business.
- **Real sector**: This refers to the sector of the economy that encompasses the manufacturing, service, mining, quarry and agriculture.
- **Small scale enterprise**: This is enterprise with asset base not exceeding N50 million and or has 100 employee.
- **Small-small Enterprises:** these are enterprises with petty status both in number of employees and asset base. Small-small enterprises are slightly different from micro enterprise but can be used interchangeably often times.

- **Socio-cultural factors**: For this study, these are cultural norms and values, social conditions, religious belief, leadership styles, planning and management practices, decision making processes, attitudes to work, perceptions, education, crimes, etc which may affect or promote MSSEs performance.
- **Stunted growth:** Inadequate capital base and performance of micro and small scale enterprise despite government funding policies.
- **Urban area:** This refers to a planned area with concentration of population, social, economic activities and infrastructural facilities on a high scale in a given area.
- **Semi-urban area:** For this study, semi-urban area is planned and unplanned area with concentration of social and economic activities in one segment as well as sparsely population and low social and economic activities in the other segment.

CHAPTER TWO

LITERATURE REVIEW

2.1 Conceptualizing Micro and Small Scale Enterprises (MSSEs)

According to Osuala, (2004) the term Micro and Small Scale Enterprises (MSSEs) is often used interchangeably to describe business organizations. The organizations constitute a heterogeneous group because they embrace a wide variety and diverse forms ranging from village handicraft centres, weavers, small machines, shops and restaurants to computer software establishments using sophisticated skills. They operate in very different markets and social environments (Osuala, 2004).

The concept of MSSEs is relative and dynamic (Gulani and Usman, 2012). There is no universally accepted definition of Micro and Small Scale Enterprises. This is because what is considered micro or small scale enterprise in one country may be regarded as a medium or large scale enterprise in another country (Anigwe, 1992; Ngasongwa, 2002; Osuala, 2004). To this effect, different countries use different measures of size to define this category of enterprises depending on the countryôs level of development (Olorunshola, 2001; Ngasongwa, 2002).

Agreeing with this view, Anyanwu (2001) explains that each country defines MSSEs in consonance with its peculiarities, and based on the role which the MSSEs are expected to play in that economy and the programme of assistance designed to achieve that goal. He also asserts that varying definition among countries may arise from difference in economic development in parts of the same country.

According to Ajoma (2005), the Nigerian Investment Promotion Commission (NIPC) observed that classification of enterprises as micro, small and medium scale varies from one

period to another in the same economy as economic circumstance changes. For instance, what was considered small business in 2006 might not have been small in 1994. Similarly, what is small in a manufacturing (production) sector may not be small in the trade and services sector. This means that there is no common yardstick that is internationally accepted for measuring the size of enterprises.

In Britain and Canada, micro and small scale enterprises are usually defined in terms of annual turnover and the number of paid employees. In Nigeria, the Federal Governmentôs Small Business Development Programme (SBDP) considers a small scale enterprise as any manufacturing, processing or service industry with a capital investment not exceeding ₦150, 000.00 in machinery and equipment and employing not more than 50 workers (Osuala, 2004). On its part, the Central Bank of Nigeria (CBN) classifies as micro and small scale enterprises those enterprises with an annual turnover between the range of ₦100,000.00 to ₦150,000.00; with less than 50 employees; and an asset base (excluding real estate) of not less than I million (CBN, 1989).

The Small and Medium Enterprises Equity Investment Scheme (SMEEIS) defines micro and small scale enterprises as any enterprises with maximum asset base of ₦200 million excluding land and working capital and with the number of staff employed not more than 10 for micro enterprises and 300 for small scale enterprises (IFC, 2002). The International Finance Corporation (IFC) defined small scale enterprise as any enterprise with asset base, excluding real estate, of less than ₦2.5 million with staff strength of 10 ï 15 (IFC, 2002). The National Association of Small Scale Industries (NASSI), gave their definition of micro and small scale enterprises as any enterprise with asset base, excluding real estate, of less than ₦1 million and ₦40 million respectively, with less than 40 employees and 50 employees respectively. Federal Ministry of Industry (FMI) and National Economic Reconstruction Fund (NERFUND) gave their own definition of small scale business enterprise as enterprise

with asset base, excluding real estate, of less than ₦50 million and ₦10 million respectively (www.nigeriabusinessinfo.com.) Again, the third National Development Plan (1975 ï 80) defined as small scale enterprise all manufacturing establishment employing less than 10 people or whose investment in machinery and equipment does not exceed ₦600,000.00 (Osuala, 2004).

In 1992, the National Council on Industry (NCI) streamlined the various definitions in order to remove ambiguities and agreed to revise them every four years. To this end, small scale enterprise was defined as enterprise with fixed assets above ₦1 million but not exceeding ₦10 million, excluding land but including working capital. In addition, the Small and Medium Scale Enterprises Development Agency (SMEDAN) that was established by the SMEDAN Act of 2003, defined micro and small scale enterprises to be any enterprise with 1-10 employees, with its asset base not exceeding N1.5million and 11-100 employees, with asset base not exceeding N50million respectively (SMEDAN, 2003).According to this perspective, size provides the most practical basis for classification. The national policy on MSMEs adopts a classification based on dual criteria: number of employees and asset base (excluding land and building). As a result, micro and small scale enterprise may be defined as any enterprise that employs not less than 10 employees for micro scale enterprises, and 49 employees for small scale enterprises.

However, despite the dynamic nature and variations in the conceptualization of MSSEs, it is necessary to define micro and small scale enterprises based on asset base and the number of the employees; hence SMEDAN definition will be adopted for this study.

2.1.1 Government Policies for the Development of Micro and Small Scale Enterprises in Nigeria

When Nigeria attained political independence from Great Britain, there was no clear policy for economic development. The economy was predominantly agricultural and depended mainly on the export of crops and raw materials (Osuala, 2004). The concern of the British colonial administration was mostly commercial and aimed at facilitating the transfer of agricultural commodities to Europe. The policy, then, did not encourage indigenous technological development, and as such the new country continued its dependence on imported European commodities and technology (Osuala, 2004).

Consequently after independence, the creation of enabling the environment that would facilitate the exploitation of these resources through micro and small scale enterprises became imperative (Ngasongwa, 2002).To this end, government has continued to design and initiate policies and programmes that are supportive to the development of the sector. The primary goal of these policies and programmes in Nigeria is to attain increase in the nationôs productive capacity with a view to increasing the living standard of the people and create more employment opportunities via micro and small scale enterprises (Nzenwa, 2002; CBN, 2008).

However, the development of MSSEs in Nigeria has a chequered history. Government policies in favouring micro and small scale enterprises in Nigeria can be traced to 1960s, with the establishment of the then Eastern Nigeria Ministry of Trade and Industry (the first industrial development centre in Owerri). The purpose was to provide modest loan management and other technical assistance to the micro assistance drawn from the United States Agency for International Development (USAID), Netherland Technical Team (NTT) and the International Labour Organization (ILO) (FMIT, 1992).

Again, the establishment of the Nigerian Industrial Development Bank Ltd (NIDB) in 1962, with the aim of providing medium to long term loans for investment in industrial activities was another effort by the government (NESG, 2001; CBN, 2003).The introduction of Structural Adjustment Policy (SAP) in 1986 was part of government policies which served as tonic that the industrial sector needed to come alive again (FMI, 1992).

Nzenwa (2001), opined that for meaningful development and policies, the capital base of micro credit agencies need to be substantially increased to beef up indigenous productions in the economy, reduce unemployment, increase Gross Domestic Product (GDP) and per capita income; as well as reduce internal unrest within the nation via MSSEs. To this end, government has established various micro-credit institutions like Rural Banking Scheme (1977); National Economic Reconstruction Fund (1990); Peoples Bank of Nigeria (1989); Nigerian Bank for Commerce and Industries (1973); Nigeria Agricultural Co-operative and Rural Development Bank and other supportive agencies like Small and Medium Enterprises Development Agency (Olorunshola, 2001; CBN, 2003).

Policy programme like Family Economic Advancement programme (FEAP) was initiated in 1997 as a catalyst to stimulate and encourage the growth of the informal sector. The programme was intended to harness the potentials in the local areas to establish viable enterprises and projects that would ensure economic empowerment of the rural and urban poor. It was also aimed at capacity building and providing credit support especially to its target group of rural and urban poor. FEAP is one of the programmes which the Obasanjo administration abolished as part of restructuring of the institutional framework for the support of MSMEs. Specific institution like Development Finance Institution (DFIs) has been also established to address the problem of inaccessibility of fund by MSSEs (Okonjo-Iweala, 2005; Essien and Akpan, 2007).

According to Okonjo-Iweala (2005), most of these programmes, unfortunately, recorded limited success in securing wide access to sustainable micro credit as a critical instrument for growth and poverty reduction. Furthermore, Technical Training and Extension Services programmes (TTESP), which included the activities of Industrial Training Fund (ITF), Raw Materials Research and Development Council (RMRDC), Centre for Management Development (CMD), Federal Institute of Industrial Research Oshodi (FIIRO) were established (FMIT, 1992; CBN, 2003). The essence of this programme, according to scholars was that the industrial entrepreneurship, especially in developing countries, requires action and positive programmes that must be provided to aid small industrial entrepreneurs, to increase access to important technological and market knowledge, benefit from better quality and upgrade critical skills (Katz, 1992; Krueger 1993).

According to research conducted by Essien (2007), Nigerian government had initiated the relevant macro- economic policies which include the monetary and fiscal policies as well as financial sector policies. These policies took into account the special constraints and opportunities faced by MSSEs sector, and aimed at creating an enabling business environment by providing financial assistance to the operators of MSSEs and also by mapping out sectoral allocation of credit and concessional rate of interest. The policy therefore, encouraged banks, through a package of incentives to allocate the bulk of their loans and advances to MSSEs.

2.1.3 Review of empirical litetrature

Giving the vast number of empirical literature on socio-cultural factors affecting the performance of MSSEs, this review should not be regarded as comprehensive, but to merely serve as a highlight on the importance of the issues relating to the topic.

In a research carried out by Osuala (2004), there were various challenges facing micro and small scale enterprises in Nigeria. While some were financial, others were non-financial. He opined that these challenges had been a major setback to the realization of many brilliant business ideas and outward expansion of existing businesses. For instance, the inability of small business owners to raise funds to promote their businesses had been linked to poor business history; insufficient collateral, inadequate record keeping and poor knowledge of the risk facing their business. Owuala (2001) found that many owners of small scale enterprises lacked the requisite managerial skills to manage their enterprises effectively. The area of managerial skills encompasses financial management, marketing, production, human resources management, business communication, quality control and assurance, among others.

In a study conducted by the Organization for Economic Co-operation Development (OECD) (2002), competent management skills were prerequisite for the success of MSSEs. Management skills are a set of factors associated with successful business, as they give the entrepreneur the ability to perform his or her role successfully and the power to act effectively in a particular range of possible future circumstance (Lange et al., 2000; Wasilczuk, 2000; Ibrahim and Soufani, 2002; Man et al., 2002; Markman and Baron, 2003; Mughan, et al, 2004). These skills include being able to identify and evaluate market opportunities, to set up realistic and measurable goals, to develop business plans, to secure resources required and set up a new venture; to produce and service the market; to manage conflict effectively; and to achieve the overall industrial efficiency as well as effectiveness that leads to growth of the business (Gundry and Welsch, 2001; Miller et al, 2003; Dreisler et al, 2003). In separate studies conducted by Rwigema and Karungu (1999), Freeman (2000), Vivers et al (2001), Ligthelm and Cant (2002), Strydom and Tustin (2003), Thornhil and Anit (2003), Mughan et al (2004), and Clover and Donoch (2005),Mba and Emeti, (2014) the

major challenge and reason for failure of MSSEs were insufficient management capacity; lack of expertise , low level of skills and management incompetence.

In the light of the above, Olorunshola (2001), Ogujiuba (2004) observed that adverse selection problem and misplacement of priority (moral hazard problem) by operators of micro and small scale enterprises constituted a major challenge for their operations. According to them, adverse selection problems arose when potential providers of external finance cannot readily verify whether the MSSEs operators had access to quality project. Again, moral hazard problem (misplacement of priority) were associated with the possibility of MSSEs directing funds made available to them to fund alternative projects or develop the propensity to take excessive risk due to some pervasive incentive structure in the system. On the other hand, many operators of micro and small scale enterprises do not divert funds, but refuse to pay back as and when due because of the misconceived notion of sharing the so called ñnational cakeò.

According to Berger and Udell (2001), MSSEs operators do not have access to public capital markets; as such they so much depend on banks for funding. This dependence on banks makes them even more vulnerable for the simple reason that the shocks in the banking system can have significant impact on the supply of credit to MSSEs especially during periods of financial instability. A good example of this situation is now that there is ñeconomic melt downò not only in Nigeria but world over. This shock to economic environment affects the willingness and capability of the banks to lend to MSSEs.

Furthermore, the inability of MSSEs operators to satisfy the lending rule and regulations constitute another problem to them (SMEDAN, 2003; Ogujiuba, 2004). According to Ogujiuba (2004), the lending regulations can be categorized into four main distinct rules. They include: the financial statement rule, which emphasizes on evaluating information from

the enterprise financial statement. The decision to lend and terms of the contract (lending) are principally based on the strength of the operatorôs balance sheet.

The second lending rule is termed asset-based lending rule which lays emphasis on the quality of the available collateral. It requires constant monitoring of the business. The third lending rule is the credit scoring rule, which uses a summing statistics about borrowers expected future loans performance. Feldman (1997); Mester and Renault (1998), advocated this lending rule for micro and small scale enterprise. In addition, Berger et al (2002) were in agreement with this view because this lending rule assures that the credit history of small business owners is highly predictive at the loan repayment prospect of the business. Again, the third lending rule is relationship lending rule which emphasizes on the decision of the lender (financial institution) to lend in substantial part on property information about the enterprise and its owner through a variety of contracts over time. These stringent conditions, however, have serious implication for accessing external finance especially for the majority of micro and small scale enterprise operators because of their weak asset base and incomplete financial documentation.

Olorunshola (2001) observed that the risk-averse attitude and lukewarmness of the financial institutions to finance MSSEs in Nigeria constitutes another challenge to the entrepreneurs. Again, the World Bank survey in 2001 on access to finance by Nigerian firms, demonstrated that most banks are reluctant to provide long term credit to micro and small scale enterprises. According to this report, even when MSSEs are provided with short term loans, it is often based on high collateral requirements and the facilities do not go beyond one year term.

Njoku (2002) opined that more worrisome is the issue of government inconsistency in some policies. The inability of government to execute budgets on time is a major restriction and impediment on the ability of manufacturing firms to factor tariff measures into their trade

decision. Olorunshola (2001) subscribed to the view that poor implementation of policies, including administration of incentives and measures aimed at facilitating the growth of MSSEs have unintended effects on the sub-sector. According to him it has resulted into confusion and uncertainty in business decision and planning.

Furthermore, the absence of coherent policy and institutional framework for coordination and promotion of MSSEs constitutes a gap in the development of MSSEs (FRN, 2008). Other factors militating against the growth of MSSEs in Nigeria were identified to include poor unreliable infrastructure, harsh business environment, poor service delivery, heavy regulatory burden, high incidence of informal sector and low international competitiveness (FRN,2008). According to University of Nigeria Nsukka (UNN) (2004), Essien and Akpan (2007) Olorunshola (2001) and Mba and Emeti (2011),inadequate provision of essential services such as telecommunication, access roads, electricity and water supply constitute some of the greatest constraints to MSSEs development.

In addition, Osuala (2004) opined that low educational background has also been identified as a problem. To him, lack of relevant educational background and thorough business exposure, have serious effect on the ability of the MSSEs operators to seize business opportunities that may lead to growth and expansion. Olorunshola (2001) stated that restricted market access is another constraint. To him, though many MSSEs produce some inputs for the large enterprises, the non-standardization of their product and the problem of quality assurance, as well as low purchasing power arising from consumers dwindling real incomes effectively restrict their market.

Agreeing with this view, Ogujiuba (2004), Aremu and Adeleye (2011), observed that micro and small scale firms are discriminated against in the credit market. As such, this result in the stringent conditions attached to loan availability, which scares small firms away from

applying for such facilities. Essien and Akpan (2007) are in consonance with this view that most enterprises in Nigeria inadequately reduce their borrowing from the bank due to high interest rates and short term nature of the available loans.

Olorunshola (2001) identified over bearing regulatory and operational environment as one of the greatest challenges of MSSEs operators. This include: regulatory agencies, multiple taxes, and cumbersome importation procedure and high port charges. These have continued to exert serious burden on the operations of MSSEs. Akinboyo (2007), is of the view that inadequate financial discrimination and absence of succession plan on the event of the death of the proprietor has remained the most challenges of the MSSEs operators.

2.1.3 Challenges Faced By Operators of MSSEs

Several challenges have been identified to militate against the success of MSSEs operators in Nigeria and even beyond. According to Simpson et al (2004), these challenges are both internal and external. External challenges according to him comprise of factors which may present situational variables, facilitate or inhibit enterprises during it lifecycle. These challenges may also present opportunities, threats and information that affect all operators of MSSEs within that environment irrespective of their business concepts and background.

Guzman and Santors list these external challenges to include: socio-demographics, market (local, international, emerging and established markets), cultural, economic, political, institutional, legal, productive, technological, infrastructure and other physical factors of that particular environment. According to him, these challenges have implications for education and skill basis; level of risk, access to market and access to resources including inputs, labour, expertise, capital and finance. According to Dahlquvist et al (2000), these challenges influence the MSSEs chances of survival or high performance.

Consequently, according to Rwigema and Venter (2004), other challenges include inability of the MSSEs operators to deal with government requirements in general. According to them, the cost of compliance with legislation is high and is seen as a threat to the MSSEs sector. Clover and Dannoch (2005) are in agreement with this view that legislation is one of the challenges that can facilitate or hinder MSSEs success. According to them unfavourable legislation can present constraints which stifle MSSEs success and increase the cost of doing business.

According to Rogerson (1999) access to public physical infrastructure services, which include water, electricity, serviceable roads, telecommunication, telephones, electronic media and postal services, which are all crucial for business development and growth are some of the challenges faced by MSSEs operators. According to him, limited access to these public infrastructure services are major constraints to MSSEs survival, as it limits operations and restricts access to market and raw materials. Furthermore, Mba and Emeti (2014) opined that the these challenges by the MSSEs include: inadequate social infrastructure, management problem, financial problem and social-cultural, etc

In addition, availability of appropriate economic resources is important for MSSEs development as it enables MSSEs operator to secure the necessary expertise and raw material to put entrepreneurial ideas into practice. Unfortunately, most MSSEs operators lack access to these economic resources (capital and finance). The lack of capital and finance according to him is a major challenge that inhibits MSSEs operatorôs growth and success. In support of this view, Hisrich and Peters (2003) affirmed that most MSSEs operators lack access to other economic resources like banks, suppliers, lawyers and other intermediaries as a result of limited access to such financial constraints. Another challenge according to Shane and Venkatama (2000) includes: access to labour market as a key factor of production which is

crucial for MSSEs operators as it allows for appropriate expertise that enables ventures to explore identified opportunities.

According to Finmark (2006), high level of crime has been identified as the challenges that faced by MSSEs operators as it affect sales and business success and also increase the cost of doing business. Ahwireng-obeng and Piaray (1999) are in agreement with this view by stating that this is the biggest challenge and threat facing MSSEs operators.

2.1.4 Socio-cultural Factors Affecting the Performance of MSSEs

Organizations do not exist in a vacuum. Each organization is set in a particular socio-cultural environment that provides multiple contexts that affect the organization and it performance (Drafke and Kossen, 2008). Culture has important consequences for the success of a business organization. This is because culture influences attitude, understanding and behaviour of MSSEs about their business. Organizations are ñopen systemsò ï that is, they are constantly both influenced and trying to influence external forces (Themba et al, 1999). The socio-cultural environment in which organizations operate is a very important determining factor on the extent of success or even the failure of any business organization. In this dynamic process of influencing and trying to influence, the organizations socio-cultural environment ï i.e. organization environment and the group that comprise them are constantly trying to adapt, survive, perform and influence (Drafke and Kossen, 1998). Sometimes, they succeed and sometimes they do not. They opined that numerous organizational problems are as a result of the influence of the socio-cultural environment.

Agreeing with this view, Simpson et al (2004) in a study on MSSEs, opined that macro-environment as containing factors external to the organization present situational factors which may facilitate or inhibit entrepreneurship. Dahlquvist et al (2005), is in consonance

with the view that these external factors present opportunities, threats, and information affecting all entrepreneurs within the environment regardless of their background, education, or business concept .His finding was as a result of his study on MSSEs on initial condition as predicted of a new venture performance.

Peberdy and Rogerson (2000) argued that the success of a new organization depends on the state of specific factors within the boundaries of the organization. According to Guzman and Santos (2001), these factors include socio-demographics, market, cultural, economic, political, institutional, legal, technological, infrastructure, perception of people in that environment and other physical factors of that particular environment.

