SYSTEMIC INFLUENCE BETWEEN BARRIERS TO THE SUCCESS OF SMALL BUSINESSES: A PERSPECTIVE FROM NORTH WEST NIGERIA.

MUSTAPHA SHITU SULEIMAN

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Copyright Statement

Dedication

To my loving and ever prayerful parents Alhaji. Shitu Suleiman and Hajia. Rukayya Suleiman, my supportive siblings, my nephews and my nieces. To my treasured wife, Aisha and our wonderful kids – Nadir, Zayd, Tahir and Shitu Suleiman II, your patience and dedication have been a constant source of inspiration to me throughout this journey.

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Abstract

Purpose

Small businesses are vital economic catalysts in developing nations because of their flexibility and innovative capacity to propel business activities that lead to economic development, especially in nations with significant unemployment rates, low levels of income distribution, and regional and local development challenges. However, small businesses in developing nations such as Nigeria are failing in their quest to achieve success and have an impact on the economy because of certain barriers. Therefore, this thesis aims to examine the influence between barriers to the success of small businesses in North West Nigeria from the perspective of owner-managers.

Design

The research framework used emanated from a systematic literature review, where forty-one concerns that contribute to the creation of a barrier were identified and used to develop a conceptual framework that grouped the concerns under eight common barriers: infrastructure, education, finance, regional culture, regulatory and corruption, strategic management, entrepreneur lifestyle, and enterprise operation. The framework was empirically investigated using a mixed method, which incorporated the quantitative and qualitative approaches. The mixed method was used to avoid common bias and to provide clarity to the survey from an individual perspective. To provide a detailed understanding of the barriers associated with the success of small businesses from the perspective of owner-managers in North West Nigeria, a survey questionnaire of 518 owner-managers of existing small businesses identified through a registered list from SMEDAN, was used to validate the developed conceptual framework and formulated hypotheses. Following the quantitative phase, face-to-face semi-structured interviews were conducted with selected owner-managers of failed/closed small businesses, through snow balling, to explore their experiences and beliefs with regards to barriers to small business success.

Findings and implications

The study found that there was a significant negative correlation between all the identified barriers and the success of small businesses. Findings suggests that concerns contributing to the creation of infrastructure, strategic management, regional culture, entrepreneur lifestyle, education, and regulatory & corruption, finance, and enterprise operation barriers, reduce the chances of small business success in North West Nigeria.

Additionally, findings shows the ranking of barriers by owner-managers based on their perception of the barrier that has the most influence on the success of their businesses. Additionally, findings shows the level of influence the barriers have on success, which is either low or medium. Based on the findings, the initial conceptual framework was developed into an improved systemic diagram, to show the ranking and influence between the barriers as they reduce the chances of success for small businesses in North West Nigeria.

The improved systemic diagram could serve as a guide to inform future decision-making by small business stakeholders towards improving the success of businesses. Particularly, it will improve the understanding of owner-managers that for the business to succeed, they need to understand the barriers and how they can be linked to influence the chances of success. For example, having financial discipline and proper records (enterprise operation) could improve the chances to access credit (finance). Further, findings from this research drew other significant implications that could be used to appreciate the impact of specific policies and measures on other elements, such as government support targeting specific areas for allocation/improving of resources that could improve the chances of small business success. In addition, financial institutions can use the findings to assess the performance of small businesses before extending loans.

Originality and value

This study is based on empirical evidence and it is the only study to the best of the researcher's knowledge in the context of Nigeria that explore in a systematic way the barriers to the success of small businesses from the perspective of owner-managers. This study adds to our understanding of the barriers to small businesses by developing an improved systemic diagram showing the influence between barriers to the success of small businesses based on the perspective of owner-managers. The improved systemic diagram could be modelled in other contexts to develop bespoke diagrams and simulation models that would help in examining the barriers hindering the success of businesses.

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List of Abbreviations

ACSS	Agricultural Credit Support Scheme
AFD	French Agency for Development
AfDB	Africa Development Bank
AOAV	Action On Armed Violence
AU	African Union
BMO	Business Member Organisation
BoA	Bank of Agriculture
BoI	Bank of industry
BRIC	Brazil Russia India China
CAC	Corporate Affairs Commission
CBN	Central bank of Nigeria
CBOKD	Closed Business Owner Kaduna
CBOKN	Closed Business Owner Kano
CIDA	Canadian International Development Agency
DFI	Development Finance Institution
DFID	Department for International Development
EAER	Economic Affairs Education and Research
EC	European Commission
ECOWAS	Economic Committee of West African States
EFA	Exploratory Factor Analysis
EFCC	Economic and Financial Crimes Commission
ERGP	Economic Recovery Growth Plan
ESL	Export Stimulation Loan Scheme
GDP	Gross Domestic Product
GEM	Global Entrepreneurship Program
GIA	General Information Authority
IBRD	International Bank for Reconstruction and Development
ICPC	Independent Corrupt Practices Commission
IFAD	International Fund for Agricultural Development

IFC	International Finance Corporation
ITF	Industrial Training Fund
KadStep	Kaduna State Entrepreneurship Program
KFW	German Development Bank
KPMG	Klynveld Peat Marwick Goerdeler
MDA	Ministries Departments and Agencies
MENA	Middle East and North Africa
MFB	Micro Finance Bank
MIGA	Multilateral Investment Guarantee Agency
MINT	Mexico Indonesia Nigeria Turkey
MoC	Ministry of Commerce
MPNDV	Ministry of Planning National Development and Vision
MSME	Micro Small and Medium Enterprises
₦	Naira (Nigerian Currency)
NACRDB	Nigerian Agricultural Cooperative and Rural Development Bank
NASME	National Association of Small and Medium Enterprises
NASSI	National Association of Small Scale Industries
NAWE	National Association of Women Entrepreneurs
NBCI	Nigerian Bank for Commerce and Industry
NBS	National Bureau of Statistics
NEDEP	National Entrepreneurship Development Program
NEPAD	New Partnership for Africa Development
NERFUND	National Economic Reconstruction Fund
NGO	Non-Governmental Organisation
NIDB	Nigerian Industrial Development Bank
OECD	Organisation for Economic Co-operation Development
OPEC	Organisation of Petroleum Exporting Countries
PAT	Profit After Tax
PCA	Principal Component Analysis
SBA	Small Business Advocate

SIDA	Swedish International Cooperation Agency
SME	Small and Medium Enterprises
SMECGS	Small and Medium Enterprises Credit Guarantee Scheme
SMEDAN	Small and Medium Enterprises Development Agency of Nigeria
SMEEIS	Small and Medium Enterprises Equity Investment Scheme
SMIEIS	Small and Medium Investment Scheme
SPSS	Statistical Package for Social Sciences
TAS	Technical Acquisition School
TRATOW	Train to Work
UNDP	United Nations Development Program
UNIDO	United Nations Industrial Development Organisation
URT	United Republic of Tanzania
USAID	United States Agency for International Development
VAT	Value Added Tax
WPR	World Population Report
YouWin	Youth Enterprise with Innovation in Nigeria

Chapter One: Introduction

The notion of small business was first used as early as in the late 1940's with the introduction of targeted policies to improve trade and industrialisation, such as post-World War II Japan; and, the creation of support agencies by governments in certain countries such as the United States, India, Tanzania and Turkey (OECD, 2004). Therefore, the importance of a vibrant small business sector in both developed and developing countries as critical economic catalysts has been widely recognised (Okpara and Wynn, 2007; Schumacher, 2011; Storey, 2015). The small business sector contributes significantly to both the Gross Domestic Product (GDP) and the employment rate of countries (Thurik and Wennekers, 2004; Shubban, Mehmood, and Sattar, 2013). Particularly, in developing nations with significant unemployment rates, low levels of income distribution, and regional and local development challenges (Ahmed, 2006). In this sense, McIntyre (2001) suggests, "sustained and healthy growth and success of this sector is obviously necessary for all nations since it is difficult to imagine rising overall living standards and social peace without such a development" (p.1).

Therefore, the rationale for conducting this research is based on personal experience as a postgraduate masters student in the United Kingdom. Particularly, the surprise of seeing so many successful small businesses with some operating as direct substitutes, competing in the same location. For example, coffee shops and fast food restaurant. The success of these businesses according to Storey (1994) can be influenced by the way the business is created, organised, and managed.This experience triggered a curiosity about how small businesses in North West Nigeria, who have little to no competition regarding the number of direct substitutes cannot survive and be successful. This curiosity led to researching literature that focus on small business, particularly, those that look into the issue of barriers to their success. Surprisingly, there is no study that was done on small businesses uisng a systematic literature review process. Particularly, no study was found on the influence between barriers to the success of small businesses in Nigeria. Instead, previous studies focus on identifying specific concerns in isolation to small business success, which may not present an accurate picture regarding barriers to the success of small businesses. For example, Mambula (2002) and Ekwem (2011) highlighted the problems and prospects, Ayozie (2013) and Etuk et al., (2014) looked at the role of small business in national development. Further, Adelaja (2007) researched the importance of small business and strengthening of small business, while Okpara and Wynn (2007) examined the determinants of small business growth constraints.

In addition, these studies lay more emphasis on small businesses in the Southern part of Nigeria, and this limits their value and highlights their limited research approaches, particularly, these findings cannot be generalised to the whole country because of difference in regional economic activities and business culture. Therefore, this present study will focus on North West Nigeria and address these knowledge gaps through a replicable, scientific and transparent process that aims to minimise bias of published and unpublsihed studies known as a sytematic literature review (*See Section 2.0).* The study will use identified concerns that contribute to the creation of barriers to the success of small businesses to develop a holistic model showing the systemic influence between those barriers in the context of North West Nigeria, where few studies have been conducted. Dabo (2006) argues that successful small businesses could contribute to regional development and help strengthen an economy. Therefore, this present study is the first study to be conducted in such context, and it is important because the researcher hails from the North West Nigeria and there is need to improve the success rate of small businesses in the region. Small businesses in North West Nigeria could provide individuals with financial independence and boost the profitability of untapped human skills and natural resources. Further, findings from this research would provide owner-managers with the knowledge of how identified barriers influence the chances of their business success. Thereby, allowing them to mitigate against such occurances and improve their businesses, showcase their talent and business ideas in areas the government is targeting such as, agriculture, manufacturing, retail, and services. This would also allow them benefit from the liberalisation and diversification of the economy by the government from crude oil base (similar to Saudi Arabia's diversification efforts away from crude oil) as most small businesses in the region operate within the targeted sectors. Other beneficiaries of this research include policy-makers for a balanced development of the small business sector and the economy at large. Non-governmental organisations involved with small business development, and researchers on small businesses who might want to explore this same topic in other contexts.

This chapter provides an overview of the research including the research background and problem, a brief theoretical framework that underpins this study. In addition, the research objectives and questions are outlined, research scope and justification, research methodology to be used in the survey are clarified, and significance of the study. It also includes the contribution of the research to knowledge. Finally, an outline of the chapters is presented.

Thesis Synopsis

Aim

Examine the systemic influence between barriers to the success of small businesses in North West Nigeria.

Research Background: small businesses play a crucial role in the development of countries. However, they face a myriad of concerns hindering their success. Therefore, these concerns require further investigation.

Research Problem: Despite several programs and support initiatives, small businesses in Nigeria have achieved little success. Therefore, there is need to undertake this research, to identify concerns that contribute to the creation of barriers to the success of small businesses in the context of North West Nigeria from the perspective of owner-managers.

RQ1: What are the concerns identified from the systematic literature that contribute to the creation of barriers to the success of small businesses?

RQ2: How do the identified barriers influence the success of small businesses?

RQ3: How do owner-managers in North West Nigeria perceive the influence between the barriers to the success

Literature Review

Stage One (RQ1): Systematic literature review to identify concerns that contribute to the creation of barriers to the success small businesses.

Conceptual Framework: Conceptual framework interpreting the identified barriers will be developed and adapted to North West Nigeria for testing.

Hypotheses: Hypotheses will be formulated to test and validate the conceptual framework.

Research Methodology and Design

Philosophy adopted: *Positivist* - adopted based on certain ontological and epistemological assumptions.
Research Purpose: *Exploratory* – area under study have not been studied in the context of this research that would provide clarity to concerns that contribute to the creation of barriers to the success of small businesses.
Research Strategy: *Survey strategy* – to offer little observer subjectivity, good statistical significant results, and high representation of the general population
Research Approach: *Mixed methods* - survey questionnaire and semi-structured face-to-face interview.

Data Collection & Analyses

Stage Two - (RQ2 & RQ3 – Quantitative and Qualitative): 781 survey questionnaires to be distributed. Empirical result (descriptive and inferential) will be presented following results obtained from the questionnaire. Additionally**,** 5 face-to-face semi-structured interviews to be conducted. Emerging themes identified by participants will be outlined and analysed in the context of North West Nigeria. Further, results will draw insights into findings from the quantitative stage

Discussion of findings

The discussion will incorporate findings from both qualitative and quantitative stages in relation to established literature. In addition, findings will be used to develop an improved systemic diagram, illustrating the influence between the barriers considered. Based on the perspective of participants, a ranking of the barriers according to their impact on small businesses will be presented.

Conclusion

Findings based on analyses of data, the contributions of the research to knowledge and practice will be presented. In addition, implications of the research to different stakeholders and areas that could be explored for further research will also be highlighted.

1.0 Research Background

There is a general agreement amongst researchers that the idea and definition of small business vary due to their diversity, in relation to size of business, labour force, amount of capital available and the type of business (Stoke, 1994; Egbougu, 2003). However, there are three main parameters applied in defining a small business: number of employees, capital including plant and machinery, and profit or turnover of business (Ayyagari, Beck and Demirguc-Kunt, 2007). In addition, the small businesses are characterised by subjectivity in decision-making due to the simple management structure comprised of a management team of one or few individuals (Adisa, AbdulRaheem and Mordi, 2014).

Small businesses are vital for sustained growth in a nation’s economy and are regarded as the driving force of economic growth, job creation and poverty reduction (Harris and Gibson, 2006; van Eeden, Viviers and Venter, 2004). In Nigeria, the involvement of small businesses in the economy is vital due to their contribution to job creation, setting up of new firms, development of products and service provision, including services outsourced from larger companies. The major advantage of the small business sector in Nigeria is its employment potential in different areas within the sector, such as manufacturing, retail and services, which have a multiplier effect on the rest of the economy. However, small businesses face a myriad of difficulties, such as access to credit, poor business plans and poor government policies that hinder their success (Ropęga, 2011; Bridge and O’Neil, 2013). Therefore, these barriers require further investigation because they are too disadvantageous to the chances of success for small businesses.

As only about 50% of small businesses remain operational after three years (Watson, 2003), there is widespread concern about the causes of their failure rate (Mambula, 2002; Okpara and Wynn, 2007). North West Nigeria is not an exception. In sum, Abdelsamad and Kindling (1978, p.24) state that, ‘although failure cannot be completely avoided, failure rate could be reduced if some of its causes are recognised, and preventive measures are taken.’ Given this situation and recognising the considerable significance of small businesses as economic wheels of nations (Gaskill, VanAuken and Manning, 1993; Uma 2013), which Nigeria is not an exception, it has become necessary to identify and examine systemically, the barriers to the success of small businesses. This will ensure necessary measures and actions to promote the success of small businesses in North West Nigeria. Most initiatives address the barriers small businesses face using a linear cause-effect approach in their search for a 'magic-bullet' that would solve the problem, as opposed a systemic (holistic) understanding of this complex phenomenon.

1.1 Research Problem

Small businesses can be found in most developed and developing economies around the world, representing about 99% of all companies (The Small Business Advocate, 2015). Furthermore, they cover much of the same spectrum of enterprise types in the different countries they exist, for instance, electronic and information technology, carpentry, retailing and fashion designers. While most of these small businesses are sole proprietorships, a significant number are incorporated businesses. The small business sector in Nigeria has a vast reservoir of a workforce with technical skills (SMEDAN, 2015) and has the potential to offer a viable option to fight poverty and unemployment. Further, it can contribute to the national development by influencing the distribution of income both in functional terms – factors of production, and in nominal terms - wages and profits (Ogbuabor, Malaolu, and Elias, 2013; Churchill, 2013). In addition, where small businesses are dispersed, they not only promoting rural development but also stem urban migration and subsequent problems of congestion in cities.

Given the above and recognising the contribution of small businesses to Nigeria's economy, past and present governments' economic development plans have featured strategies and initiatives to promote and strengthen small business development. These governments have created a clear path for accelerating the development of small businesses through the establishment of agencies and initiatives to transform the sector by stimulating, monitoring, coordinating, integrating into the global economy and providing microfinance and other financial services to small businesses (SMEDAN, 2012). These include Bank of Agriculture (BoA), the Youth Enterprise with Innovation in Nigeria (YouWin) Programme, the Train to Work (TRATOW) Initiative, and the Counterpart Funding Scheme of the Bank of Industry (BoI). With these initiatives and support, it is only natural to expect that small businesses would flourish and be successful in Nigeria. However, small businesses remain vulnerable and face a low rate of success in Nigeria, which has an adverse effect on the economy (Okpara and Wynn, 2007). These include several reasons such as inconsistency and inadequate coordination of government policies, owner-manager weak business plan, and lack of long-term thinking and transparency from government. Further, the inability of the small business owner-manager to identify and mitigate against concerns that contribute to the creation of barriers to their business success (Okpara and Wynn, 2007).

In addition, Erastus, Stephen and Abdullahi (2014) argued that the agencies and initiatives identified above have failed to perform to expectation in assisting the small businesses to achieve success because of poor monitoring of government initiatives for small businesses by agencies such as SMEDAN. Ekwem (2011) identified other concerns both internal and external to the business such as poor record keeping and corruption, which involves diverting the support from the original beneficiaries, leading to little or no impact on the original target group, which is the small businesses. Therefore, to ensure the success of small businesses for the benefit of the owner-manager and improve the health of any economy including North West Nigeria, it is crucial to understand the concerns to the success of small businesses (Gaskill, VanAuken and Manning, 1993).

Further, there is no consensus amongst scholars regarding concerns that anticipate business success or failure (Hyder and Lussier, 2016). Previous studies have suggested potential concerns in isolation that influence the success of small businesses in both developed and developing countries. These include Lussier, 1996; Bukvic and Bartlett, 2003; van Eeden et al., 2004; Aidis, 2005; Indarti and Langenberg, 2005; Tushabomwe-Kazooba, 2006; Okpara and Wynn, 2007; Robson and Obeng, 2008. Others are Alam et al., 2011; Ropęga, 2011; Gill and Biger, 2012; Jafarnejad et al., 2013.

Thus, this research has been undertaken with the view of systematically identifying concerns that contribute to the creation of barriers to the success of small businesses. Further, to systemically examine and evaluate the influence between the barriers to the success of small businesses in North West Nigeria from the perspective of owner-managers.

1.2 Theoretical Framework

The importance of small businesses to economies of the world has been accepted worldwide (Chittithaworn, Aminul Islam, Keawchana and Yusuf, 2011; Uma, 2013). Nations both developed and developing see their prospects serving as instruments of economic growth and development, launchers of new ideas and more efficient users of resources (Savlovschi and Robu, 2011).

Small businesses make at least four exceptional contributions to industrial markets according to Acz (1992). First, they play an essential role in the process of technological change. He added that small businesses build on the Schumpetarian (1934) tradition and make a significant contribution because they are the source of considerable innovative activity. These are the introduction of new goods or services; new methods of production, opening new markets, new sources of supply and creating new organisations. Second, they generate much of the market turbulence that not only creates an additional dimension of competition not captured in the traditional static measure of market structure but also provides a mechanism for regeneration. Third, the promotion of international competition through newly created niches. Finally, small firms around the world have contributed to the number of newly created jobs.

Therefore, interest in the "success" of small businesses continues to grow but is influenced by the different ways in which small businesses are categorised and the difficulty in defining "success" (Mike, Nicki and Sarah, 2004). Success in business is defined based on different perspectives, for example, based on monetary reward or having a positive impact on others. The easiest definition according to Makhbul (2011) is through elements such as revenue or a firm's growth, personal wealth creation, profitability, sustainability, and turnover. However, Watson et al. (1998) and Dafna (2008) associate entrepreneurial success by relating "success" with continued trading, and entrepreneurial failure with unrewarding or ceased trading. Harada (2002) challenged this view by stating that some entrepreneurs would prefer to remain in the business despite facing difficulty and loss due to their high determination to succeed. Success is also measured in multiple ways, using different indicators, time-spans and in various forms such as survival, profit, return on investment, growth, number of employed, happiness, and reputation (*See Section 2.2*). However, the important thing is knowing how to measure it (Beaver, 2002; Chittithaworn, et al., 2011).

Given the diversity among scholars on globalisation, technological advancement, and change in consumer preferences, it would be difficult to agree on a definitive list of concerns to the success of small business. In this context, and in line with Hunger and Wheelan (2003), an interesting classification is provided by Storey (1994), who focuses on whether certain fundamental concerns could be 'internal' to the firm (such as lack of owner-manager motivation), as opposed to those considered 'external'. These include shortages in banking and government loans, the intensity or lack of government control, and a lack of skilled labour.

Authors such as Ropęga (2011) identified certain internal concerns such as management quality (including the personal characteristics or attitude of the owner-manager), marketing and distribution, human resources, technology, and innovation that, in his view may hinder business success. However, other authors such as Westhead, Wright and McElwee (2011) consider constraints relating to managerial skills and shortages of skilled labour as less important in running a small business, while technological problems are regarded as being of higher importance. On the other hand, Simpson, Tuck and Bellamy (2004) suggested that weaknesses in entrepreneurial decisions, employee relationships, entrepreneurial objectives, organisational culture, education, training, and prior experience might constitute the main internal concerns hindering the success of small businesses.

While, Mambula (2002) highlights lack of finance, inadequate infrastructure (such as electricity and poor road), difficulty in obtaining raw materials, machines and spare parts, and stringent government policies as external concerns to the success of small businesses. Similarly, Abubakar and Abdullahi (2013) highlighted lack of government support regarding training and tax rebates. In addition, Anga (2014) sees corruption, difficulty in accessing finance and capital because of weak banking institutions, and an inefficient legal framework as concerns that stifle the success of small businesses. On the other hand, Onugu (2005) stated that small businesses experience difficulties related to lack of sectoral linkages because most large firms source their raw materials directly instead of sub-contracting this part of their work to small businesses. In addition, he sighted inconsistencies in company policy, multiple taxations, high levies and rates as critical concerns to the success of small businesses.

As mentioned earlier, most studies on the success of small business focus on the effect of certain specific concerns, one by one, in isolation, producing a list of concerns without exploring their influence. Further, these studies seem to point towards a complex set of concerns (Fielden, Davidson and Makin, 2000) that does not provide clear understandings that could determine whether a small business will start-up, grow, succeed or fail (Tonge, 2001). In light of the above, this present study becomes very important because there is a dearth of research, which provides a holistic and systemic understanding, and the influence of barriers to the success of small businesses, particularly, in North West Nigeria. Therefore, a systematic literature review will be employed to ensure all possible concerns that contribute to the creation of barriers to the success of small businesses are captured before formulating the research questions.

1.3 Scope of the Study

This research focus on understanding and examining the systemic influence of the barriers to the success of small businesses in North West Nigeria from the perspective of owner-managers. Therefore, the research is confined to formal (registered) small businesses within the manufacturing, retail and service sectors in the states of Kaduna and Kano and only participants from these North Western states and sectors were employed. The reason for selecting these two states is because Kaduna serves as the administrative centre of Northern Nigeria, while Kano is the commercial nerve (NBS, 2013).

The research focuses on small businesses only because they are predominant in most countries (The Small Business Advocate, 2015). Therefore, for this study, the definition of small business by the Central Bank of Nigeria (CBN), which is the officially recognised definition in Nigeria, was adopted. It defines a small business as an enterprise with annual income/asset of not more than ₦500, 000 (£1,240) and staff strength between 11 and 49. Identification of formal businesses that fit with this definition was made using Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) official list of registered small business, National Association of Small Scale Industries (NASSI) and National Association of Small and Medium Enterprises (NASME). Informal small businesses, as well as small businesses in other sectors other than the ones mentioned above, were not included in this present research. Also, this study considered small businesses that have been in operation for three or more years, and those small businesses that are out of business and closed because of certain concerns as identified under *section 1.2*.

The scope of this research was derived from established literature in different contexts, including Nigeria, identified from the systematic review of literatrure as against seeking an understanding of new concerns that contribute to the creation of barriers to the success of small businesses. Even though the theoretical framework is based on literature in different contexts, the contents are similar and applicable to this research, specifically, to North West Nigeria. In addition, the fieldwork from this research would help clarify what specific concerns that contribute to the creation of barriers, from all those found in the literature, would apply to North West Nigeria. Further, a brief description and justification of the choice are presented below to give a better understanding of the scope.

Nigeria is often referred to as "giant of Africa" due to her population and size of the economy. With an estimated population of 166.2 million people (WPR, 2014) and a $522.4bn GDP growing at 3.84% as at 2014 (Trading Economics, 2015). Nigeria borders the Benin Republic to the West, Chad Republic and Cameroon to the East, and Niger Republic to the North (*see figure 1*). Its coast in the South lies on the Gulf of Guinea in the Atlantic ocean. Nigeria comprises six regions: North West, North East, North Central, South West, South East and South South, with a total of 36 states and the Federal Capital Territory, where the capital, Abuja is located (*See Appendix A*).

Figure 1.1 Countries Bordering Nigeria
Source: cdc.gov

Nigeria is worth more than US$500 billion and US$1 trillion in terms of nominal GDP and purchasing parity respectively, making it the world's 20th largest economy as at 2015, and the largest economy in Africa, unseating South Africa (Ohuocha, 2014). Nigeria is considered amongst the MINT (Mexico, Indonesia, Nigeria, and Turkey) group of countries, which are widely seen as the globe's next "BRIC-like" countries (Barber, 2011; StreetJournal, 2014). Further, Nigeria is a founding member of the African Union (AU) and a member of many other international organisations, such as the United Nations, (UN) the Commonwealth of Nations and Organisation of Petroleum Exporting Countries (OPEC). As a country, Nigeria is well endowed with natural resources and belongs to so many organisations around the world. However, despite all these, businesses do not seem to flourish, this could be because of certain concerns that contribute to the creation of barriers to businesses, which is an aspect this research intends to also look at.

Seven states that make up the North West region of Nigeria, Kaduna, Kano, Kebbi, Katsina, Jigawa, Sokoto, and Zamfara (*See Appendix A*). The region boast of a relatively large land mass and size, it is a region known for agriculture, small and large scale farming and cattle rearing. Across a range of poverty measures used by the Nigerian government, the North West performs poorly (AOAV, 2013). This underlying situation has been worse by factories in the region being closed down or operating at a loss as a result of different concerns, such as lack of adequate infrastructure and lack of a proper business plan, particularly in Kaduna and Kano states. Thus, many youths are unemployed and vulnerable to violence (Chizoba, n.d; AOAV, 2013). Therefore, this study is aimed at systematically identifying concerns that contribute to the creation of barriers to the success of small businesses and examine the systemic influence between the barriers in the context of North West Nigeria. The next section presents the research questions this research intends to answer and the specific objectives of the research.

1.4 Research Questions and Objectives

This research proposes to answer the following questions about the concerns that contribute to the creation of barriers to the success small businesses face in North West Nigeria as identified from the systematic literature review:

- What are the concerns identified from the systematic literature that could contribute to the creation of barriers to the success of small businesses?
- How do the identified barriers influence the success of small businesses?
- How do owner-managers in North West Nigeria perceive the influence between the barriers to the success of their small businesses?

In addition, the primary aim of this study is to systematically identify and systemically examine the influence between the barriers to the success of small businesses in North West Nigeria from the perspective of owner-managers. To achieve this, the following specific objectives were set:

- To identify systematically from the literature review possible concerns that contribute to the creation of barriers to the success of small businesses.
- To evaluate the influence the barriers have on the success of small businesses.
- To systemically examine the influence between the barriers and their impact to the success of small business in North West Nigeria from the perspective of owner-managers.

1.5 Research Methodology

It has been observed (Collis and Hussey, 2003) that in research, logical reasoning is applied so that precision, objectivity, and rigour replaces experience and intuition as the means of investigating a research problem. For this research, the systematic literature review of several studies from all over the world including both quantitative and qualitative approaches were used to develop the conceptual framework and to achieve the overall aim of the research. The logic for the systematic approach is based on the concept of systematic literature review (*See Section 2.0*), which is a scientific method of explicitly limiting bias through identifying, appraising, and synthesising different studies in order to answer a particular question (Petticrew and Roberts, 2006). Systematic approach in this research refers to identification of the most efficient way of getting optimum results by creating a foundation to show how the literature review was developed to identify concerns that contribute to the creation of barriers to small business success. The barriers were then used to develop the initial conceptual framework, the framework was further used to construct the hypotheses that were adapted for testing. Results from the test were used to develop new improved systemic diagram showing the influence between the barriers to the success of small businesses in North West Nigeria (*See Section 6.7*).

Incorporating quantitative and qualitative approaches for this research is to avoid common-method bias. In addition, to provide additional insight by expounding results of the quantitative stage that identify what concerns are relevant and how they influence business success in the context of North West Nigeria. The fieldwork for this research started with the quantitative approach using a survey questionnaire that was administered to a total sample size of 781 small businesses. These include 174 in manufacturing (88 from Kaduna and 86 from Kano), 238 in retail (131 from Kaduna and 107 from Kano), and 367 in service (191 from Kaduna and 178 from Kano). The selection of the sample size was drawn from SMEDAN's and NASSI's official list of registered small businesses.

The quantitative stage of the data analysis aimed to achieve the second and third objectives of the present research. Using the Statistical Package for the Social Science (SPSS) software version 23.0, the data collected in this stage were analysed using a descriptive analysis process, followed by an inferential analysis, which confirms whether the formulated hypotheses are true or not. The descriptive statistics gave a broad appreciation of the data collected, after that; factor analysis confirmed the validity and reliability of the constructs used on the questionnaire that was related to the concerns tested. Further, only concerns loading significantly on barriers tested were utilised in the inferential analysis that tested the formulated hypotheses.

The qualitative stage of the data analysis aimed to contextualise and add richness to findings from the quantitative stage. Five face-to-face semi-structured interviews were conducted with three owner-managers from each of the sectors under consideration, namely, manufacturing, retail, and service; one staff each from SMEDAN and Ministry of Commerce and Industries. The analysis of the qualitative stage was done using the software QSR NVivo version 22. The software only helps with the process of structuring, coding and summarising the data, the analysis, and the researcher interpreted.

1.6 Significance of the Study

This research like any other is expected to make informed contributions. Therefore, it informs why the study of entrepreneurship, particularly, barriers to the success of small business is important. From a theoretical perspective, this research adds to existing knowledge by extending the growing body of literature in the field of entrepreneurship, particularly, the area of small business, by developing an initial conceptual framework from the literature. In addition, the research has the potential to contribute to owner-mangers understanding of the barriers to the success of small businesses in Kaduna and Kano states. Through a systemic diagram, contextualised to North West Nigeria, the research shows the barriers to the success of small business and the systemic influence between them from the perspective of owner-managers in Kaduna and Kano states. This study is the first of such carried out in Nigeria, particularly, North West region.

From a practical perspective, the findings of this research could provide the different stakeholders, particularly, the owner-manager with knowledge and guidance regarding how to operate their business to be successful. Findings will expose the owner-manager to the barriers and the impact they can have on the business, therefore, making them proactive as against being reactive. In addition, it could serve as a pointer to government, policymakers and other donor agencies on the specific areas to concentrate on when providing support for small businesses, such as financial assistance or provision of necessary infrastructure.

Researchers could also benefit from it by using the findings as a foundation to lunch further research in the area of small business success and or failure.

1.7 Structure of Thesis

This thesis comprises seven chapters and is structured as follows:

Chapter One: Introduction and background to the study

This chapter will introduce the present study by presenting the background including the research problem that shaped the theoretical framework. The chapter will further provide justification for the research as well as three research questions developed to help achieve the stated research objectives. In addition, the chapter will provide clarification on the scope of the research and an explanation of the research methodology. Lastly, the chapter will present the significance of the research.

Chapter Two: Literature review

This chapter will presents the systematic review of the literature exploring the strategy used in searching for relevant literature on concerns that contribute to the creation of barriers to small business success, which will be used to develop the conceptual framework. The chapter will further present different concepts of small business as well as the importance of small businesses to economies. In addition, the chapter will set the context in which the research is undertaken and will identify the gaps in the literature relating to the success of small business. Further, hypotheses will be formulated following the systematic literature review and will be used to test the developed conceptual framework. The improved systemic influence diagram will evolve from the findings of this research.

Chapter Three: Research methodology and design

This chapter will discuss the research methodology and approach this present research will adopt. The chapter will also discuss and justify the rationale behind adopting a positivist philosophy as well as the adoption of the mixed method approach (qualitative and quantitative). In addition, data collection methods and analyses will also be discussed.

Chapter Four: Quantitative data results and analysis

The empirical result of this research will be presented in this chapter, and will outline the adopted statistical analyses process. Further, the outline will include data preparation, data classification, response rate, and the reliability and validity tests of the survey instruments. The chapter will also report the descriptive analyses as well as the inferential analysis of each stated hypothesis using the Spearman's rank correlation coefficient, which shows statistical dependence and significance between the rankings of barriers.

Chapter Five: Qualitative data results and analysis

This chapter will present analyses of results for this research from the perspective of owner-managers and will draw insights and contextualise results to North West Nigeria from the quantitative stage. In addition, the chapter, using thematic analysis will outline emerging themes identified by the participants that relate to barriers to the success of small business in North West Nigeria.

Chapter Six: Discussion of Findings

This chapter will incorporate the overall findings from both quantitative and qualitative stages. The discussions of findings will refer to identified literature in chapter two. The chapter will further present the findings from the fieldwork. Specifically, the systemic diagram showing the barriers and the influence between them as they hinder the success of small businesses in North West Nigeria from the perspective of owner-managers. In addition, the ranking of the barriers relating to which has the most influence will be presented.

Chapter Seven: Conclusion

This chapter will present the conclusion and an overview of the whole research, showing how the chapters complement each other. The conclusion further highlight the research processes and the summary of the main findings. In addition, contributions, implications, and areas for future research will also be highlighted.

1.8 Summary

The focus of this research is on the systemic understanding of barriers to the success of small businesses in North West Nigeria. The research will investigate barriers to the success of small businesses with the aim of providing a better understanding. A systematic literature review would be conducted to identify the concerns that contribute to the creation of barriers to the success of small business. A conceptual framework consisting of the identified barriers will be developed and adapted to owner-managers of small businesses in North West Nigeria. Further, hypotheses would be formulated to test certain assumptions regarding the barriers to the success of small businesses. Results from the test would be used to develop an improved systemic diagram to show the influence between the barriers in the context of North West Nigeria. However, the systemic diagram could be applied in other contexts where contents are similar to North West Nigeria.

Chapter Two: Literature Review

2.0 Introduction

The objective of this chapter is to highlight barriers to small business success cited by literature as explaining the small business phenomena needed to inform the methodology of this research. A systematic literature review, defined as a replicable, scientific and transparent process that aims to minimise bias through an exhaustive literature search of published and unpublished studies (Transfield, Denyer and Smart, 2003), will be used to identify relevant studies and models about barriers to the success of small businesses. This literature review will start by a discussion of the concept of 'small business', with its various definitions and characteristics, followed by a review of the theoretical background on the role and importance of the small business sector to developed and developing economies. In addition, the chapter presents policies that shape small businesses and further identifies barriers to the success of small business and how to overcome them. The literature review will also include efforts at promoting small business development in Nigeria in general and North West Nigeria in particular, as well as success strategy for small businesses. Finally, the findings from this systematic literature review will be used to develop a conceptual framework and hypotheses. The next paragraph describes the process of the systematic literature review.

Systematic literature review

According to Petticrew and Roberts (2006) a systematic literature review should adhere to a set of scientific methods that aim to explicitly limit systemic error (bias) by attempting to identify, appraise and synthesise all relevant studies in order to answer a particular question. Further, they stated that a good systematic literature review should be able to achieve the following:

- Start with clear question to be answered or hypothesis to be tested.
- Attempt to locate all relevant published and unpublished studies to limit impact of publication and other biases.
- Involve explicit description of what types of studies are to be included to limit selection bias on behalf of reviewer.
- Examine in systematic manner methods used in primary studies, and investigate

potential biases in those studies and sources of heterogeneity between study results.

- Base their conclusions on studies that are methodologically sound.

The aim of the systematic literature review in this research is to ensure a base is established about the barriers to the success small businesses that will guide the initial fieldwork in North West Nigeria. To achieve the aim, the objectives of the systematic literature review were:

- to review a range of published literature on small business success and failure
- to identify key concerns that contribute to the creation of barriers to small businesses
- to report on key messages and barriers arising from the literature
- to provide critical analysis and commentary on the barriers

Reasons for the systematic literature review

Based on the researcher's knowledge, there is no systematic review was found in the context on Nigeria, particularly North West Nigeria. This further motivated the researcher to undertake a systematic literature review about the influence between barriers to the success of small businesses in North West Nigeria. The systematic literature review will allow the researcher identify the concerns that contribute to the creation of barriers to the success of small businesses in North West Nigeria. In addition, systematic literature review will allow the researcher to:

- summarise existing information about the barriers to the success of small businesses both in the context of Nigeria and other contexts through an unbiased manner
- identify gaps in current research in order to proffer solutions and suggest areas for further research
- provide a working framework that would position future research activities

To achieve the objectives of systematic literature review for this research, the following processes were undertaken.

Searching and identification of resources

The first stage was to search and identify studies that are concerned with barriers to small business success. The search was carried out between January 2015 and April 2017. In searching the literature, electronic databases and websites were used, such as Emerald, Science Direct databases, ProQuest, websites of the World Bank, African Development Bank, Economic Commission of Africa, Global Entrepreneurship Monitor, Nottingham Trent University OneSearch Library and google scholar. These databases and website cover a wide range of topics and statistical data on business success, hence, were valuable in building the literature for this research.

The researcher ensured that relevant studies were covered relating to barriers to the success of small businesses. According to Ely and Scott (2007) keyword searches are the most commonly used method in identifying literature. therefore, search terms using keywords that are relevant to the research questions were used for this research to avoid confusion as to which literature to use. To construct the key words used in this research, keywords in relevant papers available to the researcher were checked, and identification of alternative spellings and synonyms of key terms. The initial search resulted in a total of 144700 references and were reduced to a manageable number 20258. This was done by online screening to determine their relevance for inclusion in the systematic literature review. The online screening eliminated references that did not address the research topic, covered medium and large businesses, or conducted prior to 1985. In addition, the Boolean proximity strategy was used to narrow down the search. The search terms used are combined and depicted thus (*See Appendix B):*

- Keyword 1 AND keyword 2
- Keyword 1 OR keyword 2

Screening

The screening was used to select publications that were found by the search terms and were reviewed according to the inclusion and exclusion criteria. An example of the inclusion criteria and the reasons for inclusion used are:

- barriers to small business success – to identify the key concerns that contribute to the creation of barriers to the success of small businesses.
- small business constraints – to identify key constraints hindering the success of small business

- small business success factors – to identify key concerns that contribute to small business success
- factors for small business failure – to identify key factors contributing to the failure of small businesses
- sectors – all small business sectors to gain a wider picture of concerns that contribute to the creation of barriers.
- qualitative and quantitative studies – to capture all empirical evidence on barriers to the success of small businesses
- all countries - to ensure key concerns are captured that gives a cross cultural view of barriers to small business success

An example of the exclusion criteria and reasons for exclusion used are:

- studies about medium and large firms – they are beyond the scope of this study.
- Studies in other languages other than English – only studies done in the language the researcher understands can be used
- Studies conducted before 1985 – to have a more updated literature on barriers to small business success

The references (506) that met the inclusion criteria from the different databases were merged and further sorted by author(s) to remove duplication, leaving (236) references. Further, the remaining references were screened by the title, keywords, abstract, and the exclusion criteria was applied and only references that fulfil both the inclusion and exclusion criteria were retained, which totalled 102.

Data Extraction

To help in achieving the objective of this research, the researcher extracted information from the identified articles regarding the scope of the studies, methodology and methods adopted, analysis, and findings. This was done to provide a framework for this phase and to support the process of synthesising, reporting and dissemination in order to accurately record all information needed to address the review questions and the study quality criteria. In addition, the quality of the studies was assessed by analysing the strengths and limitations of the studies using the three criteria (soundness of the studies; appropriateness of research design and analysis used; and the relevance of the study) identified by The Evidence for Policy and

Practice Information and Co-ordinating Centre (EPPI-Centre)[1] to review the questions based on weight of evidence.

Data Synthesis

The extracted information was collated and summarised. The findings were synthesised using thematic analysis and sought to highlight what is known and established within the selected articles and to identify the key factors (subsequently called concerns) that contribute to the creation of barriers to the success of small businesses. Forty-one concerns were identified, however, authors used different terminologies to explain these concerns, which creates discrepancies within the literature (Lussier and Halabi, 2010). Therefore, to give a better understanding, the identified concerns relating to similar issue were grouped under a common theme. Eight themes (subsequently called barriers), education, finance, infrastructure, regulatory and corruption, regional culture, entrepreneur lifestyle, strategic management, and enterprise operation were created. The barrier education had three concerns (i) lack of basic education (literacy) (ii) lack of management skill and training (iii) level of education. The barrier finance had seven concerns (i) insufficient capital (ii) lack of finance (iii) access to capital (iv) access to credit (v) alternative sources of finance (vi) shortage of working capital (vii) weak economy. The barrier infrastructure had seven concerns (i) technological backwardness (ii) lack of tools and equipment (iii) lack of adequate electricity (iv) poor road network (v) poor telecommunication network (vi) lack of water supply (vii) lack of raw materials. The barrier regulatory and government policies had six concerns (i) government policies (ii) bureaucratic procedure (iii) legal and regulatory structure (vi) tax burden (v) licenses and registration (vi) corruption. The barrier regional culture had three concerns (i) regional marginality (ii) values, beliefs, norms (iii) gender discrimination. The barrier entrepreneur lifestyle had three concerns (i) excessive and expensive lifestyle (ii) attitude (iii) leadership. The barrier strategic management had six concerns (i) lack of planning (ii) lack of technical skills (iii) lack of experience (iv) competition (v) poor marketing (vi) lack of

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[1] The EPPI-Centre is a specialist centre for: (i) developing methods for systematic reviewing and synthesis of research evidence based in the Social Science Research Unit in the Department of Social Science, UCL Institute of Education, University College London. The work of the centre started in 1993, the name 'EPI-Centre' was used from 1995 and we then changed to the current name of 'EPPI-Centre' from 2001.

sectoral linkages. The barrier enterprise operation had four concerns (i) lack of employee satisfaction and customer relation (ii) poor record keeping (iii) way of doing business (iv) products and services.

Reporting and dissemination

The final phase in the systematic literature review is the reporting and dissemination, which involves writing the reviews for the findings and circulating them to potential interested parties. For this research, the results were reported in conferences and other potential avenues such as journal publications, book chapters, seminars and workshops would be considered in the future for dissemination.

Strength and limitations of the systematic literature review

Like any method of review, the systematic literature review has its strengths and limitations. Some of the strength relevant to this research includes carrying out an objective and comprehensive search and an assessment of literature on barriers to the success of small businesses. This would provide a framework for government, policymakers, owner-managers, and researchers. Whereas, the limitations include, technical difficulties, unavailability of the electronic version of certain papers identified from web search, time factor, and the number of databases and search engines used. However, the databases and search engines used in this research were searched thoroughly for relevant literature.

The systematic literature review was undertaken with the aim of identifying the relevant studies on barriers to the success of small businesses. Despite the broad nature of the systematic literature review, the process has been effective in achieving the aim and objectives of the review. Particularly, the systematic literature review has helped in identifying gaps in the small business literature that this research intends to bridge, thereby, guiding the empirical work. These gaps can be summarised as follows:

- No systematic review has been undertaken to identify concerns that contribute to the creation of barriers to the success of small businesses and the *influence between them* on the success of small business in Nigeria, particularly in North West Nigeria. Most studies focus on one or a few concerns studied in isolation.

- No studies exist about the hindrance these barriers pose to the success of small businesses in North West Nigeria, a vast region, which is different from the industrial South.

These identified gaps are in line with the research questions this study seeks to answer, that is, to identify barriers to the success of small business and examine the influence between them from the perspective of owner-managers. In addition, determining the gaps is important because it will be a base to guide the fieldwork for this research. Furthermore, the systematic literature review used both qualitative and quantitative studies to identify the different concepts and themes used to relate to the barriers to the success of small businesses.

2.1 The Small Business Concepts - definition and characteristics

2.1.1 Small Business Definition

The word entrepreneurship was coined from the French word "*entreprende*", which means to "*undertake*", commonly defined as a process of creating a business (Oghojafor, Okonji, Olayemi and Okolie, 2011). Zimmerer and Scarborough (2006) however, see the creation of a business as not the complete picture, but rather an important facet of entrepreneurship. Entrepreneurship has been defined as the practice of starting new businesses or revitalising matured organisations (Oghojafor et al., 2011), particularly new businesses generally in response to identified opportunities. However, Drucker (1985) argues that entrepreneurship is different from small business. He states that entrepreneurship is about creating new ideas with benefits to big corporations and small businesses alike, which involves a great deal of innovation. This invariably means that not every new business can be entrepreneurial. To be entrepreneurial, a business according to Etuk, Etuk, and Baghebo (2014) must apply unique management concepts and techniques.

There is a unanimous agreement amongst researchers (for example, Storey, 1994; Egbougu, 2003) that the idea and definition of small business vary due to the diversity of small business. This include, size of labour force, size of the business, amount of capital available and the type of business. It is also important to note that this definition varies from country to country and between sources reporting the statistics (Peterson, Albaum, and Kozmetsky, 1986). Arguably, the most acceptable definition of a small business is that used by Bolton (1971), which suggests that a small business is an independent business having a small market share, managed by its owner or part owners. This definition adopted some different statistical definitions, using size as a relevant factor. Emphasis has been laid more on the number of employees and capital in defining small business in most reports.

The definition of small business depends mainly on the level of development in a country. In most developed countries like the United States (US), United Kingdom (UK) and Canada, the criteria adopted for the definition of Small business is a mixture of annual turnover and employment levels (Adelaja, 2007). While the UK, definition as presented by Stokes and Wilson (2010) was based on the number of employees using the European Union (EU) criterion. Small business definitions are usually derived in each country based on their role in the economy, policies and programme designed by the agency or institution empowered to develop the small business (Etuk, et al., 2014). For example, the United Kingdom's Companies Act of 2006 in sections 382, updated in December 2017 state that, a company is 'small' if it satisfies at least two of the following criteria:

- A turnover of not more than £10.2 million;
- A balance sheet total of not more than £5.1 million;
- Not more than 50 employees

The United Nations Industrial Development Organization (UNIDO) identified fifty definitions of small-scale business in seventy-five different countries based on parameters such as installed capacity utilisations, output, employment, capital, and type of country or other criteria, which have more relevance to the industrial policies of the specific country (Akingunola, 2011). While the World Bank defines a small business as an enterprise with between 10 and 50 employees, total asset/annual sales between US$100, 000 and US$3 million (Ekwem, 2011). The European Commission (EC) see small businesses as those enterprises that employ less than 50 people with an annual turnover not exceeding 10 million Euros (Bridge and O'Neill, 2013).

It is safe to say that, based on the different criteria used in defining small businesses, what appears to be a small business in countries like Japan and United States may be termed as medium or small in developing economies like Nigeria and Ghana.

Table 2.1 Comparative Definition of Small Business by Number of Employees

Definition by	No. of Employees
US Small Business Administration	20 – 99
UK Department of Trade and Industry	10 – 49
Eurostat	10 - 99
Africa Development Bank	10 - 50

***Source*: Adapted from Ekwem, 2011**

The above table on the definition of small businesses based on different number of employees explains the difficulty in having a unanimously accepted definition, as mentioned above, small businesses vary based in the context they operate.

Small business definition in Nigeria

Several attempts have been made to define small business in Nigeria. The Companies and Allied Matters Decree of 1990 defines a small enterprise as one with an annual turnover of not more than 2 Million Naira (₦) and net asset value of not more than ₦1 million (Oghojafor et al., 2011). The table below shows the different definitions of small business by institutions in Nigeria.

Table 2.2 Different institutional definition of Small Business in Nigeria

	Asset Excluding Real estate (in million Naira)			Annual Turnover (in million Naira)			No. Employees		
Institution	**Medium**	**Small**	**Micro**	**Medium**	**Small**	**Micro**	**Medium**	**Small**	**Micro**
NERFUND	-	<10	-	-	-	-	-	-	-
NASSI	-	<40	-	-	<40	-	-	3-35	-
MOI	<200	<50	-	-	-	-	<300	<100	<10
NASME	<150	<50	<1	<500	<100	<10	<150	<1	<10
SMEEIS	≤500	-	-	-	-	-	-	-	-

Source: Oyefuga, et. al., (2008)
NERFUND = National Economic Reconstruction Fund
NASSI = National Association of Small Scale Industries
MOI = Ministry of Industry
NASME = National Association of Small and Medium Enterprises
SMEEIS = Small and Medium Enterprises Equity Investment scheme

Based on the present situation in Nigeria, such definitions can be criticised because the small businesses do not meet the high amount of turnover used in the definition. Further, the number of employees is also debatable, because most small businesses employ less than ten people as highlighted in this research's discussion of findings (*See Table 4.3*). However, for this research, we adopted a working definition of small business by the Central Bank of Nigeria (CBN), which adopts the World Bank criteria (number of employees and annual income/asset) for defining small business. In addition, it is similar in context to the definition by Bolton (1971); they are independent and have a small share of the market. A small business is an enterprise with an annual income/asset of not more than ₦500, 000 (£1,240) and staff strength between 11 and 50 (CBN, 2014). This definition by the CBN is considered the most acceptable in the Nigerian context because all other definitions by agencies and parastatals in Nigeria are derived from the parameters set by the CBN. For example, minimum capital base or annual income, as a criterion for definition (CBN, 2014).

From the above definitions, we can see those small businesses are defined based on certain criteria including, turnover, number of employees, profit, capital employed, available finance, market share and relative size within the industry. In conclusion, it is safe to say that most definitions are used for policy purposes to determine qualitative definition or non-financial measures, such as the number of people employed as it is generalised across sectors and countries (Gibson and Van dar Vaart, 2008). From the above definition, below is a description of small business characteristics.

2.1.2 Small Business Characteristics

The vital role small business play aids economic development in most countries. During the evolution of transitional economies – an economy changing from a centrally planned economy to market economy (Alexander and Skapska, 2017), small businesses carry great hopes and burden as they can play a key role in the process to lead the transition. Many countries have instituted enterprise support networks and structures to help the development of these enterprises. Nigeria is no exception; the government has designed and introduced measures to promote small- and medium-enterprise development. These measures have included fiscal incentives, for instance, tax holiday for small businesses for the first six years of their operation. Others include monetary authority support, which involves the introduction of credit guidelines by the Central Bank requiring commercial and merchant banks to allocate a portion of their loanable funds to small businesses, and export incentives. Other incentives were technical, such as the provision of manpower training (Yusuf and Schindehutte, 2000).

There is an apparent misunderstanding between characteristics of a large firms and small firms, mainly due to the assumption that the empirical results derived from large firms apply to small firms (Storey, Keasey, Watson and Wynarczyk, 2016). However, they argue that this not be the case, because a small firm is not a scaled-down version of the large firm, and it has different objectives and aspirations. They further stated the fundamental characteristics, which distinguishes small firms from large, is their relatively high probability of failing.

Small business cover much the same spectrum of enterprise types. For instance, consulting firms, fashion, electronic and information technology enterprises. While most of them are sole proprietorships, a significant number are incorporated businesses. The sector has a vast reservoir of owner-managers with low-level qualification and technical skills, as well as reduced access to the banks. However, the sector has a high potential for growth through nurturing as more graduates are entering the sector, capacity building, and support. Organizationally, they are presented by professional and trade associations (MSME National Policy, 2012). In contrast, another characteristic of small businesses is that external sources are difficult to access from finance houses and banks (Adisa, AbdulRaheem and Mordi, 2014). Further, even where the banks agree to provide the fund for these businesses, the conditions or collateral for these loans are always difficult to be met by the business owners. Hence, small businesses with a small capital base tend to use the informal financial institutions as sources of accessing finance or credit for their businesses.

In conclusion, many small businesses are of a stable size and are content to remain small. Firms in this category include family business, sole proprietorship, and many other small firms. Small businesses differ clearly in their orientation, despite their importance to economies around the world. The size of a small firm is not adequate to measure its success, growth, development or failure because these firms change within specific periods and mostly dependent on a country's level of development.

2.2 Definition of Small Business 'success' and Small Business 'failure'

Much has been written in the literature of small business success and failure. Some factors regarded as the reason for business failure may also appear as factors affecting success (Gaskill, Van Auken and Manning, 1993). This confusion in the literature regarding business success and failure might be due to the difficulty in having a standard universally accepted definition of small business. In addition, the definition of what constitutes success and failure vary. Thus, the terms “growth”, “success” and “performance”, closely linked, are used as synonyms in the field of entrepreneurship research (Reijonen and Komppula, 2007).

The definition of success or failure is not important to economies or countries but the role small businesses play in the economy (The Bolton Report, 1971). Therefore, research on ‘success’ and ‘failure’ of businesses according to Lussier (1996) is beneficial to entrepreneurs who assist, train and advise them, those who provide capital for ventures, suppliers, and public policymakers.

2.2.1 Small Business ‘success’

Interest in the ‘success’ of small business continues to grow, largely influenced by the different ways in which they are categorised. In recent years, there has been an increasing amount of literature on small business success. However, Simpson, Tuck and Bellamy (2004) argue that significant progress has not been made because researchers do not consider the many problems specific to small business. The problem of identifying a suitable methodological approach in defining “success” due to diverse opinions have created problems (Watson, Hogarth-Scot, and Wilson, 1998; Beaver, 2002).

To date, research has sometimes simplified the definition of ‘success’ as being equivalent to continued trading, similar to survival in various growth models. Continued trading might also relate to a firm remaining in business but not profitable. However, by adopting business continuation as the basis for success, conventional theorists held the assumption that profitable entrepreneurs decide to stay in business (Watson et al., 1998), which is not forced to arise as a result of profit but due to the characteristics of the entrepreneur (Harada, 2002).

Many factors have been found to impact on small business success including, industry structure, employee relations, entrepreneurial objectives, organisational culture, education, training and prior experience and various sub-categories within these areas (Simpson, Tuck, and Bellamy, 2004). However, these attempts according to Watson et al. (1998) have failed to agree on success factors. Guzman and Santos (2001); Baron and Markman (2003) argue that the success of an enterprise is the function of both internal and external factors. Therefore, it important for small firms to strengthen not only the internal business environment but also the external environment (Beck and Demirguc-Kunt, 2006).

Neshamba (2000) viewed concerns such as owner-manager previous experience, understanding the needs of customers, access to capital, and hard work as important for success among Kenyan entrepreneurs. Conversely, Coy, Shipley, Omer, and Rao (2007) also believe hard work, good customer service, and good product quality are important for business success in Pakistan. Below we give the different perspectives of success as highlighted in the literature.

Success as survival

The concept 'success' for Small business becomes more complicated because 'success' is often viewed in terms of survival, growth or profitability. For example, Reijonen and Komppula (2007) claim "success" as continued operations and "failure" as going out of business. Conversely, studies as Van Praag (2003) argue that small businesses that prevent involuntarily exist and have longevity regarding survival tend to be more successful. Whereas, Simpson et al., (2004) believe it is important to recognise that while a common measure of 'success' in business is still to be defined, there are some general factors found to be influential in the 'success' potential of a business. Furthermore, they argued that every entrepreneur has a perception of business 'success' and that 'success' determined outside the business has little relevance to the entrepreneur if they do not see themselves as being successful. However, no matter one's perspective, Geroski, Mata, and Portugal (2010) conclude that there is no superiority amongst the factors as there are important elements contained therein that explains the survival of small businesses. Moreover, to analyse the survival of small businesses, Van Praag (2003) posits that the investigation and understanding of their determinants are particularly relevant. Studies such as Mas-Verdú, Ribeiro-Soriano and Roig-Tierno (2015) analyse the impact of business incubators on firm survival. Using business innovation, size, sector, and export activity to see the degree to which they affect firm survival. Additionally, Gieure and Buendia-Martinez (2016) studied the relationship between the survival of firms in the translation and interpreting sector, and the concerns of human capital, contingency, and economic investment to outline which combination of concerns exerts an influence over translation and interpreting firm survival.

Difference between success and survival

Studies such as Praag (2003) have related the concept of success to survival in business by stating the longer a business survives, the more successful it has been. In addition, to achieve success, business owners strive to continue in business because survival is considered a function of the characteristics of the business and the owner (Headd, 2003). For example, the Churchill and Lewis growth model of 1983 differentiates the survival and success stages in business. Survival is where the business demonstrates that at the minimum it is a workable entity with enough customers to keep the business operating, generating enough cash to break-even and cover its cost. Survival is considered a natural process for firms with a robust or limited growth ambition. While success present the businesses with the decision to either exploit their accomplishments to expand or remain stable and profitable. In addition, success is measured in different forms by businesses, some use financial indicators while others emphasised the relevance of non-financial indicators (Simpson et al., 2004). Those that consider non-financial indicators see factors such as business survival, customer retention and customer satisfaction as the best criteria of success for their businesses (Jennings and Beaver, 1997). While those that consider financial measures argued that for a business to be considered as successful, it needs to generate income, increase profit and demonstrate the desire to grow indicated by their sales and income (Perren, 2000).

However, there seems to be some evidence from the above studies to indicate that the difference between success and survival in business are dependent on several factors within a particular context and how the two terms are perceived by business owners. Some business owners are comfortable with how their businesses are operating (survival) and have no desire to expand and make it more successful (Walker and Brown, 2004). Therefore, once the factors that determine survival for small firms are examined and understood within a particular context, by businesses or supporters such as government, the results will support small business owners find paths to success. For this research, success is viewed from the perspective of business survival. The reason for adopting this position is that owner-managers' first priority is for the business to survive despite their different perception of what success means (Lussier and Pfeifer, 2001; Simpson et al., 2004).

Success as growth

'Success' of small firms is associated with how small business grow. Achtenhagen, Naldi, and Melin (2010) listed the idea of growth as an increase in sales, increase in the number of employees, increase in profit, increase in assets, increase in the firm's value and internal development. Stoke, Wilson, and Mador (2010) state that entrepreneurial ventures evolve through various stages of start-ups, development, and growth, through decline and closure. Stating further, that each of these enterprises changes its characteristics in each of these stages in ways that often require different skills, structures, and resources to manage them. In line with the Bolton Report (1971), which states that seedbeds are breeding grounds for new industries from which tomorrow's larger firms will grow. Further, little is known according to Barber, Metcalfe and Porteous (2016) about the ways these firms can realise their innovative and growth potential, what the most critical factors are which constrains their `development and growth, or how these might be overcome efficiently. To understand growth in the context of businesses, we are compelled to look at some of the business growth models, which small firms go through as they grow and graduate to medium-size or large firms

Greiner 1972 Growth Model: Evolutions and Revolutions as Organizations Grow

Greiner (1972) stated that the problems companies face are more rooted in the past decisions than in present events or market dynamics. Management, in its haste to grow, often overlook such critical development questions as, where has our organisation been? Where is it now? and what do the answers to these mean for where it is going? Further, management instead fixes its gaze outward on the environment and toward the future, as if more precise market projections will provide the organisation with a new identity. This model identified a series of developmental stages – Creativity, Direction, Delegation, Coordination, and collaboration, through which companies tend to pass as they grow, with each stage beginning with a period of evolution, then steady growth and stability, and ends with a revolutionary period of substantial organisational turmoil and change. However, these stages are not quite as easy as they seem. For example, Stoke and Wilson (2010) State that, the first stage of 'growth through creativity' in Greiner's model leads to a 'crises of leadership', and that once it is resolved, the next stage of 'growth through direction' begins. By the fifth stage, a more collaborative management approach emphasising teamwork and matrix style organisation evolves.

Greiner's model and the study by Stokes and Wilson (2010) fail to acknowledge that as solutions to organisational problems are proffered, they also create other problems. For example, the decision to delegate might eventually cause control issues, and collaboration might delay decision-making. Additionally, with a chaotic and ever-increasing dynamic external environment, not every business or organisation experiences crisis as it grows. Further, Stoke and Wilson (2010) stated that Greiner was unable to predict what crises might precipitate the move into yet another stage. However, the Greiner model shows that there is still much to learn about processes of development in organisations, as the stages outlined are merely five in number and are still only an approximation. In addition, it should be noted that Greiner's model is appropriate for large firms especially those that have evolved from the medium-size to large businesses. Therefore, may not be suitable for small businesses.

