



The Problems and Prospects of Small and Medium Scale Enterprises (SMEs) Growth and Development in Nigeria: A Study of Selected SMEs in Delta State

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Abstract

In this study, the researcher evaluated the different paradigms of challenges, prospects and government efforts towards small and medium enterprises (SMEs) in Delta State, Nigeria. The author of this paper theoretically and empirically examined the different sides of the discussion. It provides a relatively broad literature review of the challenges, prospects and government efforts towards SMEs. Yet, it empirically evaluated the challenges, prospects and government efforts so far and the influences they have on SMEs in Nigeria. The study's research design was a survey as much as it is descriptive research design. Data were analyzed using the latest form of the statistical package for the social sciences (SPSS) version 23. Descriptive statistics (frequencies and percentages) were performed on the respondents' demographic information. T-test analysis was used to determine the influence of the tested variables on the growth and development of SMEs. Cronbach's alpha reliability analysis was used to measure the reliability of the instrument. In the study it was found that the challenges of SMEs significantly affect the growth and development of SMEs. Government efforts were found to significantly affect the growth and development of SMEs in Nigeria. However, the prospects of SMEs in Nigeria do not significantly affect its growth and development. And there were no significant differences in the opinions of the respondents based on their age and gender. Recommendations were proffered.

Keywords: SMEs, Problems, Government, Efforts, Prospects, Delta State, Nigeria.

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INTRODUCTION

Small and medium scale enterprises (SMEs) are largely viewed as the engine wire of any nation's economic growth and they are regarded as justifiable means that propel development globally. SMEs are labour intensive; as much as they are capital saving business ventures. They are capable of making people self-reliant and generating billions of new jobs globally (Abeh, 2017a,b; Kadiri, 2012). They are also observed as the key drivers to economic growth and poverty reduction (Agwu & Emeti, 2014).

SMEs are significant parts that links, strengthen and enhances the development of the countries. Their performance and growth in manufacturing, agriculture, services, etc., has been considered as the drivers and has contributed to the Nigeria economy. Sustainable growth and the increase in SMEs performance create competitiveness that opens numerous doors for employment opportunities, tangible and intangible assets (investment) in the environment (Eniola & Ektebang, 2014).

Historically, Nigeria's independence in 1960 marked a turning point in the growth and development of SMEs, which has created much of the emphasis on SMEs as panacea in the reduction of poverty and joblessness or unemployment in Nigeria as a whole. The adoption of the Economic Reform Programme (ERP) of 1986 indicated a pivotal shift from impressive, capital intensive and large scale industrial projects based on import substitution to small scale industries with enormous potentials for the development of domestic linkages for sustainable economic and industrial development (Agwu & Emeti, 2014). As such, SMEs perform very important part of the Nigerian economy (Eniola & Ektebang, 2014). Though, SMEs have developed over the years in Nigeria in spite of its challenges.

SMEs reduce the flow of rural to urban migration because SMEs can easily be set up with minimal capital and managerial skills. As much as they can easily be set up, they contribute significantly to a country's Gross Domestic Product (GDP). Majority of the SMEs in Delta State are family/sole proprietorship businesses depending on their activities. However, commercial SMEs constitute more than eighty percent of the entire number of SMEs in Delta State.

SMEs in the contexts of this study are enterprises that have the same common characteristics of ownership and management of individuals or family, and the decision-making processes are often personal. Mainly it requires little amount of capital base in general to establish SMEs, and often finds it difficult to raise needed funds for expansion.

Statement of the Problems

Nonetheless, the failure of SMEs in Nigeria to generate sufficient employment, reduce poverty in recent years has paved way for research intense interests on the challenges, government efforts and prospects of SMEs.

Purpose of the Study

The purpose of this article is to evaluate the challenges and prospects of SMEs in a sustainable and competitive advantage or disadvantage of its growing importance in Nigerian economy. At the end, some guidelines will be proffered in order to advance the growth and development of SMEs for competitive advantage and contribute to the gap in academic research on SMEs in Nigeria. Specifically, the purpose of this study is:

- To evaluate the extent the challenges of SMEs affect its growth and development in Nigeria.
- To appraise the extent of government efforts in the growth and development of SMEs in Nigeria.
- To assess the prospects of SMEs growth and development in Nigeria.
- To determine the perception of SMEs owners and their views toward the growth and development of SMEs in Nigeria.

Research Questions

In order to address the aforementioned problems, four research questions guided the study:

- To what extent do the challenges of SMEs affect its growth and development in Nigeria?
- To what extent do government efforts determine SMEs growth and development?
- To what extent are the prospects of SMEs growth and development in Nigeria?
- To what extent does the perception of SMEs owners influence their views toward the growth and development of SMEs in Nigeria?

Hypotheses

The following hypotheses directed perceptions towards SMEs problems and challenges:

- The challenges of SMEs significantly affect their growth and development in Nigeria.
- Government efforts significantly affect SMEs growth and development in Nigeria.
- The prospects of SMEs significantly affect their growth and development in Nigeria.
- There is no significant difference in the perception of SMEs owners and their views toward the growth and development of SMEs in Nigeria.