Furthermore, in a research conducted by Mazzakol et al (1999) and Viviers et al (2001), they observed that these factors are not controllable, and the success of the MSSEs often depends on management ability to deal with them. According to the study by Themba et al (1999), in developing countries these factors can be a possible enhancer or a major stumbling block that can create a hostile business environment that can stifle entrepreneurship, MSSEs development. Man et al (2002) asserts that entrepreneursô demographics are cited as one of the most influential factors related to the performance of MSSEs and competitiveness. These socio-demographics include: age, gender, family up-bringing, role model, education and previous experience.

Fieldman et al (2000) and Guzman and Santos (2001) observed that the personal environment has an effect on business and MSSEs success. To them, personal environment includes all MSSEs specific factors that are influenced by specific firm action; including the availability of resources, personal skill and the ability for purchasing entrepreneurial functions and effective use of resources inside the firm. According to Dockel and Ligthelm (2005) and

Ligthelm and Cant (2006), deficiencies in the internal socio-cultural environment are the major causes of MSSEs failure with over 65% of failure.

In a study conducted by Yakubu (1997) on the cultural context of business in northern Nigeria, he concluded that from the sociological perspective, organizational behaviour is treated within the framework of different entrepreneurial and management practices resulting from variations in cultural backgrounds. In support of this view, Rauch and Frese (2002) and Markman and Barron (2003), opined that human capital - attitude, background of the entrepreneur, the action of the entrepreneur, the decision they make, the strategies they adopt, education, values, commitment and the style of the leadership, which have bearing to cultural background also affect the growth and the survival of the MSSEs. Agreeing with this view, Man et al (2002); Markman and Barron (2003) and Uchasaram et al (2004) and stated that a good number of researches suggest that human capital of the MSSEs operators is the central overwhelming force, which is necessary for the development and survival of the MSSEs.

2.2 Review of Relevant Theories

2.2.1 The Cross-cultural Theoretical Approach

Cross-cultural theoretical perspective according to Strodtbeck (1964), had been predicated on psychological experiment and anthropological research. The theory lays emphasis on the differences in the behaviour of firms (organizations) and management practices across different societies as a result of cultural influences and predispositions.

From a sociological perspective, organizational behaviour is treated within the framework of different entrepreneurial and managerial practices resulting from variations in cultural background (Yakubu, 1997). Cultural background has important consequence for the success or failure of business organizations.

In a cross-cultural theoretical perspective, therefore, the emphasis is on particularism rather than universalism in the interpretation of social behaviour. For Morgan (1986), historical and cultural variations in societies are reflected in different philosophies and management practices. The environment and its peculiar historical process have impact on business organization. The organization is set in a particular environment that provides multiple contexts that affect the organization and its performance. Organizations do not exist in a vacuum.

For example, the recognition of cultural influence on corporate strategy and economic success has given rise to management strategies such as ñJapanese, American and French management strategiesò. Japanese management patterns appear to be typically ñcorporalistò, while that of American businesses are oriented towards a free market system, which is in contrast to state controlled pattern in France; Chinese, Korean and Italian businesses are typically family oriented (Fukuyama, 1986). These examples lend credence to the view that corporate strategies are not the same across different cultures and countries; that is why culture is an important contextual factor collectively programming and affecting entrepreneurs. (Muccller and Thomas, 2001; Pretorias and Van vuureen, 2003; Stewart, Carland, Watson and Swer, 2003).

In a cross-cultural theory, comparison is usually made of the relation between culture and organization, and the similarities and differences in the attitudes of entrepreneurs and management in different cultures (Yakubu, 1997). Robert (2004) is in consonance with this view that organizations are influenced and penetrated by the environment. Entrepreneursô perceptions in every society about new economic ventures are greatly influenced by cultural disposition.

Against this background, culture incorporates belief system, which in turn underlines the perception, interpretation and management practices of entrepreneurs in a given society. Culture plays an important role in the performance of business organization.

2.2.2 The Systems Theory

Systems theory was proposed in 1940 by a biologist Ludwig Von Bertalanfy and furthered by Ross Ashby (Bertalanfy, 1965). He emphasized that real systems are open to, and interact with their environment. The common conceptual strands in systems theory include: system ï environment boundary, input, output and process (Timasheff, 1957).The systems theory centres on the interaction and relationship which exist between the elements.

The systems theory is one of the areas in sociology that have attracted a lot of inputs from scholars. Different scholars have brought different orientations to bear on the theory (Anugwom, 2002). The systems theory is a synthetic all- embracing theory. Dunlop (1958) was very instrumental in the adoption of systems theory in the sociology of work and organization explaining that it is the relationship and interaction between elements that explain the behaviour of the whole (Anugwom, 2002).

The systems theory sees the organization as an ñopen systemò. Organizations as open systems are established with well defined structures and goals, and stated means of achieving those goals. These systems are subject to all sorts of influence from within and outside the organization ï that is, they are constantly both influenced by and trying to influence external forces (Meyer and Briggs, 1980).

Systems theory places emphasis on the similarities of the process (thorough put) and the production of an object or material (out-put). The basic motive according to Silverman (1972) and Anugwom (2002), should be on ascertaining the way in which the three processes are

interrelated as well as the way in which the parts are shaped by the process and how this influence the whole. In other words, the interaction process is vital aspect of this perspective.

Following this principle, organizations are socially constructed, and it successes or failure is governed by the interaction both in internal and external contexts in the socio-cultural environment. In other words, the interaction in the institutional environment ï i.e., both the organization and the groups that comprise them are central to the understanding of the systemic framework on work organization. This is simply because of the fact that a change in one part of a system will trigger a change in the entire system as a whole.

In addition, the systems theory is all about ñwholenessò; the search for integration of parts and the process of interaction. It is the general science of wholeness which describes sets of elements standing in interaction or the interconnectedness of variables such as people and their environment (Silverman, 1972; Anugwom, 2002).The systems theory is relevant in this study because of its contribution to the understanding of the socio-cultural factors affecting the performance of MSSEs.

2.2.3. Symbolic Interaction Theory

Symbolic interaction is one of the major theoretical perspectives in sociology. It is perhaps, the most important and enduring sociological perspective from North America (Blumer, 1969). While the symbolic interaction perspective is often associated with Mead (1863 ï 1931), it was Herbert Blumer (1900 ï 1987) who took Meadôs ideas and developed them into a more systematic sociological approach (Blumer, 1969).

In Meadôs view, human thought, experience and conduct are essentially social. They owe their nature to the fact that human beings interact in terms of symbols, the most important of which are contained in the language. A symbol does not simply stand for an object or event.

It defines objects in a particular way and indicates a response to them. Without symbols, human interaction would be difficult. Symbolic interaction is important since humans have no instincts to direct their behaviour; rather their behaviour is being guided and directed by what they experience from their socio-cultural background. No wonder Geertz (1973) opined that the question of what is man is meaningless without explicit statement of the culture in which he participates.

In addition, the proponents of symbolic interaction view living things as attempting to make practical adjustment to their surroundings (i.e., environment) (Hewitt, 1994). Individuals also do not only interpret the actions of others, but also use their interpretations as the basis for their own actions. They do not strife to explain the circumstances in which they find themselves, but to base actions on those explanations (Hewitt, 1994).

As a result, the inference is that human beings are social and practical beings who strife to make sense of their world based on their perception and interaction in their socio-cultural environment. Feldman (1997) is in line with this view when he states that personality is best understood by looking at features of a personôs environment. Also in line with this view, Skinner (1975) opined that personality or behaviour pattern is as a result of what we learn from our environment.

Against this background, the interaction that exists between the organization (MSSEs) and the environment in which it is located goes a long way in buttressing the extent of performance on the part of MSSEs. As already stated, organizations do not exist in a vacuum. It is the environment in which the organization is set that provides multiple contexts that affect the organization and its performance. Again, organizations are socially constructed and their success or failure is governed by this interaction (Aldrich, 1999).

2.2.4. The Contingency or Situational Theoretical Approach

The contingency or situational theoretical approach is one of the organizational theories which recognize that organizational systems are interrelated with their environment, and that different environments require different organizational relationship for effective working of the organization (Woodward, 1965).

This theoretical approach is based on the belief that there cannot be a universal guideline which is suitable for all situations (Burns, 1961). The contingency approach to the study of organizations came into increasing prominence during the 1970s as a loose framework for synthesizing the principal notions of open systems theory with the results of objective research conducted at all levels of organizational analysis (Burrel and Morgan, 1979).The contingency theory of organization was first presented in an explicit way by Lawrence and Lorsch in their book *Organization and Environment* (1967), which reported the results of an empirical study of ten organizations operating in a variety of environmental conditions. Lawrence and Lorsch study suggested that different organizational principles were appropriate in different environmental circumstances and indeed within different parts of the same organization (Burrel and Morgan, 1979).

The contingency theoretical approach lays emphasis on the demands placed upon organization by their environment, particularly with regard to the degree of market and technological change (Burns and Stalker, 1961; Rice, 1963). The contingency approach provides a systematic statement of the principles upon which it is based. In so far as one wishes to analyse organization as a social systems from a managerial point of view, this contingency model goes a long way towards integration of contemporary issues and concerns and provide a framework for examining the status and utility of theory and research in this area.

The contingency theoretical approach according to Burrel and Morgan (1979), provide the following principles upon which it is based.

(a) The contingency theory of organization postulates that organization and its functioning can be understood in terms of principles which apply to biological organism.

(b) It is based upon an open systems view which regards an organization as existing within the context of a wider environment.

(c) The organization and its environment are seen as being in a state of mutual influence and interdependence. In principle the organization is seen as representing a subsystem of a wider social system of which its environment is part.

(d) The theory focuses upon the organization as a unit in its own right, distinguished from this wider environment by a natural boundary.

(d) It is concerned with the understanding of the association which characterised relationship between the organization and its environment.

(e) It is assumed that the key relationship between organization and environment can be understood in terms of the organizations ñneedò to survive.

From the foregoing, it is observed that the cardinal and pivotal thrust of this theory is that organizational systems are interrelated with the environment in which they operate. However, according to Seashore (1957), performance refers to the ability of the organization to exploit its environment and access scarce resources. To this effect, because different organizations require different environments for optimum effectiveness and performance, (taking into consideration various sources, legal, political, technological and economic factors) the environment within which MSSEs operates goes a long way in buttressing the extent of performance that will be recorded by them. The view of Burns and Stalker (1961) is in

consonance with this notion that successful firms adopt an approach to organization and management which will be consistent with the demands placed upon them by their environment. In other words, the survival, performance or failure of the organization depend largely on the degree to which appropriate balance is maintained or not maintained between the organization and its environment.

Consequently, because of the fact that there is the need for greater interdependence with the various work groups and the environment to ensure performance, the degree of interdependence within and among these variables remain the sine qua non for MSSEs efficiency and performance. Going by this theoretical approach, MSSEs performance is dependent on the type of environment in which they operate since environment play major role in organizational performance and efficiency.

2.3 Theoretical Framework

The cross-cultural theoretical approach and symbolic interaction theory was adopted as the theoretical framework for this study. These theories offer useful understanding and insight to the understanding of the socio-cultural factors affecting the performance of micro and small scale enterprises in Anambra and Abia States. The cross-cultural theoretical approach provides very useful insights to the understanding of behavioural differences across firms within an environment. In cross-cultural theoretical approach, culture is one of the key concepts mentioned in the review as the shared values, beliefs and norms of a society, and it is an important contextual factor collectively programming and affecting entrepreneurs in a given community, ethnic group, or country and generating differences across national and regional boundaries. The above perspective goes a long way in buttressing the view of Scott (1981) that organizations are influenced and penetrated by the environment.

Again, culture has three dimensions, which may be recognized as the cognitive, normative and conotive. These dimensions which correspond to thinking, judging and acting are regulated by established rules within a particular group (Yakubu, 1997). Furthermore,the entrepreneur in every society is greatly influenced by his/her cultural disposition. This theoretical perspective is very useful to the understanding of the effect of culture on the performance of organization (MSSEs). Moreover, the cross-cultural perspective as a theoretical framework for this work offers great insight and contributes to the understanding of the important role that culture play in the performance of business organization because culture incorporates belief system, perception, interpretation and management practices of entrepreneurs in a given society; of which these are the foundations for business growth and performance.

Consequently, the performance, growth and survival of a business enterprise depend on managerial pattern and practices of the entrepreneur, which has recourse to cultural background and influences. As a result, the cross-cultural theoretical approach contributes immensely as a theoretical frame work of this study towards the understanding of socio-cultural factors affecting the performance of MSSEs in Nigeria.

On the other hand, symbolic interaction theory is another framework for this study. This is because human thoughts, experience and conduct are essentially social; and human beings interact in terms of meaning which they attach to situations in their socio-cultural environment. The above perspective made Geertz (1973) to state that the question of ówhat is manô is meaningless without explicit statement of the culture in which he participates. This also underlies the fact that culture is the umbrella term for human activity.

Again, this theory views humans and living things as the product of their socio-cultural background and influences. In other words, the meaning we attach to things and situations as

a result of social interaction that exist in our social environment goes a long way in explaining the degree of interaction. That is why the theory can be summarized by saying that meaning and interpretation are the two sides of the same coin, hence the performance of MSSEs is dependent on the interaction that exists in a social environment in which they operate. This is as a result of the fact that organizations do not exist in a vacuum; it is the environment in which the organization is located that would provide multiple contexts that will affect the organization and its performance. Moreover, the fact that organizations are socially constructed, it success and performance are governed by this interaction in the social environment. Following these principles, the meaning and interpretative understanding of MSSEs in the social environment in which they are located buttresses the degree or extent of their performance. Symbolic interaction perspective offers good understanding of this frame work.

2.4 Study Hypotheses

The following hypotheses were tested in this research.

1. Urban MSSE operators are likely to perform better than their semi-urban counterparts.
2. MSSE operators with high level of education are likely to perform better than those with low level of education.
3. Operators who hold positive perceptions of government policies are likely to perform significantly better than those with negative perceptions.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

This study made use of the cross-sectional survey research design. This type of research design tries to get an overview of all subjects; a total perception of the situation of things at a given point in time using interview, questionnaire and other related methods (Obikeze, 1990).

This study aimed at identifying the socio-cultural factors affecting the performance of micro and small scale enterprises in Anambra and Abia States. This design is thus most appropriate for the study of this nature since it entails a very large population.

3.2 Study Area

The study was carried out in Anambra and Abia states of Nigeria. The states are most suitable for a study of this nature because of the predominance of micro and small scale enterprises activities in the two States.

Anambra State

Anambra is a state in the South-Eastern Nigeria. The geographical area known as Anambra State today came into being, along with eight other states on August 27, 1991, following the creation of states exercise (Anambra Hand Book, 2001). Anambra derived its name from Anambra River (Omambala), which is a tributary of the River Niger. The State is situated on a rolling flat land on the eastern plains of the River Niger. It was part of the former Eastern Region (former East Central State) and part of the old Anambra State. It covers an area of 4,887 square Km; has a typical semi tropical rain forest vegetation, a humid climate with a mean temperature of about 87°F and a rainfall of between 152cm ï 203cm (A H B, 2001;

Anambra SEEDS, 2005). Anambra State shares common boundaries with Enugu, Imo, Delta and Kogi States. Anambra has a population of 4,055048 people according to 2006 census. The estimated population of Anambra State for 2010 using an approximate growth rate of 3% is 4, 86605. The capital is Awka but has Onitsha and Nnewi as two major commercial and industrial centres (A H B, 2001). To this end, the study would focus on MSSEs in these three key geographical locations in the state.

Anambra State is made up of 21 Local Government Areas and three senatorial zones namely, Anambra Central, Anambra South and Anambra North senatorial zones. The predominant religion in Anambra State is Christianity. More than 70% of the people are Christians. The State is characterized by primary production activities in agriculture, industry and a great deal of commercial activities. The State slogan is ñLight of the Nationò. The indigenous ethnic groups in Anambra State are the Igbo (98% of the population) and a small population of Igala (2% of the population) who live in the western part of the State. People of Anambra state are very resourceful and enterprising especially in the area of commerce.

Abia State

Abia is a state in the South-Eastern Nigeria. Abia State was created in August 27, 1991 out of the old Imo State. The name Abia is an abbreviation of the four densely populated regions of the state: Aba, Bende, Isuikwuato and Afikpo.The State comprises 17 local government areas and three senatorial zones namely, Abia North, Abia central and Abia South senatorial zones. The capital of Abia State is Umuahia but has Aba as the town with the most concentration of micro and small scale enterprises activities (Ministry of Chieftaincy Affairs, 2005). The State slogan is ógods own Stateô.Abia State lies within latitude 4°48'N and 6°10'N, and longitude 7°09'E and 8°4'E (Ministry of Lands, Survey and Urban Planning, 2005). Abia has a population of 2,833999 people according to 2006 census. The estimated population of Abia

for 2010 using an approximate growth rate of 3% is 3, 40079. The population density of Abia State is 486 persons per square kilometre (NPC, 2006). Abia State had common boundaries with Enugu, Ebonyi, Rivers and Imo States and has a land mass of 5,834Km^2 (MLSUP, 2005).

People of Abia state are predominantly Christians. The people of the state are engaged in different occupations such as farming, wood processing, commercial and industrial activities. The high level of commercial activities in the state attracts people from different parts of the country. This study will focus on the activities of MSSEs in the commercial towns of the state: Aba, Umuahia and Ohafia. This is because most MSSEs in the state operate in these towns.

3.3 Study Population

The population for this study consists of the officially registered Micro and Small Scale Enterprises in Anambra and Abia States, which are located in Awka, Onitsha and Nnewi for Anambra; and Aba, Umuahia and Ohafia for Abia State. According to the information made available to the researcher by the National Association of Small Scale Industries (NASSI) and Chambers of Commerce in the two States, the total number of registered members is 2,658 for Anambra State and 1,950 for Abia State.

Therefore, these figures formed the population of the study out of which the study sample would be drawn.

3.4 Sample Size

The sample size for this study was determined statistically using the formula;

$$n = \frac{z^2(pq)}{e^2}$$

In this formula;

n = sample size for each State

z = level of confidence (95% or 1.96σ)

p = MSSEs performance rate (35% derived from Ligthelm and Cant, 2006).

q = 65% (complement of p.)

e = Accuracy rate (4%)

Evaluating: $n = \frac{(1.9^2\,(35)(.65)}{.04^2} = \frac{3.84x0.23}{.0016}$

=552 (per state) x 2

= 1,104 sample for the study.

3.5 Sampling Procedure

Multi-stage sampling method which involved successive sampling in order to choose enterprises and respondents was adopted. Multi- stage sampling was very relevant in this procedure because the study population is large and made up of several clusters. Each senatorial zone of the two states is assigned a quota of enterprises to be covered. This is because these senatorial zones are considered as representing different geo-political units. The MSSEs that are operating within these zones are considered as part of the quota for the zone. These senatorial zones are: Anambra Central, Anambra South and Anambra North senatorial zones. While that of Abia state are: Abia Central, Abia South and Abia North senatorial zones.

Within each senatorial zone of the state, the researcher purposively chose the three most urban towns (commercial centres). These urban centres are Awka from Anambra central; Nnewi (semi-urban) from Anambra South and Onitsha from Anambra North zone. For Abia State Umuahia, is chosen from Abia Central; Aba (partly semi-urban) from Abia South and Ohafia (semi-urban community) from Abia North zone. The choice of these urban centres was informed by the fact that they are the major commercial centres in the zones. Again these are the centres in the zone where MSSEs are predominantly located. For each selected urban town a quota is assigned representing 1/3 (i.e. 184) of the total enterprises from the State. From a list of MSSEs in each state the researcher selected 184 MSSEs (i.e 184 x 3 = 552 for Anambra and 552 for Abia state, making it 1,104 sample size), using simple random sampling. The chief operating entrepreneur of each chosen enterprise was sampled. The reason is that s(he) is the one who knows more about the day to day running of the business. To this effect, as soon as an enterprise is selected, respondents are also selected. As a result, no further procedure will be needed in selecting the respondents.

3.6 Instrument for Data Collection

The major survey instrument for the study was the questionnaire. The questionnaire was divided into sections. The first section (Section A) was designed to obtain background information about the respondents, while the second section (Section B) focused on the knowledge of existence of government policies on MSSEs in Nigeria, Section C and D focus on socio-cultural factors affecting MSSEs performance and constraint(s) encountered by MSSEs operators respectively. The questionnaire consists of open and close ended items which are relevant to the study.

Besides, more information was elicited from the target respondents using a structured interview guide. The researcher purposively selected and interviewed 3 chief MSSEs operators each from the six zones, making it 18 respondents. These respondents were not part of the operators that were administered the questionnaire. The selection was on the basis of their position, business background and experience. Both complementary instruments were helped to elicit and gather more information from the respondents on the socio-cultural factors affecting the performance of MSSEs in the states.

3.7 Method of Data Collection

The questionnaire was administered in face-to-face interaction with all the respondents. The administration of the questionnaire was done by the researcher with the help of the field assistants. Consequently, 6 field assistants (under-graduate and graduate students) were recruited and trained on the objectives of the study. They were also subjected to test so as to ensure familiarity with the questionnaire. The field assistants must be conversant with the study area so as to know all the nooks and crannies of the area under study. It is either that they are indigenes or that they must have stayed in the area for more than three years. This ensured that all respondents chosen were accessed. Vernacular (local dialect by the research assistants who were recruited) was also used for illiterate respondents. The researcher conducted the interview himself, while two field assistants assisted in note taking. This was to make sure that the entire data concerning the study were being captured. Face validity of the questionnaire instrument was done by 5 experts in Sociology, Anthropology and Social Work departments, who are all members of academic staff of the University of Nigeria, Nsukka. The internal reliability of the items in the survey instruments was determined using Cronbach Alpha, and internal reliability co-efficient of 0.89 was obtained.