Churchill and Lewis 1983 Growth Model: The Five Stages of Small Business Growth

Churchill and Lewis (1983) identified the stages of small business growth as existence, survival, success, take-off and maturity. They developed a model relevant to small and growing businesses that delineates five stages of a firm's development. The first stage 'existence' is concerned with how businesses or firms gather customers and deliver the product or service that would help them become a viable business. The second stage 'survival' deals with how firms demonstrate they are a workable business entity. At this stage, the business has enough satisfied customers. However, the problem now shifts to whether there is enough money for the firm to break-even and stay in business. The third stage 'success' is where businesses face the decision of whether to exploit the company's accomplishments and expand or keep the company stable and profitable, thereby providing a base for alternative owner activities, thus, whether to use the company as a platform for growth. The fourth stage 'take-off' is concerned with how the firm will grow rapidly and how it will finance the growth. Further, the stage looks at the issue of whether the owner can delegate responsibility to others to improve the managerial effectiveness of a fast-growing and increasingly complex enterprise, and if the business has enough cash to meet the demands that come along with growth. The last stage 'maturity' is where the business has the advantage of size, financial resources, and managerial talent and can be a formidable force in the market if they can retain their entrepreneurial spirit.

Despite the popularity of the model, Farouk and Saleh (2011) have criticised it for its limitations. They argue that it places emphasis on internal factors and less focus on external, which in their view, could threaten the validity of the model and its application in understanding the process of growth.

Scott and Bruce 1987 Growth Model: Five Stages of Growth in Small Business

This growth model is an extension of the two models discussed above. Scott and Bruce (1987) believe that not all businesses that survive grow due to either the nature of their industry or simply the personal desires or ambitions of the owner. Furthermore, they state that as small businesses develop, they move through distinct stages and face similar problems as described in their five stages of a small business growth model. The model deals exclusively with issues regarding small business crises regarding survival and growth at different stages, (Inception, Survival, Growth, Expansion, and Maturity). The model suggests that the role of the manager, the style of management and the organisational structure will change accordingly, indicating four crises points that precede and advance into the next stage of development. Further, the model states that changes experienced in both external and internal factors can precipitate these crises, and it is not a single measure that precipitates these changes, but a combination of factors, which also varies from business to business. Stokes and Wilson (2010) argue that the role of the management in this model moves from 'direct supervision' in stage 1 to 'decentralisation' by stage 5. The organisational structure evolves from 'unstructured' in stage 1 to 'decentralised' in stage 5. They further argued that in the first stage of 'Inception' the management style is assumed entrepreneurial, individualistic'. By the fourth stage of 'expansion', this has changed to 'professional, administrative', and by the fifth stage of 'maturity', the style has become that of 'watchdog'.

From the above models, it is clear that there is no agreement on measuring growth. However, growth is a remarkable phenomenon, especially to small firms, as their survival is dependent on their existence and participation in the market alongside bigger companies. The establishment of growth according to Machado (2016) depends on the identification of the origin of resources, capacities and learning on accumulation methods and the generation of sustainable profits, coupled to the examination of how and when resources of industry and financing are accessed and how the external investors may be informed on the subject. A common feature of these growth models is that they describe the management style of the entrepreneur and the key functional activities in each stage of development (Stoke and Wilson, 2010). However, other studies Merz, Weber, and Laetz (1994) have criticised the growth models, citing their limited usefulness to the study of growth management as they are built on deterministic assumption that all firms grow linearly through a predictable series of preordained stages.

Success strategy

Small businesses like human beings are different; therefore, success strategy used in one business may not work for another business. There is a common view that the purpose of business is to make money (Bridge and O'Neill, 2013). Hence, the model of success that people have in mind when they talk about small businesses and consider how well they are doing according to Bridge and O'Neill is likely to fall into one of two categories below, depending on whether they are looking at the business or the person behind it.

The business professionals' model: Many business professionals (which include the professional managers of larger businesses, as well as commentators, advisers, institutional stakeholders and academics), look primarily at the business and appear to have as the model of the successful, or 'perfect' business. One that is achieving its highest potential (which may be assessed in terms of growth, market share, productivity, profitability, return on capital invested or other measures of the performance of the business itself). Professionals may not be conscious that they are adopting this 'default' model, because they may fail to see that there is an alternative. Whether the model is consciously adopted or not, the result is that a business is often judged by how close it comes to what a 'perfect' business might do in particular circumstances. Small businesses often score poorly in such comparisons.

The small business proprietors' model: Many owners of small businesses do not have the same model as the one above. Their main concern is whether the business is supplying the benefits they want from it. These benefits are often associated with an income level to maintain a lifestyle, and if achieved satisfactorily, then there is no need to grow the business further. Business success for them is being able to reach a level of comfort rather than achieving the business's maximum potential when managing it can become more complex, time-consuming, risky and costly.

Bridge and O'Neill (2013) concluded by stating the difference in appreciation may be linked to the different ways in which persons making the appreciation are linked to the business concerned. Other alternative sources of success strategy that are needed by an entrepreneur according to Nandram (2002) includes a combination of attributes and skills such as being goal oriented, decisive, pragmatic, resolute, flexible and self-confident. In the same vein, Smith (1967) maintains that, in determining success strategy, there are two types of entrepreneurs and firms; he measures the deviation from each by comparing the man and the firm to analyse the correlation. He argues that Craftsman-Entrepreneur (C-E), (who is like the small business proprietors' model of Bridge and O'Neill), moves in a very limited cultural range and is narrow in outlook. While the Opportunistic-Entrepreneur (O-E), (again like the business professionals model of Bridge and O'Neill) and the opposite of the craftsman, responds to a broad range of culture and liberal views, shaped by his entrepreneurial experiences in education and work background, and his role-model. He added that social awareness measures these polar types, the degree of flexibility in delegating responsibility, hiring policies, labour relations, capital resources, competitive strategy, sales procedures, and long-term range planning. Smith concludes by stating that, C-E is associated with firms classified as rigid, while the O-E runs companies that are adaptive and with the O-E at the helm, business will sustain a higher growth rather than the rigid firm with a C-E.

From the preceding, it is safe to say that determining the success of small businesses in a unique and relevant way is very challenging. Commentators have a very divergent view as to what parameters to use from a business standpoint as they vary from individual's perspective as well as the environment, which the business itself operates. Additionally, business owners have different reasons and motives for operating their businesses, either for survival or for growth. In either case, they would have to adopt a particular strategy to ensure success, which most times, is determined by certain forces such as consumer taste or advancement in technology.

2.2.2 Small Business 'failure'

The definition of business failure is quite a complex (Oni, 2013) and often hidden/implicit concept. Additionally, there is no accepted definition of business failure, just as there is none for business success. A lack of a universally accepted definition and an absence of underpinning theory has resulted in a broad range of studies giving divergent perspective on the definition of failure (Walsh and Cunningham, 2016). This is sometimes dependent on the nature of data available (Ropega, 2011) such as the inability of the venture to satisfy a particular set of goals caused by lack of preparedness and failure to accurately estimate the cost of starting and running a business. Additionally, Ucbasaran, Sheperd, Lockett, and Lyon (2012) state that, researchers have used numerous definitions for business failure, which may vary in terms of their inclusivity ranging from broad (discontinuity of ownership) to less permissive (discontinuity of the business) to narrow (bankruptcy) definitions.

Oni (2013) analysed 72 articles and found that about 70% of the articles do not provide an explicit definition of business failure. 19.4% of the articles defined business failure from the situation of bankruptcy, 4.2% refer to business failure, as the closedown/disappearance of the business, while 6.9% say is the failure to meet some minimum financial threshold. However, if viewed from the perspective of achieving minimum financial threshold, some businesses continue trading despite earning a low rate of return (Berryman, 1982) and for a business to be termed as 'failed', Honjo (2000) states that a business must meet any of the following criteria:

- *Earnings Criterion* - a firm has failed if its return on capital is significantly and consistently lower than that obtainable on a similar investment.
- *Solvency Criterion* – a firm has failed if the owner, to avoid bankruptcy or loss to creditors after actions such as execution, foreclosure or attachment, voluntarily withdraw leaving unpaid obligations.
- *Bankruptcy Criterion* – a firm has failed if deemed legally bankrupt. Insolvency liquidation usually accompanies bankruptcy.

- *Loss Cutting Criterion* – a firm has failed if the owner disposes of the firm or its assets with losses, to avoid further loss.

Among the numerous definitions of business failure that exist in literature, below is a synthesis of principal works based on the different definitional perspective adopted from literature.

Table 2.3 Business Failure – synthesis of different definitional perspective

FAILURE DEFINITION	CATEGORY	SOURCE
Discontinuation of ownership for any reason or failing to "make a go of it"	Change in ownership or closure	Watson and Everett (1999, p.31-32)
Failure of a firm to pay its liabilities as they come due OR when the stated value of a firm's liabilities exceeds the fair market value of its assets	Insolvency & Bankruptcy	Gitman et al. (2011, p.738)
Inability to identify and be ready for the endings and losses that change produces or to act in accordance with any strategic direction	Subjective failure	Peursem, Lee and Harnisch (2001, p.77-78)
Absence of strategic planning	Subjective failure	Wang, Walker and Redmond (2007, p.3)
Firms involved in court procedures or voluntary actions which results in losses to creditors, excluding discontinued ventures	Loss to creditors	Lussier (1996, p.79)
Failure occurs when the firms' value falls below the opportunity cost of staying in business	Performance decline	Cressy (2006, p.108)
Bankruptcy is the ultimate reason for exiting the economy and happens when firms lack sufficient capital to cover their obligations. Firms that are insolvent to the point of legal proceedings have clearly failed to meet the market's performance threshold of fulfilling their financial obligations	Exiting the economy or not meeting the 'performance threshold' of the market	Thornhill and Amit (2003, p.497)
..success and failure were identifiable as "end states" …	Small business failure 'end state'	Ritchie and Richardson (2004, p.236)
At the time of failure the "legal status" of the firm was bankrupt, meaning it had suspended payment against creditors and had lost all credit legal status	Prediction	Pompe and Bilderbeck (2005, p.851)
True failure occurs only when a company ceases trading	Cessation of trading	Medway and Byrom (2006, p.518)

Business dissolution refers to single business cooperation that shut down and multiple business corporation that shut down a single business and includes both voluntary liquidation and involuntary bankruptcy	Shut down Choice Vs forced bankruptcy	Mitchell (1994, p.576)
Failure occurs when the level of organisation capital reaches zero. It is no longer able to meet its financial obligations to debt holders, employees, or suppliers and resorts to or forced into bankruptcy or liquidation.	Organizational capital	Levinthal (1991, p.401)
Failure or severe form of financial distress such as loan default or non-repayment of creditors.	Severity default	Keasey and Watson (1991, p.89)
Failure can be the inability of a business to meets its financial obligations or the discontinuation of a business – that is, the entrepreneur no longer has the capacity or desire to continue operating, and the small business is not attractive enough to attract a purchaser to continue operations.	Inability of a business to meet its financial obligations	Engelbrecht (2005, p.464)
Failure can be seen as a venture that one must get rid of (whether by selling or liquidation) at a loss in order to prevent further losses. This definition includes bankrupt ventures and those that realise they are on the road to failure, but does not include those, which are sold at a profit.	Performance below expectation leading to bankruptcy	Moolman (1988, p.34)

Source: Adapted from Pretorius (2009); Nemaenzhe (2010).

The choice of how to define '*failure'* according to Ucbasaran et al., (2012) is important because the nature of the definition employed will influence the nature of the outcomes and processes researchers observe. For example, failure of the firm does not necessarily imply failure for the entrepreneur (Sarasvathy, 2004). Given the '*survival of the fittest'*, failure according to Pretorius (2009) is a natural step in the life cycle of business ventures. He argues states that, the environment will naturally weed out unfit organisations, and that the ability to survive over time is a function of both the organisation's suitability to the current environment and its ability to adapt appropriately if the environment evolves. Any misalignment with the environment according to Barron, West and Hannan (1994) may expose the firms to different liabilities associated with failure. Conceptualizing business failure is quite difficult (Ucbasaran, Westhead, Wright and Flores, 2010) due to the difficulty in the definition. Some outcomes are unambiguously classed as failures or successes, while others fall into the grey zone of near-failure and near-success.

Before we discuss how to overcome these failures, first, we need to present the definition of failure adopted for this research. In addition, give an explanation when and why small businesses fail.

Definition of failure adopted for this research

This research adopts Nemaenzhe (2010) definition of business failure as a working definition. He states that any small business in which the owner has lost control or the business is no longer commercially viable, resulting in the small business' physical structure/assets voluntarily or involuntarily closing down or being disposed of, and the small business ceasing to operate or transact. This definition has been chosen as it captures the most parameters used to define business failure, such as not being commercially viable leading to the disposal of assets and eventual closure of the business operation, therefore, the reason for adoption.

From the above definitions, it is clear that failure may be because of many factors from many areas, both internal and external to the business; therefore, each business should assess its failure relative to the factors. Using one criterion to define business failure might not be adequate to explain the actual cause of failure. To be able to define business failure properly, we need to have an understanding of when and why a business fails. These are discussed below.

Why small businesses fail

Baumback and Lawyer (1979) stressed that unsuccessful business owners attribute their failure to many causes but rarely due to a personal defect, and that only few business owners admit that they are bad managers.

To understand why businesses fail, there are inherent or generic problems of smallness according to Peacock (2000) and the dependence of the firm on only one owner-manager in most cases. In addition, there are causes of failure that can be detected for individual firms, such as lack of finance or poor management. On the other hand, there are symptoms of problems of failure, which proprietors tend to confuse with causes. For example, lack of inventory or poor planning may be a symptom of incompetent management and to remedy either symptom will not solve the key problem. According to Storey (1994), the fundamental characteristic other than size per se, which distinguishes small businesses from larger ones is their higher probability of ceasing to trade. However, Sarasvathy (2004) and Bridge and O'Neill (2013) noted that ceasing to trade does not necessarily mean failure, but in some cases, businesses are closed because they have failed to deliver the benefits their owners required. They further stated that why small businesses fail however is less easy to say with certainty, both because failure itself is not clearly defined and because the precise causes are hard to diagnose, supporting the work of Peacock (2000) stated above.

There are so many varied reasons why small businesses fail and have often complicated how owner-managers understand the small business phenomenon, which necessitates the prioritisation and categorisation of the reasons/causes of failure. Ropega (2011) highlighted five trajectories of failures relating to small businesses as follows:

- ***An unsuccessful start-up****:* A typical failure process of start-ups in which companies have no chance of survival due to management errors committed in the establishment of the business. Inappropriate management leads to insufficient control mechanisms and operational inefficiencies. Errors in the company's policy are the visible result of errors made by management. Within a short period, the company has major problems surviving, and the fall of the company most likely appears shortly after its foundation.
- ***A dazzled growth company****:* The initial shortcoming of the leaders of this company is their reaction to the first successes of the company. Management becomes dazzled and dangerously over-optimistic. Capital expenditures increase together with a financial advantage. Issues and pitfalls that could take the company down are ignored, and management and organisational structure remain almost unchanged. This leads to loss of control and unawareness of possible problems that may affect the effectiveness of business. In the longer term, this situation leads to the loss of good financial health and negative signals ignored and interpreted as the effect of the external factors.
- ***Apathetic established company****:* A company existing more or less successfully for

several years. Lack of motivation and commitment of the company's leaders is typical of these companies. Entrepreneurs keep promoting strategies that were successful in the past. Due to apathy, they are not aware of gradual changes in the environment and the losses of its strategic advantage. This continues until a serious disturbance in the capital structure of the company happens. Attempts to restructure do not bring improvement due to the rigidity and lack of commitment of managers.

- ***An ambitious growth company:*** The management or the entrepreneur leading an ambitious growth company has the objective of making their organisation an important company in the industry. These companies have a high propensity for risk, and some of them are overly optimistic. They do not attach importance to long-term plans. Their initial shortcoming is the large overestimation of the demand for the company's products despite the inexperience and capabilities of management. This overestimation can be the consequence of over-optimism or misinformation about the market size or about the speed by which possible clients switch over from competitors. Because of this situation, there are not enough sales to cover expenses, and there is large overcapacity, which means the loss of liquidity and solvency problems.
- ***Excessive internal consumption:*** In such companies, the owner shows off his/ her wealth using company resources to realise personal ideas and to improve his/her social status through external signs. He/she values his/her short-term needs over the needs of the company. He/she often uses creative accounting to hide his/her behaviour and deception. Characteristically, the symptoms that preceded the financial collapse of the companies appear very late.

In contrast, Nemaenzhe (2010) classifies business failure using three general themes as perspectives for small business failure:

- ***Resources and opportunities*** – reveal two categories, the resource-based theory which asserts that the survival of small businesses depends on the resource and opportunity combinations to create a sustainable competitive advantage, which culminates in superiority over the competition. While the resource-dependence theory asserts that without the adequate availability of resources and opportunities, small businesses face the high prospect of failure.

- ***Business management expertise*** (*Liabilities and Venture life cycle*) – this indicates that small businesses face prospects of failure as a result of causes of failure described in terms of liability of newness, adolescence, and obsolescence; and venture life cycle.
- ***Multiple origins/causes of failure*** - this theory asserts that the failure of small businesses emanates mainly from a confluence of causes in the management inadequacies of the entrepreneurs, organisational inefficiencies, and environmental uncertainties.

Through the above analyses, it is clear that in the case of an unsuccessful start-up, there is no proper business plan in place and the main objectives for operating are not achieved. Management is also carried away by the immediate success and tends to ignore possible signs that may lead to failure. While the business environment is known for its chaotic and turbulent nature, an apathetic business that ignores the business environment by relying on previous successful strategies creates room for losing the strategic advantage. In addition, a business that is too ambitious should have a good knowledge of the market and should engage in research and development to ensure sustainability and long-term growth plans are feasible. In today's business environment, insecurity, risks, and crises are inherent factors of a business' functioning and require adequate attention.

Furthermore, there is a clear link between the trajectories highlighted by Ropega (2011) and the models developed by Bridge and O'Neill (2013). An unsuccessful startup, apathetic established company, and resources and opportunities reflect in both the business professionals' model and the small business proprietors' model, while dazzled growth company, ambitious growth company and excessive internal consumption factors are identified with the business professional model. Additionally, multiple origins/causes of failure factor aligned with the small business proprietor model.

In Nigeria, the reasons for small business failure cannot be far from what has been highlighted above. For example, Ayozie (2011) highlighted insufficient capital outlay to buy stock and equipment due to the stringent bank requirements by banks before lending. Others include the use of obsolete business methods and equipment; absence of business planning which makes it difficult to detect and understand market changes; low level of confidence within entrepreneurs due to high competition; and the lack of necessary business ideas that leads to indecision about the type of business to set up. Tijjani-Alawe (2004) further added socio-cultural obstacles such as lack of entrepreneurship culture and education; technological backwardness, political instability and sabotage; and the faulty design, implementation, and evaluation by small businesses. While Sangosanya (2011) identified disasters, competition, taxes, management, infrastructure and planning and finance as reasons for small business failure.

Different scholars such as Shepherd (2003) assert that entrepreneurs can learn from business failure once they can use information about why their business fail (i.e. feedback) to revise their existing knowledge of how to efficiently manage their own business. Equally, Singh, Corner, and Pavlovich (2007) and Cope (2011) believe that the knowledge often relates to one’s self as an entrepreneur, manager, and leader. Specifically, issues surrounding the management of cash and investment; managing internal and external stakeholder relationships; managing the challenges of growth, and understanding the marketplace and competition. This assertion by Singh et al., (2007) and Cope (2011) is similar to that of Smith (1967) highlighted above. The next section tries to elaborate further the assertion by the above authors, regarding how to overcome small business failure.

Overcoming small business failure

The important role of small business suggests that an understanding of why firms fail and succeed is crucial to the stability and health of the economy (Gaskill, et al., 1993). There is no accepted list of concerns distinguishing business success and failure. However, prior research has created discrepancies within the literature by citing different concerns as contributing factors to success and failure (Lussier and Corman, 2015). The success or failure of a business according to Fielden, Davidson, and Makin (2000) is dependent on overcoming a series of potential barriers. Such as securing sufficient financial backing, adequate and appropriate guidance, training etc., Conversely, Lussier (1995) in a study of 100 small businesses in six New England states in the United States highlighted the following areas as ways to avoid small business failure:

- **Capital** - businesses that start undercapitalised have a greater chance of failure that firms that start with an adequate capital. Furthermore, a rule of thumb according to

Lussier is to get the best estimate available of all costs and then double it, and as the business begins to earn money, the small business owner should avoid the temptation to increase fixed costs. Because without some extra financing a small business has no margin for the other factors of failure.

- **Planning** – businesses that do not develop specific business plans have a greater chance of failure than firms that do. In the event of slow economic activity/recession, and where the product/service is economic sensitive, small businesses should consider waiting to start the business until the economy turns around.
- **Management experience** – businesses managed by people without prior management experience have a greater chance of failure than firms that are managed by people with prior management experience. Small business owners who lack management skill and experience can work for someone else to gain experience. In addition, use of professional advisers can help businesses succeed. Engaging partners can also increase capital and skills.
- **Record keeping** – a business that does not keep updated and accurate records and does not use adequate financial controls have a greater chance of failure than firms that do. With the help of a good accountant and good credit, relations can help small businesses overcome tax problems and minimise theft. Furthermore, following good accounts receivable practice can help avoid slow accounts receivables.

He concluded by stating that, when a business owner starts the business undercapitalised with high fixed costs, and economic activity slows down, it becomes increasingly difficult to meet high fixed costs. Additionally, when rejected by the bank or another source for credit, many firms are forced out of business by creditors, either voluntarily or non-voluntarily. Couple this with slow accounts receivables due to the economy, tax problems, and loss of a major customer makes the odds or survival low.

Before a business fails, there are certain factors considered as the cause, which prevents businesses from being successful, and if not addressed, will eventually lead to failure or closure. Below we discuss the factors that serve as barriers to the success of small businesses.

2.3 Role and Importance of Small Business in an Economy

Small businesses are relevant economic catalysts in developed nations, and more relevant to the developing nations especially those with huge unemployment, income distribution; and regional and local development challenges. The importance of small businesses to economies of the world has been accepted worldwide (Thurik and Wennekers, 2004; Ahmed, 2006). It is widely believed (Storey et al., 2016) they contribute to economic vitality by increasing competition in the economy, partly through competing with large firms and partly through the provision of inputs to the large firms. Both developed and developing economies see the prospect of small businesses serving as instruments of economic growth and development because of their flexibility, innovative capacity and their profitability (Dabo, 2006). This is from the viewpoint of their ability to create employment, greater utilisation of raw materials, encouragement in rural development, and mobilisation of local savings, linkages with bigger industries and provision of regional balance by spreading investment more evenly (Ojo, 2009). Others include a better capability of responding to demand fluctuations, act as the seedbed for the development of entrepreneurial skills, curb the monopoly of large enterprises and offer complimentary services to the larger enterprises (Dabo, 2006).

Further, small businesses also play an effective role in streamlining state enterprises thus, contributing to privatisation. This has led to the creation of new small businesses over the last two decades, which have consistently driven economic prosperity as well as playing a crucial role in increasing competition of emerging sectors, improving economic growth and innovative capacity in many regions (Ribeiro-Soriano, 2017). However, McIntrye (2001) suggests a carefully laid foundation for the creation of new businesses to avoid long-term developmental dysfunction.

There is an increased realisation of the enormous potential of small businesses to boost economies. However, this has not been fully recognised nor exploited in most countries (Giaoutzi, Nijkamp and Storey, 2016). Further, when economies have shown various signs of stagnation and structural decline, small businesses have been regarded as generators of new growth, sources of technological change and job creation. Below we present the role small businesses play in the process of development of economies. The choice of countries are in no particular order and is based on available literature. Further, highlighting the development of these small business is to emphasise their importance to both developed and developing economies.

2.3.1 Role of Small Business in Developed Economies

For big companies, small businesses according to Savlovschi and Robu (2011) represent the world from which they come from and where from their future competition will come. While for individuals, small business represents the first job, the first step in a career, and a first step to the world of entrepreneurs. For the economy, the small businesses are the launchers of new ideas and the more effective users of resources (Savlovschi and Robu, 2011). Their involvement in economies is important due to their contribution in the development and influence of other enterprises outside the small business sector, which makes them dominate the global economy (Snell, Sok, and Dagger, 2015).

Small businesses are predominant in most developed economies representing more than 99% of all companies. In the United States of America (USA), the small business sector employed about half of the 56.1 million[2] of the nations' workforce in 2012, created over 2.1 million new jobs, providing 99.7% of all employers nationally. The health care and social assistance, accommodation and food services, and retail trade provide the most in terms of small business employment. In 2012, 304,867 companies in the USA exported goods, with small firms representing 97.7% (297, 995) generating one-third (33%) of the nation's total known export value (SBA, 2015).

According to the UK Department of business, energy and industrial strategy statistical release of November 2017, there are 5.7 million small businesses representing 99.3% of businesses, with an employment figure of 12.8 million (48%) and a 38% turnover that amounts to £1.4 trillion (Gov.UK, 2017). This is a slight increase from 2014 where small businesses in the UK represent 99% of registered companies, employing 47.9% of the national workforce and generating 33.2% annual turnover (Ward and Rhodes, 2014). These businesses according to Dabo (2006) do not only form the bedrock of the British economy, but they are also widely accepted as the main hub of economic activity in the country. He further states that every

[2] 28,443,856 small business; 5,707,941 small businesses with employees; 22,735,915 small businesses without employees (Non-employers)

nation's government firmly believes that the small businesses are crucial to a successful enterprise economy. Similarly, due to the importance the small businesses play in economies, Ward and Rhodes (2014) highlighted a few policies initiated by the UK government to enhance small businesses, which they believe, would be of "particular benefit" to small businesses. These include:

- Minimize regulatory burden by introducing a moratorium exempting start-up businesses from the new domestic regulation for three years
- Help small businesses access finance with banks agreeing to increase finance available to small businesses by 15% in 2011
- Reduce fixed cost to small businesses by extending the small business rate relief holiday for one year
- Make it easier for small businesses to access public sector procurement by eliminating the pre-qualification questionnaire for contracts below £100, 000 and setting an "aspirational target" that a quarter of government contracts would be awarded to small businesses
- Encourage exporting small businesses by ensuring successful implementation of the Export Credits Guarantee Scheme and launch the Export Enterprise Finance Guarantee
- Encourage innovation by improving procedures and services available to support small businesses on issues relating to intellectual property and increase the rate of small business Research and Development.

Small businesses represent a significant percentage of economic participation in Canada. They are where Canadians are often introduced to, exposed to and trained (Dabo, 2006). In a report by Industry Canada (2013), there were over 1 million small businesses in Canada in 2012 employing 7.7 million individuals representing 69.7% of the total private labour force. This is possible due to the number of jobs created by the sector, over a 100, 000 that represents 78% of the jobs in the private sector. Although the report points out that, survival rates for small businesses declined, with about 80% of the enterprises that entered the marketplace in 2008 surviving one full year, and 72% that entered in 2007 survived for two years. However, a small business in Canada as at 2009 accounted for 31% of the total research and development expenditures, spending $4.8 billion, with the highest innovators found in the manufacturing, knowledge-based, professional; and scientific and technical services. Overall, small business contributed between 25 and 41 percent of Canada's GDP with about $150 billion representing 41% coming from export by small businesses.

According to the Organization for Economic Co-operation and Development (OECD), small businesses account for over 95% of employment and about 70% of GDP in middle-income economies (OECD, 2004). Connolly, Norman and West (2012) further state that small businesses are an important source of innovation in an economy, almost 90% of the businesses engaging in innovative activity are small businesses, reflecting that small businesses are much more numerous. Additionally, OECD (2010) points that the contribution of small businesses to innovation is increasing because of new technologies, which makes it easier for small businesses to overcome barriers to entry and access larger markets. In Australia, small businesses play a significant role in the economy, particularly regarding their contribution to employment and production. Around 95% of the 2 million actively trading businesses were a small business in 2011 and accounted for over half of the employment in the construction and business services industries. They also accounted for 35% of production, with their contribution across industries following a similar pattern to employment (Connolly, et al., 2012). Most OECD governments according to Savlovschi and Robu (2011) consider the promotion and development of small businesses by formulating policies and programs to aid them.

Some of these policies and programmes according to Boston Consulting Group (BCG) include concessions on taxation and loans with low interest for the establishment of new companies. Another example is policy makers in Sweden support technological development of small businesses by giving them a premium to encourage them to digitalise their business. This would help them expand their market reach, improve the efficiency of employee communication and decrease procurement cost (BCG, 2013).

Below we review the role small businesses play in different developing nations. As mentioned above, the review is in no particular order and is based on available literature on a country basis.

2.3.2 Role of Small Business in Developing Economies

Although small businesses are important to all economies, all countries either developed or developing are concentrating on them to enhance the development of their economies. However, there are considerable differences in the roles they play between the developed and the developing economies. In developing economies, integration of small businesses into the global economy through economic liberalisation, deregulation, political stability and consistency in developmental policies will reduce the level of unemployment and poverty, and increase development in the human capital. Many of these developing economies are becoming increasingly aware of the role small businesses play in contributing to their industrialisation strategy; hence, they see the need to assess and promote them due to their high rate of labour intensiveness and production of higher economic profit than large enterprises. Small businesses are the starting point of development for economies going towards industrialisation. Hence, small businesses play a different role in different countries, over different times and in different industries in a national economy (Giaoutzi et al., 2016).

Small businesses are the backbone of industrial development in India (Uma, 2013) and they represent the model of economic development, which emphasise high contribution to domestic production, significant export earnings, low investment requirements, employment generation, and effective contribution to foreign exchange earnings of the nation with low import-intensive operations. Furthermore, Uma stated that small businesses have a share of 40% in the industrial production and 35% of the total manufactured exports of the country. While in Thailand, small businesses as observed by Chittithaworn, Islam, Keawchana and Yusuf (2011) account for a large proportion of the total establishments in the various sectors. For example, small businesses comprise 76% in the manufacturing sector, which is important in the economic development of the country.

Similarly, small businesses in Pakistan constitute over 90% of private enterprises in the industrial sector, employing about 78% of the non-agriculture labour force. They contribute over 30% to the GDP and account for 25% of exports of manufactured goods besides sharing 35% in manufacturing valued added (Shubban, Mehmood and Sattar, 2013). Small businesses have significantly contributed to export, thereby enhancing their global integration. However, Dabo (2006) indicate that they are more oriented in China, Korea and

Taiwan than they are in Japan, Thailand, Malaysia, Indonesia and Singapore due to the variation in the level of active participation. In addition, Wignaraja (2003) suggests that some benefits of globalisation regarding significant small business export response have influenced certain developing economies while others are yet to record any significant gain. Small businesses contribute 40% of manufactured exports in China and Korea, while in Mauritius, they account for less than 3% of the manufactured exports and less than 1% in Tanzania and Malawi.

Small businesses play a significant contribution in the transition of agriculture-led economies by furnishing plain opportunities for processing activities, which can generate a sustainable source of revenue and enhance development process. Small businesses shore up the expansion of systematic productive capability, by absorbing the productive sources of all levels of the economy and add to the formation of flexible economic systems in which they are linked. Such linkages are very crucial for the attraction of foreign investment (Shubban, et al., 2013). This will contribute to national development (Churchill, 2013) by positively influencing the distribution of income in both functional terms wages and profits in nominal terms. Furthermore, small businesses help to decentralise industries, thereby not only accelerating rural development but also stemming the urban immigration and the consequent problems of congestion in the cities.

The importance of small businesses to the economy has gone beyond the provision of support mechanisms such as physical infrastructure and trade advisory support. In Malaysia for example, entrepreneurship education according to Kamaruddin, Othman, Hassana, Zaki and Sum (2017) is used as an inspirational tool to instil entrepreneurial mindset throughout the higher education system. This is intended to encourage the young generation to channel their untapped potential to innovate and add to the country's economic and commercial value by becoming job creators rather than job seekers.

Governments in Latin America see the small business sector as a real source of creating a job opportunity. According to Savlovschi and Robu (2011), the governments reduced the bureaucracy in other to make sure the requirements for the small businesses were rapidly considered. This sector flourished in most countries in Latin America, in Brazil small businesses grew by 6.5%, while in Colombia they represent 36% of all the job opportunities and 63% in the small business sector.

Developing economies could use small businesses to achieve industrial dispersal and regional balance to boost their economic development by diversifying the industrial structure and transformation of the rural economy. This according to Rainine (2016) is possible when entrepreneurs serve as dynamic saviours of moribund economies and small businesses as the only hope for reducing the ever-growing ranks of the dole queue. The next section is a continuation of reviews on the role of small businesses in developing economies, however, with particular reference to African countries.

2.3.3 Role of Small Business in African Economies

The dynamic role played by small businesses in developing economies as necessary engines for achieving national development goals such as economic growth, poverty alleviation, employment and wealth creation, leading to a more equitable distribution of income and increased productivity is widely recognised (Steel and Webster, 1992).

In the North Africa region, Khlif (2014) argues that small businesses are strategic in the development process, constituting the root of the economic structure by providing a non-negligible share of jobs and participating in the creation of value addition. Khlif concludes by saying small businesses are dynamic and have an adaptable nature, which makes them improve the competition and support the restructuring of economies in North Africa. For example, In Morocco, a study conducted by the Ministry of Finance (2007) on growth in the small business manufacturing sector (which employs less than 200 wage earners) from 1986 to 2004 shows that small businesses account for more than 91% of official manufacturing enterprises. Also, they represent only 47% of turnover, 42% of jobs, 29% of value added, 36% of investments and 27% of exports. The report further indicated how manufacturing output is highly concentrated in the hands of large enterprises and even though it represents 8% of all companies, it accounts for two-thirds of total turnover (Morocco Ministry of Finance and Privatization, 2007).

In Algeria, the number of small businesses grew from about 104,000 in 1992 to almost 293, 946 private small businesses in 2007. These small businesses employ 1.06 million people (593,000 in 2004), i.e. an average of 3.64 jobs per small business (compared to 2.6 in 2004). In addition, the cottage industry had 116,347 plants in 2007 (including 115,508 individual artisans). The per sector breakdown of private small businesses demonstrates the predominance of the service sector, which accounts for 46%, building and public works 34%, followed by industry 18.5%, while agriculture and fishing represent only a small portion 1.2% (UN-ECA-NA, 2008).

According to Tushabomwe-Kazooba (2010) the value of goods and services created or generated by small enterprises in Uganda was USD 1,363,733 million of the total USD 2,360,157 million; thus, a contribution of 58%. They employed 2,704,127 people, representing 56% of employment size. In addition, they are responsible for human resource and entrepreneurial development, poverty alleviation and improved quality of life, resource mobilisation, business adaptability and sustainability. Whereas, the small business sector in Kenya has both the potential and the historic task of bringing millions of people from the survivalist level including the informal economy to the mainstream economy. Recognizing the critical role small businesses play in the Kenya economy, the Government through Kenya Vision 2030 envisaged the strengthening of MSMEs to become the key industries of tomorrow by improving their productivity and innovation (Kenya Ministry of Planning, National Development & Vision 2030 [MPNDV2030], 2007).

Small businesses in Ghana often described according to Oppong, Owiredu and Churchill (2014) as efficient and prolific job creators, the seeds of the big businesses and the fuel of the national economic engines. They stated further that, 70% of industrial establishments are in the small enterprise's sector and contribute about 22% to GDP as well as account for 92% of all businesses in Ghana. Additionally, 85% of manufacturing employment and largely overall employment growth comes from the sector. To support the gains further, the small enterprise sector is enjoying in Ghana; the government announced a policy that will engender sufficient economic growth that will propel Ghana into the middle-income economy by 2015 (Oppong et al., 2014).

Tanzania has witnessed the growing trend of Tanzanians engagement in the Small enterprise's sector. The engagement triggered the government to establish the status of this sector to position her efforts in supporting it. To achieve this goal, a survey was conducted to establish the size and structure of the small enterprise's segment in Tanzania's economy; estimate the contribution of said enterprises to the national economy regarding income and employment. Identify the constraints and opportunities faced by them; profile their demand for financial and business development services; segment them in ways practical for the design of appropriate interventions and services; and develop new segmentation approaches that allow a better understanding of the needs and dynamics of the sector (URT National Baseline Survey, 2012).

In general, the report specifies that there are more than 3 million small businesses in Tanzania, most of which are engaged in trade and service, playing an important role in income generation 62.7% or were even the only source of income 34.1% for the household. Furthermore, Dabo (2006) stated that small businesses in Tanzania are easily established since their requirements regarding capital, technology, management and even utilities are not demanding.

South Africa with an official estimate of approximately 25.2% unemployment rate makes it one of the highest in Sub-Saharan Africa (Statistics South Africa, 2014). Ngek (2014) indicates that in South Africa, small businesses represent about 91% of the formal businesses, provide almost 60% of employment and contribute about 57% of GDP. Hence, job creation is fundamental to economic growth and political stability in the country, and small businesses are expected to be an important vehicle in addressing the challenges of job creation and economic growth in South Africa (Maas and Herrington, 2006).

From the above cases, it is quite clear that the role and importance small businesses play in economic development cannot be underestimated. Their flexibility to withstand changes gives them an edge, and their potential for innovation creates economic opportunities that even larger businesses use as an advantage. Additionally, initiatives by governments such as an increase in entrepreneurship activities by easing the process for creating new small businesses will to help in the alleviation of poverty and create profitable opportunities for innovative entrepreneurs. These attributes have helped strengthen both developed and developing economies. The section below reviews the role of small businesses in the context of Nigeria.

2.3.4 Role of Small Business in Nigeria

The decline in the global oil price has created fears in the mind of the Nigerian government, because of its heavy reliance on crude, as the major revenue generator for the country. This fear necessitated the diversification of the country's economy from depending on crude oil to move into manufacturing, agriculture, retail and service sectors by the present government of President Buhari. The diversification drive is similar to that experienced by other oil and gas rich countries, mostly in the Middle East and North Africa (MENA) region because of instability in the oil prices and most importantly, to reduce dependence on oil. Further, based on the huge potentials of small businesses, the government plans to empower them to generate money and help grow the Gross Domestic Product (GDP) of Nigeria.

Small business plays an integral role in the Nigerian economy. Micro, Small and Medium Enterprises contribute 75% of total employment in the country, with small businesses providing 20 % of the total figure (NEDEP, 2013). A report by the Federal Office of Statistics in Nigeria indicates that small businesses provide over 50% of the nation's industrial production. This has made the government refocus their resources to ensuring the growth and sustainability of the sector, which serves as a high contributor to the building of the nation (Adegbuyi, Fadeyi, Kehinde, and Adegbuyi, 2016). Also, creating a pathway to entrepreneurship and contributing employment (Adisa, et al., 2014). This serves as a reason for policymakers to shift attention to small business because they provide a means of ensuring self-independence, job creation, import substitution, social inclusion amongst regions, and effective and efficient utilisation of local raw materials (Ojo, 2009; Suleiman, Neshamba and Valero-Silva, 2016).

Nigeria's GDP projected to rise to $6.4 trillion by 2050 if the economy is diversified from oil based. The projection is based on the potential of several sectors outside oil, and small businesses are expected to lead the way (Okonji, 2016). Based on this projected outlook, it is expected that the Nigerian government should use established institutions like SMEDAN and BoI to offer sustained support for small businesses to ensure their success.

2.4 Efforts at Promoting Small Business Development in Nigeria

Small businesses are prevalent and mostly account for the common form of business in most economies around the world and Nigeria is no exception. They have been known to be the engine of economic growth and contributions to employment generation, wealth creation, poverty alleviation and food security. According to a Public Affairs newsletter on Federal government's intervention to save small and medium enterprises (SMEs), there are over 17 million SMEs in Nigeria, providing jobs for over 32 million Nigerians. However, this critical sector has been neglected for years, after several failed intervention efforts. In light of these, the government over the years has begun to address the difficulties faced by small businesses by setting up programmes, policies and agencies to provide support and an enabling and conducive operating environment for small businesses to flourish.

The government and several committed international agencies are collaborating to promote the effective development of the small business sector in Nigeria. In addition, the government pursues viable cooperation with other interested stakeholders for the positive development of the small business sector in Nigeria (Dabo, 2006).

2.4.1 Initiatives by the Nigerian Government

The government through the Small and Medium Enterprises Agency of Nigeria (SMEDAN) has produced a national policy for the small business sector that provides an enabling environment for small businesses in both local and global markets to grow and increase competitiveness. The fundamental principles of the policy include policy regulation, credit and complimentary financial services, information and business development services, market development, research and development, legal and regulatory issues. In recognition of small business contribution to Nigeria's economy, past and present governments' economic development plans have featured strategies and initiatives to promote small business development. These governments have created at different times, a clear path for accelerating the development of small businesses through the establishment of agencies and initiatives.

According to Sanni (2009), the Nigerian government has introduced different programmes over the years to reduce the problems faced by small business owners and investors. These include:

- Mandatory Credit Guideline in respect of SMEs (1970);
- Small Scale Industries Credit Guarantee Scheme (1971);
- Agricultural Credit Guarantee Scheme (1973);
- Nigeria Agriculture and Cooperative Bank (1973);
- The World Bank Assisted SME I (1985) and The World Bank Assisted II (1990);
- Second – Tier Security Market (1985);
- Peoples Bank (1989);
- National Economic Reconstruction Fund (1992);
- Small and Medium Scale Enterprises Loan Scheme (1992);
- Family Economic Advancement Programme (1997);
- African Development Bank – Export Stimulation Loan Scheme (AfDB-ESL) in 1988;
- Bank of Industry (BOI) – being merger of NIDB, NBCI, and NERFUND) in 2001;
- Peoples Bank and Family Economic Advancement Programme in 2002;
- Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) in 2004.

Naturally, with all these support organisations and programs, one would expect that small businesses in Nigeria would not be struggling to be not only sustainable but also successful. Unfortunately, most of these initiatives die along the same government that introduced it because there is no plan in place for policies spanning across successive governments. However, Marsden (1992) argues that governments should provide a conducive or supportive environment and not deal directly with small businesses. Marsden concludes that owner-managers should manage or operate their firms efficiently and not depend on government assistance.

Consequently, SMEDAN is presently the apex institution in Nigeria with the legal responsibility of facilitating the creation, resuscitation and stimulation of the growth and development of Micro, Small and Medium Enterprises (MSME) sector in the Nigerian economy. The establishment of SMEDAN is a giant stride by the Federal Government in repositioning the sector and realigning it into the mainstream of the Nigerian economy according to a national MSME collaborative survey. Further, the survey highlighted some of the efforts through several initiatives and programmes by the different successive governments to stimulate the sector.

The microfinance policy, regulatory and supervision framework for Nigeria - This was launched in 2005 by the government through the Central Bank of Nigeria (CBN). The policy is to provide the legal and regulatory framework for microfinance banking in Nigeria. The policy objective is to create sustainable and credible microfinance banks (MFBs) that are capable of mobilising and channelling funds to the MSME sub-sector. This policy led to the establishment of new MFBs and the conversion of some of the existing community banks to MFBs. Presently, these MFBs are providing the financing window to address the inadequate access to finance confronting the small businesses in Nigeria.

However, Babajide (2011) revealed that microfinancing is not efficient and substantially practised in Nigeria as many MFBs grant more individual loans than group-based loans, thereby increasing their running cost and putting their portfolio at risk. Additionally, Abraham and Balogun (2012) argue that microfinance institutions in Nigeria have structural weaknesses that are a potential threat to the sustainability of these institutions. Stating further, operators' lack of understanding of how to run microfinance institutions is an obstacle to the performance of these institutions. MFBs in Nigeria differ from those in other emerging markets in that the majority are privately owned rather than donor-funded or governed. As such, the mandate of MFBs in Nigeria is often profit driven rather than led by a social agenda of greater financial inclusion (Ketley, Lightfoot, Jakubec, and Little, 2012).

The small and medium enterprises equity investment scheme (SMEEIS) – Officially launched in August 2001 in response to the Federal Government's concerns and policy measure towards the aggressive and radical transformation of the sub-sector through the provision of adequate and cheaper funding. The scheme required all commercial banks (now Money Deposit Banks) in Nigeria to set aside 10% of their profit after tax (PAT) for equity investment in small and medium enterprises in Nigeria. However, the scheme did not achieve the desired impact. Findings by Terungwa (2011) shows that the scheme did not have any significant impact concerning the difference between loans disbursed by banks to SMEs before and after the introduction of SMEEIS. He further states that the conditions for accessing the funds by SMEEIS were beyond the reach of predominant SMEs in Nigeria. Consequently, the scheme was scrapped because most SMEs were not interested in the equity participation for fear of losing control of their enterprise. In addition, most SMEs lack proper bankable business plan, marketing strategy, no sound accounting system and do not run their transactions through the banking system.

Small and medium scale enterprise credit guarantee scheme (SMECGS) – this is an ₦235 billion scheme established in 2010 to fast-track the development of the sector, set the pace for the industrialisation of the economy and increase access to credit by small and medium enterprises and entrepreneurs. The scheme was set to provide guarantees on loans by banks to the sector to absorb the risks that had inhibited the banks from lending to the sector. The scheme would guarantee an N100 million either in the form of working capital, term loan for refurbishment or equipment upgrade or expansion and overdraft to small and medium enterprises with total assets not exceeding N500 million and a labour force of 11 to 300 staff.

Small and medium enterprise restructuring/refinancing fund – the Federal government through the CBN established in March 2010 an ₦200 billion fund for restructuring or refinancing of banks' existing loan portfolios to the sector. The fund was sourced from the N500 billion-debenture stock issued by the Bank of Industry (BoI). The fund managed and disbursed to participating banks by the BoI for the restructuring of their loan portfolio. This will enhance their access to credit and improve the financial positions of commercial banks (Money Deposit Banks).

Cotton, textile and garment Fund – A N100 billion fund established in 2009 by the government through the CBN for on-lending to SMEs engaged in cotton, textile and garment value chain. The objective is to resuscitate, revive and set the textile industry on the path of economic recovery, as well as bring back the lost glory of the industry following the transformation agenda of the Jonathan led government.

Bank of Agriculture (BoA) **-** The Bank of Agriculture (BoA) is a government-owned institution (CBN 40% and Federal Ministry of Finance 60%) which is supervised by the Federal Ministry of Agriculture. In October 2009, the bank rebranded and adopted the name Bank of Agriculture to reflect its institutional transformation programme. The process involved repositioning its agenda based on the following three principles: modernisation, institutional capacity enhancement and a refocusing of the Bank's key mandates. Their mandate is to provide low-cost credit to smallholder and commercial farmers and SMEs operating in rural areas. They also aim to provide some micro-funding to SMEs involved in some non-agricultural activities.

The agricultural credit support scheme (ACSS) – This was a joint initiative of the Federal Government of Nigeria and the CBN established in 2006. It is a prescribed Fund of N50billion from various public and private entities. Various deposit money banks provided N35 billion of the funding, N6billion was from SMEEIS, N5 billion from the Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB now Bank of Agriculture (BoA), N2 billion from ACGSF and the remainder from state governments and debt relief. The objectives of the Fund include developing the agricultural sector of the Nigerian economy by providing credit facilities to farmers at single digit interest rates. It is specified that loans be disbursed to farmers and agro-allied entrepreneurs at 14% per annum, but that upon timely repayment, applicants are entitled to a 6% rebate making the effective rate 8% per annum.

The national economic reconstruction fund (NERFUND) facility - NERFUND was repositioned by the Federal government to contribute to the growth and development of the MSME sector with an N2 billion facility for direct lending to the MSMEs sub-sector.

Dangote fund – The federal government stimulated the MSME sub-sector by entering collaboration and partnership in March 2011 with the private sector. One of such is a N5 billion Dangote Fund (Aliko Dangote) to the BoI for on lending to MSMEs in Nigeria.

The counterpart funding scheme of the Bank of Industry (BoI) – In 2013 the BoI following her mandate to finance the MSME sector designed a counterpart funding scheme with state governments. The state government provided N1 billion to the bank, and the bank matches the fund with an additional N1 billion for on lending to MSMEs in such state.

The youth enterprise with innovation in Nigeria (YouWin) programme – This is a collaboration of the Ministry of Finance, Ministry of Communication and Technology, and

Ministry of Youth Development. Launched in 2011 in line with the Federal government's drive to create jobs for the unemployed youth. The programme is an annual Business Plan Competition for aspiring young entrepreneurs in Nigeria to display their business acumen, skills and aspirations to become business leaders, inventors and mentors. The programme implemented in partnership with the private sector, who are requested to provide funding support.

Train to work (TRATOW) initiative – This initiative set up in 2010 by the Federal Ministry of Trade and Investment and is targeted at equipping young Nigerians with the skills required to establish and manage their small businesses.

Entrepreneurship development programs (EDP) – These are programs targeted at owners-managers of small businesses as well as those possessing the potential for self-employment. Participants are expected to undergo training, which includes preparation of a business plan with emphasis on marketing, finance, management and production, identification of new business opportunities, sources of finance, cash flow analysis and record keeping.

Successive governments in Nigeria have introduced many policies, programs and intervention plan to promote small and medium enterprises. The main drive for these interventions according to Tende (2014) are specific constraints encountered by the small and medium enterprises development. One would expect that small business would flourish in Nigeria with all these interventions from the federal government. However, Erastus, Stephen, and Abdullahi (2014) believe that poor coordination of the governments' incentive support programs and lack of national strategy leads to these institutions and programs failing to perform to expectations. Some of the initiatives have been largely unsuccessful, for example, the SMECGS, over the period of four years, only 1.7 % of the total (₦235bn) fund had been disbursed. Records have shown that from inception to October 2015, 87 projects have guaranteed valued of ₦4.219 billion and only 40 projects valued at ₦2.439 billion had been fully repaid as act October 2015 (Agusto & Co., 2015).

Additionally, Tende (2014) found out that government credit policies in Nigeria have no significant effect on the development of entrepreneurial activities because there are no laws and regulations that link institutional development and the entrepreneurial endeavour to create an enabling environment that encourages entrepreneurs to develop businesses. He further stated that most often the government policies are compromised by other policies, thereby negating the intended positive effects for entrepreneurs and the economy at large. However, despite the failure of past governments to leverage on the abilities of small businesses for economic development, the present government of President Buhari in the Economic Recovery and Growth Plan (ERGP) 2017 – 2020, have signified the intention to drive industrialisation, focusing on small and medium scale enterprises. The government will improve the relationship between public and private sectors based on close partnership. To implement the plan, the government, using the private sector as the engine of national growth and development, will collaborate closely with businesses to deepen their investments in agriculture, power, manufacturing, solid minerals and service sectors.

Small businesses have the capacity and ability to impact on the economy due to their flexible nature to adapt to changes in the marketplace. However, they are less able to influence such developments without the necessary government support. These supports sometimes are received from international donor agencies and governments, but they hardly have any effect on small businesses due to poor policies by the receiving government and lack of sincerity of purpose towards the small businesses. The section below discusses some of the support by international donor agencies.

2.4.2 International Donor Agencies

The World Bank group small and medium enterprises project

According to the World Bank, limited access to finance is a key obstacle to enterprise growth and entrepreneurship in Nigeria, particularly for the young, and it is a major obstacle faced by SMEs. Further, the World Bank press release states, only 9.5 % of Nigerian SMEs had a loan in the books or line of credit in 2011, and SME lending made up only 5 % of total money deposit bank lending (World Bank, 2014). Based on the financial soundness indicators, the Nigerian banking system is now well capitalised, liquid and profitable. However, the inability of depositors to offer long-term loans means the bank cannot afford to give long-term loans because of fear of being distressed. This has created a significant obstacle for Nigeria's micro, small and medium-sized business owners. According to a 2014 survey, 6.7 % of enterprises in Nigeria had a loan or active line credit, compared to the Global Enterprise Survey average of 36.5 %, (World Bank, 2014). This shows that Nigeria is lagging behind other countries.

In support of the Nigerian government's effort to stimulate economic growth and create jobs for its citizens. The World Bank Group in a joint effort approved a $500 million International Bank for Reconstruction and Development (IBRD) credit to fund the Development Finance Project. Members include the African Development Bank (AfDB), German Development Bank (KFW), French Agency for Development (AFD), and the United Kingdom's Department for International Development (DFID). The project was set up to help facilitate increased access and availability of financing to Micro, Small and Medium Scale Enterprises (MSME) in agriculture, trade, light-manufacturing, services, and other areas. The Development Finance Project was to provide a stable and predictable funding source through the establishment of a Development Finance Institution (DFI), which will provide funding to eligible financial institutions to finance long-term lending to MSMEs, as well as funding to Micro-Finance Banks for on lending and to expand their outreach. Furthermore, the DFI will help alleviate the current financing constraint that has hampered the growth of domestic production and commerce, by filling the current financing gap.

The international fund for agricultural development (IFAD)

A specialised agency of the United Nations established as an international financial institution in 1977 as one of the major outcomes of the 1974 World Food Conference. Since 1985, IFAD has financed ten programmes and projects in Nigeria, with a total loan commitment of over US$317.60 million directly benefitting 3, 784, 680 households. The country currently attracts over 40 % of the financial resources that IFAD allocates to Western and Central Africa. All programmes and projects have addressed the livelihood needs of poor rural people, including smallholders, women, and small business owners, poor fishing communities, young people and landless people.

IFAD's support to the Nigerian Government's poverty reduction programme in rural areas targets large numbers of smallholder farmers and is essentially people-centred. IFAD supports programmes and projects that work with communities, with smallholder farmers as the key players. The organisation also promotes commodity-based interventions that provide technical and financial support along with several value chains – such as livestock products, rice and other cereals, roots and tubers, vegetables and agroforestry products (IFAD, 2013).

IFAD directs assistance towards -:

- Empowering small-scale farmers, landless people and rural women to generate sustainable incomes from farming and other activities.
- Supporting pro-poor reforms and local governance to expand access to information, effective transport systems, village infrastructure and technology.
- Improving access by poor rural communities to financial and social services.

At the government level, IFAD helps build capacity and strengthen institutions that provide services to poor rural people. It assists with necessary policy changes, developing local organisations to enhance their effective participation, and it promotes initiatives to foster rapid poverty reduction and economic growth led by the private sector.

Global entrepreneurship monitor (GEM)

The Global Entrepreneur Monitor (GEM) launched in 1999 is the largest study of entrepreneurial dynamics in the world. GEM provides a wealth of information to help policymakers, civil society, and the business community understand the obstacles to nurturing entrepreneurship, enterprise promotion and growth while offering evidence of pathways to overcome these barriers (Herrington and Kelley, 2012).

Nigeria became a member of GEM in 2012 with the objective of placing Nigeria's enterprise economy in an international context, allowing policymakers and the business community to make realistic comparisons, both with others in the region and in the outside world by identifying barriers and opportunities relevant for enterprise development. The GEM report in Nigeria assesses the current and future state of entrepreneurship, while in concert with similar surveys globally, including nine other sub-Saharan African countries, allowing for a cross-country comparison of entrepreneurial activities and aspiration. The study aims to inform the planning and design of policies intended to foster entrepreneurship.

Other international development partners

Small businesses in Nigeria have been enjoying significant contribution to their development from International development partners including the UNDP, UNIDO, DFID, USAID, EU, CIDA, SIDA, ECOWAS, and NEPAD. Not only do they provide funding support for critical initiatives, but they also facilitate access to global best practices in policy targeting of small businesses.

The Nigerian government monitors and coordinates the programmes and activities to ensure harmonisation and alignment with the objectives and strategies of the National policy on small businesses. Areas of assistance by International partners include:

- Policy and programme development capacity
- Capacity building for small business financing
- Support for process and product development
- Facilitating technology transfer
- Capacity building for business competitiveness
- Developing market development institutions
- Networking and organisational development of business organisations

Despite all these policy initiatives, programmes and support, small businesses in Nigeria are still not performing satisfactorily (Oduntan, 2014). The Nigerian government should ensure full implementation of the ERGP to protect and allow small business to succeed. In addition, to drive the change to harmonise the small business policy by ensuring the objectives are fully addressed, and the principles laid out in the policy are targeted towards small businesses and strictly observed.

The need to formulate policies that would protect small businesses show how different governments value their contribution to the development of the economy. Therefore, a general review of the small business policy is presented before reviewing the small business policy in the context of Nigeria. The following section includes the need for small business policy, initiatives to support small businesses by different countries, the type of small business policy instrument and delivery, and the effectiveness of the policy.

2.5 Small Business Policy

One of the major concerns of most governments irrespective of their political complexion or global position and development practitioners have not been only the promotion of economic growth but also the provision of a formidable institutional framework for establishing and sustaining viable small businesses. Vibrant small businesses considered crucial in solving multivariate socio-economic problems in economies of the world such as unemployment, poverty, as well as their significance for the growth and productivity and competitiveness in the development of economies around the world. However, the major challenge has been how to make this happen in a sustainable manner and within the framework of a robust policy platform.

The small business policy became selective, typically driven by government agencies with a mandate to assist specific types of firms, industries, or groups of people, mostly unemployed, women and certain ethnic group (Henrekson and Stenkula, 2010). Policy's role was to ensure that small businesses can compete in the marketplace and that they are not prejudiced because of their smallness (Lundström and Stevenson, 2005). Specifically, small business policies are directed at supporting small businesses and can be justified on several grounds. Small business policy can be used to spur perceived macroeconomics side effects such as increased employment, growth or innovation output, or to compensate for perceived negative microeconomics side effects, such as scale economies or other cost and information disadvantages associated the small business sector (Storey, 2003; and Audretsch, Grilo, and Thurik, 2007).

This approach according to Henrekson and Stenkula (2010) commonly involves the creation of specific government agencies that support small businesses in a range of programs and subsidies. Storey (1998) argues that no developed country produces a clear set of objectives for each component of small business policy. Furthermore, he believes governments favour list of policies, containing various measures, introduced to help the small business sector, such as tax exemption, late payment, administrative burdens, and finance and information provision. He further stated that analysts are required to infer the objectives of policy, rather than having these defined.

2.5.1 The Need for Small Business Policy

In an increasingly complex and dynamic business environment, governments and businesses are now focusing only on core competence to achieve economic development. Small businesses make important contributions to economic and social development, constituting most business establishments, which are widely held as job creators, and engine of economic growth. Hence, there is a need for governments to come up with policies that would help the small business so that they are not only sustainable but ensure their success and growth.

In the words of Gudgin (1995), the history of Local and Regional Economic Development (LRED) in England and Wales in the post-war period, was characterised by the transition from centralist policies manipulating and controlling the factors of production. For example, location control of multi-plant firms, to encouraging economic competitiveness based mainly on free market principles. This principle of the free market approach according to Vyakaram and Gatt (2000) led policymakers towards the premise that private sector involvement and the "purchaser/provider" split would result in improvements to both the understanding and management of service delivery.

Additionally, Bridge and O'Neill (2013) argued that, no matter how praised market forces may be, and *laissez-faire* economics promoted, no government appears able to resist the pressure to intervene in some way to promote or protect the economy for which it is perceived to have a responsibility. In addition, Storey (2008) posits that policies to promote small businesses are normally justified on the grounds of market failure and highlighted four forms, of which are relevant to small business policy. He further states that the first three relate to imperfect information, and the fourth reflects divergence between social and private returns:

- Individuals do not realise the private benefits of starting a business.
- Owners of small business do not fully appreciate the private benefits to their business of taking certain courses of action.
- Financial institutions are unable to accurately assess the risk of lending to small firms so denying some small firms access to funds and constraining their growth.
- A range of small business policies reflect the divergence between private and social benefits, for example, policies relating to promoting innovation in small firms.

Conclusively, policy to support small business is then justified because market fails on one or more of the four grounds identified above. Policy intervention according to Storey, therefore, seeks to rectify this market failure. In addition, Mintzberg (1983) states that many market failures place small businesses at a disadvantage and are likely to be permanent unless steps to address them are taken, and initiatives introduced to try and correct market failures (Bridge and O'Neill, 2013). However, the Organization for Economic Co-operation and Development (OECD) argues and states that this has been a piecemeal development of policy measures and insufficient coordination between different government bodies and policies have reduced the efficiency of small business policies, thus limited their potential to fuel economic growth (OECD, 2000).

2.5.2 Small Business Policy Initiatives

Small businesses and the recognition of their centrality as a necessary competitive instrument in the development of a modern, vibrant and progressive economy according to Beaver and Prince (2004), has undergone a remarkable renaissance. Small businesses are now the focus of political, business and management research and popularly regarded as the preferred vehicle for generation of the enterprise economy (Gavron, Cowling, Holtham, and Westhall, 1998; and Beaver and Carr, 2002). Forming an integral to contemporary economic and social regeneration (Stanworth and Gray, 1991). Consequently, this has led to the plethora of initiatives and, in more recent times, according to Vyakaram and Gatt (2000), institutions and organisations are tasked with promoting enterprise and economic development.

In the United Kingdom (UK), the small business policy aimed at supporting start-ups and SMEs to grow and contribute to the economy; and to get access to finance that was unavailable before (Gov.UK Policy paper, 2015). The Richard Report commissioned by the Shadow Cabinet concluded in 2008 that, the total public expenditure spent on small businesses support now more correctly estimated to be over £12 billion, and that it accounts for over 2 % of all government expenditure (Bridge and O'Neill, 2013).