LITERATURE REVIEW

Challenges/Problems of SMEs in Nigeria

SMEs in Nigeria are confronted with several challenges. These challenges stand as barrier against effective growth and development of SMEs in Nigeria. The factors can be categorized into eight and can have devastating impacts if not properly handled. Figure 1 shows details of the challenges.

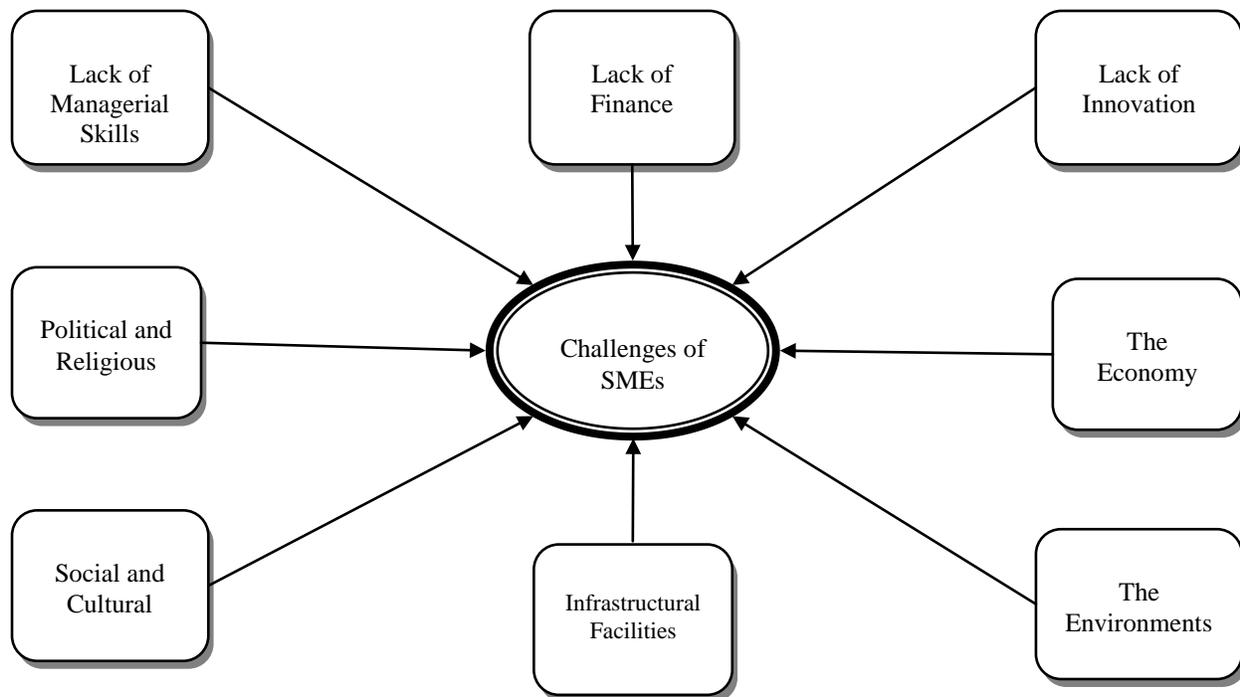


Figure 1: Some of the Challenges of SMEs in Nigeria

Lack of Managerial Skills

In running effective SMEs in Nigeria, efficient and effective managerial skills are required. Many SMEs lack the basic skills, techniques and aptitude to successfully operate a business. The managerial skills and talents necessary for planning, organizing, directing and controlling both the human and material resources are essential components of effectively running a business outfit. The study of Ololube and Uzorka (2008) showed that SMEs are unable to employ and maintain highly skilled workers because of their small sizes and the limited capital available. Skilled personnel like accountants and managers that are meant to be employed by SMEs are not engaged partly due of financial problems. This has resulted in poor accounting and financial management practices experienced by SMEs in Nigeria.

Lack of Finance

According to Ololube in Abeh (2017a), the budgetary allocations set aside to assist and that are available for SMEs growth and development in Nigeria is very small. Funds provided for SMEs are too small for proper planning for the takeoff of SMEs. The condition of the SMEs remains a thing of concern. Under-funding and systemic corruption makes the matter worse. Inadequate funding of SMEs stands as one of the major factors working against effective SMEs, planning and implementation (Abeh, 2017b). The capital base of would be entrepreneurs in Nigeria is very low because of the poverty rate and most SMEs find it difficult to access loans from banks. As a result, many of them are undercapitalized.

Lack of Innovation

According to Naylor (1999), innovation is key to SMEs strategy and a central factor for its competitive growth and development. To Lam in Abeh (2017a), SMEs are expected to introduce innovation into their business in order to create sustainable SMEs business solutions. Innovation is a process that creates knowledge, which is collected, shared and integrated. In other words, it takes the form of new technology or new product or services. Thus, innovation is related to change that can be integrated or incremental. Commonly, innovation can be considered as implementation of exploration and process that shapes outcomes and products.

