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2022/2023 PhD Thesis Abstract

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RT: Effect of Intervention Funds on Business Financing and Performance of Micro, Small and Medium Scale Enterprises in Selected States of South-West, Nigeria
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AB: Access to finance and capacity development play a significant role in the development and sustenance of Micro, Small, and Medium Enterprises (MSMEs). Despite laudable government schemes and institutions established in the country over the years to provide interventions, the challenges this category of businesses face, remain daunting as many of such enterprises do not survive beyond five years of operation. Hence, business performance is still below expectation. Therefore, there is need to focus attention to the twin problems of business financing and MSME performance. Existing studies in this area have not paid adequate attention on the regional level. This study examined the effects of intervention funds (Anchor borrowers (ANCR), Micro, Small and Medium Enterprises Development Fund (MSMF), Bank of Industry Youth Entrepreneurship Support Funding (BOIYF), Agri-Business/Small and Medium Enterprise Investment Scheme (AGSMEIS), Agricultural Credit Guarantee Scheme Fund (ACGSF) and Targeted Credit Facility (TCF)) on business financing (working capital and operating cash flow) and performance (profitability, employment and sales growth) of MSMEs in selected states of South-West, Nigeria.

The study employed a cross-sectional survey research design. The population of the study is 6,445,452 registered MSMEs in Lagos, Oyo and Ogun States, Nigeria. A sample size of 1,560 was determined using Cochran's formula and multi-stage sampling technique was employed.

Cronbach's alpha reliability coefficients for the constructs ranged from 0.70 to 0.79. A response rate of 76.4% was achieved. Descriptive and inferential (multiple regression) statistics were used to analyse the data at 5% level of significance.

The study found that the extent to which MSMEs have access to intervention funds is low (Mean = 1.77). The results also showed that intervention funds (ANCR, MSMF, BOIYF, AGSMEIS, ACGSF and TCF) exhibited significant combined effects on each of the business finance variables (working capital ($Adj.R^2 = 0.09$, $F = 21.19$, $p < 0.05$) and operating cash flow ($Adj.R^2 = 0.12$, $F = 27.99$, $p < 0.05$)). All but one of the intervention funds variables (MSMF, $p = 0.58$), exhibited significant effects on the business performance variables (profitability ($Adj.R^2 = 0.09$, $F = 21.44$, $p < 0.05$), employment ($Adj.R^2 = 0.09$, $F = 20.33$, $p < 0.05$) and sales growth ($Adj.R^2 = 0.07$, $F = 15.48$, $p < 0.05$)) of the MSMEs. The results also revealed that while entrepreneurial development does not significantly moderate the relationship between intervention funds and business finance ($\beta = 0.00$, $t = 1.52$, $p > 0.05$), entrepreneurial development significantly moderates the effect of intervention funds on business performance of the MSMEs ($\beta = 0.005$, $F = 2.31$, $t = 6.62$, $p < 0.05$).

The study concluded that intervention funds is key to business financing and performance of MSMEs in selected states in South-West, Nigeria. The study, therefore, recommended that the government should improve institutions saddled with intervention funding and also put mechanisms in place for the education and capacity improvement on the part of operators of MSMEs.

Keywords: Business finance, Business performance, Entrepreneurial development, Intervention funds, Profitability of MSMEs, Sales growth

Word Count: 476

Abbreviations: *RFN: Researcher's Full Name, RD: Researcher's Department, RS: Researcher's School, RE: Researcher's Email, RAE: Researcher's Alternate Email, RP: Researcher's Phone Contact, RT: Registered Title, MS: Main Supervisor, ME: Main Supervisor's E-mail Address, SP: Main Supervisor's Phone Contact, CS: Co-Supervisor, CE: Co-Supervisor's E-mail Address, CP: Co-Supervisor's Phone Contact, AB: Abstract*

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