According to the Switzerland SME policy, small businesses account for a clear majority of firms. They provide two-thirds of all jobs in the country and as such form the bedrock of prosperity (Federal Department of Economic Affairs, Education and Research - EAER, 2013). Furthermore, some businesses whether local stationery or an engineering firm are subject to various laws and regulations. The same provisions as large corporations govern them, but limited staff resources make it harder for small businesses to implement the provisions. Small businesses are often dependent on external support when setting up business. For example, the government is aware of these needs and has responded by tailoring policy on improving access to markets, easing the administrative burden, developing e-government and facilitating business financing on small business to ensure that operating conditions are as favourable as possible (EAER, 2013). To highlight the Swiss governments' drive to ensuring small businesses have a fair policy. The state secretary and director of State Secretariat for Economic Affairs – SECO, Marie-Gabrielle Ineichen-Fleisch, posits that small businesses are the backbone of our economy, and we are seeking to create the best possible general conditions for small businesses with an innovative small business policy (EAER, 2013).

Small businesses in Sri Lanka need recognition, support, and considerable synergy to integrate with the real economy. The government has assigned high priority to strengthen the sector as the backbone of the economy. Steps have been taken to form an entrepreneurial development environment by providing more significant incentives for small businesses and introducing appropriate policy reforms, such as corporate income tax rate on small businesses reduced to concessionary rates of 10% to 12%, and application of single VAT rate of 12% (Jayasekara and Thilakarathna, 2013).

The development of the private sector in Africa varies greatly. Small businesses are flourishing in South Africa, Mauritius and North Africa largely due to modern financial systems and clear government policies in favour of private enterprises (Kauffman, 2005). Furthermore, the rise of small business class in Africa has been hindered by political instability or strong dependence on a few raw materials. The Democratic Republic of Congo, for example, went bankrupt because of the looting in 1993 and the civil war of 1996. While in Congo, Equatorial Guinea, Gabon and Chad, the dominance of oil has slowed the emergence of non-oil businesses. Between these two extremes, Kauffman further states that countries like Senegal and Kenya have created conditions that are favourable for private-sector growth but are still held back by an inadequate financial system. Whereas in Nigeria, the small business sector is key to the development of the economy but are hindered by insecurity, corruption and poor infrastructure (Kauffman, 2005).

Small businesses are weak in Africa, largely due to small local markets, undeveloped regional integration and tough business conditions, which include cumbersome official procedures, poor infrastructure, dubious legal systems, inadequate financial systems and unattractive tax regimes (Kauffman, 2005). However, due to the significant role small business plays in economic development, African governments have shown concern in strengthening the small business policy.

In Morocco, the small business policy is a key component of its overall competitiveness and economic policy through some strategic initiatives such as the National Pact for Industrial Emergence, and Vision 2020 to promote Morocco as a tourist destination. While Algeria aims to increase the coherence of policy elaboration by designating the Ministry of Industrial Development and Investment Promotion as the lead agency in small business policy (MENA-OECD, 2014). South Africa, Kenya, Mauritius and Tunisia have seen major improvements in their regulatory systems over the last few years. They have learnt from successful experiences in Africa and elsewhere that involve the main interest groups in the identification, design and implementation of small business policies (United Nations Economic Commission for Africa, 2011). To ensure these initiatives are carried out, the instruments used are discussed below.

2.5.3 Small Business Policy Instruments

Those responsible for formulating policies for small businesses face two issues, formulating policies for existing businesses and formulating policies for start-ups. However, the policy depends on the activities and interaction of many relevant actors and stakeholders, both public and private. Policy for small business designed to provide an overall framework of action as a guide for focused, harmonious and coordinated programming by all actors; and to set clear goals and targets in the various key areas to ensure policy consistency and provide monitoring and evaluation criteria (SMEDAN, 2010). These policy instruments according to Storey (2008) should not be complex if they are to be understood and implemented, despite their varying circumstances and traditions across countries (Bridge and O'Neill, 2013).

However, it is in the interest of businesses, taxpayers and society that these policies be formulated, articulated and evaluated (OECD, 2007).

In presenting the instruments by which to deliver small business policy, there is a much greater choice, and these are presented below.

Macro policies
- Interest rates
- Taxation
- Public spending
- Inflation

Deregulation and simplification
- Cutting 'red-tape'
- Legislative exemptions
- Legal form

Sectoral and problem-specific policies
- High-tech firms
- Rural enterprises
- Social enterprises/social economy
- Ethic businesses
- Women-owned businesses

Finance assistance
- Enterprise investment schemes
- Small firms loan guarantee scheme
- Venture capital funds
- Grants

Other assistance
- Export guarantees
- Premises and business incubators

Indirect assistance
- Information and advice
- Training
- Consultancy counselling/mentoring
- Network development (for example for owners and business angels)

Adopted from Bridge and O'Neill, 2013.

2.5.4 Small Business Policy Delivery

The formulation of small business policy in most countries is mostly determined at the level of central government, while its implementation is achieved through a network of regional agencies, who are often expected to alter the emphasis and priorities of implementation according to local needs and circumstances (Bridge and O'Neill, 2013). Storey (2008) argues that small business policy is remarkably complex and delivered in a variety of very different ways for not very obvious reasons, and is subject to considerable changes over short periods. He added that, although small businesses are simple in organisational form, they are both numerous and diverse, and that many government departments see small businesses as ‘their responsibility’, which makes them feel the need to formulate policies to assist them.

Stating further, all countries with small business policies face the problem of delivery but respond to it in very different ways. However, Beaver and Prince (2004) maintain that despite the problems of delivery, governments can create the right economic, fiscal and regulatory framework within which innovation and entrepreneurship can flourish. Furthermore, it can also raise the awareness of the benefits of innovation, of adopting progressive strategic management practice and provide sufficient financial resources for efficient business support services. The United Kingdom Small Business Services acknowledges that dynamism drives individual entrepreneurs' business success, and government through its actions, can do much to stimulate enterprise and support small businesses.

2.5.5 Review of Small Business Policy Effectiveness

Before any attempt to analyse the construction, delivery and effectiveness of approaches to small business policy, Beaver and Prince (2004) believe, it is important to establish the areas of consensus. First, given their role in the economy, there can be no justification for ignoring the interests of small firms in the composition of legislation. Second, there can also be little justification for the legislation on smaller enterprises, particularly, by proficient drafting or minor changes to reduce or eliminate the impact. Third, it is far from satisfactory that the volume of legislation relevant to the operation of a small firm is so extensive that in practice, the small firm’s actors ignore much of it.

Attention to entrepreneurship policy is currently being heightened by research on the importance of new firms to economic renewal and dynamism, and efforts to benchmark entrepreneurial activity levels across nations. These bodies of work point to, and reinforce, the critical contribution of new firms to job creation, innovation, productivity and economic growth in the economy (Stevenson and Lundström, 2001). In today’s economy, capital markets are much more developed. Myths about the higher risk and lower profitability of small business lending are debunked, and banks are increasingly targeting the small business sector as a profitable growth market (Etumeahu, Okekeke, and Kingsley, 2009). This has further influenced government’s attention to SME policy agenda in developed countries, which heightened following breakthrough research by Birch in 1979, who discovered that about 80 % of new jobs were generated in small rather than large firms in the US.

In the UK, the Small Business Service (SBS) offers the opportunity to review the small business policies. However, the policy mix inherited according to Curran and Storey (2002) defined concerning its aims and appears to have little or no overall rationale. They argued further that, the justifications for intervening to promote small enterprises have virtually, been taken for granted amidst a strong consensus that such support irrefutably benefits the economy. Many justifications offered are expressed in what they term as 'political speak', which makes it difficult to evaluate, although the initiatives inherited by the SBS are easy to evaluate, however, there is a strong case for reappraising them to assess their effectiveness (Curran and Storey, 2002).

In Nigeria, over the years past governments have pursued policies that aim at providing a fertile ground for small businesses (Etumeahu et al., 2009; Oparanma, 2015), which include trade liberalisation and providing a conducive operating environment for entrepreneurs. These government economic policies are made to induce steady tool used by the federal government to regulate the economy and the fiscal and monetary policies. The government also issues other policies, such as the income policy guidelines, dividend rates paid to shareholders, customs tariff, etc. However, despite these efforts by the government, small business still face huge obstacles because the effectiveness of the programs remains unclear (Okpara and Wynn, 2007). In addition, because of disproportional politics, economic development has been a meandering slackness on the development of productive resources. Therefore, the development of the nation's industries (the large scale, middle scale and small-scale industries) have been highly affected. According to Etumeahu et al., (2009) no matter how articulated and well intentioned the policies are, they can only be successfully implemented if an efficient administrative public sector driven machinery, whose technical competency, loyalty and commitment translate into action.

The government should ensure strict implementation of policies set up for small businesses to improve the economic development of the country through small firms, whose contribution has been abysmal because of poor policy implementation (Okpara and Wynn, 2007). A robust implementable policy for small businesses would no doubt boost the economy. For example, an analysis of the 2016 micro-economic environment by the Lagos state chambers of commerce and industry, suggested that the economy would be characterised by a cleaner macroeconomic policy environment that would boost lending to small and medium scale enterprises (Ogidan, Nse, Adekoya, Salau, and Nelson, 2016). The lending would be through the N300 billion bank loans to small and medium scale enterprises. This will boost small businesses' development and employment generation as well as increase non-oil export.

2.5.6 Small Business Policy in Nigeria

In Nigeria, the national policy for small businesses according to SMEDAN (2010) is designed based on seven broad policy/programme areas as follows:

- **Institutional, legal and regulatory framework** – the policy provides an appropriate institutional and legal framework for the promotion and support of the development of small businesses and their full integration into the key concerns of national economic policy in areas such as business registration, labour laws and regulations and tax administration.
- **Human resource development** – the policy creates a critical mass of entrepreneurial, managerial and technological skills for the growth and competitiveness of small businesses, by ensuring an effective provision of relevant educational and skill training for small businesses by educational and training institutions.
- **Technology, research and development** – the policy promotes small business utilisation of modern and appropriate technology and innovation from research and development. It also improves the confidence in the patenting and copyright systems, thereby encouraging private investments in research and development activities.
- **Extension and support services** – the policy promotes capacity building for small businesses to ease business start-ups and expansion by providing relevant, adequate, timely, accessible and affordable extension and support services, in areas such as information resources, business development services, market linkages and liaison.
- **Marketing** – the government through this policy ensures that small business share of the local market is enhanced through building tendering capacities, the improved

share of public procurement and strategic alliances and greater corporation between small business and large enterprises.

- **Infrastructure** – this policy shows government commitment to the provision of reliable infrastructure such as the power to improve the growth and competitiveness of the small business sector.
- **Finance** – this government policy takes measures to enhance state resources for small businesses financing as well as provide tacit encouragement and support to the private sector and social/non-profit organisations to supply innovate and diverse financial services by reducing the financial constraints on the creation, operation and expansion of viable and sustainable development of the small business sector.

These policies and others before them are not free of criticism. For example, Ebiringa (2012) argues that several policy interventions in Nigeria for small businesses have failed, rather than building in-country entrepreneurial capacity, they have made indigenous entrepreneurs become distribution agents of imported goods. He further stated that government policies should be tailored to address infrastructure, finance and credit framework via microfinance banks to assist small businesses with small loans.

2.5.7 Critique of the Small Business Policy in Nigeria

In the past few years, Nigeria has undergone several political and economic changes, with an inward-looking economic policy orientation emphasising on the protection and government control, which lead to an uncompetitive manufacturing and enterprise sector (Chukwuemeka, 2009). Small business programmes and policies in Nigeria have records of poor implementation experience according to Okezie et al., (2013) which may differ from region to region, top-down approach to planning and implementation of such programmes, political instability and ethnic crises are impediments. It has been argued (Ariyo, 2000) that, there has never been any real attempt by the government to formulate any tangible and lasting policies and programmes to support the small business sector. This lack of support negatively compliments misplaced government intervention, concentrating efforts and resources on large, wasteful and white elephant public projects and enterprises. For example, Okezie et al., (2013) argue that the policy, outlook, targets and objectives of the Micro Finance Banks (MFBs) were good. However, the structure of the ownership was such that the rich hijacked the ownership of the bank, thus engaged in relationship lending instead of granting loans to the poor applicants (Berger and Udell, 2002).

The promotion of small business has been on the lips of governments at all levels in Nigeria. Through different agencies, the government over the years designed a handful of intervention programs to assist small and medium scale businesses by selectively distributing micro-credit facilities. These interventions, though helpful in their way, have not exactly translated into long-term success across the board for small businesses. This according to Agbo Jr (2016) is due to the limited reach and scope, and poor implementation strategies, which, partially addresses the cause of the under-performance of small businesses in Nigeria.

Furthermore, Agbo Jr (2016) argues that despite the posturing and the heavy small business rhetoric espoused by the various tiers of government, they have consistently refused to trade with small businesses and have systematically excluded them from the award of a government contract. He concludes by stating that, if a government does not trust small businesses enough to patronise them, no one should expect private entities to do so.

Despite the seven broad policy/programme by SMEDAN, it is hoped that the Economic Recovery and Growth Plan 2017-2020 (ERGP) would address some of these policy concerns. The plan is concentrating on six key areas for ensuring growth, and growth policy enablers are identified. The ERGP will prioritise MSMEs in all key sectors to make a major source of growth and contributions to long-term national development. The policy objectives are to support MSMEs to maximise their contribution to growth, employment creation and export earnings; and increase MSMEs contribution to export earnings from 7.27 % to a minimum of 15 % by 2020.

To achieve this, the following key strategies are highlighted:

- Provide dedicated infrastructure and common facilities to MSME clusters
- Reduce regulatory obstacles facing MSMEs, e.g., through more information and structured interface with MDAs
- Enable financial service providers (e.g., deposit money banks) to grant loans to MSMEs against their pension assets as collateral

- Enhance access to the N250 billion ($695m) CBN MSME fund by reviewing its design and implementing enabling initiatives to encourage on-lending
- Partner with international development banks and the Global Impact Investing Network to promote and facilitate impact investments for MSMEs in Nigeria
- Continue to scale up and roll out credit to critical sectors of the economy, by increasing the funding available to the collateral registry

These strategies are not new some were from previous governments. However, lack of implementation has been the main issue. The impact of most support instruments set up by successive governments in Nigeria, including SMEDAN as the umbrella agency for SMEs in Nigeria, has little impact. Okozie et, al., (2013) attributes this to over-dependence of the business support centres on SMEDAN to make decisions as must programmes are organised from the head office. Thus, the network of states centres is not efficient. Further, they stated that the lack of adequate authorisation is an outgrowth of corruption. Hence, the small business policy does not serve the intended purpose.

2.6 Barriers to Small Business Success

Small businesses are vital for sustained development in a nation's economy and are regarded as the driving force of economic growth, job creation, innovative potential and poverty reduction. Their contributions to development have been acknowledged (van Eeden, Viviers, and Venter, 2004; Harris and Gibson, 2006). Although their contribution to the development of an economy has been accepted (Okpara and Wynn, 2007), small businesses face many obstacles that limit their long-term success and consider a high rate of failure as a huge negative for an economy. Additionally, Watson (2003) states that only 50% of small businesses, in general, remain operational after the first three years from initial start-up.

Success in business life is a key term in the field of management, which is not always explicitly stated (Chittithaworn, et al., 2011), because the concept of success has been interpreted in many ways and is often used to refer to a firm's financial performance. This is because of the huge discrepancy in the literature (Hyder and Lussier, 2016) and lack of accepted theory regarding which concerns serve as barriers to small business success. Therefore, 'success' can have different forms such as survival, profit, return on investment, sales growth, the number of employed, happiness and reputation as explained earlier. In other words, Chittithaworn et al., (2011) state that, success, as discussed in *section 2.2.1*, can be seen to have different meanings by different people, and in its simplest sense, defined as the ability to survive or remain in business (Lussier and Pfeifer, 2001).

A number of studies such as Lussier, 1996; Bukvic and Bartlett, 2003; van Eeden et al., 2004; Aidis, 2005; Indarti and Langenberg, 2004; Tushabomwe-Kazooba, 2006, looked at barriers to small business in isolation. Others include, Okpara and Wynn, 2007; Robson and Obeng, 2008; Alam et al., 2011; Ropega, 2011; Gill and Biger, 2012; Jafarnejad et al., 2013; and Eniola and Entebang, 2015. These studies provide diverse concerns that contribute to the creation of barriers to small business success, which are different across studies and with changing environmental conditions such as globalisation, technological advancement and change in consumer preferences. Therefore, it will be difficult to assume these concerns will not change.

In light of the above concerns, this present research will extend the above studies. It will examine concerns contributing to the creation of barriers to the success of small businesses identified from the systematic literature review (*See Section 2.0*), bearing in mind that it is difficult to attribute the success of a small business to a universal set of barriers (Coy et al., 2007). Furthermore, the actual cause of success may lie in a combination of different barriers within which the small business operates (Storey, 1994). Conversely, this research will not categorise the concerns from the internal/external perspective, because what one study considers an internal, another considers it as external. For example, Ropega (2011) consider finance an internal concern, while Storey (1994) consider the shortage of finance an external concern. In addition, Strobel and Kraztner (2017) consider lack of know-how as internal, while Storey (1994) consider lack of skilled labour as external. A summary of literature review (*Table 2.4*) was created that defines each of the concerns that contribute to the creation of barriers. These concerns are highlighted below under a common barrier for better understanding.

Education

Education is a process of acquiring knowledge, skills, values, beliefs, and habits, which could be formal or informal learning (Ucbasaran et al., 2004). Some studies such as Wanjohi and Mugure (2008), Felix and Ezenwakwelu (2014) noted that lack of basic education, the ability to read and write, creates a barrier to success for owner-managers of small businesses. They contended that basic literacy increases the owner-managers requisite management skills and abilities needed to operate the business and cope with changes in technology. Correspondingly, Strobel and Kratzner (2017) argued that, lack of know-how and capacity overloading, which is the knowledge to start and run a sustainable business, negatively influences the innovative performance of small businesses in Germany. Additionally, Jafarnejad et al., (2013) noted that lack of management skills and training on the part of the owner-manager leads to mistakes in business especially in terms of staffing, planning and implementation, which can eventually lead to business failure. Conversely, Storey and Westhead (1997) argued that some studies have not found a significant relationship between training and success. Against this background, Robson and Obeng (2008) conducted a study to determine whether training is a barrier to business and found out by investing in training, owner-managers could avoid problems, and by not investing in training, the business could be more susceptible to limitation.

Table 2.4:Summary of concerns contributing to education Barrier

Concerns identified from systematic literature review	Author (s)	Formulated hypothesis
Lack of basic education (literacy): ability of owner-manager to read and write	Wanjohi and Mugure, 2008; Felix and Ezenwakwelu, 2014	***H*$_1$*: There is a significant relationship between education barrier and the success of small business in North West Nigeria.*
Lack of management skills and training: Owner-managers inability to tackle poor performance	Indarti and Langenberg, 2004; Jafarnejad et al, 2013, Strobel and Kratzner, 2017	
Level of education: Owner-manager's level of acquired education	Barringer et al., 2005; Robson and Obeng, 2008; Nkonoki, 2010; Tundui, 2012; Mujuru, 2014	

Other studies highlighted that the level of education, which is the owner-managers educational qualification has an impact of the success of business. For example, Barringer et al., (2005) argued that the rapid growth and success of a business has a strong significant relationship with college education but no statistical significance was found between growth/success with masters and PhD qualifications. While Robson and Obeng (2008) and Mujuru (2014) argued that owner-managers with a related level of qualification perform better when compared to those without qualifications. Further, education helps in the adoption of technology, strategic thinking, operating in a competitive mode, and gives the owner-manager the confidence to do better.

Finance

Finance have been identified in several literature as a fundamental element for the success of small businesses (*See Table 2.5*). A study by the University of Cambridge small business research centre (1992) on the major constraints on the ability of over 1, 000 independent small businesses to meet their objectives shows that most firms perceived finance barrier as the most frequently reported constraint (Westhead, Wright and McElwee, 2011). It is expected that businesses should have sufficient financial resources to start and operate the business.

Table 2.5: Summary of concerns contributing to finance barrier

Concerns identified from the systematic literature review	Author (s)	Formulated hypothesis
Insufficient capital: not having the required capital to start the business	Nkonoki, 2010; URT, 2012; Tundui, 2012; Mashenene and Rumanyika, 2014	***H_2**: There is a significant relationship between finance barrier and the success of small business in North West Nigeria.*
Lack of finance: inability of the owner-manager to obtain finance to operate/maintain the business	Mambula, 2002; Benzing et al., 2005; Beck and Demirguc-Kunt, 2006; Alam, et al, 2011, RERI, 2014, Worku, 2016	
Access to capital: the need owner-manager have for investment to start, operate, profit or grow the business	Lussier, 1996 ; Neshamba, 2000; Moy and Luk, 2003; Okpara and Wynn, 2007; Olawale and Garwe, 2010; Nor et al., 2016	
Access to credit: The avenue for owner-manager to borrow against future income generated from the business	Storey, 1994; Wolf, 2004; Wanjohi and Mugure, 2008; Ogechukwu, 2011; Kweka and Fox, 2011	
Alternative sources of finance: Other financial channels (i.e., peer-to-peer lending) different from traditional finance sources such as regulated banks	Orser, Hogarth-Scott and Riding, 2000	
Shortage of working capital: Inability to meet the day to day operating activities of the business concern	Hall, 1992; Storey, 1994; Dodge et al., 1994; Ozsoy et al., 2001; Benzing et al., 2005	
Weak economy: An economy where growth is slow or declining	Pratt, 2001; Benzing et al., 2005; Barkhatov et al., 2016	

However, Mashenene and Rumanyika (2014) argued that due to insufficient capital, the struggle for small businesses to raise the funds to start or establish a business, creates issue on how to prioritise the limited financial resources at their disposal, especially small businesses in developing and transition economies (Benzing et al., 2005). This issue contributes to the creation of barrier for their business. Mambula (2002), Beck and Demirguc-Kunt (2006), and Worku (2016) have stated that small businesses experience difficulty in obtaining finance, which refers to inaccessibility of funds for expanding or sustaining the business because of high transaction cost and long procedure in obtaining finance from well-established institutions. However, empirical evidence has shown that finance contributes only 25% to the success of small businesses (KPMG, 2014).

Using structured interviews and survey, Okpara and Wynn (2007) gathered data from 400 small businesses in Nigeria to find the principal constraint to success. The study found access of capital was a concern when compared to medium or larger businesses. Most owner-managers had to depend on their own savings to start and run the business, which leaves them undercapitalised due to lack of support. However, their study only limited its research and findings between the south and the middle belt regions of Nigeria, the sample only consisted of businesses located in cities and towns such as Aba, Abuja, Awka, Onitsha and Lagos. This gives no representation from the Northern part of the country; a broader geographical sampling would reflect a better national profile. Additionally, Moy and Luk (2003) in their study the life cycle model as a framework for understanding barriers to SME growth in Hong Kong revealed that access to capital was a major constraint owner-managers had to overcome as their firms grew. Similarly, Olawale and Garwe (2010) argued that access to capital seem to be the most significant problem facing small business owners in South Africa. Further, firms have a bad track record in terms of repayment, which is risky for lenders, therefore, access to capital remains an issue for small firms.

According to the OECD report (2010), access to credit is more difficult to small businesses in Africa than other regions of the world because of poor credit records by businesses and lack of collateral, which stifles the development of the business for further investment (Kweka and Fox, 2011). Further, the application for credit takes time (Ogechukwu, 2011) in addition to the high interest rates which according to Orser, Hogarth-Scott and Riding (2000) limits the alternative sources of finance for small businesses. Despite limited research on the shortage of working capital for small firms (Peel and Wilson, 1996) it has been identified as a major problem as perceived by business owners both at start-up because of inability to predict capital requirements, and when growing the business because of weakness in operational management (Storey, 1994; Dodge et al., 1994).

A vibrant and stable economy is good for business, however, economies around the world are becoming weak and fragile in access to global market (Barkhatov, Pletnev, and Campa, 2016) especially small businesses in developing economies (Praat, 2001; Benzing et al., 2007). Further, they argued that a weak economy creates concerns for entrepreneurs because it leads to low demand by customers.

Infrastructure

Infrastructure are many and diverse. Table 2.6 gives a summary and they include but not limited to roads, power plants, electricity, water treatment plants, telephone exchanges and networks, technology, tools and equipment, and raw materials. Infrastructure according to Nor et al., (2016) is an important issue that small businesses need to deal with in overcoming barriers in the local and global competitive markets. Conducting a study on factors affecting business success among SMEs in Indonesia, Indarti and Langenberg (2004) stated that rapid changes in technology should be responded by businesses to find alternative ways to sustain their competitive advantage by developing new process and methods. Strobel and Kraztner (2016) found that the development and success of small businesses is crippled by their technological backwardness, because they are fixated on the use of obsolete technology. This makes them less inspiring to make better quality products to serve wider markets (Mhede, 2012). Lack of access to appropriate technology as well as near absence of research and development capacity pose significant challenges to small businesses in Nigeria. Many small businesses continue to adopt crude methods for the production of goods and provision of services in Nigeria, and this has an impact on the cost of production, production capacity and quality of the output (KPMG, 2014).

The use of modern tools and equipment can enable efficiency and effectiveness to be achieved by owner-mangers in doing business. saving money, time and energy. However, Amegashie-Viglo and Bokor (2014) noted that the use or modern tools and equipment is very low among Ghanaian small businesses and serves as a barrier to them. Further, these small businesses depend on services of more modern workshops for more complicated jobs, which affects their production levels and innovation skills due to use of insufficient and outdated equipment (Mutambla, 2011).

Table 2.6: Summary of concerns contributing to infrastructure barrier

Concerns identified from the systematic literature review	Author (s)	Formulated hypothesis
Technological backwardness/Change Inability of the owner-manager to embrace and apply technology for advancement in their business operation	Okpara and Wynn, 2007; Wanjohi and Mugure, 2008; Mhede, 2012; Mashenene et al., 2014; Strobel and Kratzner, 2017	***H_3:*** *There is a significant relationship between infrastructure barrier and the success of small business in North West Nigeria.*
Lack of tools and equipment: Not having the necessary apparatus such as devices or kits for operating the business i.e., manufacturing or service businesses	Chibundu, 2006; Amegashie-Viglo and Bokor, 2014; Mutumbala, 2011; Mhede, 2012; Nor et al., 2016	
Lack of adequate electricity, road network, telecommunication and water supply	Okpara and Wynn, 2007; Shanghvi, 2014; Oduntan, 2014; Bjornlund et al., 2016	

World Economic Forum's Global Competitive Index 2012 ranked Nigeria 130 on infrastructure out of 144 countries rated globally. This ranking echoes the poor level of infrastructure in the country. In addition, a report in 2009 and 2011 by the Investment Climate Assessment (ICA) states that poor electricity supply is the major constraint to small businesses in Nigeria. Also, Okpara and Wynn (2007) noted that services such as electricity, telecommunications, and water play a critical role and are directly and indirectly linked to the success of small businesses. Stating further, power failures affect the production of goods and services, and inaccessible roads affect their distribution and increase their transportation cost. In addition, Shanghvi (2014) stated that where roads are less often passable, the per capita income of the involved community drops due to poor road access to markets. Further, he concludes by saying limited road access serves as a barrier to business and slows down delivery of goods and services, which ultimately affects economic development.

Small businesses are veritable tools for economic development to a developing nation, and the reliability and availability of infrastructure such as adequate water supply and good telecommunication network is crucial to their success. Unfortunately, small businesses according to Oduntan (2014) in Nigeria are limited by inadequate water supply and unreliable telecommunication facilities, which adds to the cost of operation because they have to find alternative ways of providing it themselves. Many factors have been identified as the possible causes contributing to the premature closure of small businesses, Onugu (2005) studied the problems and prospects of SMEs in Nigeria and found out that about 90.7% of respondents believe raw material does not constitute an overwhelming problem for small business. However, Mambula (2002) and Abubakar and Abdullahi (2013) argued that small business regard the paucity of raw materials as a major constraints that limits the success of small businesses despite the abundance in Nigeria. Further, the small businesses buy these raw materials individually and therefore purchase only a small amount, which makes the cost per unit higher than bulk purchase.

A KPMG MSME banking study in 2014 highlighted enabling environment factors such as weak infrastructure as significant impediment to small businesses. It further stated that weak infrastructure escalates the cost of small business operation as they are forced to resort to the private provisioning of utilities such as water, electricity, transportation and communication.

Regulatory and Corruption

Several studies have been conducted concerning regulation for small businesses (*See Table 2.7*). However, these studies have produced mixed evidence with regards to the effect of regulation and corruption on the success of small businesses. To this regard, Okpara and Wynn (2007) stated that it is essential to understand the problems such as laws and regulations facing small businesses in African countries because they are significantly different from those in developed countries.

The Small Business Survey 2010 of the Department of Business Innovation and Skills (2011) conducted a survey of 4,580 computer assisted telephone interviews in the UK and found 47% of the respondents cited regulation as a barrier to business success. In addition, Mambula (2002) stated that government policies for small businesses that were successful in other countries are of little use in Nigeria because of the unique and highly diverse experiences and cultural backgrounds, created by the confusion between federal and state decision-makers, and institutions competing for the powers to make policies. Further, the implementation of any existing policy can be difficult because of the constant changes in governance and inter-governmental conflicts. Another concern that has been highlighted in studies is the issue of bureaucratic procedure, which largely affects small businesses in developing countries (Benzing, Chu, and Callanan, 2005). Bukvic and Bartlett (2003) found out in their study of Slovenian small business that there is no special differences in treating credit line application form from a small business and medium or large businesses, they are treated the same.

Table 2.7: Summary of concerns contributing to regulatory and corruption barrier

Concerns identified from the systematic literature review	Author (s)	Formulated hypothesis
Government policies: A plan or course of action set by government to influence or determine decisions for business	Mambula, 2002; Okpara and Wynn, 2007; Nkonoki, 2012; Thakar, 2017	*H_4: There is a significant relationship between regulation and corruption barrier and the success of small business in North West Nigeria.*
Bureaucratic procedure: Inability to maintain uniformity and controls in the system and process designed for business	Bukvic and Bartlett, 2003; Chu et al., 2007; Nkonoki, 2012; Strobel and Kratzner, 2017	
Legal and Regulatory Structure (LRS): An operational guide for businesses that specifies functions and obligations	Orser, Hogarth-Scott and Riding, 2000; Onugu, 2005; Atkinson and Hurstfield, 2005; Beck and Demirguc-Kunt, 2006; Dutta and Sobel, 2016	
Tax burden: The amount of tax paid by businesses in a specified period	Krasniqi, 2007; Benzing et al., 2009; Gill and Biger, 2012; URT, 2012; Mungaya et al., 2012	
Licenses and registration: Authorisation or permission for business to operate	MacCulloch, 2001; Gill and Biger, 2012; RERI, 2014	
Corruption: Dishonest or fraudulent act for private gain	Pope, 2001; Kiggundu, 2002; Nkonoki, 2010; Shanghvi, 2014; Mashenene and Rumanyika, 2014; Anga 2014; Korosmaros and Simonova, 2017	

The bureaucratic procedure they face include conditions and particular requirements to be fulfilled before an application for registration of business or credit can be approved. In Nigeria, the cumbersome procedure for loan application and demand for collateral are seen as excessive for small businesses (Mambula, 2002). Turkish entrepreneurs according to

Benzing et al., (2009) argued that the bureaucracy in public offices, other government offices and other institutions is viewed as the most serious barrier facing the success of businesses. Other studies have attempted to investigate the effect of legal and regulatory framework on the success of small businesses. Onugu (2005) argued that the issue of poor legal and regulatory framework is one of the major reasons small businesses in Nigeria are not properly structured, is full of complexities and in some cases creates confusion for the owner-managers to understand. While Beck and Demirguc-Kunt (2006) argued that small businesses face a lower obstacle to growth and success in countries with better developed legal and regulatory frameworks. In addition, Dutta and Sobel (2016) stated that an entrepreneur hoping to start a business faces many legal and regulatory issues due to the number of procedures or many steps, which could hamper the chances of a new venture formed.

Taxation is another concern that studies have highlighted as a problem for small businesses in both developed and developing countries. Taxation can have great effect on the development and success of small businesses. However, through correlation analysis, Krasniqi (2007) found that the growth and success of small businesses in Kosova is reduced by the presence of environmental barriers such as tax burden – high rates, which minimises the chances of success for small businesses (Gill and Biger, 2012). Further, owners of small businesses in Canada perceive that they pay high licensing and registration fees, and feel it is one area the government needs to look into and make a difference so that they can minimise the challenges small business owners face. Small businesses in developing countries face the issue of costly delays in clearances and approvals for license and registration (Macculloch, 2001), which is as a result of poor enabling business environment.

It is worth mentioning that, though government has an important role to play in supporting economic activity especially through infrastructure and economic development measures. Government is frequently deemed too involved in the economy and therefore, taxes are viewed as deterrents to businesses and economic growth. Further, because taxation extracts money from small businesses leaving them with less to spend in the economy through consumption or investment. Thus, taxation issues are commonly perceived as a barrier.

Another area identified from literature that is particularly important to small businesses in Nigeria is corruption, which undermines the trust and confidence of business owners. Okpara and Wynn (2007) found out that about 96% of the respondents in their study on the determinants of growth constraints to small businesses in Sub-Saharan Africa believe corruption and corrupt government officials as a problem for small businesses. Anga (2014) in her study, theoretically and empirically examined various factors that affect the performance of small businesses in Nigeria. Using logistic regression, she established that corruption is the major factor that affects small businesses, and argues that access to finance and capital appear to be difficult, which is because of weak banking institutions, lack of sufficient capital market and inefficient legal framework. However, this study did not provide a sample size and population to justify the claim of covering the whole country. In addition, Nkonoki (2010) and Korcsmaros and Simonova (2017) also argued that corruption prevents fairness to prevail and serve as a cost/expense to a business owner, therefore, deserving individuals would be deprived of establishing businesses due to the high level corruption amongst authorities. On the contrary, Mashenene and Rumanyika (2014) found out in their study that corruption was an insignificant constraint to small businesses in Tanzania, they argued that through training, corruption can be automatically addressed.

Regional Culture

Research in the field of entrepreneurship have emphasised the importance of environment and the background of the people in the development of small businesses. Little attention has been paid to the issue of regional differences in small businesses development. However, this neglect is changing as regional disparity continues to increase and is a top issue of economic and social development (Yang and Xu, 2006). Small business owners develop their strategies on an intuitive and improvised basis, mediated by the culture of the moment and past experiences (Gorton, 2000). Further, the formation and performance of a firm is inevitably embedded within the founder's social world. Studies such as Saleem (2012) and Tundui (2012) examined the relationship between socio-economic factors and the success of small businesses and found that culture and tradition have a significant effect on the success of small businesses, particularly, in shaping the owner-manager's aspirations.

Using industrial location perspective on determinants of business growth and its links with regional entrepreneurship, Yang and Xu (2006) argued that regional marginality in entrepreneurship is directly related to local business growth and the differences in economic growth in various regions contributed directly to differences in entrepreneurship. Their study concluded that the reasons for regional differences in entrepreneurship is because of factors such as economic development level, urbanisation level, and regional economic scale, which are characteristics of a region and therefore, determine the success of a business in a particular region. Other studies such as Mashenene and Rumanyika (2014) looked at factors such as values, norms, beliefs and attitude as unfavourable cultures which tend to hinder the potential growth and success of small businesses. Further, they argued that these factors have to be addressed correctly through training programmes because they are significant in the development of small businesses.

Table 2.8: Summary of concerns contributing to regional culture barrier

Concerns identified from the systematic literature review	Author (s)	Formulated hypothesis
Regional marginality (ethnic): Relegation of a particular region to the fringes because of certain factors i.e., economic activities	Cooper et al., 1989; Yang and Xu, 2006;	*H_5: There is a significant relationship between regional culture barrier and the success of small business in North West Nigeria.*
Values, beliefs, norms: A way of living/life accepted and endorsed by a society	Oduyoye et al., 2013; Mashenene et al., 2014	
Gender discrimination: Unequal treatment of individuals based on their gender	Blanchflower, Levine and Zimmerman 2003; Shanghvi, 2014	

Another issue that is receiving attention in entrepreneurship literature is gender discrimination. The gender of a business owner may influence the problem he or she faces. Women entrepreneurs mostly experience many difficulties in starting or running their business because of the way a community view a woman's place in the society (Benzing et al., 2009). Tundui (2012) argued that female entrepreneurs underperform when compared to male entrepreneurs and stated the possible reason to be gender differences such as women confronted with unequal access to resources and gender-based discrimination. Additionally, Shanghvi (2014) stated that women in Tanzania face gender discrimination as they are hardly recognised as major economic contributors and, consequently, denied opportunities to partake in self-development and direct economic activities. Conversely, Blanchflower, Levine and Zimmerman (2003) stated that although credit discrimination against women does exist, it is however, negligible.

Entrepreneur Lifestyle

The owner-manager of a small business plays a major role as both the owner and the manager of the business. Therefore, its personality ad its objectives are thus strongly reflected in the management processes implemented in within the company (Storey, 1994). Chibundu (2006) stated that some small business proprietors deliberately divert loans obtained for the project due to their ostentatious lifestyle and refuse to pay back as and when due. Additionally, Van Caille and Arnold (2001) stated that few attention is paid to very early warning indicators that may lead to bankruptcy due to the owner-manager's excessive and too expensive lifestyle.

It had been argued that it is the actions of the individual entrepreneurs and their management teams that are more significant in achieving business growth and success (Neshamba, 2006). Further, attitude of the owner-manager should be an enabler for building successful and growth-oriented enterprises including the ability to develop business networks and to work with a wide range of stakeholders. Owner-manager's attitude could also lead to lack of delegation and refusal to seek opinion and consult subordinates before making a decision, this according to Van Aardt, Van Aardt, and Bezuidenhout (2000) serves as a concern to the success of small businesses.

Table 2.9: Summary contributing to the creation of entrepreneur lifestyle barrier

Concerns identified from the systematic literature review	Author (s)	Formulated hypothesis
Excessive and expensive lifestyle: Owner-manager's lack of desirable restraint in spending much more than is necessary	Van Caille and Arnold, 2001; Chibundu, 2006	*H_6: There is a significant relationship between entrepreneur lifestyle barrier and the success of small business in North West Nigeria.*
Attitude: Owner-manager's tendency to respond to a certain situation that influences a choice of action	Murphy, 1996; Neshamba, 2000; van Aardt et al., 2000; Mashenene et al., 2014	
Leadership: The owner-manager's ability to lead the business	Filley and Price, 1991; Dodge et al., 1994; Zehir et al., 2006	

Another issue to the success of small businesses in the literature is that of leadership, which Filley and Pricer (1991) attribute to having a good leadership style that shows good management technique as important strategy for the success of small businesses. Additionally, Zehir, Acar and Tanriverdi (2006) point out that management and leadership have significant positive effect on the growth and success of business. While Dodge, Fullerton and Robbins (1994) believe leadership does not have a significant effect on the success of business.

Strategic Management

Studies (Mambula, 2002; Kiggundu, 2002; Okpara and Wynn, 2007) have cited management issues as causes for the failure of small businesses. However, they have not identified which specific management issue(s) contributes most to the failure of small businesses.

Table 2.10: Summary of concerns contributing to the creation of strategic management barrier

Concerns identified from the systematic literature review	Author (s)	Formulated hypothesis
Lack of planning: The owner-manager's inability to make or carry out plans specifically	Costa, 1994; Bekker and Staude, 1996; Lussier, 1996 ; Ihua 2009; Nkonoki, 2010; RAMP, 2010; Timilsina, 2017	*H_7: There is a significant relationship between strategic management barrier and the success of small business in North West Nigeria.*
Lack Technical skills: Owner-manager's lack of knowledge or abilities to successfully operate the business	Storey, 1994; Onugu, 2005; Chibundu, 2006; Coy et al., 2007; Mutambala, 2011; Mhede, 2012; Mashenene et al., 2014; Amegashie-Viglo and Bokor, 2014	
Lack of Experience: Owner-manager's lack of knowledge, skill and wisdom gained from experience	Dyke et al., 1992; Dun and Bradstreet, 1995; Lussier, 1996; Mudavanhu et al., 2011 ; Farja et al., 2017	
Competition: Owner-manager's act of trying to get a higher level of success against other similar businesses	Pack, 1993; Moy and Luk, 2003; Atkinson and Hurstfield, 2005; Koush, 2008	
Poor Marketing: Inability of the owner-manager to market the products or services in a way that impacts positively on the business	Terpstra and Olson, 1993; Zehir et al., 2006; Ropega, 2011; Gill and Biger, 2012; Barkhatov et al., 2016	
Lack of Sectoral linkages: Mutual interaction between two or more businesses for higher level of success	Onugu, 2005	

This present research will try and look at various issues as presented in different studies (*See Table 2.10*) from different perspectives to try and understand the management issues causing the failure of small businesses. It is evident that firms which have no proper business plan at the start face challenge in systematic strategic planning during the course of the existence. Further, to achieve the proper goals and objectives of the business, strategic management and a formal business plan is needed as enablers of competitive advantage (Nkonoki, 2010; Timilssina, 2017). Additionally, Ihua (2009) conducted a comparison of key failure factors between the UK and Nigeria. He found that in both countries, improper and poor planning is a significant factor influencing the failure of small businesses.

Another issue of concern to small businesses is lack of technical skills. Amegashie-Viglo and Bokor (2014) argued that the competition for markets among entrepreneurs has become increasingly sharp and the capacity to meet customer demand is defined by the technical skill of the entrepreneur. Unfortunately, the avenues to develop the technical skills of entrepreneurs is minimal, hence, creating a concern to the success of small businesses to compete favourably. In addition, Mhede (2012) stated that there lack of technical skills constrain the growth and success of manufacturing firms in Tanzania. Coy, Shipley, Omer, and Rao (2007) stated that Pakistani small business owners believe that the success of their business lies within their control. Therefore, increasing their technical skills is essential for improving the success of their business. However, Westhead, Wright and McElwee (2011) stated that constraints relating to managerial skill and shortage of skilled labour where less important when compared to technological problems, which they regard as of modest importance to small businesses.

The idea of having a successful small business cannot be emphasised enough. Experience of the owner-manager must be broad enough to ensure the success of the business. In most areas of managerial endeavour, the experience of an individual is seen to have an important influence on that person’s performance (Dyke, Fischer, and Reuber, 1992). Further, the backgrounds of business owners are heterogeneous, which has led to the suggestion that differences in experience of owners might explain the variance in the performance of their firms. In their study, Dyke et al., found that owner-manager’s experience, either in previous business or work have a significant and positive relation with the performance of the business. In addition, Lussier (1996) stated that businesses managed by people without prior experience have a greater chance of failure than firms managed by people with prior experience. Also, Mudavanhu, Samuel, Lloyd, and Lazarus (2011) argued that small businesses in Zimbabwe fail due to the owner-manager's lack of experience on how to run the business.

Previous studies show competition as one of the reasons for small business failure. In a study of small business failure in Africa, Pack (1993) found import competition to have more of a negative effect on manufacturing and processing firms than it does on retailing firms. In addition, Koush (2008) found Korean small businesses in manufacturing are facing a challenge from domestic and foreign businesses, and it affects different industries. Competition is a major obstacle that bothers owner-managers of small businesses, and to compete, firms need to innovate and observe the market trends and consumers taste closely (Moy and Luk, 2003). Competition from foreign goods pose as a serious constraint to small businesses in Nigeria. Aiyedun (2004) posits that small businesses do not only face competition from their local rivals, but from large multinationals corporations importing goods from overseas. The situation he argued has posed a significant threat to small businesses since they cannot withstand competing against these large enterprises in terms of quality and quantity of products. Additionally, small businesses in Nigeria face challenges such as restricted market access, weak demand for locally produced goods and unfair trade practices characterised by the importation and dumping of substandard goods by unscrupulous businesses (KPMG, 2014).

In an attempt to produce a more comprehensive classifications scheme of obstacles for emerging entrepreneurial firms, Terpstra and Olson (1993) in their study found sales and marketing as problems that hindered the growth and success of business in the first two years of operation. The entrepreneur has been regarded by Ropega (2011) to be the most critical factor in the failure of small businesses. In his study on the symptoms of failure of small businesses, he found marketing and distribution shapes the company's position in the market. Further, he states that a fundamental mistake in this area is inappropriate deals to market needs, which may be due to the entrepreneur's lack of knowledge management or lack of perception of the importance of the factors responsible for the competitive position of business. Marketing challenges have been perceived as barriers to small businesses in Canada, and the sales level of small firms is found to have a positive impact on small businesses. Another issue identified in the literature is lack of sectoral linkage between small firms and also, between small firms and medium or large firms (Onugu, 2005). He stated that most medium and large firms source most of their raw materials outside as against outsourcing to small firms, making it difficult for the small businesses to enjoy better economies of scale.

Enterprise Operations (day-to-day running of business)

The concept known as corporate sustainability, which is meeting the needs of a firm's direct and indirect stakeholders without compromising its ability to meet the needs of future stakeholders (Dyllick and Hockerts, 2002) has become an invaluable tool for businesses to explore avenues that will help them reduce costs, create new products, manage risks, and develop ways to drive structural and cultural changes (Thevrajah, 2015). Lack of employee satisfaction according to Hubbard and Hailes (1988) creates a serious problem for small businesses because there is no clear specifications of who is in charge of daily operations.

Table 2.11: Summary of concerns contributing to the creation of enterprise operation barrier

Concerns identified from the systematic literature review	Author (s)	Formulated hypothesis
Lack of employee satisfaction and customer relation: Inability of owner-manager to fulfil the desires and needs of employees, and to also meet the expectation of customers	Hubbard and Hailes, 1988;	*H_8: There is a significant relationship between enterprise operation barrier and small business success in North West Nigeria.*
Poor record keeping: Inability of the owner-manager to maintain the history of the business' financial dealings	Lussier, 1996 ; Kazooba, 2006; Pickle and Abrahamson, 1990; Oduntan, 2014; Worku, 2016	
Way of doing business: The method of operating a business on a regular basis	Aminul Islam et al., 2008; Ropega, 2011; Abdullahi et al., 2016	
Products and services: The item offered by the owner-manager for sale	Wiklund, 1998; Hitt and Ireland, 2000; Chittithaworn et al., 2011	

The owner-manager's lack of ability in creating a conducive working environment that encourages personal interaction may lead to employees not putting their best to help the business succeed (Longenecker, Moore and Petty, 2003).Another important concern for small businesses is lack of customer relations. Scarborough and Zimmermer (2003) believe that customer relations is very important because of the customer's right to be heard, to know and right to choose. Further, they state that if there is no mechanism to resolve the complaints of the customer, there will be breakdown in communication between the owner-manager and the customer. Small businesses that do not keep updated and accurate records and do not have the ability to do book-keeping have a greater chance of failure (Lussier, 1996; Worku, 2016), which could lead to an increase in costs (Pickle and Abrahamson, 1990). Additionally, Oduntan (2014) stated that small businesses are characterised by poor record keeping, thus lacking the necessary information required for planning and management purposes. Ropega (2011) argued that a certain pattern is noticeable when analysing he sources and process of small business failure. Further, he stated that the management does not notice a critical situation in time, which is due to delayed or incompetently carried out repair actions in the way of doing business. In addition, Abdallah, Zailani, Iranmanesh and Jayaraman (2016) investigated the barriers to green innovation initiatives in Malaysia and found ways of doing business (conflicts with functional requirements and no long term strategy) as one of the prominent barriers to small businesses.

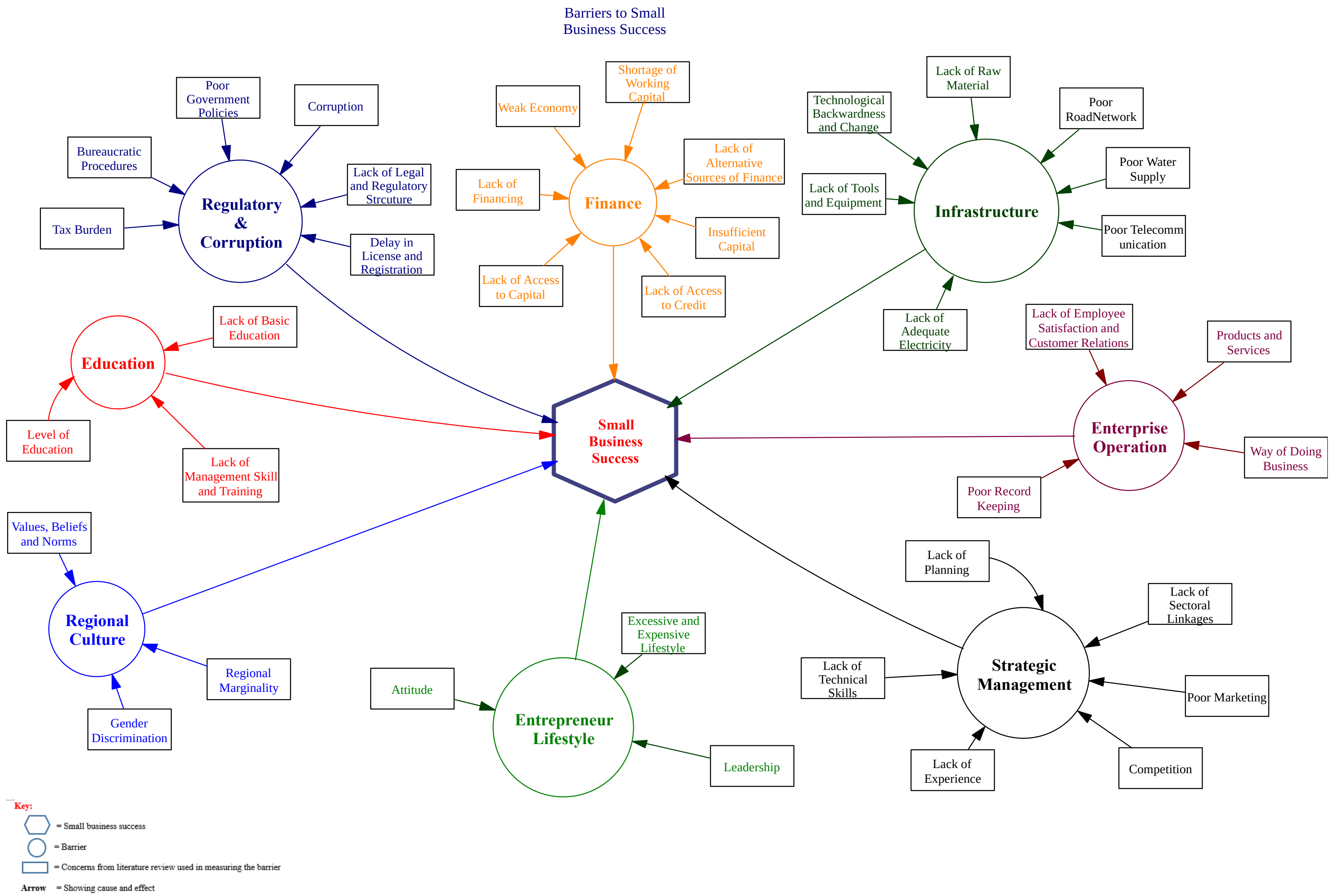
Studies have highlighted the importance of small businesses providing quality goods and services to customers. Chittithaworn, Islam, Keawchana and Yusuf (2011) stated that quality products and services are the key strategic dimension in business success. Further, quality products and service gives added value to the customer and it is important for businesses to achieve the balance between quality goods, services and cost. Additionally, Wiklund (1998) and Hitt and Ireland (2000) cited products and services as important factors affecting the success of small businesses.

Many factors have been found to impact on small business success (Simpson et al., 2004). Therefore, the attribution of success or failure to small businesses is complex, dynamic and problematic (Jennings and Beaver, 1997). However, Beaver and Jennings do not reject the individual criteria utilised in the highlighted studies above, they pointed out that many of the criteria used simply identified the symptoms rather than the factor(s) responsible for the success or failure of the business. Further supporting this claim, Tonge (2001) argued that no clear understanding, predictive theory or interrelated model emerge from the small business literature, which can determine whether a small business will start-up, survive, grow, succeed or fail. Instead, the literature points towards a complex set of interrelated and contextual factors (Fielden, et al., 2000). However, Lussier (1995) developed a model to predict a young business' success versus failure. Some of the concerns used in the model were also identified from the systematic literature review for this study. The Lussier model aims to help owner-managers to assess the probability of the business' success accurately. Whereas, this present study aims to show the influence between identified barriers to the success of small businesses that will guide the decision of stakeholders. Lussier model used a systematic approach to identify 15 concerns that were tested. It should be noted that although the Lussier model has been used in different countries, for example, USA (Lussier, 1995), Croatia (Lussier and Pfeifer, 2001), Chile (Lussier and Halabi, 2010), and Pakistan (Shabir and Lussier, 2016). There is need to take into account the country-specific social and economic environment when applying the model. Therefore, findings from this study will provide a suitable framework for using the Lussier model to predict the success versus failure of businesses in Nigeria (North West).

2.6.1 Conceptual Framework

The conceptual framework (*See Figure 2.1*) for this study was developed based on previous studies on business success explored from different literature. The framework include 41 concerns identified via the systematic literature review that contribute to the creation of barriers to the success of small business. The concerns were grouped under a common heading to give a better understanding, i. e., 'lack of finance' or 'lack of access to credit', were grouped under 'finance barrier'. The reason behind this is that authors use different terminologies to explain concerns that serve as barriers (Lussier, 1996), which created discrepancies within the literature (Lussier and Halabi, 2010). The framework was then used to construct the hypothesis (*See Section 2.6.2*) to be adapted and tested in the context of North West Nigeria. The motivation for this research stems from the study of Abdel Samad and Kindling (1978) who stated that, although failure cannot be completely avoided, success rate could be increased if some of the barriers are recognised, and preventive measure is taken.

Figure 2.1 Conceptual framework (Barriers to small businesses)



There is a need to highlight areas that are crucial and could potentially help small businesses overcome having to face one or more of the identified barriers above, to enable them to survive and modernise in the increasingly competitive and unpredictable business world. Therefore, from the above conceptual framework, we can deduce that there is no accepted list of concerns, which categorically states the barriers to small business success, but several concerns as reviewed in the various literature. However, from the reviewed literature in this research, the concerns have been identified and would be subjected to an empirical test to ascertain whether the same assumption that they contribute to the creation of barriers to the success of small businesses is applicable in the context of North West Nigeria.

2.6.2 Formulated Hypotheses for the Study

From the systematic literature review, identified concerns were grouped under a common barrier for better understanding, which were used to develop the conceptual framework. From the framework, eight hypothesis to be tested in susbsequent chapters were developed to describe the association between the concerns contributing to the creation of barriers and small business success in North West Nigeria (*See Table 2.12*).

Table 2.12 Hypotheses

Barrier	Hypotheses
Education	*H1: There is a significant relationship between education and small business success in North West Nigeria.*
Finance	*H2: There is a significant relationship between finance and small business success in North West Nigeria.*
Infrastructure	*H3: There is a significant relationship between lack of adequate infrastructure and small business success in North West Nigeria.*
Regulatory & Corruption	*H4: There is a significant relationship between regulation and corruption and small business success in North West Nigeria.*
Regional Culture	*H5: There is a significant relationship between regional culture and small business success in North West Nigeria.*
Entrepreneur Lifestyle (personality and traits)	*H6: There is a significant relationship between entrepreneur lifestyle and small business success in North West Nigeria.*
Strategic Management	*H7: There is a significant relationship between strategic management (business plan) and small business success in North West Nigeria.*
Enterprise Operations	*H8: There is a significant relationship between enterprise operation and small business success in North West Nigeria.*

2.6.3 Overcoming Barriers to Small Business

The important role of small business suggests that an understanding of why firms fail and succeed is crucial to the stability and health of the economy (Gaskill, Van Auken and Manning, 1993). Prior research has created discrepancies within the literature by citing different concerns as contributing factors to success (Lussier and Corman, 2015). The success of a business according to Fielden et al., (2000) is dependent on overcoming a series of potential concerns such as securing sufficient financial backing, adequate and appropriate guidance, and training. Business owners should come up with a systemic approach when trying to overcome potential concerns to their businesses to avoid failure. Loewe and Dominiquini (2006) state that, businesses aspiring to be successful should not only treat the symptom but act on their causes; act in a systemic way of dealing with the causes, and learn from the way others have addressed similar challenges; do not just blindly copy best practices.

Additionally, Shonesy and Gulbro (1998) stated that majority of businesses that demonstrated success were found to have characteristics or to use tools in three separate areas, such as, characteristics of the entrepreneur, demographic characteristics of the business, or strategic tools used in the business. While, Filley and Pricer (1991) highlighted several tools for small business success such as appropriate operating strategy, leadership and time management as techniques that lead to good management of small business. Furthermore, Ibrahim and Goodwin (1986) stated that management competence and niche strategy are a key feature if a small firm wants to be successful. They identified many small businesses could survive an economic crunch provided they monitor their cash flow.

Khan and Rocha (1983) suggested that the small business owner strengthens his managerial practice to avoid business failure, particularly, the entrepreneurs' planning abilities because they are critical for the success of the business (Hand, Sineath and Howle, 1987). Stressing further, specific success strategies used in one business may not work for another, as all businesses, like people, are different. To be successful in business, it is important for owner-managers of small businesses to have knowledge of the market and to avoid entering markets that are saturated (Bates, 1995).

Growth and success of African firms as argued by Manu (1998) may be the function of characteristics of the environment of the entrepreneur, the business strategies adopted, and the dynamics of specific markets of interests. While Kilimba (2006) argued that strong and consistent emphasis on competitors, as well as a robust economic framework for investment decisions, are vital to the success of small firms. Supported by Umar (2008) who states that the issue of core competence serves as the basis of competitive advantage for small firms.

2.7 Summary

This chapter reviewed the various literature on the barriers to the success of small businesses. The chapter emphasised that given the divergence in the literature, it was challenging to present common concern as a barrier to the success of small businesses. However, an attempt was made to ensure this limitation was overcome. An understanding of the identified concerns that contribute to the creation of barriers to the success of small businesses was gained through a systematic literature review. The systematic literature review helped in the development of the conceptual framework that underpins this research and the formulation of the hypotheses that will be tested in the context of North West Nigeria, to determine the perception of owner-managers regarding barriers to the success of their businesses.

Chapter Three: Research Methodology and Design

3.0. Introduction

The previous chapter established a theoretical foundation for this research, which includes the development of a conceptual framework. This chapter will discuss the research methodology, approaches, philosophy (paradigms), and strategies adopted as well as the reasons for selecting them. Additionally, the research design adopted was discussed, followed by a discussion on data collection, presentation and analysis. Finally, ethical considerations associated with data collection were discussed. The chapter focused on the detailed explanation of how the research was conducted and processed. This research aims at identifying new knowledge and understanding the systemic influence between barriers to the success of small businesses in North West Nigeria.

The term ‘methodology’ refers to logic, process and framework, which encompass the body of research methods employed by a researcher in a project, including basic knowledge related to the subject (Sarantakos, 2005; Collis and Hussey 2014). However, Remenyi and Williams (1995) argue that, though methodologies are important, it is germane to note that they serve to provide generic guidelines rather than definite directions as to how the research should be conducted. Additionally, Bryman and Bell (2011) note that researchers often confuse the terms ‘*methodology*’ and ‘*methods*’. Thus, it is important to clarify what ‘*methodology*’ and ‘*methods*’ mean in this research. A methodology is a detailed approach to the research process from the theoretical underpinnings to the collection and analysis of data, from an epistemological point of view, whether qualitative or quantitative. While, Methods, on the other hand, refer simply to the way and means of gathering data. The next section explains the different purposes of research activity as identified in the various literature and the adopted purpose for this research.

3.1 The Research Purpose

Research is central to both academics and business; however, there is no consensus in the literature regarding how it should be defined. One reason according to Collis and Hussey (2014) is that research means different things to different people and can have more than one purpose, and this could be through inquiry and investigation systematically or methodologically that increases knowledge. The classification of research purpose according to Saunders et. al., (2007) most often used in research methods' literature is threefold; these are, exploratory, descriptive and explanatory, and are further explained below.

Exploratory research

This is concerned with finding out what is happening by seeking new insights, asking questions and assessing phenomena in a new light. Exploratory research is used to generate research questions or develop hypotheses, and it is mainly used in the research when there is limited research in the area, or the research subject is not very clear on which part of the problem needs further investigation at a later stage or to understand the precise nature a problem. Typical techniques used in exploratory research include case studies, observations and historical analysis, which can provide both qualitative and quantitative data. Such techniques are very flexible and adaptable to change, as there are a few constraints on the nature of activities employed or on the type of data collected. However, the flexibility does not mean the absence of direction; it only signifies that the broad focus of the research becomes narrow as the research progresses (Saunders et. al., 2009; Collis and Hussey, 2014).

Descriptive research

Descriptive research describes phenomena, as they exist. It is used to identify and obtain information on the characteristics of a particular problem or issue (Collis and Hussey, 2014). It is a variant of the exploratory research, which seeks to find data to answer a specific research question. Saunders et. al., (2007) note that it is important to have a clear picture of the phenomena on which you wish to collect data prior to the collection of data. While, Fong (1992) highlights two critical issues in descriptive design, both necessary for validity, the ability to generalise from the sample and the reliability and validity of the observations or measurements.

Explanatory research

Explanatory research is a continuation of the descriptive research. It establishes a causal relationship between variables and emphasises studying a situation or a problem to explain the relationship between the variables (Saunders et. al., 2007). When using the explanatory research, the researcher goes beyond merely describing the characteristics, to analysing and explaining why or how the phenomena being studied is happening to have a clearer view of the relationship (Collis and Hussey, 2014). Identifying and, possibly, controlling the variables in the research activities are important when conducting explanatory research. This permits critical variables or the causal links between the characteristics to be better explained.