Political and Religious

The present political dispensation in Nigeria since independence does not allow for favourable and conducive environment for SMEs to operate. Delays in the passing of national budgets both in the states and federal levels are a major example. Party wrangling and disagreements takes months and years to settle. Unfavourable policies, laws and delays in the implementation of the national budgets stall proper planning of SMEs in Nigeria. The list is endless. According to Ololube and Uzorka (2008), the political atmosphere in Nigeria does not favour SMEs because they bear the brunt of such situations whenever they arise. The constant change of power from one administration to another in the political his of Nigeria has militated against the success of SMEs. The persistent religious crises in Nigeria have negatively affected SMEs. Small businesses cannot afford to bribe their way towards having police and military personnel to guide their businesses. Most deaths that occur during religious crises are victims of small business owners. Politicians have failed on several occasions to address this issue as it does not affect their interest greatly, as such; efforts are not put into resolving the conflicts.

Social/Cultural

There is evidence (Ololube & Uzorka, 2008) that social factors influence the likelihood of a person becoming an SME owner or manager. The evidence according to Ololube and Uzorka (2008) include peaks in the age profile of the self-employed: the interaction of personal and social factors is illustrated by the data on ages of the self-employed. One of such studies according to Ololube and Uzorka found that SME starters were aged between 30-45 years. Most SMEs follow from social marginalization and it is more common in some ethnic groups and some parts of Nigeria. It is predominantly evidenced that the Ibo speaking ethnic group tends to venture into business more than other ethnic groups in Nigeria. In the same degree of measure, they also have the propensity to sustain and grow in their businesses. This is because they grasp every opportunity that comes their way in business. Most of the northern part of Nigeria do not allow female to partake in business activities. Rather they prefer women to be full house wives.

Economy

The economy of Nigeria is marred with corruption in all aspects and corruption has continued to pose serious menace to the survival of SMEs in Nigeria. The latest report of Transparency International's 2016 Corruption Perception Index ranked Nigeria one of the most corrupt countries in the world (Economy Watch, 2016). Corrupt practices appear to permeate all levels

of Nigeria's business and public life, from high ranking officers, who collect material inducement to disburse government approved funds to micro, small and medium scale enterprises, down to office assistants, who declare files missing if not submitted with tips (Anochie et al., 2015). The high cost of doing business in Nigeria imposes economic dimension of challenges encountered by SMEs. In the present day Nigeria, the rate of poverty has resulted in the death of most SMEs because people can no longer afford to buy products and services provided by the SMEs. A drastic improvement in the nation's economy will go a long way in resolving these problems.

Environmental

Another constraint in the growth and development of SMEs in Nigeria relate to environmental problems. Most SMEs in Nigeria and particularly in Delta State face a lot of environmental challenges. Multiple taxation from environmental and allied agencies makes the operation and smooth running of SMEs difficult. This factor affects both entrepreneurial firms and non-entrepreneurial small businesses (Eneh, 2010; Abimbola & Agboola, 2011).

The high cost in business incorporation names, legal and professional fees, business permits and licenses increase start-up costs of SMEs. The incidence of multiple taxation and levies in different forms by the federal, state and local government authorities constitute militating forces for emerging small businesses (Anochie et al., 2015).

The incessant cases of kidnapping in the Niger Delta and the insurgence by the Boko Haram's sect in the Northern part of the country have greatly affected the growth and development of SMEs in Nigeria, and has created unhealthy and insecure environment for SMEs operation.

According to World Bank Business report in Abimbola and Agboola (2011), Nigeria was ranked 108 out of 178 economies studied with regards to friendly business environment. Several sub-Saharan countries like Botswana, Ethiopia, Ghana, Kenya and South Africa have better ranking. The provision of conducive environment for the development of SMEs will advance the growth and development of Nigeria (Ololube, Uriah & Dudafa, 2014).

Infrastructural Facilities

Ololube et al. in Abeh (2017a) observed that SMEs do not operate without a number of challenges that impede their successful entrepreneurial drive for national development. Amongst the notable challenges: almost all sub-Saharan African countries' basic ICT infrastructures are inadequate. This is as a result of lack of electricity to power ICT resources, poor telecommunication facilities, and insufficient funds in general. Nigeria spends less than 12% of its annual budget on SMEs. Agboli and Ukaegbu (2006) highlighted the devastating effect of poor infrastructural facilities, including epileptic power supply, poor condition of road network and inadequate water supply on emerging businesses. In Nigeria, a large number of the population live below the poverty line, as such, average middle-income SMEs cannot afford basic technological and communication gadgets. The cost of computer related gadgets in Nigeria is three times the monthly wage of average SMEs. Thus, computer related telecommunication facilities remain less than useful for most Nigerian SMEs, as computers are still a luxury in most SMEs, and many SMEs have not had the chance to develop the skills to use them. This has made the integration of needed on-line business resources (e.g., e-mail and the world-wide-web) into

SMEs in Nigeria most difficult (Ololube et al. in Abeh, 2017a). According to Ololube and Uzorka (2008), huge amount of monies are spent on running generator sets to power equipment's used for production of goods. Transportation from the rural areas to the urban centres is as well expensive, including the installation and maintenance of bore-holes for water supply.

