

**RESEARCH ARTICLE****Effect of Endogenous on the Development of Small and Medium Scale Enterprises in Southeast Nigeria**Okoye, Euphemia Oluchi¹; Xiaoxian Zhu PhD²; & Yongsheng Guo PhD³¹Enugu State University of Science and Technology, Enugu, Nigeria^{2&3}Teesside University Business School, Middlesbrough, United Kingdom***Corresponding Author: Okoye, Euphemia Oluchi | Enugu State Polytechnic, Iwollo****ABSTRACT**

This study examined the effect of Endogenous on the Development of Small and Medium Scale Enterprises in Southeast Nigeria. The study sought to; Examine the effect of managerial skills and evaluate the effect of Technological on the growth of small and medium-scale enterprises in Nigeria. A descriptive research design was adopted for the study. Primary data was generated through the administration of questionnaires and interviews. The data were analysed using ANOVA, and students' t-tests for the statistical tool. The result revealed that Managerial skills have a significant positive effect on the growth of small and medium-scale enterprises in Nigeria $t(n = 315) = 4248.823, P < 0.05$; while technology has a significant effect on the growth of small and medium-scale enterprises in Nigeria $t(n = 315) = 761.285, P < 0.05$. We concluded that Managerial skills had a positive effect on the level of output, also Managerial skills had a positive effect on the level of growth of small and medium-scale enterprises in Nigeria. We recommended that SMEs in South-East, Nigeria should improve their Managerial skills acquisition in order to improve employees' dedication which will enable growth, while efficiently delivering outstanding results.

Keywords: *Development; Southeast Nigeria; Small and Medium-Scale Enterprises*

Introduction

The economy's subsector of small and medium-sized businesses is crucial to the country's efforts to develop and grow its economy. Today, nations continue to implement workable policies and programs that would build and prepare the way for the sustainable development of their economies through the development of SMEs, regardless of the amount of growth and development experienced throughout the world. In both industrialized and developing nations, SMEs are recognized as factories of production, driving economic growth, social progress, and the reduction of poverty. This widespread acceptance of SMEs is supported by their potential to create jobs, mobilize domestic savings for investment, introduce business methods, reduce inequality, produce goods and services that can restructure the struggling agricultural sector or other transition economies that lack competitiveness, to stabilize the economic balance through industrial dispersal, to promote or provide

efficient resource utilization, and to connect participants (Ojo, 2006; Ogujiuba, Ohuche & Adenuga, 2004). Although SMEs play a significant role in economic growth, government institutions and policies designed to support and strengthen their capability in Nigerian SMEs consistently fall short of expectations.

Onugu (2005) asserts that a number of issues facing this significant segment of the Nigerian economy have caused SMEs in Nigeria to perform poorly, and in some cases even fail. Poor infrastructure, a lack of managerial and entrepreneurial skills, difficulties with financing, a lack of demand for their goods and services, a limited capacity for research and development as well as innovation, an inadequate technology system, the burden of multiple taxes, the absence of a business plan or a good business plan, and the hiring of incompetent employees are some of the challenges affecting the development of small and medium-scale enterprise in Nigeria. Oluboba (2011) contends, however, that the problems faced by SMEs cannot be overstated and are a result of poor access to capital, management practices, low stakeholder equity participation, inadequate infrastructure, societal and attitude issues, a lack of skilled labor, the proliferation of regulatory agencies, limited access to markets, and a lack of information access.

Citation: Okoye, E. O., Xiaoxian Z., & Yongsheng, G. (2022). Effect of Endogenous on the Development of Small and Medium Scale Enterprises in Southeast Nigeria. *European Journal of Finance and Management Sciences*, 6(3), 1-12. DOI: <https://doi.org/10.5281/zenodo.7171716>

Accepted: September 20, 2022; **Published:** September 30, 2022

Copyright: © 2022 The Author. This is an open-access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.

Statement of the Problem

Small and medium-sized businesses (SMEs) play a significant role in the development of most economies around the world, particularly those in emerging and developing countries. They account for 99% of global enterprises, and in the past five years, they have created 85% of all new jobs and secured two-thirds of all private sector participation, especially in Nigeria. Over the years the development or growth of small and medium-scale enterprises is suffering from a lack of managerial skills as well as poor Infrastructure, poor technology, etc.