According to Jackson (1994), researchers should identify the purpose(s) by correlating the research objectives and the research questions. Therefore, this research will systematically identify barriers to the success of small business and examine the systemic influence between them in the context of North West Nigeria from the perspective of owner-managers. Therefore, we can conclude that the research is exploratory because it attempts to identify and evaluate the influence between barriers to small business success. Thus, answering the first two research questions. Furthermore, it also attempts to understand and gain insight of how owner-managers of small businesses in North West Nigeria in relation to their experiences examine the influence between the barriers to the success of their businesses. Thus, answering the third research question. Additionally, as far as this researcher is aware, few studies exist in this area in the context of Nigeria and none in the context of North West Nigeria.

Following the explanation of the research purpose above, the next section explains the paradigm that underpins the assumptions of this research, leading to the adopted strategy and methods.

3.2 Research Philosophy

For a researcher, the adoption of a research paradigm is based on the questions that the research intends to answer and the researchers' view of the relationship between knowledge and the process by which it is developed.

Methodological issues

Understanding the research philosophy to adopt in conducting research is very vital. Philosophy according to Waite and Hawker (2009) cited in Collis and Hussey (2014) is a set or system of beliefs [stemming from] the study of the fundamental nature of knowledge, reality, and existence. Each philosophy is grounded in a particular paradigm, the enquirer's basic belief on the working assumptions of the world regarding how we know and respond to it. Discussing the main research paradigms is important, since they reflect a researchers' belief, how he/she approaches, interprets and analyses the research. It is also of importance to explore in more detail the paradigm that is closest to this researcher's worldview. However, it should be noted that the term 'paradigm' is frequently used in the social sciences and can lead to confusion because it tends to have multiple meanings (Saunders et al., 2007). Furthermore, they defined the term as a way of examining social phenomena from which understandings of these phenomena can be gained, and explanations attempted. For this research, the discussed paradigms below guided the researcher on the choice of philosophy and the data collection method used.

For many hundred years, there was only one research paradigm (Positivism) because the 'scientist's achievements' referred to by Kuhn (1962) stemmed from one source known as the natural science. The emergence of the social science as a second paradigm (interpretivism) was in response to the perceived inadequacies of the earlier paradigm. The focus was on inanimate objects in the physical world, such as physics, which focused on the properties of matter and energy and the interaction between them (Collis and Hussey, 2014). There are two main research paradigms or philosophies. These can be labelled as positivism, which has its roots in the philosophy known as realism, and interpretivism, which is based on the principle of idealism. In their first and second editions, Collis and Hussey used the term *phenomenology* but later decided to use the term *interpretivism* as it suggests a broader philosophical perspective and prevents confusion with the methodology known as phenomenology. Presented below is an explanation of the two philosophies, their differences and assumptions as well as the adopted philosophy to guide this research.

Below we discuss the two major fundamental beliefs that shape a paradigm, ontology and epistemology, and how they relate to this research.

3.2.1 Ontology

Ontology is concerned with the nature of social entities – reality. It argues whether social entities can and should be considered objective entities that have a reality external to social actors, or whether they can and should be considered social constructions, built up from perceptions and actions of social actors (Bryman and Bell, 2011). Researchers in this position have concerns about how the world operates and the commitment held to particular views. Ontology is associated with a central question of whether social entities need to be perceived as *objectivism* or *subjectivism*. Where objectivism is an ontological position that implies that social phenomena confront us as external facts that are beyond our reach or influence. That is, how social entities exist independent of social actors. Saunders et. al., (2007; 2009) likened this position to the structural aspects of management and assumed that management is similar in all organisations. The structure in which they operate may differ, but the essence of their function is very much the same. While subjectivism is an ontological position that holds the view, social phenomena are being created from the perception and consequent actions of social actors. It further holds that these social phenomena are in a constant state of revision through the process of social interaction, which makes it necessary to study the details of a situation to understand what is happening or the reality occurring behind what is happening (Saunders et al., 2012). This view is often associated with the term constructionism or social constructionism – it is an interpretivist position that holds the view about the necessity to explore the subjective meanings that motivate the actions of the social actors to understand those actions. In the views of constructivists, reality is socially constructed – it suggests that the categories people employ in helping them to understand the natural and social world are in fact social products. The categories do not have a built-in essence; instead; their meaning is construed in and through interactions (Bryman and Bell, 2011).

3.2.2 Epistemology

This is concerned with what constitutes acceptable knowledge in the field of study, about how we know the world and what interactions exist between the researcher and the researched. In this context, a central issue is a question of whether or not the social world can and should be studied according to the same principles, procedures, and ethos as the natural sciences (Bryman and Bell, 2011).

Under epistemology, there are different types of researchers. First, the researcher who sees reality as represented by phenomena that are considered real and exist independent of the researcher. Furthermore, this type of researcher believes that data collected are far less open to bias and therefore, more objective if knowledge is independent of the observer, any researcher would find the same data when following the same tried and tested methods. Therefore, human perception can be minimised or eliminated. This kind of researcher is embracing the *positivist* position to the development of knowledge – working in the tradition of the natural scientist. Second, a researcher who views the objects being studied by the feelings and attitudes as social phenomena that have no external reality. These researchers assume that the social phenomena experienced is a product of social interaction. Therefore, the research is not neutral because he/she is part of the data collection process either through interaction with the social phenomena as a participant or when interpreting responses by participants. It is hard to imagine the researcher asking respondents the same question in the same way and maintain consistency when interpreting every response. This kind of researcher is embracing the *interpretivist* position – understanding the differences between humans and social actors (Saunders, et. al., 2007; 2009). The third type of researcher under this paradigm believes that what the senses show us as reality is the truth, and objects have an existence independent of the human mind. This kind of researcher embraces the philosophical position known as *realism*, which relates to scientific enquiry.

Realism as a part of epistemology is similar to positivism, in that it assumes a scientific approach to the development of knowledge. It holds the belief that the natural science and the social science can and should apply the same kinds of approach to the collection of data and explanation, and a commitment to the view that there is an external reality scientist direct their attention to (Bryman and Bell, 2011). Under realism, there are two forms. The first, direct realism, researchers in this position believe that what we experience through our senses portrays the world accurately, meaning what you see is what you get. The second, critical realism, researchers in this position argue that what people experience are sensations and are just the images of the things in the world, not the things directly. They believe our senses often deceive us, and will only be able to understand what is going on in the social world if we understand the social structure that has given rise to the phenomena that we are trying to understand, because it cannot be understood independently of the social actors involved (Saunders, et al., 2009).

The table below explains the differences and assumptions between the two philosophies discussed and the assumptions of this research regarding the two philosophies.

Table 3.1 Differences and assumptions of the major philosophies

Philosophical difference and assumptions	Positivism	Interpretivism	Researchers' Assumptions of adopted philosophy - Positivism
Ontology (nature of reality)	Social reality is objective and external to the researcher. Therefore, there is only one reality, and everyone has the same sense of reality	Social reality is subjective and socially constructed. Therefore, each person has a sense of reality, and there are multiple realities. Life is not what we live, but what we imagine we are living.	Reality is objective and single as seen by the participants
Epistemology (what constitutes valid knowledge between the researcher and what is researched)	Knowledge comes from objective evidence about observable and measurable phenomena. The researcher maintains an independent and objective stance.	Knowledge comes from subjective evidence from participants. The distance between the researcher and what is researched is minimised.	There is no interaction between the researcher and what is being researched. The knowledge developed can be provided in different context as it is independent of a particular researcher
Axiological (role of values)	The process of research is value free. Researchers regard the phenomena under investigation as objects and are therefore independent of the study. Results are unbiased.	The research is subjective, and findings are biased and value-laden. Values determine what are recognised as facts and how interpretations are drawn from them	The Researcher acknowledges that the value of free research is minimised and unbiased.
Rhetorical (language of research)	Use of passive voice, accepted quantitative words and set definitions	Use of personal voice, accepted qualitative terms and limited priori definitions	Researcher writes in a traditional passive voice, and accepts quantitative words and set definitions
Methodology (process of the research)	Deductive approach is taken. Researcher studies cause and effect, and uses a static design where categories are identified in advance. Hypothesis is developed based on objective facts and analysis is carried out to look for association/causality between variables. Results are accurate and reliable through validity and reliability	Inductive approach is taken. The topic is studied within its context by researcher and uses an emerging design to identify categories. Patterns and/or theories are developed for understanding. Findings are accurate and reliable through verification.	Process is a deductive study of cause and effect about factors with a static design (categories identified in advance). Hypotheses were developed to find an association between factors. Results were tested for accuracy and reliability through validation and reliability.

Source: Adapted from Collis and Hussey (2014:47:48)

3.2.3. Positivism

Positivism has long been applied in the social and natural sciences. It provided the framework for the way research was conducted in the natural sciences and the scientific methods, which are still widely used in the social science research. Positivism according to Bryman and Bell (2011) is an epistemological position that advocates the application of the methods of the natural sciences to the study of social reality and beyond. It is underpinned by the belief that reality is independent of us and the goal is the discovery of theories, based on empirical research (Collis and Hussey, 2014). The positivists hold the view that, laws supported by academic discipline provide the basis of inquiry and explanation, further permitting the anticipation of phenomena, which enables the accurate prediction of their occurrence, and therefore, allow the phenomena to be controlled. The doctrine of positivism is difficult to pin down, and outline in a precise manner because it is used in several ways by authors. Some view it as a descriptive category – one that describes a philosophical position that can be discerned in research. While for others, it is a pejorative term used to describe crude and often superficial data collection (Bryman and Bell, 2011).

3.2.4 Interpretivism

Interpretivism denotes an alternative to the positivist orthodoxy that has held sway for decades. It is predicated upon the view that a strategy is required that respects the differences between people and the objects of the natural sciences and therefore, requires the social scientists to grasp the subjective meaning of social action (Bryman and Bell, 2011). As an epistemology, it advocates the necessity for the researcher to understand differences between humans in our role as social actors. In contrast with the positivism, interpretivism underpinned by the belief that social reality is not objective but highly subjective because it is shaped by our perceptions (Bryman and Bell, 2011). Whereas positivism focuses on measuring social phenomena, interpretivism focuses on exploring the complexity of social phenomena with a view to gaining interpretive explanations (Collis and Hussey, 2014).

Positivism vs Interpretivism

Assuming either philosophy is better than the other would lead to a researcher missing the point (Collis and Hussey, 2014). Both philosophies are designed to do different things in research, which primarily, is dependent on the research question(s) a researcher intends to answer. The adoption of either should be influenced by practical considerations, such as the researchers' view of the relationship between knowledge and the process by which it is developed (Saunders, et al., 2007). The table below shows the differences and assumptions between the major philosophies and the assumptions regarding the adopted philosophy for this research. It is worth noting that the two key features that characterise research findings are reliability and validity (see section 3.6.4 for more details). Reliability is obtaining the same results if a study is repeated, and is likely to be higher in a positivist study than in an interpretivist. While validity refers to the research findings, accurately representing what is happening in the situation and is likely to be higher in an interpretivist study than in a positivist (Bryman and Bell, 2011).

The research paradigm adopted in research contains important assumptions about the way the researcher views the world. It further underpins the research strategy and methods adopted. The discussed philosophical positions above contain important assumptions about the way a researcher views the world. Epistemology concerns what constitutes acceptable knowledge in a field of study. It further revolves around the desirability of employing a natural science model, positivism, which entails working with an observable social reality with a product being a law-like generalisation. While interpretivism advocates that, it be necessary for a researcher to understand the differences between humans in their roles as social actors. Ontology, on the other hand, concerned with the nature of social phenomena as entities based on objectivism holds that social entities exist in reality, which is external to the social actors. While subjectivism views social phenomena as created from perceptions and consequent actions of social actors.

The major features of the two philosophies are highlighted below.

Table 3.2 Features of the two philosophies

Positivists tend to:	Interpretivists tend to:
• Use large sample • Have an artificial location • Be concerned with hypothesis testing • Produce precise, objective, quantitative data • Produce results with high reliability but low validity • Allow results to be generalised from the sample to the population	• Use small sample • Have a natural location • Be concerned with generating theories • Produce rich, subjective, qualitative data • Produce findings with low reliability but high validity • Allow findings to be generalised from one setting to another similar setting

Source: Collis and Hussey (2014).

In conclusion, we can deduce that philosophies allow researchers to express their ideas by developing them into knowledge about how they view the world. Using a single or combined research approach, a researcher establishes the appropriateness and credibility of the assumptions of the research (Saunders et al., 2012). Below is the justification for the adopted philosophy for this present research.

3.2.5 The Adopted Research Philosophy

The above-outlined philosophies have their distinct advantages, which are dependent on the research questions that are sought to be answered. It should also be noted that, in conducting business research, it would rarely fall neatly into one of the two paradigms (Saunders, et al., 2007), that is a combination or mixture of the two, positivism and interpretivism. Thus, the selection of the research philosophy to guide this research study was based on the relevance of the philosophy to the research questions. The objective of this research is to understand the influence between barriers to the success of small business in North West Nigeria systemically. Therefore, after extensive literature review that allowed us to select certain concerns such as finance, education, regulation and corruption, lack of adequate infrastructure, strategic management, entrepreneur lifestyle, regional culture and enterprise operation, this research seeks to answer how these identified concerns influence the success of small businesses. The influence between the identified barriers to small business success, and the extent the barriers are perceived by owner-managers as hindering the success of their small businesses. Therefore, this research takes a positivist approach that originates from the positivistic paradigm concerning the social and management sciences. Further, it allows the researcher to assume the role of an objective analyst, interpreting the data collected in a value-free manner, which seeks facts or causes of business phenomena in a way that is less affected by the act of investigating it (Collis and Hussey, 2014). Further, it supports the use of mixed methods, specifically; the mixed model was adopted and stresses the combination of quantitative and qualitative data collection techniques and analysis procedures (Saunders et. al., 2007; 2009). Finally, this research can further be labelled as positivist because it seeks to extract specific propositions from general accounts of reality to be submitted for empirical testing. Below is an explanation of the different research approaches and the adopted approach for this research.

3.3 The Research Approach

Research approach as explained by Saunders et al., (2007) is the extent on how clear a theory is at the beginning of research that raises an important question concerning the design of the research that will enable the researcher to achieve the research objectives. Whether to adopt the deductive approach by developing theory and hypothesis and design a strategy to test the hypothesis, or the inductive approach by collecting data and developing a theory because of the data analysis (Saunders, et. al., 2007). Creswell (2003) further states that research approach does not simply inform the research design, rather, it gives the researcher the opportunity to consider critically how each of the various approaches may contribute to, or limit, the study in line with the articulated objectives. Saunders et. al., (2009) contended that, based on their experience, it is perfectly possible and advantageous to combine deduction and induction within the same piece of research.

3.3.1 Deductive vs Inductive Approach

The deductive approach involves the development of a theory that is subject to rigorous test (Saunders et. al., 2007). It is a study where developed conceptual and theoretical structures deduced from general inferences are tested by empirical observation (Collis and Hussey, 2014). The deductive approach involves collecting data of the variables that the theories have identified as being important. It should be noted that this approach follows a linear process – one-step follows the other in a clear, logical sequence (Bryman and Bell, 2011). The deductive approach enables facts to be measured quantitatively and allows generalisation based on the selection of sufficient numerical sample size. This approach is the reverse of the inductive. The inductive approach involves the development of theory from the observation of empirical reality, where practical instances are deduced from general inferences. Since it involves moving from individual observation to statements of general patterns and laws, it is referred to as moving from the specific to the general (Collis and Hussey, 2014). The major differences between the deductive and inductive approaches are highlighted below

Table 3.3 Deductive vs Inductive Approaches

Deductive Approach	Inductive Approach
• Scientific principles • Moving from theory to data • The need to explain causal relationships between variables • The collection of quantitative data • The applications of controls to ensure validity of data • The operationalisation of concepts to ensure clarity of definition • A highly structured approach • Researcher independent of what is being researched • The necessity to select sample size sufficient in order to generalise conclusions	• Gaining an understanding of the meanings humans attach to events • A close understanding of the research context • The collection of qualitative data • A more flexible structure to permit changes of research emphasis as the research progresses • A realisation that the researcher is part of the research process • Less concern with the need to generalise

Source: Saunders et. al., (2007)

3.3.2 Quantitative vs Qualitative Approach

Quantitative and qualitative are the two main approaches used in social and management sciences research. The terms are used to differentiate both data collection techniques and data analyses procedures (Saunders et al., 2012). Collis and Hussey (2014) argue that the use of the terms ‘quantitative’ and ‘qualitative’ is better perceived as describing data rather than a paradigm because data collected in positivist research can be quantitative and or qualitative.

According to Bryman and Bell (2011), quantitative research can be construed as a research strategy that emphasises quantification in the collection and analysis of data and that:

- entails a deductive approach to the relationship between theory and research, in which the accent is placed on testing of theories
- has incorporated the practices and norms of the natural scientific model and of positivism in particular
- embodies a view of social reality as an external, objective reality

By contrast, qualitative research can be construed as a research strategy that usually emphasises words rather than quantification in the collection and analysis of data and that:

- predominantly emphasises an inductive approach to the relationship between theory and research, in which the emphasis is on the generation of theories;
- has rejected the practices and norms of the natural scientific model of positivism in particular in preference for an emphasis on how individuals interpret their social world;
- embodies a view of social reality as a constant shifting emergent property of individual’s creation.

From the above approaches, a researcher should identify the type of approach to employ and should be based on bringing together an assumption, a specific research design and methods that would help in achieving the objective of the research. The next section explains the adopted approach for this research.

3.3.3 The Adopted Research Approach

The positivist philosophy adopted in this research supports the use of mixed methods, which includes both quantitative and qualitative techniques. Specifically, the mixed model research (Saunders et al., 2007), which stresses the combination of quantitative and qualitative data collection techniques and analysis procedures was adopted. This means that a researcher can *quantitise* qualitative data by converting it into numerical codes so that it can be analysed statistically, or *qualitise* quantitative data by converting it into a narrative to be analysed qualitatively. In addition, it enables triangulation to take place, where semi-structured interviews were used to triangulate data collected via questionnaire. This gives the researcher confidence having addressed the most important issues (Saunders et al., 2007). Therefore, a mixed model approach was deemed appropriate for adoption in carrying out this research to improve its quality. Collis and Hussey (2014) posit that a mixed model allows for a broader complimentary view of the research problem or issue. The benefit of mixed method in this research is not to replace either approach, but to draw from the strengths to minimise weakness in findings. Additionally, Tashakori and Teddie (2003) stated that it gives room to evaluate the extent to which your research findings can be trusted and inferences made from them.

Having reviewed the literature systematically and developed a conceptual framework, a quantitative approach, using deductive reasoning was utilised to gather appropriate data, test the conceptual framework and gain a general understanding of the barriers to the success of small businesses in North West Nigeria. In addition, using the quantitative approach alone would not provide enough understanding of the barriers since they were derived from the literature. Therefore, a qualitative approach, using inductive reasoning was adopted to provide clarity on the quantitative stage from the perspective of owner-managers on the barriers to the success of their businesses. It should be noted that this research is quantitative and therefore, the major method of collecting and analysing data is through the quantitative approach. Using the qualitative approach was to support the quantitative findings to give an in-depth understanding between those perceived barriers used in developing the final systemic diagram associated with the success of small businesses in North West Nigeria. In addition, the qualitative approach allows for an explanation of opinions and circumstances by respondents, not envisaged or overlooked in the quantitative approach (Creswell, 2003).

3.4 Research Strategy

There are options to be made as to the strategic approach to the research. Saunders et. al., (2007) highlighted the options available as experiment, survey, case study, action research, grounded theory, ethnography and archival research. They argued that the label attached to a particular strategy is not important, but choosing a strategy that would enable a researcher answer the research question(s) as well as meet the research objectives by selecting one or all the research strategies.

In adopting a research strategy, this research considered the trend revealed through review of past studies such as Mambula (2002), van Eeden at al., (2004); Dabo (2006), Okpara and Wynn (2007), and Umar (2008). The literature revealed most studies used data obtained from primary sources. However, it should be noted that data collection technique in this study is adopted based on the research purpose, which is an attempt to systematically identify and examine the systemic influence between the barriers to the success of small business from the perspective of owner-managers. Saunders et. al., (2009) state that, there are different types of data collection techniques such as survey, interviews, questionnaires, observation and focus group. For this research, both quantitative and qualitative data were used. Therefore, the survey strategy adopted and the different methods of data collection and analysis used are discussed below.

3.4.1 The Survey Strategy

Collis and Hussey (2014) pointed out that in a positivists study, a survey is used to collect primary and secondary data from a sample with a view to analysing the data statistically and generalising the result to a population. Additionally, Saunders et. al., (2007) pointed out that the survey strategy is usually associated with the deductive approach and allows the researcher to collect a large amount of data from a sizeable population in a highly economical way. Collis and Hussey (2014) argued that there are several ways for collecting survey data for a positivists study, including postal and Internet self-completion questionnaires, and telephone and face-to-face interviews.

From the above statement, a questionnaire and interview survey approach were chosen as the methods for this research. The questionnaire was used to obtain information on the owner-manager, business success and financing, and the perceived concerns that contribute to the creation of barriers to small business success in North West Nigeria. The survey method was deemed appropriate for this study because it gave the researcher control over the research process and the possibility to generate findings from the sample that would serve as a representation of the whole population at a lower cost (Saunders et. al., 2007). In addition, the survey allows the use of statistical methods to test the likelihood that the characteristics of the sample are also found in the population (Collis and Hussey, 2014). Interviews according to Collis and Hussey (2014) are a method for collecting data in which selected participants are asked questions to find out what they do, think or feel. Interviews can be structured or semi-structured. A semi-structured interview was used in this research to explore the perceptions and views of owner-managers in North West Nigeria because it is necessary for the researcher to understand the personal constructs the interviewee would use as a basis for his or her opinions and beliefs (Collis and Hussey, 2014).

3.4.2 Critique of Research Methods used in Previous Studies

A review of the different methodologies adopted by researchers in the past informs the focus of this research. This is done with the intention to evaluate the relevance of these methodologies in shaping the methodology and research design for this study. Some of these studies are not free of criticisms, for instance, Mambula's study on the perceptions of SME growth constraints in Nigeria used a sample of 32 small businesses. The sample size is too small to use for generalisation, as it will not meet the expected effect. In addition, taking into consideration the region and sectors where the samples were drawn from were not specified, the findings could be seen as being biased towards a particular sector. Additionally, Okpara and Wynn's determinants of small business growth constraints in Sub-Saharan Africa used a structured interview to gather data from 400 small businesses. Using structured interviews limits participants to answer only questions asked. There might be variation in the experiences of participants that is vital which they could have overlooked, hence, vital information missed. This present research will use the mixed method to overcome such issue and ensure findings are richer and more meaningful.

Furthermore, the sample did not provide a good geographical spread, no sample was drawn from Northern Nigeria and in particular, North West, hence, there might be a difference in constraints faced by small businesses in that region against those covered in the sample that might improve the findings. For example, a difference in belief, values and level of enlightenment. Abereijo and Fayomi (2007) argue that the South West and South East have a high number of enlightened industrialist and well-organised associations. Hence, the reason researchers and providers of funds for start-ups and expansion tend to focus more on these regions. Additionally, a longitudinal study spread over a specific period would provide a better understanding of the constraints, as there might be changes or improvement in certain factors, or used for comparative study either within a country or between nations. In another study, Anga (2014) used logistic regression to examine the factors that affect the performance of small businesses in Nigeria. However, her study did not also specify the population and sample size to justify her generalisation of small businesses in Nigeria. In addition, no mention of the sectors the small business represent. Van Eeden et al., (2004) used judgemental sampling in an exploratory study of selected problems encountered by small businesses in South Africa. The study covered a particular area (Nelson Mandela Metropole) in South Africa known as a tourist hub due to its unspoiled beaches and mainly consist of manufacturing businesses and used a sample of 250, which could be considered too large a sample for an area covering less than 2,000 km^2. In addition, using judgmental sampling is more effective with a small or limited sample, further; it is subject to bias and has a low level of reliability. Below is an explanation of the research design used in developing this research's strategy.

3.5 Research Design

Research designed according to Bryman and Bell (2011) is a framework for the collection and analysis of data. For this research, the research design comprised three stages, the developmental stage, implementation stage and analysis stage. The research design summarises the mixed methods approach adopted to achieve the research objectives and address the research questions. The evaluation of the test results undertaken simultaneously, was in two stages, comprising a survey questionnaire and interviews. The survey was conducted via the use of a questionnaire, and the semi-structured interviews were used for evaluating the survey results. The research design for this study is presented below for clarity.

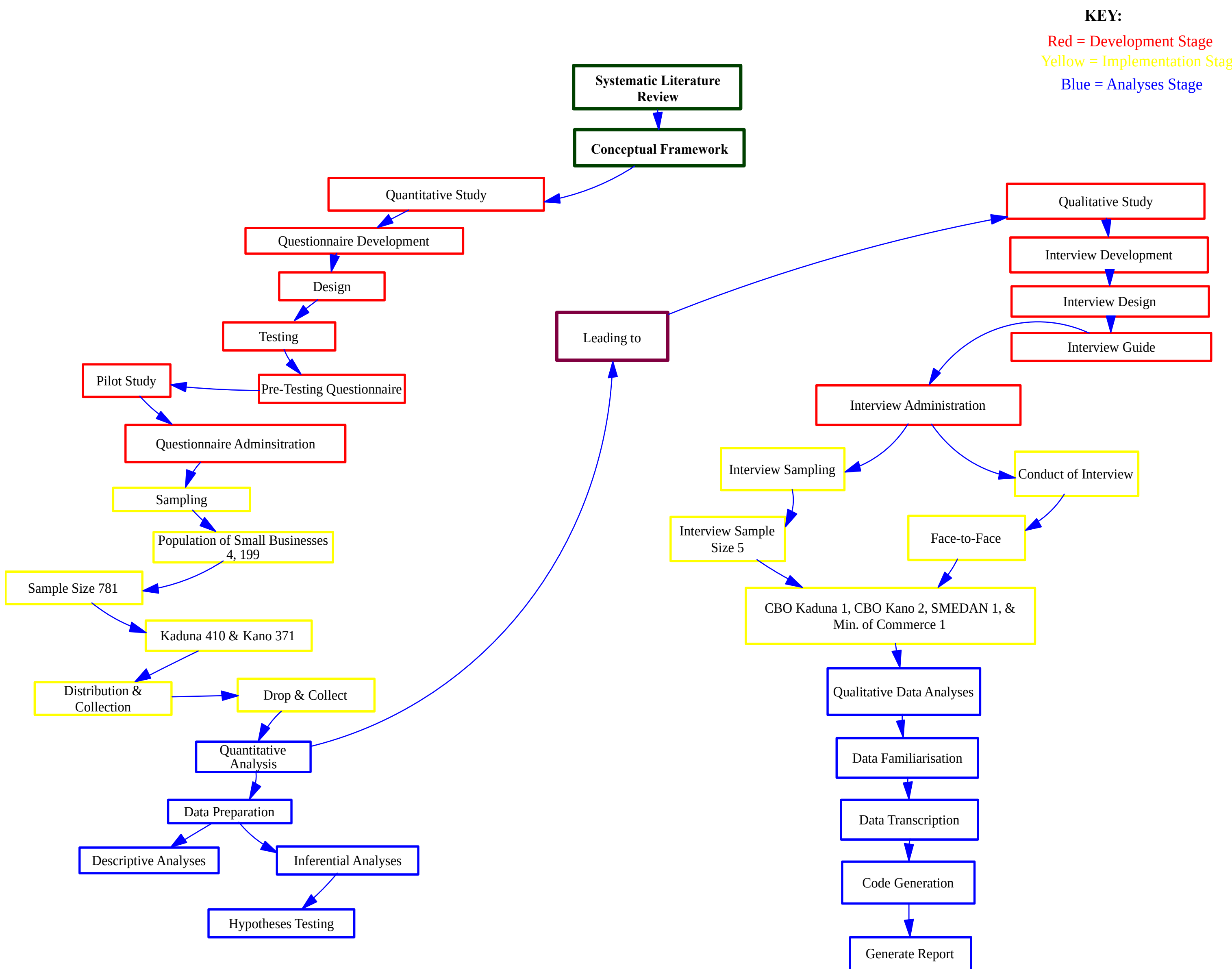


Figure 3.1 Research Design

3.5.1 Instrument Development Stage

Questionnaire design

Collis and Hussey (2014) defined a questionnaire as a method of collecting primary data containing a list of carefully structured questions, which have been chosen after considerable testing with a view to eliciting reliable responses from a particular group of people. The achieved response rate from a questionnaire will depend on the design of the questions, the structure of the questionnaire and the rigour of the pilot testing (Saunders et. al., 2007). They further added that the design and structure of the questionnaire could have a significant effect on the validity and reliability of the data collected. Additionally, Oppenheim (1966) asserts that a questionnaire is not just a list of questions or a form to be filled out. It is essentially a scientific instrument for measurement and collection of particular kinds of data. Like all such instruments, it has to be specially designed according to particular specifications and with specific aims in mind, and the data it yields are subject to error. In this research, a structured questionnaire was developed and constructed based on the review of the literature, in addition, used and tested instruments in previous studies were also analysed for better structure. It should be noted that a covering letter was attached to the questionnaire with instructions to small business owner-managers in North West Nigeria on how to complete the questionnaire, also to explain the purpose and the importance of the research. The questionnaire was designed in the English Language based on the selection of appropriate question wording and content, response format and sequencing of questions. The questionnaire comprises of 28 questions divided into four sections as explained below. In addition, pilot was undertaken and explained below.

Question wording and content

The questions were simple, precise and comprehensible to ensure acceptable quality and avoid ambiguity so that respondents would understand easily. Two types of response format were chosen, dichotomous closed-ended and multiple choice closed-ended. Respondents were required to choose out of given options, using the Likert scale of 1 – 5, a choice between multiple options, and a ‘yes’ or ‘no’ answer. The questionnaire began with less complex and sensitive question before progressing into opinion-based questions and was divided into four sections as presented below.

1. **Demographic information of the owner-manager:** This section has six questions, which sought to obtain general background information on the small business owner-manager.
2. **Business information:** This section has nine questions which sought to obtain information regarding the general characteristics of the small business.
3. **Barrier constraints:** This section has one question and aims at understanding the extent small business owners consider concerns that contribute to the creation of barriers to the success of their business.
4. **Business success and financial information:** This section has 18 questions and aims at understanding the concept of success among small business owner-managers, challenges they face regarding accessing finance externally, their awareness to alternative sources of finance and government agency responsible for stimulating growth and development for small businesses.

Initial questionnaire testing

Saunders et. al., (2007) suggested that an expert or group of experts should be asked to comment on the representativeness and suitability of the questions to determine whether they would be apparent to respondents and if they would understand what is required of them. For this research, the pre-test conducted used five people, consisting of three doctoral students in business and the supervisory team to determine the effectiveness, strengths and weaknesses of the questionnaire concerning the format and wording. In addition, to also test how long it would take respondents to complete, as well as check for question clarity. The essence of the pre-testing was to ascertain the validity of the survey instrument, how the survey works and changes that are necessary before the full-scale study commences.

Pilot

Bryman and Bell (2011) argued that it is always desirable to conduct a pilot test before administering the questionnaire to a sample. The purpose of pilot testing according to

Saunders et al., (2007) is to refine the questionnaire so that respondents will have no problem in answering the questions and there will be no problem in recording the data. Additionally, it will enable the researcher to obtain some assessment on the questions' validity and the likely reliability of the data that will be collected. Following the comments on the initial testing by the five people, some amendments were done and, the reviewed draft was sent for the pilot study. Due to time constraint and distance, the questionnaires for pilot study were emailed to a colleague to help with the distribution and subsequent collection. Also, it was emailed to small business owner-managers the researcher has direct contact with, and they were asked to complete the questionnaire and comment on the questions regarding difficulty they face during the process. These people own and manage their small business, however, to ensure further reliability they will not form part of the final research sample.

The questionnaire asked participants to identify any question(s) that was not clear or any difficulty they face during the process. Also, to explain if the questions were too much and time-consuming to complete. Most of the participants said the questions were clear and precise. However, three owner-managers in the pilot study said their businesses have been existing for two and half years, which is less than the minimum required three years of operation in this research. In this view, since they are in the third year of operation, their response was deemed valid by choosing the option available specifying three to five years on the questionnaire. Also, one other question was rephrased.

Accordingly, after collating all the comments and reviews, the instrument was revised by rephrasing some questions and editing the varied question responses. Subsequently, the final draft used in the full-scale field study to cover the entire sample size was developed. For this research, the questionnaire was distributed to 30 small business owner-managers in Kaduna and Kano for piloting, 15 participants per state respectively. However, only 26 completed and returned the questionnaires, 14 from Kaduna and 12 from Kano. Five questionnaires were discarded, as they were not properly completed. The next section explains the interview design for this research. Topics for the interview were developed from the pilot study of the survey questionnaire; therefore, there was no need to undertake a different pilot for the interview.

Interview design

The key to a successful interview is careful preparation. According to Saunders et. al., (2007), when using non-structured interviews the 5 Ps, Prior Planning Prevents Poor Performance is a useful mantra to adopt. Thus, to provide a guide and ensure consistency in the interview process for this research, an interview guide was developed. The interview consists of an introduction and questions including advice participants would give existing business owners based on their experience to avoid failure. It comprised 11 questions, which sought to explore the perception and personal experiences of participants on the influence between the barriers hindering small business success that led to their business closure. See the diagram above that shows the interview guide used.

3.5.2 Implementation Stage

This section presents a clear explanation of the procedures and techniques of data collection used in this research, which involves a survey questionnaire and semi-structured face-to-face interview. It requires the researcher to think about sampling issues and collection techniques (Bryman and Bell, 2011). These are discussed below.

Sampling

Before conducting a survey, the relevant population must be clear and accurately defined. According to Collis and Hussey (2014), a population is any precisely defined body of people or objects under consideration for statistical purposes. It is usually impossible to survey the whole population under study. Therefore, researchers usually survey a sample of that population. A sample according to Bryman and Bell (2011) is the segment of the population that is selected for investigation. To define the population of this research, the official population of small businesses in Nigeria had to be established before narrowing down to the two states. Based on the National Bureau of Statistics (NBS) (2015) SME report, there are 68, 168 small businesses in Nigeria.

The population of this research comprised of small businesses from the manufacturing, retail and service sectors in Kaduna and Kano states. This is comprised of 490 and 1, 458 small businesses in the manufacturing, 965 and 725 in retail, and 327 and 224 in services in Kaduna and Kano states respectively (NBS, 2015). Therefore, the population is 4,199. Two main types of sampling procedures, probability and non-probability, were considered for selection in this research. Probability is a sample that has been selected using random selection so that each sample in the population has a known chance of being selected. The aim is to keep sampling error to a minimum. While non-probability implies that some samples in a population are more likely to be selected than others, therefore, samples are not selected using a random sample method (Bryman and Bell, 2011). For the quantitative stage of this research, respondents were identified using a list of registered businesses obtained from Small and Medium Development Agency of Nigeria (SMEDAN). The probability sampling was selected, and the stratified random sampling technique was used to arrive at the sample size. Further, random sampling was used to select those to be administered questionnaires from the total sample in each stratum. The table below shows the breakdown of the sample size into strata. i.e. 88 from 490 manufacturing small businesses in Kaduna.

Table 3.4 Breakdown of sample size into strata

	Kaduna	Kano
Manufacturing	88	86
Retail	131	107
Services	191	178
Total	410	371
Total Sample Size	**781**	

For the qualitative stage, participants who answered the survey questionnaire made a referral (snowball technique) to closed business owners who have not re-opened or started a new business. Closed business owners were deemed important for this research because their experience and perception to the barriers to the success of a small business may either corroborate those of owner-managers with an existing business or shed more light on other concerns not captured in the systematic literature in this research. Five interviews were conducted for this research, identifying owners of closed businesses was challenging, only three owners of closed business agreed to be interviewed. A possible explanation is a sensitivity to the issue because people do not want to be associated with failure. Others include one participant each from SMEDAN and Ministry of Commerce, these are a government agency and parastatal respectively that deal with small firms. Themes and topics used for the interview questions were developed after the pilot on the survey questionnaire as mentioned above.

It is worth noting that, to avoid bias towards respondents in this research, factors such as their sex, age, and religion were not considered. This is to provide a balanced and wider perspective for robust and comprehensive analysis. However, for a more detailed information, only businesses that have been in operation for three years and above were considered. In addition, due to accessibility issues, only businesses in urban areas were used.

Questionnaire distribution and collection

In undertaking surveys, it is important to make practical arrangements for administering the survey. These include finding the appropriate time to carry out the data collection and the time it will take. For this research, the distribution of questionnaire (*see table 4.1*) was done using the 'delivery and collection' method (Saunders et. al., 2007), which can be time-consuming and very expensive (Collis and Hussey, 2014). The distribution and collection were done from July 2016 to September 2016. However, a few respondents did not complete the questionnaire despite several visits and remainders. *See section 4.1.2* for a possible explanation as to why they did not complete the questionnaire.

Interview administration

Saunders et. al., (2007) state that the location of conducting an interview may influence the data collected. Before conducting the interview for this research, time and location were agreed with the participants and at their convenience. Assurance on the confidentiality of information provided by participants was further reiterated. Furthermore, the purpose of the interview and the aim of the research were verbally explained to participants. Notes and audio recording were used in the face-to-face interviews with the permission of the participants. It is worth noting that from 2007 to date and counting, land phones in Nigeria stopped working due to the controversy surrounding the privatisation of the national telecommunication company (NITEL). For this reason, most businesses and in particular, small businesses use their private mobile to double-up as their business line. Thus, a phone interview was not considered.

3.5.3 Analysis Stage

Having completed the collection of data for this research, the data have to be prepared before it could be analysed because, in its raw form, it conveys little meaning. In this research, both quantitative and qualitative data were collected. The quantitative data collected was analysed through a process, which starts with checking the questionnaires to see those that are acceptable and usable out of the total returned. Zikmund et. al., (2013) highlights the process starting with editing; coding and data file (entry). After that, the obtained data is cleaned, and the strategy employed for the data analysis is then selected. The qualitative data were restructured, codes were also generated, and a summary of the data was presented. The different methods of data analysis utilised are presented below.

Analysing quantitative data

Virtually any business and management research undertaken is likely to involve some numerical data or contain data that could be quantified to help answer research questions and to meet the research objectives (Saunders et. al., 2007). Quantitative data refers to all such data and can be a product of all research strategies, which range from simple counts to a more complex data such as tests scores, prices or rental costs (Saunders et. al., 2007). The process of analysing quantitative data as shown in figure 3.1 included data preparation, descriptive analysis and inferential analysis. To analyse the data, the Statistical Package for Social Sciences (SPSS) software version 23 was used. The analyses in the quantitative stage were conducted as follows:

- A series of item analyses based on factor analyses were carried out to determine which concerns loaded together that would be used to identify a common barrier.
- The mean, standard deviation and frequency distributions, were used as descriptive statistics to calculate and summarise the sample distribution. The calculations were then expressed as tables. While the mean is the arithmetic average that was obtained by dividing the sum of the individual scores in a distribution or the sum of the scores in a barrier by the number of the identified concerns.

- Correlation was calculated to determine the relationships between identified concerns under a common barrier, and Spearman's rank correlation coefficient was calculated to show the statistical dependence between the rankings of barriers. The statistical significance of these relationships was established by means of critical values corresponding to 95% significance levels.
- The inferential statistics were used to determine the cause-effect relationship between the barriers to the success of small businesses, also to test the formulated hypotheses to see if there is a relationship between the barriers to small business success.

Data preparation

Data preparation involves checking and editing, coding, and entering the obtained data. After that, the data obtained were cleaned. Data checking in this research was done to check completeness, consistency and legibility of data, making it ready for coding and transfer for storage (Zikmund et al., 2013). Data edition was to ensure the questionnaires were filled completely and properly. Questionnaires that were not completed properly, item response using plug value – the decision to plug in an average or neutral value in each missing data was adopted. A unique identifier '0' was given to each value to enable linking the matrix to the original data (Saunders et al., 2012; Zikmund et al., 2013).

To code the collected data for this research, numerical scores (Saunders et al., 2012) were assigned, which permits the transfer of data from questionnaire or interview forms to a computer. Usually entered into a software package to allow manipulation and transform the raw data into meaningful information (Zikmund et al., 2013). For example, in this research, the numbers '1' and '0' were used to signify 'yes' or 'no'. Numbers '1' to '5' were used to determine how respondents viewed or perceived concerns that contrubute to the creation of barriers to the success of their business, with '1' being 'very low' and '5' very high. These data were entered into the Statistical Package for Social Science (SPSS) version 23.

The final stage in data preparation is the coding process to check for wild codes (Zikmund et al., 2013), and no matter how carefully you code and subsequently enter data, there will always be some errors (Saunders et. al., 2007). Therefore, data cleaning was carried out in this research to check for errors such as illegitimate codes or relationships in the entered data before analysis was carried out. Additionally, Saunders et al., (2012) stated that not doing the data checking is dangerous and can lead to having incorrect result due to false calculations.

Descriptive analysis

Descriptive statistics can summarise responses from a large number of respondents in a few simple statistics. According to Zikmund et. al., (2013) descriptive analysis is the elementary transformation of data in a way that describes the basic characteristics, such as central tendency (mean, median and mode), distribution and variability (variance, standard deviation, range). The descriptive statistics techniques for this research were used to describe the characteristics of the respondents in terms of frequency and variability.

Inferential analysis

Inferential statistics are a group of statistical methods and models used to draw conclusions about a population from quantitative data relating to a random sample (Collis and Hussey, 2014). The primary purpose of inferential analysis according to Zikmund et. al., (2013) is to make a judgement about a population, or the total collection of all elements about which a researcher seeks information, based from a subset of that population. This purpose was adopted in this research. Specifically, Factor Analysis (FA) was used to examine the correlation between pairs of concerns measured on a scale of measurement, and the analysis identifies set of interrelated concerns on the basis that each concern contributing to the creation of a barrier in the set could be measuring a different aspect of some underlying barrier (Bryman and Bell, 2015). This could either be through Exploratory Factor Analysis (EFA), performed when there is uncertainty about how many concerns contributing to the creation of a barrier exist among a set of barriers, or Confirmatory Factor Analysis (CFA), where there is a strong theoretical expectation about the barrier structure before performing the analysis. That is to know the number of concerns relating to the barrier (Zikmund et. al., 2013). For this research, the EFA was conducted, to clarify the uncertainty regarding what concerns would load onto a barrier, or if there would be a need to introduce a new barrier because certain concerns would not load onto a specific barrier. Based on the results of the factor analysis, only concerns that loaded significantly on the barriers were used in the inferential analysis to test the hypotheses for this research.

Hypotheses testing

The Spearman's rank (*rho*) correlation coefficient as a nonparametric measure of rank showing the direction of association or statistical dependence between two variables was used to test the formulated hypotheses (*See Section 2.6.2*) for this research. In this research, the Spearman's rank was used to test the direction of association (negative or positive) between barriers and the success of small businesses in North West Nigeria. Validity and reliability were tested and discussed below to ensure the results obtained in this research achieve the requirement of testability that would allow the replication of statistical significance.

Validity and Reliability of the Quantitative Stage

Validity

Validity is the extent to which a test measures what the researcher wants it to measure, and the results reflect the phenomena under study (Collis and Hussey, 2014). Furthermore, research errors, such as faulty procedures, poor samples and inaccurate or misleading measurement, can undermine validity (Saunders et al., 2009). In this research, the following approaches to establish validity were used.

Content validity

According to Zikmund et. al., (2013), content validity refers to the degree that a measure covers the domain of interest. In this research, it refers to the measurement questions in the questionnaire. It measures the extent to which the questionnaire provides adequate coverage of the investigative questions (Saunders, et. al., 2007). For this research, validity was determined by the concerns defined and used previously in the literature. In addition, to ensure its face validity, the supervisory team and other PhD colleagues reviewed the questionnaire before sending out for piloting.

Construct validity

Construct validity refers to the extent to which the measurement questions measure the presence of those constructs they are intended to measure by adequately covering the domain of interest (Saunders, et. al., 2007; Zikmund, et. al., 2013). For this research, factor analysis was performed to identify which questions were appropriate for each barrier. Additionally, construct validity was achieved through convergent validity, which identifies if the concerns intended to measure a barrier correlate positively with one another. The correlation matrix and rotated component matrix was used to analyse convergent validity.

Criterion validity

Sometimes referred to as concurrent or predictive validity (Zikmund, et. al., 2013) depending on the time sequence in which the new measurement scale and the criterion measure are correlated. It is concerned with the ability of the measures (questions) to make accurate predictions. In this research, measurement was done using the five-point Likert-type scale, multiple options and 'yes' or 'no' answer.

Reliability

Collis and Hussey (2014) described reliability as the accuracy and precision of the measurement and the absence of difference if the research were repeated. They added that, for research to be reliable, a repeat study should produce the same result. The Cronbach Alpha was used to test the reliability of this research, see section 4.2.

Analysing qualitative data

Bryman and Bell (2011) argued that researchers must guard against being captivated by the richness of the data collected so that there is a failure to give the data wider significance. Furthermore, they stated that it is crucial to guard against failing to carry out a true analysis. Thematic analysis is the most common way of conducting a true qualitative analysis. However, for some business researchers, a theme is more or less the same as a code (Bryman and Bell, 2011). For this research, thematic coding was used to analyse the qualitative data. Further, the data was quantified (Saunders et al., 2007) using simple matrices - text units and percentage coverage to determine the pattern amongst the respondents. This further aided the interpretation and validity of the results.

To analyse the qualitative data, NVivo software version 22 was used. However, it is worth mentioning that the software does not remove the chore of transcribing audio recordings of interviews, but can only support the process of analysis. The software only helps with the process of structuring, coding and summarising the data, which this research adopted as the process of analysis. The researcher conducted the analysis and interpretation of the data.

Data familiarisation - restructuring the data

To make sense of the data collected via interview, it should be restructured in a way that it will give meaning for easy comprehension. Saunders et. al., (2007) opined that a full record of the interview should be created soon after its occurrence, to help control bias and produce reliable data analysis. To achieve this, data collected via the interview for this research were transcribed as soon as each interview was carried out to achieve familiarity. Each interview conducted was labelled when entering into QSR Nvivo software version 22 to ensure accurate identification of participants. For example, the abbreviation CBOKD represent Closed Business Owner in Kaduna, while CBOKN1 represent Closed Business Owner in Kano and 1 refers to the first participant interviewed. Further, MoC refers to the participant from the Ministry of Commerce, and SMEDAN refers to the participant from SMEDAN.

Thereafter, the data was coded. Coding the data is one of the key stages in the qualitative data analysis (Bryman and Bell, 2011), which allows the grouping of data into categories that share common characteristics. For this research, identified barriers in the quantitative stage were used as codes for the interview guide to identify themes and provide a link between the data collected, the analysis and interpretation of the data in the quantitative stage and qualitative stage.

Data summarisation is the final stage in restructuring qualitative data, which involves the analysis and write-up of the story the data tell. For this research, data was interpreted concisely and logically, capturing the essence of the research question, objectives and done in relation to literature.

3.6 Ethical Considerations

According to Collis and Hussey (2014), research ethics is concerned with the way research is conducted and how results or findings are reported. Saunders et. al., (2007) added that ethics in research refers to the appropriateness of the researcher's behaviour concerning the rights of those who become subjects of the work, or affected by it. Furthermore, it is more likely to be related to questions about how to formulate and clarify research topic, design research and gain access, collect data, process and store data, analyse data and write up research findings in a moral and responsible way. In this research, the following considerations were identified: voluntary participation, anonymity and confidentiality.

3.6.1 Anonymity and Confidentiality

A researcher should offer anonymity and confidentiality to all participants. Therefore, to achieve anonymity and confidentiality, the questionnaire did not require the participants to state their names, the names and address of their business. The questionnaires for the survey and semi-structured interviews were given a unique number for identification and analyses purposes only. The information collected will only be used for this research and subsequent related academic publications.

Voluntary participation

Coercion should not be used to force people into taking part in any research. Informed consent of participants was obtained to participate in this research prior to administering the questionnaire and conducting the interview. No any form of financial inducement or other material reward was offered to participants. Participants were not subjected to distress, stress or other psychological harm. Their participation is purely on voluntary terms, and this was made known to them. In addition, they were informed of their rights to withdraw at any point. The processes to withdraw were considered, the email address and phone number of the researcher were provided on the participants' consent form as means of contact. Ethical clearance from the University's College of Business, Law and Social Sciences Research Ethics Committee (BLSS-REC) prior to data collection was received.

Chapter Four: Quantitative Data Results and Analysis

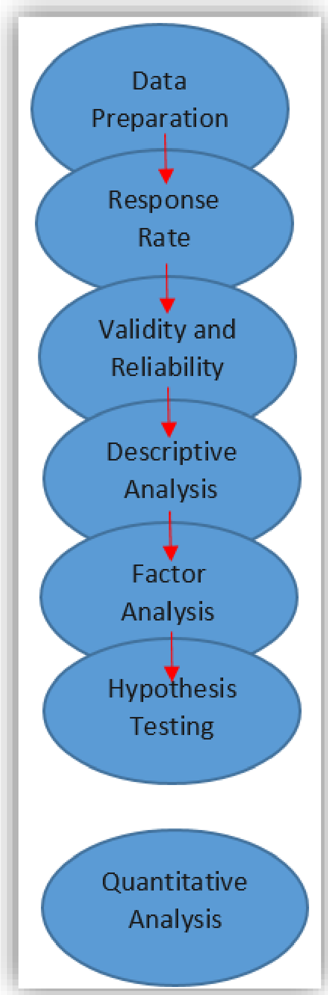
4.0 Introduction

The previous chapter described the process and methods for the collection of data. This chapter aims to present and discuss the empirical research results of the quantitative data collected using survey questionnaire. The chapter will discuss the descriptive and the statistical inference relating to the research hypotheses formulated in section 2.6.2. Thus, answering the second and third research questions of this study. The chapter begins with the description of the quantitative data, it describes the process used in cleaning and screening the data, data classification, response rate, and reliability and validity tests on the survey instrument was reported. The chapter will also report the descriptive statistics and factor analysis. Further, the eight formulated hypotheses from the systematic literature review that will examine the barriers to the success of small businesses in North West Nigeria will be tested to ascertain whether they hold true or false.

4.1 Data Analysis

The statistical analyses of the collected data performed followed the process outlined in diagram 3. Furthermore, the descriptive statistics compiled were to gain a broad understanding of each of the concerns under study and were used to answer questions relating to business success and financing information. Factor analysis performed was to identify concerns that are similar and would help to explain those barriers to small business success. After that, the hypotheses formulated in the research were tested, and discussion of the result presented. The quantitative analyses of the collected data were done using the Statistical Package for the Social Sciences (SPSS) version 23.

Figure 4.1 Statistical Analyses Process



4.1.1 Data Preparation

Data collected should be prepared before running the analyses. For this research, data collected were checked for completeness, consistency and legibility (Zikmund et al., 2013: p.460). See *section 3.5.3* for more details. The data edition was to check for questionnaires that were not fully completed, before coding the data by assigning numerical scores. Missing figures from the questionnaire were adjusted and assigned a figure to ensure data was complete, consistent and readable (Zikmund et al., 2013). Additionally, Field (2005) states that missing values can be ignored by giving them a specific code.

4.1.2 Response Rate

A total of 781 survey questionnaires were distributed in the quantitative stage of this research to small businesses from the manufacturing, retail and service sectors in Kaduna and Kano states in North West Nigeria. Of the total questionnaire distributed, 33.5% were not returned. The reason for non-response according to Saunders et al., (2012) could be due to whatever reason. However, a total response rate of 66.3% obtained and deemed useable was from the entire survey sample. See table 4.1 for a breakdown of the survey questionnaire.

Table 4.1 Questionnaire Distribution Summary

Total summary of distributed questionnaire				
Manufacturing	**Retail**		**Service**	**Total**
174	**238**		**369**	**781**
Summary of questionnaire distribution in Kaduna and Kano				
	Kaduna	**%**	**Kano**	**%**
Manufacturing	88	21.4	86	23.1
Retail	131	31.9	107	28.8
Service	191	46.5	178	47.9
Total	**410**	**100**	**371**	**100**
Returned	278	67.8	240	64.4
Not returned	132	32.1	131	35.3
Total Response Rate	**66.3%**			
Questionnaires returned by sector/state				
	Kaduna	**Kano**	**Total**	**%**
Manufacturing	65	43	108	**20.8**
Retail	85	73	158	**30.5**
Service	126	120	246	**47.4**
Not specified	2	4	6	**1.1**
Total	**278**	**240**	**518**	**100**

The response rate varied from the two states and sectors. Kaduna had a 67.8% response rate while Kano had 64.4%. On a sector basis, the total response rates obtained from the two states from manufacturing, retail and service sectors are 20.8%, 30.5% and 47.5% respectively, (see table 10 above for a breakdown of sector per state). A small number of respondents (1.1%) did not indicate the sector their business operates in, and this could be due to the fear that information provided would be used for revenue generation by the state government. Rates also vary from state to state and between sectors too, some sectors pay more in tax than others do. This is because of the autonomy to assess, collect and record tax by the tax authorities in the different states, and the issue of multiplicity of tax administered by the three tiers of government. The sample is an image of small businesses in the industry as they reflect the relative importance of the sectors. Previous government despite the huge windfall from crude oil proceeds that could be used to develop the sectors neglected these sectors. The present government aims to diversify the economy to these sectors in order to reduce the heavy dependence on crude.

The most common reason for non-response according to Saunders et al., (2013) is that respondents refuse to answer or be involved in research. Therefore, to ascertain the reasons behind the non-response from some small business owner-managers for this research, the following reasons where identified:

- The absence of owner-manager because of extended travel despite repeated visits to collect the questionnaire.
- Apathy for a survey of any sort. Some owner-managers demanded to see the researcher in person before completing the questionnaire. However, they never called and did not give a phone number to reach them at their convenience. Several visits were made, and at each visit, only the receptionists/attendants were met. According to Bryman and Bell (2015, p.189), some researchers suggested that responses rate is declining in many countries, which implies a growing tendency towards people refusing to participate in survey research. Additionally, their reason for demanding to see the researcher could be from an ethical perspective, to ascertain information provided would not be used for any other purpose other than as stated in the participant's letter.
- Some owner-managers returned the questionnaires after several weeks, indicated they were busy and had no time to complete the questionnaire. Again, this could be in addition to the point stated above regarding tax, also, the fear of providing information for fear of competition caused by the chaotic and very competitive business environment.

4.2 Reliability and Validity

Reliability

The concept of the reliability of an instrument revolves around its consistency in measuring a construct and the extent to which the data collection techniques or analysis procedures will ensure consistency in findings (Bryman and Bell, 2011; Saunders et al., 2012). Conversely, Zikmund et al., (2013) further stated that a measure is reliable when different attempts at measuring something converge on the same result. The reliability of the questionnaire was calculated using SPSS, while the accuracy and precision of the measurement and the absence of difference if the research was repeated was tested using Cronbach Alpha (*See Appendix C*). A computed alpha coefficient will vary between one (denoting perfect internal reliability) and zero (denoting no internal reliability), the higher the alpha, the more reliable the test. However, there is no agreed cut-off, tests reporting scales with a coefficient of between .70 - .80 are regarded as having good reliability, while anything above .80 is considered as very good reliability (Bryman and Bell, 2011, p.158; Zikmund et. al., 2013, p.302). The reliability of the questionnaire was calculated, and results show that all concerns passed the test and the recommended value of the test achieved. Additionally, to improve the overall reliability, the Cronbach Alpha, if item deleted, was calculated (*See Appendix D*). The concerns contributing to the creation of barriers were reliable with internal consistency values of .92 to .93, which according to Zikmund et al., (2013) are considered to have very good reliability.

Validity

Validity deals more with how the intended concept is measured or the extent a score truthfully represents a concept (Zikmund et al., 2013, p.303). The validity of the instrument was tested using the construct validity, which consists of face validity – the researcher's supervisory team and fellow PhD students in business tested the instrument. They attested that the scale logically reflects the concept being measured. Additionally, convergent validity – confirmed the concerns used to measure the same barrier are in fact related. Content validity – based on the systematic literature review, the concerns that contribute to the creation of barriers were used to formulate the conceptual framework and therefore, deemed sufficient to cover the domain of interest.

Generalisation

The combined use of qualitative and quantitative methods represents a common pattern researchers use to enhance the generality of their findings (Bryman and Bell, 2011). In this research, the internal consistency values (.92) of the instruments, and the large sample size (518) allows the generalisation of findings beyond the scope and context of this research.

4.3 Descriptive Statistic

Descriptive analysis is the simple transformation of data in a way that describes the basic characteristics or set of factors such as central tendency, distribution, and variability to give a general understanding (Zikmund et al., 2013). Descriptive statistics in this research summarised responses numerically from a large number of respondents in a few simple and understandable manner, before testing the formal research questions and formulated hypotheses. (Saunders et al., 2007, pp.433:434; Zikmund et al., 2013, p.410).

The descriptive analyses of the samples in this research are presented in the following section and are divided into three categories:

i. Demographic information of the owner-manager
ii. Information about the business
iii. Business success and financing information

4.3.1 Demographic Information of the Owner-manager

Section 1 of the survey questionnaire requested participants to provide general information as it relates to their profile including age, gender, education and experience. Frequency distributions were calculated and summarised in table 4.2 below (*See Appendix L for further reference*).

Table 4.2 Demographic information of the owner-manager

Characteristics	Frequency	%	Cumulative %
Age			
18 - 24	118	22.8	22.8
25 - 34	187	36.1	58.9
35 - 44	150	29	87.8
over 44	63	12.2	100
Gender			
Male	364	70.3	70.3
Female	154	29.7	100
Educational Qualification			
No Formal education	13	2.5	2.5
Technical qualification	51	9.8	12.3
Primary level	57	11	23.3
Secondary level	99	19.1	42.4

Diploma	112	21.6	64
Bachelor degree	123	23.7	87.7
Master degree	46	8.9	96.6
Above Masters	17	3.3	100
Do you have any work or business experience?			
Yes	351	67.8	67.8
No	167	32.2	100
How many years of experience do you have?			
Did not specify	72	13.9	13.9
1 - 2 years	106	20.5	34.4
3 - 5 years	189	36.5	70.9
6 - 10 years	82	15.8	86.7
11- 15 years	42	8.1	94.8
above 15 years	27	5.2	100
Have you received any form of training in business management and/or entrepreneurial development through any workshop, apprenticeship, courses, seminars or conferences?			
Yes	250	48.3	48.3
No	268	51.7	100

Interpretations

The interpretations below were derived from the table above.

- Out of the 518 respondents, 36.1% were respondents between the ages of 25-34 years, another 22.8% between the ages of 18-24 years. These two groups constitute individuals considered to be active, represent the age group within which most respondents graduate from both academic and Technical Skills Acquisitions Schools, and proceed to set up their businesses. The high response rate from these groups explains the enthusiasm of the group about starting and owning a business. Those aged 34 – 44 years represent 29% and those over 44 years (12.2%) make up the remaining respondents for the research.
- Male owner-managers constitute the majority of the respondents at 70.3%, whereas the female owner-managers made up the remaining 29.7%. Result show 12% male and 8.9% female respectively, operate in the manufacturing sector, 24.7% male and 5.8% female in retail and 32.6% male and 14.9% female in the service sector.

- Only a mere 2.5% of respondents do not have any formal education (Less than 1% in manufacturing and retail respectively, and 1.5% in services). A substantial number of respondents 23.7% (4.2% manufacturing, 6.9% retail and 12.5% services) and 21.6% (4.1% manufacturing, 7.1% retail and 10% services) are holders of a bachelors and diploma degrees respectively. Those with masters and above masters represent 8.9% (3.7%manufacturing, 2.1% retail and 3.1% services) and 3.3% (Less than 1% manufacturing, 1.2% retail and services respectively) respectively. Others include 19.1% secondary education (1.7% manufacturing, 8.3% retail and 8.7% services), 11% primary education (3% manufacturing, 2.1% retail and 5% services) and 9.8% technical education (2.1% manufacturing and retail respectively, and 5.4% services). This is a good reflection on how far the North West has come in terms of embracing western education, further evidenced by the increasing number of institutions of higher learning in the two cities.
- The survey sought to find out if respondents had previous years of experience in business or working in other areas. A few respondents (32.2%) claim to have no previous years of experience, while a majority of the respondents (67.8%) have had previous experience in business or working in organisations. A majority (34.4%) of those with experience are from the service sector, another 19.9% from retail and 12.9% from manufacturing. A substantial number 36.5% had between 3 to 5 years of experience. A relative number 20.5% had between 1 to 2 years, another 15.8% had 6 to 10 years of experience, while 8.1% had between 11 to 15 years of experience, and only 5.2% had over 15 years of experience. Respondents with no previous experience are mostly fresh graduates with diplomas and undergraduate degrees.
- More than half of the respondents (51.7%) claim, they have not had any form of training in business management or entrepreneurial development, while 48.3% claim to have been trained through either workshop, apprenticeship, courses, seminars or conferences.