Government Efforts in the Growth and Development of SMEs in Nigeria

Governments in Nigeria have consistently made efforts towards the growth and development of SMEs in the country. However, in spite of these efforts, the expected results in terms of solving the challenges of facing SMEs still persist. According to Anochie, Ude and Egbo (2015), the efforts of governments can be identified as:

Small and Medium Industries Equity Investment Scheme (SMIEIS)

The Federal Government approved the setting up of SMIEIS to promote SMEs. Bankers Committee in December 1999 approved the scheme, which required setting aside 10% of their profit after tax for investment in SMEs. However, the federal government scheme has not been able to attract the expected patronage from the target group amongst the SMEs. This is evidenced in the relatively low patronage drawn from the large pool of investible funds (Central Bank of Nigeria, 2003). The setback is as a result of the lack of national spread. As at 2009, only twenty eight billion Naira (N28 billion), amounting to (67%) of the N42 billion set aside under the scheme was accessed (Central Bank of Nigeria, 2009; Anochie et al., 2015).

Bank of Industry (BOI)

The Federal Government of Nigeria in 2000 established the Nigerian Industrial Development Bank (NIDB), the Nigerian Bank for Commerce and Industry (NBCI) and National Economic Reconstruction Fund (NERFUND) to address the shortages in the finances of SMEs and Industries. Specifically, NERFUND was established to cater for SMEs in Nigeria by providing medium and long term credit to SMEs.

Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB)

These include a combination of three development financial institutions established by the Federal Government of Nigeria to cater for the needs of SMEs in Nigeria. They include: The Nigerian Agricultural Cooperative Bank (NACB) and the Peoples Bank and Family Economic Advancement Programme (FEAP). These financial institutions were merged in 2000 to form Nigerian Agriculture Cooperative Research Development Bank (NACRDB). The merged financial institutions took off in 2001 with an authorized capital base of One billion Naira (N1 billion) (Central Bank of Nigeria, 2001). The merged financial institutions were based in rural areas and provided easy-to-access credit finance facilities and agricultural inputs to rural farmers, cooperative societies and SMEs. Nonetheless, the major problem with NACRDB is that it has limited spread to its target groups, and over eighty percent of its target population have no access to their services (Anochie et al., 2015).

Microfinance Banks

The Federal Government in 2005 directed the Central Bank of Nigeria to launch Microfinance policy, regulatory and supervisory framework for Nigeria, but it was however revised in 2011. The aim of the framework was to strengthen the financial incapability of the community banks to microfinance banks and meeting their specified requirements to solve the problem of urban bias and the provision of affordable financial services to SMEs (Central Bank of Nigeria, 2011). Nevertheless, the problem/challenges of urban bias have not been successfully addressed because large segments of the targeted SMEs are actively poor in the rural areas and do not have access to microfinance services.

The National Directorate of Employment (NDE)

The National Directorate of Employment (NDE) was legally empowered by NDE Act, CAP 250 of the Law of the Federal Republic of Nigeria (formally Decree No 34 of 1989), the Directorate has responsibility to design, and implement programmes to combat mass unemployment in Nigeria. The NDE programmes include vocational skills acquisition training, employment counselling and job linkages, entrepreneurial training and enterprise creation, amongst others. The major problem of the NDE is its inability to provide post-training resources for job creation, resulting from lack of commitment by successive state and federal governments.

Small and Medium Enterprises Development Agency of Nigeria (SMEDAN)

The Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) was established by the Act of 2003. SMEDAN has the mandate to stimulate, monitor, and coordinate the development of micro, small and medium enterprises (MSMEs) in Nigeria by initiating and articulating policies, programmes, instruments and support services for the development of SMEs subsectors. All the same, SMEDAN has not made any noteworthy impact on the target population because of lack of awareness (Anochie et al., 2015).

Entrepreneurship Development Centres (EDCs)

The establishment of the EDCs was aimed at providing institutional support for the development of SMEs. Additionally, entrepreneurship development centres have been established in Nigeria's tertiary institutions and entrepreneurship has become a compulsory course of study in Nigerian universities. However, the effectiveness of such academic programmes is limited by disconnects experienced between the centres and the industrial sector, who are supposed to provide practical training and experience for students (Ololube, Uriah & Dudafa, 2014).

Youth Enterprise with Innovation in Nigeria (YouWIN)

The Federal Government of Nigeria established YouWIN in 2013 in its latest efforts to develop entrepreneurship in the country. YouWIN is an innovative business plan competition aimed at job creation to encourage and support aspiring entrepreneurial youths in Nigeria to develop and execute business ideas (YouWIN, 2013). Youths between the ages of 18-45 years compete for national award of one to ten million Naira (N1million to N10 million) to execute their business

plans and ideas (YouWIN, 2013). According to Anochie et al. (2015), YouWIN is the first time where effort is being made to identify entrepreneurial skills in Nigeria. However, its sustainability is in doubt because of its nature and the political undertone associated to the programme.