Objectives of the Study

The main objective of this study is the effect of Endogenous on the Development of Small and Medium Scale Enterprises in Southeast Nigeria. The study sought to;

- I. Examine the effect of managerial skills on the growth of small and medium-scale enterprises in Nigeria.
- II. Evaluate the effect of Technological on the growth of small and medium-scale enterprises in Nigeria.

Hypotheses of study

- I. Managerial skills have no significant positive effect on the growth of small and medium-scale enterprises in Nigeria.
- II. Technology has no significant effect on the growth of small and medium-scale enterprises in Nigeria.

Review of Related Literature

Conceptual Review

Endogenous

According to Theng and Boon (1996), endogenous problems are related to those internal issues within an organization, and it assumes the organization has control over them. Examples include a lack of managerial skill, poor educational background of the operators, lack of standardization of products, low capacity to invest in research and development, information and communication technology (ICT) and E-commerce, inadequate working capital, and financial mismanagement. In contrast, exogenous problems are those external challenges that organizations have no control over (Cant and Wild, 2013). Examples include lack of infrastructure, difficulty in accessing bank credit, unreliable government policies, social and cultural problems, taxes, and regulation (Agwu and Emeti, 2014). In relation to exogenous challenges, most SMEs trust that the government will provide the solution to these challenges. Both types are considered in further detail next.

Lack of managerial and entrepreneurial skills is one of the main challenges SMEs faces. To date, research has shown that most SMEs lack the required technical, human, and managerial expertise for effective and efficient performance and that this is especially true in the south-south region of Nigeria (Okpara, 2011). In addition, Agwu and Emeti (2014) argued that inadequate capacity building, poor educational background of the operators, and low capacity to invest in research and development are core challenges for SMEs. Such challenges, they state, are affecting SME performance and leading to poor product standards in Nigeria. According to an earlier study by Osamwonyi and Tafamel (2010), the failure of – and incompetence within – any business (especially SMEs) can be linked to managerial problems. Thus, with effective human resource management (HRM), SME owners/managers can acquire the relevant experienced personnel, provide adequate training where necessary, and motivate and retain them for effective organizational performance. Further, Marom and Lussier (2014) and Mahadea (1996) claimed that poor recordkeeping, lack of managerial experience, poor planning and lack of market research normally delay business success.

Managerial Skill

The performance of SMEs in Nigeria is hampered by management issues, and it has become clear that a lack of qualified personnel and managerial expertise poses serious threats to their survival. According to West and Wood (1972), "inadequate competence and management result in the failure of 90% of all firms." According to Rogers (2002), the main characteristics of the majority of SMEs also include poor record keeping and an ineffective overall management system, and a lack of essential and required expertise in the production process, maintenance, technical issues and competence, procurement and marketing, and finances has always led to costly and incorrect decision-making. According to Onugu (2005), many SME owners and managers in Nigeria lack managerial abilities, strategic plans, business plans, managerial skills, proper organizational setups, succession plans, transparent operational systems, and other things. As a result of this, a large number of SME promoters invest in outdated and

ineffective equipment, laying the stage from the outset for poorer productivity as well as inferior goods and services, which have disastrous effects on output and market acceptance, and penetration. The authors Macpherson and Holt (2007) and Barratt-Pugh (2005) found that managerial expertise and knowledge are essential for business growth. Compared to us, managers at SMEs typically have less training (Tannock et al., 2002), which leads them to select subpar manufacturing technology, employ improper accounting methods, and underestimate the amount of money that is necessary (APO, 2001). Due to cost constraints and the difficulty in taking staff out of production, SMEs typically spend less on formal training than LEs (Thassanabanjong et al., 2009; Tannock et al., 2002).

Training is essential for producing high-quality products and for successfully and efficiently influencing and motivating personnel (Thassanabanjong et al., 2009). Managers of SMEs have reluctance or failure to listen to their staff members who have excellent ideas and have a deep understanding of the procedure and the product (Tannock et al., 2002). These are an issue for SMEs since the Nigerian culture has a significant power distance and affects the workplace, where bosses have a lot of authority and employees are afraid to speak up to them (Hofstede & Hofstede, 2005). Additionally, a barrier created by language barriers between the buyer and the provider of goods or services in many developing nations, particularly Nigeria, was the lack of managerial skills as described by Lind (2005). Lind (2005) emphasized the significance of paying close attention to client needs in order to comprehend how they perceive the value of the product. Knowing how a company's products and services can help a customer's business relationship with his customer is the ultimate benefit of the customer's customer idea (Lind, 2005).