3.8 Method of Data Analysis

The data were analyzed using the Statistical Package for Social Science (SPSS). Descriptive statistics namely percentages and frequency tables were used to describe and interpret the data collected from the field. Chi-square (X^2) was used in testing the hypothesis. Qualitative data were also analyzed to compliment the quantitative data. Analysis of qualitative data focused on interpretation and description of what was actually said by the interviewee. In going through the transcription, phrases with special connotation noted and pulled out as illustrative quotes to complement the quantitative data, describing responses of the respondents.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

This section presents the analysis of data collected during the field work between the months of May and August 2011. One thousand one hundred and four copies of the survey instrument were administered to the respondents selected through multi-stage sampling techniques. One thousand and ninety five questionnaires were returned and the responses were used in the analysis that follows below. This high return rate (99.2%) may be attributed to the method of questionnaire administration, which was other- administered. Also, integrated in the analysis are qualitative data collected through in-depth interviews with the chief operation officers of Micro and Small Scale Enterprises (MSSEs) from different communities under study. The presentation of the analysis and result of the study followed a definite sequence namely: the socio-demographic characteristics of study subjects, awareness of the existence of government policies on MSSEs, issues on socio-cultural factors affecting MSSEs performance and constraints encountered by MSSEs operators.

4.1 Socio-Demographic Characteristics of Respondents

The variables of interest were: sex, age, location of business, marital status, educational qualification and religious affiliation.

(a) Sex.

This section presents the data on sex of respondents in the table one below.

Table 1: Distribution of respondents by Sex (n = 1095).

Sex	Frequency	Percentage
Male	904	82.6
Female	191	17.4
Total	**1095**	**100**

Source: Field Survey 2011

Table 1 above shows that 82.6 % of the respondents were males while 17.4% were females. This means that large majority of the MSSEs operators were males. The reason for this lopsidedness in the sex distribution above is the fact that in terms of occupation, Nigerian culture assigns business areas more to males than the females. Thus, in MSSEs business men participate more than female because men can easily get capital to start off business, while women depended on men. Furthermore, the males are the bread winners in the family, as such they are expected to be more active and participate in the business so as to meet up with their responsibilities.

(b) Age.

The data gathered during the field work on age distribution of respondents are shown in table two below.

Table 2: Distribution of respondents on Age variable (n = 1095).

Age	Frequency	Percentage
19-24	135	12.3
25-29	162	14.7
30-34	337	30.8
35-39	121	11.1
40-44	178	16.3
45-49	73	6.7
50-54	20	1.8
55-59	35	3.2
60 and above	34	3.1
Total	**1095**	**100**

Source: Field Survey 2011

The age distributions of respondents were categorized in five-year intervals giving a total of nine age categories. The highest percentage of the respondents was aged 30-34 representing 30.8%. They were followed by those aged 40-44 representing 16.3% and those aged 25-29 (14.7%). Those in the age range of 19-24 recorded 12.3% while the least age range was 50-54 (1.8%). This implied that the majority of MSSEs operators were still in their youthful age which is the age of adventure.

(c) Business Location.

The information on business location of MSSEs is discussed in Table 3 below.

Table 3: Distribution of respondents on Business Location (n = 1095).

Location of Business	**Frequency**	**Percentage**
Semi-Urban	335	30.6
Urban	760	69.4
Total	**1095**	**100**

Source: Field Survey 2011

Table 3 above shows that MSSEs operators whose businesses were located in urban centre were 69.4 %, while those that operate in the semi-urban areas formed 30.6%. This implies that majority of the MSSEs in Anambra and Abia States were urban-based because of the pull of the urban centres. Again, demands for products of MSSEs are more likely to be found in urban centers, and also both skilled and unskilled labour are more available in urban than semi-urban centers. The reason is also the availability of electricity, water and other social amenities.

(d) Educational Qualification.

Information on educational qualification respondents were discussed in table four below.

Table 4: Distribution of respondents on Educational qualifications (n = 1095)

Educational Qualification	Frequency	Percentage
No formal Education	52	4.7
FSLC	123	11.2
WASC/GCE	768	70.1
NCE/OND	66	6.0
BSC/HND	76	7.0
MSC/PHD	10	1.0
Total	**1095**	**100**

Source: Field Survey 2011

On educational attainment, Table 4 shows that 4.7% of the respondents had no formal education; 11.2% completed primary school; 70.1% completed secondary school while 13.8% had higher education ranging from NCE/OND, BSc/HND to M.Sc/Ph.D. This shows that majority of MSSEs operators in Anambra and Abia States were holders of WASC/GCE. The reason may be that they are the people who are still trying to make breakthrough in life. Again, some are still looking forward to gain admission into institution of higher learning.

(e) Religious Affiliation.

Religious affiliation of MSSEs operators in Anambra and Abia States was in the table five below.

Table 5: Distribution of respondents on Religious affiliation (n = 1095).

Religious affiliation	Frequency	Percentage
African Traditional Religion	16	1.5
Christianity	1075	98.1
Islam	4	0.4
Total	**1095**	**100**

Source: Field Survey 2011

The table shows that Christianity was the dominant religion in the study area and it had the highest percentage of respondents, 98.2%. This was followed by African Traditional Religion

which accounted for 1.5 % of the respondents. The third category of respondents was Islam, 0.4%.

(f) Marital Status.

Table 6 below discussed marital status of MSSEs.

Table 6: Distribution of respondents on marital status (n = 1095).

Marital Status	**Frequency**	**Percentage**
Married	302	27.6
Single	602	55.0
Divorced	94	8.6
Separated	21	1.9
Widowed	76	6.9
Total	**1095**	**100**

Source: Field Survey 2011

With regard to marital status of respondents Table 6 above shows that 55.0% were single, 27.6% were married, 8.6% divorced, and 6.9% were widowed while 1.9% was separated. This implied that the dominant marital category of respondents was single. This is in correlation with Table 2 where it was indicated that people in this age bracket are the categories of people who have not made it in life and could have not been comfortable to enter marital life due to economic reasons. As such, they are still struggling to make it.

4.2 Awareness of Government MSSEs Policies

This section presents the analysis of data on awareness of government policies on MSSEs by the demographic variables of interest which include sex, age, business location and education qualification. The essence was to ascertain the effects of each variable on awareness of governmentôs policies on MSSEs.

4.2.1 Awareness of governmental policies on MSSES by sex of respondents.

Table 7 below discussed the awareness distribution of MSSEs by sex.

Table 7: Distribution of respondentsô awareness of government policy on MSSEôs by Sex of respondents

Sex	Awareness of government policies		Total	Chi-Square (X^2)
	Aware	Not aware		
Male	155(17.1%)	749(82.9%)	904(100%)	X^2 = 28.003 Critical X^2 = 7.88 df = 1 p Ò.005
Female	65(34.0%)	126(66.0%)	191(100%)	
Total	220(20.1%)	875(79.9%)	1095(100%)	

Source: Field survey, 2011

Table 7 above shows that out of 1095 MSSEs respondents, 79.9% operators were unaware of government policies, while 20.1% were aware. This implies that there is high unawareness of government policies among MSSEs operators. However, Table 7 further reveals that among the male respondents, 17.1% were aware of government policies on MSSEs while 82.9% were not aware of those policies. For the female respondents, 34.0% were aware of the government policies while 66.0% were not aware. Therefore, there is significant difference (X^2 = 28.003, df. = 1, p Ò.005) in level of awareness of government policies between male and female respondents.

One interesting thing about the Table was how female respondents who participated less in MSSEs business indicated they were more aware about MSSEs government policies than the male who participated more. The reason for this awareness on the part of the female MSSEs operators is in agreement with Azikiwe (1992), that realizing the importance of women in the national development, government has initiated many policies and programmes aimed at educating the Nigerian woman to enable her to contribute effectively to the development

process and to enhance their awareness, participation and contribution in the national development. Thus, the dividends of the programmes and policies have resulted in their awareness level as observed in MSSEs government policies in Anambra and Abia States. Therefore, there is a strong relationship between education and awareness.

Figure 1 below illustrates the data on Table 7 with a pie chart.

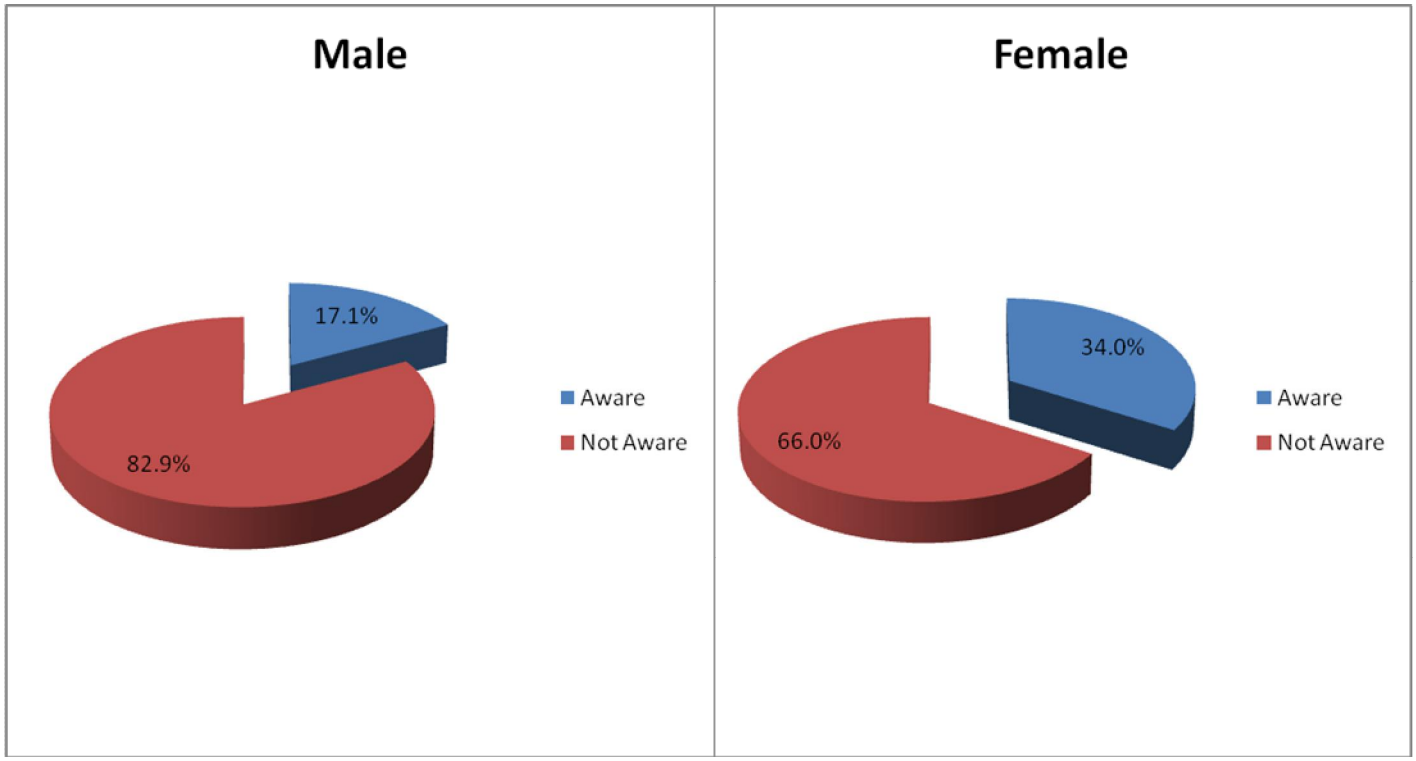

Figure 1: Respondents' awareness of government policy on MSSE's by Sex.

4.2.2 Awareness of government policies by age of respondents.

To make the analysis clearer and more meaningful, the age of respondents was recoded into three categories as follows: 19-34 years as óyoungerô; 35-49 years as middle age; 50 years and above as óolderô.

Figure 2 below presents a bar chart illustration of the distribution of respondentsô awareness of government policies on MSSEs by age.

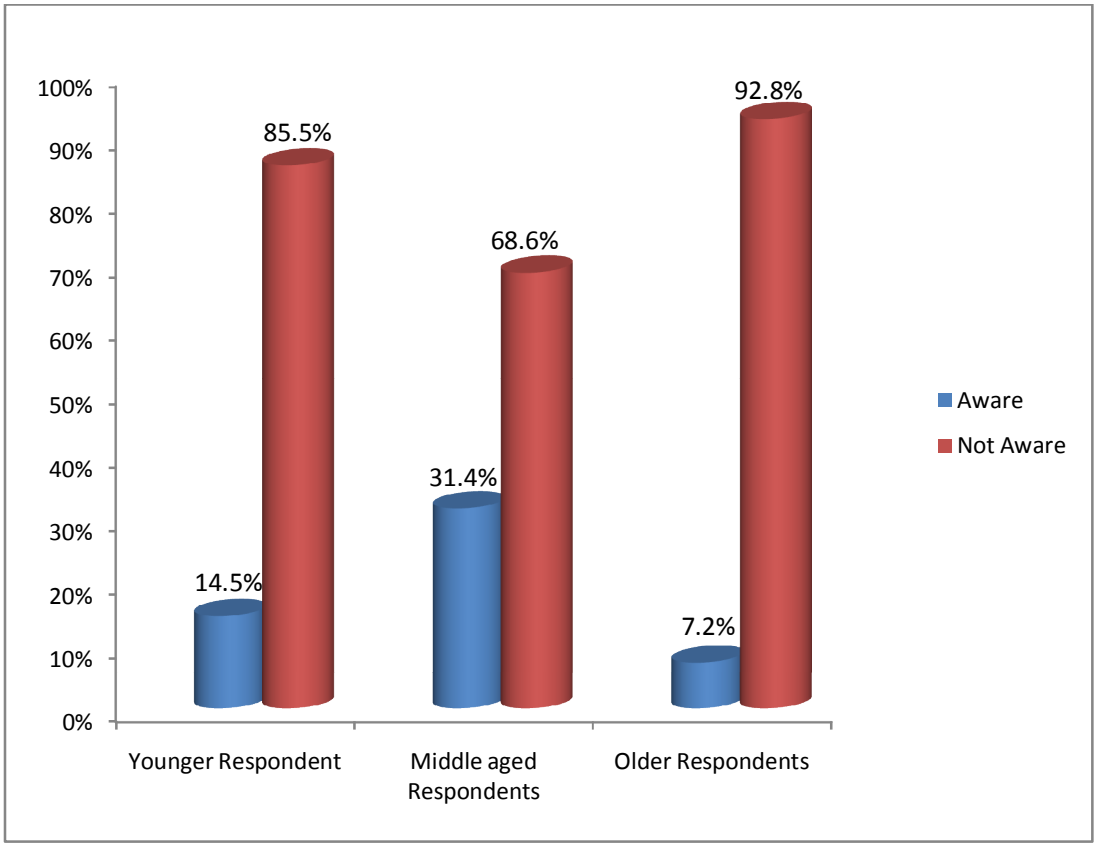

Figure 2: Awareness of government policy on MSSE's by Age of respondents

Figure 2 shows that only 14.5% of the younger respondents were aware of government policies. Furthermore, 31.3% of middle-aged respondents were aware of government policies, while 7.2% of older respondents were aware of government policies. Therefore, the figure reveals that the middle-age respondents were more aware of government policies than the other aged categories. The reason for more awareness of government policies by the middle-aged respondents might be because this is the age who are still working to forge ahead in life and is likely to be more interested on government policies that will facilitate their up-liftment

in life than older generation who have more or less made it in life, and younger generation who are more or less dependent on their guidance.

4.2.3 Awareness of government policies by location of business.

This section presents the analysis of data on awareness of government policies by MSSEs location of business.

Table 8: Distribution of respondentsô awareness of government policy on MSSEôs by Business Location.

Business Location	Awareness of government policies		Total	Chi-Square (X^2)
	Aware	Not aware		
Semi-Urban	47(14.0%)	288(86.0%)	335(100%)	X^2 = 20.952 Critical X^2 = 7.88 df = 1 p Ò.005
Urban	173(22.8%)	587(77.2%)	760(100%)	
Total	220(20.1%)	875(79.9%)	1095(100%)	

Source: Field survey, 2011

On business location, Table 8 shows that 14.0% of respondents who operated in semi-urban areas were aware of government policies while 22.8% of the urban business operators indicated awareness of government policies also. There is a significant difference in the level of awareness of government policies among operators in semi-urban and urban areas (X^2 = 20.952, df. = 1, p Ò.005). This implies that awareness of government policies is affected by location of the business operators as the urban location promotes awareness. In addition, people in urban centres are closer to the government than people in semi-urban areas where they see government officials, activities and have more access to mass media.

4.2.4 Awareness of government policies by educational qualification

To facilitate the analysis of data, the variable, educational qualification (see Figure 3 below) was recoded as follows: no formal education, FSLC and WASC/GCE/SSCE were grouped as low level of education while NCE/OND, HND/B.Sc and M.Sc/Ph.D were grouped as higher level of education.

Figure 3 below presents a bar chart illustration of the distribution of respondentsô awareness of government policies on MSSEs by Educational Qualification.

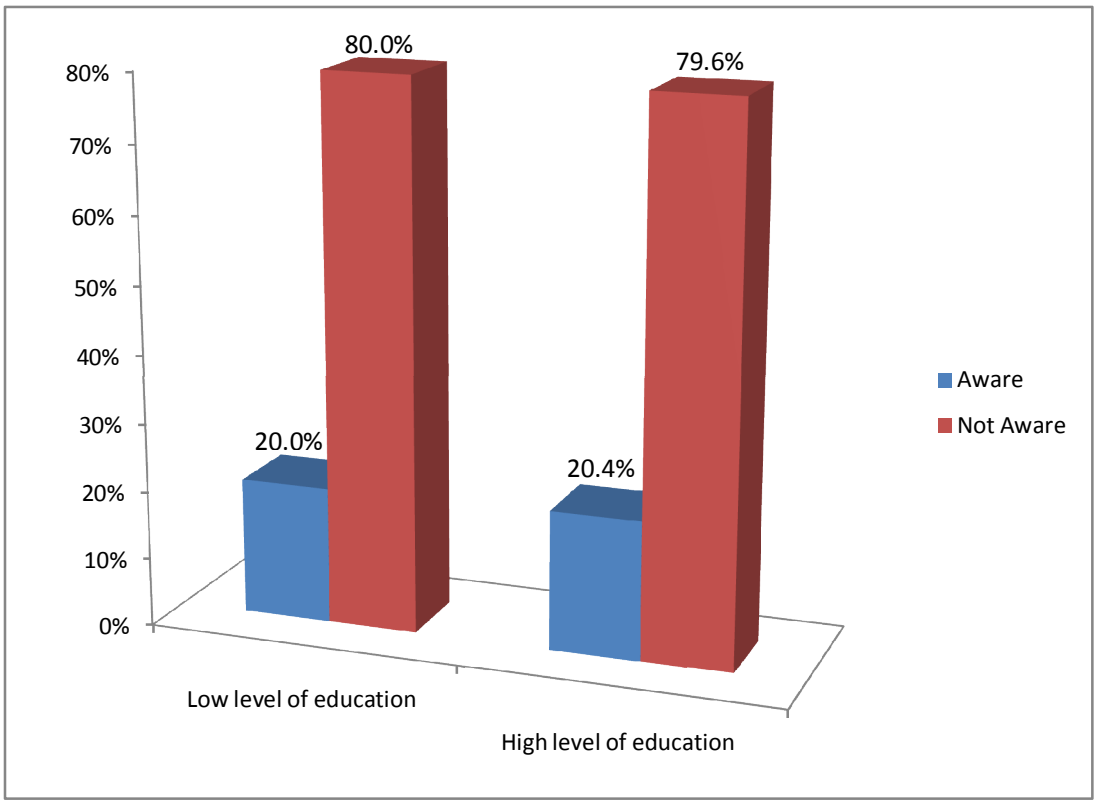

Figure 3: Awareness of government policy on MSSE's by Educational Qualification of respondents

Figure 3 above indicates that 20.0% of respondents who had low level education indicated awareness of government policies, while 80.0% are unaware. Those operators with high level

education indicated 20.4% and 79.6% awareness and unawareness of government policies respectively. The implication of this important finding is that in business , operators of MSSEs shared closely the same level of awareness, indicating that educational qualification is not a barrier to awareness of government policies. More so, educational qualification is not a prerequisite to awareness of government policies. One can be educated but in terms of awareness and business acumen, one cannot live up to expectation. On the other aspect, one might not be educated but well versed when it comes to awareness and business acumen. That is the situation shown in Figure 3 above. However, this is not the view of Osuala (2004) that low educational background has been identified as a problem for MSSEs operation and performance. To him lack of relevant educational background has serious effects on the MSSEs performance to seize business opportunity that may lead to growth and expansion.