Prospects of SMEs in Nigeria

The unemployment situation in Nigeria coupled with the rural-urban migration with fear-provoking turn-out of school leavers, polytechnics, colleges of education and university graduates has multifaceted the activities of the SMEs. SMEs create jobs for these groups of individuals, which conversely reduces rural urban migration. With the least amount of support and little management abilities, many unemployed graduates can start something for themselves taking advantage of the knowledge and technical skills acquired during their undergraduate studies. Successful SMEs set up through this process have the prospects of employing some of the unemployed school leavers and graduates, which in turn assist in reducing the level of unemployment in the country (Ololube & Uzorka, 2008). Under listed are some of the prospects of SMEs:

Employment Generation

In Japan, SMEs employs about 74% of workforce. In Korea and Taiwan, SMEs employs about 82% of its workforce. In the United State of America, SMEs account for 87% percent of the countries workforce. In Germany, SMEs employs about 72.6% of its labour force. Thus, SMEs generally accounts for more than 70% of the workforce of developed countries. SMEs do not only provide direct employment but also serve as avenues for self-employment for both rural and urban inhabitants. SMEs in Nigeria employ about 60% of its workforce but hardly make progress because of the numerous problems they face. To move Nigeria's economy forward, more attention should be to re-focus on encouraging the growth of Small and Medium Enterprise by empowering them through adequate funding from banks.

Wealth Creation and Poverty Reduction (WCPR)

Poverty is simply defined as the state of being poor and unable to provide basic human needs such as food, clothing, and shelter. Poverty denotes a state of need, of not having access to necessities of life that support actual dwelling. It is a state of helplessness (Asikhia, 2010). Literature (Asikhia, 2013, 2016) has shown that poverty is on the increase in Nigeria; fifteen percent (15%) of Nigerian were poor before 1965. This increased to twenty-eight percent (28%) by 1965; in 1995 it rose to sixty-six percent (66%). A recent World Bank (2014) report places Nigeria's poverty rating at seventy-two percent (72%).

According to Ojha (2016), SMEs convert the dormant and idle resources like land, labour and capital into goods and services resulting in increase in the national income and wealth of a nation. The increase in national income is an indication of increase in net national product and per capita income of the country, which invariably reduces poverty. Although most SMEs in Nigeria have personal motivation to acquire wealth, but are not distributing it, hence the low percentage of wealth that SMEs contribute to poverty reduction (Asikhia, 2016). For SMEs to be able to create wealth, government should direct financial institutions and banks, who are

supposed to provide finances to SMEs to create special cells to provide easy finance to rural SMEs (Ojha, 2016). To Eniola (2014), reduction of poverty through the promotion of SMEs plays a substantial role in the development process of any country. SME promotion may be one of the most effective poverty reduction instruments.

Promotion of Local Entrepreneurship and Indigenous Technology Development (PLEITD)

The promotion of cottage and rural industries is one of the major contributions of small business to economic development. They are the foundation of any economy because their presence in rural areas do not only help in the development of such places but also support the social and economic transformation of such areas. SMEs stimulate national resources and indigenous technology. Natural resources that are supposed to be lying waste or dormant are put into use as SMEs participate in the production of goods and services or rather buying and selling (Ololube & Uzorka, 2008). Historically, most of today's giant corporations began as very small industries, for example, Guinness of Dublin and Philips international of the Netherlands, Sonny and Honda of Japan. Therefore, Nigeria can learn from the experience of these giants and create conducive environment that will enable SMEs to adapt imported technologies, modernize their process and grow to become large corporation (Eniola, 2014).

Mitigation of Rural-Urban Drift

SMEs stand a better chance of reducing rural-urban migration. The rural populace gain useful employment as a result of the activities of the small business, consequently the incident of rural-urban migration is will be reduced. As a result, attention should be placed on how to effective address the challenges of SMEs to enable them fulfill the prospect of reducing rural-urban migration. According to Ololube and Uzorka (2008), the presence of abundant human and natural resources available in the rural areas will be lying waste in the rural areas if not for the location of SMEs in those areas. The effective utilization of these resources assists in the economic development of a nation if properly harnessed. Therefore, the government has a great role to play in this regards by supporting rural SMEs.

Income Redistribution and Industrial Dispersal (IRID)

No matter how small, SMEs generate income as much as they also distribute income. SMEs generate income both for the citizens and the nation through their various economic activities. This is done by means of people gaining paid employment and taxes paid to government. According to Eniola (2014), SMEs often contribute to a more equal distribution of income or wealth. The SME managers and workers are not faring well in income distribution; promoting the growth of SMEs may lead to a more equitable distribution of income. SMEs contribute not just to income generation, but also partake in the activities of income distribution, which improved living standards. SMEs help spread income to most people in a nation. Subsequently the majority of Nigeria SME owners are over 68 percent and they live in rural areas, and narrowing the gap between urban and rural development and to monitor social inequities and rural migration. Promotion of the development of SMEs should continue to be a policy priority by the Nigerian government (Ololube & Uzorka, 2008).

Export Promotion

The promotion of large scale production encourages export promotion. Modern SMEs are interdependent on each other for survival. They supply the much needed raw materials to bigger industries who in turn export them. Increase in the demand for specific raw material makes it possible for economics of large scale production, which results in lowering of prices to the advantage of the consumers, and as a result of the large scale production, enough is left for export.

METHODOLOGY

Study Design

This study is a survey as much as it is a descriptive research design. The study attempts to describe the outcome of the challenges, prospects and government efforts so far and the influences they have on SMEs growth and development in Nigeria. The design identifies three group variables, which have been observed, judged or described to possess certain influences on SMEs in Nigeria (figure 2 summarizes the research design).