Technological Problem

The use of advanced technology, failure to maximize the utility of machinery, and failure to improve technology due to insufficient support in terms of funding that the sector does experience have led to technological problems. It is also evident that the majority of SMEs are users of knowledge rather than adaptors of it. Many managers are unaware of how to apply precise technology to their business, and they are unable to select the right technology for their organization. It was acknowledged that small-scale businesses are in a different situation than large-scale businesses in terms of access to technology. Technology access and advancement serve not just as methods of achieving dynamic efficiency and innovation but also as ends in themselves (Harvie & Lee, 2005). The World Bank (2009) stated that investors must be done or in place for technology to be in place as well. This opinion is extremely important for our SMEs as they are even required to improve the quality of production and to build up the existing capacity which will generate a higher value-added product and automatically improve the competitiveness of firms. Additionally, it is essential for SMEs to make the most strategic business decisions; as a result, the government should encourage technical initiatives and networks with research institutes to help SMEs advance their technology (Courseault Trumbach et al., 2006).

Small and Medium Scale Enterprises in Nigeria

The definition of SMEs is heavily influenced by the nation's degree of development. The definition criterion used in the majority of established market economies, such as the United States of America (USA), the United Kingdom, and Canada, is combined yearly turnover and employment levels. According to Nigeria's Small and Medium Industries Enterprises Investment Scheme (SMIEIS), a small or medium-sized business (SME) is any company with less than 300 employees and a maximum asset base of N200 million, excluding land and working capital.

Various authors have spelled out different definitions of this category of business. SMEs indeed have not been spared the definition problems associated with concepts that have many components. The definition of SMEs changes between researchers. Some make use of turnover level, skill labour, or make use of capital assets to explain what SMEs mean. Others also define SMEs in terms of method of production and legal status (Abor & Quartey, 2010). Nwokoye (1988) stressed that SMEs are those enterprises that employ between five and one hundred staff with an annual turnover of almost four hundred thousand naira. Okorie (1989) opined that SSE is an indigenous-owned establishment with less than fifty full-time employees. Onugu (2005) stressed that SSE is those enterprises that have a total cost that includes working capital but excludes the cost of land which is between ten million naira and one hundred million naira and/or employing eleven and seventy full-time workers, with a turnover which is not more than ten million in an annual. While MSEs are those enterprises that have a total cost that includes working capital and excluding the cost of land which is above one hundred million naira but less than three hundred million and with an employee strength of between seventy-one and two hundred full-time staff with a year turnover which is not more than twenty million naira.

SMEs have the ability to perform some vital roles that fast-track economic development in the local area, and the country as a whole. Some of the roles SMEs play at the regional level include the creation of employment, manpower training, promotion of competition, encouraging the use of local resources, encouraging creativity, innovation, and promotion of self-reliance, reduction of the rural-urban imbalance, and encouraging economic growth and development across regions (Araga, 2010).

As outlined, one of the major roles of SMEs in the region is the creation of employment. In support of this, research has shown that most of the new jobs available – especially non-governmental jobs – in the country came from SMEs and are mostly created in the regions (Kowo, Adenuga, and Sabitu, 2019). Research conducted on 54 SMEs carried out in Aba (a city in southeast Nigeria), observed that 5.6% of the SMEs employed more than 50 people while 46.30% employed between 11 and 20 people in their enterprises (Onuoha, 2013). According to Ogolo (2009), such SMEs provide employment on a large scale and therefore make the possibility of equitable distribution of national income more realistic. He added that by creating more employment opportunities they help in mobilizing capital and human resources that would otherwise be left idle. Further, Ajakaiye *et al.* (2015) stated that SMEs generate more employment opportunities on aggregate than large businesses. This is because an individual can develop skills that enable them to start their own business as well as employ their family members or relative, and by so doing create jobs both directly and indirectly.

Theoretical Framework

This study is anchored on the psychological theory of entrepreneurship, particularly as it relates to David McClelland's (1961) work on Achieving Society. McClelland had postulated that achievement, which he called achievement motivation (n-ach), by an individual is a precursor of entrepreneurial activities and a strong motivation for engaging in entrepreneurship. McClelland asserted via achievement motivation laboratory experiment about the effect of achievement on people's motivation. From the experiment, he observed that most people do not possess strong achievement-based motivation, those who do, display consistent behavior in setting goals. The achievement motivation theory was based on the following assumptions:

- I. Achievement is more important than material or financial reward.
- II. Achieving the aim or task gives greater personal satisfaction than receiving praise or recognition.
- III. Financial reward is regarded as a measurement of success, not an end in itself.
- IV. Security is not a prime motivator, nor is status.
- V. Feedback is essential, because it enables measurement of success, not for reasons of praise or recognition.
- VI. Achievement-motivated people constantly seek improvements and ways of doing things better.
- VII. Achievement-motivated people will logically favor jobs and responsibilities that naturally satisfy, their needs i.e., offer flexibility and opportunity to set and achieve goals.