In all, the result showed that the awareness of government policies by MSSEs operators was low (see Table 7 above). This could be attributed to non sensitization of the MSSEs operators on the said policies. This goes a long way in buttressing that awareness of people in a specific environment is a determining factor for the success of any organization. The result reveals the need for sensitization of the masses on the existence of MSSEs government policies because they need to be aware of such policies so as to benefit from them. This finding was corroborated by the qualitative data where respondents were asked if they were aware of government policies. One of the respondents stated thus:

> Why ask me about awareness of government MSSEs policies, people are not aware of it my friend. Even the person who claims he is aware, ask him questions further and you will notice he is just boasting. I repeat,we are not aware. What we are doing here is, ike keta olie (we live on their personal effort).
> **[Interviewee – (M) from Onitsha]**

In addition, no matter how lofty a programme or policy is, without the full awareness of the target group it is as good as nothing.

4.3 Respondents' Source of Information on Government MSSEs Policies

Another issue of interest in this study is the sources of information on government policies. To this end, respondents were asked to mention sources of information on government MSSEs policies. Figure 4 below presents the sources.

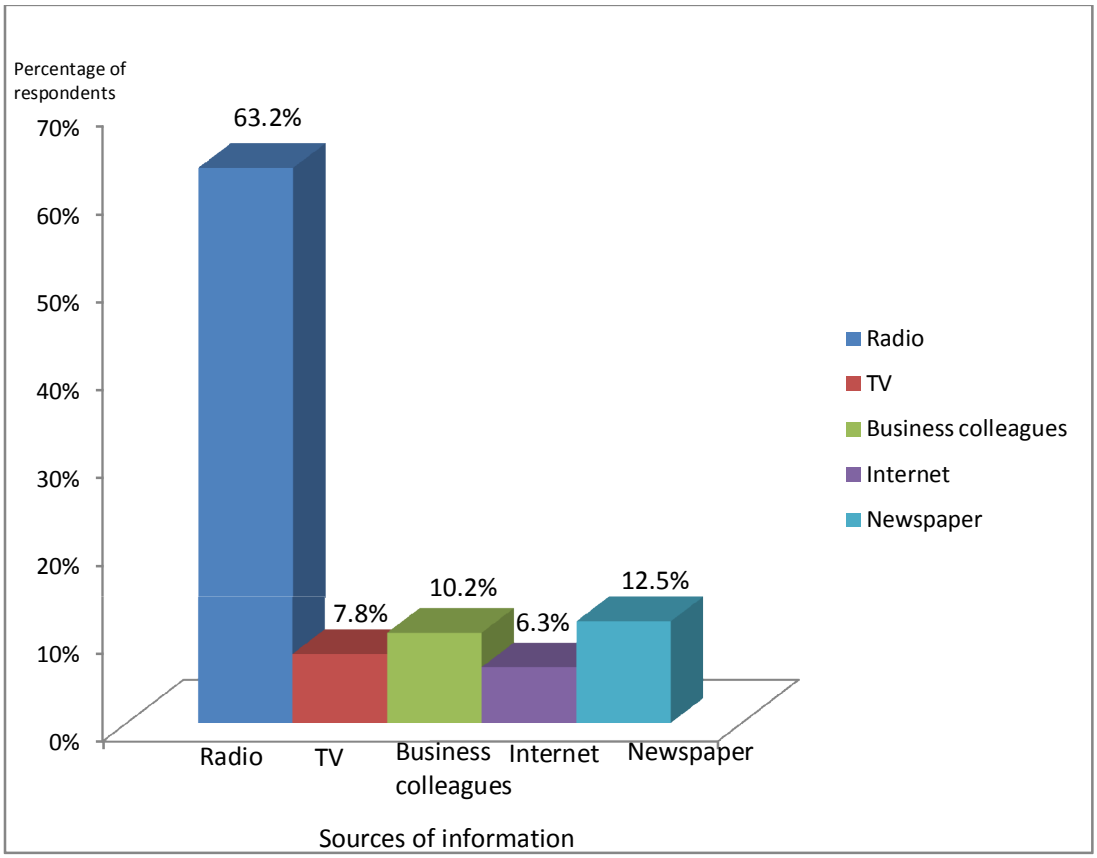

Figure 4: Sources of information on MSSEs

Figure 4 above shows that 63.2% of respondents indicated that radio was the most useful source of information; 10.2% was indicated by the business colleagues; 12.5% was also indicated for newspaper; 7.8% was also for television and 6.3% for internet. It is not surprising to see that radio was the most useful source of information. This might be as a result of the affordable, mobile and transmition nature of radio, which cuts across all

geographical divides of urban and rural locations. It can reach people anywhere, whether offices, market, farms; even on transit and all nooks and crannies.

4.3.1 Sources of information on MSSEs by sex of respondents

This section presents sources of information on MSSEs by sex.

Table 9: Distribution of respondentsô sources of information on MSSEôs by sex

Sex	Sources of Information					Total	Chi-Square (X^2)
	Radio	**TV**	**Business Colleagues**	**Internet**	**Newspaper**		
Male	687(76.0%)	25(2.8%)	12(1.3%)	54(6.0%)	126(13.9%)	904(100%)	X^2 = 893.055 Critical X^2 = 14.86 df = 4 p Ò.005
Female	6(3.4%)	60(31.4%)	100(52.4%)	15(7.9%)	10(5.2%)	191(100%)	
Total	693(63.3%)	85(7.8%)	112(10.2%)	69(6.3%)	136(12.5%)	1095(100%)	

Source: Field survey, 2011

On source of information, Table 9 above shows that 76.0% of male operators identified radio as their most useful source of information, while 3.4% of female operators indicated that radio was their most source of information. Therefore, the most useful source of information on government policies for male and female MSSEs operators was radio and business colleagues with 76.0 % and 3.4% respectively. This implies that source of the most useful information is influenced by sex of respondents (X^2 =893.055 df. = 4 p Ò.005).In addition, it is not a surprising thing to see that radio was the most useful source of information for the male because they have more listening time than women. Again, women are more pronto other responsibility like domestic works, which they do more than men.

Furthermore, in order to have better understanding of the impact of various of sources of information about government policies on MSSEs, the radio and television services were

grouped together and recoded broadcast media, business colleagues was also renamed as human agent, while internet and newspaper services were grouped and recoded as the press. Table 10 represents the result of the recoding exercise.

Table 10: Distribution of respondentsô group with most useful information on MSSEôs government policies by sex of respondents

Sex	Source with most useful information			Total	Chi-Square (X^2)
	Broadcast Media	Human Agents	Press		
Male	712(78.8%)	12(1.3%)	180(19.9%)	904(100%)	X^2 = 599.527 Critical X^2 = 10.6 df = 2 p Ò.005
Female	66(34.5%)	100(52.4%)	25(13.1%)	191(100%)	
Total	778(71.1%)	112(10.2%)	205(18.7%)	1095(100%)	

Source: Field survey, 2011

The Table 10 above indicates that broadcast media (78.8 %) was the most useful source of information on government policies on MSSEs for the male operators of MSSEs, while human agents (52.4%) remained the most useful source of information for the females. This may be as a result of busy nature of women that do not allow most of them to listen to news; as such they depend so much on information from people around them. Again, broadcast media was most useful for males because it does not require any skill to access. It is also common both in urban and rural locations unlike newspaper and internet that are not widely circulated and required skill before you access it. For instance, one needs to be computer literate to some extent before accessing internet. Therefore, there is considerable difference (X^2 = 599.527, df =2, p Ò .005) on sources of information between male and female respondents. In other words, the sex of the respondents had influence on source of information on MSSEs. A X^2 shows the difference as statistically significant at p Ò.005

4.3.2 Sources of information on MSSES by age of respondents

This section focused on sources of information by age of respondents so as to ascertain the sources of information used by the different age categories.

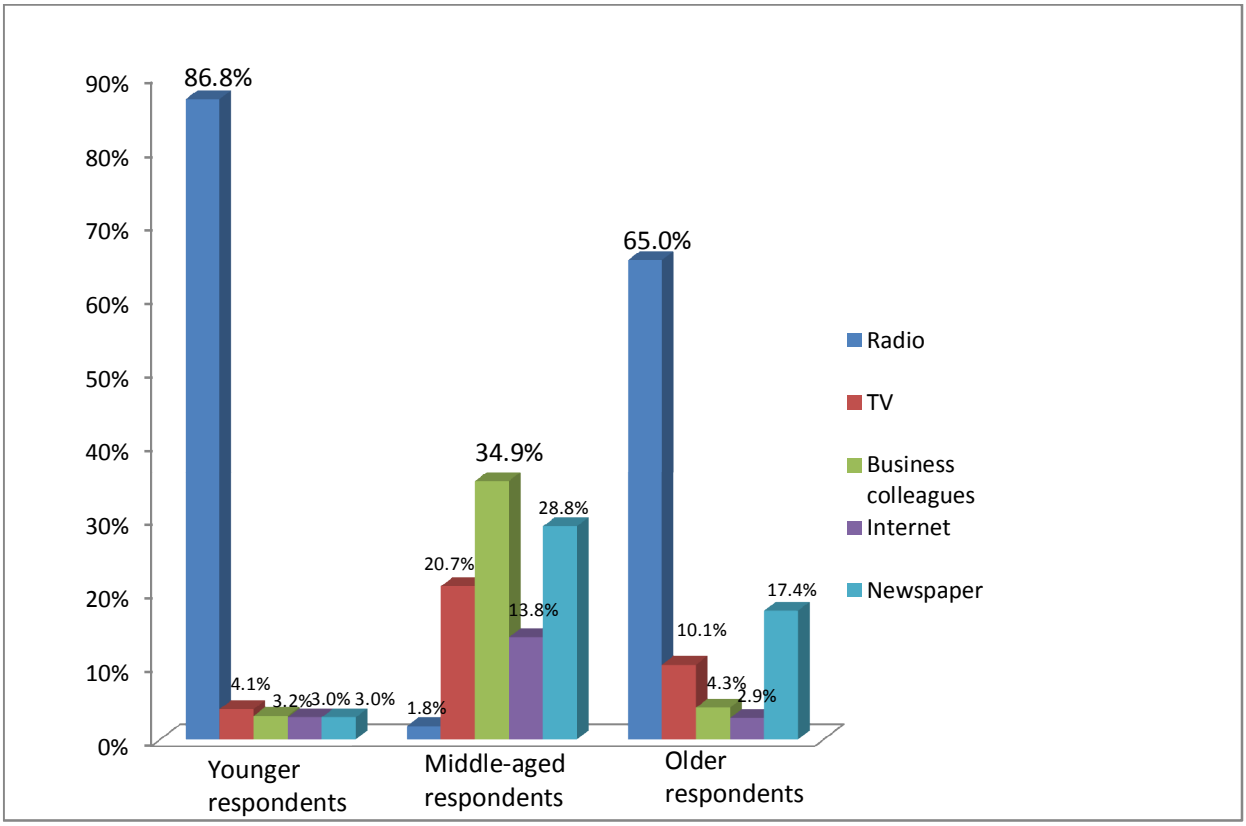

Figure 5: Sources of information on MSSE's by age of respondents

Figure 5 above shows that 86.8% of younger respondents recorded radio as the most useful source of information, while 34.9% of middle-age respondents indicated business colleagues to be the most useful information. Furthermore, 65.0% of older respondents said that radio was the source of most useful information.

In order to gain more insight into the impact of various sources of information about government policies on MSSEs, the radio and television services were grouped together and recoded broadcast media, business colleagues was also renamed as human agent, while

internet and newspaper services were grouped and recoded as the press. Table 11 below presents the information.

Table 11: Distribution of respondentsô group with most useful information on MSSEôs government policies by age of respondents

Age	Source with most useful information			Total	Chi-Square (X^2)
	Broadcast Media	Human Agents	Press		
Younger Respondents	534(84.2%)	35(5.5%)	65(10.3%)	634(100%)	X^2 = 719.491 Critical X^2 = 14.86 df = 4 p Ò.005
Middle aged Respondents	188(47.9%)	71(18.1%)	133(34.0%)	392(100%)	
Older Respondents	56(81.2%)	6(8.7%)	7(10.1%)	69(100%)	
Total	778(71.1%)	112(10.2%)	205(18.7%)	1095(100%)	

Source: Field survey, 2011

On the age of respondents, 84.2% of the younger respondents stated that the most useful source of information on government policies on MSSEs was broadcast media, while press (34.0%) was indicated by the middle-aged respondents. For older operators of MSSEs, broadcast media was also indicated by 81.2% as the most useful source of information. For younger respondents it was so because they have more time as growing youths. Again, they have less responsibility which makes them more accessible to media consumption. On the part of older respondents, because some have retired, they are no longer in active labour force which also give them more time for media access Therefore, there is significant difference (X^2= 719.491, df = 4, p Ò.005) on source of information and age categories of respondents.

4.3.3 Sources of information MSSES by business location of respondents

The essence of this section is to find out the most useful source of information for MSSEs operators both in semi-urban and urban centres. Table 12 below presents the data.

Table 12: Distribution of respondentsô sources of information on MSSEôs by business location of respondents

Business Location	Sources of Information					Total	Chi-Square (X^2)
	Radio	TV	Business Colleagues	Internet	Newspaper		
Semi-urban	133(39.7%)	78(23.2%)	86(25.7%)	4(1.2%)	34(10.1%)	335(100%)	X^2 = 639.673
Urban	560(73.7%)	7(0.9%)	26(3.4%)	65(8.6%)	102(13.4%)	760(100%)	Critical X^2 = 14.86
Total	693(63.3%)	85(7.8%)	112(10.2%)	69(6.3%)	136(12.5%)	1095(100%)	df = 4
							p Ò.005

Source: Field survey, 2011

On business location, 39.7% of operators of MSSEs in semi-urban areas indicated that the most useful source of information to them was radio. In urban location, 73.7% of operators of MSSEs who heard about government policies stated that the most useful source of information to them was radio. Another most useful source of information for semi-urban dwellers was business colleagues which accounted for 25.7%, while newspaper (13.4%) was for the urban operators. In that sequence, while television (23.2%) remained the third most useful source of information for semi-urban operators, internet (8.6%) was for urban operators. The fourth most useful source of information for semi-urban operators was newspaper (10.1%), while for the urban operators it was business colleagues (3.4%). The least source of information for semi-urban operators was internet (1.2%), while for the urban operators it was television (0.9%). This goes a long way in buttressing the fact that MSSEs operators in semi-urban and urban area can easily access radio. This might be because of the affordable and mobile nature of radio. Again, the reason might be attributed to the fact that most of the handsets (mobile phones) used by people have radio facilities.

Still on the issues of business location, Figure 6 below presents the result of the merged sources of information.

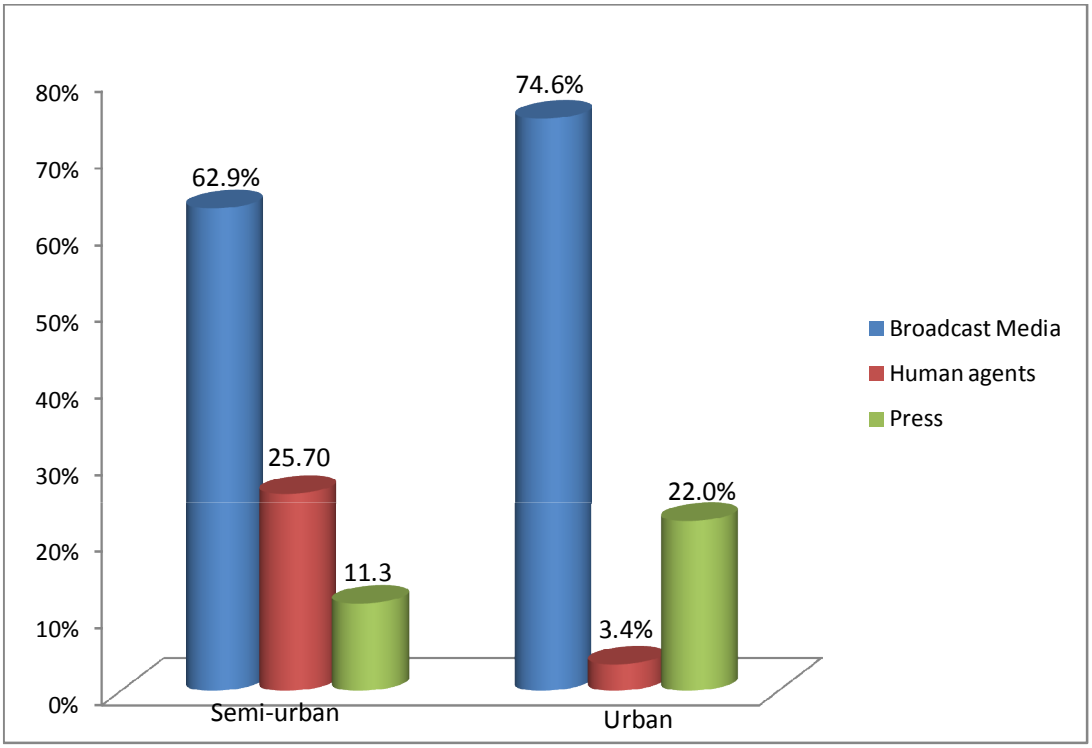

Figure 6: Sources of information on MSSE's by business location of respondents

Figure 6 showed that 6.29% of operators of MSSEs in semi-urban area indicated that the most useful sources of information to them were broadcast media. This goes a long way in buttressing the fact that in semi-urban areas, broadcast media remains the most useful channel of disseminating information.

4.3.4 Sources of information on MSSES by educational qualification

The interest in this section is to determine the most useful source information across different educational qualifications of respondents. Figure 7 below presents the information.

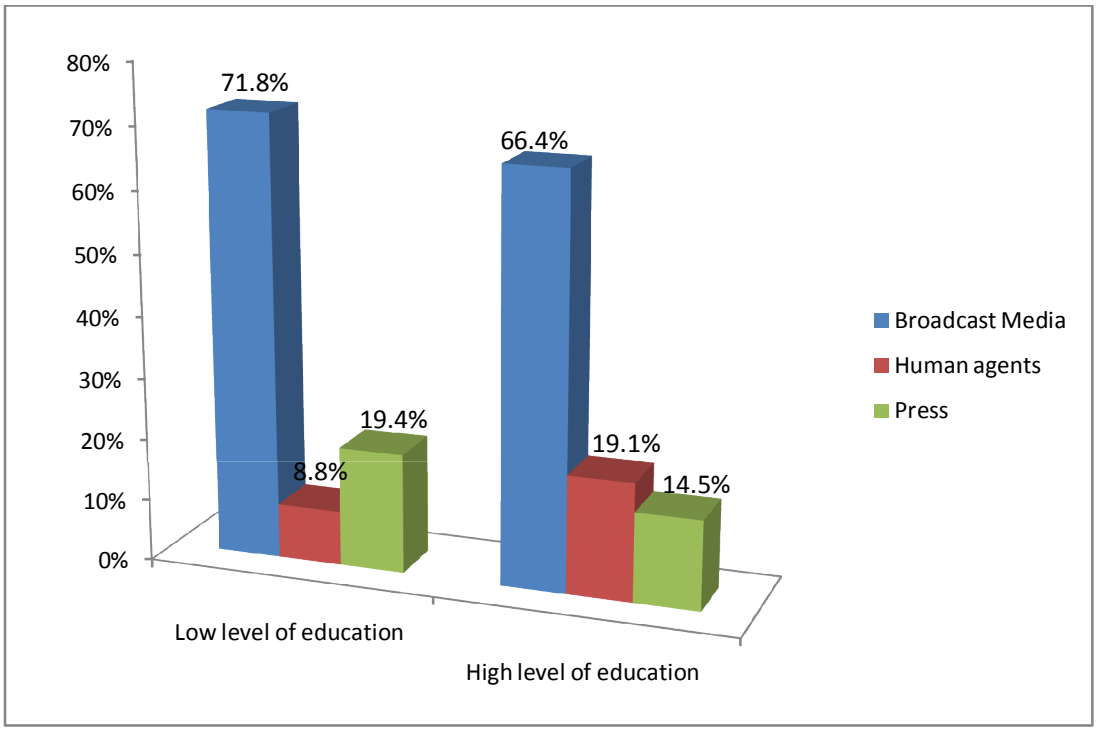

Figure 7: Sources of information on MSSE's by educational qualification of respondents

With regards to the impact of educational qualifications, Figure 7 shows that 71.8% and 66.4% of the operators with low and high level of education respectively said that broadcast media was the most useful source of information. Generally, broadcast media was the most useful source of information to all the MSSEs operators. This might be because of the accessibility and prevalence of the broadcast media in our society.

In order to have more in-depth understanding of the impact of educational qualification on the sources of information for MMSEs operators, the variables of interest were represented in Table 13. See Table 13 below.

Table 13: Distribution of respondentsô source with most useful information

Educational Qualification	**Source with most useful information**			**Total**	**Chi-Square (X^2)**
	Broadcast Media	**Human Agents**	**Press**		
Low Level of Education	677(71.8%)	83(8.8%)	183(19.4%)	943(100%)	
High Level of Education	101(66.4%)	29(19.1%)	22(14.5%)	152(100%)	X^2 = 897.211 Critical X^2 = 10.60
Total	778(71.1%)	112(10.2%)	205(18.7%)	1095(100%)	df = 2 p Ò.005

Source: Field survey, 2011.