The research population for this study included all SMEs in Delta State, Nigeria. The population defines the limits within which this research finding is applicable. Thus, it shows the limit to which these results are generalizable unto it.

In this study, the respondents comprised 130 SMEs owners in three cities in Delta State: Asaba, Agbor and Warri. Out of the 150 questionnaires distributed only 130 questionnaires were returned representing a response rate of 86.7%.

The categories of respondents based on age revealed that the respondents were aged between 28-59 years. Information on respondent's gender hold that the male respondents were 96(73.9%), while 34(26.1%) were female. The instrument (questionnaire) used for data collection was designed by the researcher and validated by experts in the measurement and evaluation.

The purpose of the study and the importance of conducting the research and the instruction on how to complete the questionnaires were explicit in the first page. The questionnaire comprised four sections: section 1 contained information on respondents demographic data (age and gender); section 2 emphasized challenges of SMEs in Nigeria; section 3 talked about variables relating to government efforts towards promoting SMEs in Nigeria; while section 4 deals with issues of prospects of SMEs in Nigeria.

The questionnaire was fashioned along a six-point scale numbered 1, 2, 3, 4, 5 and 6. The rating system adopted followed the subsequence of: 1=Strongly Disagree (SD), 2=Disagree (D), 3=Slightly Disagree (SD), 4=Slightly Agree (SA), 5=Agree (A) and 6=Strongly Agree (SA). Section 2 consisted of 8 items and the section's Cronbach's alpha reliability analysis was .867. Section 3 contained 8 items and the section's Cronbach's alpha reliability analysis was .778. While section 4 comprised 6 items with a Cronbach's alpha reliability estimate of .817.

The statistical analyses in this study were carried out using SPSS version "23". Descriptive statistics (mean, standard deviation, percentages). *T*-test (*t*) analysis was used in testing hypotheses 1, 2, and 3. While One-Way Analysis of Variance (ANOVA) was used to determine if differences exist in respondents' opinion on the variables.

To answer the research questions, the mean results were tallied along disagree and agree rated on the basis of 1.00-1.99 (strongly disagree); 2.00-2.99 (disagree); 3.00-3.49 (slightly disagree); 3.50-3.99 (slightly agree); 4.00-4.99 (agree) and 5.00-5.99 (strongly agree).

In a two-tailed test, we “reject” on both tails of the normal curve. The critical values are those that cut off an area on each tail of the curve that is equal to $0.05/2$. Bearing in mind the t-test at $p < 0.05$ level of significance, the critical values of “t” for a two-tailed test will be those values which cut off an area equal to $0.05/2$ on both sides of the normal curve. These values are -1.96 and +1.96 respectively.