4.3.2 Information about the Business

Respondents were asked to provide information regarding their business including the particular industry or sector the business operates in, how long the business has been in operation, whether it is a joint business or not, number of employees, initial start-up capital and average yearly profit after tax. The demographics where analysed and the frequency distributions were calculated. Table 4.3 below gives a summary.

Table 4.3 Information about the business

Characteristics	Frequency	%	Cumulative %
What industry/sector does your business operate in?			
Did not specify	6	1.2	1.2
Manufacturing	108	20.8	22.0
Retail	158	30.5	52.5
Services	246	47.5	100
Is your business registered with CAC or any other body/association?			
Yes with CAC	234	45.2	45.2
No, with other	284	54.8	100
How long has the business been in operation?			
Did not specify	15	2.9	2.9
3 - 5 years	244	47.1	50.0
6 - 10 years	165	31.9	81.9
11- 15 years	58	11.2	93.1
16 - 20 years	18	3.5	96.5
over 20 years	18	3.5	100
Who owns the business?			
Did not specify	15	2.9	2.9
Someone else	37	7.1	10.0
You alone	291	56.2	66.2
You and friends	105	20.3	86.5
You and Your family	70	13.5	100
How many people does the business employ including owner-manager?			
Did not specify	22	4.2	4.2
1 – 3	257	49.6	53.9
4 – 6	119	23	76.9
7 – 9	59	11.4	88.3
10 – 15	38	7.3	95.6
over 15	23	4.4	100
How much capital did you use to start the business?			
Did not specify	20	3.9	3.9
₦ 100,000 - ₦ 250,000	258	49.8	53.7
₦ 251,000 - ₦ 1,000,000	133	25.7	79.4
₦ 1,100,000 - ₦ 3,000,000	72	13.9	93.2
over ₦ 3,000,000	35	6.8	100

What is the average profit of the business per year after tax?			
Did not specify	45	8.7	8.7
₦ 100,000 - ₦ 250,000	268	51.7	60.4
₦ 251,000 - ₦ 1,000,000	119	23	83.4
₦ 1,100,000 - ₦3,000,000	56	10.8	94.2
over ₦3,000,000	30	5.8	100

Interpretations

The below interpretations were derived from the table above (*See Appendix L for further reference*).

- The exchange rate used is *£1 = ₦403* (CBN, 2017).
- Three main sectors were considered, manufacturing, retail and services. These are sectors the government substantially engage small businesses in diversifying the economy from crude base. Majority of the small businesses (47.5%) operate in the service sector followed by 30.5% in retail and 20.8% in manufacturing. Only a small number (3.5%) have been in operation for more than 20 years (0.4% manufacturing, 1.9% retail and 1.2% services), and another 3.5% between 16 to 20 years (0.8% manufacturing, 1% retail and 1.7% services). While more than a quarter of these businesses (47.1%) have been in operation between 3 to 5 years (7.9% manufacturing, 16.6% retail and 22% services). Another 31.9% between 6 to 10 years (8.1% manufacturing, 7.3% retail and 15.8% services), while 11.2% have been in operation for about 11 to 15 years (3.3% manufacturing, 3.5% retail and 4.4% services).
- In terms of business registration, the respondents were asked if their business were registered with the Corporate Affairs Commission (CAC) or other local bodies like the National Association of Small Scale Industries (NASSI), National Association of Small and Medium Enterprises (NASME). Results show 45.2% registered with the CAC (8.9% manufacturing, 12.9% retail and 23% services), while 54.8% registered with other bodies (21% manufacturing, 17.6% retail and 24.5% services).
- Over two-quarters of total respondents, (56.2%) reported they own the business alone, with of 10.2% in manufacturing, 19.3% in retail and 25.5% in services. While a total of 20.3% jointly owned with friends, 5.8% in manufacturing, 5% in retail and 9.5% in services. A small number (7.1%) of respondents claim someone else has ownership

of the business and 13.5% reported partly owned with family, 3.3% in manufacturing and retail respectively and 6.9% in services.

- Half of the businesses (48.6%) employ between 1 to 3 employees, 7.3% in manufacturing, while retail and services had 18.7% and 22.6% respectively. About a quarter of the businesses (23%) employ 4 to 6 employees (4.8% manufacturing, 6% retail and 12% services). Another 11.4% employ between 7 to 9 employees (4.1% manufacturing, 2.9% retail and 4.4% services), while a small number (7.3% and 4.4%) employ between 10 to 15 (3.1% manufacturing, 0.8% retail and 3.5% services) and over 15 (1% manufacturing, 1.2% retail and 2.3% services) employees respectively. These are all full-time employees.
- About half of the businesses (49.8%) reported that they used between ₦100,000 to ₦ 250,000 to start-up their business (9.3% manufacturing, 13.3% retail and 26.3% services), another 25.7% used between ₦251,000 and ₦1,000,000 as start-up capital (6.6% manufacturing, 7.9% retail and 11% services). While a small number of businesses 13.9% and 6.8% used between ₦1,100,000 and ₦3,000,000 (3.1% manufacturing, 4.8% retail and 6% services) and above ₦3,000,000 (1.5% manufacturing, 2.7% retail and 2.5% services) to start their businesses respectively. Results further show that, 18.9% female and 31.1% male respondents used between ₦100,000 to ₦250, 000 as start-up capital, another 6.6% female and 19.1% male used between ₦251,000 and ₦1,000,000. Between ₦1, 100,000 and ₦3, 000,000 was used by 2.3% female and 11.6% male as start-up capital, while 0.4% female and 6.4% male used over ₦3, 000,000 as start-up capital.
- Over half of the businesses (51.7%) claim to realise an average annual profit after tax (PAT) between ₦100, 000 and ₦250, 000 (7.5% manufacturing, 16% retail and 27.6% services). Others (23%) reported a PAT between ₦251, 000 and ₦1, 000,000 per annum (7.3% in manufacturing, 6.9% in retail and 8.7% in services). A small number (10.8%) reported PAT between ₦1,100,000 and ₦3,000,000 (2.5% manufacturing, 3.7% retail and 4.6% services), while only 5.8% reported over ₦3, 000,000 as annual turnovers (2.1% manufacturing, 1% retail and 2.5% services).

  Results show that businesses within the service sector make more profit after tax (47.5%), followed by businesses in retail (30.5%) and manufacturing (20.8%).

Additionally, results show no major difference between the amount of capital invested and the profit generated after tax by all the different sectors. Profit after tax as recorded based on gender shows that 15.6% female and 36.1% male enjoy a PAT between ₦100,000 and ₦250,000, another 7.3% female and 15.6% male between ₦251,000 and ₦1,000,000. Between ₦1, 100,000 and ₦3, 000,000 was used by 1.4% female and 9.5% male as start-up, while over ₦3, 000,000 was used by less than 1% female and 6% male as start-up capital.

4.3.3 Business Success and Financing Information

This section provides a summary of the key findings regarding the success recorded by small business owner-manager; start-up capital; loans and how difficult it was to source for the loans. In addition, the types of loans received, awareness of SMEDAN, and possible factors that can contribute to the success of their business were discussed. As highlighted in the literature review, the concept of *'success'* especially for small businesses is based on different perspectives, which include, survival, growth or profitability, others include, monetary reward or having a positive impact on others. In this research, success is defined in the context of survival as earlier mentioned.

Success recorded

Business owner-manager were asked if they were happy or not with the level of success recorded by their business since it started operation based on the factors listed below. As stated earlier under sampling (*Section 3.5*.2), only businesses that have been in operation for three years and above were considered. Appendix L (descriptive statistics) gives more information about the data generated below.

- **Sales growth** – results from this show that respondents representing 18.7%, 23.9% and 39.4% in manufacturing, retail and service, respectively are happy with the level of success recorded regarding their sales growth, which represents 83.2% of the total respondents. While 2.1%, 6.6% and 8.1% in manufacturing, retail and service respectively, representing a total of 16.8% of the respondents who are not happy with their level of sales growth. Furthermore, a significant number of the respondents between the ages of 25-34 (28%) recorded success in sales growth, followed by those between the ages of 35-44 (23.6%). Additionally, results show that respondents between the ages of 18-24 (21.6%) are happy with the level of their sales growth. However, success recorded by those over the age of 44 represents only 10% of the respondents.

Owner-managers with bachelor's degree (19.5%) recorded the most success concerning sales growth, followed by diploma holders (17.4%), secondary education (16.4%), and primary education (10.6%). However, a low count was recorded for those with master's education and above master's education, 6.4% and 2.1% respectively. Those with no formal education and technical qualification show 2.5% and 8.3% respectively.

Regarding the success recorded in sales growth by gender, 23.2% of the female respondents are happy with the level of their sales growth, and 60% of the male respondents show happiness with their level of sale growth.

- **Employee commitment** – regarding commitment to work from employee's loyalty and trust were regarded. A significant number of respondents (70.8%) comprising 15.6% from manufacturing, 19.9% in retail and 35.3% in services are happy with the success they have recorded with managing their employees as compared to 29.2% who stated that their employees are not committed to the business. A significant number of those in this group 12.2% are from the services sector, while 10.6% are in retail and 5.2% in manufacturing.
- **Customer retention** – concerning retention of customers, 36.9% in the service sector, 23.6% in retail and 17% in manufacturing, representing 78.6% of owner-managers that are happy with the level of success they have recorded regarding the retention of their customers. While 21.4% (3.9% manufacturing, 6.9% retail and 10.6% services) representing about a quarter of the respondents are not happy with the level of their customer retention.
- **Industrial relations** – more than a quarter (31.1%) of owner-managers, 6% in manufacturing, 8.3% in retail and 16.8% in services did not record success in terms

of industry relations. Compared to 68.9% (14.9% manufacturing, 22.2% retail and 30.7% services) who claim to enjoy industrial relations.

- **Customer satisfaction** – more than a third (87.9%) of the owner-managers recorded success with the level of customer satisfaction. A majority 40.5% where from the service sector, followed by 25.5% in retail and 19.1% in manufacturing, while 12.4% (1.7% manufacturing, 3.5% retail and 6.9% services) are not happy with their customer satisfaction record.
- **Business image** – owner-managers representing 82.6% (17.8% manufacturing, 25.5% retail and 38.2% services) are happy with the image of their business. Additionally, results show that businesses that have been in operation between 3–5 years (31.5%) enjoy better business image when compared against those in operation for over 15 years (4.1%). Respondents from manufacturing, retail and services, representing 3.1%, 5% and 9.3% respectively, making 17.4% respondents are not happy with their business image.
- **Number of employees** – results regarding number of employees show that three quarters (74.1%), 17% from manufacturing, 22.8% retail and 33.2% services of owner-managers are happy with the staff strength running the business. Compared to 25.9% (3.9% manufacturing, 7.7% retail and 14.3% services) of owner-managers who are less happy with their staff strength.
- **Quality of products and service delivery** – a significant number of owner-managers (85.9%) are happy with the success records of the quality of their products and service delivery since the commencement of business operation, 18.3% of those are in manufacturing, 24.7% in retail and 41.7% in service. While 14.1% (2.5% manufacturing, 5.8% retail and another 5.8% services) are not happy with the success recorded based on the quality of their products and service delivery.
- **Ways of doing business** – results concerning how owner-managers run their business revealed that 81.5% (17.8% manufacturing, 25.9% retail and 37.8% services) are happy with the success recorded based on the way they do business. Compared to 18.5% (3.1% manufacturing, 5.8% retail and 9.7% services) are not happy with the way they manage their business.

Financing information

- Respondents were asked about where they got money to start the business. 62.2% used personal finance (12.5% manufacturing, 21.6 retail and 27% services), while 19.7% borrowed from friends and relatives, of the those in this group, 10.2% are in the service sector, 5.8% in retail and 3.7% in manufacturing. Others (6.2%) took bank loan/credit (3.1% manufacturing, 1.5% retail and services respectively). 2.3% of respondents, used islamic bank as an alternative source for loan, with less than 1% in retail and 1.5% in services, no respondent in manufacturing used Islamic Bank as a source of finance. A small number (3.5%) received government aid/loan, less than 1% in manufacturing and 2.7% in services and none in retail. While 4.6% of respondents used other sources (less than 1% in manufacturing and retail respectively, and 3.7% in services).
- Concerning difficulty associated with getting these start-up capital, 36.1% those respondents who did not use personal finance said it was difficult to get the start-up capital, another 17% said it was fairly difficult, while a small number 8.9% claimed it was not difficult. A small number 6.9% said it was easy and 10% said it was very easy to access start-up monies for their businesses. Results showing difficulty associated with getting start-up based on gender reveals 10% female respondents are saying it was difficult and another 2.3% saying it was fairly difficult. While 26.1% male respondents claim, it was difficult, and 14.7% say, it was fairly difficult. Conversely, 1.5% female and 8.5% male respondents say it was very easy to access start-up capital.
- Respondents who faced difficulty in getting start-up capital were asked to indicate the reasons for the difficulty in getting the start-up capital. A substantial number (15.3%) cited lack of collateral as the reason for difficulty. Another 11.6% said lack of a proper business plan was the reason for difficulty, 8.1% said lack of experience, 5.6% cited administrative procedure and another 5.6% said other reasons where the reasons for the difficulty.
- More than half of the respondents (65.3%) said they have never applied for any loan, aid or credit after start-up, while 34.7% have. Of those that have applied, 13.7% applied for a long-term loan, 8.7% applied for a medium-term loan, while 9.3%

applied for a short-term loan. A small number 3.5% and 2.3% applied for a government loan and venture capital loan respectively. Loan application based on gender shows less than 1% female and 3.3% male respondents who applied for a government loan, long-term loan showed 6% female and 7.7% male applicants. Medium-term loan was applied for by 1% female and 7.7% male respondents

- About three quarters (73.2%) of those that applied said their loan application was not successful, while 26.8% were successful with their loan application. Of the successful applicants, 6.2% are females, and 20.7% are males. Results further show that 17% of the unsuccessful applicants claim lack of collateral as the reason for declining their application, while 13.5% said it was due to insufficient and poor sources of repayment. A small number (5%) said a poor business plan was the reason for declining their loan application, another 1.5% said due to failure in previous business, and 3.1% cited other reasons. Age and inexperience were insignificant as less than 1% respectively claimed their application was declined based on their age or inexperience.
- Respondents were asked if they are aware of SMEDAN, more than half of the respondents (54.1%) said yes, while almost half the respondents (45.9%) said no. However, 50.6% of respondents claim they are aware SMEDAN was created to promote the development of MSME in Nigeria, while 49.4% said otherwise. Respondents were further asked if they had benefitted from any support initiative from SMEDAN. More than three-quarters of respondents (82.4%) said they have not benefitted from SMEDAN’s support while a small number (17.6%) said they had enjoyed initiative support from SMEDAN, of these, 4.4% are in manufacturing, 5% in retail and 8.1% in services.

Respondents were asked to indicate by answering ‘yes’ or ‘no’ to factors they think can contribute to the success of their businesses. The table below provides the responses as received from respondents.

Table 4.4 Factors that can contribute to business success

Factors that can possibly contribute to business success		
Do you believe these factors can contribute to the success of your business?	***Yes***	***No***
Satisfactory government support	80.3	19.7
Efficient tax system	62.2	37.8
Good infrastructure	85.3	14.7
Good regulatory environment	86.1	13.9
Adequate and efficient technology	83.6	16.4
Industry/network relations	85.1	14.9
Education of entrepreneur	86.3	13.7
Good products and customer service	90.3	9.7
Previous experience	84.6	15.4

4.4 Barriers to the Success of Small Businesses

From the systematic literature review, several concerns were identified that contribute to the creation of barriers to the success of small businesses and were grouped under a common barrier for better understanding. The concerns were further used to develop the conceptual framework for this research, and from the framework, the hypotheses were constructed (*See Figure 2.1 and Section 2.6.2*). This section examines those common concerns that contribute to the creation of barriers to the success of small business in North West Nigeria. Further, respondents were asked to rate, using a five-point Likert scale from Very Low – Very High, those concerns that contribute to the creation of barriers to the success of their business (*See Appendix R*). Below is a summary of the key findings.

From figure 2.1, concerns identified were analysed for each of the eight barriers – Education, Finance, Infrastructure, Regulatory and Corruption, Regional culture, Entrepreneur lifestyle, Strategic management, and Enterprise operations. Key findings are provided below.

4.4.1. Education

Under this barrier, three concerns: Lack of Management Skills and Training, Level of Education, and Lack of Basic Formal Education were identified. The barrier sought to understand if education affects business success. The result (*Appendix S*) of lack of management skills and training showed a mean score of 3.59, while the level of education had 3.54 mean score, and lack of basic formal education had a mean score of 3.41.

Table 4.5 Education barrier : Respondents based on sector

Education						
Area of Business operation	**Very Low**	**Low**	**Medium**	**High**	**Very High**	**Total**
Manufacturing	4.2%	6.8%	6.9%	1.9%	0.0%	19.9%
Retail	4.1%	10.4%	11.4%	2.3%	0.0%	28.2%
Services	8.9%	11.6%	20.7%	1.9%	0.4%	43.4%
Total	**17.20%**	**28.80%**	**39.00%**	**6.10%**	**0.40%**	**91.50%**

Further, table 4.5 shows how respondents rated the barrier based on the sector in which their business operates. 19.9% of respondents are from the manufacturing sector, while 28.2% are from retail, and 43.4% from services. There is a slight margin between respondents in the manufacturing (6.8% and 6.9%) and retail (10.4% and 11.4%) sectors who rated education as low and medium respectively. However, across the three sectors, the 39% of the total respondents rated education medium, as a barrier to their business success.

4.4.2 Finance

Seven concerns: Weak Economy, Insufficient Capital, Access to Capital, Lack of Alternative Sources of Finance, Lack of Finance, Lack of access to Credit, and Shortage of Working Capital were identified under the finance barrier. Results showed (*Appendix S*) the mean score of 3.53 for weak economy as a barrier to business success, a mean score of 3.52 for insufficient capital, access to capital and lack of alternative sources of finance both have a mean score of 3.51 respectively. The mean score for lack of finance is 3.49, while lack of access to credit and shortage of working capital has a mean score of 3.40 and 3.39 respectively.

Table 4.6 Finance barrier: Respondents based on sector

Finance						
Area of Business operation	**Very Low**	**Low**	**Medium**	**High**	**Very High**	**Total**
Manufacturing	3.3%	9.8%	4.8%	1.0%	0.8%	19.7%
Retail	3.5%	13.1%	6.6%	4.1%	1.2%	28.5%
Services	8.5%	19.7%	9.1%	5.4%	1.5%	44.2%
Total	**15.30%**	**42.60%**	**20.50%**	**10.50%**	**3.50%**	**92.40%**

From table 4.6, 19.7% of the respondents are from the manufacturing sector, while 28.5% are from retail and 44.2% from services. 42.6% of the total respondents across the three sectors (9.8% manufacturing, 13.1% retail and 19.7% services) all rated finance low, as a barrier to their business success.

4.4.3 Infrastructure

Seven concerns: Technological backwardness/change, Lack of tools and equipment, Lack of adequate electricity, Poor road network, Poor telecommunication, Poor water supply, and Lack of raw materials were identified under this barrier to see how lack of infrastructure influences small businesses.

Table 4.7 Infrastructure barrier: Respondents based on sector

Infrastructure						
Area of Business operation	**Very Low**	**Low**	**Medium**	**High**	**Very High**	**Total**
Manufacturing	3.9%	6.6%	5.0%	4.4%	0.0%	19.9%
Retail	6.0%	8.1%	7.5%	4.2%	1.7%	27.5%
Services	6.6%	9.8%	15.1%	8.1%	2.9%	42.5%
Total	**16.50%**	**24.50%**	**27.60%**	**16.70%**	**4.60%**	**89.90%**

Lack of adequate electricity had the highest mean score 4.09, poor telecommunication 4.00, poor road network 3.97 and poor water supply and lack of raw materials 3.98 respectively. Others were lack of tools and equipment with a mean score of 3.85 and technological backwardness and change with a mean score of 3.80. Table 4.7 shows how respondents rated the barrier based on the sector in which their business operates. 19.9% of respondents are from the manufacturing sector, while 27.5% are from retail, and 42.5% from services. However, the majority of respondents in manufacturing and retail rated infrastructure as low (6.6% and 8.1% respectively), while a 15.1% within services rated infrastructure medium, as a barrier to their business success. Across the three sectors 27.6% of the total respondents believe infrastructure barrier hinders the success of small businesses.

4.4.4 Regulatory and Corruption

Six concerns under this barrier: Corruption, Tax burden, Licensing and registration, Government policies, Bureaucratic procedure, Legal and Regulatory Structure, where identified to give a better understanding why the small business regulatory environment is deemed to pose as a barrier to the success small businesses. Results show (*Appendix S*) corruption with the highest mean score at 4.25, while tax burden has a mean score of 4.09.

Licensing and registration show a mean score of 3.90, government policies have a mean score of 3.86, bureaucratic procedure with a mean score of 3.83 and legal and regulatory structure has a mean score of 3.67.

Table 4.8 Regulatory and Corruption barrier: Respondents based on sector

Regulatory & Corruption						
Area of Business operation	**Very Low**	**Low**	**Medium**	**High**	**Very High**	**Total**
Manufacturing	4.8%	2.7%	8.9%	3.1%	0.8%	20.3%
Retail	2.1%	5.2%	12.4%	6.4%	0.8%	26.9%
Services	4.6%	12.7%	18.5%	6.4%	1.2%	43.4%
Total	**11.50%**	**20.60%**	**39.80%**	**15.90%**	**2.80%**	**90.60%**

Further, table 4.8 shows how respondents rated the barrier based on the sector in which their business operates. 20.3% of respondents are from the manufacturing sector, while 26.9% are from retail, and 43.4% from services. However, across the three sectors, 39.8% of the total respondents rated regulatory medium, as a barrier to their business success.

4.4.5 Regional Culture

Under this barrier, three concerns: Regional marginality, Culture (Values, Beliefs, Norms,) and Gender discrimination were identified. Regional marginality showed a mean score of 3.71, culture (beliefs, values, norms) 3.69, while gender discrimination had a mean score of 3.65 (*Appendix S*).

Table 4.9 Regional culture barrier: Respondents based on sector

Culture						
Area of Business operation	**Very Low**	**Low**	**Medium**	**High**	**Very High**	**Total**
Manufacturing	4.1%	6.3%	7.5%	1.8%	0.4%	20.1%
Retail	4.3%	7.5%	13.2%	3.3%	0.0%	28.3%
Services	7.5%	10.0%	19.5%	4.7%	1.4%	43.1%
Total	**15.90%**	**23.80%**	**40.20%**	**9.80%**	**1.80%**	**91.50%**

Table 4.9 shows how respondents rated the barrier based on the sector in which their business operates. 20.1% of respondents are from the manufacturing sector, while 28.3% are from retail, and 43.1% from services. Across the three sectors, 40.2% of the total respondents rated regional culture barrier to their business success as medium.

4.4.6 Entrepreneur Lifestyle (personality and traits)

Three concerns: Leadership, expensive and excessive lifestyle, and attitude were identified under the barrier that deals with the character of the owner-manager and how they could influence their business success. These responses were from the owner-managers themselves and not an inclination from the researcher. Results (*Appendix S*) showed leadership with a mean score of 3.68, expensive and excessive lifestyle 3.65, while attitude has a mean score of 3.59.

Table 4.10 Entrepreneur lifestyle barrier: Respondents based on sector

Entrepreneur Lifestyle						
Area of Business operation	**Very Low**	**Low**	**Medium**	**High**	**Very High**	**Total**
Manufacturing	7.7%	3.1%	6.9%	0.2%	0.8%	18.7%
Retail	6.4%	5.6%	9.8%	3.3%	1.7%	26.8%
Services	10.0%	11.0%	12.9%	6.2%	1.9%	42.0%
Total	**24.10%**	**19.70%**	**29.60%**	**9.70%**	**4.40%**	**87.50%**

Table 4.10 shows how respondents rated the barrier based on the sector in which their business operates. 18.7% of respondents are from the manufacturing sector, while 26.8% are from retail, and 42% from services. However, more respondents within the manufacturing sector rated entrepreneur lifestyle low as a barrier to their business success, while a majority in retail and services rated it medium. Across the three sectors, 29.6% of the total respondents rated entrepreneur lifestyle as a medium barrier to their business success. There is a small margin across the service sector between respondents who rated very low, low and medium, this could be due to the different leadership style and attitude of the owner manager.

4.4.7 Strategic Management

Six concerns: Competition, poor marketing, lack of experience, lack of sectoral linkages, lack of technical skills, and lack of planning were identified under this barrier.

Table 4.11 Strategic management barrier: Respondents based on sector

Strategic Management						
Area of Business operation	**Very Low**	**Low**	**Medium**	**High**	**Very High**	**Total**
Manufacturing	4.6%	8.1%	4.6%	1.4%	0.8%	19.5%
Retail	5.4%	8.7%	8.9%	4.8%	0.4%	28.2%
Services	7.1%	11.6%	17.8%	6.9%	0.0%	43.4%
Total	**17.10%**	**28.40%**	**31.30%**	**13.10%**	**1.20%**	**91.10%**

Competition with a mean score of 4.04, poor marketing has a mean score of 3.89, lack of experience has a mean score of 3.65, lack of sectoral linkages and lack of technical skills with a mean score of 3.64 respectively. Finally, lack of planning has a mean score of 3.61 (*Appendix S*).

Table 4.11 above shows how respondents rated the barrier based on the sector in which their business operates. 19.5% of respondents are from the manufacturing sector, while 28.2% are from retail, and 43.4% from services. However, most respondents in manufacturing rated strategic management as low (8.1%), while the majority in retail and services rated strategic management medium (8.9% and 17.8% respectively) as a barrier to their business success. Across the three sectors, 31.3% of the total respondents rated strategic management as a medium barrier to the success of their business.

4.4.8 Enterprise Operation

Four concerns: Ways of doing business, products and services, poor record keeping, and lack of employee satisfaction were identified under this barrier. Ways of doing business had a mean score of 3.53, products and services 3.39, poor record keeping 3.36 and lack of employee satisfaction 3.21 (*Appendix S*).

Table 4.12 Enterprise operations barrier: Respondents based on sector

Enterprise Operation						
Area of Business operation	**Very Low**	**Low**	**Medium**	**High**	**Very High**	**Total**
Manufacturing	2.7%	8.1%	6.0%	1.9%	0.2%	18.9%
Retail	3.5%	7.5%	12.4%	2.3%	0.4%	26.1%
Services	6.0%	12.5%	18.3%	5.8%	0.0%	42.6%
Total	**12.20%**	**28.10%**	**36.70%**	**10.00%**	**0.60%**	**87.60%**

Table 4.12 shows how respondents rated the barrier based on the sector in which their business operates. 18.9% of respondents are from the manufacturing sector, while 26.1% are from retail, and 42.6% from services. More respondents in the manufacturing sector rated enterprise operation low, while those in retail and services rated it medium, as a barrier to their business success. Across the three sectors, 36.7% of the total respondents rated enterprise operation as a medium barrier to the success of their business.

From the responses of owner-managers, the average mean score of the identified concerns that contribute to the creation of barriers were calculated and ranked to show the level of influence these barriers have on the success of their businesses. The ranking is to enable stakeholders such as government, policymakers and most importantly, owner-managers to know how to prioritise their resources to ensure the success of the business. This is presented below.

4.5 Ranking of Barriers

The table below presents the mean ranking for the barriers considered above. The ranking is based on the average mean score of the identified concern under each barrier, scored by respondents as a significant barrier to their business success.

Table 4.13 Average mean score

Barrier	No. of identified concerns	Ave. Mean Score
Infrastructure	7	3.95
Regulatory and Corruption	6	3.93
Strategic Management	6	3.75
Regional Culture	5	3.69
Entrepreneur Character (Personality and Traits)	3	3.64
Education	3	3.51
Finance	7	3.47
Enterprise Operation	4	3.37

Additionally, a test of significance was carried out using *Spearman's rho* to enable statistical inference in favour of the population, which the sample was drawn from, to either support or reject the formulated hypotheses in *section 2.8*. To group the concerns under a common barrier, factor analysis is used to understand the relationship between them that will help in interpreting the underlying barrier

4.6 Factor Analysis

Factor analysis is a prototypical multivariate, interdependence technique that statistically identifies a reduced number of factors from a larger number of measured variables (Zikmund et al., 2013). According to Field (2005, p.424) correlation matrix is the starting point in factor analysis, in which inter-correlations between factors (concerns) are presented, and those with high correlation are grouped together (barrier) because they measure the same thing (*See Appendix E*).

4.6.1 Exploratory Factor Analysis

The Exploratory Factor Analysis (EFA) is performed when the researcher is uncertain about how many factors may exist among a set of variables (Zikmund et al., 2013). In this research, EFA identified the concerns that contribute to the creation of barriers to the success of small business. It found the relationship between the concerns that have high correlation and those with low correlation and then grouped them under a barrier. Principal Component Analysis (PCA) was conducted on all 41 concerns of the survey instrument with orthogonal rotation – varimax with Kaiser Normalization. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy indicates the proportion of variance in the concerns that might be caused by an underlying barrier. The KMO measure verified the sampling adequacy for the analysis, KMO for this research is .79 (*See Appendix F*), which is above the normal, acceptable limit as recommended by Kaiser (1974). This indicates that factor analysis is appropriate for the data, values between 0.7 and 0.8 according to Hutcheson and Sofroniou (1999, p.224-225) are great. Bartlett's test of sphericity indicates that the correlation matrix is not an identity matrix ($P < 0.001$), which means that the concerns are related and therefore suitable for structure detection. An initial analysis was run to obtain eigenvalues of the variance in the original issues accounted for by each component (*See Appendix G*). According to Kaiser's criterion, retain all the concerns with eigenvalues above 1 and 0.6 average commonality. Therefore, all the concerns with eigenvalues greater than 1 were extracted, 9 components met Kaiser's criterion and in combination explained 73% of the variability in the original 41 concerns, so the complexity of the data was considerably reduced.

The rotated component matrix, which is a matrix for factor loadings of each concern onto a barrier shows loadings greater than 0.5 and sorted by order of size were retained. The result reveals nine components and concerns that are intended to measure each barrier, and these loaded very highly onto the specific barrier (*See Appendix H*). However, two concerns had a low loading due to a low response from respondents, "technological backwardness/change", intended to measure *infrastructure* and "gender discrimination" intended to measure *regional* *culture*, with .591 and .569 respectively. Nevertheless, since they met the Kaiser criterion of communalities above 0.5, they were loaded back onto the original barrier they were intended to measure. The matrix confirmed all the concerns identified.

From the result of the EFA, all the concerns contributing to the creation of barriers to the success of small business were deemed adequate. Therefore, all the barriers were valid and retained for hypotheses testing, because the first objective of this research is achieved, which is to systematically identify barriers to the success of small businesses.

4.7 Hypotheses Testing

The second objective of this research is to evaluate the influence between the barriers to the success of small businesses. To achieve this objective, the eight formulated hypotheses from the conceptual framework were tested against the success recorded by the business as reported by the owner-manager. To ascertain whether these hypotheses hold true or false, the Spearman's rank correlation coefficient, which is a nonparametric measure of rank correlation showing statistical dependence between two variables was used to test the strength and direction between the barriers and success of small businesses. *Appendix I* shows the results of the Spearman's rank correlation coefficient test in relation to all barriers tested in these hypotheses.

Hypothesis 1

***H_1**: There is a significant relationship between education barrier and the success of small business in North West Nigeria.*

Hypothesis 1 was formulated to test the relation between the success of small businesses and education barrier. Results show that at 1% significant level there is a significant negative relationship between the success of small businesses and education barrier ($r^2 = -.267$, $p < .001$) i.e. an increase in education barrier will reduce the chances of success for small business**.** The finding suggests that education (based on the three identified concerns from the systematic literature review: lack of formal basic education, lack of management skill and training, and level of education) is a barrier to the success of small businesses in North West Nigeria. Therefore, the hypothesis H_1 is supported.

Hypothesis 2

***H_2**: There is a significant relationship between finance barrier and the success of small business in North West Nigeria.*

Hypothesis 2 was formulated to test the relationship between the success small of businesses and finance. The seven concerns that contribute to the creation of barriers identified from the systematic literature review were used: insufficient capital, lack of financing, access to capital, lack of alternative financing, shortage of working capital, lack of access to credit, and a weak economy Results shows that is a significant negative relationship between the success of small businesses and finance barrier ($r^2 = -.106$, $p < .05$). Findings indicates that the seven concerns have an influence on the success of small businesses in North West. An improvement in any of the concerns will positively influence the chances of small business success. Therefore, the hypothesis H_2 is supported.

Hypothesis 3

***H_3:** There is a significant relationship between infrastructure barrier and the success of small business in North West Nigeria.*

Hypothesis 3 was formulated to test the relationship between the success of small businesses and infrastructure. *Appendix I* shows there is a significant negative relationship ($r^2 = -.204$, $p < .001$) between the success of small business and infrastructure. The finding suggests that the seven identified concerns that contribute to the creation of the infrastructure barrier: lack of tools and equipment, technological backwardness/change, lack of adequate electricity, poor road network, poor telecommunication, poor water supply, and lack of raw materials negatively influence the success of success of small businesses in North West Nigeria, and therefore, serve as a barrier. Therefore, the hypothesis ***H_3*** is supported.

Hypothesis 4

H_4: There is a significant relationship between regulation and corruption barrier and the success of small business in North West Nigeria.

Hypothesis 4 was concerned with the relationship between the success of small businesses and regulation and corruption. Results shows that there is a significant negative relationship between the success of small businesses and regulation and corruption ($r^2 = -.255$, $p < .001$). The finding suggests that regulation and corruption based on government policies, bureaucratic procedures, lack of legal and regulatory structure, tax burden, licensing and registration, and corruption, negatively influence the success of small businesses in North West Nigeria and therefore, serve as barrier. Hence, the hypothesis H_4 is supported.

Hypothesis 5

H_5: There is a significant relationship between regional culture barrier and the success of small business in North West Nigeria.

Hypothesis 5 was concerned with the relationship between the success of small businesses and regional culture. Hypothesis H_5 was supported owing to the significant negative relationship between the success of small businesses in North West Nigeria and regional culture barrier ($r^2 = -.143$, $p < .001$…. *see Appendix I*). The finding suggests that the identified concerns (gender discrimination, regional marginality, culture - norms, values or beliefs) that contribute to the creation of regional culture barrier negatively influence the success of small businesses in North West Nigeria.

Hypothesis 6

H_6: There is a significant relationship between entrepreneur lifestyle barrier and the success of small business in North West Nigeria.

Hypothesis 6 was concerned with the relationship between the success of small business and entrepreneur lifestyle. Results in *Appendix I* shows that there is a significant negative relationship between the success of small businesses and entrepreneur lifestyle ($r^2 = -.214$, $p < .001$). The finding suggests that entrepreneur lifestyle based on identified concerns that contribute to the creation of barrier: attitude, leadership, and excessive and expensive lifestyle, negatively influence the success of small businesses in North West Nigeria, and therefore, reduces the chances of success for small business. In view of this, hypothesis H_6 is supported.

Hypothesis 7

H_7: There is a significant relationship between strategic management barrier and the success of small business in North West Nigeria.

Hypothesis 7 was concerned with the relationship between the success of small businesses and strategic management. Six concerns that contribute to the creation of barrier identified from the systematic literature review were to define the strategic management barrier: lack of planning, lack of technical skills, lack of experience, competition, poor marketing, and lack of sectoral linkages. Results in show there is a significant negative relationship between the success of small businesses and strategic management (r^2-.163 $p < .001$). Findings shows that the six concerns contribute to the creation of barrier, and therefore, have a negative influence on the success of small businesses in North West Nigeria. Hence, the hypothesis H_7 is supported.

Hypothesis 8

H_8: There is a significant relationship between enterprise operation barrier and small business success in North West Nigeria.

Hypothesis 8 was concerned with the relationship between the success of small businesses and enterprise operation (day-to-day running of the business). Hypothesis H_8 is supported owing to the fact that there is significant negative relationship between the success small businesses and enterprise operation (r^2-.243 $p < .001$). The finding suggests that enterprise operation based on the concerns that contribute to the creation of barrier: lack of employee satisfaction, customer relation, poor record keeping, ways of doing business, and poor products and services negatively influence the success of small businesses in North West Nigeria. i.e., an increase in enterprise operation barrier will reduce the chances of success for small businesses.

4.8 Summary

Using a survey questionnaire, this chapter presents the procedures and analysis emerging from the quantitative data of this research. Important descriptive findings were provided, followed by inferential analysis. Having achieved the first objective, which is identifying the concerns that contribute to the creation of barrier through the systematic literature review. The inferential exploratory factor analyses aimed at achieving the second and third objectives. To evaluate their influence, the identified concerns were grouped and loaded onto a specific barrier through correlation matrix because they were related and suitable for structure detection (*See Section 4.6.1*). Further, the inferential analysis using the Spearman rank correlation coefficient was used to test the hypotheses developed from the literature. In addition, the test of significance showed a negative association between the barriers and the success of small businesses. This means that an increase in each of the barriers will reduce the chances of success for small businesses in North West Nigeria.

Results from the quantitative stage highlighted and rated the barriers to the success of small businesses in North West Nigeria from very low to very high. The barriers include education, finance, infrastructure, and regulatory and corruption. Others include regional culture, entrepreneur lifestyle, strategic management, and enterprise operation. Specifically, the test of significance shows that the variation in the barriers is not by chance, rather there is a significant relationship between the success of small businesses and all the barriers identified and tested. However, the results remain limited, and interpretation should be cautious because all the concerns used in asking respondents to determine and rank the barriers were derived from the systematic literature review, which limits respondents to only the identified concerns from the literature. Therefore, a qualitative study was needed to support the findings in the quantitative stage and to see if there are new concerns that would emerge from owner-managers of small businesses in the context of North West Nigeria. This is presented in the subsequent chapter.

Chapter Five: Qualitative Data Results and Analysis

5.0 Introduction

As mentioned in section 3.3.3 (*chapter 3*), the results of this research will be based on the analysis of the quantitative (questionnaire) and qualitative (interviews) data collected. The quantitative analysis of the data has been presented in the previous chapter. Therefore, this chapter presents the results of the qualitative analysis of the data, based on five face-to-face semi-structured interviews conducted with three previous owner-managers of small businesses that have closed down due to some of the barriers under investigation, one senior government official each from SMEDAN and Ministry of Commerce and Industry. The table below shows the profile of the respondents who participated in the interviews.

Table 5.1 Qualitative respondent's profile

Participants	Age	Gender	Sector	Number of workers	Years in operation
SMEDAN	Above 45	M	Government		
Ministry of Commerce & Industry	Above 45	M	Government		
CBOKD	35 – 40	F	Service	20	3
CBOKN1	35 – 40	M	Retail	14	14
CBOKN2	25 - 34	F	Manufacturing	P= 50; F=32	15

CBOKD = Closed Business Owner Kaduna; CBOKN = Closed Business Owner Kano; P = Part Time; F = Full Time

Using thematic analysis, the qualitative data improved the findings from the quantitative stage. Specifically, to support the findings and to see if there are new concerns that contribute to the creation of barriers that have been overlooked in the quantitative stage. Based on the participant's perceptions and experiences, the interviews accorded the researcher valuable information, findings were in agreement with the quantitative stage and no new concerns were identified in the context of North West Nigeria. The next section explains the findings in this stage in relation to findings in the quantitative stage.

5.1 Barriers to the Success of Small Business

Owner-managers whose businesses have closed down were asked about the concerns that eventually led to the closure of the business. In addition, government officials interviewed provided information relating to barriers these businesses faced before eventually closing down. Responses from both owner-managers of closed businesses and government officials regarding the concerns are presented below.

5.1.1 Education

The respondents, in general, did not consider education very important as a barrier to the success of small businesses that eventually led to the closure of their business. Three sub-themes (lack of basic formal education, lack of management skill and training, and level of education) were highlighted, showing only 5 text units and a 6.38% coverage. In general, education is acknowledged as a barrier to the success of small businesses. However, the data analysis related to this theme revealed that participants in this research did not consider lack of basic formal education as an issue to their business. A participant explained:

"*If you look at the population or the proportion of people that without this education if you go to the market and see people that are into a business, a majority of them do not have this formal education.*" (CBOKN1)

Another participant further supported this point on lack of formal education.

"*Formal education is not an issue, but technical skills*." (CBOKN2)

However, participants stressed that the level of education of the business owner could play a significant positive role in how the business is managed.

"*Yes, the more educated you are, the more structured you are. Having an education gives us autonomy in some areas, for example, we can reduce certain overheads*" (CBOKD)

Another participant stressed this point further by comparing the lack of formal education and level of education.

"*Most of these employees are not educated so, they do not even know many things, but with a formal education I think they will do better*." (CBOKN1)

In further discussions with participants, a government official put forward the concern associated with lack of management skill and training as an internal constraint on small business owner-managers.

"Concerning management capacity, how do they manage their business, what is their management knowledge, how are they advancing about their business and a lot of them do not have sound management capacity when it comes to that. Moreover, a lot of them do not keep their books in any form, poor bookkeeping and poor record keeping." (SMEDAN)

Following the result above linked with education theme, it is clear that lack of formal basic education does not contribute to the creation of a barrier to the success of small businesses. However, the results also show that not having the management skill and training to run the business is considered an issue to the success of small businesses. Therefore, the more training a business owner-manager gets, the more structured the business would be. To put the education theme in context, lack of basic formal education is not an issue for small businesses in North West Nigeria that would lead to the closure of a business. However, some of these businesses do not have the proper structure to make them successful. Therefore, the level of owner-managers' education, and management skill and training is important as highlighted by respondents, who believe having a formal education will certainly improve the structure of small businesses in North West Nigeria.

5.1.2 Finance

Finance as a barrier has been given much significance in literature and within the context of this qualitative analysis. Many quotations have been captured stressing the importance of this barrier. The finance theme had other sub-themes, individually discussed below, which were consistently regarded within the data as concerns to the success of small business in North West Nigeria, with 19 text units with 41.2% coverage, referenced in QSR NVivo 23.

Shortage of working capital

"*The major issue is the business itself not generating enough income to run the business*." (CBOKD)

Another participant reinforced the issue of shortage of working capital and stated that:

"*Numerous, it has affected my business seriously*." (CBOKN1)

Another participant who is a staff in the government agency that regulates the affairs of small and medium enterprises further supported this. He explained:

"*These businesses do not have the funds to recruit well-qualified staff to enable them to run the business well."* (SMEDAN)

While another participant highlighted it as an initial problem when the business started and stated that:

"*When we started, we experienced that*." (CBOKN2)

Lack of finance

Another issue for small businesses in North West Nigeria was lack of finance. Small businesses find it hard to have the necessary financial support. A participant who argued reinforced this:

"*Actually, the first barrier I would look at is finance, sourcing the money most of the times is difficult, you have the idea to do business but sourcing the money is a bit difficult."* (CBOKN1)

The participant from the Ministry of Commerce further supported this and further explained that:

"By implication when we look at business and its success especially within Kaduna, we think of finance and availability of finance. The issue of availability of finance is a great hindrance in Kaduna in particular because for one to access--having money to do a business may either be requested to bring a collateral and or in the absence of a collateral to have a guarantor that can be able to lead so that you can earn the money." (MoC)

A participant explained lack of finance to support small business further from SMEDAN, who stated:

"*Despite our position and whatever we are doing here, in our 2016 budget I must tell you is* *very small, and yet we want to support MSMEs*." (SMEDAN)

Lack of access to credit

The issue of lack of finance raised another issue, lack of access to credit, which was of high concern to owner-managers of closed businesses. A participant argued that:

"*It will affect the business simply because even if you have the idea, nobody is willing to give you his money because this is something you do not know what the outcome will be."* (CBOKN1)

The issue of collateral was also drawn as an issue from lack of access to credit. Most small businesses do not have the collateral to give before accessing credit, and a participant strongly reinforced this.

"A *lot of them one do not have the collateral to access the credit support by the government because it is collateral base. They are not funding with cash flow because as you know, we have cash flow lending, we have collateral lending, the 220 billion naira CBN fund is collateral lending, and a lot of these small businesses do not have what it takes to get some of these funds through collateral."* (SMEDAN)

A counterpart funding has been put in place between Kaduna state government and Bank of Industry (BoI) to provide access to capital for the small business in North West Nigeria. A participant explained this from Ministry of Commerce:

"*Well, an advantage has come in Kaduna state in particular where Kaduna state government have partnered with Bank of Industry to be able to see to it that they are able to give loans to small scale industries through a counterpart funding between Kaduna state government and bank of industry*." (MoC)

Lack of alternative sources of funding

The counterpart funding will address the issue of lack of alternative sources of credit to small businesses in Kaduna because sourcing money from alternative sources has always been difficult especially from government and a participant reinforced this:

"*Sourcing money from the government is going to be a bit difficult, and it has always been a difficult task sourcing money from the government or other financial institutions*." (CBOKN1)

Another participant gave a contrary view concerning alternative sources.

"OK, I will say we have access to facility from the banks and the government and with the way people are taking agriculture now I think individuals will not hesitate to inject their money into the business." (CBOKN2)

Weak economy

All the concerns discussed above point towards a more general issue, which is weak economy. Owner-managers see it as a major issue for small businesses that led to their business closing down.

"*You find that people are restraining themselves from going to the market because of the hyperinflation that we are facing in the country, so you find out even if we produce likely it may not reach the consumers because the consumer is restraining from going to the market because of the inflation rate is very high."* (MoC)

Another participant reinforced this and explained:

"*We have not been able to buy anything because the economy is so weak, money is going down, the exchange rate is very high that has affected my business."* (CBOKN1)

From the above qualitative results, it is clear that owner-managers in North West Nigeria perceive finance as a barrier to the success of small businesses. However, having finance will not necessarily translate into business success. A participant argued this.

"Finance which you mentioned, people at times try to see it as number one, but I don't see it as number one. Even if they give you millions of Dollars or Naira, if you are not organised, management wise, you might not be successful, but again access to finance is a major barrier to them." (SMEDAN)

5.1.3 Infrastructure

Infrastructure emerged as an important theme for the success of small businesses in North West Nigeria. Participants indicated that of one the major barriers to their businesses was infrastructure, with 12 text units and 16.3% coverage. A majority of participants agreed that despite the fact several infrastructure developments put in place (privatisation of electricity); a lot still needs to be done in terms of providing adequate infrastructure for small businesses to succeed. Several sub-themes emerged under this barrier and are explored below individually. A participant succinctly put infrastructure barrier into perspective:

"Infrastructure, which you have agreed with me that most of the small businesses are a local government of themselves, they provide their own power, their own security, which is a challenge too, is a barrier it is a constraint, as far as we are concerned for the success of MSMEs." (SMEDAN)

Lack of adequate electricity

The issue of lack of adequate electricity was strongly highlighted by participants, specifically, the cost of operating their business on generators powered by diesel, which is also very expensive. Participants were visibly angry when talking about the issue of poor electricity supply, which could last for almost 20 hours in some areas; this is highlighted in the following:

"*There was a problem with light, power in Kaduna, so we cannot afford to run on diesel twenty-four hours."* (CBOKD)

"*You run on diesel definitely so the profit you make will not be ---the cost of production will definitely get high because you run on generators."* (CBOKN2)

"Small businesses that are into production, the greatest problem they are facing is lack of energy, power to service you so that you can be able to operate your business." (MoC)

"We had an agreement with one company, they are producing here in Sharada Kano, they produce textile product, wrappers. We were doing well at that time but because of this lack

of power they had to close and that affected our business seriously." (CBOKN1)

Another participant further highlighted the importance of having adequate electricity:

"I must tell you the major barrier they face is infrastructure. If you provide power a lot of them will go places, we look at the vulcanizers, look at the welders, even people who are into hairdressing and so on and so forth, there is no small business that I will tell you now that will not require electricity to power whatever they are doing." (SMEDAN)

Poor road network

Further exploration of the data gave an insight why participants see infrastructure as a major barrier to the success of their business, the issue of not having a good road network to transport their finished goods or produce, a participant reinforced this:

"*Yes poor road network, I mean I never had it so I do not know how it would feel having it (Laughs) I am already not used to having good road network."* (CBOKN2)

It is worth mentioning that poor road network limits the capabilities of these small businesses by restricting them to reach other markets. Thus, production is mostly in small quantity and for local consumption. This can further lead to other concerns like not having the right information because businesses that offer other kinds of service such as telecommunication would find it difficult to reach those other businesses due to the poor road network. A participant reinforced this:

Poor telecommunication

"Telecommunication, they do not have access to business information a lot of them are rural based. A lot of them do not have access to internet, some of them do not have access to papers and so on and so forth that would enable them to think wise and get themselves organised information wise, because it says if you are not well informed you are equally misinformed, and you have to get correct information to make good business decisions." (SMEDAN)

Technological backwardness

Another important issue highlighted was that of technology and was reinforced by a participant:

"Technology, which is a very major constraint. A lot of them still duel in obsolete technology. They do not have access to modern technology to enable them to enhance their production capacity." (SMEDAN)

Technology in modern-day business is very important. However, when a participant was asked if it was something she used in enhancing her business, she responded thus:

"No no no." (CBOKN2)

The question was rephrased for clarity and asked again, she again responded:

"No." (CBOKN2)

No other participant highlighted the issue of technology. This could be due to the absence of other infrastructures such as electricity and good telecommunication network to support the use of technology, specifically, internet.

5.1.4 Regulatory and Corruption

Most of the participants highlighted regulation and corruption as a barrier to small business success that led to the closure of small businesses. The regulatory and corruption theme was highlighted in 17 text units with 20.28% coverage, retrieved from QSR NVivo query search. Some significant concerns were identified as sub-themes under regulatory and corruption. These are presented individually below:

Bureaucratic procedure

A participant identified bureaucratic procedure as a significant issue to the failure of his business:

"The government made these procedures, the procedures are there we look at the procedures on paper they are very good, but following the procedures the people do not follow the

procedures, the customs and the immigration do not do the right thing". (CBOKN1)

The above point merely highlights the survival of the fittest scenario, and a salient point was made, where if one wants something done, he either goes with the laid down procedure which might take forever, or bribe his way to getting it done in a shorter time. This point laid into the issue of corruption and highlighted from a different perspective by another participant.

Corruption

From a general perspective, corruption is perceived as an obstacle to businesses, particularly as it affects their success. However, the data analysis in this particular research revealed that some participants consider corruption as a way of facilitating their business success. A participant highlighted corruption in relation to the issue of bureaucratic procedure.

"I can say that it is helping me because I pay less to the government, it is a form of corruption, but it does affect business, it does not provide the level playing ground for businesses to excel". (CBOKN1)

Another participant gave a different opinion regarding corruption and highlighted:

"Yes, yes, corruption is an issue to the business because people will come to you----for you to get something that you are supposed to get free, you have to pay them to get it". (CBOKN2)

From the above results, corruption does facilitate the smooth operation of small businesses, while at the same time it serves as an issue to their success. However, it is not perceived in its wider context as negatively affecting the economy, just at a very narrow and local level as a way to help facilitate a faster process or to save money.

Government policies

The above statement indicates that poor government policies play a role in offering loopholes for corruption to thrive. A participant highlighted:

"Government policies seriously affected our business". (CBOKN1)

Another participant emphasised how serious the issue of poor government policies is:

"The question I have been waiting for (laughs), I mean in my business this is one thing that is--- I think if there is anything that will kill a business is this government policy, we have policies but is like we do not". (CBOKD)

However, from the government perspective, policies put in place are mainly for providing support for these small businesses. A participant reinforced this:

"Government looks at the hindrances in terms of getting collateral, so they have substituted it to guarantor; a notable person can be able to identify a small-scale business operator and guarantees him or her". (MoC)

Another participant concerning government policy towards support for small businesses presented a contrary view.

"They lack support from government and from even individuals to say so, like in the US, we have the SBA that is like similar to SMEDAN, but they have provision in their law that helps small and medium businesses, like procurement, they have government procurement, which is set aside purely for small businesses". (SMEDAN)

He further added:

"In Africa and Nigeria in particular, government play lip service to MSME development". (SMEDAN)

The participants affirmed that, a lot needs to be done in terms of government policies for small businesses. Government policies on paper are clear but in terms of implementation, there is no clarity and those in charge of carrying out the function of ensuring policies are in place, are those promoting the failure of the policies through corrupt practices.

Lack of legal and regulatory structure

Not having the proper legal and regulatory structure for small business was highlighted as an issue. A participant who argued confirmed the legal and regulatory structure challenge:

"When something is being regulated, you can at least have mutual agreement with the people that are operating that kind of business, and you can control the market. When you have a group of people well-structured into the same kind of business, they can at least control the market, but like our own here, the regulation is there on paper, but the people are not following that regulation". (CBOKD)

The issue of licensing and registration feeds off from two previous points, the issue of corruption and lack of legal and regulatory structure. Participants highlighted these concerns as reasons business operators abstain from going to have the right license and registration. A participant reinforced this:

"Our business is registered, but you know when you register a business there is this clause that you need to be updating your paper maybe from time to time, but actually, we do not do that update. We are a country where you have so many ways you can boycott so many things. The reality is that if you want to register a business today, you get your paperwork today in let's say less than two or three days, they do not follow the normal channel". (CBOKN2)

Tax burden

Tax burden in the form of multiple taxations is another issue that was mentioned amongst most participants. However, some saw it as a hindrance, and some say it does not affect their business. This is highlighted in the following:

"I do not know how to start, but we always had like two or three people coming at the end of every month, so I do not even understand the whole thing". (CBOKD)

"If you produce or don't produce, these people will come and say you operate in this year so, you have to pay, so even if you produce or you do not produce you just have to pay". (CBOKN2)

One participant gave a contrary view; he believes the issue of tax was not a problem in his business, by stating that, the issue of tax was negotiable with the tax officer.

"The taxation system here I do not think the amount of tax we paid----, is so negligible, it did

not affect my business, to be honest, a time we did not even pay". (CBOKN1)

5.1.5 Regional Culture

Regional culture as a barrier has some sub-themes, such as culture (beliefs, values, norms) and regional marginality. These sub-themes emerged from the systematic literature review and aimed to test whether the culture concerning the beliefs, norms and values of people in North West Nigeria served as concerns that led to the closure of their business. Among all the barriers, regional culture had the least text units of three and coverage of less than 1%. This shows how insignificant it is to the success of small businesses, and the participants highly supported this. However, one participant argued:

"*Looking at culture, you know it depends on where your business is located ---I did my business here in Kano, but actually, it can serve as a barrier if you want to extend it to other places where the culture is different, somewhere like South East or South West".* (CBOKN1)

5.1.6 Entrepreneur Lifestyle (personality and traits)

This barrier sought to test if the personal lifestyle of the owner-manager was an issue that led to the closure of the business. Entrepreneur character, personality and traits had very low-test units of three and a coverage of 2.38%. Participants did not recognise their character, leadership, lifestyle, and attitude as concerns to the business. Although, some of the participants mentioned their leadership and attitude of their staff as concerns, which affected the business.

Leadership

"Yes, because in every business like managing people is the hardest thing to do so it is always an obstacle, I will not call it a barrier". (CBOKN1)

Further analysis revealed a close relationship between leadership style of the owner-manager and attitude of the staff.

Attitude

"Many customers do complain about the staff's attitude. Some will be doing things like

washing your hair and doing something different like answering phone calls or talking to other staff leaving the customer with cream on the hair". (CBOKD)

5.1.7 Strategic Management

Another important barrier identified as significant to small business success was strategic management. Participants highlighted the significance of this barrier to small business success, with ten text units and coverage of 8.24%. The following sub-themes emerged, and participants highlighted how they perceived these sub-themes as concerns that led to the closure of their business.

Competition

"Competition served as an issue because as I told you, the main problem is that people gather in business, they compete with each other they keep crashing the prices of their products until the business is no more". (CBOKN1)

However, another participant gave a different view to competition as a collaboration between the businesses that give mutual benefit.

"Competition is not; it is more of coopetition". (CBOKN2)

Poor marketing

Poor marketing was perceived as a strong issue, particularly lack of access to market the products or services. A participant reinforced this.

"Access to market is a very crucial aspect when it comes to success in business and MSE is part of it, but a lot of them do not have access to markets both local and international markets". (SMEDAN)

Another participant highlighted the shortcomings of their business partners in terms of poor infrastructure as an issue that affected the marketing of the products.

"With the kind of people we deal with, we tried online marketing and it did not work for us because we deal with farmers and it definitely will not work". (CBOKN1)

Lack of planning

Participants perceived lack of planning as a significant issue, which was negatively instrumental in other areas such as poor marketing. Participants reinforced this.

"It is an issue for businesses because if you do not plan you are failing, you are planning to fail, it does affect our business, and like I said most of this business we do them off head without any plan". (CBOKD)

Another participant gave the view that proper planning should be done before venturing into business.

"We need to think are these businesses viable --- the plan that they have to operate these businesses and do they have a reasonable plan to see to it that it is the need of the people that they are capturing". (MoC)

Lack of technical skill

Another participant further highlighted the issue of lack of planning and compared it with not having the necessary technical skills to run the business.

"Yes, in my business not having it was a barrier because I am not a technical person, when I started I did not know anything about agriculture so it kind of--I almost ruined the business but with time I picked up". (CBOKN2)

Lack of experience

Further, the need for experience was seen as key to the success of small business. A participant reinforced this.

"Another thing is when you run businesses like this the tailoring and spa you the owner you have to know how to do it when you do not want they leave you with customers, and you do not know what to do with them". (CBOKD)

5.1.8 Enterprise Operations

Enterprise operation is central to the success of small businesses. How the owner-manager operate the business is very important to the success of the business. This theme generated six text units and coverage of 6.82% with searches using QSR NVivo. Participants perceived this particular theme under the following sub-themes as concerns that led to the closure of their business.

Lack of employee satisfaction

"Yes, at a particular time two of the staff just let, and it is because they are not getting what they want". (CBOKD)

Poor record keeping

This is a significant issue for the success of small businesses, and participants perceived it as a strong issue that affected their businesses. A participant reinforced this:

"We do not keep records, what we normally do is just at the end of the year we clear our stock, and we do our calculations, what we sold we do not even know how much we have invested in the business. To be honest what we normally do is at the end of the year we know what we have given to a particular shop we just come and calculate, take out what we have given and see what the profit". (CBOKN1)

This was further reinforced:

"A lot of them do not keep their books in any forms, poor bookkeeping, and poor record keeping". (SMEDAN)

Ways of doing business

Participants acknowledged that the way their businesses operated were not in a way that the desired results would be achieved. They perceived this, as an issue that led to the closure of their business and that they would consider changing, if they were to start a new business. A participant reinforced this.

"Now we need to change, this is the traditional way of doing things because like I said

earlier, it was a family business there are certain things you cannot change immediately, it takes time". (CBOKN1)

Lastly, participants were asked if other barriers influenced their businesses, which were not covered in the interview. Participants agreed that most of the concerns they faced were covered. However, they reiterated certain concerns as critical, leading to their business closure, such as lack of adequate electricity, corruption especially in paying tax, and poor access to credit. For example, a participant who manufactures fertiliser stated that supplementing the provision of electricity was very expensive because of the high cost of buying diesel for generators. In addition, she stated the issue of paying high and multiple taxes, which she says goes into private pockets.

From the above responses, it is clear that the barriers identified and tested in the quantitative stage are applicable in the context of North West Nigeria. The next section provides a better understanding to the above responses, by highlighting the number of times and the percentage coverage participants mentioned a concern relating to a barrier. This signifies the level of influence a barrier had leading to the closure of their businesses.

5.2 Percentage Coverage Score

Table 5.2 presents the percentage coverage score of the qualitative stage as highlighted by participants.

Table 5.2 Text unit and percentage coverage for qualitative stage

Barrier	Text Units	Percentage coverage
Finance	19	41.2
Regulatory & Corruption	17	20.3
Infrastructure	12	16.3
Strategic Management	10	8.4
Enterprise Operation	6	6.8
Education	5	6.4
Entrepreneur Lifestyle (Personality & Traits)	3	2.4
Regional Culture	3	1

The text unit explains how many times participants mentioned a theme during the interview, while the percentage coverage indicates the overall percentage of the theme as covered in the interview.

5.3 Summary

The qualitative analysis enriched the study and gave an understanding of the perceived experiences and personal knowledge of the participants. It also gave the opportunity to understand further, those concerns identified in the quantitative stage posing as barriers to the success of small businesses. Further, participants mentioned no new concerns or barriers that are different from the ones identified in the quantitative stage. The qualitative data revealed some insights. Firstly, some of the responses further confirm the findings from the quantitative analysis. For example, infrastructure and strategic management were considered as barriers to the success of small businesses in North West Nigeria. In addition, they were part of the reason the businesses had to close. Secondly, a barrier (culture) identified in the literature did not emerge as significant in the interview. Three concerns, norm, values and belief, were used to provide a dimension for the culture that generates differences across regional boundaries, which condition potential for success of small businesses. Therefore, it can be concluded that participants businesses are shaped by a set of common and accepted norm, value and belief within the society they operate, which they believe are not averse to business and therefore, did not have any influence on the closure of their business.

In the qualitative data analysis, barriers such as finance and regulatory and corruption were perceived as the major barriers that led to the closure of business, followed by infrastructure and strategic management. Surprisingly, enterprise operation, education, entrepreneur character, and culture were regarded as not so significant barriers that led to the closure of the business. These qualitative findings shed more light on the analysed barriers in the quantitative stage that were identified through a systematic literature review. Specifically, findings conveyed the perception of owner-managers in North West Nigeria concerning the barriers that led to the closure of their small businesses.