Generally, the broadcast media was the most useful source of information for the operators with high level of education (71.8%), and operators with low level of education (66.4%). This is simply because of the accessibility, affordability, and mobile nature of the broadcast media as stated earlier.

4.4 Accessibility to Government MSSEs Policies

This section deals with the analysis of data on accessibility to government policies by MSSEs operators. The essence is not only to determine the operatorsô accessibility to the government policies but also the impact of various demographic variables on accessibility to government MSSEs policies. By accessibility in this context is meant the ability of MSSEs operators to benefit from the policies made for them by the government in order to support and develop their business.

4.4.1 Accessibility to government MSSEs policies by sex

This section focused on accessibility to government MSSEs policies by sex. Table 14 below presents the data.

Table 14: Respondentsô accessibility to government policies on MSSEôs by sex.

Sex	**Accessibility to Government Policies on MSSE's**		**Total**	**Chi-Square (X^2)**
	Yes	**No**		
Male	97(10.7%)	807(89.3%)	904(100%)	X^2 = 22.486 Critical x^2 = 7.88 df = 1 p Ò.005
Female	10(5.2%)	181(94.8%)	191(100%)	
Total	107(9.8%)	988(90.2%)	1095(100%)	

Source: Field survey, 2011

Table 14 above indicates that out of 1095 MSSEs respondents, 90.2% operators had no access to government MSSEs policies, while only, 9.8% had access to government policies. Furthermore, the table shows that the female MSSEs operators recorded the highest proportion (94.8%) of non accessibility to government policies, while male operators recorded 89.3%. On accessibility, the male operators recorded 10.7%, while the female operators recorded 5.2%. The data show there is significant difference (X^2 = 22.486, df. = 1, p Ò.005) in accessibility of government policies between male and female MSSEs operators. This might be because of the notion or perception they have regarding the policies that it was an indirect way of tax assessment and a way of taking stock of their business.

Still on accessibility to government policies, the study further investigated the reason for MSSEs non access to government policies by cross-tabulating accessibility by awareness of MSSEs government policies. The reason for the cross-tabulation was to find out if accessibility depends on awareness. Table 15 below presents the data on the cross-tabulation.

Table 15: Respondentsô awareness of government policies on MSSEôs by accessibility to government policies.

Accessibility to government policies	**Awareness of government policies on MSSE's**		**Total**	**Chi-Square (X^2)**
	Aware	**Not aware**		
Yes	30(30.9%)	67(69.1%)	97(100%)	X^2 = 7.785 Critical x^2 =7.88 df = 1 p Ò.005
No	190(19.0%)	808(81.0%)	998(100%)	
Total	220(20.1%)	875(79.9%)	1095(100%)	

Source: Field survey, 2011

The result of the cross-tabulation between awareness of government policies and accessibility to government policies shows that access to government policies was significantly associated with awareness. Despite the significant association between access and awareness, it goes a long way in buttressing that accessibility is dependent on awareness of government policies. The table further revealed that 81.0% of MSSEs operators who were not aware did not have access while 30.9% of operators who were aware had access to government policies. The data show significant association (X^2 = 7.785, Critical x^2 =7.88, df = 1 p Ò .005) between awareness of government policies and accessibility

Figure 8 below illustrate the data on table 15 with a bar chart.

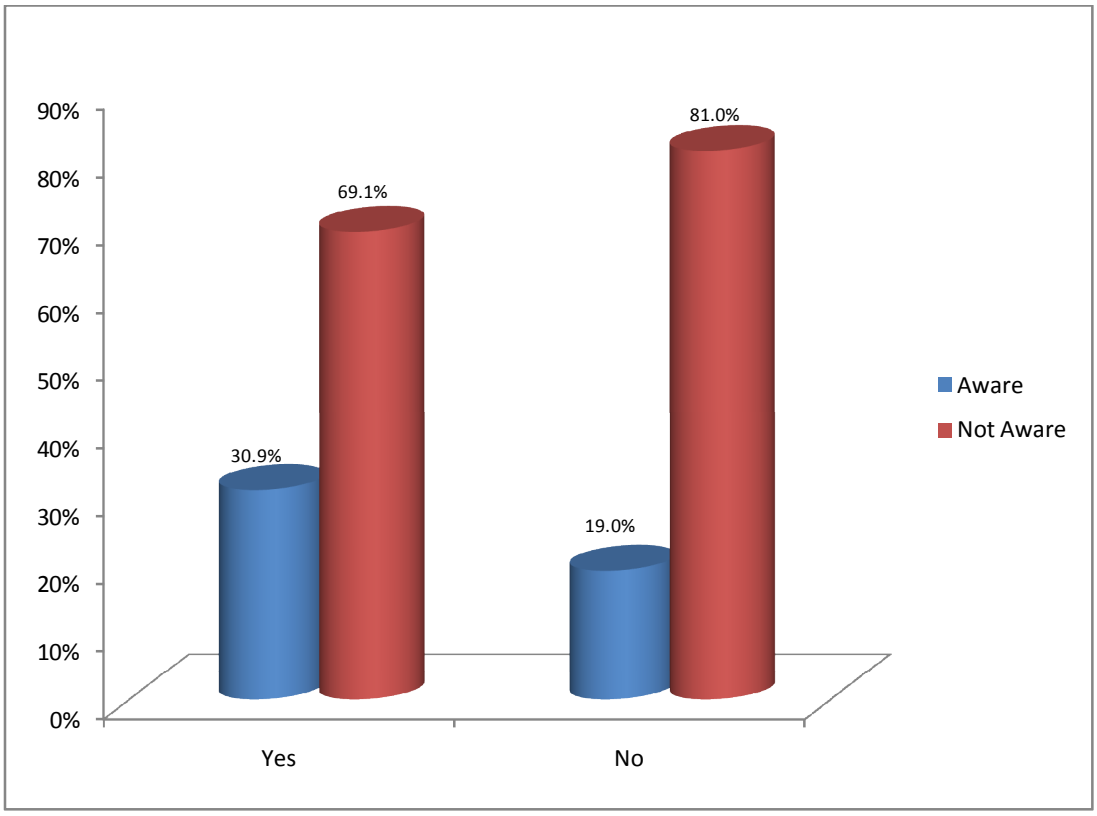

Figure 8: Respondents' awareness of government policy on MSSE's by accessibility to government policies

This reason might be what informed the response of one of the respondents during in-depth interview when he was asked to state his level of access to government policies. The respondent stated thus;

> The truth is that I donôt have access and I have not benefited because I do not have what it takes to benefit from government policies. I donôt have enough collateral like land or record of business history and statement of yearly profit which they demand from us.
> **[Interviewee – (M) from Onitsha]**

4.4.2 Accessibility to government MSSEs polices by age.

The focus of this section was to determine if there is correlation between age and access to government MSSEs policies

Table 16: Accessibility to government policies on MSSEôs by age of respondents.

Age	Accessibility to Government Policies on MSSE's		Total	Chi-Square (X^2)
	Yes	No		
Younger Respondents	97(15.3%)	537(84.7%)	634(100%)	X^2 = 77.387 Critical X^2 = 10.60 df = 2 p Ò.005
Middle-aged Respondents	16(4.1%)	376(95.9%)	392(100%)	
Older Respondents	8(11.6%)	61(88.4%)	69(100%)	
Total	121(11.1%)	974(88.9%)	1095(100%)	

Source: Field survey, 2011

As regards the age of respondents, Table 16 above shows that 15.3% of the younger respondents indicated that they had access to government policies, while 4.1% of the middle-aged respondents and 11.6% of older respondents indicated also that they had access to government policies. Looking at the table, it implies that though MSSEs have access to government policies but the level of accessibility is low when compared with non accessibility. It is not surprising to see that despite MSSEs operatorsô low accessibility to government policies, the younger respondents appeared to have more access than middle-aged and older respondents. This might be attributed to the fact that they are still young. Again looking at the X^2 test, (X^2 = 77.387, df = 2, p Ò .005), it shows the difference as statistically significant at p Ò.005.

4.4.3 Accessibility to government MSSEs policies by location

The study further explored the relationship between MSSEs location of business and accessibility. Figure 9 below presents the results.

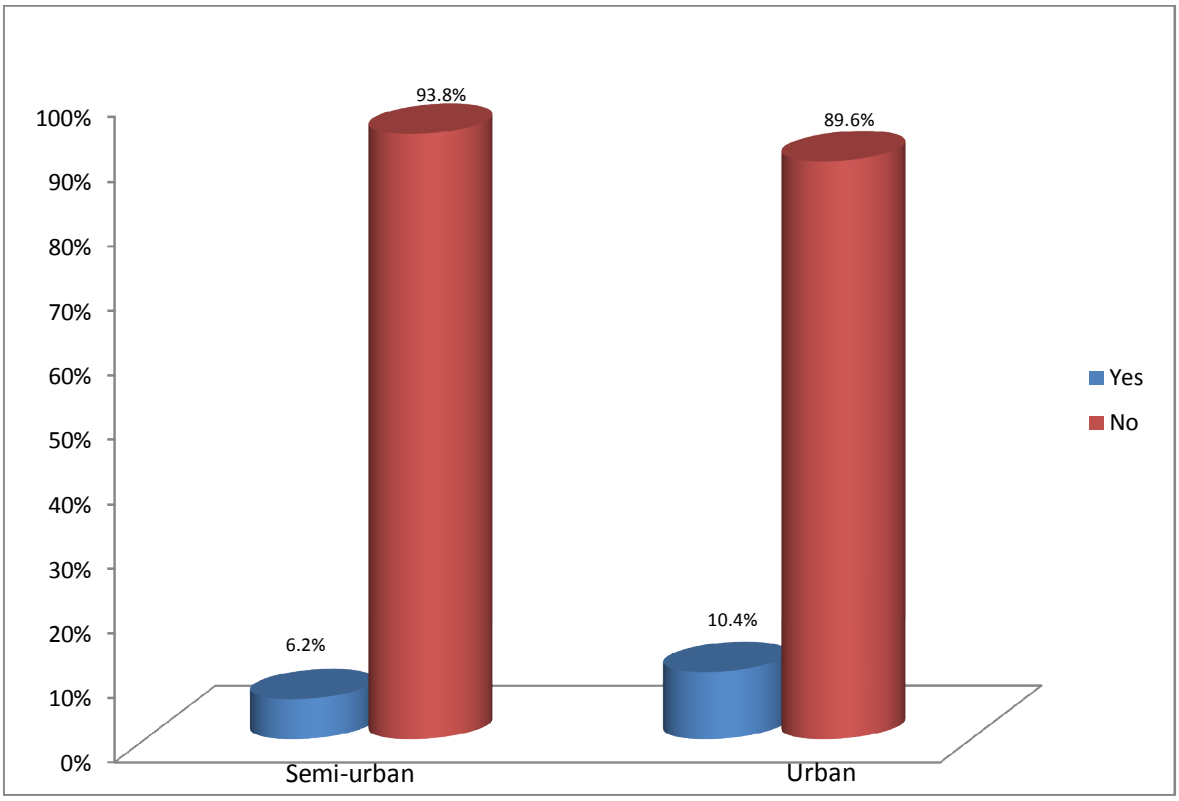

Figure 9: Accessibility to government policies on MSSE's by business location of respondents

On location of business, Figure 9 above shows that 10.4% of the urban operators had access to government policies than their semi-urban counterpart who recorded 6.2% access. One is not surprised to see that urban operators had more access to government policies than the semi-urban operators. This might be as a result of the fact that awareness of such policies is more in urban than in the semi-urban area. In addition, people in urban centres are closer to government than people in semi-urban area. This is in line with the pool factor of urban centres.

4.4.4 Accessibility to government MSSEs polices by educational attainment

The study further investigated the relationship between educational attainment of operators and accessibility to government policies. Table 17 below presents the data.

Table 17: Accessibility to government policies on MSSEôs by Educational qualification of respondents

Educational qualification	**Accessibility to Government Policies on MSSE's**		**Total**	**Chi-Square (X^2)**
	Yes	**No**		
Low level of education	97(10.3%)	846(89.7%)	943(100%)	X^2 = 17.155 Critical X^2 = 7.88 df = 1 p Ò.005
High Level of education	19(12.5%)	133(87.5%)	152(100%)	
Total	116(10.6%)	979(89.4%)	1095(100%)	

Source: Field survey, 2011

Table 17 shows that 12.5% of operators with high level of education had access to government policies as compared to 10.3% of operators with low level of education. Despite the close association of the two result, the analysis of the cross-tabulation (X^2 = 17.155, df =1, p Ò.005), shows the difference to be statistically significant at p Ò.005. In other words the level of access gained by the two categories of MSSEs operators were almost the same thing.

Generally, it could be concluded that MSSEs operatorsô accessibility to government policies was poor. This might be as a result of the stringent policies attached to the lending rule and regulations for government policies on MSSEs which according to SMEDAN (2003) an Ogujiuba (2004) constituted a problem to many MSSEs operators. More so, the study is in agreement with the view of Akpan (2007) that most enterprises (MSSEs) in Nigeria inadequately reduced their borrowing from the bank due to high interest rate and short term nature of the available loan. In addition, World Bank survey (2001) on access to finance by MSSEs, clearly stated that even when MSSEs are provided with short term loan, it is often based on high collateral requirements. Again, this might also be attributed to lack of awareness of MSSEs operators on the existence of government polices as revealed from the data collected from the field. The result was corroborated by the qualitative data where

respondents were asked to rate their accessibility to government policies. One respondent stated thus:

> How can you ask me whether I have benefited when some people deliberately make things difficult for their fellow men by demanding what should not be demanded before you are given a common loan? It is very bad. Please I have not benefited, leave me alone.
> **[Interviewee –(M) from Umuahia].**

Another respondent stated:

> My friend forget all those things government is not serious. When government is serious, I will know. If you want to assist us in business give us money without all those your collateral demands.
> **[Interviewee –(M) from Aba].**

4.5 Perceptions of Government Policy by the MSSEs Operators

This section deals with the perception of the operators of the MSSEs regarding government policies. The essence is not only to determine the MSSEs operatorsô perception of government polices but also the relationship between the various demographic variables and government policies

4.5.1 Perceptions of government policies by sex of respondents

This section focused on perception of government policies because perception is a potent socio-cultural factor that can influence MSSEs operatorôs attitude towards government policies.

Table 18: Perception of government policies on MSSEôs by sex of respondents

Sex	**Perception of Government Policies on MSSE's**		**Total**	**Chi-Square (X^2)**
	Negative Perception	**Positive Perception**		
Male	420(46.5%)	484(53.5%)	904(100%)	X^2 = 54.782 Critical X^2 = 7.88 df = 1 p Ò.005
Female	145(75.9%)	46(24.1%)	191(100%)	
Total	565(51.6%)	530(48.4%)	1095(100%)	

Source: Field survey, 2011

Table 18 shows that while 46.5 % of the male MSSEs operators had negative perception of government policies, 53.5 % have positive perception. On the part of the female operators, 75.9 % had negative perception while 24.1 % had positive perception. Perception was affected by sex of operator (X^2 =54.782, df. = 1, p Ò .005). The implication is that the male operators have more positive perception of government policies than the female operators. This might be due to the fact that the male MSSEs operators had benefited from government policies more than their female counterpart or that the male operators had more access to government policies than the female MSSEs operators. Again, it is in line with the view of Harralambos and Holborn (2002) that gender roles differs; this because in terms of occupational distribution, Nigeria culture assign more to males than the females especially in business of this nature.

4.5.2 Perception of government policies by age of respondents

This section focused on the relationship between perception of government policies and age of respondents. Figure 10 below presents the information.

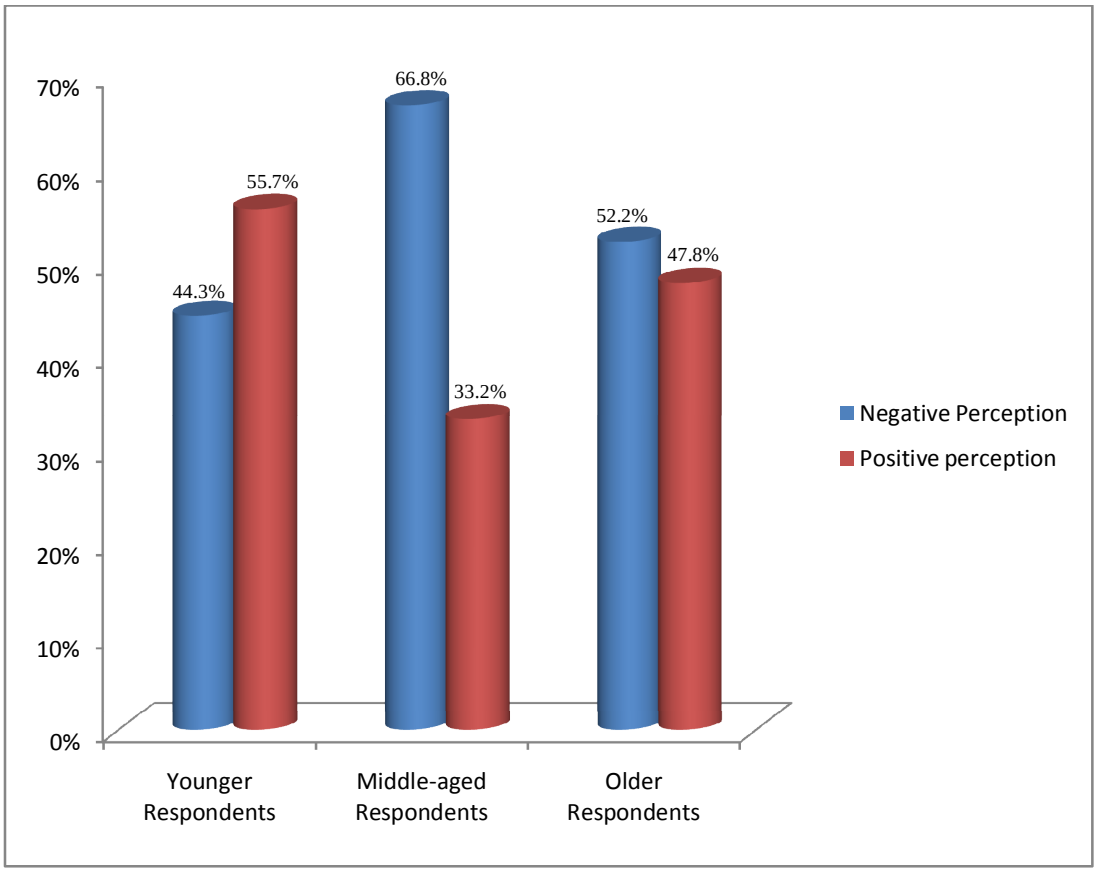

Figure 10: Perception of government policies on MSSE's by age of respondents

On the age of the respondents, the younger MSSEs operators had more positive perception (55.7 %) than the middle-aged and older respondents with 33.2% and 47.8% respectively. Perception of respondents was influenced by age. The table further revealed that 66.8% of middle-aged and 55.2% of older respondents had negative perception respectively while the younger respondents had negative perception for 44.3%. Again, this might be the reason why younger operators of MSSEs had more access to government policies on MSSEs because perception of policy will go a long way in influencing attitude towards it. Perception is a potent factor so long as cultural factor or attitude is concerned. The emphasis on the study of perception is on how things appear, rather than how things are. According to Guzman and Santos (2001), the success of any organisation depends on the specific factors which include:

perception, infrastructure, cultural practice and other physical factors in that particular environment.

4.5.3 Perception of government policies by business location.

The essence of this section is to determine the perception of government policies by MSSEs operators from their different location of business.

Table 19: Perception of government policies on MSSEôs by business location of respondents

Business location	**Perception of Government Policies on MSSE's**		**Total**	**Chi-Square (X^2)**
	Negative Perception	**Positive Perception**		
Semi-Urban	175(52.2%)	160(47.8%)	335(100%)	X^2 = .169 Critical X^2 = 7.88 df = 1 p Ò.005
Urban	390(51.3%)	370(48.7%)	760(100.0%)	
Total	565(51.6%)	530(48.4%)	1095(100%)	

Source: Field survey, 2011

With regard to the business location of MSSEs operators, the semi-urban operators had the highest proportion (52.2%) of negative perception. About 51% of urban operators had negative perception. Generally, perception was not significantly affected by location. The urban operators had more positive perception than the semi-urban counterpart (X^2 = .169, df = 1, p Ò.005). The implication is that perception was not significantly affected by location of business. To this end, the location of business (whether semi-urban or urban) was not a determining factor for perception. The reason is that government policies do not necessarily change with the area of operation of oneôs business location.

4.5.4 Perception of government policies by educational qualification

The study equally explored the respondentsô perception of government policies on MSSEs by educational qualification of the respondents.

