International Research Journal of Finance and Economics
ISSN 1450-2887 Issue 173 May, 2019
http://www.internationalresearchjournaloffinanceandeconomics.com

Evaluation of Small and Medium Enterprises Performance and Contributions to the Economic Growth of Nigeria

Wright, Olusegun Adekunle
Dept. of Business Adminisration
Babcock University, Ilishan Remo, Ogun State, Nigeria

Oluponmile, Olonilua O
Barbara Jordan-Mickey Leland School of Public Affairs
Texas Sourthern University

Makinde, Abiola, O
Director Human Resources
Babcock University, Ilishan Remo, Ogun State, Nigeria

Abstract

This study assessed the roles of CBN, banks, and factors that influence the strategic performance of SMEs under SMEEIS. The study provides policy learning opportunity for all stakeholders and decision makers to create a more effective Scheme as an amendment to SMEEIS.Using Survey Research Design, this ex-post facto research adopted the post-positivist view. The population of the study consisted of funded SMEs, funding bank officials, and officials of the CBN. Using stratified sampling technique, samples were selected from various banking categories and SME sector. Questionnaires were administered to the officials of 20 banks, and Managing Directors of 160 funded projects with accurate physical addresses in Lagos. The response rate for CBN was 100%, 65% for banks, and 50% for SMEs. To test for the reliability and validity of the primary research instrument, questionnaires were pre-tested among similar subjects, peers and supervisors for this research and adjustments were made to remove perceived ambiguities.

Primary data were collected using structured questionnaires, while secondary data were gathered through content analysis of The SMEEIS Revised Guidelines. Data were analyzed using both descriptive statistic.

The result showed that SMEEIS significantly impacted contributions of SMEs to economic growth with P-value of 0.00 at 1% level of significance.

In conclusion, this study showed that SMEEIS significantly impacted on the strategic market of SMEs in Lagos. However, various factors need to be controlled for better performance in the future. SMEs did not understand equity funding and banks were reluctant to fund SMEs under equity. Banks encountered problems of inadequate openness and partial disclosure of genuine record books by SMEs; and SMEs needed essential infrastructure for better performance. This study therefore recommends clear documentation of roles of stakeholders in measurable terms as well as the provision of clear framework for collaboration through avenues such as workshops and training to build capacity and trust.

Introduction

The perspectives on entrepreneurship include those associated with the Schumpeterian tradition (Schumpeter, 1911, 1934 cited in Abimbola & Kocak, 2007), and resource based view (Alvarez and Barney, 2001; Penrose, 1995), that emphasizes the role of innovation, market process and firm resources. Morris, Kuratco & Covin, (2008) defined the innovation perspective of entrepreneurship as "concern with unique combinations of resources that make existing methods or products obsolete". Morris, Kuratco and Covin (2008) also defined value creation of entrepreneurship as "a process of creating value for customers by exploiting untapped opportunities". In the same vein, Shane & Venkataraman, (2000) also defined entrepreneurship as "the discovery and exploitation of profitable opportunities".

However, a primary contribution to the varied understandings and definitions and conceptualizations is that scholars of entrepreneurship view the topic from different perspectives, ranging from being a societal issue to economic as well as a teaching subject. The term 'entrepreneur' is not consistently defined in the literature. The difficulty in accepting a definition is based on perspective, behaviour, economic, or even social factors (Lumpkin and Dess, 1996, cited by Solomon, 2004). However, Tang, et al. (2007) describe an entrepreneurial firm as "one which engages in product-market innovation, undertakes somewhat risky ventures and is first to come up with 'proactive' innovations, beating competitors to the punch" (Hamel, 2000 cited by Wang, 2008). This research therefore adopts the definition of entrepreneurship as the predisposition to take risk in the hope of gain and thereby creating small and medium enterprises through continuous innovation and well coordinated efforts. Grebel, (2003) opined that entrepreneurial activities often require financial support for business start-up in order to avoid economic constraints capable of eroding organizational achievements. A firm's survival might actually be hinged on a balance between its human and financial assets which invariably determines its competitiveness. Entrepreneurship has been referred to as a "predisposition on the parts of individuals or firm to take a chance in the hope of gain" by committing efforts and resources to identifiable activity (Penrose, 1995, Abimbola &Kocak, 2007).

