

Effect of Cultural Factors on Small and Medium Scale Enterprises Performance: A Study of Selected SMEs in Keffi Local Government Area, Nasarawa State

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Abstract : Small and Medium Enterprises (SMEs) play significant roles in the economic development of Nigeria. However, the performance of these SMEs is influenced by various factors, including cultural factors. Keffi Local Government Area (LGA) in Nasarawa State, Nigeria, has a large number of registered SMEs. Understanding the impact of cultural factors on the performance of these SMEs in Keffi LGA is essential for their growth and sustainability. Therefore, this study aims to investigate the effect of cultural factors on the performance of selected SMEs in Keffi LGA, Nasarawa State. A cross-sectional survey research design was used to collect data from 165 purposefully selected SME owners out of the 283 registered SMEs in Keffi LGA. The data was collected using a questionnaire divided into three sections, and analysed using descriptive and ordinary least square regression (OLS). The results indicate that socio-cultural factors and ethical values have a positive and significant effect on the performance of SMEs in Keffi LGA, while attitude has a negative and significant effect on the performance of SMEs in Keffi LGA. Therefore, the study recommends that SMEs in Keffi LGA should understand the socio-cultural elements of their operating environment, adopt socio-cultural factors as elements to guide their planning and strategizing and take into consideration the ethical values of the business environment when offering new products or services. Additionally, SME Managers should take cognisance of people's attitudes and use them to gauge their activities and ensure they support the overall performance of the business.

Keywords : cultural, factors, performance, SMEs

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