McClelland firmly believed that achievement-motivated people are generally the ones who make things happen and get results and that extends to getting results through the organization of other people and resources. Basically, items vi and vii are disposed to the present study in that youth of Enugu State who is achievement-motivated will constantly seek on how to improve the things they do. The implication here is that doing things better will naturally open up new ways and job opportunities which will absorb the unemployed.

Empirical Review

Mohammed, Balarabe, and Salwa (2016) conducted research on Challenges Affecting the Performance of Small and Medium Scale Enterprises (SMEs) in Nigeria. The degree of development of the country has a significant impact on how SMEs are defined. The bulk of developed market economies, including the United States of America (USA), the United Kingdom, and Canada, combined annual turnover and employment levels as their definitional criteria. A small or medium-sized firm (SME) in Nigeria is defined as any business with less than 300 employees and a maximum asset base of N200 million, excluding land and working capital, under the Small and Medium Industries Enterprises Investment Scheme (SMIEIS).

Dabor and Oserogho (2017), conducted research to ascertain the challenges facing SMEs in Nigeria. The study employed a survey research design to collect information from 200 respondents in Abuja from small and medium-sized businesses. The study used a t-test statistical technique to determine how much these difficulties slow down SMEs' expansion. The findings indicated that the main difficulties faced by SMEs in Nigeria are various taxes, financial

accessibility, and electricity supply. The findings also indicated that multiple taxes are the least challenging issue for SMEs in Nigeria, whereas electricity supply is the top challenge.

Aminu, Adamu, and Ibrahim (2018) conducted research on the impact of small and medium-scale enterprises on the economic growth of Nigeria using time series data spanning between 1986 and 2016. The statistics were taken from the Central Bank of Nigeria's annual statistical bulletin (CBN). The data gathered for the study are interpreted and analyzed using regression analysis. Small and medium-sized enterprises in Nigeria significantly contribute to the expansion of the Nigerian economy, according to the study's findings, which show a positive and significant association between production growth and these businesses.

Otugo, Edoko, and Ezeanolue (2018) conducted research on the Effect of Small and Medium Enterprises on Economic Growth in Nigeria. utilizing an Ordinary Least Squares economic regression model (OLS). According to the study's findings, employment creation, commercial bank credit to small and medium firms, lending rates to small and medium enterprises, and government spending on small and medium enterprises all contribute to Nigeria's economic growth. In Nigeria, corruption has a detrimental effect on economic expansion. All of the explanatory factors, however, have a big impact on Nigeria's economic development.

Methodology

It was done using a descriptive approach based on a sample survey. Since the survey approach can accommodate more variables, that is why it was chosen. The core data for the study came from the distribution of questionnaires and interviews. The reliability of the instrument was evaluated using the test-retest method. This will be accomplished by giving the sample of the study 10 copies of the prepared questionnaire. After some time had passed, the respondents were given another chance to complete the questionnaire. At the conclusion of the exercise, the group's roles were consistent. Cronbach's Alpha was used to gauge how consistently reliable the data was. The final score was 0.766. To enable analysis using descriptive statistics, the survey responses were divided into multiple categories and entered into the SPSS program. For the convenience of use, data were gathered, coded, categorized by frequencies, and set up in tables. The data were examined using ANOVA and students' t-tests as the statistical tool to assess the hypotheses.

The study's primary objective was to survey small and medium-sized businesses in the three most industrialized states of Southeast Nigeria (Enugu East, Enugu State, Nnewi, Anambra State, and Aba, Abia State). The study sample included bakeries, water packaging businesses, block-making enterprises, fashion businesses, and fast-food businesses. According to the Nigerian National Council of Industry, which defines a small and medium-sized enterprise as one that employs between 11 and 100 people, the companies that fall under this category were selected. But the researchers focused on small and medium-sized companies with between 11 and 35 workers. According to the study's usage of Freund and William's statistic formula, which was cited by (Ugoagulu 2011).

$$n = \frac{Z^2 N(pq)}{N(e)^2 + Z^2(pq)}$$

Where n = Sample Size

N = The population

p = Probability of success/proportion

q = Probability of failure/proportion

Z = Standard error of the mean

e = Limit of tolerable error of 0.03 (or level of significance)

N = 2624

p = .5

q = (1 - .5) = .5

Z = 95 percent = 1.96

e = 0.03 percent

$$= \frac{(1.96)^2 \times 6531 \times .5 \times 5}{2624(0.03)^2 + (1.96)^2 \times .5 \times 5} = 330$$

Data Presentation

Data Analyses

Research question one: What is the effect of managerial skills on the growth of small and medium-scale enterprises in Nigeria?