Entrepreneurial orientation (EO) has been proven to be germane to firm success (Wang, 2008). It has also been likened to "*strategic orientation*" with capacity to make firms behave more entrepreneurially having significant influence on the firm's performance (Wiklund, 1999;). Entrepreneurial orientation refers to "the processes, practices and decision making activities that lead to new entry". EO, as originally contextualized by (Miller, 1993& Dess, 1996).

Tang, et al. (2007) describe an entrepreneurial firm as "one which engages in product-market innovation, undertakes somewhat risky ventures and is first to come up with 'proactive' innovations, beating competitors to the punch" (Wang, 2008). These characteristics are linked with better firm's performance in today's dynamic business environments with shortened product and business model life cycles and uncertain future profit streams from existing operations which makes consistent search and discovery of new opportunities a necessity (Wiklund & Shepherd, 2005). Additionally, Lumpkin and Dess (1996) identified dimensions of EO which influence entrepreneurial behaviour. These dimensions are: autonomy, innovativeness, risk-taking, competitive aggressiveness, proactiveness (Lumpkin, 1996), stability and learning orientation, achievement orientation and personal integrity (Solomon, 2004).

Although several other factors have been proven to influence EO's effect on performance, like culture (Rauch et al., 2004), access to finance (Wiklund & Shepherd, 2005, entrepreneurial networks (Walter et al., 2005) and strategic management processes (Covin et al., 2006), Wang (2008) further emphasized that merely studying the direct entrepreneurial orientation- performance relationship reveals incomplete picture of performance (Lumpkin & Dess, 1996; Wiklund & Shepherd, 2005. Wang (2008) necessitates further research to control internal and external contingent factors in evaluating the EO-performance relationsh; (Rauch, Wiklund, Frese, & Lumpkin, 2004; Wiklund & Shepherd, 2005) An oversight of these factors will cause "wholesale adoption" of an entrepreneurial strategic orientation (Wiklund, 1999b) at the expense of firms' entrepreneurial efforts. It is therefore important to review the entrepreneurial process through which SMEs are created.

In defining the small enterprise, Storey, (1994) underscored the lack of uniformly acceptable definition of a small firm. This he adduces to the difference in firms' levels of capitalization, sales and employment. Consequently, definitions which utilize measures of size (number of employees, turnover, profitability, net worth, etc.) when applied to one sector could lead to all firms being ranked as small, while the same size definition when applied to a different sector could yield a different result (Storey, 1994). In Nigeria, the capital base as well as the number of employees that constitute the firm was used to come up with the definition of SMEs. The Small and Medium Enterprises Equity Investment Scheme (SMEEIS) categorizes SMEs as an enterprise which has a maximum asset base of N500 million ($4.2 million), minus its land and working capital and the number of employees are between 10 and 300 employees (Storey, 2002).

Storey (2002) further posited that a small business fundamentally differs from a big business in terms of being owner- driven. A small business is also characterized as not team-managed, having a high failure rate, a short term focus on returns, no internal labour pool and a high personal financial commitment by the owner (Storey, 2002). Generally and as a development strategy, SME investments seek to generate returns in more than financial terms. It is expected that these investments will have pro-poor economic and social development impacts in the local communities beyond the investment companies (ECA, 2000; Beyene, 2002;; Saleh et al 2006,).

Consequently, "recent empirical studies show that SMEs contribute to over 55 percent of GDP and over 65 percent of total employment in high income countries, SMEs and informal enterprises account for over 60 percent of GDP and over 70 percent of total employment in low income countries while they contribute over 95 percent of total employment and about 70 percent of GDP in middle income countries" (OECD 2003). SMEs' support and development has therefore become key component of developmental plans of most economies, particularly developing countries like Nigeria (Udechukwu, 2003). Specifically, 55% of workers in the UK have been shown to be employed by SMEs, while over 95% of UK firms have less than 10 employees (OECD, 2002b; ODPM, 2005; Ojukwu, 2006). In the US, 70% of job creation can be traced to high growth firms which are linked to entrepreneurial behaviours (Stephenson& Jarillo, 1990).