Chapter Six: Discussion of Findings

6.0 Introduction

As highlighted in chapter one, the main aim of this study is to examine the systemic influence between the barriers to the success of small businesses in North West Nigeria. In addition, the specific objectives are as follows:

- To identify systematically from the literature review possible concerns that contribute to the creation of barriers to the success of small businesses.
- To evaluate the influence the barriers have on the success of small businesses.
- To systemically examine the influence between the barriers and their impact to the success of small business in North West Nigeria from the perspective of owner-managers.

To achieve the above-stated objective for this research, a mixed method approach using both qualitative and quantitative approach was utilised. The quantitative approach employed used a survey questionnaire to evaluate the identified barriers and to examine the applicability of the identified barriers in North West Nigeria from the perspective of owner-managers. The qualitative approach used semi-structured interviews to give further clarity on the quantitative findings.

Therefore, this chapter will discuss the overall findings by integrating findings of both the quantitative and qualitative data analyses in accordance with the aim and objectives of the research. The discussion will start with demographic information of the owner-manager, information about the business, business success and financial information, and barriers to the success of small businesses. In addition, the discussion will make reference to theoretical overview based on the systematic literature review.

6.1 Demographic Information of the Owner-manager

Age of the owner-manager

The descriptive analysis in the quantitative stage revealed younger people between the ages of 18 – 24 and 25 - 34 constitute a significant number of the respondents (*See Appendix L -*

age). As mentioned in section 4.3.1, these groups constitute and represent the active age group. Those between the ages of 18 – 24 are either students in academic institutions or Technical Skill Acquisition Schools who run a small business as they are studying. Further, those between 25 – 34 years are fresh graduates from academic institutions or those who have completed their apprenticeship under an owner-manager or from the Technical Acquisition Schools (TAS). These age groups represent a picture of the paradigm shift presently witnessed in North West Nigeria, where young people either with degrees or certificates from TAS's venture into business rather than seeking salaried jobs, mostly manufacturing of shoes and fashion design. However, this does not necessarily mean that the age of the owner-manager determines the success of the business. This finding is consistent with Meager (1992) who states that young people who start a business while or perhaps because they are unemployed have a greater tendency to abandon the business at any moment if they can find salaried employment in organisations that offer assurance and stability in income.

Gender

The descriptive statistics indicated that most of the owner-managers were male. This is the norm in most states in Northern Nigeria, where men are perceived as the 'breadwinners' and have to cater for the family. Further, in this region, men are providers and guardians to the women, hence another reason for the dominance by men in the business. Additionally, the social structure in Northern Nigeria underpins culture and religion, which promotes women playing lesser roles when it comes to owning and running a business. However, these findings show a shift in paradigm as more women are taking up the challenge of participating and competing in the business field in North West Nigeria. This can be seen as a positive opportunity for women to develop skills and fulfil their potential. In addition, to also help them if they need to provide for older relatives, sick spouses, children, or themselves in the future.

Educational qualification

From the descriptive statistics, owner-managers operating small business with bachelors and diploma degrees, and those with secondary school certificate and below are higher than those with masters' degrees and those with above masters. This finding reflects the typical

Northern setting where individuals aspire to engage in business rather than getting formal education and seek for white-collar jobs, which are mostly deemed too repetitive and demanding. On the other hand, the results may seem to suggest those with above masters may feel there are better employment opportunities available than establishing a business because some of these jobs may be reliable sources of income and attracting a better quality of life. This finding shows a good reflection on how far the North West has come in terms of embracing western education and the more people are educated, the better chances for businesses to succeed, the society and economy. A participant in the interview highlighted this:

"….concerning management, how they structure their business, yes, the more educated you are, the more structured your business." (CBOKN1)

This statement from the qualitative analysis shows that there is the need for more to be done in terms of helping the small business owner-manager in North West Nigeria to structure their businesses in the right way to prevent failure and closure. This statement may be a contradiction if owner-managers of most small businesses do not have higher levels of education and may want to keep their businesses small to manage them effectively. However, the government through SMEDAN is helping in ensuring these owner-managers have a good structure for their businesses as highlighted by a participant in the interview who stated:

"We are equally holding meetings with business member's organisations (BMO) such as NACCIMA, NASSI, NASME and NAWE[3], to see how we can equally sensitise their members and strengthen their capacity towards managing their businesses." (SMEDAN).

It is worth mentioning that the owner-managers level of education and business image **(***See Appendix J***)** did not show any significant difference in terms of the structure of the business between highly educated owner-managers (degree and diploma holders) and those with, say, for example, secondary education or technical education. This could be due to the level of

[3] NACIMMA- Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture; NASSI- National Association of Small-Scale Industries; NASME – National Association of Small and Medium Enterprises; NAWE – National Association of Women Entrepreneurs. These are membership bodies that help in monitoring and support the unification of small businesses i.e communication with government

experience acquired over the years by owner-managers with secondary and technical education as indicated by owner-managers level of education and years of experience (*See Appendix K).* Over the years, their experience has made them learn from mistakes and structure their business better.

Experience

An indication from the descriptive statistics shows that owner-managers have years of experience ranging from 1 – 15 years, either in business or working in other areas. Those operating in the service sector where highly correlated with more years of experience than those in retail and manufacturing. A possible explanation is that those operating under this sector have mostly worked in organisations or companies before venturing to set up their own business or have undergone apprenticeship or training. Those without any form of experience are mostly fresh graduates with diplomas and undergraduate degrees. Participants in the interview corroborated this:

"In my business not having experience was a barrier, when I started I did not know anything about agriculture, which almost ruined the business from the beginning." (CBOKN2)

"When you run a business like this, the tailoring and spa, you the owner have to know how to do it. When you do not, the staff leave you with customers and, you do not know what to do with them." (CBOKD)

The above statements also corroborate the findings of Okpara and Wynn (2007) who state that lack of management training and experience is a major cause of small business failure because owners tend to manage the business themselves as a way of reducing operational cost, which may lead to the collapse or failure of the business. In addition, they stated that owner-managers with previous experience either from another business or other filed of work tend to have a better business structure.

Training

Concerning the training of owner-managers, SMEDAN as a government agency, saddled with the responsibility of promoting and developing the MSME in Nigeria, has been assisting small businesses through a program called National Enterprise Development Programme (NEDEP). This program is a collaboration within three organisations under the ministry of trade and investment. The Industrial Training Fund (ITF), which provides vocational and technical skills, SMEDAN provides business development services, and Bank of Industry (BoI) provides the funding through what is known as the '*bottom of the pyramid'*. This is a scheme where BoI lends to partner microfinance banks to on-lend to MSEs at the grass root across the country at a single digit interest rate per annum (NEDEP Release, 2013).

Despite all these initiatives, the descriptive analysis in this research shows that 51.7% of owner-managers did not attend training in business management, workshops, courses, seminars and entrepreneurial development (*See Appendix L – Question on training).* This can be linked to the lack of awareness regarding the existence of SMEDAN (45.9% respondents) and also the lack of awareness that the agency exists to support and promote the activities of small business (49.4% respondents). In addition, it can be deduced that there is a negative perception about the available funding and support for small businesses offered by the government in North West Nigeria through agencies like SMEDAN. A possible explanation is that owner-managers perceive training as 'unaffordable luxury' (Padachi and Lukea Bhiwajee, 2016). Findings in this research differ from Dabo (2006) who found that training enhances the management skills of an entrepreneur, thereby exposing to a better understanding of their advantages to their firm. The difference between these studies lies in the ineffectiveness of training programs and lack of full sensitisation of owner-managers by SMEDAN about the training programs as highlighted above.

6.2 Information about the Business

Business sector

The fall in global oil prices has pushed the economy of many oil-producing nations to face macroeconomic challenges. In Nigeria, this has provided the opportunity to deepen structural reforms for economic diversification. According to the 2015 African Economic Outlook, the non-oil sector in Nigeria has been the driver of economic growth, with the service sector contributing about 57%, while manufacturing contributed 9%. Thus, in this research, the three sectors that the government is using for diversification, the manufacturing, retail and service sectors were adopted (*See Section 2.3.4*). From the descriptive analyses, a majority of the small businesses operate in the service sector, followed by retail and then manufacturing. In terms of years of operation, most of the businesses that have been in operation for 3 -5 years and 6 – 10 years are mostly service-oriented businesses. While more business in retail and manufacturing have longer years of operation, mostly between 11 -15 years and 16 -20 years.

The research further stated that the economy is diversifying and becoming more service-oriented, particularly through retail, real estate, agriculture, and information and communication. Revenue generated by the federal government from the sale of crude oil have dwindled and has affected the monthly allocation to state governments. The dwindling of revenue has a ripple effect as it affects sectors and individuals. Hence, affecting the performance, survival and success of small businesses not only in North West Nigeria, but all over the country.

Business ownership, employment and start-up capital

There is no doubt that poor remuneration package of white-collar jobs and search for survival has driven the average Nigerian to be creative, intelligent, very resourceful and enterprising by nature. This is evident in the descriptive analyses of this research, where 56% of the respondents reported they own the business. Most of the owners are in the service sector (48%), followed by retail (31%) and then manufacturing (21%). Possible explanations to this are that, when running a service rendering business, you do not necessarily need to employ too many people. Findings show that majority of the businesses in this survey employ between 1 – 3 people and the most of those that started the business with a capital of N100, 000 are in the service sector (*See Section 4.3.2*). In addition, it can be argued that the reason why most respondents operate in the service sector is that of the cost associated with starting a service rendering business, which is much lower than the cost associated with starting a manufacturing or retail business.

There is an entrepreneurial spirit across Nigeria, which started with the previous government of President Jonathan 2011-2015 and now solidified by the present government of President

Buhari that came to power in 2015. Young and vibrant Nigerians are encouraged to go out, create employment, and stop settling for jobs that limit their potentials and capabilities. For example, entrepreneurs like Aliko Dangote started small and is now a renowned brand worldwide known as '*Dangote Group'*. The Kaduna start-up and entrepreneurship programme (KadStep) is one of such initiatives, where the goal is to engage eligible young entrepreneurs for ten weeks to pursue productive enterprise development initiatives, after which loans would be disbursed to them to set up a business. Another example is *Vintage Colette*, a fashion design brand founded by Binta Shuaibu, who had to quit her white-collar job to start the business. She won the MTN fashion contest in 2011 and presented her work in a fashion show in London. She has since started the process of launching a full range of clothing lines.

6.3 Business Success and Financial Information

Sales growth

The quantitative stage of the research found most of the owner-managers are happy with the level of their sales growth, with the majority in the service sector, followed by those in retail and then manufacturing (*See Appendix M*). Findings further show that, across all three sectors, sales growth was enjoyed more by owner-managers within the age of 25 – 34 years, followed by those between 35 – 44 years, then those between 18 – 24 years. Contrary to expectations, those over the age of 44 years were the least amongst owner-managers to express happiness with their sales growth (*See Appendix N*). Sales growth was also tested with the level of owner-managers education, surprisingly, those with master and above masters recorded the least success together with those without formal education, while those with bachelor's degree recorded success and expressed happiness with their sales growth, followed by those with diploma degree, secondary and primary education (*See Appendix O*). A possible explanation is that respondents with master and above master degrees give little time to the business due to other commitments, while the other respondents are more hands-on in running the business.

The qualitative stage while in agreement with most of the quantitative findings, however, gave a contrary view concerning owner-managers without formal education. A participant reinforced this:

"If you go to the market and look at the people that are into business, a majority of them have a low level of education, successful businessmen in Kano have a low level of education that you are talking about". (CBOKN1)

Level of success based on sales growth tested against gender showed that a significant number of male owner-managers expressed happiness when compared to female owner-managers. This is not surprising because male predominantly dominates businesses in North West Nigeria, where women are expected to be role models for the children, hence, play a lesser role in business.

Employee commitment

Employee commitment is key to the success of businesses. Findings from the descriptive analyses show a significant difference between owner-managers who are satisfied (70.8%) and recorded success with the level of the employee commitment and those who are not (29.2%). Commitment here is reported as being punctual in reporting to duty, which shows the level of interest in the job.

Customer retention and satisfaction

The descriptive findings (*See Appendix L – questions on customer retention and satisfaction)* shows that success by owner-managers regarding retaining and satisfying their customers was significantly high (87.8%) when compared to those that claim they did not record success with customer retention and satisfaction (12.2%). Owner-managers in service sector recorded the most success concerning retaining and satisfying customers (46.2%) of the respondents, followed by retail (30.8%), and manufacturing (21.8%). Customer usually tend to build and show loyalty when they buy a good product or get good service, also, they help businesses advertise via word of mouth after enjoying value for money.

Business image

Owner-managers (82.6%) claim to be happy with the level of the business image, which is based on customer feedback and perception after patronising the product or service. However, most of these businesses (38.1%) that enjoy a good business image have only been in operation for about 3 – 5 years (*See Appendix P*) as compared to those that have been in operation for over 5 years – 16.4% (6 – 10 years) and 4.9% (above 15 years). It should be noted that most small businesses start well and after a few years in operation things start to fall apart.

Quality of products and service delivery

Having the right products and offering very good service is important to the success of businesses. *See Appendix L* (quality of products and services) show that an overwhelming 85.9% of the owner-managers are happy with the level of success recorded regarding the quality of their products and service delivery, as reflected in their levels of sales and patronage. This is in tandem with the findings of Neshamba (2000) and Coy et al., (2007) who believe that good customer service and good product quality are important for business success.

Ways of doing business

Findings (*See Appendix Q*) show that 81.5% of the owner-managers from the three sectors are happy with the level of success recorded based on how they run their business, while 18.5% expressed dissatisfaction with the way they do things. Participants base these responses on received customer feedback.

Source of start-up capital

From the quantitative stage, the descriptive analyses (*See Appendix L for further reference*) show that 62.2% of the owner-managers used personal finance to start their business, followed by those who borrowed from friends and relatives (18.7%). 6.2% took bank loans/credit, while 2.3% sort for alternative source through Islamic bank to avoid interest, because interest is prohibited under the Islamic faith and, to avoid extra cost. Only about 4%

of owner-managers were awarded government loan/aid. This is despite the $220bn MSME development funds provided by the government through the Central Bank to aid and fund MSME. From this finding, it is clear that there is a lack of awareness for funds allocated to the development of small business. Further, it can be concluded that the lack of awareness is because the funds are based on government rhetoric's, not available to the tune mentioned or funds are slashed and used for other projects. This supports the findings of Okpara and Wynn (2007) who found that government funds designated for small businesses and entrepreneurial developments were allocated for other projects.

Difficulty in getting finance

Regarding the difficulty in getting finance to start their business, it is important for those who would be small business owners to save money or borrow from relatives. In this research, those owner-managers (36.1%) who did not use personal finance said it was difficult to get finance from other sources such as government loan and financial institutions, while 17% said it was fairly difficult. However, only less than 2% of the female respondents claim that it was easy to get finance, this shows that either the number of women seeking a loan from financial institutions is low or the requirement to meet such loans is high and repayment period that is not favourable. This corroborates the findings of Mambula (2002), Okpara and Wynn (2007) and Okpara (2011) were they argued that financial support is a major problem in managing and sustaining a small business in Nigeria. Furthermore, the difficulty is related to lack of collateral and where the loan is available, the repayment period is short, and the interest rates are high. Furthermore, the findings from the quantitative stage further affirm the findings by the above authors. Most owner-managers said lack of collateral was the reason for the difficulty in getting finance, while others stated lack of proper business plan and experience as reasons for the difficulty.

Loan/aid application

Findings from the descriptive analysis show that only a small number (34.7%) of owner-managers applied for one type of loan/aid or the other, ranging from short-term to long-term (*See Appendix L – Question on loan*). However, about three-quarters (73.2%) of owner-managers said their loan/aid application was not successful. Further, 13.5% of owner-managers sighted insufficient and poor sources of repayment as reasons their unsuccessful application, while 17% was due to lack of collateral. Age (8%) and inexperience (4%) were not considered significant enough to decline the application according to the owner-managers.

Awareness of SMEDAN

The descriptive analyses show no significant difference between those owner-managers who are aware of the existence of SMEDAN (50.6%) and of its role as the promoter of MSME development in Nigeria and those who have never heard of it or its role (49.4%). Further, a very significant number (82.4%) of those who know of its existence and role said they have not benefitted from any support initiative from SMEDAN, either concerning training or workshop. The finding in the quantitative stage supports the quantitative stage, where a government official working with SMEDAN stated:

"If you look at our survey, it is part of the questions that were posed to the respondents. They were asked if they knew SMEDAN and if they had benefitted from it, they all responded in the negative". (SMEDAN)

Despite SMEDAN having offices in all the 36 states of the Federation, and claims of promoting their activities via radio in different languages, ordinarily, one would expect owner-managers to know about SMEDAN and its activities. This lack of knowledge about SMEDAN shows that a lot needs to be done by the government and specifically SMEDAN in terms of reaching out to the small business to create awareness.

6.4 Barriers to the Success Small Business in North West Nigeria

As highlighted in the literature review, many studies have provided a diverse perspective on the barriers to the success of small businesses, which are inherently different across nations due to certain environmental changes such as technological advancement, change in consumer preference and globalisation. Considering this, findings from this research regarding these barriers are discussed below while referring to the literature. The findings show the significance and direction (negative) of the relationship between the barriers and the success of small business (*See Section 4.7*). However, Lussier (1995) argues that "*significant*" does not always mean "*important*" because statistical results can be data artefacts, and included variables can be collinear with left-out ones. Therefore, it should be noted that results in this research that have a negative significance do not mean the "barrier" tested cannot be used to show a significant positive relationship. The section below discusses the findings of this research based on the analyses conducted. The findings are based on the developed conceptual framework and tested hypotheses.

6.4.1 Education

Using Exploratory Factor Analysis (EFA) revealed that the identified concerns loaded significantly onto the education barrier, therefore, showing a correlation between them **(***See Appendix H***).** Therefore, they were deemed fit to measure education as a barrier. Lack of management skill and training, level of education, and lack of formal basic education (literacy) were identified as concerns that contribute to the creation of barrier to the success of small businesses in North West Nigeria. The mean score show how respondents ranked each concern as contributing to the creation of education barrier. This was then calculated to give a final mean score for education as a barrier to the success of small businesses (*See figure 6.1*). Accordingly, respondents across the three sectors (manufacturing, retail, and service) ranked education as a medium barrier to the success of their business (*See Table 4.5*). However, 86.3% of respondents (*Table 4.4)* believe that education of the entrepreneur as a factor can possibly contribute to their business success.

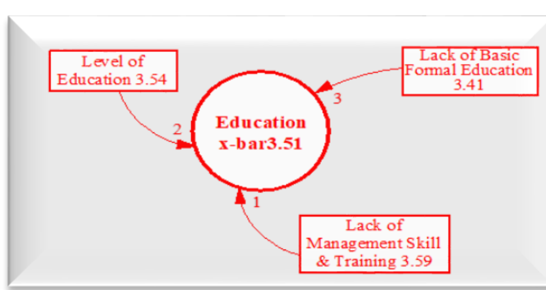


Figure 6.1 Education barrier

The results from the inferential analysis, using Spearman's rank correlation coefficient used to test hypothesis H_1 showed that there is a significant negative relationship between the success of small business and education. In this view, owner-managers in North West Nigeria perceive lack of management skill and training, level of education, and lack of basic formal education as contributors to the creation of education barrier, and therefore, have a negative influence on the success of their business. The finding supports the study of Felix and Ezenwakwelu (2014) who found that lack of knowledge, especially in the basic science and technology constitute the challenges of entrepreneurial development. Findings in this research further corroborate the findings of Indarti and Langenberg (2004), and Jafarnajad et al., (2013) who stated that the necessary management skill is required to start and run a business because poor management and lack of training leads to mistake in staffing, planning, and implementation.

Furthermore, there are similarities in both the quantitative and qualitative findings. For example, lack of management skill and training was highlighted in the quantitative stage (*Figure 6.1*) as a concern for owner-managers that limits the chances of success for their businesses. This was corroborated in the qualitative stage (*See Section 5.1.1*). However, both quantitative and qualitative respondents acknowledged that having management skill and training would improve the way the business is managed and chances of it being successful. This finding supports that of Strobel and Kraztner (2017) who argued that the organisation's absorptive capacity – the firm's ability to assimilate and apply knowledge, depends on the knowledge transfer across and within the subunits of a firm. Thus, lack of standards for knowledge management serves as a barrier to innovation potential.

Level of education and lack of formal basic education were not regarded as concerns in the qualitative stage (*See Section 5.1.1*). Respondents gave examples with owner of Chanchangi Airlines in Kaduna state had no formal education but succeeded in the airline industry and was one of the pioneers in the airline industry in Nigeria. Another example as highlighted by respondents in the qualitative stage is the founder of Eleganza group, who had no tertiary education but established a strong brand in the manufacturing industry. This finding is contrary to the findings of Robson and Obeng (2008), Nkonoki (2010), Tundui (2012) and Mujuru (2014). They found that qualification gives the confidence to do better by learning through knowledge and wisdom, which makes small business owners with a related qualification do better than those without any form of qualification.

6.4.2 Finance

Seven concerns that contribute to the creation of barriers to finance were identified in this research: weak economy, insufficient capital, access to capital, lack of alternative sources of finance, lack of finance, lack of access to credit, and shortage of working capital (*See figure 6.2*). These concerns were deemed fit to measure finance as a barrier based on the EFA. 42.6% of owner-managers across the three sectors identified finance as a low barrier to the success of their business (*See Table 4.6*). Further, *figure 6.2* highlights how owner-managers ranked each of the identified concerns that contribute to the creation of finance barrier. While in the qualitative stage, participants in the interview perceived finance as the major barrier to their business (*See Section 5.2*). This finding is in line with the findings by Alam et al., (2011) they surveyed 170 SME food-processing companies and found finance barrier has the most impact on the performance and success of small and medium enterprises.

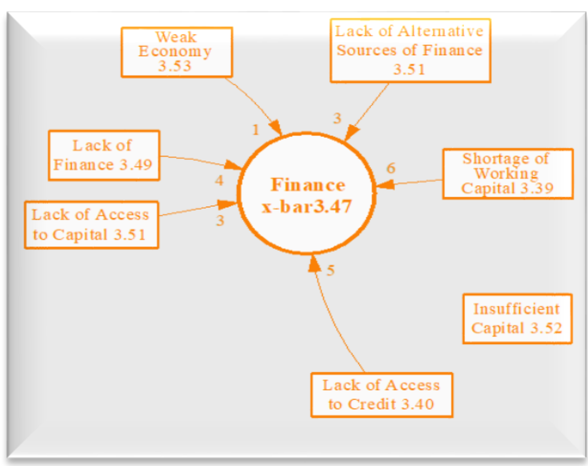


Figure 6.2 Finance barrier

Identified concerns used to measure finance as a barrier reveal the corroboration between the findings of this research and other previous studies. For example, Pratt (2001), Benzing et al., (2009) and Barkhatov et al., (2016) argued that weak economy create concerns for entrepreneurs due to reduced purchasing power, demand by customers, a decline in business investment, and access to global market. The interview in the qualitative stage also adds insight into this. Participants revealed that due to the weak economy and the falling rate of the Naira against the Dollar, this influenced their business, as they could not buy raw materials or import products for sale from the international market (*See Section 5.1.2*). In addition, findings reveal that weak economy influence lack of finance for owner-managers because of the inability of the business to be profitable. Additionally, Storey (1994) and Dodge et al., (1994) argued that shortage of working capital is because of the inability of the small business to predict capital requirements due to weakness in operational management. Further, findings in this research support Mashenene and Rumanyika (2014) who highlighted that insufficient capital contribute to the creation of barrier for small businesses due to limited available capital.

The finance barrier as it relates to the success of small businesses has been extensively covered in the literature. Results from the inferential analysis, using Spearman's rank correlation coefficient showed a significant negative relation between finance barrier and small business success in North West Nigeria (*See Hypothesis* H_2). This shows that respondents acknowledged the identified concerns contribute to the creation of finance barrier to the success of their business. This finding further corresponds to the findings of Mambula (2002), Beck and Demirguc-Kunt (2006), Alam et al., (2011) and RERI (2014) on lack of financing for small firms, who experience difficulty in accessing finance in both developed and developing economies due to high transaction cost. Finding from the interviews further revealed that, a participant (*CBOKN1*) argues that lack of finance is the major barrier to business success, supporting findings of the University of Cambridge small business research centre, which showed finance as the most frequently reported constraint to businesses. Additionally, findings of this research showed most times entrepreneurs have the idea to start a business but sourcing the funds is a bit difficult (*See Section 6.3 - difficulty in getting finance*). This finding further corroborates the work of Worku (2016) in the Vaal Triangle area of South Africa where respondents in the study complained about the long procedure of getting sufficient loans from well-established financial institutions.

The qualitative analysis corroborates concerns in the quantitative analysis, firstly, lack of access to credit. Findings reveal that obtaining credit from banks or other sources is difficult for small businesses due to lack of collateral according to 17% of respondents from the quantitative analysis. While in the qualitative analysis a participant (SMEDAN) stressed that most owner-managers do not have the collateral to give when trying to obtain credit (*See Section 5.1.2*). Further, the finding is in tandem with those of Kweka and Fox (2011) who stated that difficulty to borrow due to collateral stifles the development of small businesses for further investment. Ogechukwu (2011) also adds that application for credit takes time and in most cases, the availability of credit exists only on paper. Secondly, the issue of alternative source of funding, which respondents (*See Appendix L – question on difficulty of finance*) claim is difficult especially getting a loan from the government and other financial institutions. Orser, Hogarth-Scott and Riding (2000) argued that high-interest rates and lack of collateral limits the alternative sources for small businesses, their argument supports findings in this research. Equally, findings in this research further support the works of Donga and Ngirande (2016) who found that policies for financing MSMEs are discriminatory and do not properly accommodate the fragmented sector, and Nor et al., (2016) in their study of innovation barriers and risks for food processing SMEs in Malaysia. They found SMEs were suffering from lack of financial assistance from the government or financial institutions due to the complicated loan application.

6.4.3 Infrastructure

Seven concerns were identified and deemed fit to test infrastructure as a barrier to the success of small businesses in North West Nigeria. These include technological backwardness/change, lack of tools and equipment, lack of adequate electricity, poor road network, poor telecommunication, poor water supply, and lack of raw materials (*See Figure 6.3*). Findings from the study showed that owner-managers identified infrastructure as a barrier to the success of small businesses (*See Table 6.1*). This finding corroborates the findings of Bjornlund et al., (2016) who found that lack of infrastructure serves as a barrier to increasing productivity and profitability of small-scale industries. However, the descriptive analysis showed that owner-managers rated infrastructure in general as the major barrier to their business (*See Table 4.7*), while in the interviews it was regarded as having less impact on their business. Respondents in the both quantitative and qualitative analyses identified lack of adequate electricity as the major issue posing as infrastructure barrier to their businesses, which limits their capacity to produce or render service (*See Figure 6.3 and Section 5.1.3*). This finding further confirms the views of Shanghvi (2014) and Oduntan (2014) who argued that small businesses operate less satisfactorily due to operational bottlenecks created by lack of adequate electricity, and firms provide such facility at their own expense, which cost them higher overheads.

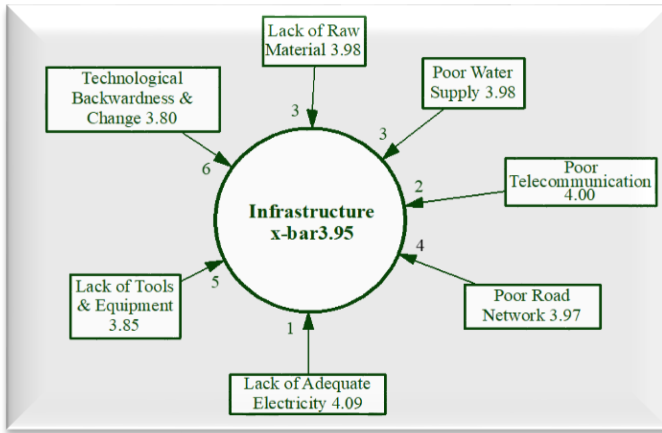


Figure 6.3 Infrastructure barrier

Additionally, a participant (*CBOKN2*) in the qualitative stage argues that small businesses that are into production mostly run on generators powered by diesel, which adds to their cost of production (*See Section 5.1.3*). This finding also supports the work of Nor et. al., (2016) who argued that infrastructure as a barrier to SMEs in Malaysia is because of financial sourcing problems. Findings in this research further show that owner-managers identified water supply as one of the facilities they provide so their businesses can run efficiently, which also adds to their overhead cost.

Furthermore, results from the inferential statistics further support results of the descriptive analysis. Using Spearman's rank coefficient correlation, hypothesis H_3 shows there is a significant negative relationship between infrastructure and the success of small businesses in North West Nigeria. The hypothesis reveals that an increase in any of the concerns that contribute to the creation of the infrastructure barrier will reduce the chances of the success for their business. This finding is in line with Okpara (2011), Mhede (2012), Mashenene et al., (2014), and Strobel and Kratzer (2017) who found that use of obsolete and inappropriate technology and refusal or negative attitude towards accepting technological change affects the success of small businesses. Further, findings show that 83.6% of owner-managers believe the use of adequate and efficient technology would increase the possibility of success for their businesses (*See Table 4.4*). additionally, lack of raw materials and lack of tools and equipment were highlighted by respondents as concerns that contribute to the creation of barriers to the success of small businesses.

This supports the findings by Mutambala (2011), Amegashie-Viglo, and Bokor (2014) where they found that use of traditional/rudimentary methods results in low production, less innovation and inadequate technical skills for small businesses. Findings further accord with the studies of Mambula (2002) and Onugu (2005) where they argued that small businesses are often overlooked in favour of big businesses, and mostly buy in small amounts, which results in a higher cost per unit. Another important finding is the issue of poor road network (*See Appendix L*). The implication of not having a good road network could mean producers are at a disadvantage when it comes to marketing their produce; they cannot reach a larger market due to the high cost of transportation caused by poor road network. Additionally, the qualitative results show that participants claim to have never enjoyed good road network (See *Section 5.1.3*). The participants state that most of their manufactured goods are sold at production cost or less than the production cost due to pressure to sustain the family. The finding support that of Adisa et al., (2014) who found that bad or poor road network has been a problem for small business owners. Further, rather than going to the reserved area to patronise small businesses, consumers prefer to buy along the road because of poor road networks.

6.4.4 Regulatory and Corruption

Six concerns that contribute to the creation of barriers were identified and deemed fit to test regulatory and corruption . These include, tax burden, licensing and registration, government policies, bureaucratic procedure, corruption, and legal and regulatory structure (*See Figure 6.4*). Respondents (39.8%) believe that regulatory and corruption (red tape) serves as a barrier to the success of small businesses in North West Nigeria.

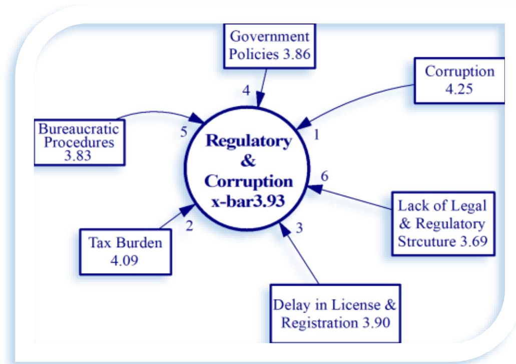


Figure 6.4 Regulatory & corruption barrier

In the quantitative stage of this study, results from the inferential analysis using Spearman's rank correlation coefficient found a significant negative relationship between regulatory and corruption and the success of success of small businesses in North West Nigeria (*See Hypothesis* H_4). Findings show that owner-managers find the regulatory and corruption barrier as a hindrance to the success of their business. Specifically, corruption, tax burden, and delay in licensing and registration (*See Figure 6.4*). Additionally, the findings could mean that concerns such as government policies are not set for the interest of small business. Therefore, the initiative to support and enhance their development is not supported. However, the respondents believe that a good regulatory environment for small businesses would possibly contribute to the success of their business (*See Table 4.4*). The findings correspond to the studies of Mambula (2002) Okpara and Wynn (2007), and Nkonki (2012) they found out that over regulations because of poor government policies lead to costly delays in clearance and approvals for small businesses. The finding further support that of Onugu (2005) whom state owner-managers have low-level knowledge of legal and regulatory practices. Conversely, Beck and Demirguc-Kunt (2006) argued that in the absence of a well-developed legal system, it is difficult for firms to grow to their optimal size since outside investors cannot prevent appropriation of corporate insiders. Findings in the qualitative stage provide further support to the quantitative stage, results show that government policies are perceived to be non-existent (*See Section 5.1.4 – Government policies*). Participants were of the opinion that the policies exist on paper but in reality, they do not. Furthermore, this finding supports the work of Dutta and Sobel (2016) who argued that when business climates are bad, it gives room for corruption to thrive, which hurts entrepreneurship. The concern of government policies further exposed another concern, bureaucratic procedure and considered it a key obstacle by owner-managers in the success of small businesses in North West Nigeria. Strobel and Kratzer (2017) sighted governmental bureaucracy as an external concern that negatively influences the innovative performance of SMEs support findings of this research.

The qualitative stage provided a deeper insight into the issue of bureaucratic procedure. One participant (*CBOKN1*) argued that on paper, the procedure looks good and straightforward, however, when it comes to application, the laid down procedures are not followed. This finding is in line with the findings of Bukvic and Barlett (2003), who state that the high cost of capital and bureaucratic procedures create a financial barrier. In addition, findings from this research further support the works of Chu, Benzing and McGee (2007), Nkonoki (2012), and Thakar (2017). They argued that complicated procedures, government's heavy control and misinterpretation of the law, and strict rules and regulations have a negative impact on the success of small businesses.

Additional findings from the quantitative stage show respondents viewed tax burden as a significant concern (*See Appendix L – Question on tax burden*), particularly, because capital is difficult to obtain. and the interest rate is high. Further evidence from the qualitative stage as highlighted by participants (*See Section 5.1.4 – Tax burden*) reveal that two or three different people monthly, serving as tax collectors approach them for different or multiple payments, resulting in red tape practices. This finding supports a study by Benzing et al., (2009) in a survey of 139 entrepreneurs in Turkey found that complex and confusing tax structure regarded as the most serious issue posing as a barrier to the success of business faced by entrepreneurs. Another important concern from the findings is corruption, which respondents in the quantitative stage ranked as the number one concern that hinders business success. Conversely, 62.2% of the respondents believe an efficient tax system would possibly contribute to their business success (*See Table 4.4*). Surprisingly, one of the participants (*CBOKN1*) in the qualitative stage claim corruption was not a concern to his business because it favoured his business by paying less to the government. He stated that tax collectors always offer him the option of bribing them so that they can allow him to pay a certain percentage of the tax, which he always accept. As stated earlier, this is not the general perception and practice within the small business sector but a peculiar case at the local level. This finding corroborates the study of Karuna (2005) who found that corruption could facilitate firms' growth, serving as the ‘grease for the squeaking wheels of a rigid administration’. Another concern cited by owner-manager’s is lack of clarity in terms of regulations and delay in processes, leading to public officials demanding favours before they discharge their duties. These findings support studies by Kiggundu (2002), Mambula (2002), and Korosmaros and Simonova (2017) who found that high level of corruption is usually caused by unfavourable institutional/regulatory environment and attitude of public officials.

6.4.5 Regional Culture

To test the regional culture barrier, three concerns were identified from the systematic literature review, regional marginality, culture (values, beliefs, norms), and gender discrimination (*See figure 6.5*).

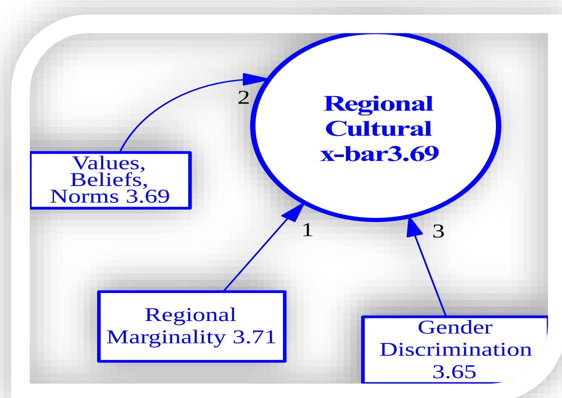


Figure 6.5 Regional culture barrier

The quantitative stage revealed important findings regarding regional culture. Descriptive statistics showed that 40.2% of respondents rated regional culture medium as a barrier to their business success (*See Table 4.9*). Particularly, respondents rated regional marginality as the main concern that impedes their business success. A further explanation to this finding could be due to the difference in regional economy, because businesses in the Southern region of Nigeria tend to do better when compared to those in other parts of the country, including the North West. This is due to the owner-managers level of awareness and availability of funds. This finding supports that of Frese and Kruif (2000) who found out that cultures influence all processes related to entrepreneurship, such as personality, actions taken by entrepreneurs, relationship with employees, and what is regarded as a success. Additionally, hypothesis H_5 shows a significant negative relationship between regional culture and the success of small businesses in North West Nigeria. Participants were of the view that an increase in the regional culture barrier based on concerns in figure 6.5 will reduce the chances of business success. Additionally, participants in the qualitative stage believe they would experience regional difference if they were to extend their businesses into other regions (*See Section 5.1.5*) specifically, because of difference in cultural values and beliefs (religion). This support the works of Yang and Xu (2006) in their study of regional differences in China, where they found that the existence of regional differences such as culture, values and beliefs in entrepreneurship and small business development would not have the same impact on small businesses of the world.

Additionally, it can be argued that the values, norms and beliefs of the owner-managers in the North West, who are predominantly Muslims and restricted by religion regarding certain kinds of businesses that go against religious values and beliefs reduces the chances of business success. For example, collecting loan based on interest restrict and limits owner-managers from borrowing from banks and other financial institutions. In addition, a participant in the qualitative stage pointed to resistance to accept modern business techniques and change the way business operates by owner-managers as an issue for businesses. This finding supports the work of Mashenene et al., (2014) where a survey of 254 owner-managers conducted in Kilimanjaro and Mwanza regions of Tanzania to examine the socio-cultural determinants of enterprise financial source, showed that strong ethnic density and tradition affect the choice of enterprise financial source.

6.4.6 Entrepreneur Lifestyle (personality and traits)

Three concerns that contribute to the creation of barriers were identified from the systematic literature review and used, excessive and expensive lifestyle, leadership, and attitude (*See figure 6.6*). It should be noted that the findings from this are based on the responses of the owner-manager and not an inclination or perception of the researcher. Surprisingly, findings show that only 29.6% of owner-managers' perceive their lifestyle as a barrier to the success of small businesses (*See Table 4.10*). This is contrary to the findings by Baumback and

Lawyers (1979) where they found that business owners attribute failure to many things but hardly due to their defect. Additionally, results of the inferential analysis showed a significant negative correlation coefficient between the success of small business and the entrepreneur lifestyle (*See Hypothesis* H_6). In this view, owner-managers in North West Nigeria perceive excessive and expensive lifestyle, leadership, and attitude as contributors to the creation of entrepreneur lifestyle barrier, and therefore, have a negative influence on the success of their business. This could mean that owner-managers may not have proper plan of paying themselves wages or salary, they just take money from the business to maintain themselves and their lifestyle. These findings support the view of Chibundu (2006) where he states that owner-managers leaving an excessive and expensive lifestyle may deliberately divert and or refuse to pay back obtained loans meant for the business to support and maintain an ostentatious lifestyle and expenditure, which will eventually jeopardise the chances of the business surviving. Findings further reveal that respondents highlighted leadership and attitude as issues that hinder business success (*See Figure 6.6*). This could mean that the owner-managers' lack the ability to delegate or seek opinion and lack of trust for subordinates is a barrier to the success of the business. This finding share the same view with Mashenene et al., (2014) who found that lack of delegation, seeking opinion form employees, refusal to consult subordinates before making decisions and silo mentality serves as a barrier to small businesses.

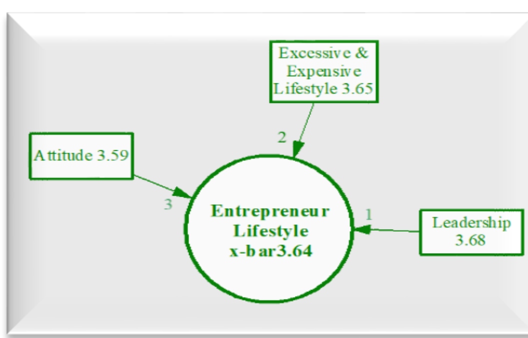


Figure 6.6 Entrepreneur lifestyle barrier

The qualitative findings give a contrary view of the quantitative findings. Participants did not consider their attitude and leadership style as hindrance to the business (*See Section 5.1.6*). Rather, they pointed to the attitude of their staff as a perceived barrier to their business.

Owner-managers need to consider the role they play in determining the success of their business. This finding is contrary to the works of Lussier and Bailey (1998) who argued that employees need to learn to think like the owner of the business and see the macro-view of the company. Additionally, Filley and Pricer (1991) found that having a good management technique, leadership and time management as important strategies for the success of small businesses.

6.4.7 Strategic Management (business plan)

Six concerns were identified and deemed fit to test strategic management as a barrier to the success of small businesses in North West Nigeria. Lack of experience, lack of sectoral linkages, lack of technical skills, and lack of planning (*See figure 6.7*). Quantitative data analysis showed 31.3% of owner-managers believe strategic management barrier as a hindrance to small business in North West Nigeria. Additionally, findings from the qualitative stage support the quantitative findings. Participants perceived competition both from local and international businesses as a major barrier to the success of their businesses. This finding accords that of Blackburn and Hart (2002) where they found competition to be a much greater constraint than regulation to the performance of businesses. In addition, a participant in the qualitative stage (*CBOKN2*) believe it is more of '*coopetition'* than competition between the businesses, which she claims serves as a motivator to improve the business and the economy. Further, this finding supports the views of Koush (2008) where he argues that enhancement of competition and entrepreneurship brings about external benefits to the economy concerning the efficiency, innovation and productivity it brings to the economy through these businesses.

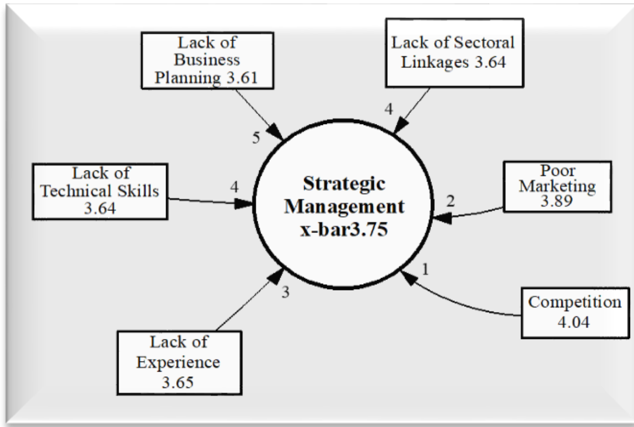


Figure 6.7 Strategic management barrier

Further, the results from the test of hypothesis H_7, using the Spearman's rank correlation coefficient showed significant negative correlation between strategic management and the success of small businesses. This could mean that owner-managers' lack of business planning or poor management affects the structure and set up of the business, including accounting, not seeing where the money is and where it goes. Additionally, in the qualitative stage, participants believe a lack of proper business planning means they are planning to fail. These findings support the studies of Ihua (2009) who compared SMEs key failing factors between the UK and Nigeria and found poor management to be the most crucial factor influencing SME failure in both countries. Conversely, Nkonoki (2010) found lack of a proper business plan to be a limiting factor in the success and growth of small businesses in Tanzania. Additionally, Timilsina (2017) stated that concerns such as lack of time, planning expertise and skills serve as a barrier to SMEs in Finland and leads to organisational tasks not prioritised and weak implementation plan.

Other significant findings from this study reveal lack of technical skill by the owner-manager (*See Figure 6.7*) as a hindrance to business success. This could mean that the owner-manager lacks the capacity and ability to meet and exceed customer expectation. This finding is contrary to the findings of the University of Cambridge small business research centre, where it revealed that managerial skills were regarded as less important. Further, participants in the qualitative stage revealed not having the basic technical skill was an initial problem when the business started because they could not afford training and had to learn on the job to improve their technical skill (*See Section 5.1.7*). This supports the finding by Mutambala (2011), Donga, and Ngirande (2016) where they found inadequate technical expertise and knowledge by the owner-manager to be a constraint in companies manufacturing furniture and SMMEs respectively. Findings also show owner-managers' lack of experience as a constraint for small business success, mostly amongst those who had never worked or operated a business. However, 84.6% of the respondents in the quantitative stage believe previous experience can contribute to the success of their business (*See Table 4.4*). Further supporting the findings, Mudavanhu et al., (2011) argued that lack of managerial experience is a universal issue and tends to affect firms in all industries because the performance of the business is closely linked to the skill level of the owner-manager. In addition, Faria et al., (2017) found that lack of expertise would lead to the incorrect pricing of the production process and eventually destroy the business transaction and the entire business.

Another important finding from the quantitative stage is that of poor marketing, which was ranked number two as a concern that contribute to the creation of strategic management barrier by owner-manager (*See Figure 6.7*). Additionally, participants in the qualitative stage believe that poor marketing restricts their access to markets. This finding aligns with that of Ropega (2011) who found that lack of enterprising or managerial skill in this area and personal skill of the owner-manager may lead to an unexpected problem that will decrease the firm's chances of survival. However, participants in the qualitative stage aligned poor marketing to others such as technology as a contributing factor, because most of the target markets are averse towards technology. This also supports the work of Gill and Biger (2012) who saw marketing challenges as a barrier to the growth of small businesses in Canada, and Barkhatov et al., (2016) who found that small businesses in Russia are suffering from accessing the global market due to local economy becoming weak.

6.4.8 Enterprise Operation (day-to-day running of the business)

Four concerns were identified and deemed fit to test enterprise operation as a barrier to small business in North West Nigeria. These include ways of doing business, poor record keeping, poor product and services, and lack of employee satisfaction. Quantitative analysis showed enterprise operation as influencing the business. Surprisingly, descriptive analysis from this study revealed owner-managers did not regard it as a key barrier. Conversely, they may not want to be perceived as running their business inefficiently.

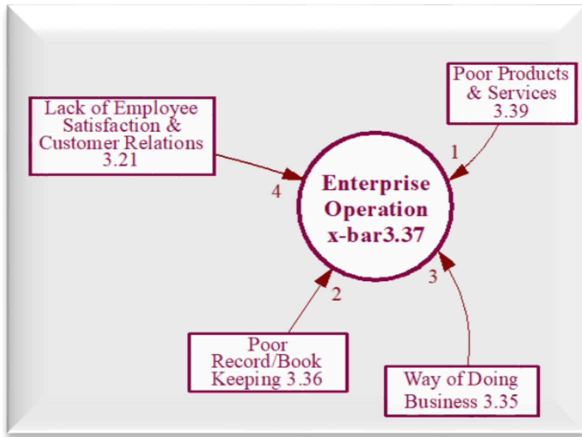


Figure 6.8 Enterprise operation barrier

Results from the inferential analysis, using Spearman's rank correlation coefficient used to test hypothesis H_8 showed that there is a significant negative relationship between the success of small business in North West Nigeria and enterprise operation. In this view, owner-managers in North West Nigeria perceive lack of employee satisfaction and customer relations, poor record/book-keeping, poor products and services, and way of doing business as contributors to the creation of enterprise operation barrier, and therefore, have a negative influence on the success of their business. Across the three sectors, 36.7% of respondents believe enterprise operation barrier to be a medium barrier to their businesses (*See Table 4.12*). In the qualitative stage, participants shed more light on the concerns contributing to the creation of enterprise operation barrier. They stated that lack of employee satisfaction left them struggling because staff were leaving (*See Section 5.1.8*).

Another concern was the way of doing business. Respondents (81.5%) stated they are happy with the way their business is going (*See Appendix L – ways of doing business*). While participants in the qualitative stage acknowledged the way the business operated was not in a way that desired results would be achieved. A possible explanation to this is that those in the quantitative stage are owner-managers still in operation and may seem to be handling the business in the right direction. While those in the qualitative stage are owners of closed/failed business, who after a reflective view of the way the business operated found out that they have made certain errors in judgement. The finding of Aminul Islam et al., (2008) and Ropega (2011) support the finding of this study. They found that the success of a business usually depends on the way of doing business and that the reaction to initial success by the owner-manager could lead to loss of control, which will create ignorance of the possible problems that may affect the business.

Another interesting finding from this study is poor record keeping which was ranked number two by owner-managers (*See Figure 6.8*). It can be argued that the absence of basic management experience, poor accounting and record-keeping skills can create administrative problems for owner-managers. However, as mentioned earlier (*Section 6.1*), owner-managers in this study with a certain level of education such as degree holders have a better structure for their businesses and a better record keeping process. Additionally, participants in the qualitative stage state they do not have a proper accounting and book-keeping strategy (*See Section 5.1.8).* This finding support that of Tushabomwe-Kazooba (2006) who cited administrative problems as the major cause of failure for a small business. Further supporting the findings, Oduntan (2014) and Worku (2016) found that poor record and bookkeeping characterise businesses, thus lacking the necessary information to plan and manage the business. Another issue of concerns to owner-managers was lack of passion for the product or service they provide. Therefore, it serves as a barrier to the business success. However, 90.3% of the respondents believe that when they offer quality products and good customer service they can improve their business success (*See Table 4.4*). This finding is contrary to that of Chittithaworn et al., (2011) who found that products and services had no significant effect on the business success of SMEs in Thailand. However, the findings corroborate that of Aminul Islam et al., (2008) who argues that products and services are one of the most significant factors in determining the business success of SMEs in Bangladesh.

6.5 Ranking of Barriers to the Success of Small Businesses in North West Nigeria

From the systematic literature review, which is a transparent process that minimises bias in searching for literature (Transfield, et al., 2003), previous studies have highlighted several concerns that contribute to the creation of barriers to the success of small businesses, which were used to developed the conceptual framework for this study. The framework was then used to construct the hypotheses that were tested in section 4.7. Therefore, to further have a clearer understanding of the findings from this research and focus on the most important barriers to be addressed, the average mean score in the quantitative stage and percentage coverage in the qualitative stage were used to rank the barriers as identified by respondents. This ranking shows that owner-managers in both the quantitative and qualitative stages perceive these barriers to have a negative influence on their businesses, and therefore, reduce the chances of success. In addition, the ranking will give a focus to the owner-managers and other stakeholders (government, policymakers, financial institutions, and NGO) to know the main barrier to the success of small businesses and to concentrate on addressing it first or give it a priority in terms of channelling resources to address the barrier. Further, this ranking will ensures resources are fully utilised by stakeholders and ultimately, lead to a more vibrant small business sector in North West Nigeria. The ranking of the barriers to the success of small business in North West Nigeria is presented below.

Table 6.1 Ranking of barriers to the success of small businesses in North West Nigeria

Barriers	Quantitative Findings		Qualitative Findings	
	Ave. Mean Score	Ranking	Percentage Coverage	Ranking
Infrastructure	3.95	1	16.3	3
Regulatory & Corruption	3.93	2	20.3	2
Strategic Management	3.75	3	8.2	4
Regional Culture	3.69	4	1	8
Entrepreneur Lifestyle (Personality & Traits)	3.64	5	2.4	7
Education	3.51	6	6.4	6
Finance	3.47	7	41.2	1
Enterprise Operations	3.37	8	6.8	5

A new systemic diagram that shows the influence between the barriers to the success of small businesses is developed based on the ranking by respondents in the quantitative stage, because it is the main method of data collection and analysis. Therefore, the qualitative stage as mentioned in section 3.3.3 was to provide further clarity to the quantitative findings.

6.6 Improved Systemic Diagram

It is worth reminding the reader that the findings from this research were derived from the mixed method approach, using quantitative and qualitative data analyses to achieve the objective of the research. However, as mentioned in *section 3.3.3* the quantitative method is the main method of data collection and analysis in this study. The first objective was to identify possible concerns that contribute to the creation of barriers to the success of small businesses using a systematic literature review. The review identified a combination of concerns to the success of small businesses. The second objective was to evaluate the influence these barriers have on the success of small businesses. The third objective was to examine the systemic influence between the barriers to the success of small businesses in the context of North West Nigeria from the perspective of owner-managers. The qualitative stage using semi-structured interview was used to further explore the perception of owners-managers based on their experience.

The initial conceptual framework for this study was designed based on the systematic literature review conducted in this study (*See Figure 2.1*), and only identifies the concerns that contribute to the creation of barriers without an indication to the major barrier to small businesses and how the barriers influence each other to hinder the success of small businesses. Therefore, an improved systemic diagram is presented below using the barriers from the systematic literature review, findings from the factor analyses, which identified concerns that are inter-correlated and intended to measure the same barrier; ranking of the barriers based on the perception of respondents', and results from the exploratory factor analysis used to test the hypotheses.

The improved systemic diagram below reflects findings and serves as the major contribution from this study, indicating which barrier is considered as having the most influence on the success of small businesses as ranked and perceived by respondents. In addition, how the barriers influence each other and reduce the chances of success for small businesses in North West Nigeria. The colours used on the improved systemic diagram are only intended for differentiation and easy identification. From the diagram, each barrier and its average mean score is placed in a circle, and the concern used to measure the barrier along with their mean scores are placed in a square. The numbers beside the squares indicate the ranking for the concern based on the mean score as ranked by the owner-managers. The dotted lines shows the correlation coefficient (r^2) indicating the influence between barriers, while the thick arrows pointing to the *hexagon* indicate the influence of each barrier to the success of small business, based on the average mean score as ranked by owner-managers in North West Nigeria. The improved systemic diagram is presented below.

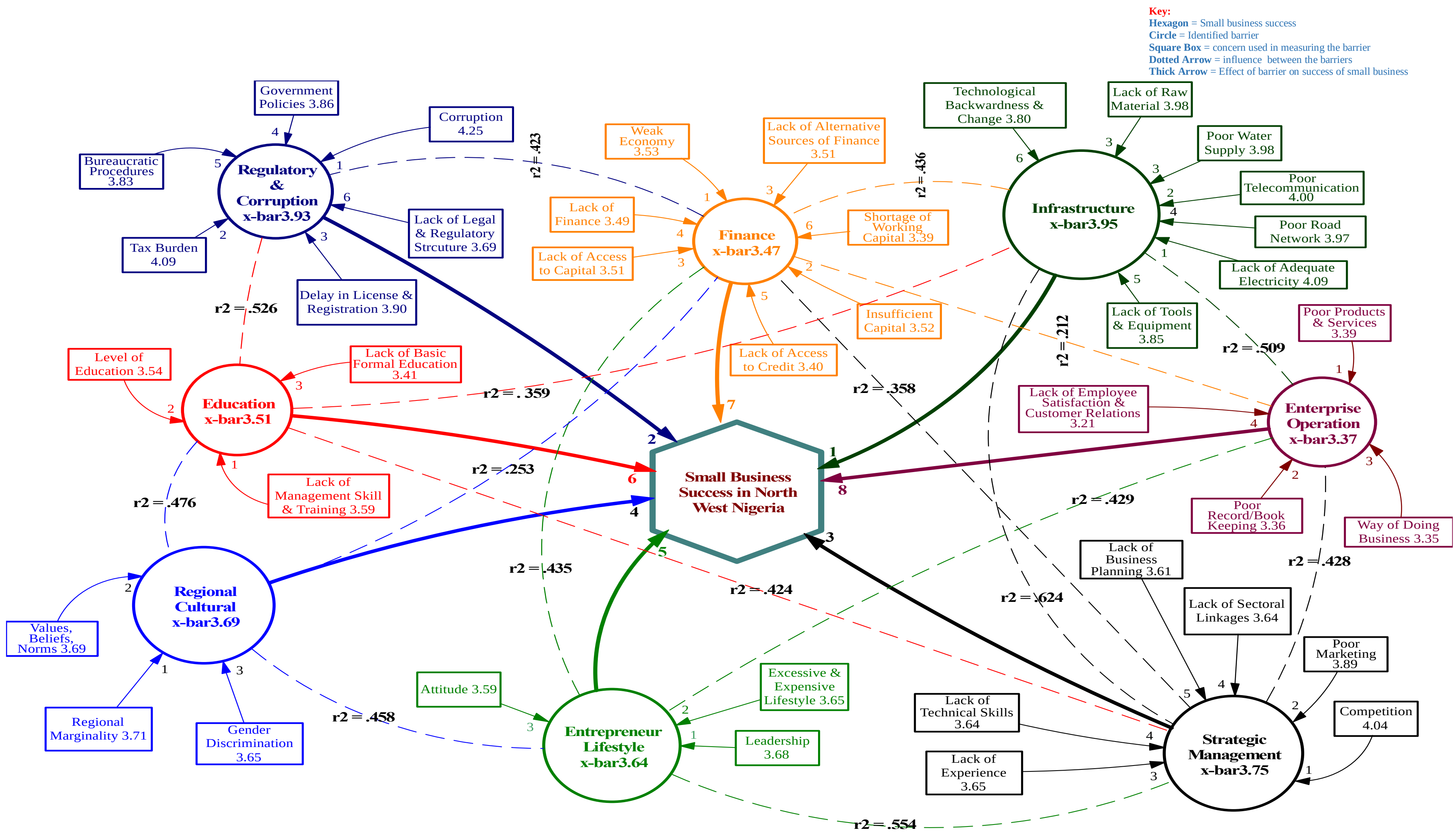


Figure 6.9 Improved Systemic Diagram

The term influence is used to show the association between the barriers as they affect one another. The concerns that contribute to the creation of barriers in the improved systemic diagram were derived from literature in previous studies both within the context of Nigeria as well as studies in other countries. This shows the similarity of the concerns conceptually, however, there are slight differences in the context due to differences in characteristics. Okpara (2011) states that problems facing small businesses particularly in Africa are significantly different and unique from those faced in developed countries. Therefore, there is a great discrepancy in identifying which concern, in fact, lead to success (Lussier and Halabi, 2010) due to a complex set of interrelated and contextual issues (Fielden, et al., 2000). Despite the varying obstacles across Nigeria, some are common across all regions within the country. Therefore, this study identifies the concerns contributing to the creation of barriers to the success of small businesses via systematic literature review. In addition, it offers a systemic diagram as perceived by owner-managers in North West Nigeria that shows the influence between the barriers and their ranking as they hinder the chances of success for small businesses. The improved systemic diagram introduced above is discussed below.

6.6.1 Education

Findings from this research showed most owner-managers are characterised by having some form of educational qualification. This finding suggests that there are people that are more educated willing to go into business in North West Nigeria, because of the change in the global economy and the digital revolution, which have changed the skills required to do business. Therefore, acquiring some form of education is necessary. From the new systemic diagram, education as a barrier to the success of small businesses in North West Nigeria ranked fifth by respondents. Further, findings suggest that education with a mean score of 3.51 and sixth, is a medium barrier to the success of small business in North West Nigeria. However, from the improved systemic diagram, respondents ranked lack of management skill and training as the number one concern that contributes to the creation of education barrier. This reveals that, the chances of success for small businesses is hindered by the owner-managers' lack of management skill and training. This finding is consistent with the findings of Jafarnejad et al., (2013) who showed that poor management and lack of training of business owners leads to mistakes in business and eventually leads to the deterioration of the business.

Also, linked to education barrier is the level of owner-managers' education, which ranked second by respondents. The improved systemic diagram shows that owner-managers perceive level of education as less significant to management skill and training in improving the chances of the business being a success. This reveals that, based on the level of qualification, the more educated an owner-manager is, the more successful and structured the business would be (*See Appendix O).* For example, a business owner with a degree would be able to apply the management knowledge acquired technically to enhance the business, particularly, if they participated in entrepreneurship-related courses much more than a business owner with no qualification. In addition, a respondent (*CBOKD)* argued that having the qualification would reduce certain overheads by working autonomously rather than outsourcing certain aspects to others with the appropriate qualification (*See Section 5.1.1*). This finding supports Robson and Obeng (2008), and Majuru (2014), who showed that small business owners with any level of qualification do better compared to non-qualified owners. Further, the findings also support that of Strobel and Kraztner (2017) who showed that owner-managers' lack of standards for knowledge management leads to a decline in innovative potential of the business. Another important finding associated to education barrier is owner-managers' lack of basic formal education (literacy), ranked third by owner-managers on the improved systemic diagram. This means that owner-managers in North West Nigeria perceive basic formal education as not so much of an issue to the success of their businesses. However, it should be noted that not having it is an issue because owner-managers need to cope with the changing technological and economic environment.

In view of the above, participants in the qualitative stage cited certain businesses in the retail, service sectors in Kano doing very well, and managed by owner-managers without the basic formal education (literacy). However, they also stated that the business structures could be enhanced if the owner-manager had the basic education that would help them appreciate the value of using modern forms and methods of business. This is consistent with the findings of Indarti and Lagenberg (2004), Felix, and Ezenwakwelu (2014) who showed that the success of small business is influenced by lack of basic education (literacy) because the owner-manager needs the requisite management skill needed to run the business and make informed decisions.

