

## Analysis of Determinants of Growth of Small and Medium Enterprises in Kwara State, Nigeria

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**Abstract :** Small and Medium Enterprises (SMEs) sectors serve as catalyst for employment generation, national growth, poverty reduction and economic development in developing and developed countries. However, in Nigeria despite copious and plethora of government policies and stimulus schemes directed at SMEs, the sector is still characterized by high rate of failure and discontinuities. This study therefore investigated owners/managers profile, firms characteristics and external factors as possible determinants of SMEs growth from selected SMEs in Kwara State. Primary data were sourced from 200 SMEs respondents registered with the National Association of Small and Medium Enterprises (NASMES) in Kwara State Central Senatorial District. Multiple Regressions Analysis (MRA) was used to analyze the relationship between dependent and independent variables, and pair wise correlation was employed to examine the relationship among independent variables. The Analysis of Variance (ANOVA) was employed to indicate the overall significant of the model. The findings revealed that Analysis of variance (ANOVA) put the value of F-statistics at 420.45 and p-value at 0.000 was significant. The values of R<sup>2</sup> and Adjusted R<sup>2</sup> of 0.9643 and 0.9620 respectively suggested that 96 percent of variations in employment growth were explained by the explanatory variables. The level of technical and managerial education has t- value of 24.14 and p-value of 0.001, length of managers/owners experience in similar trade with t- value of 21.37 and p-value of 0.001, age of managers/owners with t- value of 42.98 and p-value of 0.001, firm age with t- value of 25.91 and p-value of 0.001, numbers of firms in a cluster with t- value of 7.20 and p-value of 0.001, access to formal finance with t-value of 5.56 and p-value of 0.001, firm technology innovation with t-value of 25.32 and p-value of 0.01, institutional support with t- value of 18.89 and p-value of 0.01, globalization with t- value of 9.78 and p-value of 0.01, and infrastructure with t-value of 10.75 and p-value of 0.01. The result also indicated that initial size has t-value of -1.71 and p-value of 0.090 which is consistent with Gibrat's Law. The study concluded that owners/managers profile, firm specific characteristics and external factors substantially influenced employment growths of SMEs in the study area. Therefore, policy implication should enhance human capital development of SMEs owners/managers, and strengthen fiscal policy thrust through imposition on tariff regime to minimize effect of globalization. Governments at all level must support SMEs growth radically and enhance institutional support for SMEs growth and radically and significantly upgrading key infrastructure as rail/roads, rail, telecommunications, water and power.

**Keywords :** external factors, firm specific characteristics, owners / manager profile, small and medium enterprises

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