In defining the small enterprise, Storey, (1994) underscored the lack of uniformly acceptable definition of a small firm. This he adduces to the difference in firms' levels of capitalization, sales and employment. Consequently, definitions which utilize measures of size (number of employees, turnover, profitability, net worth, etc.) when applied to one sector could lead to all firms being ranked as small, while the same size definition when applied to a different sector could yield a different result (Storey, 1994). In Nigeria, the capital base as well as the number of employees that constitute the firm was used to come up with the definition of SMEs. The Small and Medium Enterprises Equity Investment Scheme (SMEEIS) categorizes SMEs as an enterprise which has a maximum asset base of N500 million ($4.2 million), minus its land and working capital and the number of employees are between 10 and 300 employees (Storey, 2002). The following hypotheses were formulated:

There is no significant difference in the SMEs performance before and after SMEEIS policy in Nigeria.

There is no significant difference in the contribution of SMEs to the economic growth of Nigeria before and after SMEEIS

Methodology

Research Design

This research is an ex-post facto research which is research carried out after the fact has occurred without any interference from the researcher.

The study also adopts the research philosophy of the post-positivist view of science that knowledge is not based on irrefutable observable grounds, that it is always somewhat speculative, but that science can provide relatively solid grounds for that speculation.

Population

There are over 160 projects funded in the Lagos State area by 24 banks. These banks were later consolidated into 20 banks which represent the consortium of banks from which participants were selected for this study. Questionnaires were sent to all 20 banks (24 banks were consolidated) and 13 banks responded to the survey questionnaires representing 65% of banks. One questionnaire was sent to CBN on its role on SMEEIS and the questionnaire was completed by CBN and returned for analysis. SME projects were selected based on criteria such as; active funding, the funding bank, amount of funding, complete address, and type of business.

Sampling Technique

For this study, both purposive sampling and stratified random sampling were used. Purposive sampling was used based on the researcher's knowledge of the study and the population of study.

Research Instrument

There were three different survey questionnaires developed for this study. The questionnaires designed for SMEs had a total of six questions. The 5 questions addressed the financial status of the SMEs before SMEEIS.

The questions were targeted to asking questions about the roles of the banks and their perceptions of SMEs productivity under SMEEIS.

Validity and Reliability of Research Instrument

This study therefore compared observations from one respondent to another during a pre-test of the questionnaires to students with the same background and level of education. Questionnaires were initially administered for pre-test and the results from the pre-test caused the researcher to make amends to the questions where ambiguous or not clear, and for content validity purposes.

This study used both face and content validity. Copies of proposal and questionnaires were sent to experts in methodology and students to review and provide comments on the validity of the questionnaires and methods chosen. Feedback provided was considered and questionnaires have been adjusted accordingly.

Data Collection

This study collected primary data using both purposive and the stratified random sampling techniques. There were different categories of contributors and these different categories were used as the strata to randomly choose participants. Questionnaires were designed and used in this study to gather data from participants in the SMEEIS and both open-ended and closed-ended questions were used for the questionnaire.

Results

Hypothesis 1

There is no significant difference in the SMEs performance before and after SMEEIS in Nigeria

Factors Identified by SMEs that affect their Strategic Market Performance

SMEs were asked to identify the factors that affect their strategic performance under SMEEIS. Their responses are presented in the following tables and figures. A summary of the responses is also presented:

Table 1: Access to finance/capital

	Frequency	Percent
Very low	31	38.8
Low	3	3.8
Somewhat high	10	12.5
High	18	22.5
Very high	18	22.5
Total	**80**	**100.0**

Source: Researcher's Field Survey (2013)

Table 1 above shows that approximately 42% of the SMEs ranked their access to finance or capital as either low or very low.

Table 2: Government regulations

	Frequency	Percent
Very low	34	42.5
Low	3	3.8
Somewhat high	11	13.8
High	18	22.5
Very high	14	17.5
Total	**80**	**100.0**

Source: Researcher's Field Survey (2013)

Table 2 above shows that over 45% of the SMEs rate government regulations as a major factor that affects their market strategic performance under SMEEIS.

Table 2 above show that approximately 41% of the SMEs ranked multiple taxes and levies as major factors affecting their strategic performance under SMEEIS

Table 3: Transportation

	Frequency	Percent
Very low	32	40.0
Low	3	3.8
Somewhat high	11	13.8
High	17	21.3
Very high	17	21.3
Total	**80**	**100.0**

Source: Researcher's Field Survey (2013)

Table 3 above shows that almost 44% of the SMES ranked transportation as a major factor affecting their market strategic performance under SMEEIS.