6.6.2 Finance

Finance has been publicised to be the major barrier to small businesses in literature both within the context of this study, such as Okpara (2011) and World Bank Report (2016) and in another context, such as Beck and Demirguc-Kunt (2006). They argued that finance is essential for the development process and an important component that facilitates the entry, exit, survival, growth and success of firms. This supports the qualitative stage of this study, where owner-managers of closed businesses affirmed that finance as the major barrier that led to the closure of their businesses. Owner-managers in North West Nigeria perceive finance to be a low barrier to the success of their businesses and therefore, ranked it seventh (*See Section 6.5*). This means that finance in general is not a major concern that hinders the success of businesses in that region. It should be noted that having the finance or sufficient money to run the business would not guarantee success because there are other pressing concerns, including poor infrastructure such as electricity, which owner-managers see as having more influence on their business than finance.

From the improved systemic diagram, weak economy as a concern that contribute to the creation of finance barrier was ranked number one by owner-managers. This is despite the country's status as the largest economy in Africa and producer of oil (Ohuocha, 2014). However, it can be argued that the insecurity in the region creates a non-conducive business environment, hence, the reason for a weak economy. In addition, a weak economy can be caused by government policies or unfavourable laws, which creates investment uncertainty and scares potential investors that might be interested in a partnership. These instabilities also influence the decisions owner-managers make regarding expansion and diversification.

The improved systemic diagram shows that the success of small businesses in North West Nigeria is hindered by insufficient capital, which was ranked second by owner-managers as a concern that contribute to the creation of finance barrier. Therefore, it can be concluded that owner-managers without sufficient capital to run the business are faced with the added pressure of ensuring the business records success. Further, owner-managers ranked lack of access to capital third as a concern under finance barrier that reduces the chances of business success. Findings reveal that most of the owner-managers used personal finance to start their business (*See Section 4.3.2*), which makes them undercapitalised (insufficient capital). In addition, they also highlighted complicated procedure in applying for loans and lack of support from government or financial institutions as the reason for using personal finance.

Small businesses struggle to have access to capital and majority of the owner-managers in North West Nigeria see the support provided as mostly targeted at larger firms. The requirement needed to qualify for any support from the government through SMEDAN or financial institutions like Bank of Industry makes it difficult and most times information about these supports are only on paper, thus, playing lip service. However, owner-managers should consider generating income from the business rather than focusing on external sources. Additionally, lack of alternative sources of finance on the improved systemic diagram was jointly ranked third by respondents. This means that there are none or limited alternative sources of finance for small business. It can be argued that the absence of support from government and financial institutions such as informal equity financing, venture capital and leasing that are particularly, tailored towards small businesses hinder the success of their businesses. Although, it should be noted that the role of government is to provide a friendly business environment, not capital. Therefore, it can be concluded that policy documents from the government or financial institutions regarding business support are tailored towards larger firms and rarely accommodate small businesses. Lack of finance ranked fourth by owner-managers on the improved systemic diagram is closely related to lack of access to capital and lack of alternative sources of finance. This means that owner-managers have difficulty in accessing finance for start-up or improving existing business. However, it should be noted that the availability of finance does not necessarily lead to success, what may be missing is the desire and commitment from owner-managers to be successful by using generated income from the business itself. The key is to ensure the businesses are profitable in the first place, otherwise, the problems of finance will linger forever with no solutions.

Another finding highlighted on the improved systemic diagram is lack of access to credit, which was ranked fifth by owner-mangers as a contributing concern to finance barrier. It can be argued that owner-managers ranked it fifth due to the absence of a strong and vibrant economy, where access to finance, capital and alternative sources are readily available. Further, as earlier stated (*See Appendix L*) most owner-managers in North West Nigeria used personal finance because they cannot provide the needed collateral to secure the credit or loan, and where they meet the requirement for the credit or loan, the repayment period is too short. A conclusion can be made that owner-managers in this category that started with personal finance have more control over their business and will know how much money they have available to them to invest in the business. This supports the report by the World Bank on assessing the investment climate in Nigeria 2016, where it stated that the banking and trade credit systems in Nigeria work well for large firms but not necessarily for small firms.

Small businesses face a difficult task of getting credit if they have no credible record of paying back and it is risky to advance credit to these firms. Therefore, their access to credit is dependent on their ability to pay back, banks and other financial institutions cannot advance credit to small businesses because of poor management records. Owner-managers need to sort themselves by earning respect by showing financial discipline and credible track record of paying back credits and loans.

Findings from this study also showed a shortage of working capital as a concern that contribute to creating the finance barrier to small businesses, and ranked sixth by owner-managers on the improved systemic diagram. Small business are generally known for not having a good financial plan and discipline. Therefore, based on the ranking by respondents a conclusion can be made about the success of their business being hindered by their inability to prioritise their financial spending based on needs assessment. Hence, the reason for shortage of working capital. Additionally, in a situation where not all the concerns under the finance barrier as mentioned above are available, it is only paramount for small businesses to suffer a shortage of working capital. As highlighted in the qualitative stage, most of these businesses do not generate enough income to sustain the business; therefore, compromising many things (*See Section 5.1.2*). In this view, because the business does not generate enough income, it would be difficult to hire the right people or to compete favourably in terms of acquiring the necessary equipment or engage in research and development. This according to Benzing et al., (2005) will create weakness in operational management and subsequently, lead to business failure.

6.6.3 Infrastructure

The findings from both the quantitative and qualitative stages of this study agreed that infrastructure impedes the success of small businesses in North West Nigeria. However, owner-managers in the quantitative stage ranked infrastructure as number one barrier to the success of their businesses. In the Economic, Growth and Recovery Plan (EGRP) report of 2016, infrastructure was captured as one of the main reasons for the less conducive nature of the business environment in Nigeria. Concerns used to test infrastructure barrier include lack of adequate electricity, which was ranked number one on the improved systemic diagram by respondents. It can be argued that businesses in North West Nigeria record higher losses and others closing due to the high cost involved in providing electricity independently through alternative sources as highlighted in the findings. For example, using diesel-powered generators to run the business, which is not sustainable because of the high cost of diesel. Additionally, findings from the qualitative stage further revealed the lack of adequate electricity effect on small businesses. All owners of closed businesses conceded that it had a serious negative impact on their businesses, and served as one of the major reasons some of them had to close. Specifically, small businesses that are into production said the cost of providing electricity at their own expense added to their cost of production, which ultimately adds to their overhead cost, making it difficult to sustain the business. This finding is in line with the Investment Climate Assessment (ICA) of 2009 and 2011, which reports lack of access to electricity as one of the top three most important constraints to businesses in Nigeria.

Poor telecommunication ranked second as a concern that contribute to the infrastructure barrier on the improved systemic diagram. The ranking shows that owner-managers believe the high cost of telecommunication and poor network service due to dropped calls and connection failure has a negative effect on their businesses, and reduces the chances of success. Poor water supply and lack of raw materials were jointly ranked third respectively by owner-managers. This means that small businesses perceive this to be a hinderance to their businesses success and would have to provide an alternative source of water supply to run the business. The alternative ways are to make provision for overhead water tanks to store water when the water is available or to drill boreholes, which could be expensive and mostly determined by the geological conditions, which can affect the quantity and quality of water.

Concerning raw materials, it can be argued that hoarding by suppliers in favour of bulk buyers and big firms creates artificial scarcity for small businesses in North West Nigeria. This means that for small businesses to have a constant supply of raw materials, they would have to pay extra per unit cost because they buy in small quantities. Another important issue is the poor road network, which was ranked fourth by owner-managers as a concern that hinders their business success. Participants in the qualitative stage state that poor road network impedes their access to raw material and limits their access to other markets. This finding supports the findings of Okpara (2011) who found; poor road network invariably raises the transportation cost for small business, which makes their operations difficult. In addition, Adisa et al., (2014) stress that poor road network hinders the growth of small businesses and makes the distribution of goods and services difficult in some areas.

Additionally, lack of tools and equipment as a concern that contributes to the infrastructure barrier was ranked fifth by owner-managers. The negative effect of not having the right tools and equipment such as modern production or processing machines for the success of their business can slow their processes and lead to many errors. This result is explained by the findings of Okpara and Wynn (2007) and Strobel and Kraztner (2017) who found that using obsolete and inappropriate tools and equipment translates to a traditional and rudimentary way of doing business, which results in low production and less quality (Nor et al., 2016).

The issue of technological backwardness and change – refusal or inability to access, accept and use modern technology, a concern that contributes to the infrastructure barrier was ranked sixth by respondents. It can be argued that in modern-day business the use of technology such as computers, internet, process and procedure and specific software applications are significant for the success of a business. However, within the context of this study, it can be concluded that the cost and skills involved can be inhibitive. Therefore, lack of adequate electricity or the high cost of internet prevents owner-managers from embracing modern technology that would simplify business processes. Another issue might be that of the level of education and lack of training, where owner-managers with no basic formal education (literacy) are not receptive towards the use of technology. There is no doubt that infrastructure can increase the cost of production and reduce the competitiveness of small businesses in North West Nigeria. However, it should be noted that despite the seeming lack of interest in the use of modern technology, small businesses in North West Nigeria have done well. Despite the changing dynamics in the hostile competitive business environment, most are now open to the use of modern technology to be innovative and keep up with the competition.

6.6.4 Regulatory and Corruption

The study found that owner-managers agree regulatory and corruption is a barrier to the success of businesses in North West Nigeria, thus ranked number two barrier after infrastructure barrier. This result conforms to that of Sathe (2006) who argues that government regulations and their bureaucratic procedures can hinder small businesses by introducing policies that will restrict their autonomy as well as their entrepreneurial freedom.

Corruption as one of the concerns that contributes to the regulatory and corruption barrier was ranked number one on the improves systemic diagram by respondents. The World Bank report of 2016 on assessing the investment climate in Nigeria stated that corruption is one of the top three constraints that concerns most managers. Specifically, 49% of firms in Kaduna and Kano states in the report said bribes are needed to get things done and ranked corruption second after poor electricity supply. In this sense, the bribe facilitates the speed at which things are done, and where a bribe is not given, the process may take more than the stipulated time of processing. Additionally, in the 2015 Corruption Perception Index (CPI) Nigeria ranked 136 out of 168 countries on corruption and corrupt practices. Corruption is an enormous challenge for businesses in Nigeria, particularly small businesses. However, some of the small businesses have promoted corrupt practices. In the qualitative stage of this study, a participant (*CBOKN1*) conceded to paying a lesser amount in tax, which eventually does not end up in the government coffers, and further explained how they bribe officials before they get what they want, for instance, getting tax clearance certificate. The perpetrators of such should be punished once found guilty. In addition, government agencies fighting corruption like the Economic and Financial Crimes Commission (EFCC), and Independent

Corrupt Practices Commission (ICPC) should be strengthened and independent of the government for them to succeed.

Another issue under the regulatory and corruption barrier was tax burden for small businesses, which was ranked second by respondents. Tax burden for small businesses in North West Nigeria as ranked by owner-managers has to do with multiple taxations, different government officials charge small businesses for the same thing. For example, payment for advertisement is charged under different names such as signage, mobile advert or billboards. This issue of multiple and high taxes would make small business in North West Nigeria less concerned with tax regulations and more likely to evade payment of taxes. This finding supports that of Krasniqi (2007) who states that some countries especially developing nations have many taxes and complying with the tax authority requirements are very complicated, and these excessive regulations provide the avenue for businesses to evade regulations.

It is also clear from the research that small businesses in North West Nigeria face delays in licensing and registration, this was ranked third by respondents as a concern that contributes to the regulatory and corruption barrier. Licensing and registration give small businesses the permission to register and start operations and sometimes used to identify businesses to receive support. In the qualitative stage, with 21% coverage, owner-managers emphasised the effect of licensing and registration as a high concern to the success of their business. Delays in getting licensed and registered can be caused by the authorities in charge, who try to control the business activities by demanding for a bribe. While this is a general issue in the country, this type of practice has made it very difficult to do business in North West Nigeria. This reflects the World Economic forum 2016-2017 global Competitive Index (GCI) where Nigeria ranked 127 out of 138 countries on ease of doing business, while the 2018 World Bank's Doing Business Index (DBI) has Nigeria ranked 145 out of 190 countries.

Another important issue in this study is government policies, which was ranked fourth under the regulatory and corruption barrier. The ranking shows that owner-managers believe government policies play a very strong role in contributing to the creation of regulatory and corruption barrier, and therefore, hinders the success of small businesses in North West Nigeria. Primarily, through over regulations by government, which causes delays in approvals and creates confusion on the part of the owner-managers. A possible explanation to this confusion is that these policies are existing only on papers as highlighted by participants in the qualitative stage and when it comes to application and implementation, there are a few distortions. Those in charge of ensuring the laid down policies are followed, promote the failure of the policies through corrupt practices. For example, in the qualitative stage, participants state that government comes up with policy documents on how to support small businesses in terms of training and development. However, those responsible for the implementation of such training organise for a select few businesses and divert the remaining funds or the funds budgeted for the training and support are not sufficient, therefore, only a few business would benefit.

Stemming from the above, bureaucratic procedure was ranked fifth on the improved systemic diagram by respondents. Bureaucratic procedure can be complications in the application process for assistance in terms of training or accessing funds from the government or other financial bodies. However, Mambula (2002) argued that some of the responsibilities that creates the complications are because of the owner-managers not meeting certain requirements that would enable them to qualify for the support. While the issue of bureaucratic procedure is a general issue in most developing countries and businesses are usually compelled to alter the framework (Eniola and Entebang, 2015), the bureaucratic procedure has no significant impact on small businesses (Krasniqi, 2007).

Lack of legal and regulatory structure as a concern was ranked sixth by owner-managers in North West Nigeria. As mentioned in *section 5.1.4*, the legal and regulatory structure set by the government for small businesses are existent only on paper and mostly outdated. The ranking by respondents shows that there is a mere absence or weak legal and regulatory structure for small businesses in North West Nigeria. A conclusion can be made that when the legal and regulatory structures are put in place, the government agencies concerned do not involve owner-managers of small businesses in the process of coming up with these structures. Therefore, the structure is designed in a top-down approach and does not consider the input of owner-managers. Thus, the small businesses are not favoured. Contrary to this, Onugu (2005) states that the small businesses are not organised because of their low-level capacity in management; therefore, their low-level knowledge of legal and regulatory practice makes it difficult for them to understand.

6.6.5 Regional Culture

Regional culture barrier was ranked fourth on the improved systemic diagram by respondents. This ranking shows that owner-managers in North West Nigeria are limited by cultural values from enjoying certain privileges, such as access to finance. In addition, they are restricted from engaging in businesses based on speculation or interest based. However, the emergence of Western education, which brought about so many changes, including the way of doing business has influenced the business culture in the region. Moving from a dependent culture that negates the essence of hard work based on the misinterpretation of religious beliefs and values where people encourage belief in destiny. The business culture in the North is quite different from business culture in the South where business success is dependent on the personal qualities of the owner-manager.

Regional marginality as a concern contributing to the regional culture barrier was ranked number two on the improved systemic diagram by respondents. The issue of regional marginality is one area has been neglected in research, especially, concerning small businesses. Accordingly, little surprise those owner-managers (39.5%) in North West Nigeria see it as an impediment to the success of their businesses. In the context of this research, a conclusion can be made that regional marginality is because of the huge gap in regional economic development between the North and South, caused by strict religious beliefs and values, number of enlightened industrialists and organised associations. This has created an imbalance concerning the economic growth and entrepreneurial activities because providers of funds and training prefer to deal with organised associations, which are mostly found in the Southern region of Nigeria. This finding supports that of Mashenene et al., (2014) who argued that strict cultural values, beliefs and traditional norms hinder the success of small businesses.

On the contrary, Liu (2004) who argue that regions with much more advanced business structures would possess much higher economic development level. Additionally, Yang and Xu (2006) stated that a region with larger economic scale indicates a bigger potential consumer market that will have a very positive impact on the development of enterprises. However, despite the outcome of this study regarding regional marginality, it should be noted that the current government have shown the desire to support small business. This has started yielding results as contained in the World Bank 2016 report on assessing the investment climate in Nigeria, with many entrepreneurs springing up in North West that are willing to maximise the opportunity.

Gender discrimination was ranked third on the improved systemic diagram as a concern contributing to the regional culture barrier that affects the success of small businesses in North West Nigeria. The ranking shows that the concern is not regarded by owner-managers as a serious regional culture barrier. Additionally, the qualitative stage of this study further affirms this, as two female participants (*CBOKD and CBOKN2)* said they had not faced any discrimination, regarding application for government support or loan application, even though the loan application by *CBOKD* was not successful. Again, this shows how far the North West has come in terms of embracing the dynamism of business activities, where female entrepreneurs are not discriminated against based on their gender. Additionally, to encourage more female participation, the government has launched a Women in Investment and Enterprise programme (WinIE), which is an economic and empowerment initiative run by the Federal Ministry of Industry, Trade and Investment in partnership with Growth and Empowerment in States (GEMS). The programme is to build the capacity of women entrepreneurs through a framework that will help them connect to markets and help facilitate them access credit. The WinIE piloted in Kaduna state, and the success of this programme has encouraged the federal government to expand the implementation to other states.

6.6.6 Entrepreneur Lifestyle (personality and traits)

The improved systemic diagram revealed that entrepreneur lifestyle (personality and traits) was ranked fifth by owner-managers as a barrier to the success of businesses in North West Nigeria. This response is surprising, and it was never envisaged that owner-managers would be frank in assessing how their personality and traits shape how they do business. Whereas in the qualitative stage, owner-managers did not see their lifestyle as a barrier that led to the closure of their business, instead, they attributed the failure of the business as a problem caused by their staff (*See Section 5.1.6).* This finding is in line with the work of Baumback and Lawyers (1979) who argued that owner-managers blame the failure of their business on so many things but never on their actions.

Another concern used to test the entrepreneur lifestyle barrier is leadership. This was ranked number one by owner-managers on the improved systemic diagram. The ranking shows the honesty in owner-managers who perceive their leadership style as impeding the chances of success for the business. Small businesses are sensitive to competition, and therefore, the leadership by owner-managers is not proactive enough to positively influence the position and viability of the business. Therefore, it is paramount that owner-managers pay attention to their leadership style to determine the success of their business.

Excessive and expensive lifestyle is another concern that contribute to the creation of entrepreneur lifestyle barrier, which was ranked second on the improved systemic diagram. Again, this is another honest response from owner-managers, the ranking shows that they acknowledge their grandiose lifestyle impedes the chances of success for their business. Further, as highlighted in section 2.2.2 excessive and expensive lifestyle as a direct consequence of internal consumption, is an act of showing off wealth using company's resources to realise personal ideas of improve social status leads to small business failure. Additionally, the improved systemic diagram shows that owner-managers ranked attitude third as a concern that contributes to the creation of entrepreneur lifestyle barrier. Meaning that their attitude is less of an impediment to the success of their business. In this view, it can be argued that attitude of the owner-manager may be different from their leadership style, and therefore, the reason they regard it less of an impediment. The owner-mangers attitude can affect the leadership style, for example, not delegating responsibilities to subordinate or having a silo mentality can impede business success. This is potentially an interesting area of consideration for future research.

6.6.7 Strategic Management

Findings from the improved systemic diagram show that owner-managers ranked strategic management as number three barrier to the success of business in North West Nigeria. This is perhaps surprising as a response because it has been widely reported in the literature (e.g., Mambula, 2002; Beck and Demirguc-Kunt, 2006; Okpara and Wynn, 2007; Benzing et al., 2009) that finance is the major barrier to the success of small businesses, particularly, in developing countries. However, the concerns used to test the strategic management barrier may contribute to the outcome. Competition as one of the concerns was ranked number one, this means that owner-managers believe competition which could be from other local or international businesses reduces the chances of business success. In addition, poor marketing as a concern contributing to strategic management barrier is ranked number two by owner-managers on the improved systemic diagram. This ranking shows that poor marketing of product and services is closely associated to owner-manager's inability to handle competition in a highly competitive market. This finding supports the work of Ropega (2011) who argued that marketing and distribution strongly shape the position of a business in the market.

The improved systemic diagram shows that owner-managers' lack of experience (ranked third as concern) either in business or other fields reduces the chances of success. Further, as highlighted in *section 6.4.7* the level of experience improves the chances of success for the owner-managers in North West Nigeria and serves as a criterion for evaluating the success of the business. For example, those businesses who had experienced owner-managers, either from previous business or from working in an organisation have better-structured businesses. Koush (2002) argues that lack of experience may lead to suboptimal decisions and eventual collapse of the business. From the improved systemic diagram, lack of technical skills and lack of sectoral linkages (ranked fourth respectively) show that owner-managers in North West Nigeria without the technical skill or knowledge of the business lack the functional competencies to meet and exceed expectations, and therefore, pose a serious threat to the success of the business.

Sectoral linkages between businesses is necessary if they are to record greater success. The ranking on the improved systemic diagram means that lack of sectoral linkages with other businesses within the same sector or across other sectors limits the chances of enjoying better economies of scale. The reason could be in most cases, large firms source their raw materials elsewhere instead of subcontracting to smaller businesses. Further, due to lack of experience, owner-managers cannot focus and the role of selective perception, such as affiliation with other businesses.

Lack of business planning ranked fifth as a concern contributing to the strategic management barrier on the improved systemic diagram. This means that lack of proper business plan is perceived by owner-managers to affect the structure of the business, ranging from a financial plan to other strategic plans like adjusting to change in government policies. Additionally, owner-managers with experience and a higher level of education tend to plan better (*See Section 6.4.7*), which gives them a better business structure. Additionally, a participant from SMEDAN who was interviewed conceded that, if businesses do not plan, then they are planning to fail. These findings support the work of Nkonoki (2010) who argued that poor planning lead to poor management actions and decisions. These findings suggest that a good business plan by owner-managers in North West Nigeria will serve as a strong incentive for the success of their businesses.

6.6.8 Enterprise Operation (day-to-day running of the business)

Owner-managers perceive enterprise operations as a medium barrier and ranked it eight as a barrier to the success of businesses in North West Nigeria. The concerns under the enterprise operations include poor products and services, which respondents ranked number one on the improved systemic diagram as a concern that hinders business success. This ranking reveals that owner-managers believe their products and services are not up to standard. This could mean that they do not pay attention to detail, they are not proactive to changing market demand, and they are not involved in the process of product and service development, hence, the reason for poor products and services. This finding is contrary the work of Raunch, Wiklund, Lumpkin and Frese (2009) who argued that being proactive is an opportunity-seeking, forward-looking perspective, which is characterised by introducing new products and services ahead of the competition. Therefore, owner-managers in North West Nigeria need to seek new opportunities in an environment that is rapidly changing and to introduce new technology in the process of production and services development.

Another concern on the improved systemic diagram is poor record/bookkeeping, which was ranked number two by respondents as a hinderance to the success of business. This ranking means that owner-managers believe this to be the main concern reducing the chances of business success. An explanation to this could be due to owner-managers inability to prepare formal books of financial records or bookkeeping. For example, a participant (*CBOKN1*) in Kano did not have a structure of injecting money into the business. At the end of their financial year, they simply calculate how much they have injected into each branch and the balance regarded as profit. This kind of practice makes it difficult to record initial business transactions and for auditing the business. This supports the work of Pickle and Abrahamson (1990) who found that businesses increase their cost because they do not carry out good inventory control, which might lead to eventual failure.

The improved systemic diagram reveal ways of doing business as a concern contributing to the enterprise operation barrier. This was ranked third by owner-managers in North West Nigeria as a hinderance to their business success. This ranking means that owner-managers identify with the need to have a good business structure that will interpolate the functions within the business. Further, conclusions can be made that the competitive nature of the environment has an impact on the ways of doing business, therefore, reducing the chances of success for businesses. Additionally, participants in the qualitative stage further explained the concern and state that changes that will improve the business are not easily embraced because of the traditional and rudimentary ways of doing business. This makes it difficult to keep up with the dynamic nature of the business environment and customer needs.

Another concern on the improved systemic diagram is lack of employee satisfaction, and customer retention, which was ranked fourth by owner-managers. Ranking shows that owner-managers believe that lack of employees satisfaction and customer retention reduces the chances of business success. Lack of employee satisfaction could be because employees do not receive some form of recognition for their work or they feel underpaid, and therefore, tend to be disloyal. When employees are not given a chance to express opinions that may be beneficial and improve the business or they are underpaid, it will eventually affect customer retention and lead to poor treatment of customers. This supports the findings of Hubbard and Hailes (1998) and Worku (2016) who found that having unsatisfied employee whether family or not influences poor financial record and creates a barrier in the operation of the business. Additionally, not having the conducive environment for interaction between the owner-manager and the employees affects the ways of doing business.

Findings from this study show that the identified and tested barriers influence the success of small businesses in North West Nigeria (*See Section 4.7).* When asked to rate the severity of the barriers that serve as the most influencing to the success of their business, owner-managers in North West Nigeria reported infrastructure as the most influencing barrier. Followed by strategic management; regional culture, entrepreneur lifestyle; education; finance; regulatory and corruption; and enterprise operation (*See Figure 6.9*). However, it should be noted that there is no accepted theory regarding the specific barrier to the success of the small business or how these barriers rank regarding their influence on business success (Lussier and Corman, 2005). Therefore, an explanation is provided below on a combination of barriers from the improved systemic diagram, specifically, how they influence the success of small businesses, which is based on the context of this research.

6.7 Influence between Barriers to the Success of Small Businesses in North West Nigeria

As stated in this study, barriers influencing small businesses vary across businesses and regions. Therefore, many barriers as stated in systematic literature review influence the success of the small business (Simpson et al., 2004), and North West Nigeria is not an exception. To understand in greater perspective the influence of these barriers to the success of small businesses in North West Nigeria discussed above, and based on the improved systemic diagram, the influence between one barrier and another is presented below to show how they hinder the success of small businesses in North West Nigeria. It should be noted that the influence is based on the discussion of findings for this research, and therefore, specific to the context of North West Nigeria.

On the improved systemic diagram, infrastructure barrier is perceived by owner-managers as the major barrier reducing the chances of success for small businesses in North West Nigeria. Specifically, lack of adequate electricity, which is ranked as the main concern reducing the chances of business success under infrastructure barrier, can influence how an enterprise operates, particularly, ways of doing business regarding products and services. As mentioned earlier, these businesses provide their electricity to run the business, which adds to their overhead. The issue of adequate electricity has lingered for such a long time and despite the heavy investment of $16 billion between 1999 - 2007 (Henry, 2015), there is no light at the end of the tunnel concerning improvement in generation and supply. Therefore, small businesses must continue to make alternative plans concerning the supply of electricity to run their businesses.

In addition, under infrastructure barrier the concern lack of raw materials can influence the enterprise operation barrier, particularly, the type of products and services small business offer. While lack of experience and technical skills as a concern under strategic management barrier may influence the kind of infrastructure the business uses. For example, 85.3% and 83.6% of owner-managers, respectively, believe that good infrastructure and efficient technology will improve the chances of success for their businesses (*See Table 4.4*). This may include the use of computers, software applications for accounting and a certain level of technical skills. Also, under the strategic management barrier, the kind of decision and position small business take with regards to marketing, improving technical skills via training to enable them to withstand competition, can be influenced by the finance barrier, particularly, shortage of working capital, insufficient capital, lack of access to credit and lack of alternative sources of finance.

Finance barrier, specifically, the amount of capital or access to finance available to owner-manager, influence the kind of infrastructure small businesses utilise. Such as the right technology, machines or software packages that will allow for improved operations, competition, and access to raw materials due to their low purchasing power. From the improved systemic diagram, the entrepreneur lifestyle barrier, particularly, leadership and attitude will influence the level of employee satisfaction under enterprise operation barrier. This could mean that, if leadership is too autocratic and not flexible to allow input from subordinates, employee satisfaction can be hampered, and the resultant effect might lead to lack of customer retention. Additionally, from the improved systemic diagram, the entrepreneur lifestyle barrier has an influence on enterprise operation. Again, this could mean when an owner-manager lives an excessive and expensive lifestyle (living above one's means and using money from the business to maintain a certain standard of living as reported by Ropega 2011) and does not have a good business plan, this will lead to poor record keeping. Further, poor record keeping will significantly affect the chances of access to finance and access to credit. Where an owner-manager uses money from the business to augument his lifestyle, there will not be enough funds to buy the necessary resources that will improve the business and make it competitive, therefore, exposing the business to failure.

An owner-managers' attitude under the entrepreneur lifestyle barrier is influenced by certain concerns under regional culture barrier such as beliefs and values. For example, Muslims owner-managers in North West Nigeria are restricted from access to credit because of religious prohibition on any transaction that deals with interest. Therefore, there is no of alternative sources of finance and mostly rely on friends and relatives for loans or credit that are usually payable when able, which in most cases does not encourage the owner-manager to be serious in managing the business because there is no time limit on repaying the loan/credit. Under education barrier, the concern lack of basic formal education influences an owner-managers' poor understanding of norms (regional culture barrier) regarding a certain aspect of business such as customer mannerisms. For example, if an owner-manager does not understand the customer's norms, then his approach cannot be adapted to suit the customer in terms of service and product provision. In addition, small businesses in North West Nigeria have folded up due to a sense of self-sufficiency of the owner-manager and the misinterpretation of religious teachings on predetermined destiny. This lack of basic formal education and failure to understand other cultures have affected how owner-managers embrace changes that would improve the business activities.

Owner-managers level of education and lack of management skills and training (education barrier) as indicated on the improved systemic diagram influences the type of strategic management decision to take. For example, without the necessary education and management skill, it will be difficult to design a good business plan for the business. Likewise, the level of education influences owner-managers' technical skills and experience, and his/her ability to embrace technological change that will improve the business. Where the owner-manager has the technical skill acquired through training, without the basic formal education, it would be difficult to apply modern business techniques that will give a well-structured business. Further, bias towards Western education is still an issue in North West Nigeria, where engaging in business is preferred than having an education. Therefore, lack of basic formal education (literacy) influence the owner-managers understanding of regulatory and corruption barrier, particularly, government policies, tax, and legal and regulatory requirements for small business. Further, government policies, over regulations and corruption, creates complication in procedures for accessing credit by owner-managers and further influence how businesses operate because the policy information is not explicit enough to provide a guide for small business operators. While, heavy control on tax by government creates an avenue for corruption due to the multiplicity of taxes, making small businesses find ways to avoid tax payment in general, which leads to a weak economy.

6.8 Summary

In this chapter, an attempt was made to relate the research findings to established theory as presented in the new systemic diagram (S*ee figure 6.1*). Results from findings indicate the universality in the views and perceptions of business owner-managers in North West Nigeria regarding the barriers to the success of small businesses. In addition, owner-managers identified and ranked barriers, which signifies the level of influence the barrier has on the success of small businesses in North West Nigeria. Specifically, the barriers present a holistic view of how they influence one another to reduce the chances of success for small businesses. The research found that the barrier, infrastructure (ranked 1) has the most influence on the success of small businesses. Specifically, all owner-managers highlighted lack of adequate electricity as the major concern that negatively influence the success of their business. Additionally, other barriers include strategic management (ranked 3) regarding the inability to have a strategy to compete against other local and foreign competitors. Regional culture (ranked 4) concerning the difference in values and norms and entrepreneur lifestyle (ranked 5) based on the kind of leadership style used in running the business. Further, education (ranked 6) involves the lack of requisite management skill and training to run the business, serves as a hindrance to the success of small businesses. Finance (ranked 7) which a lot of the literature argues is a major barrier, was not regarded as major in this research because owner-managers believe all other avenues of getting finance apart from personal finance to start or maintain a business are either not available or difficult to access because of the weak economy. Therefore, they use personal income or borrow from friends and family. Another barrier is the issue of regulation and corruption (ranked 2). The high ranking shows that owner-managers identify the barrier as a hinderance to their business and are faced with the issue of corruption, such as multiple taxation and demand for bribe from tax collectors and registration officers. Finally, enterprise operation (ranked 8) show that owner-managers are not concentrating on their customers. Therefore, their products and services are not tailored to satisfy the customer.

The next chapter gives a summary of the research, highlighting the specific contributions and implications of the research.

Chapter Seven: Conclusion

The purpose of this chapter is to present the contributions of this research and draw a conclusion from the research. The chapter presents findings and the research contributions to knowledge are highlighted and discussed. Furthemore, the insights obtained from the research highlight the implications for policy and practice, and opportunities for further research. This research aimed to identify in a systematic way the concerns that contribute to the creation of barrier, and to systemically examine the influence between the barriers as they reduce the chances of success for small businesses in North West Nigeria. To achieve the aim of this research, three key objectives were set out, and the following summary shows the findings according to the objectives:

Objective One

To identify systematically from the literature review possible concerns that contribute to the creation of barriers to the success of small businesses.

The research used a systematic literature review to identify *concerns that contribute to the creation of* barriers to the success of small businesses. Forty-one (41) concerns were identified from the systematic literature review and used for this research. Similar concerns were grouped under a common barrier for better understanding, and were identified based on similarities in concept and context with this research, including, finance, infrastructure, education, strategic management (business plan), regulation and corruption, regional culture, entrepreneur lifestyle (personality and traits), and enterprise operation (day-to-day operation). The concerns were used to develop a conceptual framework to be adapted to the context of this research. Additionally, from the conceptual framework, hypotheses were constructed to be tested. Exploratory factor analysis was then used to verify the suitability of the identified concerns within the context of this research. A Cronbach Alpha of .93 ensured all the 41 concerns identified correlated and deemed significant for testing in this research. Therefore, they were grouped and loaded under a common barrier they intend to measure for easy identification.

Objective Two

To evaluate the influence the barriers have on the success of small businesses

To achieve this objective, respondents were asked to identify and rate the concerns under each barrier that reduces the chances of success to their business, using a five-point Likert scale ranging from Very Low to Very high, *see section 3.6.1*. To understand further the influence of the barriers on the success of small businesses, Spearman's rank correlation coefficient as a nonparametric measure that shows statistical dependence or relation was used to test the formulated hypotheses. The correlation coefficient further explained the hypotheses by showing a significant negative association between each formulated hypothesis and success of small business (*See section 4.7*).

Objective Three

To systemically examine the influence between the barriers and their impact to the success of small business in North West Nigeria from the perspective of owner-managers.

To achieve the above objective, from the ranking of barriers by respondents, the improved systemic diagram showing the influence between the barriers was developed based on the correlation between the barriers and the discussions of findings. Inference was then made to explain the diagram and show how one barrier influences another barrier to reduce the chances of business success in North West Nigeria based (*See section 6.7*).

The research addressed gaps in the existing small business research, and integrates concept from barriers to small business success and failure, to contribute to the understanding of the barriers to the success of small businesses in North West Nigeria. Three research questions guided this research and sought to explore concerns surrounding the barriers to the success of small business in North West Nigeria.

- What are the concerns identified from the systematic literature that could contribute to the creation of barriers to the success of small businesses?

- How do the identified barriers influence the success of small businesses?
- How do owner-managers in North West Nigeria perceive the influence between the barriers to the success of their small businesses?

A mixed method approach was adopted to help in addressing the above research questions and achieve the objectives of the study. Using quantitative data via survey questionnaire and qualitative data via semi-structured interviews, collected quantitative data were analysed and interpreted using Factor Analysis and Spearman's Rank Correlation Coefficient. The qualitative data was analysed using thematic coding.

Findings from this study simplified the complexity in understanding the barriers to the success of small businesses within the context of North West Nigeria. However, because of the similar nature of the small business and the different interpretation of the concept of success, the findings of this research could be applicable in other conceptually similar contexts. Success as argued by Chittithaworn et al., (2011) have different meanings as ascribed by different people, which is due to the absence of an acceptable theory explaining the actual barriers to the success of small businesses (Shabir and Lussier, 2016). Within the context of this study, findings showed that a combination and influence between barriers reduces the chances of success for small businesses in North West Nigeria. Further, owner-managers were able to rank the concerns, which means they have identified the level of influence the concerns have on their businesses that contributes to the creation of barrier to success. Additionally, the barriers are conceptually similar to others identified in previous studies in a different context, while others are context-based, due to similarities with the business nature in North West Nigeria. The study provides a systemic diagram that shows the key barriers and the influence between them as identified by owner-managers that hinders the success of small businesses (*see section 6.7*). Below an overview of the research is presented.

Thesis Overview

Aim

Examine the systemic influence between barriers to the success of small businesses in North West Nigeria.

RQ1: What are the concerns identified from the systematic literature that contribute to the creation of barriers to the success of small businesses?

RQ2: How do the identified barriers influence the success of small businesses?

RQ3: How do owner-managers in North West Nigeria perceive the influence between the barriers to the success of their small businesses?

Methodology and Methods

Positivism, Mixed Methods

Stage One (RQ1): Systematic literature review to identify concerns that contribute to the creation of barriers to small business success

Stage Two (RQ2 and RQ3): Probability Sampling, Questionnaire, Descriptive and Inferential Analyses, Snowball, Face-to-Face semi-structured interview, Thematic coding

Analyses

RQ1: Conceptual framework of identified concerns that contribute to the creation of barriers based on systematic literature review for further study in North West Nigeria

RQ2: Factor Analysis, Exploratory Factor Analysis, Correlation Coefficient, and thematic coding to show the association between barriers and small business success, test of hypotheses.

RQ3: To test the applicability of the barriers in North West of Nigeria based on owner-managers perception and experience

RQ1: Answer

The 41 concerns identified in the systematic literature review that contribute to the creation of barriers to the success of small businesses (*See Section 2.6*).

RQ2: Answer

The test of hypothesis shows negative correlation between each barrier and the success of small business (*See Section 4.7*). This means each tested barrier have a negative influence on the success of small business.

RQ3: Answer

1. Infrastructure (Lack of Adequate electricity) – Medium barrier
2. Strategic Management (Competition) – Medium barrier
3. Regional Culture (Values, beliefs, Norms) – Medium barrier
4. Entrepreneur Lifestyle (Leadership)– Medium barrier
5. Education (Lack of mgmt. skill and training) – Medium barrier
6. Finance (Weak economy) – Low barrier
7. Regulatory & Corruption (Corruption) – Medium barrier
8. Enterprise Operation (Poor products & Services) – Low barrier

Owner-managers in North West Nigeria perceive most of the barriers to have a medium influence on their business success.

Main Findings

There is a negative association between the identified barriers such as education, finance, infrastructure, regulatory and corruption, regional culture, entrepreneur lifestyle, strategic management, and enterprise operation, and the success of small businesses in North West Nigeria. However, the degree of influence from one barrier to another varies based on perception and experience of owner-managers of small businesses, which is either medium or low.

Contributions

- Systematic analysis of literature to identify relevant concerns that contribute to the creation of barriers to guide future research
- Adaptation of the conceptual framework to North West Nigerian for analyses
- Fieldwork analyses of data collected to developed a diagram showing the influence between barriers to inform future decision-making and possible simulation modelling at national level
- Possible fieldwork in other similar contexts to develop bespoke diagrams and simulation models

7.1 Contributions

This research enriches the small business literature by developing the systemic influence between barriers to the success of small businesses in North West Nigeria. Previous studies around barriers to small business tend to explore the dynamics in isolation, looking at certain barriers only. Hence, the significance of this study, because it is the only study based on the researcher's knowledge, which systematically identified and systemically examined the influence between barriers to the success of small businesses from the perspectives of owner-managers in the context of North West Nigeria.

This research contributes to the field by integrating and extending profound studies on barriers to small business. Specifically, the major contribution of this research is that it offers a model based on the perception of owner-managers in North West Nigeria that shows the systemic infleunce between barriers to the success of small businesses in the form of a diagram, providing new insights within a complex context (*See section 6.7*). The model can be adapted in other regions to show the influence of the barriers to the success of small businesses. This is possible because the identified concerns from the systematic literature review used in this research are not context specific, but identified from different contexts within the literature.

7.1.1 Theoretical Contributions

Barriers to the small business success

Infrastructure

The prominent role infrastructure play in small businesses, specifically, in developing nations is not given the needed attention in the literature. This research contributes to the understanding of barriers to the success of small business in that it highlights the issue of infrastructure as the primary barrier influencing the success of small businesses in North West Nigeria. From the seven concerns used to measure the barrier, owner-managers singled out lack of adequate electricity as having the most influence on their businesses. This has caused owner-managers to record significant losses in their businesses because they must improvise the epileptic supply of electricity to remain in business, which is expensive and sometimes unsustainable because it adds to their overhead. This finding is contrary to most studies (Beck and Demirguc-Kunt, 2006; Okpara and Wynn, 2007; Olawale and Garwe, 2013; World Bank Report, 2016) on barriers to small business, which identified finance as the major barrier to the success of small businesses in different contexts. It is acknowledged that money is needed, however, the interplay must be understood because providing more money or finances to small businesses will certainly not guarantee success. There would be a point when more money would not make a difference because certain concerns such as good business plan or record keeping are not in place. Hence, having or providing more money would not make a business successful unless these concerns are addressed.

Education

Three concerns measure this barrier, level of education, lack of basic formal education and lack of management skill and training. A surprising contribution to this research is that it highlights education as not having a significant influence on the success of businesses in North West Nigeria when compared against other barriers. Specifically, education barrier with a mean score of 3.51 was ranked fifth by respondents as a barrier that reduces the chances of success for businesses. Further, respondents also perceived lack of basic formal education (literacy) as the weakest concern (x-bar 3.41) in terms of reducing the chances of business success when compared to the other concerns. Participants interviewed provided further explanations and stated that most owner-managers in Kano state do not have an education (literacy) and their businesses are thriving well. On the other hand, a significant point raised by respondents on the improved systemic diagram is that the level of one's education (x-bar 3.54) is not essential to achieving business success (*See Appendix O*). However, respondents believe that not having the requisite management skill and training (x-bar 3.59), is detrimental to the success of the business. Hence, the reason it was perceived as a major concern on the improved systemic diagram. It should be noted that management skill and training can be acquired through apprenticeship or mentorship. Additionally, North West Nigeria has a culture of owning and operating a business, which has been in existence since the 11th century where trade relationship existed between the region and part of West Africa, North Africa and the Middle East. This further explains the lack of interest in education. Although, respondents in *Table 4.4* highlight the importance of having an education, which they believe will certainly improve the standard and nature of the business. This finding extends the study of Jafarnajed et al., (2013) who argue that having the right management skill and training helps businesses to survive.

Finance

It is often argued that finance is the major barrier to small businesses. However, from the six concerns that measure the barrier, owner-managers identified weak economy on the improved systemic diagram as a key concern that hinders the success of their businesses. Therefore, this research contributes to the literature by stressing weak economy in North West Nigeria, which arises because of the non-conducive environment caused by lack of security, creates investment uncertainty for owner-managers, potential investors and lenders. However, respondents believe that with a satisfactory government support, efficient tax system, and good regulatory environment, chances of success for small businesses would be improved (*See Table 4.4).* Therefore, It can be postulated that, once the economy is strong and vibrant, other concerns such as access to capital, access to credit and alternative sources of finance, which are major challenges for small businesses, would be readily available. Further, prospective owner-managers who are employed would be able to save money to start up a business. Also, with a stable and vibrant economy, financial aid for small businesses from government and other financial institutions would be more accessible. Therefore, government and financial institutions will be comfortable knowing the businesses will re-invest the money into the economy.

Regulatory and Corruption

Another contribution is the influence of regulation and corruption on the success of businesses in North West Nigeria. As presented in *section 6.4.4,* owner-managers highlight corruption (x-bar 4.25) from the six concerns under regulatory and corruption barrier as the major challenge to their businesses, followed by tax burden (x-bar 4.09). A serious implication to these is that some of the small businesses promote corrupt practices by finding ways to avoid compliance with certain regulations such as getting registration because of bureaucracy in the process or paying the right amount in tax (*See Section 5.1.4*). Participants state that regulatory and compliance officers initiate this practice in most cases. Therefore, it can be concluded that the issue is not one-way, owner-managers who promote such actions would need to reject and report further advances from tax and compliance officer. The government should also deal with staff that engage in defrauding the system. In addition, regulations guiding small business activities drafted in a top-down approach such as government policies or operational guidelines for small business, should consider the input of small business owner-managers. This contribution extends the study of Anga (2014).

Regional culture

Three concerns measure this barrier, regional marginality, gender discrimination and culture (values, beliefs and norms). Findings presented an interesting contribution to this research. Businesses in Northern Nigeria are tailored based the tenants of Islam, because the region has been trading with countries in North Africa and the Middle East, before the prominence of the Western style of education/business. Therefore, the business culture of owner-managers in North West Nigeria is based on religious beliefs, values and ethics, which prevents them from engaging in certain types of businesses. Specifically, those that deal with interest or products and services that go contrary to the teachings of Islam. This has affected financial partnership between the small business and banks because they are mostly interest based. In addition, it also limits partnership between certain businesses in North West and Southern Nigeria. However, respondents believe that where industry/network relations are fostered, the better the chances of success for small businesses (*See Table 4.4).* This finding extends the work of Frese and Kruif (2000), which looked at the influence of culture on the processes that are related to entrepreneurship.

Entrepreneur lifestyle

Three concerns were used to measure the entrepreneur lifestyle barrier and leadership (x-bar 3.68) emerged as the major concern reducing the chances of success for small businesses. It revealed that owner-managers have identified leadership as having a significant importance to the success of the business. Specifically, where an owner-managers is not proactive and tend to have a very relaxed leadership style to dealing with issues, the adopted approach in solving the issues will usually not be coherent with other people working in the business and sometimes with the goal of the business. The attitude of misunderstanding predetermined destiny makes it near impossible for the business to be successful. Concerning leadership, owner-managers in the qualitative stage of this research did not see their leadership style as a barrier; instead, they blame their staff for the business failure. However, it can be concluded that their lack of leadership is the resultant effect on the attitude of the staff, which ultimately led to the failure of the business due to lack of proper leadership.

Strategic management

In this research, owner-managers highlight the significance of strategic management and its impact on small businesses by rating it as the third most influential barrier to the success of their business after infrastructure. Six concerns measured the barrier (*See Figure 6.7*), and surprisingly, on the improved systemic diagram owner-managers identified competition (x-bar 4.04) as the major concern reducing the chances of success for small businesses. Competition for small businesses comes from both local and foreign business and owner-managers indicate a shortage of working capital and the quality of their products and services as the reason for them not to be able to compete with other products and services in a competitive market. This finding extends the work of Ropega (2011).

Enterprise operation

Four concerns measure this barrier, the findings significantly adds to our understanding of how enterprise operation (day-to-day) running of the business serve as a barrier to the success of a small business in North West Nigeria. On the improved systemic diagram, respondents regard poor products and services (x-bar 3.39) as the major concern that limits the chances of business success, and therefore, cannot compete favourably with other businesses. Further, a participant (*CBOKN1*) interviewed provided more clarity on the issue of products and services and claim reluctance by owner-managers in North West Nigeria to embrace changes brought about by the dynamic nature of the business environment, force small businesses to struggle regarding product or service delivery. This subsequently leads to business failure. In addition, the reluctance to change is because of the sentimental attachment to the traditional way of doing business. However, a possible explanation to this is that businesses that used the rudimentary and traditional ways did so at a time that was useful to the business. However, in present-day business environment, the adoption of new methods, such as computer programs for inventory control, developing business models, accounting process, digital processing or manufacturing machines that simplifies business processes and activities, is of great significance for the success of businesses not only in North West Nigeria, but for businesses around the world.

The findings above shows that the barriers to the success of the small business are different in context, but have some stark similarities conceptually when making a generalisation. The literature on barriers to small business is still emerging because of the dynamic nature of businesses and the environment, which they operate, and will continue to do so. The change in customer taste needs and wants, or change in technology, politics or owner-managers' actions, determines the direction a business must take to remain operational and be successful. Therefore, the owner-manager and the environment define the success of small businesses. As stated in *section 6.6*, concerns used in this study could show a significant positive relationship with business success, when used in a different context. This is the reason why much research needs to be carried out in this field so that an agreement could be reached unanimously about certain barriers or otherwise to the success of small businesses.

The value of using mixed methods

Research on the success of small business is very challenging because of the multiple dimensions and perceptions literature in the area have taken. This makes it more challenging for researchers to understand and interpret the different perspectives because there is no agreed pattern to use in investigating the concerns that contribute to the creation of barriers to small business success. This research is not an exception, particularly, because it focuses on a different context from previous studies. Therefore, it is highly unlikely that using a single method will produce a non-biased result of the barriers to the success of small businesses.

To address this issue, and despite the rigour in combining two distinct methodologies, this research adopts the mixed method approach, using quantitative and qualitative methods to provide a deeper meaning of the phenomena on barriers to the success of small businesses in the context of North West Nigeria. The integration of these methods also gives more confidence in the results and the conclusions drawn. The use of mixed methods in this research is not about adding quality to the outlook of the research, but understanding phenomena from the perspectives of owner-managers in North West Nigeria by integrating the two methods. Therefore, the objective of using the mixed method approach in this research is to add value to the literature on the small business success that gives confidence in results, perceive it as a complete study and give better understanding of the findings. This was achieved by using the quantitative method to identify within the context of the research, the concerns that contribute to the creation of barriers to the success of small business, and to test the formulated hypotheses from the literature. Furthermore, the qualitative method supported findings of the quantitative stage and provided additional insight about the barriers to the success of small businesses in North West Nigeria. It is argued here that the use of one methodology – qualitative, is to support the other - quantitative, where limitations are compensated and strength provided that lend confidence to the result.

The beauty of every research is when it identifies whom it will benefit and how it will improve the system within the context of the research. For this research, the implications are discussed below.

7.2 Implications of the Findings

This research has highlighted the significance of understanding the influence between barriers to the success of small businesses within the context of North West Nigeria. In addition, findings, conclusions and solutions have been drawn from the improved systemic diagram that may be pertinent in policymaking, practice, and research. Further, these implications and solutions are based on the context of this research and are only intended as steps to consider in managing and improving the chances for the success of small businesses in North West Nigeria.

7.2.1 Implications for Policy

The importance of small businesses to economies has been highlighted (Hyder and Lussier, 2016). However, to have successful small businesses, there is need to have sound policies that would ensure their success. Therefore, findings from this research make some policy recommendations below, if viewed positively, could enhance the success of small businesses.

Regulatory framework

From the improved systemic diagram (*Figure 6.9*), it was clear that lack of legal and regulatory structure is a concern for the success of small businesses. This means that the absence of a harmonised law regulating the affairs of small businesses is a huge concern to the success of small businesses because some of the laws could be targeted at medium and large businesses. Therefore, cannot apply to the small businesses. To tackle this issue, it is suggested that government both at federal and state levels should consider a harmonised regulatory and legal framework that will solely be tailored to small businesses. Specifically, the legal and regulatory framework could be tailored to the different sectors within the small business industry to avoid confusion because different sectors have different modalities to how they operate. In addition, implementation and compliance with policy by both the government and business operators was also a huge issue as highlighted in the research. Therefore, the government and SMEDAN could strengthen their relationship and ensure that SMEDAN's branch offices at state level position themselves to monitor and sensitise owner-managers on the importance of compliance with laws guiding their businesses.

Policy for small businesses

Before making policies and laws for small businesses, it is suggested that owner-managers could be consulted to provide their input through their associations, such as NASSI, NASME, and NAWE. Findings from the improved systemic diagram highlighted government policies as concerns that reduce the chances of business success. This could be that some of the laws and policies are beyond the reach of small business and therefore, compliance would be difficult. To overcome this concern and have an all-inclusive policy, it is suggested that consultations with owner-managers via their associations should be considered in order to avoid policies that are considered as having a top-down approach. Additionally, consulting owner-managers could address the issue of policy compliance because they would have a better understanding of the importance and benefits of such policies. It is also suggested that government at federal and state levels to consider using compliance with policy as a yardstick for granting support to owner-managers who comply with the stated policies. For example, offering free training on business development or a rebate for workshops on skill acquisition.

Tax and credit support

Another implication relates to the issue of multiplicity of taxes. From the improved systemic diagram, tax burden was highlighted as a concern that reduces the chances of small business success in North West Nigeria. To overcome this concern, it is suggested that Small businesses could be made to pay taxes that are commensurate with their activities as stipulated by the government. This suggestion is valid because findings show that small businesses avoid tax payment or pay less than the stipulated amount due to the issue of multiplicity. Therefore, government at federal and state levels should consider categorising the businesses based on sector, start-up capital or revenue generation. It should then consider harmonising the tax systems and produce a small business tax template for a single yearly payment, with the option for paying in instalments. The template should cover all the presently existing charges, such as advertisement and signage, and business premises. Furthermore, payment of such taxes could be made through government assigned banks and other financial institutions to curb the demand for bribes by tax officers. This will also ensure evidence of payments are given for record purposes for both the government and the small business. Findings reveal 73.1% of owner-managers have difficulty in accessing credit. Thus, it is advised that credit facilities to be provided to small businesses by banks and financial institutions based on tax remittance by owner-managers. Remittance of tax returns by owner-managers will indicate to the banks the status of the business and will further ascertain the type of credit support the bank will be willing to give.

Another implication for owner-managers is to develop the ability to pay back loans, which will earn them respect from the financial institutions. Owner-managers are advised to build credibility by generating money from their business to discourage seeking credit from financial institutions. Further, their business will grow faster if they establish credibility and prudent management.

Management skill and training

Under the education barrier on the improved systemic diagram, findings from this research indicate management skill and training as a major concern hindering small business success. Therefore, it is suggested that the government through SMEDAN should consider upgrading existing skill acquisition centres and technical colleges with standard facilities to provide the necessary entrepreneurial skill and techniques of management that will assist entrepreneurs. In addition, government should also consider developing a standard requirement to use in awarding certificates for owner-managers going into manufacturing and service. This would ensure standard products and services are provided. Another implication relates to institutions of learning. Tertiary institutions could use findings from this research to enhance the curriculum on entrepreneurship and small business development. Further, findings reveal that management skill and training is essential to the success of small businesses, therefore, owner-managers are advised to attend management skill and training workshops to keep up with new developments. Further, training institutes should develop bespoke training for small businesses based on sector or business type.

Government

This research also has implication for the government, SMEDAN and other bodies that support small businesses. Findings have provided the critical areas that need support the most. For example, on the improved systemic diagram, respondents ranked inadequate electricity as the major concern under infrastructure barrier, and weak economy under finance barrier. Therefore, it is recommended that priority be given to those areas when addressing the barriers to the success of small businesses not only in North West Nigeria, but to the whole of Nigeria. For example, government at federal and state levels are advised to give priority in terms of power (electricity) distribution to areas with high concentration of manufacturing industries to boost production. In addition, provide affordable alternative sources of power specifically for manufacturing businesses and areas with a high concentration of small business, to lessen the load on the national grid meant for distribution to residential areas and business districts comprising of schools and offices. Additionally, government's investment in infrastructure particularly at state level, such as the provision of adequate power and good road network between the urban and rural areas, would help in reducing costs and enhance market integration for small businesses. Further, this will boost small business activities in those areas and discourage rural-urban migration, and lessen pressure on the usage of the inadequate infrastructure in the urban areas. For example, providing access road and electricity.

Non-Governmental Organisation (NGO's)

Findings from this research could be used by NGO's to channel their support programs in collaboration with small business associations such as NASME and NASSI to choose the specific area to concentrate on in supporting small businesses. For example, under the strategic management barrier, owner-managers highlighted lack of technical skill as a concern hindering small business success. Therefore, it is suggested that, NGO's could provide training on technical skill to owner-managers to be identified via their respective associations. These associations have a broader reach and connection with the small businesses, using them will ensure the small businesses benefit from the support.

7.2.2 Implications for Practice

This research has implications for owner-managers of small businesses in North West Nigeria. Findings could provide them with an improved understanding of the barriers to their business success and ways in which they could mitigate them. Further, owner-managers can identify which barrier is crucial to their business and concentrate on addressing it. From the ranking on the improved systemic diagram, owner-managers should recognise their weakness and be able to identify from these research areas where they are failing or have failed. For example, the research highlights the importance of leadership under the entrepreneur lifestyle barrier, which is highly regarded concerning the success for small businesses, this suggests that owner-managers in North West Nigeria should view the type of leadership they provide as crucial to the success of their business.

Another area of implication for owner-managers is management skill and training. Owner-managers who want to achieve success and stay competitive need to recognise the importance of acquiring the right management skill and training to do so. In addition, this would further enhance the development of the products and services. Also, it would improve the ways of doing business, particularly, marketing of products and services, and the chances of maintaining a healthy working capital.

7.2.3 Opportunities for Further Research

From the improved systemic diagram (*Section 6.6)*, this research identified the following areas for consideration in future research:

- Operationalisation of the systemic diagram, this would give the government and policymakers the direction to take when making informed policy for small businesses. In addition, owner-managers of small business could use it to identify the areas to improve and strengthen the chances of success for their businesses.
- The definition of small business varied across different regions and based on different context, some of these barriers as stated earlier are conceptually similar within a different context. Therefore, adaptation to local environments in other regions of Nigeria and other similar countries for a comparative study that looks at the barriers to the success of small businesses could be conducted to investigate how these barriers contribute to the success or failure rate of small businesses. For example, between North West and North East, because of similarities in culture and tradition, but might have a difference in concept, or between the North West and the South West, because of difference in culture and business nature. Further, the comparative study could also be between North West Nigeria and other West African countries who share similar business trends, like the Niger Republic and Ghana.
- To keep the model up to date, relevant, and to modify according to future circumstances, a longitudinal study on barriers to the success of small businesses in North West Nigeria could be conducted, because of the dynamic nature of business environment and globalisation. This will show potential changes, either positive or negative in barriers that influence the success of small businesses. Additionally, new barriers could also be identified.