Table 1: Responses to Research Question One on the Effect of Managerial Skills on the Growth of Small and Medium-Scale Enterprises in Nigeria.

		5 SA	4 A	3 N	2 D	1 SD	ΣFX	- X	Std.D	Decision
1	The managerial skills are bound to sustain the growth of SMEs	750 150	136 34	123 41	134 67	23 23	1166 315	3.70	43.86	Agree
2	Managerial skills enhance effectiveness of SMEs growth	790 158	112 28	123 41	138 69	19 19	1182 315	3.75	45.92	Agree
3	There is flexibility in making decisions about what managerial skills are prepared and not prepared to do.	570 114	164 41	165 55	150 75	30 30	1079 315	3.42	35.47	Agree
4	The level of managerial skills at the workplace increases efficiency	700 140	140 35	129 43	146 73	24 24	1139 315	3.63	41.46	Agree
5	The employers in the workplace have increased consistency in maintaining efficiency	745 149	144 36	132 44	112 56	30 30	1163 315	3.69	43.64	Agree
	N =315, Grand mean and standard deviation							18.19	210.35	

Source: Field Survey, 2022

From the table, it was agreed that managerial skills are bound to sustain the growth of SMEs with a mean score of 3.70 and a standard deviation of 43.86. Managerial skills enhance the effectiveness of SMEs growth with a mean score of 3.75 and standard deviation of 45.92 and There is flexibility in making decisions about what managerial skills are prepared and not prepared to do with a mean score of 3.42 and standard deviation of 35.47, The level of service delivery at the workplace increases efficiency with a mean score of 3.63 and standard deviation of 41.46. Finally, it was agreed that the employers in the workplace have increased consistency in maintaining efficiency with a mean score of 3.69 and a standard deviation of 43.64.

Research Question Two: What is the effect of Technological on the growth of small and medium-scale enterprises in Nigeria?

Table 2: Responses to the research question on the effect of Technological on the growth of small and medium-scale enterprises in Nigeria.

		5 SA	4 A	3 N	2 D	1 SD	ΣFX	- X	Std.D	Decision
6	Technology attend internship programs that create robust knowledge, ready to improve cost satisfaction	880 178	252 63	105 35	62 31	10 10	1309 315	4.16	51.79	Agree
7	My organization organizes seminars, conferences, and workshops on environmental safety in my workplace frequently through technology.	695 139	276 69	153 51	70 35	21 21	1215 315	3.86	42.92	Agree
8	Technology in my workplace brings out clientele back next time	710 142	224 56	135 45	86 43	29 29	1184 315	3.76	42.68	Agree
9	Due to efficiency in Technology, there is customers satisfaction	720 144	268 67	156 52	62 31	21 21	1227 315	3.81	44.06	Agree
10	The Technology helps my organization in meeting up with the best practices in the industry.	640 128	228 72	126 42	62 31	22 22	1078 315	3.43	38.72	Agree
	N =315, Grand mean and standard deviation							19.02	220.17	

Source: Field Survey, 2022

The table: indicates that Technology attends internship programs that create robust knowledge, ready to improve cost satisfaction with a mean score of 4.16 from the respondents and a standard deviation of 51.79, there is My organization organizes seminars, conferences, and workshops on environmental safety in my workplace frequently through technology with 3.86 agree of mean score In-house Technology in my workplace brings out clientele back next time with 3.76 mean score and 42.68 standard deviation while 3.81 agree to mean average supports Due to efficiency in technology there are customers satisfaction with a standard deviation of 44.06, The Technology of the employees helps my organization in meeting up with the best practices in the industry with a mean score of 3.42 from the respondents and standard deviation of 38.72.