Table 4: Market availability

	Frequency	Percent
Very low	31	38.8
Low	6	7.5
Somewhat high	20	25.0

High	14	17.5
Very high	9	11.3
Total	**80**	**100.0**

Source: Researcher's Field Survey (2013)

Table 4 above shows that approximately 46% of the SMEs ranked market availability as either low or very low which means that market availability is a major factor that affects their strategic performance under SMEEIS.

Table 5: Electricity

	Frequency	Percent
Very low	35	43.8
Low	2	2.5
Somewhat high	4	5.0
High	12	15.0
Very high	27	33.8
Total	**80**	**100.0**

Source: Researcher's Field Survey (2013)

Table 5 above shows that approximately 46% of the SMEs ranked electricity as either low or very low which means that electricity affects their strategic performance under SMEEIS.

Hypothesis 2

There is no significant difference in the contribution of SMEs to the economic growth of Nigeria before and after SMEEI.

Frequency Table

Table 6: Position of Respondents

	Frequency	Percent
Manager/Managing Director	50	62.5
Admin Officer/Logistics/Secretary	4	5.0
Assistant/General Manager	12	15.0
Proprietress/Proprietor	2	2.5
CEO	4	5.0
Director	3	3.8
Head of the Unit	5	6.3
Total	**80**	**100.0**

Source: Researcher's Field Survey (2013)

Table 6 above depict the various positions held by the respondents of the questionnaires sent to SMEs. 50(62.5%) of the respondents are Managers and or the Managing Director of their companies, 12(15%) are Assistant or General Managers, 5(6.3%) are Heads of the Unit, 4(5%) are Administrative Officers or Logistics or Secretaries, another 4(5%) are CEOs, 3(3.8%) are Directors, and 2(2.5%) are Proprietors or Proprietresses.

Table 7: Gender of SME Respondents

	Frequency	Percent
Male	57	71.3
Female	23	28.8
Total	**80**	**100.0**

Source: Researcher's Field Survey (2013)

The gender of the respondents to the SMEs questionnaires are depicted in Table 51 above. 57(71.3%) of the SMEs questionnaires are completed by male respondents while only 23 (28.8%) of the SMEs questionnaires are completed by female respondents. Gender is not considered as a factor that could affect any of the variables of this study.

Table 8: Total Number of Employees

	Frequency	Percent
below 5	1	1.3
5-15 employees	20	25.0
16-25 employees	25	31.3
26-35 employees	11	13.8
36-45 employees	9	11.3
46-55 employees	2	2.5
56-65 employees	6	7.5
76-85 employees	3	3.8
106-115 employees	1	1.3
116-125 employees	2	2.5
Total	**80**	**100.0**

Source: Researcher's Field Survey (2013)

Total number of employees in an SME is depicted in Table 8 above. 25(31.3%) of the SMEs have between 16 and 25 employees, 20(25%) have between 5 and 15 employees, 11(13.8%) have between 26 and 35 employees, 9(11.3%) have 36-45 employees, 6(7.5%) have between 56 and 65 employees, 3(3.8%) have between 76 and 85 employees, 2(2.5%) have between 46 and 55 employees and another 2(2.5%) have between 116 and 125 employees and 1(1.3%) have below 5 employees and another 1(1.3%) have between 106 and 115 employees.

Table 9: Date of Incorporation

	Frequency	Percent
1970-1980	5	6.3
1981-1990	13	16.3
1991-2000	41	51.3
2001-2010	21	26.3
Total	**80**	**100.0**

Source: Researcher's Field Survey (2013)

Table 9 above below show the years of incorporation for the SMEs, SMEEIS requires that funded SMEs under SMEEIS must be incorporated. 41(51.3%) of the SMEs were incorporated between 1991 and 2000, 21(26.3%) were incorporated between 2001 and 2010, 13(16.3%) were incorporated between 1981 and 1990, and only 5(6.3%) were incorporated between 1970 and 1980.