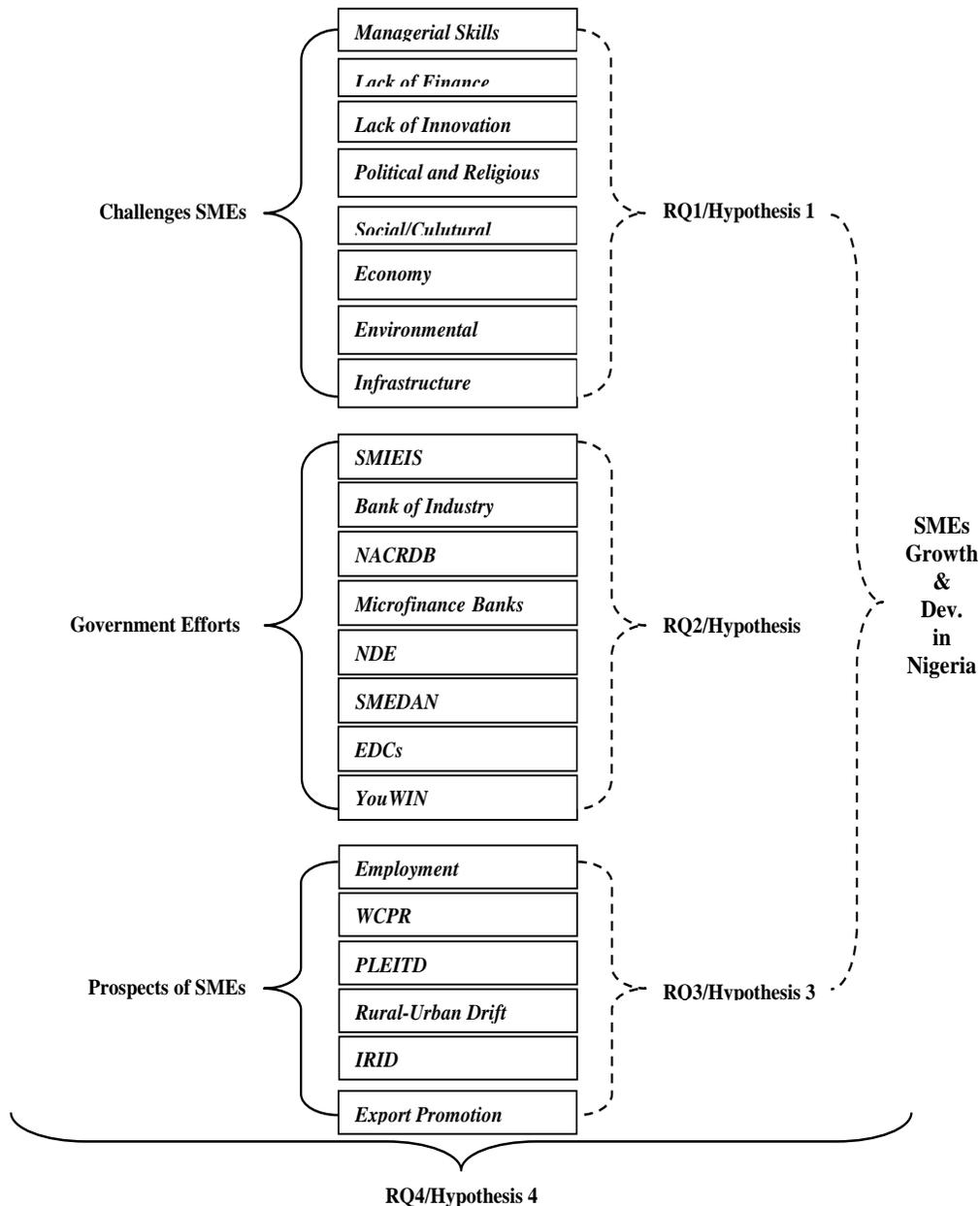


Figure 2: Research Design Summarized

RESULTS AND DISCUSSION

Research Question One / Hypothesis One (Challenges of SMEs in Nigeria)

Research question 1 and hypothesis 1 evaluated if the challenges of SMEs significantly affect their growth and development in Nigeria. Therefore, the first statistical analysis for this study began with an analysis of respondents' answers using mean and standard deviation. The results revealed the extent respondents answered to the challenges limiting SMEs growth and development. Table 1 revealed that all the respondents agreed that SMEs in Nigeria are affected by a number of challenges. A further analysis was conducted using t-test of significance and the results revealed that the challenges faced by SMEs in Nigeria have greatly affected their growth and development with the *t*-test ranging from 31.105 to 59.262 at $p < .000$, 2-tailed. The lack of managerial skills, lack of finance, lack of innovation, political and religious, social/cultural, economy, environmental challenges, and poor infrastructure according to the respondents are major challenges to the growth and development of SMEs in Nigeria. These findings are in line with Ololube and Uzorka (2008), Abeh (2017a,b), Naylor (1999), Eneh (2010), Abimbola and Agboola (2011), and Agboli and Ukaegbu (2006).

Table 1: T-test analysis of the challenges of SMEs in Nigeria

Challenges of SMEs	N	Mean	SD	df	t	Sig. (2-tailed)	Remark
Managerial Skills	130	4.5846	.75107	129	51.381	.000	Agree
Lack of Finance	130	4.8123	.88397	129	36.116	.000	Agree
Lack of Innovation	130	3.5846	.66338	129	58.173	.000	Slightly Agree
Political and Religious	130	4.9154	.89819	129	37.008	.000	Agree
Social/Cultural	130	3.8154	1.01756	129	31.546	.000	Slightly Agree
Economy	130	3.9010	1.09968	129	31.105	.000	Slightly Agree
Environmental	130	3.8420	.95154	129	33.551	.000	Slightly Agree
Infrastructure	130	5.5090	.65415	129	59.262	.000	Strongly Agree

Df=N-1; 95% Confidence Interval

Research Question Two / Hypothesis Two (Government Efforts/SMEs in Nigeria)

Research question 2 and hypothesis 2 was aimed at determining if government efforts towards the growth and development of SMEs significantly affect their growth and development in Nigeria.

The mean and standard deviation statistical analysis for this study's respondents' answers to items 9, 10, 11, 12, 13, 14, 15 and 16 revealed the extent to which government efforts towards the growth and development of SMEs affect their growth and development in Nigeria. Table 2 revealed that all the respondents agreed that Nigeria have to do more to ensure effective and sustained SMEs growth and development in Nigeria. Thus, all government effort at positioning SMEs for growth and national development has not yielded tangible outcomes. A further analysis using t-test of significance revealed that no significant affect have been made so far in a bid by the government to propel growth and development of SMEs in Nigeria through its policies and financial support. Respondents' answers are significant at $p < .000$, 2-tailed. This study's findings are in line with Anochie et al. (2015), Central Bank of Nigeria (2009), and Ololube, Uriah and Dudafa (2014).

Table 2: T-test analysis of government effort towards SMEs growth and development in Nigeria

Government Efforts	N	Mean	SD	df	t	Sig. (2-tailed)	Remark
9. SMIEIS	130	4.5462	.61141	129	66.130	.000	Agree
10. Bank of Industry	130	4.3462	.66719	129	57.183	.000	Agree
11. NACRDB	130	4.4231	.70288	129	55.528	.000	Agree
12. Microfinance Banks	130	5.4462	.70504	129	55.731	.000	Strongly Agree
13. NDE	130	4.3231	.58688	129	64.560	.000	Agree
14. SMEDAN	130	4.2769	.62276	129	59.995	.000	Agree
15. EDCs	130	5.0308	.87991	129	39.272	.000	Strongly Agree
16. YouWIN	130	3.5462	.49979	129	41.773	.000	Slightly Agree