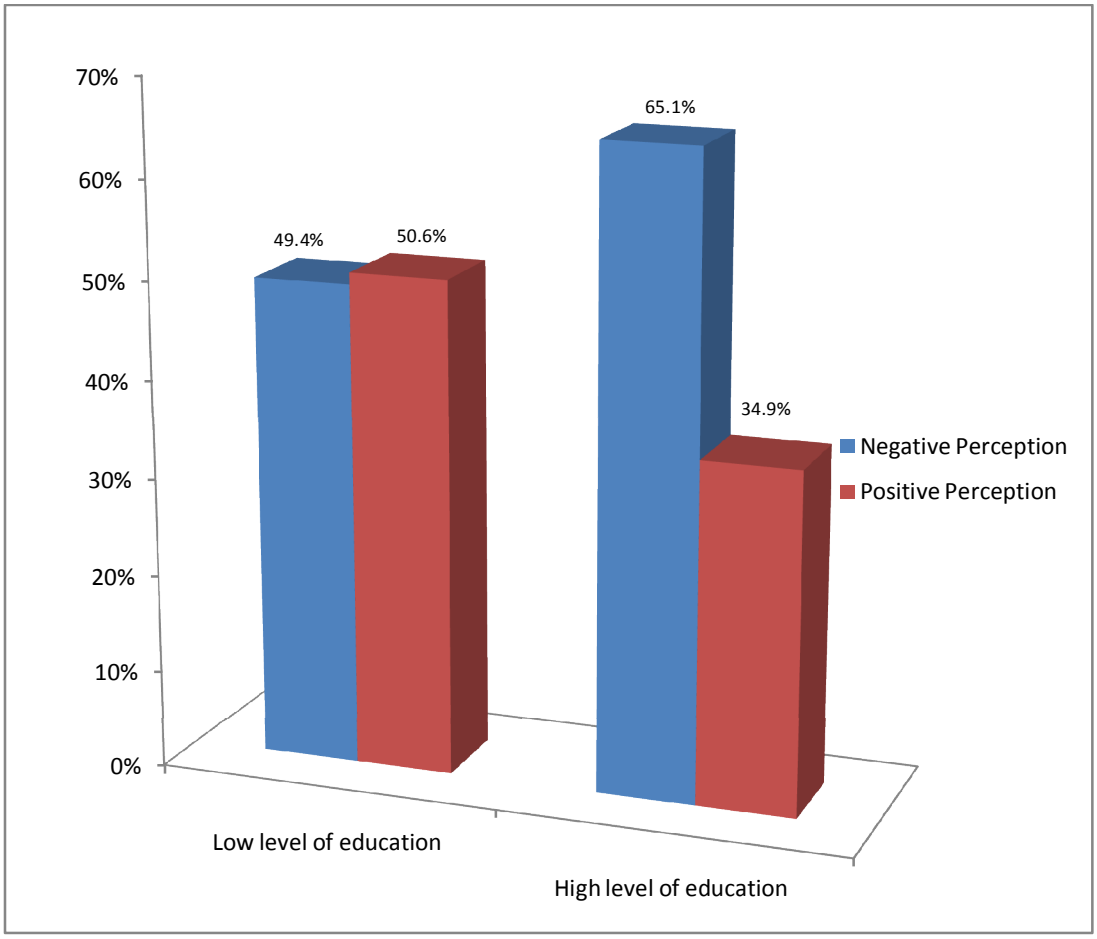

Figure 11: Perception of government policies on MSSE's by educational qualification of respondents

On educational qualification, Figure 11 shows that those with low level educational qualification had more positive (50.6 %) perception of government policies than those with high level of education (34.9 %). Perception was influenced by educational qualification of MSSEs operators. This is to say that the level of education of an operator is not a factor of perception of government policies.

4.6 Business Constraints Encountered by the MSSEs Operators

This section presents the opinion of respondents on the type of constraints encountered in their business operations and their relationship between the various demographic variables. The section equally determined the relationships between various demographic variables and constraints encountered. It focused on four specific constraints, which include: finance, power, accessible road and water supply.

4.6.1 Type of business constraints encountered by sex of respondents

The essence of this section is to determine the type of business constraints that is encountered by the particular sex. Figure 12 below presents the data.

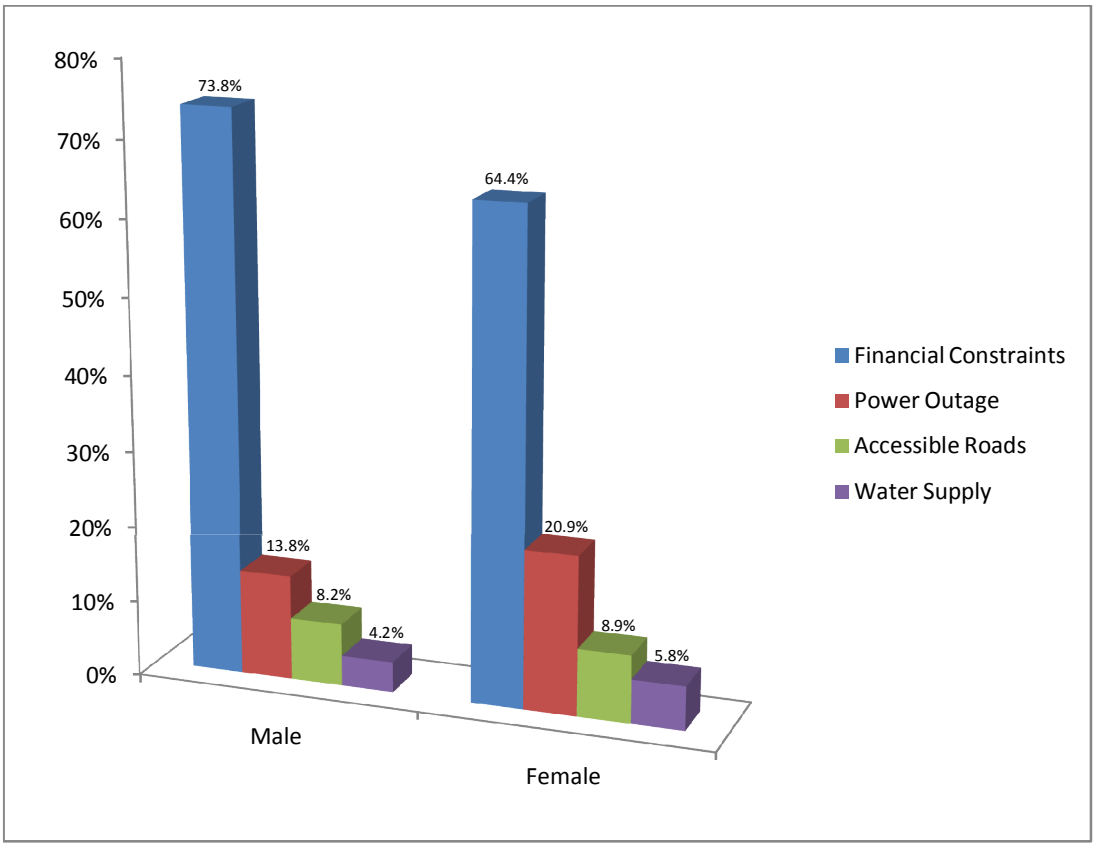

Figure 12: Type of business constraints encountered by sex of respondents

Figure 12 above shows that 73.8% and 64.4% of male and female MSSEs operator respectively, stated that financial constraint was the most serious constraints which they encountered. This was expected due to the relevance of finance in the operation of any business. The figure also revealed that 20.9% and 13.8% of both operators recorded power outage respectively. The figure above also revealed that accessible roads and water supply were not considered as major constraints by both operators.

In a study conducted by University of Nigeria, Nsukka (2004); Essien and Akpan (2007); and Olorunshola (2007), it was stated that provision of essential services like access roads, electricity, and water supply constitute the greatest constraint to MSSEs development performance. This particular result is not in agreement their views. This finding identified finance to be the greatest challenge, more so the finding is not in agreement with the work of

Thornhills and Anit (2003); Clover and Donoch (2005) on the major challenge of the MSSEs. According to them, the major challenge and reasons for failure of MSSEs were insufficient management capacity, lack of expertise, low level of skills and management incompetence.

4.6.2 Type of business constraints encountered by age of respondents.

The focus of this section was on the type of constraints encountered by particular age category so as to determine the constraints associated with a particular age group.

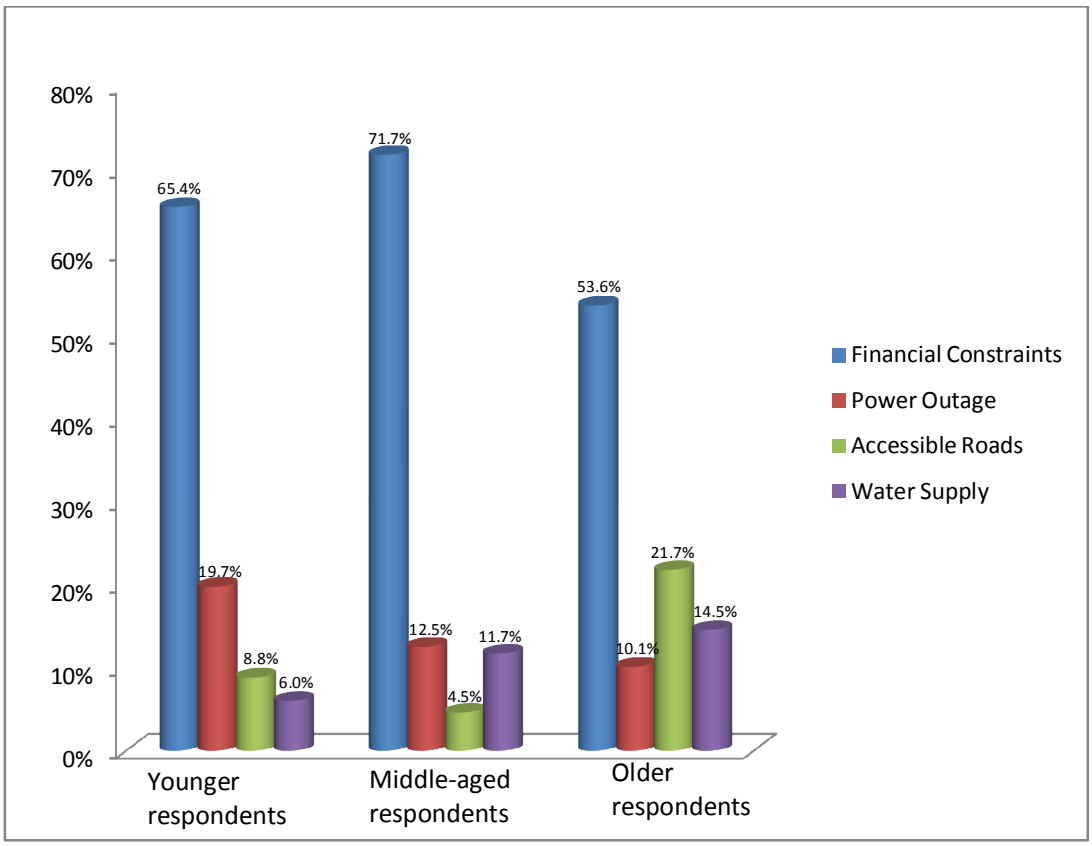

Figure 13: Type of business constraints encountered by age of respondents

Furthermore, respondents were asked to state the type of constraints they encountered. Figure 13 show that 71.7% of the middle-aged respondents encountered financial constraints than the younger (65.4%) and older respondents (53.6 %). More so, 19.7% of younger respondents

also indicated power outage to be another constraint, while 12.5% and 10.1% of middle-aged respondents and older respondents respectively, also indicated power outage as constraints they encountered. Accessible roads and water supply were also indicated in that order. This corroborates with the findings from in-depth interview when respondents was asked to state the type of business constraints he encountered in his business. The respondents had this to say:

> As MSSEs operator my major constraints is finance. If finance can be made available to me sky will not even be my limit. With finance I can take care of power outage and other constraints
> **[Interviewee – (M) from Aba].**

4.6.3 Type of business constraints encountered by location of business.

Respondents in different locations were asked to state the type of business constraints they encountered. In this section, Figure 14 below gave the information.

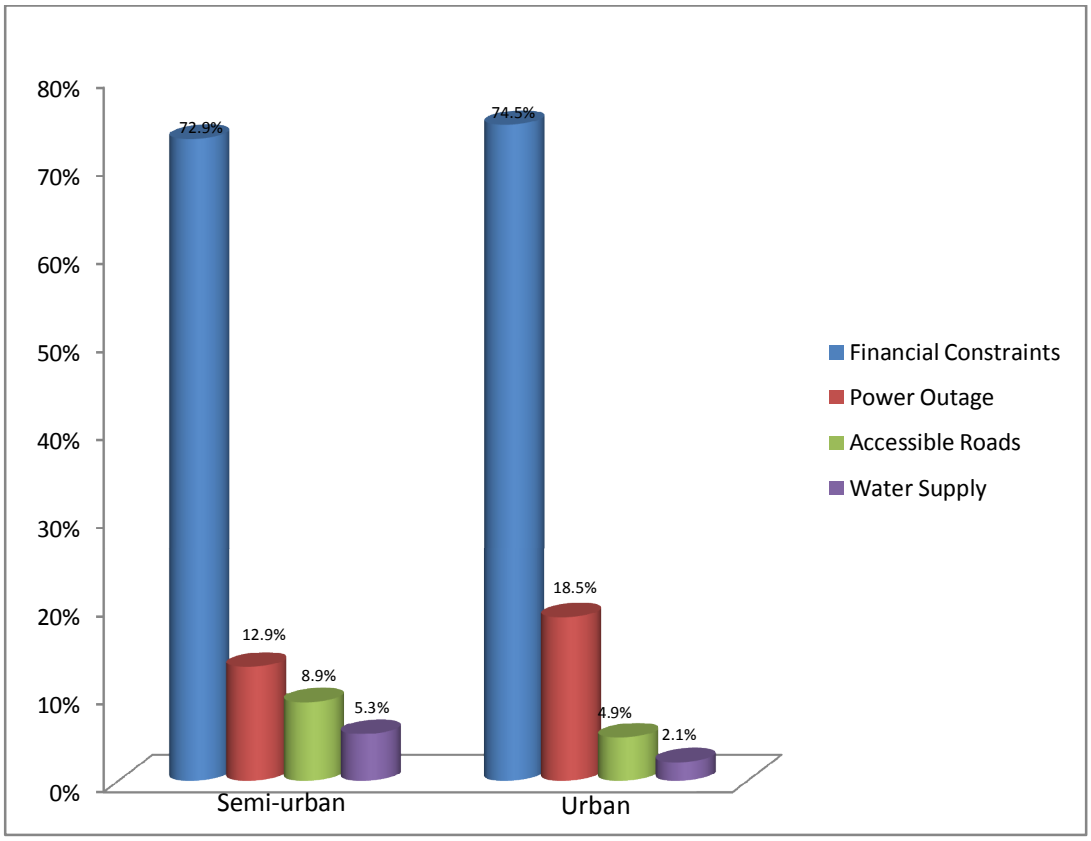

Figure 14: Type of business constraints encountered by business location of respondents

On location, the figure shows that 74.5% and 72.9% of operators in the urban and semi-urban areas respectively identified financial constraints as their major constraints. In that order, 18.5% and 12.9% of both operators respectively also identified power outage as another constraint. Looking at the figure, those in the urban areas encountered more power outage than their semi-urban counterparts. Though there is power outage everywhere, the reason why the urban operators encountered power outage the more might be because of high number of factories and industries in urban areas which could be demanding for the power holding companies within those areas.

4.6.4 Type of business constraints encountered by educational qualification.

In this section respondents were asked in Figure 15 to state the constraints they encountered bearing in mind their educational attainments. This is to determine if their relationship between educational attainments and business constraints encountered.

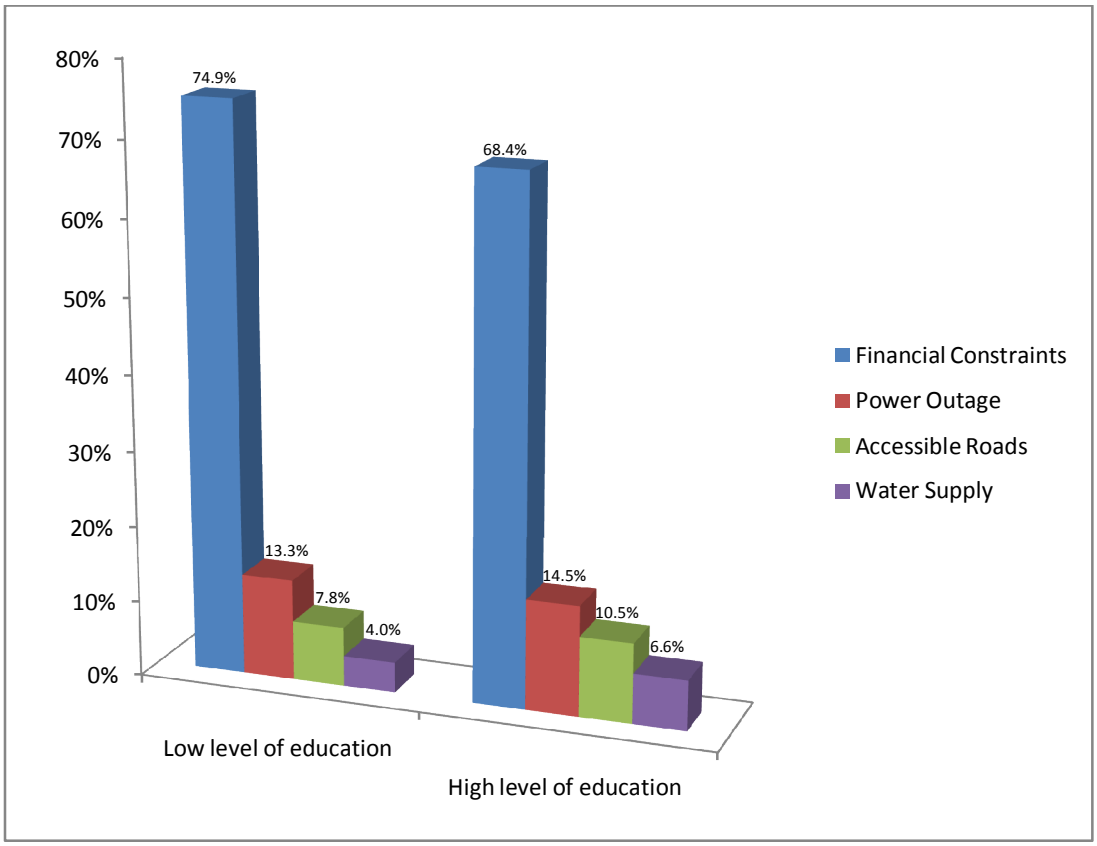

Figure 15: Type of business constraints encountered by educational qualifications of respondents

Figure 15 above shows that 74.9% and 68.4% of low and high level educational qualification respectively rated financial constraints as their major constraints. In that order, the table shows that 13.3% and 14.5% of both educational categories respectively indicated power outage as another constraint. About 10% of both operators mentioned accessible roads and water supply as their least constraints. Generally, the major business constraints encountered by operators was finance. The finding is in consonance with the view of Akinboyo (2007)

that inadequate finance has remained the most challenge of the MSSEs operators. Osuala (2004) is also of the view that inability for MSSEs to raise fund to promote their business had been a challenge to them.

4.7 Socio-Cultural Factors and MSSEs Performance

This section focused on the socio-cultural factors that affect MSSEs performance. The socio-cultural factors were grouped into three major categories namely cultural practices, crime rate and social infrastructure. Table 20 present the data

4.7.1 Socio-cultural factors affecting MSSEs operators by sex

The focus of this section is to determine the socio-cultural factor which affects a particular MSSEs operator.

Table 20: Distribution of socio-cultural factors that affect MSSEs operators by sex of respondents

Sex	**Socio-cultural factors that affect MSSEs operators**			**Total**	**Chi-Square (X^2)**
	Cultural Practices	**Crime Rate**	**Social Infrastructure**		
Male	66(7.3%)	513(56.7%)	325(36.0%)	904(100%)	X^2 = 5.644 Critical $X^2$10.60 df = 2 p Ò.005
Female	22(11.5%)	113(59.2%)	56(29.3%)	191(100%)	
Total	88(8.0%)	626(57.2%)	381(34.8%)	1095(100%)	

Source: Field survey, 2011

Table 20 above indicates that 56.7 % and 59.2% of male and female MSSEs operators respectively identified crime as the major socio-cultural factor encountered. In addition, social infrastructure was also identified by 36.0% of male operators and 29.3% of female

operators. Cultural practices were the least socio-cultural factor encountered by male (7.3%) operators and female (11.5%) operators respectively. Though both male and female operators encountered crime, the female operators encountered it more. This might be as a result of their feminine nature which might make people (hoodlums) to undermine them unlike the men. A X^2 test shows the difference as not statistically significant at p Ò.005. This implies that socio-cultural factors do not depend on the sex of the respondents.

4.7.2 Socio-cultural factors affecting MSSEs operators by age

In this section, the aim was to ascertain the particular socio-cultural factor that is associated with a particular age category. Figure 16 below presents the information.