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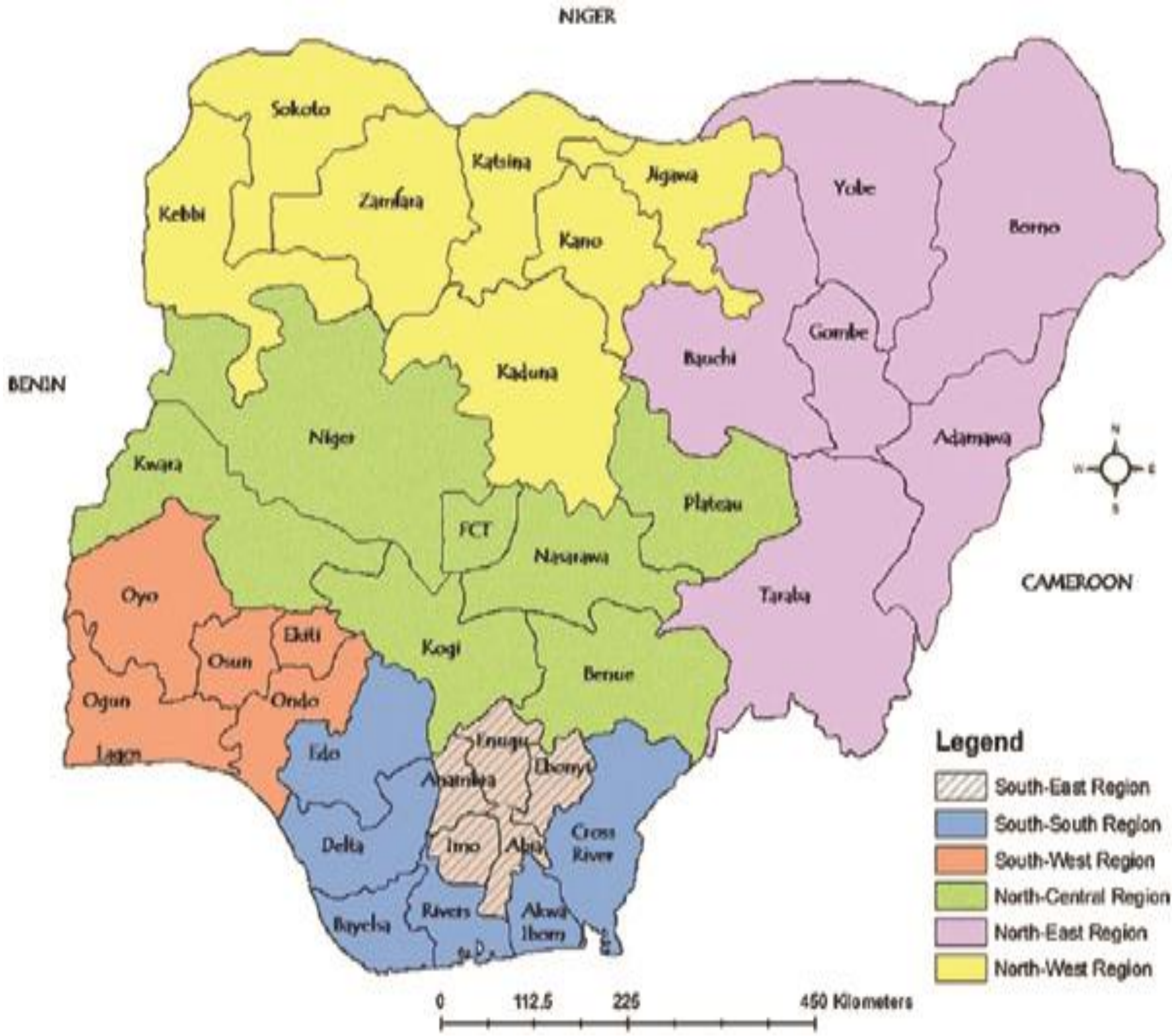
Appendix

Appendix A. Map of Nigeria



Source:
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Appendix B. Example of search strings

Keyword 1	Keyword 2	Keyword 2	Keyword 2	Keyword 2	Keyword 2
Small businesses	Success constraints	Access to finance	Education of owner-manager	Survival	Regulatory issues
Small firms	Barriers to success	Access to credit	Managerial competence	Access to technology	Corruption
Small enterprises	Failure factors	Access to infrastructure	Owner-manager traits	Competition	Government policies

Appendix C. Cronbach's Alpha

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.931	.929	41

Appendix D. Item total statistics

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Insufficient capital	147.93	547.183	.577	.848	.928
Lack of financing	147.97	548.416	.605	.791	.928
Access to capital	147.95	547.510	.638	.866	.928
Lack of alternative finance	147.94	551.875	.559	.778	.929
Shortage of working capital	148.06	550.717	.596	.815	.928
Lack of access to credit	148.05	553.256	.532	.753	.929
Weak economy	147.92	548.465	.572	.736	.929
Lack of Basic formal education	148.04	572.782	.165	.571	.932
Lack Mgt skills & training	147.86	561.327	.380	.628	.930
Level of education	147.91	565.192	.315	.525	.931
Govt Policies	147.59	557.192	.485	.673	.929
Bureaucratic procedure	147.63	565.652	.341	.650	.931
Legal and Regulatory Structure	147.78	557.164	.472	.693	.929
Tax burden	147.37	546.608	.570	.742	.929
Licenses and registration	147.56	556.465	.440	.626	.930
Corruption	147.20	553.502	.407	.612	.930
Lack of planning	147.85	550.189	.555	.770	.929
Lack of Technical skills	147.81	548.463	.601	.813	.928
Lack of Experience	147.80	551.293	.568	.836	.929
Competition	147.41	546.144	.623	.754	.928
Poor Marketing	147.56	549.906	.544	.747	.929
Lack of sectoral linkages	147.81	552.361	.574	.689	.929
Excessive and expensive lifestyle	147.80	558.941	.451	.597	.930
Attitude	147.87	564.732	.364	.723	.930
Leadership	147.77	566.204	.314	.661	.931
Regional Marginality	147.74	565.025	.366	.621	.930
Values	147.70	571.462	.201	.806	.932
Beliefs	147.76	572.659	.171	.820	.932
Norms	147.83	578.228	.056	.807	.933
Gender Discrimination	147.80	568.883	.222	.573	.932
Tech backward change	147.65	558.954	.409	.694	.930
Lack tools and equipment	147.60	553.174	.507	.725	.929
Lack adequate electricity	147.37	546.741	.529	.788	.929
Poor road network	147.49	546.876	.566	.846	.929
Poor telecommunication	147.45	548.990	.568	.813	.929
Poor water supply	147.48	542.126	.620	.807	.928
Lack of raw materials	147.48	547.934	.559	.829	.929
Lack of employee satisfaction	148.24	545.252	.603	.780	.928
Poor record keeping	148.10	542.278	.660	.835	.928
Ways of doing business	147.92	548.773	.581	.796	.928
Poor products and services	148.07	544.712	.613	.821	.928

Appendix. E. Correlation Matrics

Correlation Matrix

		Insufficient capital	Lack of financing	Access to capital	Lack of alternative finance	Shortage of working capital	Lack of access to credit	Weak economy	Lack of Basic formal education	Lack Mgt skills & training	Level of education	Govt Policies	Bureaucratic procedure	Legal and Regulatory Structure	Tax burden	Licenses and registration	Corruption	Lack of planning	Lack of Technical skills
Correlation	Insufficient capital	1.000	.798	.830	.649	.659	.582	.554	.066	.248	.075	.321	.159	.172	.284	.246	.216	.232	.259
	Lack of financing	.798	1.000	.763	.635	.574	.596	.550	.070	.246	.196	.374	.193	.268	.313	.304	.203	.200	.267
	Access to capital	.830	.763	1.000	.678	.732	.603	.549	.046	.283	.098	.314	.150	.207	.325	.300	.253	.300	.292
	Lack of alternative finance	.649	.635	.678	1.000	.727	.651	.585	.179	.202	.128	.318	.188	.215	.322	.255	.314	.264	.218
	Shortage of working capital	.659	.574	.732	.727	1.000	.554	.644	.162	.280	.084	.417	.252	.311	.416	.271	.365	.237	.295
	Lack of access to credit	.582	.596	.603	.651	.554	1.000	.587	.135	.254	.295	.424	.372	.435	.367	.366	.311	.175	.147
	Weak economy	.554	.550	.549	.585	.644	.587	1.000	.162	.226	.133	.444	.197	.283	.478	.298	.296	.218	.271
	Lack of Basic formal education	.066	.070	.046	.179	.162	.135	.162	1.000	.506	.287	.096	.123	.133	.159	.077	.118	.154	.225
	Lack Mgt skills & training	.248	.246	.283	.202	.280	.254	.226	.506	1.000	.430	.311	.228	.290	.362	.256	.282	.180	.331
	Level of education	.075	.196	.098	.128	.084	.295	.133	.287	.430	1.000	.345	.319	.234	.223	.274	.079	.151	.217
	Govt Policies	.321	.374	.314	.318	.417	.424	.444	.096	.311	.345	1.000	.584	.541	.489	.345	.230	.070	.195
	Bureaucratic procedure	.159	.193	.150	.188	.252	.372	.197	.123	.228	.319	.584	1.000	.602	.343	.291	.278	.233	.202
	Legal and Regulatory Structure	.172	.268	.207	.215	.311	.435	.283	.133	.290	.234	.541	.602	1.000	.529	.532	.357	.260	.262
	Tax burden	.284	.313	.325	.322	.416	.367	.478	.159	.362	.223	.489	.343	.529	1.000	.563	.552	.244	.299
	Licenses and registration	.246	.304	.300	.255	.271	.366	.298	.077	.256	.274	.345	.291	.532	.563	1.000	.394	.302	.237
	Corruption	.216	.203	.253	.314	.365	.311	.296	.118	.282	.079	.230	.278	.357	.552	.394	1.000	.417	.326
	Lack of planning	.232	.200	.300	.264	.237	.175	.218	.154	.180	.151	.070	.233	.260	.244	.302	.417	1.000	.698
	Lack of Technical skills	.259	.267	.292	.218	.295	.147	.271	.225	.331	.217	.195	.202	.262	.299	.237	.326	.698	1.000
	Lack of Experience	.265	.260	.292	.185	.236	.170	.249	.248	.196	.220	.196	.171	.203	.232	.223	.241	.606	.791
	Competition	.266	.320	.361	.314	.364	.266	.329	.015	.213	.241	.299	.264	.343	.471	.259	.503	.515	.565
	Poor Marketing	.285	.278	.336	.246	.273	.127	.248	.089	.158	.218	.168	.183	.187	.347	.283	.333	.517	.567
	Lack of sectoral linkages	.291	.270	.247	.195	.197	.121	.322	-.050	.052	.139	.188	.160	.168	.345	.286	.334	.596	.504
	Excessive and expensive lifestyle	.301	.269	.318	.189	.232	.183	.229	.104	.208	.204	.213	.035	.155	.226	.163	.048	.311	.231
	Attitude	.214	.171	.211	.057	.057	.116	.106	.123	.170	.272	.173	.104	.170	.058	.183	.017	.216	.208
	Leadership	.131	.146	.152	-.011	.065	.071	.102	.170	.258	.156	.138	.043	.169	.012	.008	.022	.164	.306
	Regional Marginality	.031	.067	.130	.057	.159	.005	.128	.016	.051	.196	.233	.191	.219	.170	.126	.054	.227	.172
	Values	-.149	-.086	-.008	-.090	-.015	-.031	-.006	.049	.142	.195	.051	.108	.093	.040	-.004	-.039	.085	.135
	Beliefs	-.127	-.068	-.068	-.096	-.065	-.038	-.050	.025	.134	.226	.022	.120	.141	.040	-.051	-.039	.062	.095
	Norms	-.217	-.087	-.166	-.212	-.139	-.102	-.156	-.004	.026	.224	.021	.044	.086	.038	-.033	-.068	-.047	-.025
	Gender Discrimination	-.041	.024	-.106	.036	.004	-.030	.038	.121	.103	.212	.157	.106	.060	.098	-.114	.041	-.030	.154
	Tech backward change	.163	.148	.125	.114	.186	.194	.230	.065	.087	.177	.374	.146	.151	.288	.124	.000	.068	.200
	Lack tools and equipment	.271	.280	.259	.201	.191	.113	.223	.048	.160	.053	.100	-.016	.095	.131	.140	.018	.304	.353
	Lack adequate electricity	.337	.396	.360	.327	.319	.247	.449	-.091	.044	-.051	.293	.115	.161	.357	.199	.168	.193	.278
	Poor road network	.336	.285	.369	.316	.262	.191	.255	-.123	.014	-.021	.107	-.001	.143	.292	.184	.196	.437	.347
	Poor telecommunication	.291	.294	.332	.281	.307	.234	.188	-.025	.082	.028	.125	.037	.195	.342	.211	.204	.387	.353
	Poor water supply	.304	.320	.359	.289	.273	.210	.276	-.090	.106	.043	.219	.049	.230	.353	.193	.176	.410	.409
	Lack of raw materials	.334	.299	.324	.301	.299	.250	.190	-.163	-.035	-.002	.142	.045	.217	.212	.113	.237	.430	.297
	Lack of employee satisfaction	.558	.592	.564	.568	.471	.440	.473	.056	.149	.155	.247	.121	.223	.290	.326	.243	.320	.325
	Poor record keeping	.581	.550	.602	.518	.520	.408	.458	.086	.214	.074	.249	.091	.224	.265	.290	.196	.383	.426
	Ways of doing business	.406	.448	.523	.406	.382	.420	.417	.053	.261	.187	.274	.210	.273	.358	.208	.160	.286	.346
	Poor products and services	.403	.417	.514	.420	.391	.346	.343	.173	.271	.106	.222	.130	.230	.286	.336	.227	.429	.396
Sig. (1-tailed)	Insufficient capital		.000	.000	.000	.000	.000	.000	.154	.000	.122	.000	.007	.004	.000	.000	.000	.000	.000

Appendix F. Kaiser Meyer Olkin Measure of sampling adequacy

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.791
Bartlett's Test of Sphericity	Approx. Chi-Square	7816.952
	df	820
	Sig.	.000

Appendix G: Total variance Explained (Eigenvalues)

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	11.759	28.681	28.681	11.759	28.681	28.681	5.586	13.625	13.625
2	4.229	10.314	38.995	4.229	10.314	38.995	4.798	11.701	25.327
3	3.459	8.436	47.431	3.459	8.436	47.431	4.188	10.215	35.541
4	2.488	6.068	53.499	2.488	6.068	53.499	3.434	8.375	43.916
5	2.161	5.270	58.769	2.161	5.270	58.769	3.311	8.074	51.990
6	1.862	4.540	63.309	1.862	4.540	63.309	2.646	6.453	58.443
7	1.475	3.598	66.908	1.475	3.598	66.908	2.456	5.990	64.433
8	1.209	2.948	69.856	1.209	2.948	69.856	1.855	4.525	68.958
9	1.129	2.754	72.610	1.129	2.754	72.610	1.497	3.652	72.610
10	.951	2.320	74.930						
11	.880	2.147	77.077						
12	.785	1.915	78.992						
13	.761	1.856	80.848						
14	.699	1.705	82.554						
15	.617	1.506	84.060						
16	.574	1.400	85.459						
17	.528	1.289	86.748						
18	.501	1.221	87.968						
19	.465	1.134	89.103						
20	.412	1.004	90.107						
21	.398	.971	91.078						
22	.341	.831	91.909						
23	.318	.776	92.685						
24	.302	.736	93.421						
25	.284	.692	94.113						
26	.272	.663	94.776						
27	.255	.622	95.398						
28	.239	.582	95.980						
29	.211	.515	96.495						
30	.198	.482	96.978						
31	.184	.448	97.426						
32	.171	.418	97.844						
33	.148	.362	98.206						
34	.132	.322	98.527						
35	.117	.284	98.812						
36	.114	.279	99.091						
37	.100	.245	99.335						
38	.087	.212	99.547						
39	.080	.196	99.743						
40	.057	.139	99.882						
41	.049	.118	100.000						

Extraction Method: Principal Component Analysis.

Appendix H. Rotated Component Matrix

Rotated Component Matrix[a]

	Component								
	1	2	3	4	5	6	7	8	9
Insufficient capital	.823								
Access to capital	.815								
Lack of alternative finance	.813								
Shortage of working capital	.810								
Lack of financing	.767								
Weak economy	.704								
Lack of access to credit	.684								
Poor road network		.862							
Poor telecommunication		.821							
Lack of raw materials		.778							
Poor water supply		.778							
Lack adequate electricity		.754							
Lack tools and equipment		.691							
Poor Marketing			.793						
Lack of Experience			.768						
Lack of Technical skills			.753						
Competition			.737						
Lack of planning			.708						
Lack of sectoral linkages			.648						
Legal and Regulatory Structure				.794					
Bureaucratic procedure				.722					
Govt Policies				.700					
Licenses and registration				.655					
Tax burden				.649					
Beliefs					.901				
Values					.869				
Norms					.861				
Regional Marginality					.613				
Poor products and services						.765			
Ways of doing business						.740			
Poor record keeping						.705			
Lack of employee satisfaction						.669			
Attitude							.845		
Leadership							.734		
Excessive and expensive lifestyle							.679		
Lack of Basic formal education								.825	
Lack Mgt skills & training								.750	
Tech backward change		.535							.591
Gender Discrimination					.532				.569

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.[a]

a. Rotation converged in 7 iterations.

Appendix I. Correlation coefficient

Barrier	Education	Regulatory & Corruption	Strategic Mgt.	Regional Culture	Enterprise Operation	Infrastructure	Entrepreneur Lifestyle	Success
Finance	.328**	.423**	.385**	.253**	.212**	.436**	.435**	-.106*
Education		.526**	.424**	.476**	.458**	.359**	.411**	-.267**
Regulatory & Corruption			.520**	.379**	.475**	.527**	.472**	-.255**
Strategic Management				.501**	.428**	.624**	.554**	-.163**
Regional Culture					.606**	.514**	.458**	-.143**
Enterprise Operation						.509**	.429**	-.243**
Infrastructure							.523**	-.204**
Entrepreneur Lifestyle								-.214**

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

Appendix J:

Level of education * Business image					
			Business image		Total
			No	Yes	
Level of education	Very Low	Count	23	72	95
		% within Level of education	24.2%	75.8%	100.0%
		% within Business image	37.1%	18.1%	20.7%
	Low	Count	15	96	111
		% within Level of education	13.5%	86.5%	100.0%
		% within Business image	24.2%	24.1%	24.1%
	Medium	Count	12	169	181
		% within Level of education	6.6%	93.4%	100.0%
		% within Business image	19.4%	42.5%	39.3%
	High	Count	10	55	65
		% within Level of education	15.4%	84.6%	100.0%
		% within Business image	16.1%	13.8%	14.1%
	Very High	Count	2	6	8
		% within Level of education	25.0%	75.0%	100.0%
		% within Business image	3.2%	1.5%	1.7%
Total		Count	62	398	460
		% within Level of education	13.5%	86.5%	100.0%
		% within Business image	100.0%	100.0%	100.0%
		% of Total	13.5%	86.5%	100.0%

Appendix K: Level of education * No. of Years in running small business									
			No. of Years in running small business						Total
				1 - 2 years	11 - 15 years	3 - 5 years	6 - 10 years	above 15	
level of education	Very Low	Count	14	17	3	46	9	6	95
		% within Level of education	14.7%	17.9%	3.2%	48.4%	9.5%	6.3%	100.0%
		% within No. of Years in running small business	20.6%	18.5%	9.4%	26.7%	12.9%	23.1%	20.7%
	Low	Count	18	29	8	30	22	4	111
		% within Level of education	16.2%	26.1%	7.2%	27.0%	19.8%	3.6%	100.0%
		% within No. of Years in running small business	26.5%	31.5%	25.0%	17.4%	31.4%	15.4%	24.1%
	Medium	Count	25	39	15	71	25	6	181
		% within Level of education	13.8%	21.5%	8.3%	39.2%	13.8%	3.3%	100.0%
		% within No. of Years in running small business	36.8%	42.4%	46.9%	41.3%	35.7%	23.1%	39.3%
	High	Count	11	7	6	21	12	8	65
		% within Level of education	16.9%	10.8%	9.2%	32.3%	18.5%	12.3%	100.0%
		% within No. of Years in running small business	16.2%	7.6%	18.8%	12.2%	17.1%	30.8%	14.1%
	Very High	Count	0	0	0	4	2	2	8
		% within Level of education	0.0%	0.0%	0.0%	50.0%	25.0%	25.0%	100.0%
		% within No. of Years in running small business	0.0%	0.0%	0.0%	2.3%	2.9%	7.7%	1.7%
Total		Count	68	92	32	172	70	26	460
		% within Level of education	14.8%	20.0%	7.0%	37.4%	15.2%	5.7%	100.0%
		% within No. of Years in running small business	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	14.8%	20.0%	7.0%	37.4%	15.2%	5.7%	100.0%

Appendix L. Descriptive Statistics

Age Group

	Frequency	Percent	Valid Percent	Cumulative Percent
18 - 24	118	22.8	22.8	22.8
25 - 34	187	36.1	36.1	58.9
35 - 44	150	29	29	87.8
over 44	63	12.2	12.2	100
Total	518	100	100	

Gender of Respondent

	Frequency	Percent	Valid Percent	Cumulative Percent
Female	154	29.7	29.7	29.7
Male	364	70.3	70.3	100
Total	518	100	100	

Educational Level

	Frequency	Percent	Valid Percent	Cumulative Percent
No Formal education	13	2.5	2.5	2.5
Technical qualification	51	9.8	9.8	12.3
Primary level	57	11	11	23.3
Secondary level	99	19.1	19.1	42.4
Diploma	112	21.6	21.6	64
Bachelor degree	123	23.7	23.7	87.7
Master degree	46	8.9	8.9	96.6
Above Masters	17	3.3	3.3	100
Total	518	100	100	

Any previous work/business experience?

	Frequency	Percent	Valid Percent	Cumulative Percent
No	167	32.2	32.2	32.2
Yes	351	67.8	67.8	100
Total	518	100	100	

How many years of work/business experience

	Frequency	Percent	Valid Percent	Cumulative Percent
	72	13.9	13.9	13.9
1 - 2 years	106	20.5	20.5	34.4

	Frequency	Percent	Valid Percent	Cumulative Percent
3 - 5 years	189	36.5	36.5	70.9
6 - 10 years	82	15.8	15.8	86.7
11- 15 years	42	8.1	8.1	94.8
above 15 years	27	5.2	5.2	100
Total	518	100	100	

No. of Years in running small business

		Frequency	Percent	Valid Percent	Cumulative Percent
	1 - 2 years	106	20.5	23.8	23.8
	11- 15 years	42	8.1	9.4	33.2
	3 - 5 years	189	36.5	42.4	75.6
	6 - 10 years	82	15.8	18.4	93.9
	above 15 years	27	5.2	6.1	100
	Total	446	86.1	100	
Missing		72	13.9		
Total		518	100		

Have you Received Some Training in Business

	Frequency	Percent	Valid Percent	Cumulative Percent
No	268	51.7	51.7	51.7
Yes	250	48.3	48.3	100
Total	518	100	100	

Is your Business Registered?

	Frequency	Percent	Valid Percent	Cumulative Percent
Registered with other	284	54.8	54.8	54.8
Registered with CAC	234	45.2	45.2	100
Total	518	100	100	

What industry/sector does your business operate in?

	Frequency	Percent	Valid Percent	Cumulative Percent
	6	1.2	1.2	1.2
Manufacturing	108	20.8	20.8	22
Retail	158	30.5	30.5	52.5
Services	246	47.5	47.5	100
Total	518	100	100	

How long has the business been in operation?

	Frequency	Percent	Valid Percent	Cumulative Percent

	15	2.9	2.9	2.9
3 - 5 years	244	47.1	47.1	50
6 - 10 years	165	31.9	31.9	81.9
11- 15 years	58	11.2	11.2	93.1
16 - 20 years	18	3.5	3.5	96.6
over 20 years	18	3.5	3.5	100
Total	518	100	100	

How many people does the business employ including owner?

	Frequency	Percent	Valid Percent	Cumulative Percent
	22	4.2	4.2	4.2
01-Mar	257	49.6	49.6	53.9
04-Jun	119	23	23	76.9
07-Sep	59	11.4	11.4	88.3
Oct-15	38	7.3	7.3	95.6
over 15	23	4.4	4.4	100
Total	518	100	100	

Initial Start-up Capital

	Frequency	Percent	Valid Percent	Cumulative Percent
	20	3.9	3.9	3.9
N100,000 - 250,000	258	49.8	49.8	53.7
251,000 - 1,000,000	133	25.7	25.7	79.4
1,100,000 - 3,000,000	72	13.9	13.9	93.3
over 3,000,000	35	6.8	6.8	100
Total	518	100	100	

Average Yearly Profit After Tax

		Frequency	Percent	Valid Percent	Cumulative Percent
	N100,000 - 250,000	268	51.7	56.7	56.7
	251,000 - 1,000,000	119	23	25.2	81.8
	1,100,000 - 3,000,000	56	10.8	11.8	93.7
	over 3,000,000	30	5.8	6.3	100
	Total	473	91.3	100	
Missing		45	8.7		
Total		518	100		

Sales growth

	Frequency	Percent	Valid Percent	Cumulative Percent
No	87	16.8	16.8	16.8
Yes	431	83.2	83.2	100

Total	518	100	100	

Employment commitment

	Frequency	Percent	Valid Percent	Cumulative Percent
No	151	29.2	29.2	29.2
Yes	367	70.8	70.8	100
Total	518	100	100	

Customer orientation

	Frequency	Percent	Valid Percent	Cumulative Percent
No	111	21.4	21.4	21.4
Yes	407	78.6	78.6	100
Total	518	100	100	

Industrial relations

	Frequency	Percent	Valid Percent	Cumulative Percent
No	161	31.1	31.1	31.1
Yes	357	68.9	68.9	100
Total	518	100	100	

Customer satisfaction

	Frequency	Percent	Valid Percent	Cumulative Percent
No	63	12.2	12.2	12.2
Yes	455	87.8	87.8	100
Total	518	100	100	

Business image

	Frequency	Percent	Valid Percent	Cumulative Percent
No	90	17.4	17.4	17.4
Yes	428	82.6	82.6	100
Total	518	100	100	

Number of employees

	Frequency	Percent	Valid Percent	Cumulative Percent
No	134	25.9	25.9	25.9
Yes	384	74.1	74.1	100

Total	518	100	100	

Quality of products and services

	Frequency	Percent	Valid Percent	Cumulative Percent
No	73	14.1	14.1	14.1
Yes	445	85.9	85.9	100
Total	518	100	100	

Ways of doing business

	Frequency	Percent	Valid Percent	Cumulative Percent
No	96	18.5	18.5	18.5
Yes	422	81.5	81.5	100
Total	518	100	100	

Where did you get money to start the business

	Frequency	Percent	Valid Percent	Cumulative Percent
	8	1.5	1.5	1.5
Bank loans/Credits	32	6.2	6.2	7.7
Borrowing from friends	102	19.7	19.7	27.4
Government Aid/Loan	18	3.5	3.5	30.9
Islamic Bank	12	2.3	2.3	33.2
Others	24	4.6	4.6	37.8
Personal finance	322	62.2	62.2	100
Total	518	100	100	

How Difficult was it obtaining money from other sources

	Frequency	Percent	Valid Percent	Cumulative Percent
	109	21	21	21
Very easy	52	10	10	31
Easy	36	6.9	6.9	37.9
Fairly Difficult	88	17	17	54.9
Difficult	187	36.1	36.1	91
Not Difficult	46	8.9	8.9	100
Total	518	100	100	

Reasons for Difficulty

		Frequency	Percent	Valid Percent	Cumulative Percent
		225	43.4	43.4	43.4
	Administrative procedure	29	5.6	5.6	49
	Lack of collateral	79	15.3	15.3	64.3
	Lack of experience	42	8.1	8.1	72.4
	Lack of personal finance	54	10.4	10.4	82.8
	Lack of practical business plan	60	11.6	11.6	94.4
	Others	29	5.6	5.6	100
	Total	518	100	100	

Have you ever applied for credit/loan/aid?

		Frequency	Percent	Valid Percent	Cumulative Percent
	No	338	65.3	65.3	65.3
	Yes	180	34.7	34.7	100
	Total	518	100	100	

Type of credit/loan/aid applied

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		324	62.5	62.5	62.5
	Government Loan	18	3.5	3.5	66
	Long Term	71	13.7	13.7	79.7
	Medium Term	45	8.7	8.7	88.4
	Short Term	48	9.3	9.3	97.7
	Venture Capital loan	12	2.3	2.3	100
	Total	518	100	100	

Was the application successful?

		Frequency	Percent	Valid Percent	Cumulative Percent
	No	379	73.2	73.2	73.2
	Yes	139	26.8	26.8	100
	Total	518	100	100	

Reason(s) for declining application

		Frequency	Percent	Valid Percent	Cumulative Percent

		Frequency	Percent	Valid Percent	Cumulative Percent
		304	58.7	58.7	58.7
	Age	4	0.8	0.8	59.5
	Failure in previous Business	8	1.5	1.5	61
	Inexperience	2	0.4	0.4	61.4
	Insufficient/poor sources	70	13.5	13.5	74.9
	Lack of collateral	88	17	17	91.9
	Others	16	3.1	3.1	95
	Poor business plan	26	5	5	100
	Total	518	100	100	

Are you aware of SMEDAN?

		Frequency	Percent	Valid Percent	Cumulative Percent
	No	238	45.9	45.9	45.9
	Yes	280	54.1	54.1	100
	Total	518	100	100	

Are you aware SMEDAN was created to Promote MSME?

		Frequency	Percent	Valid Percent	Cumulative Percent
	No	256	49.4	49.4	49.4
	Yes	262	50.6	50.6	100
	Total	518	100	100	

Have you ever benefited from SMEDANs support initiatives?

		Frequency	Percent	Valid Percent	Cumulative Percent
	No	427	82.4	82.4	82.4
	Yes	91	17.6	17.6	100
	Total	518	100	100	

Satisfactory government support

		Frequency	Percent	Valid Percent	Cumulative Percent
	No	102	19.7	19.7	19.7
Valid	Yes	416	80.3	80.3	100
	Total	518	100	100	

Efficient tax system

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	196	37.8	37.8	37.8
	Yes	322	62.2	62.2	100

Total	518	100	100	

Good Infrastructure

	Frequency	Percent	Valid Percent	Cumulative Percent
No	76	14.7	14.7	14.7
Yes	442	85.3	85.3	100
Total	518	100	100	

Good regulatory environment

	Frequency	Percent	Valid Percent	Cumulative Percent
No	72	13.9	13.9	13.9
Yes	446	86.1	86.1	100
Total	518	100	100	

Adequate and efficient Technology

	Frequency	Percent	Valid Percent	Cumulative Percent
No	85	16.4	16.4	16.4
Yes	433	83.6	83.6	100
Total	518	100	100	

Industry/network relations

	Frequency	Percent	Valid Percent	Cumulative Percent
No	77	14.9	14.9	14.9
Yes	441	85.1	85.1	100
Total	518	100	100	

Education of the entrepreneur

	Frequency	Percent	Valid Percent	Cumulative Percent
No	71	13.7	13.7	13.7
Yes	447	86.3	86.3	100
Total	518	100	100	

Good products and customer service

	Frequency	Percent	Valid Percent	Cumulative Percent
No	50	9.7	9.7	9.7
Yes	468	90.3	90.3	100
Total	518	100	100	

Pre experience

	Frequency	Percent	Valid Percent	Cumulative Percent
No	80	15.4	15.4	15.4
Yes	438	84.6	84.6	100
Total	518	100	100	

Appendix M:

What industry/sector does your business operate in * Sales growth

		Sales growth		Total
		No	Yes	
	Count	0	6	6
	% within What industry/sector does your business operate in	0.0%	100.0%	100.0%
	% within Sales growth	0.0%	1.4%	1.2%
	% of Total	0.0%	1.2%	1.2%
Manufacturing	Count	11	97	108
	% within What industry/sector does your business operate in	10.2%	89.8%	100.0%
	% within Sales growth	12.6%	22.5%	20.8%
Retail	Count	34	124	158
	% within What industry/sector does your business operate in	21.5%	78.5%	100.0%
	% within Sales growth	39.1%	28.8%	30.5%
Services	Count	42	204	246
	% within What industry/sector does your business operate in	17.1%	82.9%	100.0%
	% within Sales growth	48.3%	47.3%	47.5%
Total	Count	87	431	518
	% within What industry/sector does your business operate in	16.8%	83.2%	100.0%
	% within Sales growth	100.0%	100.0%	100.0%

Appendix N:

Age Group * Sales growth

			Sales growth		Total
			No	Yes	
Age Group	18 - 24	Count	6	112	118
		% within Age Group	5.1%	94.9%	100.0%
		% within Sales growth	6.9%	26.0%	22.8%
	25 - 34	Count	42	145	187
		% within Age Group	22.5%	77.5%	100.0%
		% within Sales growth	48.3%	33.6%	36.1%
	35 - 44	Count	28	122	150
		% within Age Group	18.7%	81.3%	100.0%
		% within Sales growth	32.2%	28.3%	29.0%
	over 44	Count	11	52	63
		% within Age Group	17.5%	82.5%	100.0%
		% within Sales growth	12.6%	12.1%	12.2%
Total		Count	87	431	518
		% within Age Group	16.8%	83.2%	100.0%
		% within Sales growth	100.0%	100.0%	100.0%
		% of Total	16.8%	83.2%	100.0%

Appendix O:

education * Sales growth

			Sales growth		Total
			No	Yes	
education	Above Masters	Count	6	11	17
		% within education1	35.3%	64.7%	100.0%
		% within Sales growth	6.9%	2.6%	3.3%
	Bachelor degree	Count	22	101	123
		% within education1	17.9%	82.1%	100.0%
		% within Sales growth	25.3%	23.4%	23.7%
	Diploma	Count	22	90	112
		% within education1	19.6%	80.4%	100.0%
		% within Sales growth	25.3%	20.9%	21.6%
	Master degree	Count	13	33	46
		% within education1	28.3%	71.7%	100.0%
		% within Sales growth	14.9%	7.7%	8.9%
	No Formal education	Count	0	13	13
		% within education1	0.0%	100.0%	100.0%
		% within Sales growth	0.0%	3.0%	2.5%
	Primary level	Count	2	55	57
		% within education1	3.5%	96.5%	100.0%
		% within Sales growth	2.3%	12.8%	11.0%
	Secondary level	Count	14	85	99
		% within education1	14.1%	85.9%	100.0%
		% within Sales growth	16.1%	19.7%	19.1%
	Technical qualification	Count	8	43	51
		% within education1	15.7%	84.3%	100.0%
		% within Sales growth	9.2%	10.0%	9.8%
Total		Count	87	431	518
		% within education1	16.8%	83.2%	100.0%
		% within Sales growth	100.0%	100.0%	100.0%
		% of Total	16.8%	83.2%	100.0%

Appendix P:

No. of years' operating in business * Business image					
			Business image		Total
			No	Yes	
No. of years operating in business		Count	5	10	15
		% within No. years in business	33.3%	66.7%	100.0%
		% within Business image	5.6%	2.3%	2.9%
	11- 15 years	Count	9	49	58
		% within No. years in business	15.5%	84.5%	100.0%
		% within Business image	10.0%	11.4%	11.2%
	16 - 20 years	Count	4	14	18
		% within No. years in business	22.2%	77.8%	100.0%
		% within Business image	4.4%	3.3%	3.5%
	3 - 5 years	Count	47	197	244
		% within No. years in business	19.3%	80.7%	100.0%
		% within Business image	52.2%	46.0%	47.1%
	6 - 10 years	Count	21	144	165
		% within No. years in business	12.7%	87.3%	100.0%
		% within Business image	23.3%	33.6%	31.9%
	over 20 years	Count	4	14	18
		% within No. years in business	22.2%	77.8%	100.0%
		% within Business image	4.4%	3.3%	3.5%
Total		Count	90	428	518
		% within No. years in business	17.4%	82.6%	100.0%
		% within Business image	100.0%	100.0%	100.0%
		% of Total	17.4%	82.6%	100.0%

Appendix Q:

Area of Business operation * Ways of doing business Crosstabulation

			Ways of doing business		
			No	Yes	Total
Area of Business operation		Count	0	6	6
		% within Area of Business operation	0.0%	100.0%	100.0%
		% within Ways of doing business	0.0%	1.4%	1.2%
	Manufacturing	Count	16	92	108
		% within Area of Business operation	14.8%	85.2%	100.0%
		% within Ways of doing business	16.7%	21.8%	20.8%
	Retail	Count	30	128	158
		% within Area of Business operation	19.0%	81.0%	100.0%
		% within Ways of doing business	31.3%	30.3%	30.5%
	Services	Count	50	196	246
		% within Area of Business operation	20.3%	79.7%	100.0%
		% within Ways of doing business	52.1%	46.4%	47.5%
Total		Count	96	422	518
		% within Area of Business operation	18.5%	81.5%	100.0%
		% within Ways of doing business	100.0%	100.0%	100.0%
		% of Total	18.5%	81.5%	100.0%

Appendix R: perception of owner-managers regarding concerns contributing to creation of barriers to small business success

Insufficient capital	**Frequency**	**Percent**	**Valid Percent**	**Cumulative Percent**
Very Low	112	21.6	22.7	22.7
Low	153	29.5	31	53.6
Medium	137	26.4	27.7	81.4
High	29	5.6	5.9	87.2
Very High	63	12.2	12.8	100
Total	494	95.4	100	
Missing	24	4.6		
Total	518	100		
Lack of financing				
Very Low	96	18.5	20.3	20.3
Low	174	33.6	36.7	57
Medium	104	20.1	21.9	78.9
High	51	9.8	10.8	89.7
Very High	49	9.5	10.3	100
Total	474	91.5	100	
Missing	44	8.5		
Total	518	100		
Access to capital				
Very Low	86	16.6	18.8	18.8
Low	168	32.4	36.8	55.6
Medium	120	23.2	26.3	81.8
High	40	7.7	8.8	90.6
Very High	43	8.3	9.4	100
Total	457	88.2	100	
Missing	61	11.8		
Total	518	100		
Lack of alternative finance				
Very Low	88	17	19.2	19.2
Low	181	34.9	39.4	58.6
Medium	100	19.3	21.8	80.4
High	52	10	11.3	91.7
Very High	38	7.3	8.3	100

Total	459	88.6	100	
Missing	59	11.4		
Total	518	100		
Shortage of working capital				
Very Low	95	18.3	20.6	20.6
Low	207	40	44.9	65.5
Medium	88	17	19.1	84.6
High	49	9.5	10.6	95.2
Very High	22	4.2	4.8	100
Total	461	89	100	
Missing	57	11		
Total	518	100		
Lack of access to credit				
Very Low	107	20.7	23.6	23.6
Low	161	31.1	35.5	59.2
Medium	98	18.9	21.6	80.8
High	62	12	13.7	94.5
Very High	25	4.8	5.5	100
Total	453	87.5	100	
Missing	65	12.5		
Total	518	100		
Weak economy				
Very Low	110	21.2	23.9	23.9
Low	139	26.8	30.2	54
Medium	106	20.5	23	77
High	69	13.3	15	92
Very High	37	7.1	8	100
Total	461	89	100	
Missing	57	11		
Total	518	100		
Lack of Basic formal education				
Very Low	112	21.6	24.5	24.5
Low	125	24.1	27.3	51.7
Medium	164	31.7	35.8	87.6
High	43	8.3	9.4	96.9
Very High	14	2.7	3.1	100
Total	458	88.4	100	

Missing	60	11.6		
Total	518	100		
Lack Mgt skills & training				
Very Low	91	17.6	19.4	19.4
Low	122	23.6	26	45.3
Medium	186	35.9	39.6	84.9
High	52	10	11.1	96
Very High	19	3.7	4	100
Total	470	90.7	100	
Missing	48	9.3		
Total	518	100		
Level of education				
Very Low	95	18.3	20.7	20.7
Low	111	21.4	24.1	44.8
Medium	181	34.9	39.3	84.1
High	65	12.5	14.1	98.3
Very High	8	1.5	1.7	100
Total	460	88.8	100	
Missing	58	11.2		
Total	518	100		
Govt Policies				
Very Low	84	16.2	18.3	18.3
Low	102	19.7	22.2	40.4
Medium	169	32.6	36.7	77.2
High	68	13.1	14.8	92
Very High	37	7.1	8	100
Total	460	88.8	100	
Missing	58	11.2		
Total	518	100		
Bureaucratic procedure				
Very Low	67	12.9	15.7	15.7
Low	84	16.2	19.7	35.4
Medium	192	37.1	45.1	80.5
High	61	11.8	14.3	94.8
Very High	22	4.2	5.2	100
Total	426	82.2	100	
Missing	92	17.8		
Total	518	100		

Legal and Regulatory Structure				
Very Low	80	15.4	18.4	18.4
Low	98	18.9	22.5	40.9
Medium	180	34.7	41.4	82.3
High	60	11.6	13.8	96.1
Very High	17	3.3	3.9	100
Total	435	84	100	
Missing	83	16		
Total	518	100		
Tax burden				
Very Low	74	14.3	16.5	16.5
Low	68	13.1	15.1	31.6
Medium	132	25.5	29.4	61
High	117	22.6	26.1	87.1
Very High	58	11.2	12.9	100
Total	449	86.7	100	
Missing	69	13.3		
Total	518	100		
Licenses and registration				
Very Low	78	15.1	17.7	17.7
Low	74	14.3	16.8	34.5
Medium	148	28.6	33.6	68
High	109	21	24.7	92.7
Very High	32	6.2	7.3	100
Total	441	85.1	100	
Missing	77	14.9		
Total	518	100		
Corruption				
Very Low	75	14.5	16.7	16.7
Low	75	14.5	16.7	33.3
Medium	103	19.9	22.9	56.2
High	89	17.2	19.8	76
Very High	108	20.8	24	100
Total	450	86.9	100	
Missing	68	13.1		
Total	518	100		
Lack of planning				
Very Low	114	22	25.7	25.7

Low	115	22.2	26	51.7
Medium	124	23.9	28	79.7
High	66	12.7	14.9	94.6
Very High	24	4.6	5.4	100
Total	443	85.5	100	
Missing	75	14.5		
Total	518	100		
Lack of Technical skills				
Very Low	94	18.1	20.9	20.9
Low	124	23.9	27.6	48.4
Medium	138	26.6	30.7	79.1
High	76	14.7	16.9	96
Very High	18	3.5	4	100
Total	450	86.9	100	
Missing	68	13.1		
Total	518	100		
Lack of Experience				
Very Low	96	18.5	21.1	21.1
Low	123	23.7	27.1	48.2
Medium	148	28.6	32.6	80.8
High	71	13.7	15.6	96.5
Very High	16	3.1	3.5	100
Total	454	87.6	100	
Missing	64	12.4		
Total	518	100		
Competition				
Very Low	69	13.3	15.9	15.9
Low	75	14.5	17.3	33.2
Medium	145	28	33.4	66.6
High	101	19.5	23.3	89.9
Very High	44	8.5	10.1	100
Total	434	83.8	100	
Missing	84	16.2		
Total	518	100		
Poor Marketing				
Very Low	91	17.6	20.3	20.3
Low	121	23.4	26.9	47.2
Medium	126	24.3	28.1	75.3

High	73	14.1	16.3	91.5
Very High	38	7.3	8.5	100
Total	449	86.7	100	
Missing	69	13.3		
Total	518	100		
Lack of sectoral linkages				
Very Low	96	18.5	22.2	22.2
Low	111	21.4	25.7	47.9
Medium	151	29.2	35	82.9
High	58	11.2	13.4	96.3
Very High	16	3.1	3.7	100
Total	432	83.4	100	
Missing	86	16.6		
Total	518	100		
Excessive and expensive lifestyle				
Very Low	90	17.4	19.3	19.3
Low	104	20.1	22.3	41.6
Medium	184	35.5	39.5	81.1
High	48	9.3	10.3	91.4
Very High	40	7.7	8.6	100
Total	466	90	100	
Missing	52	10		
Total	518	100		
Attitude				
Very Low	70	13.5	15.5	15.5
Low	102	19.7	22.6	38.1
Medium	195	37.6	43.1	81.2
High	66	12.7	14.6	95.8
Very High	19	3.7	4.2	100
Total	452	87.3	100	
Missing	66	12.7		
Total	518	100		
Leadership				
Very Low	67	12.9	15.1	15.1
Low	90	17.4	20.3	35.4
Medium	192	37.1	43.2	78.6
High	83	16	18.7	97.3
Very High	12	2.3	2.7	100

Total	444	85.7	100	
Missing	74	14.3		
Total	518	100		
Regional Marginality				
Very Low	65	12.5	14.3	14.3
Low	116	22.4	25.6	40
Medium	186	35.9	41.1	81
High	79	15.3	17.4	98.5
Very High	7	1.4	1.5	100
Total	453	87.5	100	
Missing	65	12.5		
Total	518	100		
Values				
Very Low	63	12.2	14.2	14.2
Low	116	22.4	26.1	40.2
Medium	175	33.8	39.3	79.6
High	76	14.7	17.1	96.6
Very High	15	2.9	3.4	100
Total	445	85.9	100	
Missing	73	14.1		
Total	518	100		
Beliefs				
Very Low	80	15.4	18	18
Low	94	18.1	21.1	39.1
Medium	188	36.3	42.2	81.3
High	66	12.7	14.8	96.2
Very High	17	3.3	3.8	100
Total	445	85.9	100	
Missing	73	14.1		
Total	518	100		
Norms				
Very Low	77	14.9	18	18
Low	101	19.5	23.7	41.7
Medium	170	32.8	39.8	81.5
High	66	12.7	15.5	97
Very High	13	2.5	3	100
Total	427	82.4	100	
Missing	91	17.6		

Total	518	100		
Gender Discrimination				
Very Low	106	20.5	24.1	24.1
Low	96	18.5	21.9	46
Medium	155	29.9	35.3	81.3
High	63	12.2	14.4	95.7
Very High	19	3.7	4.3	100
Total	439	84.7	100	
Missing	79	15.3		
Total	518	100		
Tech backward/ change				
Very Low	94	18.1	21.4	21.4
Low	91	17.6	20.7	42
Medium	143	27.6	32.5	74.5
High	78	15.1	17.7	92.3
Very High	34	6.6	7.7	100
Total	440	84.9	100	
Missing	78	15.1		
Total	518	100		
Lack tools and equipment				
Very Low	89	17.2	19.5	19.5
Low	118	22.8	25.9	45.4
Medium	134	25.9	29.4	74.8
High	74	14.3	16.2	91
Very High	41	7.9	9	100
Total	456	88	100	
Missing	62	12		
Total	518	100		
Lack adequate electricity				
Very Low	107	20.7	23.3	23.3
Low	102	19.7	22.2	45.5
Medium	88	17	19.2	64.7
High	83	16	18.1	82.8
Very High	79	15.3	17.2	100
Total	459	88.6	100	
Missing	59	11.4		
Total	518	100		
Poor road network				

Very Low	106	20.5	23.3	23.3
Low	95	18.3	20.9	44.3
Medium	108	20.8	23.8	68.1
High	95	18.3	20.9	89
Very High	50	9.7	11	100
Total	454	87.6	100	
Missing	64	12.4		
Total	518	100		
Poor telecommunication				
Very Low	87	16.8	19.2	19.2
Low	100	19.3	22	41.2
Medium	143	27.6	31.5	72.7
High	74	14.3	16.3	89
Very High	50	9.7	11	100
Total	454	87.6	100	
Missing	64	12.4		
Total	518	100		
Poor water supply				
Very Low	98	18.9	21.7	21.7
Low	109	21	24.1	45.8
Medium	103	19.9	22.8	68.6
High	84	16.2	18.6	87.2
Very High	58	11.2	12.8	100
Total	452	87.3	100	
Missing	66	12.7		
Total	518	100		
Lack of raw materials				
Very Low	89	17.2	19.6	19.6
Low	98	18.9	21.6	41.2
Medium	130	25.1	28.6	69.8
High	87	16.8	19.2	89
Very High	50	9.7	11	100
Total	454	87.6	100	
Missing	64	12.4		
Total	518	100		
Lack of employee satisfaction				
Very Low	190	36.7	42.1	42.1
Low	71	13.7	15.7	57.9

Medium	125	24.1	27.7	85.6
High	41	7.9	9.1	94.7
Very High	24	4.6	5.3	100
Total	451	87.1	100	
Missing	67	12.9		
Total	518	100		
Poor record keeping				
Very Low	147	28.4	32.3	32.3
Low	106	20.5	23.3	55.6
Medium	120	23.2	26.4	82
High	54	10.4	11.9	93.8
Very High	28	5.4	6.2	100
Total	455	87.8	100	
Missing	63	12.2		
Total	518	100		
Ways of doing business				
Very Low	123	23.7	27.4	27.4
Low	67	12.9	14.9	42.3
Medium	176	34	39.2	81.5
High	60	11.6	13.4	94.9
Very High	23	4.4	5.1	100
Total	449	86.7	100	
Missing	69	13.3		
Total	518	100		
Poor products and services				
Very Low	131	25.3	29.3	29.3
Low	112	21.6	25.1	54.4
Medium	118	22.8	26.4	80.8
High	49	9.5	11	91.7
Very High	37	7.1	8.3	100
Total	447	86.3	100	
Missing	71	13.7		
Total	518	100		

Appendix S. Item Statistics

Item Statistics		
	Mean	Std. Deviation
Insufficient capital	3.52	1.235
Lack of financing	3.49	1.141
Access to capital	3.51	1.115
Lack of alternative finance	3.51	1.103
Shortage of working capital	3.39	1.079
Lack of access to credit	3.40	1.103
Weak economy	3.53	1.201
Lack of Basic formal education	3.41	1.037
Lack Mgt skills & training	3.59	1.085
Level of education	3.54	1.052
Govt Policies	3.86	1.039
Bureaucratic procedure	3.83	0.955
Legal and Regulatory Structure	3.67	1.067
Tax burden	4.09	1.27
Licenses and registration	3.90	1.166
Corruption	4.25	1.39
Lack of planning	3.61	1.172
Lack of Technical skills	3.64	1.146
Lack of Experience	3.65	1.108
Competition	4.04	1.184
Poor Marketing	3.89	1.203
Lack of sectoral linkages	3.64	1.06
Excessive and expensive lifestyle	3.65	1.035
Attitude	3.59	0.95
Leadership	3.68	0.996
Regional Marginality	3.71	0.93
Values	3.76	0.997
Beliefs	3.69	1.019
Norms	3.63	1.025
Gender Discrimination	3.65	1.124
Tech backward change	3.80	1.129
Lack tools and equipment	3.85	1.156
Lack adequate electricity	4.09	1.353
Poor road network	3.97	1.268
Poor telecommunication	4.00	1.188

Poor water supply	3.98	1.323
Lack of raw materials	3.98	1.245
Lack of employee satisfaction	3.21	1.251
Poor record keeping	3.36	1.244
Ways of doing business	3.53	1.173
Poor products and services	3.39	1.25

Appendix T : Survey Questionnaire

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SURVEY PARTICIPANTS INFORMATION

State: Kaduna ☐ **Kano** ☐ **Code Number:**

Dear Owner/Manager,

My name is Mustapha Shitu Suleiman a PhD student in Business at the Nottingham Business School, Nottingham Trent University, United Kingdom.

My research aims to systematically identify and systemically examine the influence between barriers to the success of small businesses in North West Nigeria.

You have been approached to participate in this study, as you are the owner-manager of the registered business. I would be grateful if you can complete the attached questionnaire, which is aimed at collecting the views of small business owner-managers on the possible concerns that contribute to the creation of barriers to the success and development your business may experience.

Your participation in this survey is voluntary and anonymous. You do not need to provide your name; all questionnaires contain a unique code number only known to you, which could be used if you wish to contact me afterwards. You do not have to answer all questions and if you change your mind about taking part in the study, you can choose not to return the questionnaire, or request me to destroy it. You can contact me directly and provide your unique code number, at any moment and without the need to provide a reason within the next **3 weeks**.

You are expected to fill out a questionnaire that will take about **25 minutes** of your time. Questions are clear and concise to enable participants have a clear understanding of questions to be answered. You can skip questions you do not understand OR do not wish to answer.

None of the data and published document from this survey will make reference to you or your business. There will be absolute anonymity of the survey data and your identity as a participant. Only I will have access to the raw data. Participants can only be identified with the participation code number on the questionnaire.

Please note that forms will be collected **1 WEEK** from the day of submission.

Thank you for agreeing to participate in this survey.

Contact for further information

PhD Student:
Mustapha S. Suleiman
Mustapha.Suleiman2013@my.ntu.ac.uk
+234 802867xxxx

Supervisor:
Dr. Francis Neshamba
francis.neshamba@ntu.ac.uk
+44 115 84 88xxx

SURVEY PARTICIPANTS' CONSENT FORM

- I have read and I understand the participant information sheet for this research and that participation is entirely voluntary. ☐
- By handing this questionnaire back to you, completed, I am giving my consent for you to use my questionnaire answers in this research. ☐
- I understand that I have the right to withdraw my questionnaire within **3 weeks**, by contacting the researcher using the details on the participant information sheet and quoting the participant reference code written at the top of my questionnaire. ☐
- I have made a note of my participant reference code. ☐

QUESTIONNAIRE FOR SURVEY ON SMALL BUSINESSES

SECTION 1: DEMOGRAPHIC INFORMATION OF THE OWNER/MANAGER

1. **Which of the following is your age group?**
   18-24 ☐ 25-34 ☐ 35-44 ☐ Over 44 ☐

2. **Your Gender:**
   Male ☐ Female ☐

3. **Which of the following best gives your educational level?**
   Primary level ☐ Secondary level ☐ Diploma ☐ Technical qualification ☐
   Bachelor degree ☐ Master degree ☐ Above Masters ☐ No formal education ☐

4. **Do you have any previous work and or business experience?**
   Yes ☐ No ☐

5. **If yes, how many of these years' experience were in running a small business?**
   1-2 years ☐ 3 – 5 years ☐ 6 – 10 years ☐ 11 -15 years ☐ above 15 years ☐

6. **Have you ever had a business that closed or seized to exist?**
   (If no, proceed to question 33)
   Yes ☐ No ☐

7. **Choose from the following the reason(s) that lead to the closure.**
   Government policies ☐ Competition ☐ Heavy tax ☐ Shortage in working capital
   Inexper☐ce Lack of er☐oyee satisfaction Lack of I☐structure other
   ☐ ☐

8. **Have you received any form of training in business management and/or entrepreneurial development through any workshop, apprenticeship, courses, seminars or conferences?**
   Yes ☐ No ☐

SECTION 2: BUSINESS INFORMATION

9. **What industry/sector does your business operate in?**

☐ Manufacturing such as textiles, Leather, soap and detergent, rechargeable lantern, plastic, etc
☐ Services such as Fashion, Hair dressing, Communication and Information Technology, Restaurant, Consultancy (Accounting, Architecture), Furniture, Auto repairs, etc
☐ Retail such as supermarkets, non-grocery (Health and beauty), pharmacies, etc

10. **Is your business registered with any of the following:**
    Corporate Affairs Commission
    State Ministry of Commerce and
    National Association of Small Scale Industries
    Yes ☐ No ☐

11. **How long has the business been in operation?**
    3 -5 years ☐ 6 -10 years ☐ 11 – 15 years ☐ 16 - 20 ☐ over 20 years ☐

12. Who owns the business?

You Alone ☐ You and Friends ☐ Your Family ☐ Someone Else ☐

13. How many people does the business employ including owner-manager?

1 – 3 ☐ 4 – 6 ☐ 7 – 9 ☐ 10 – 15 ☐ over 15 ☐

14. How much capital did you use to start the business?

N100, 000 – N250, 000 ☐ N251, 000 – N1, 000, 000 ☐ N1, 100 000 – N3,000,000 over ☐, 000, 000 ☐

15. What is the average profit of the business per year?

N100, 000 – N250, 000 ☐ N251, 000 – N1, 000, 000 ☐ N1,100, 000 – N3,000,000 over N3, 000☐0 ☐

SECTION 3: BARRIER CONSTRAINTS

16. In your opinion, how would you rate the following concerns that contribute to the creation of barriers to your business success?

(Please indicate your answer by ticking the appropriate box)

Concerns		Very Low	Low	Medium	High	Very High
Financial	Insufficient capital					
	Lack of financing					
	Access to capital					
	Lack of Alternative sources of finance					
	Shortage of working capital					
	Lack of Access to credit					
	Weak economy					
Educational	Lack of basic formal education					
	Lack of management skills and training					
	Level of education					
Regulatory	Government policies					
	Bureaucratic procedure					
	Legal and Regulatory Structure (LRS)					
	Tax burden					
	Licenses and registration					
	Corruption					
Management	Lack of planning					
	Lack Technical skills					
	Lack of Experience					
	Competition					
	Poor Marketing					
	Lack of Sectoral linkages					
Entrepreneur Character	Excessive and expensive lifestyle					
	Attitude					
	Leadership					
Cultural	Regional marginality (ethnic)					
	Values, beliefs, norms					
	Gender discrimination					

Infrastructure	Technological backwardness/Change					
	Lack of tools and equipment					
	Lack of adequate electricity, road network, telecommunication and water supply					
	Lack of raw materials					
Enterprise operations	Lack of employee satisfaction and customer relation					
	Poor record keeping					
	Way of doing business					
	Poor Products and services					

SECTION 4: BUSINESS SUCCESS AND FINANCING INFORMATION

17. From the day business started, are you happy with the following success recorded by your business?

(Please indicate your answer by ticking the appropriate box)

	Success Recorded	Yes	No
a	Sales growth		
b	Employee commitment		
c	Customer retention		
d	Industrial relations		
e	Customer satisfaction		
f	Business image		
g	Number of employees		
h	Quality of products and service delivery		
i	Way of doing business		

18. Where did you get money to start your business?

Personal finance ☐ Borrowing from friends and relatives ☐ Bank Loan/Credit ☐
Islamic Bank ☐ Government Aid/Loan ☐Other ☐

19. How difficult was it to obtain money from other sources?

(If not difficult proceed to question 23)

Very easy ☐ Easy ☐ Fairly Difficult ☐ Difficult ☐ Not Difficult ☐

20. What is the reason(s) for the difficulty?

Lack of collateral ☐ Lack of practical business plan ☐ Lack of personal finance
Admini☐tive procedure Lac☐f Experience Othe☐ ☐

21. Have you ever applied for credit/loan/aid for your business after start-up?

(If No, proceed to question 25)

Yes ☐ No ☐

22. What type of credit/loan/aid did you apply for?

Long-Term (more than five years) ☐ Medium-Term (less than five years) ☐
Short-Term (two years) ☐ Government Loan/Aid ☐ Venture Capital loan ☐

23. **Was the application successful?**
    Yes ☐ No ☐

24. **Which from the following options was given as the reason(s) for declining your application?**
    Lack of collateral ☐ Insufficient/poor source(s) of repayment ☐ Age ☐
    Failure in previous business ☐ Poor business plan ☐ Inexperience ☐ Other ☐

25. **Are you aware of the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN)?**
    (If no, proceed to question 31)
    Yes ☐ No ☐

26. **Are you aware SMEDAN was created to monitor, train and provide financial support for small businesses?**
    Yes ☐ No ☐

27. **Have you benefitted from any of SMEDANs support initiatives?**
    Yes ☐ No ☐

28. **Do you believe these factors can possibly contribute to the success of your business?**
    (Please indicate your answer by ticking the appropriate box)

	Possible Factors	Yes	No
a	Satisfactory government support		
b	Efficient tax system		
c	Good infrastructure		
d	Good regulatory environment		
e	Adequate and efficient technology		
f	Industry/network relations		
g	Education of the entrepreneur		
h	Good product and customer service		
i	Previous experience		

Appendix U. Interview Guide

INTERVIEW PARTICIPANTS' INFORMATION

State: Kaduna ☐ **Kano** ☐ **Code Number:**

Dear Participant,

My name is Mustapha Shitu Suleiman a PhD student in Business at the Nottingham Business School, Nottingham Trent University, United Kingdom.

You have been approached to participate in this interview, as you had operated a small business. I would be grateful if you consent to partake in this interview, which is aimed at understanding your perceived experience about the influence between the barriers to the success small business in North West Nigeria.

The interview will last approximately **twenty** minutes and your participation in this interview is voluntary and confidential. You do not need to provide your name, all interview information and consent forms contain a unique code number only known to you, which could be used if you wish to contact me afterwards.

Questions are clear and concise to enable participants have a clear understanding, however, you do not have to answer all questions and you can request me to destroy the information you provide. You can contact me directly and provide your unique code number on top of this information and consent form, at any moment and without the need to provide a reason within the next **3 weeks**. If you decide to withdraw, all the information you provided will be destroyed and will not be used in the study.

None of the data and published document from this research will make reference to you or your failed business. There will be absolute confidentiality of the information and your identity as a participant. Only I will have access to the information.

Your permission is required to take written notes and record the interview session with an audio recorder. You have the right not to agree with this as it is voluntary.

Thank you for agreeing to participate in this interview.

Contact for further information:

PhD Student:
Mustapha S. Suleiman
Mustapha.Suleiman2013@my.ntu.ac.uk
+234 802867XXXX

PhD Supervisor:
Dr. Francis Neshamba
francis.neshamba@ntu.ac.uk
+44 115 84 8XXXX

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TRENT UNIVERSITY

INTERVIEW PARTICIPANTS' CONSENT FORM

- I have read and I understand the purpose of this interview and my part in it. ☐
- By handing this form, completed, I am giving my consent for you to use my interview response in this research study. ☐
- I understand that I have the right to withdraw my Participation during the interview and **3 weeks** after the interview, and understand that all materials would be destroyed ☐
- I voluntarily agree to take part in this study. ☐
- I agree for notes and an audio recorder to be used in the interview ☐
- I have made a note of my participant reference code. ☐

Interview Guide

SECTION 1: DEMOGRAPHIC QUESTIONS

1. **Which of the following is your age group?**
   18-24 ☐ 25-34 ☐ 35-44 ☐ Over 44 ☐

2. **Your Gender:**
   Male ☐ Female ☐

3. **Which of the following best gives your educational level?**
   Primary level ☐ Secondary level ☐ Diploma ☐ Technical qualification ☐
   Bachelor degree ☐ Master degree ☐ Above Masters ☐ No formal education ☐

SECTION 2: BUSINESS INFORMATION

4. **What industry/sector did your business operate in?**

☐ Manufacturing such as textiles, Leather, soap and detergent, rechargeable lantern, plastic, etc

☐ Services such as Fashion, Hair dressing, Communication and Information Technology, Restaurant, Consultancy (Accounting, Architecture), Furniture, Auto repairs, etc

☐ Retail such as supermarkets, non-grocery (Health and beauty), pharmacies, etc

5. **Was your business registered with any of the following:**
   Corporate Affairs Commission
   State Ministry of Commerce and
   National Association of Small Scale Industries
   Yes ☐ No ☐

6. **How long was the business in operation?**
   3 -5 years ☐ 6 -10 years ☐ 11 – 15 years ☐ 16 - 20 ☐ over 20 years ☐

7. **Who owned the business?**
   You Alone ☐ You and Friends ☐ Your Family ☐ Someone Else ☐

8. **How many people did the business employ including owner-manager?**
   1 – 3 ☐ 4 – 6 ☐ 7 – 9 ☐ 10 – 15 ☐ over 15 ☐

9. **In your opinion, do you perceive these barriers to the success of small businesses, and if you believe there is influence between them to be the cause of your business to close?**

Concerns		Yes	No
Financial	Insufficient capital		
	Lack of financing		
	Access to capital		
	Lack of Alternative sources of finance		
	Shortage of working capital		
	Lack of Access to credit		
	Weak economy		
Educational	Lack of basic formal education		
	Lack of management skills and training		
	Level of education		
Regulatory	Government policies		
	Bureaucratic procedure		
	Legal and Regulatory Structure (LRS)		
	Tax burden		
	Licenses and registration		
	Corruption		
Management	Lack of planning		
	Lack Technical skills		
	Lack of Experience		
	Competition		
	Poor Marketing		
	Lack of Sectoral linkages		
Entrepreneur Character	Excessive and expensive lifestyle		
	Attitude		
	Leadership		
Cultural	Regional marginality (ethnic)		
	Values, beliefs, norms		
	Gender discrimination		
Infrastructure	Technological backwardness/Change		
	Lack of tools and equipment		
	Lack of adequate electricity, road network, telecommunication and water supply		
	Lack of raw materials		
Enterprise operations	Lack of employee satisfaction and customer relation		
	Poor record keeping		
	Way of doing business		
	Poor Products and services		

10. **Would you consider starting another business again?**

Yes ☐ No ☐

11. **What advice would you give business owners to prevent closure?**

12. Are there other concerns/barriers you think we have not discussed that led to the closure of your business?

Yes ☐ No ☐

13. If yes, what are they?

………………………………………………………………………..

Thank you for your time and kind consideration.