Table 9 above show that 29(36.3%) of the SMEs have been in business for between 16 and 20 years, 25(31.3%) have been in business for between 11 and 15 years, 10(12.5%) have been in business from between 5 and 10 years, 6(7.5%) have been in business from between 21 and 25 years, 5(6.3%) have been in business from between 26 to 30 years, 4(5%) have been in business from between 31 and 35 years, and only 1(1.3%) have been in business for less than 5 years.

Discussion

To assess the impact of SMEEIS on boosting the sale of SMEs, SMEs were asked oftheir annual sale before SMEEIS. Their responses showed that most of the SMEs have an annual sale between 11 and 20 million Naira, followed by some with an annual sale of 10 million Naira or less; very few SMEs have annual sale between 21 and 40 million with only 1SME reporting it had a sale of over 40 million Naira before SMEEIS.

The responses from the SMEs on how much their annual sale is after SMEEIS showed that the annual sale of SMEs increased from what it was before SMEEIS. The number of SMEs with sale of 10 million or less reduced from approximately 30 to approximately 10 after SMEEIS; the SMEs with 11 to 20 million annual sale reduced from approximately 40 to approximately 25 after SMEEIS, SMEs that make between 21 and 30 million annual sale increased after SMEEIS, there were less than 5 before SMEEIS which increased to almost 30 after SMEEIS. There was only 1 SME with annual sale ranging from 31 to 40 million but this increased to about 5 after SMEEIS and over 40 million remained the same. The responses also show that most of the SMEs have an annual sale between 11 and 20 million Naira, followed by some with an annual sale of 10 million Naira or less; very few SMEs have annual sale between 21 and 40 million with only 1 SME reporting it had a sale of over 40 million Naira before SMEEIS.

SMEs were asked to rate the following challenges which affect their strategic performance. The responses show that the biggest challenge that SMEs have in Nigeria is the issue of lack of electricity. SMEs rely on electricity to manufacture or to make products, due to the erratic nature of electricity in Nigeria; SMEs rated this as a very high challenge that affects their productivity. Closely after electricity is water, then taxes and levies, transportation, finance, availability of raw materials, the issue of fraud and market availability.To investigate whether the SMEs have the capacity to properly manage their accounts and for effective record keeping, the SMEs were asked whether they have formal accounting systems and if yes, they are asked to identify the type of accounting system. Their responses showed that 20 SMEs indicated that they have formal accounting system while the remaining 60 does not have a formal accounting system. Internal factors such as accounting system may affect the strategic performance of SMEs. A large number of business failures have been attributed to inability of financial managers to plan and control properly the current assets and the current liabilities of their businesses. When only one person handles several duties, the accounting system may suffer.

The SMEs were asked on their opinions of what could be done to make SMEEIS better. Almost 70% of all of the SMEs commented that they want banks to reduce rate and extend repayment period for the loan portion. More importantly, they are calling on the government to alleviate their problems with funding by reducing the involvement of banks in their affairs. They also want to be more involved in the process and want a periodic review of the policy to be in their favour.

SMEs were asked if they would recommend SMEEIS to others and most of the SMEs would recommend SMEEIS to other SMEs. About 70 SMEs would recommend SMEEIS to others, less than 10 are unsure and less than 4 said no. Overall, the SMEs view SMEEIS as beneficial to them, they would participate in the future, and would recommend SMEEIS to other SMEs, the challenges notwithstanding. This indicates that the SMEs would like for SMEEIS to continue but with some amendments. SMEs are asked to rate that SMEEIS is a good indication of the government's effort in finding solution to SMEs funding problems. Most of the SMEs agree that SMEEIS shows that the government is committed to finding solution to funding for SMEs.

To assess the success of SMEEIS and the perception of SMEs on whether they have benefitted under SMEEIS, the SMEs were asked if SMEEIS has been beneficial to their company. The responses show that most of the SMEs agree that SMEEIS was beneficial to them. Less than 10 of the SMEs indicated that SMEEIS was not beneficial.

SMEs were also asked to rate how SMEEIS has contributed to their productivity. The responses showed that most of the SMEs indicated that SMEEIS improved their productivity. Very few indicated it did not. SMEs were also asked if SMEEIS expanded their businesses. With the exception of about 10 SMEs, all of the SMEs indicated that their businesses expanded under SMEEIS. SMEs were also asked whether SMEEIS improved their productivity. Most SMEs view SMEEIS as having improved their productivity.