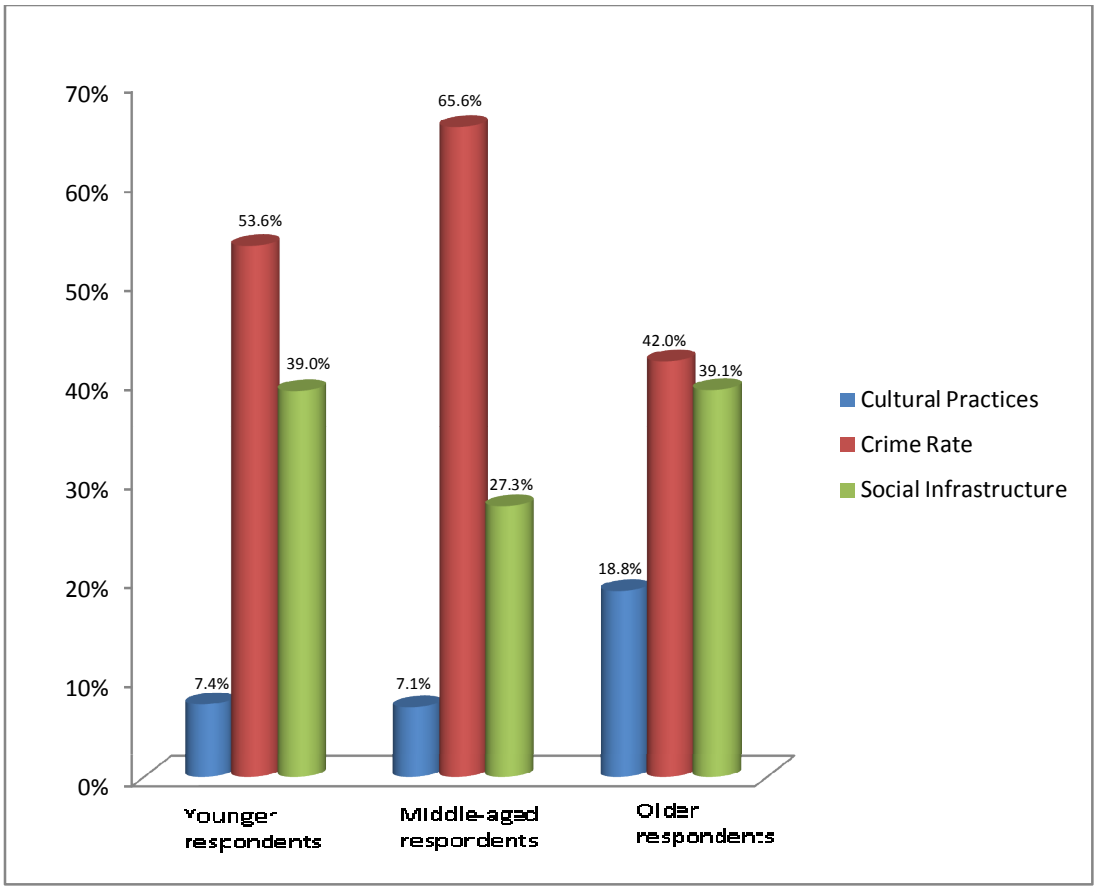

Figure 16: Socio-cultural factors that affect MSSEs operators by age of respondents

Figure 16 above indicates that 65.6% of middle-aged respondents, 53.6% of younger respondents and 42.0% of older respondents identified crime rate as the most socio-cultural factor that affects them. The figure further revealed that 39.1% of older respondents and 39.0% of younger respondents respectively identified social infrastructure respectively as against 27.3% of middle-aged category. The least socio-cultural factors as indicated by different age categories in that order were: 18.8%, 7.4% and 7.1%.

4.7.3 Socio-cultural factors affecting MSSEs operators by location

According to Drafke and Kosson (1998), numerous organizational problems are as a result of influence of the environment. To this end, the major focus of this section is to determine the particular socio-cultural factor that affects MSSEs in different locations. The 21 below presents the data.

Table 21: Socio-cultural factors that affect MSSEs operators by location of business

Business Location	**Socio-cultural factors that affect MSSEs operators**			**Total**	**Chi-Square (X^2)**
	Cultural Practices	**Crime Rate**	**Social Infrastructure**		
Semi-Urban	62(18.5%)	172(51.4%)	101(30.1%)	335(100%)	X^2 = 18.396 Critical X^2 = 10.60 df = 2 p Ò.005
Urban	92(12.1%)	454(59.7%)	214(28.2%)	760(100%)	
Total	154(14.1%)	626(57.2%)	315(28.7%)	1095(100%)	

Source: Field survey, 2011

Table 21 revealed that 59.7% of operators in urban locations recorded crime rate as the socio-cultural factors that affect them most, while 51.4% of semi-urban operators also recorded crime as socio-cultural factors that affect them. This is followed closely by social infrastructure which recorded for 30.1% and 28.2% for semi-urban and urban operators

respectively. Therefore, there is very big difference (X^2 = 18.399, df = 2, p Ò.005) in socio-cultural that affect MSSEs and location of their business. This implies that socio-cultural is affected by business location of MSSEs operators.

4.7.4 Socio-cultural factors affecting MSSEs operators by educational qualification

The focus of this section is to ascertain the association between socio-cultural factors and educational qualification of MSSEs operators. Figure 17 presents the data.

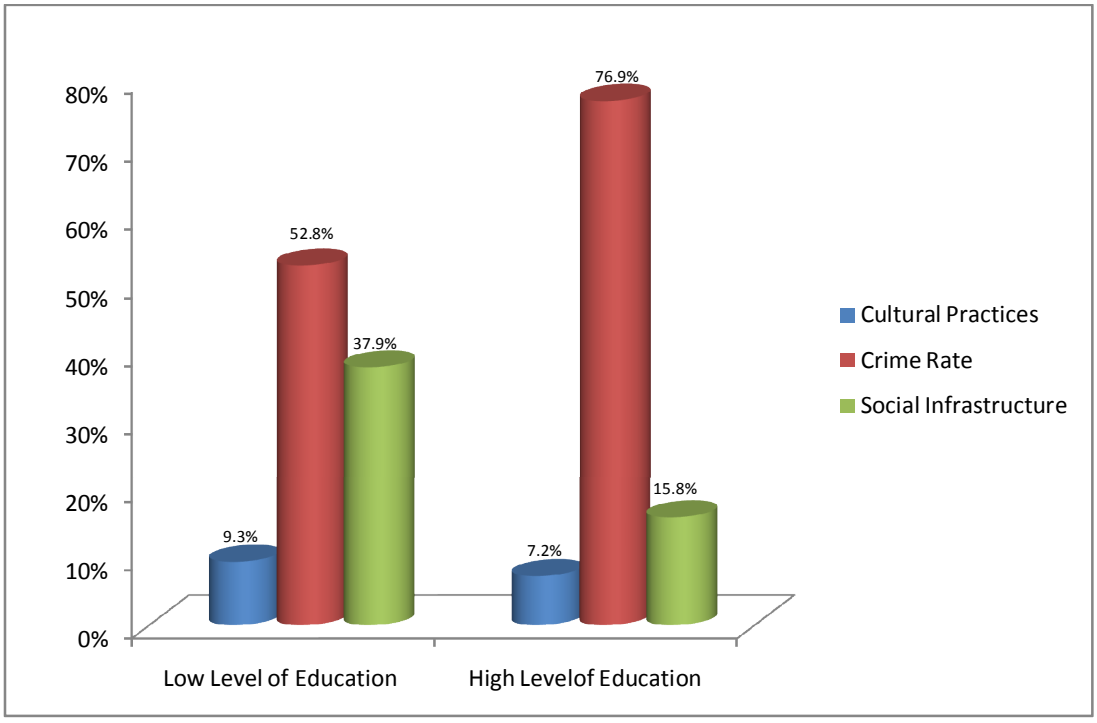

Figure 17: Socio-cultural factors that affect MSSEs operators by educational qualification

On educational qualification of respondents, 76.9% of MSSEs operators with high level of education identified crime to be the major socio-cultural factor that affected them while 52.8% of operators with low level education also indicated crime as the major socio-cultural factor that affected them 37.9% of low education viewed social infrastructure as another

socio-cultural facto that affected them unlike 15.8% of those with high level of education. Cultural practices were other socio-cultural factors in that order which was recorded for 9.3% and 7.2% respectively.

Looking at the results from both tables and figures on socio-cultural factors that affect MSSEs performance, crime was the major socio-cultural factor that mostly affected their performance, with particular reference to kidnapping and arm robbery. One reason for the emphasis on crime by the operators was as a result of the fact that the period of data collection for this study recorded the highest number of kidnapping cases both in Awka, Onitsha, Nnewi and Aba. The period in question was when a kidnapped victim was killed despite the huge amount of money given to the kidnappers as requested. It was also the period when the army took over a village in Aba in a bid to deal with the hoodlums (kidnappers). Though, social infrastructures and cultural practices were identified as factors that affect the performance of MSSEs operators, but it was not as high as crime which was indicated by operators as the major socio-cultural factor.

According to Drafke and Kosson (2008), numerous organisational problems are as a result of the influence of the socio-cultural environment. Organisations do not exist in a vaccum but rather in socio-cultural environment, which provides multiple contexts that affect the organisation and its performance. A good example of this influence on performance of MSSEs was crime as the major socio-cultural factor. Themba *et al* (1999) were also in consonance with the view that socio-cultural environment in which organisation operate is a very important determining factor on the extent of success or even the failure of any business organisation.

The result corroborates with the in-depth interview from the respondents under study when they were asked to mention the socio-cultural factors that they encountered. Respondents from different areas of the study had the following to say:

> Well, we have other socio-cultural factors but the most challenging one is the crime rate. We are feeling very unsafe because of high rate of criminal activities.
> **[Interviewee: (F) from Awka].**

> The only problem we have in this our business area is armed robbers and kidnapping activity. As you can see, some of us did not come to market because of fear of being kidnapped. Some have been threatened. Please you people should do something to this nonsense. **[Interviewee: (F) from Aba].**
> Our challenge or problem of socio-cultural factor is crime like kidnapping, robbery and snatching of items from us under gun point. If this problem can be solved, then we can feel safe and do our business.
> **[Interviewee: (M) from Onitsha].**

> Are you not a Nigerian, donôt you know or are you not aware that what we are suffering now is kidnapping and abduction of people (especially we the business men). I hope you are not asking me for asking sake. Please it is kidnapping that is our greatest problem for now. Listen if they target you and did not succeed, they will look for your personal person (father, mother, sister or brother; even your children). So it is terrible.
> **[Interviewee: (M) from Nnewi].**

4.8 Test of Hypotheses

This study was designed to examine the socio-cultural factors affecting the performance of micro and small scale enterprises in Anambra and Abia States of Nigeria. In this section three hypotheses formulated to guide the study were tested. Chi-square (X^2) was used to test the hypotheses since most of the data are categorical variables.

Hypothesis One

H_1: Urban MSSEs operators are likely to perform better than their semi-urban counterparts.

H_0: Urban MSSEs operators are not likely to perform better than their semi-urban counterparts.

To test this hypothesis, a cross tabulation between respondents business location and rate of performance in terms annual profit was done (see Table 22 below)

Table 22: Distribution of respondentsô rate of business performance in terms of annual profit by business location of respondents

Business Location	**Rate of business performance in terms of annual profit**			**Total**	**Chi-Square (X^2)**
	Below ₦100,000	**₦100,000 - ₦700,000**	**Above ₦700,000**		
Semi-Urban	95(28.4%)	234(69.9%)	6(1.8%)	335(100%)	X^2 = 19.838 Critical X^2 = 10.60 df = 2 p <.05
Urban	156(20.5%)	502(66.0%)	102(13.4%)	760(100%)	
Total	251(22.9%)	736(67.2%)	108(9.9%)	1095(100%)	

Source: Field survey, 2011

Table 22 above shows that out of 1095 of MSSEs respondents, 22.9% of operators rated their business performance in terms of annual profit below ₦100,000.00, while 67.2% of operators rated their business performance to be ₦100,000.00 ï ₦700,000.00. The table further shows that 9.9% of MSSEs operators indicated their business performance in terms of annual profit to be above ₦700,000.00. The table further revealed that 13.4% of MSSEs operators in urban centres recorded the highest business performance in terms of annual profit above ₦700.000.00; while 1.8% of their semi-urban counterpart made profit above ₦700.000.00. For MSSEs operators who made between ₦100.000 - ₦700.000 in terms of annual profit, 66.0% were urban based while 69.9% were semi-urban based. In terms of business

performance between the urban and semi-urban operators, the urban operators performed better than their semi-urban counterparts.

Furthermore, the table shows that there is significant difference (X^2 = 19.838, df = 2, p < .05) in business location and the rate of business performance in terms of annual profit between the urban and semi-urban MSSEs operators. Looking at the results, the substantive hypothesis that urban MSSEs operators are likely to perform better than their semi-urban counterpart should be accepted, while the null hypothesis should be rejected. The reason for this could be that in urban areas there are more opportunities than in the semi-urban areas.

Hypothesis Two

H_1: MSSEs operators with high level of education are likely to perform better than those with low level of education.

H_0: MSSEs operators with high level of education are not likely to perform better than those with low level of education.

To test this hypothesis, a cross-tabulation between respondents educational qualification and rate of performance in terms annual profit was done (see Table 23 below)

Table 23: Operatorsô rate of business performance in terms of annual profit by educational qualification.

Educational Qualification	**Rate of business performance in terms of annual profit**			**Total**	**Chi-Square (X^2)**
	Below N100,000	**N100,000 – N700,000**	**Above N700,000**		
Low Level of Education	238(25.2%)	627(66.5%)	78(8.3%)	943(100%)	X^2 = 82.572 Critical X^2 = 10.60 df = 2 p < .05
High Level of Education	13(8.6%)	109(71.7%)	30(19.7%)	152(100%)	
Total	251(22.9%)	736(67.2%)	108(9.9%)	1095(100%)	

Source: Field survey, 2011

Table 23 shows that in terms of business performance, 19.7% of operators with high level of education made above ₦700.000.00 as their annual profit than 8.3% of their counterparts. More so, MSSEs operators with high level of education who made between ₦100.000 - ₦700.000 in terms of annual profit were 71.7%, while their counterparts were 66.5%. The result on table 23 above shows that X^2 test indicates there significant relationship (X^2 = 82.572, df = 2, $p < .05$) in educational qualification of MSSEs operators and the rate of business performance in terms of annual profit. To this end, the hypothesis that operators with high level of education are likely to perform better than those with low level of education should be accepted while the null hypothesis should be rejected. This implies that level of education determines the rate of business performance in terms of annual profit. This is in agreement with Azikiwe (1992), that level of education given to members of a society determines the rate of development. Thus, there is a strong relationship between education and their performance. The result of the hypothesis is also in agreement with the view of Osuala (2004) that low educational background has been the major problem of MSSEs. According to him, it has serious effects on the ability of MSSEs operators to seize business opportunities that may lead to growth, expansion and performance.

Hypothesis Three

H_1: MSSEs operators who hold positive perceptions of government policies are likely to perform significantly better than those with negative perceptions.

H_0: MSSEs operators who hold positive perceptions of government policies are not likely to perform significantly better than those with negative perceptions.

To test this hypothesis, a cross tabulation between respondents of perceptions of government policies and rate of performance in terms annual profit was done (see Table 24 below)

Table 24: Respondentsô rate of business performance in terms of annual profit by respondentsô perceptions of government policies.

Perception of Government Policies	Rate of business performance in terms of annual profit			Total	Chi-Square (X^2)
	Below ₦100,000	₦100,000 – ₦700,000	Above ₦700,000		
Negative Perception	156(27.6%)	358(63.4%)	51(9.0%)	565 (100%)	X^2 = 3.194 Critical X^2 = 10.60 df = 2 p > .05
Positive Perception	95(17.9%)	378(71.3%)	57(10.8%)	530(100%)	
Total	251(22.9%)	736(67.2%)	108(9.9%)	1095(100%)	

Source: Field survey, 2011

On perception of government policies, 10.8% of operators with positive perception made annual profit of above ₦700,000.00 compared to 9.0% of operators with negative perceptions. More so, 71.3% of operators with positive perception made between ₦100,000 ï ₦700,000 as against 63.4% of their counterparts. A X^2 test in table 24 shows the difference is statistically not significant (X^2 = 3.194, Critical X^2 = 10.60, df = 2, p > .05). This implies that the research hypothesis that those operators who hold positive perceptions of government policies are likely to perform significantly better than those with negative perceptions should be rejected while the null hypothesis should be accepted. Looking at the table, though the result of hypothesis shows difference in performance between operators with positive perception in government policies and those with negative perception but association between the two is rather weak. However, this is contrary to the view of Eyo and Obi-Keguna (2004) that attitude is a function of perception, and our perception of something may sometimes determine the kind of order or meaning we give to a particular process. One should have expected that operators with positive perception should perform more but the result of hypothesis proved it wrong. This is to say that perception is not a constant thing in terms of causal relations as observed in the test of hypothesis.

CHAPTER FIVE

SUMMARY OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of the Findings

The discussion is based on the findings from the analysis of 1095 questionnaires administered to the MSSEs operators in the two states. The findings also included information gathered from the in-depth interview conducted during the study. They are as follows:

1. The study found that there was low awareness (20.1%) and high unawareness (79.9%) of government policies and programmes among MSSEs operators. This low awareness has been attributed to non-sensitization of MSSEs operators on government policies by stake holders. More so, the study found that although there was low awareness among operators, the female operators turned out to be more aware (34.0%) than their male counterpart (17.1%), despite the fact that culture and tradition assigned business occupation more to the males.

2. The study revealed a poor attitude to MSSEs government policies by MSSEs operators. This poor attitude has been attributed to the notion and perception they had towards government policies. The study found that more than half of the operators (52%) had a negative perception while 48% had positive perception. Furthermore, as at time of instrument administration it was revealed that many MSSEs operators saw government policies as indirect way of tax assessment or government finding out the strength of their businesses, which they did not want to disclose. Perception is a potent socio-cultural factor which may have positive or negative effect. According to Guzman and Santos (2001), perception of people in a given environment, together with other physical factors

constitute the determining factors for the success or failure of any organization such as MSSEs.

3. On sources of information on MSSEs, 76.0% of male operators identified broadcast media (radio) as most useful source of information to them as against human agent (business colleagues) as indicated by 52.4% of female operators.

4. Furthermore, the study revealed poor access to government policies and programmes by the MSSEs operators. As many as (90.2%) of operators indicated that they had not benefited from MSSEs policies. As such, the government policies were not of relevance to operators since they could not access them. The poor access to government policies might be attributed to lack of awareness of the policies and inability of the operators to satisfy the conditions attached to the stringent lending rules and regulations. This finding is in agreement with Ogujiuba (2004) and SMEDAN (2003) that stringent policies by banks have serious implications for accessing external finance because of their weak asset base and incomplete financial documentation. Thus, the policies were of no relevance to the operators since they could not access them.

5. In addition, the study found that MSSEs operators encountered financial challenges the most as stated by 73.8% of male and 64.4% of female operators. From all the interactions made in the course of the study, operators generally complained that financial constraint was a major challenge facing them. This finding is in tandem with SMEDAN (2004) which held that despite the credit policy, which encouraged banks to allocate bulk of their loans to the sector (MSSEs), the activities of banks still left much to be desired. The operators had continued to complain of lack of credit and financial assistance as banks were not ready to give long term loans in addition to requirement of high collateral for loans.

6. The study further revealed inadequate provision of essential services such as access roads, electricity, and water supply, for the MSSEs especially for the manufacturing sector. This finding is in agreement with two previous studies at the University of Nigeria, Nsukka. Essien and Akpan (2007), and Olorunshola (2001) found that inadequate provision of the above mentioned facilities constituted some of the greatest constraints to MSSEs development and performance.

7. The study findings also revealed that a major socio-cultural factor which affected the operators of MSSEs was crime rate as identified by more than half (57.2%) of the MSSEs operators. In all the responses, crime rate was identified to be a major socio-cultural factor. It needs to be noted that high crime rate is a contextual issue peculiar to the states covered in the study.

The success of every business is dependent on the security and safety of the operators in that environment. According to Dockel and Ligthelm (2005) and Ligthelm and Cant (2006), deficiencies in the internal socio-cultural environment are among the major causes of MSSEs failure. The prevalence of kidnapping, robbery and other criminal activities in Nigeria at the time of the study was quite significant.

8. The study further revealed that out of the three hypotheses tested, two were upheld and one was rejected. It was found that urban MSSEs operators performed better than their semi-urban counterparts. It was found that operators with high level educational attainment performed better than those with low level. Furthermore, it was found that MSSEs operators with negative perception of government policies performed better than those with positive perception, although the association between the two variables was weak. Ordinarily, one would have expected the opposite, bearing in mind the effects of

perception on individual attitude and behaviour. Thus, perception is not a constant thing in terms of causal relations as observed in test of the hypothesis.

5.3 Relevance and Implications of Study Findings

In this section, attention is focused on discussing the relevance and the implications of the study findings under two sub headings: theoretical and substantive implications.