Df=N-1; 95% Confidence Interval

Research Question Three / Hypothesis Three (Prospects of SMEs in Nigeria)

Research question 3 and hypothesis 3 was aimed at determining if SMEs have prospects that will significantly affect their growth and development in Nigeria. The mean and standard deviation statistical analysis for this study's respondents' answers to items 17, 18, 19, 20, 21 and 22 revealed the extent to which SMEs in Nigeria have prospect to growth and development of. Table 3 revealed that all the respondents agreed that Nigeria SMEs have the prospects to grow and develop if Nigeria to more to ensure effective and sustained SMEs growth and development. Thus, all prospective efforts to SMEs for growth and national development have not yielded tangible outcomes because they lack several factors that discourage SMEs prospects.

A further analysis using t-test of significance revealed that SMEs have significant prospects affects if government will propel growth and development of SMEs in Nigeria through its policies and financial support. Respondents' answers were significant at $p < .000$, 2-tailed. This study's findings are in line with Anochie et al. (2015), Asikhia (2010, 2013, 2016), Ololube and Uzorka (2008), Ojha, 2016), and Eniola (2014).

Table 3: T-test Analysis of the prospects of SMEs growth and development in Nigeria

Prospects of SMEs	N	Mean	SD	df	t	Sig. (2-tailed)	Remark
17. Employment	130	4.3769	.57419	129	67.056	.000	Agree
18. WCPR	130	4.2769	.69344	129	53.880	.000	Agree
19. PLEITD	130	4.1308	.40132	129	88.946	.000	Agree
20. Rural-Urban Drift	130	4.2846	.45298	129	32.335	.000	Agree
21. IRID	130	3.8385	1.14664	129	28.225	.000	Slightly Agree
22. Export Promotion	130	4.1385	.34672	129	37.438	.000	Agree

Df=N-1; 95% Confidence Interval

Research Question Four / Hypothesis Four (Perception of SMEs Owners)

Research question 4 and hypothesis 4 were aimed at determining if there were significant difference in the perception of SMEs owners and their views toward the growth and development of SMEs in Nigeria. One-Way Analysis of Variance was used and the analysis (Table 4) yielded that no significant differences were found in the variables and respondents' perceptions based on their gender and age. Respondents were unanimous in their perception about the challenges, government efforts and the prospects of SMEs growth and development in Nigeria.

Table 4: ANOVA analysis of respondents' perception of

		Sum of Squares	df	Mean Square	F	Sig.
Age	Between Groups	.455	3	.152	.147	.932
	Within Groups	130.076	126	1.032		
	Total	130.531	129			
Gender	Between Groups	.233	3	.078	.438	.726
	Within Groups	22.298	126	.177		
	Total	22.531	129			

CONCLUSION AND RECOMMENDATIONS

This paper examined the contradictory perspectives of the different paradigms of challenges, prospects and government efforts towards small and medium enterprises (SMEs) in Delta State, Nigeria. This paper has guided us equally through the procedure of buildup on the challenges, government efforts and prospects of SMEs in Nigeria by enriching the academic community with latent findings from the perspective of a developing country. SMEs owners are of the opinion that they are faced with several challenges and problems. Their view portray that government should do more to encourage SMEs in Nigeria towards reaching their potentials through growth and development. To ensure quality performance from SMEs, the prospects of SMEs must be guaranteed. According to Ololube and Uzorka (2008) and Eniola (2014), several current phenomena make SMEs skill development essential. There must be rapid creation of SMEs knowledge, the complexity of SMEs, technological innovation and the need for global competitiveness.

Included is the need for SMEs skill updating, this should be directed at enhancement of SMEs in Nigeria. SMEs growth and development is based on the strength of the supports they receive from governments through effective policies and financial regulations to meet the needs of the SMEs operating in Nigeria. In this era of high global SMEs standards, greater accountability and competitiveness, it is critical that government leaders do everything necessary to improve SMEs for economic development. Therefore, Nigeria can learn from the experience of global giants and create conducive environment that will enable SMEs to adapt imported technologies, modernize their process and grow to become large corporation.

Implication for Research and Practice

This academic work has both practical and conceptual implications that can facilitate a broader understanding of the issues surrounding the challenges, government efforts (policies and directives) and prospects of SMEs in Nigeria. Internet searches and a review of literature have demonstrated that its methodological models are unique in Nigeria, hence it adds to the emerging body of knowledge in the field of SMEs. As such, this study provides empirical information and support for researchers and SMEs practitioners. This study also has implications for government, policymakers and other players involved in SMEs growth and development. It includes how SMEs can be qualitatively improved and the sustainable development of SMEs in Nigeria in particular, and Africa in general. In closing, the successful inclusion of proactive decision-making and policy implementation with regards to the challenges, government efforts and prospects can make informed contributions to achieving improved SMEs in Nigeria by establishing sustainable positive incentives for SMEs growth and development. Nevertheless,

there are limitations to this research as the opinions of 130 respondents out of thousands of SMEs owners in Nigeria cannot be considered comprehensive. As such, researchers are encouraged to use the research questions and hypotheses in this study to further investigate the theme of this study.

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