The SMEs were also asked on what type of investment they used their SMEEIS funding for and most of the SMEs invested in raw materials, hired more employees, advertised their products, and repaired or purchased new equipment. Very few reported that they used the fund to pay outstanding loan or for personal effect or development. This result shows that SMEs are vital to the growth of the Nigerian economy. When there is fund available to purchase raw materials, more people will be employed and money will transfer back to the economy through the purchase of raw materials and advertising of products. This finding is consistent with the findings of Alawe (2004), Ogechukwu (2006) and Aina (2007) that SMEs in Nigeria contribute to the economy when they have the working capital and the infrastructure to work with.

SMEs rated the application process they went through to get SMEEIS funding. The application process was rated as very positive by most of the SMEs. Since most of them found out about SMEEIS through the banks or by direct invitation from banks, these positive rating is not surprising and is promising. However, to extend SMEEIS to all SMEs, it is important to have a process where all SMEs have equal opportunity to SMEEIS.

The Central Bank of Nigeria (CBN) was asked to identify the successes of SMEEIS and its reply shows that funds provided under SMEEIS helped to keep the SMEs financed in businesses, to learn and practice corporate governance, and also guaranteed employment for those employed by the SMEs. SMEEIS also propelled bank officials to receive training on financing SMEs.

Conclusion

This study shows the great need for change in the entrepreneurial orientation of the Nigerian SMEs and the change in the orientation of the banks as well. It will be necessary to also educate the public as well. The CBN and the Federal Government must be fully committed to training of relevant stakeholders on equity financing before investment under venture capital can be successful in Nigeria. Additionally, the perpetual challenge of lack of infrastructure that hinders the performance of SMEs must be addressed at all levels of government.

Recommendation

The observation in this study is that of finger pointing. The CBN had several roles assigned by the SMEEIS guidelines but all of these roles have to be reassessed and rewritten to reflect performance measures. Some of these roles are very vague leaving the premier bank to interpret its roles as it wishes. The roles have to be more specific in measurable terms.

References

[1] Abimbola, T. & Kocak, A. 2007, Brand, organization identity and reputation: SMEs as expressive organizations: a resource-based perspective. *Qualitative Market Research*, *10*(4), 416-430.

[2] Aina, O. C. (2007), The role of SMEs in poverty alleviation in Nigeria Retrieved on 9/12/12 on http://journalanduse.org/Assets/Vol3%20Papers/JOURNAL%2010.pdf

[3] Alawe, Tijani (2004), Entrepreneurship processes and small business management. Industrial Science Centre, Owoyemi House, Abeokuta Road Sango Otta, Ogun State Nigeria

[4] Alvarez, S. A. & Brarney, J. B. 2001, How entrepreneurial firms can benefit from alliances with large partners. *Academy of Management Executive*. *15*(1), 139- 148.

[5] Beyene, A. (2002), Enhancing the competitiveness and productivity of small and medium scale enterprises (SMEs) in Africa: An analysis of differential roles of national governments through improved support services. *Africa Development (27)*3, 130-156.

[6] Covin, J.G., Green, K.M., & Slevin, D.P. (2006), Strategic process effects on the entrepreneurial orientation sales growth rate relationship. *Entrepreneurship Theory and Practice*, *30*(1), 57–81.

[7] ECA, (2000), Enhancing the competitiveness of Africa SMEs in regional and global trade: The role of support services". Report of workshop organised by ECA in collaboration with small and medium industries development organization of Mauritius, Radisson Beach Hotel, held from 27 November to 1 December 2000.

[8] Grebel, T. (2003), An evolutionary approach to the theory of entrepreneurship. Industry and innovation. Discussion Paper Series. No. 206

[9] Lumpkin, G. T. & Dess, G. G. (1996), Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of Management Review*, *21*(1), 135–172.

[10] Miller, D., (1983), The correlates of entrepreneurship in three types of firms. Manage. Sci., 29: 770-791.

[11] Morris, M. H., Kuratko, D. F., & Covin, J. G. (2008), Corporate Entrepreneurship and Innovation*,* 2nd edition, Thompson South-Western, Mason, OH.