5.2.1 Theoretical Relevance

Two main theories in industrial sociology were adopted to provide the theoretical framework for this study. They were the cross cultural theory and the symbolic interaction theory. The central position of the cross-cultural theoretical approach was that the influence of socio-cultural environment was the determining factor, collectively programming and affecting MSSEs performance in a given community, region or country. This is to say that organizations are penetrated and influenced by the environment. This is evident in the findings that the major socio-cultural factor identified by the operators of MSSEs as responsible for non performance was crime (kidnapping and other criminal activities like robbery, snatching of bags at gun point etc). Again, culture, one of the key concepts in the theory incorporates belief system, perception and interpretation of entrepreneurs (MSSEs operators) in a given society, of which these are the foundations of business growth and performance. Thus, performance, growth and survival of a business enterprise depend on the factors in the socio-cultural environment.

On the other hand, the symbolic interaction theory holds as its central position that human thought, experience and conduct are essentially social. As such, human beings interact in terms of meaning, which they attach to situations in the socio-cultural environment. This

underlies the fact that the meaning we attach to things and situations determines the social interaction that exists in the socio-cultural environment. This is why the theory can be summarized by saying that meaning and interpretation are the two sides of the same coin, hence the performance of MSSEs is dependent on the interaction that existed in socio-cultural environment in which they operate. Influence of crime was the reason for non performance because organizations do not exist in a vacuum but rather in the socio-cultural environment. Theoretically, the study contributes to the body of knowledge especially in the field of MSSEs, and adds to the ongoing research gathering of reliable and accurate information about MSSEs performance, growth and survival. The findings of the study are useful as a reference point upon which various measures could be taken by the stakeholders in planning for MSSEs development. The study makes a distinct and insightful contribution to the field of socio-cultural factor that is related to MSSEs performance. This facilitates the synthesis of existing research and helps to address the gap existing in theories.

5.2.2 Substantive Implications

Practically, studying the factors that affect performance of MSSEs provides reliable information about how stakeholders can be forewarned and proactive in their decision making so as to promote performance of MSSEs. Such decision leads to effective business strategies that can prevent business failure. The study has identified the factors affecting the performance of MSSEs, which could assist stakeholders develop policies and strategies that will remove the barriers and counter those distortions. The study has also brought out the urgent need for proper education, sensitization and awareness creation for MSSEs government policies, in order to effectively access and utilize the policies. This implies that training has got a big role to play in the development of MSSEs, which can assist and facilitate their performance.

More so, the study has contributed in changing the perception and notion of MSSEs operators on government policies. During administration of instruments to the respondents, it was revealed that their notion and perception was that such policies were meant for indirect tax assessment, and also way of taking stock of their trade which they do not want to disclose. After our advocacy with them, we were able to convince and change their notion about government policies for good. If they had continued with that notion and perception, the implication would have been that both MSSEs operators and government will be at loss because the little interest that would have been benefited by government for giving out loans to MSSEs operators will not be realized. Then the policies themselves, which would have befitted MSSEs operators, would not be actualized. This has serious implications for growth and development of the economy.

5.3 Challenges and Limitations of the Study

It is widely accepted that various forms of research may undergo one form of challenge and limitation or the other. This research is not an exception as it encountered some challenges but was able to overcome them. Some of the challenges are discussed below to guide future researchers.

a) The administration of research instrument was between the months of April and August when rainy season was at the peak. The heavy down pour was dangerous for both the researcher and his assistants because whenever it rained the road would be flooded. As a result, sometimes we would go to the field and some other times we would not go depending on the flood level and weather condition. This uncertainty elongated the duration of the field work.

b) Even when the rain stopped, while interacting with MSSEs operators, they would tell you to be fast in your questions because they had not recorded any sales since morning on account of rain. Therefore this fire brigade approach constituted a challenge but we were able to overcome it because we learnt to walk at their pace.

c) Another challenge faced was the use of tape recorder during IDI session. Operators were scared to the extent of asking me ñare you an SSS man? Why would you record our voice?ò I went as far as showing them my Ph.D admission letter in order to convince them. This situation constituted a challenge because he might decide to be economical with information for fear of the unknown. We overcame the challenge by convincing them that the motive was to capture all that was said.

d) More so, many of the IDI sessions were not conducted at a stretch because of breaks to attend to customers. These breaks in interview session constituted challenges but we were able to overcome them by exercising patience despite the extra resources that were involved.

e) Fund was also a challenge because of elongation of the period of the research as a result of the rainy season but we were able to overcome it by making extra budget that saw us through to the end of the research.

f) Some operators of MSSEs saw government policies as indirect way of tax assessment and taking stock of their business but we were able to overcome this challenge because of our enlightenment, awareness creation and sensitization in the field during the first three days.

g) The researcher and his team were labelled ñbusiness premises peopleò but we were able to overcome this labelling by going extra mile to convince them we were ordinary students from the University of Nigeria, Nsukka. We also presented ID

cards, Ph.D admission letter and letter of introduction signed by the researcher and his supervisor.

h) It must be noted that the socio-cultural factor is only a part of the complex set of variables involved in MSSEs performance or non performance. The study only focused on investigating this aspect leaving other aspects like management strategies of operators and access to government policies. This may be considered a possible limitation of the study.

i) It must not be assumed that what holds for entrepreneurs in one part of the region or country can form a legitimate basis for conclusion elsewhere. This is because as the concept of MSSEs is relative and dynamic, so also are the challenges and constraints. Thus one of the limitations of the study is that its findings may be limited to MSSEs in Nigeria, especially Anambra and Abia States in the south eastern geopolitical zone.

5.4 Conclusions

The following conclusions were drawn from the study results and findings:

(a) There was low awareness of government policies for MSSEs operators in Anambra and Abia States. Government policies were meant to promote and develop the MSSEs for their increased performance, but on the contrary awareness level was low. This constitutes a serious challenge to their performance.

(b) Poor attitude of MSSEs operators towards the government policies was identified. Attitude is defined as a mental or neural state of readiness, organized through experience, exerting a directive or dynamic influence upon the individualsô response to all objects and situations with which it is related (Eyo and Obi-Keguna, 2004). Thus, there was negative attitude and perception of the government MSSEs policies

by the operators. This negative perception and attitude made MSSEs operators to perceive government policies as an indirect way of paying tax, and taking stock of their trade. Perception on the other hand is the outcome of a process of interpreting our sensation (activities of our sense- receptor) on the basis of interpreting our sensation on the basis of past experience. The illusionary perception of government policy by MSSEs as indirect way of imposing tax or taking stock of their business has implication for their performance. This is because our perception of situation or object often determine the kind of order or meaning we give to a particular process and also serve as the basis on which we establish knowledge about the world. The conclusion therefore is that for performance of operators of MSSEs to improve, steps must be taken to change the negative perception and attitudes.

(c) Low access to government policies by MSSEs operators posed great challenge to their performance. This low access to government policies was believed to be the product of stringent conditions attached to the lending rules and regulations for the said government MSSEs credits. Since government MSSEs policies were meant for the growth, development and performance of MSSEs, and yet they do not have access to the policies, it created problems for their growth, development and performance, which also has implication for the economic growth of the states.

(d) Lack of finance and credit support for MSSEs was recorded high in the study. According to Essien and Akpan (2007), despite the credit policy which encouraged banks through a package of incentives, to allocate the bulk of their loans and advances to the real sector (MSSEs), the activities of banks still leave much to be desired as the actual operators of MSSEs have continued to complain of lack of credit. This connotes challenge as the operators will be struggling to stand on their own instead of the support of the government.

(e) There was prevalence of crime in Anambra and Abia States, especially kidnapping and arm robbery which affected the performance of MSSEs operators. The crime retarded economic activities and performance of MSSEs operators since it tended to discourage operators from embarking on activities that would enhance performance. Fear of criminal activities also reduced hours of business operations which also had implications on the performance of MSSEs operators.

Equally, it is not out of place to say that because of increase in crime the viable investors in the state, who would have made appreciable contributions in economy, thereby boosting the performance of MSSEs operators, will be scared away. The implication of this will result in a decline in the development and performance rate of MSSEs operators. This is because organization can only perform when there is an enabling environment.

Again social infrastructures were identified as factors that constituted a cog in the performance rate of MSSEs operators.

The problems associated with social infrastructure and cultural practices were like an epidemic disease in which both the victims and non-victims shared sense of risk. In this case, both MSSEs operators and the general public shared the same experience. This is because social infrastructure and cultural practices are the basic requirement of any organization, social setting or society which form the bedrock for performance.

5.5 Recommendations

Based on the findings of the study, the following recommendations are made:

1) Effective sensitization of the public on government policies on MSSEs will go a long way in creating awareness thereby addressing problem of non performance of MSSEs. It is believed that the non performance of MSSEs, as discovered in the study, was

predicated on the low awareness. Sensitization and MSSEs education can provide the public the idea about the existence of such policies that are meant for MSSEs growth and development. Again, such education and sensitization will also go a long way in addressing the illusory perception and fear of MSSEs operators regarding such policies. As already stated, majority of the MSSEs have the perception or the notion that government policies were indirect way of compelling them to pay taxes which they have been running away from. Such sensitization will help not only to let the public be aware of the government policies, but also change the wrong or negative perception they have regarding government policies. As already stated, our perception sometimes determines the kind of order or meaning we give to a particular process.

2) Government should carry out impact assessment of MSSEs performance from time to time, either quarterly or annually, so as to know how successful their policies and programmes for MSSEs are going; whether there is the need to change or improve on their efforts and pattern of delivery.
3) Government should also minimize or do away with the stringent attachments to the lending rules and regulations as discovered in the study. Conditions like heavy collaterals should be waved so that majority of the MSSEs operators can access the credit offered. As indicated by the operators, some of them do not have landed properties or good business history or records. Therefore such conditions can be done away with so as to benefit operators who may wish to apply for the loan.
4) Speedy improvement in security networking is recommended to enhance the performance of MSSEs operators. As discovered in the study there was prevalence of criminal activities which had retarded economic activities and development. Therefore the study recommends urgent action by the government to provide adequate security so as to address the problem of insecurity in the states. This is because

without adequate security, people or operators will not embark on some economic activities, and social cohesion which is a prerequisite for business will also be jeopardized. Community policing is also advocated for in addition to the state security. This is because it will be more people oriented by virtue of knowing the terrain more than others.

5.6 Suggested Areas for Further Study

Comprehensive understanding of the performance of MSSEs as a topical issue in industrial sociology can be achieved only if further extensive research is embarked upon since research is a continuum. As this study centered on the socio-cultural factors affecting the performance of MSSEs, other vital areas of MSSEs performance could not be possibly incorporated in a single work of this nature. Bearing this in mind, the following areas are suggested for further research:

(1) MSSEs management strategies: Implications for performance. The understanding of MSSEs management skill as a prerequisite for the success of the business is very vital

Management skills are a set of factors associated with successful business, as they give the entrepreneur the ability to perform his or her role successfully and the power to act effectively in a particular range of possible future circumstance. These skills include being able to identify and evaluate market opportunities, to develop business plans, to manage conflict effectively, and to archive the overall industrial efficiency as well as effectiveness that leads to growth and performance of the business. According to Freeman (2002) and Clover and Donoch (2005), the major challenge and reason for failure of MSSEs are insufficient management capacity; lack of expertise, low level of skills and management incompetence.

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(2) Access to government policies and implications for MSSEs performance. During the study, it was found out from the operators that the stringent lending rules and regulations by the government for accessing government policy is a burden; and also one of the reasons for their non-performance. The study on this area will let government know what to do in order to ensure access.

(3) Provision of social infrastructure and performance of MSSEs. During the study, operators of MSSEs expressed concern over lack public infrastructure like electricity, water, access road as their challenges. To this end, a study in this area will throw more light on how to address the perennial problem of lack of social/public infrastructure in the study area.

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APPENDIX 1

QUESTIONNAIRE FOR MSSEs OPERATORS

SECTION A: SOCIO-DEMOGRAPHIC INFORMATION

INSTRUCTION: Please tick (√) inside the box in front of the option you have chosen and respond appropriately.

Now I would like to ask you some question about yourself.

1. Please indicate your sex

(a) Male ☐

(b) Female ☐

2. Please indicate your age interval

(a) 19-24 ☐

(b) 25-29 ☐

(c) 30-34 ☐

(d) 35-39 ☐

(e) 40-44 ☐

(f) 45-49 ☐

(g) 50-54 ☐

(h) 55-59 ☐

(i) 60 + ☐

3. Where do you operate your business (i.e. In terms of locality or location?)

(a) Rural area ☐

(b) Semi-urban ☐

(c) Urban ☐

4. To which of the following marital status do you belong?

a) Married ☐
b) Single ☐
c) Divorced ☐
d) Separated ☐
e) Widowed ☐

5. Indicate your highest educational qualification?

a) No formal education ☐
b) FSLC ☐
c) WASF/GCE/SSCE ☐
d) NCE/OND ☐
e) HND/BSc ☐
f) M.Sc./Ph.D ☐

6. To which of the following religious affiliation do you belong?

a) African Traditional Religion ☐
b) Christianity ☐
c) Islam ☐
d) Others (specify) é é é é é é é é é é é é é é é é é é

SECTION B: AWARENESS OF EXISTENCE OF GOVERNMENT POLICIES ON MSSEs IN NIGERIA

Now I will like to ask you some questions about your awareness of government policies.

7. Are you aware of the existence of government policies on MSSEs?

a) Yes ☐
b) No ☐
c) Indifferent ☐

8. From what source(s) did you learn information about government policies on MSSEs? (**Please indicate source(s)**

a) Radio ☐
b) Television ☐
c) Business colleague ☐
d) Internet website ☐
e) Newspaper ☐
f) Other sources (specify) é é é é é é é é é é é é .

9. From the source(s) you have just mentioned, which one source provided the most useful information on government policies on MSSEs to you?..é é é é é é é é é é é é é é

10a. Have you benefited from the policies?

a) Yes ☐
b) No ☐
c) Indifferent ☐

10b. If NO, why have you not benefited?

a) I donôt know of its existence ☐
b) Nobody told me about it ☐
c) I donôt need it in my business ☐
d) It involves paying of tax ☐

10c. If YES, which one have you benefited?

a) Micro loan from micro credit institution ☐
b) Entrepreneurship training program ☐
c) Others, please indicateé é é é é é ..

11a. Do you have access to government policies?

a) Yes ☐
b) No ☐

If NO, why é

11b. If YES, how accessible are the policies?

a) Very accessible ☐
b) Accessible ☐
c) Not very accessible ☐

12. How relevant are these policies to your business?

a) Very relevant ☐
b) Relevant ☐
c) Irrelevant ☐
d) Very irrelevant ☐
e) Indifferent ☐

13a. How would you rate your knowledge of government policies on MSSEs in Nigeria?

a) Very knowledgeable ☐
b) Average ☐
c) Not Very knowledgeable ☐
d) No knowledge ☐

13b. In your opinion do you think there is justification for government policies on MSSEs in Nigeria?

a) Yes ☐
b) No ☐

13c. If YES, why do you think so?

a) Because I am benefiting ☐
b) Because my business is growing ☐
c) I have received financial assistance ☐
d) I have received some entrepreneurship trainings ☐
e) Others (specify)é é é é é é é é ..é é é é é é é .

13d. If NO, give reason.

a) I have not benefited ☐

b) I have not received any financial help from the said policies ☐
c) My business is not growing ☐
d) People are not aware of it. ☐

13e. Please what is your perception of government policies on MSSEs (in your opinion how you would rate government policies on MSSEs?)

a) Negative perception ☐
b) Positive perception ☐

13f. Please can you justify your answer to question 13e above?

a) It is because I have benefited ☐
b) It is because I donôt know anything about it ☐
c) Because people are not aware of the policies ☐
d) It is because people have benefited enough ☐
e) Government are not trustworthy ☐
f) It is because government are trying their best to help MSSEs operators to grow ☐

SECTION C: EFFECTS OF SOCIO-CULTURAL FACTORS ON MSSEs PERFORMANCE

Now, I will like to ask you about socio-cultural factors that can affect performance of MSSEs operators.

15. Which of the socio-cultural factors do you think that affect MSSEs performance most in your locality? (i.e. factors that affect your business where you are operating)

a) Religious factors ☐
b) Perception of people ☐
c) Cultural attitudes/practices ☐
d) Geographical location ☐
e) Crime ☐
f) Educational factors ☐
g) Access to public infrastructure ☐
h) Health ☐
i) Access to money/capital ☐

j) Others (specify)é é

16. What is the type of your enterprise?

a) Manufacturing ☐
b) Service ☐
c) Agriculture ☐
d) Others (specify) é .

17. Do you see any relationship between performance and type of enterprise?

a) Yes ☐
b) No ☐

18. How would you rate your business performance in terms of annual profit? (ie in your opinion do you think you are doing well in your business?).

a) Above ك700,000 ☐
b) ك100,000-ك700,000 ☐
c) Below ك100,000 ☐

19. Please, what is your reason for your answer to question number 18?

a) Because I can do business transaction with money all the time ☐
b) Because I cannot do business transaction the way I want it all the time ☐
c) Because I can record a business turnover on daily basis ☐
d) I can settle all my bills ☐
e) Because I have enough capital ☐
f) Any other (specify)é é é é é é é é é é é

SECTION D: CONSTRAINTS ENCOUNTERED BY MSSEs OPERATORS

Finally, I would ask you questions about the constraints you encounter in your business operation.

20a. Do you encounter any constraints in your business?

a) Yes ☐
b) No ☐

20b. If YES, what type of constraint(s) do you encounter?

a) financial constraint ☐
b) power outage ☐
c) Accessible roads ☐
d) Lack of water supply ☐
e) Others (specify)é ..

21. Of all the constraints, list the three most severe constraints to your operation/performance.

é é

22. Please suggest ways on how to overcome these constraints.

é é

23a. Do you have additional comments/information that could be of help to this study?

a) Yes ☐

b) No ☐

23b. If YES, what are they?.....

APPENDIX 11

INTERVIEW GUIDE

Department of Sociology and Anthropology
University of Nigeria, Nsukka
Enugu State
Dateé é é é é .

Introductory Remarks

Dear respondent**,**

Good day, my name is Osadebe, Nnabuike. O. I am carrying out a research on Micro and Small Enterprises in your Locality. The information we shall collect will help to proffer suggestion on how to formulate actions that will enhance MSSEs performance in your locality and Nigeria at large. You have been selected to participate in the IDI because we feel your views will contribute immensely to this study.

However, I will like to assure you that the information you will give us shall be kept confidential and will only be used for the purpose of this study. I also wish to kindly request you to allow me tape record this discussion so that I can capture everything we discussed. The discussion will last approximately for 15 minutes.

INTERVIEW GUIDE

The following set of topics will serve as a guide for the interview session

INDEPTH INTERVIEW GUIDE FOR MSSES OPERATORS

TOPIC 1: GOVERNMENT POLICIES ON MSSES IN NIGERIA

Are you aware of government policy?

Which one are you aware of?

Probe for: What do you understand by government policy?

What is your perception of government policies?

Is it common in this your area (Locality)?

How do people operating in this area perceive government policy?

In your opinion, do you think operators in urban areas have better perception of government policy than their rural counterpart?

Why did you say so?

Probe for: level of education, religions, awareness etc.

TOPIC 2: RELEVANCE OF GOVERNMENT POLICIES ON MSSES

In your opinion what can you say about the relevance of the government policies on MSSEs?

Probe for: Have you benefited from the policies?

What of benefit?

Are government policies accessible?

How accessible are these policies?

Are the policies relevant to you?

Why did you say so?

TOPIC 3: FACTORS AFFECTING MSSES OPERATORS IN NIGERIA

In your opinion, what are the factors affecting MSSEs operators in Nigeria or your business?

Probe for: Which kind of factor? Please mention the particular factor(s).

What do you think are the causes of these factors?

Are these factors very common in this your area?

Are they regarded as serious problem in this your area?

Where do you operate your business in terms of location?

How do you perceive government policies?

TOPIC 4: PERFORMANCE OF MSSES IN NIGERIA

In your opinion, what can you tell me about the performance of MSSEs in this your area?

Are they doing well?

Probe for: Is it in what way do they perform?

How would you describe performance?

What can an enterprise operators do to ensure performance in his business?

To what extent is your business financially sustainable?

How do you manage your business?

What is your style of management?

TOPIC 5: CONSTRAINT/CHALLENGES FACE BY MSSES OPERATORS

- In your opinion, what are the challenges faced by MSSEs operators in your locality (area)? **Probe for:** specific challenge/constraint.
- What is the reason for this challenge/constraint?
- Which challenge/constraint do you consider more serious in this area?
- How is your business affected by socio-cultural environment?

TOPIC 6: WAYS OF OVERCOMING CHALLENGES/CONSTRAINTS

In your opinion what do think can be done in order to overcome these challenges? Probe for: How can it be done?

What do you think government can do in this case in order to do away with these constraints?

As an operator what do you think you can do or your fellow operator can do in order to overcome constraint?

TOPIC 7: GENERAL COMMENT ON GOVERNMENT POLICY ON MSSES

Do you have any additional comment to make/suggestion on factors affecting MSSEs performance?

Thank you very much for your time, patience and contributions. We appreciate.

Demographics of the Participant

Ageé é é é é é é é é é é

Occupationé é é é é é é é

Marital statusé é é é é é é

Educational qualificationé é é ...

Religions institution é é é é é .

Name of your localityé é é é é

IDENTIFIERS

State	
Senatorial zone	
Locality	
Title/position	
Sex	

…… End of discussion……..

Thank you very much for your participation

,