[12] ODPM, (2005), Small business friendly concordat: Good practice guidance. A joint document produced by the Office of the Deputy Prime Minister, Department of Trade and Industry and Local Government Association. UK: ODPM Publications.

[13] OECD, (*Organization for Economic Cooperation and Development*) (2003), Entrepreneurship and Local Economic Development: Programme and Policy Recommendations. Paris: OECD Publications.

[14] OECD, (*Organization for Economic Cooperation and Development*) (2002b), Economic Surveys United Kingdom, 2001-2002

[15] Ogechukwu, Ayozie D. (2006), The role of small scale industry in national development in Nigeria, Paper presented at the Association for Small Business & Entrepreneurship 32nd Annual Conference, Corpus Christi, Texas, November 1 -3 , 2006

[16] Ojukwu, F.D. (2006), Achieving sustainable growth through the adoption of integrated business and information solutions: A case study of Nigerian small & medium sized enterprises. *Journal of Information Technology Impact 6*(1), 47-60.

[17] Penrose, E.T. (1995), Theory of the Growth of the Firm, 3rd ed., Basil Blackwell, Oxford

[18] Rauch, A., Wiklund, J., Frese, M., & Lumpkin, T.G. (2004), Entrepreneurial orientation and business performance: Cumulative empirical evidence. In W.D. Bygrave, C.G. Brush, M.L.P Davidsson, G.D. Meyer,J. Fiet, J. Sohl, P.G. Greene, A. Zacharakis, & R.T. Harrison (Eds.), Frontiers of entrepreneurship research. Wellesley, MA: Babson College.

[19] Saleh, A. S. & Ndubisi, N. O. (2006), SME development in Malaysia: Domestic and global challenges, University of Wollongong, Economics Working Paper Series, WP 06-03.

[20] Schumpeter, J. A. 2002, New translations: Theorie der wirtschaftlichen entwicklung,

[21] Shane, S. & Venkataraman, S. (2000), The promise of entrepreneurship as a field of research, *Academy of Management Review*, *25*, 217–226.

[22] Solomon, G. (2004), Entrepreneurship and the impact of entrepreneurial orientation training on SMMEs in the South African context: A longitudinal approach. Unpublished dissertation submitted to the department of management, faculty of management sciences, University of the Cape Town.

[23] Solomon, G. (2004), Entrepreneurship and the impact of entrepreneurial orientation training on SMMEs in the South African context: A longitudinal approach. Unpublished dissertation submitted to the department of management, faculty of management sciences, University of the Cape Town.

[24] Storey, D. J. (1994), Understanding the small business sector. Routledge, London.

[25] Storey, D. J. (2002), Education, training and development policies and practices in medium-sized companies in the UK: do they really influence firm performance? *Omega, International Journal of Management Science, 30*, 249- 264.

[26] Tagoe, N., Nyarko, E., & Anuwa-Amarh, E., (2005), Financial challenges facing urban SMEs under financial sector liberalization in Ghana. *Journal of Small Business Management, 43*(3), 331-343.

[27] Tang, J., Tang, Z., Zang, Y., & Li, Q., (2007), Impact of entrepreneurial orientation and ownership type on firm performance in the emerging region of China. *Journal of Developmental Entrepreneurship, 12*(4), 383-397

[28] Udechukwu, F. N. (2003), Survey of small and medium scale industries and their potentials in Nigeria, Central Bank of Nigeria Seminar on small and medium industries equity investment scheme (SMIEIS) CBN training Centre, Lagos 6- 18

[29] Wang, C.L. (2008), Entrepreneurial orientation, learning orientation, and firm performance. *Entrepreneurship, Theory and Practice, 32*(4), 635-657.

[30] Wang, C.L. (2008), Entrepreneurial orientation, learning orientation, and firm performance. *Entrepreneurship, Theory and Practice, 32*(4), 635-657.

[31] Wattanapruttipaisan, T. (2003), Promoting SME development: Some issues and suggestions for policy consideration, Bulletin on Asia-Pacific Perspectives 2002 unescap.org.

[32] Wiklund, J. & Shepherd, D, (2005), Entrepreneurial orientation and small business performance: A configuration approach. *Journal of Business Venturing*, *20*, 71–91.