Test of Hypotheses

- I. **Managerial skills have no significant positive effect on the growth of small and medium-scale enterprises in Nigeria.**

Model	R	R Square	Adjusted R Square	Std. The error of the Estimate
1	.991 ^a	.982	.982	.17525
a. Predictors: (Constant), Managerial skills				

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	521.990	4	130.497	4248.823	.000 ^b
	Residual	9.521	310	.031		
	Total	531.511	314			
a. Dependent Variable: growth						
b. Predictors: (Constant), Managerial skills						

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.005	.036		.128	.898
	MGT SKILL	.296	.031	.282	9.566	.000
	MGT SKILL	-.083	.027	-.086	3.044	.003
	MGT SKILL	.516	.038	.516	13.490	.000
	MGT SKILL	.270	.039	.286	6.912	.000
	MGT SKILL	-.083	.027	-.086	3.044	.003
a. Dependent Variable: growth						

Statistical Criteria {First Order Test}

Coefficient of Multiple Determinants {r²}

The R² {R-Squared} which measures the overall goodness of fit of the entire regression, shows the value as .982 and adjusted to .982. This means that R² accounts for 98.2% approximately 98%. This indicates that the independent variables account for about 98% of the variation in the dependent variable. Which shows the goodness of fit.

Decision Rule:

If the f-calculated is greater than the f-tabulated {f-cal > f-tab} reject the null hypothesis {H₀} that the overall estimate is not significant and if otherwise conclude that the overall estimate is statistically significant.

Decision

From the result, f-calculated {4248.823} is greater than the f-tabulated {2.3719}, that is, f-cal > f-tab. Hence, we reject the null hypothesis {H₀} and accept the Alternative hypothesis which means that the overall estimate has a good fit which also implies that our independent variables are simultaneously significant. We now conclude from the analysis that managerial skills on the growth of small and medium-scale enterprises in Nigeria.

Technology has no significant effect on the growth of small and medium-scale enterprises in Nigeria.

Model	R	R Square	Adjusted R Square	Std. The error of the Estimate
1	.953 ^a	.908	.906	.35270
a. Predictors: (Constant), TECH				

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	378.814	4	94.703	761.285	.000 ^b
	Residual	38.564	310	.124		
	Total	417.378	314			
a. Dependent Variable: growth						
b. Predictors: (Constant), TECH						

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.937	.069		13.611	.000
	TECH	-.083	.112	-.092	-.741	.459
	TECH	.397	.064	.477	6.167	.000
	TECH	-.031	.133	-.035	-.236	.814
	TECH	.552	.094	.610	5.878	.000
	TECH	.397	.064	.477	6.167	.000
a. Dependent Variable: growth						

Statistical Criteria {First Order Test}

Coefficient of Multiple Determinants {R²}

The R² {R-Squared} which measures the overall goodness of fit of the entire regression, shows the value as .908 and adjusted to .906. This means that R² accounts for 90.6% approximately 91%. This indicates that the independent variables account for about 91% of the variation in the dependent variable. Which shows the goodness of fit.

F-STATISTICS (ANOVA)

The F-statistics is used to test for the simultaneous significance of all the estimated parameters.

The hypothesis is stated;

$$H_0: \beta_1 = \beta_2 = \beta_3 = \beta_4$$

$$H_1: \beta_1 \neq \beta_2 \neq \beta_3 \neq \beta_4$$

Level of significance: α at 5%

$$\text{Degree of freedom: } \frac{N-1}{N-K} = \frac{5-1}{315-4} = (310, 4) = 2.3719$$

Decision Rule:

If the f-calculated is greater than the f-tabulated {f-cal > f-tab} reject the null hypothesis {H₀} that the overall estimate is not significant and if otherwise conclude that the overall estimate is statistically significant.

Decision

From the result, f-calculated {761.285} is greater than the f-tabulated {2.3719}, that is, f-cal > f-tab. Hence, we reject the null hypothesis {H₀} and accept the Alternative hypothesis which means that the overall estimate has a good fit which also implies that our independent variables are simultaneously significant. We now conclude from the analysis that technology has a significant effect on the growth of small and medium-scale enterprises in Nigeria.

Discussion of Findings

Organizations that can create managerial skills among their employees realize that commitment is ultimately personal. It requires consistency in action at the same time as recognizing the need for flexibility and requires making decisions about what employees are prepared and not prepared to do. However, employees themselves also have to be willing to make the effort needed to improve their skills to help them better meet organizational goals. (Vambe & Okafor, 2015). This was supported by the result of hypothesis one, f -calculated {4248.823} is greater than the f -tabulated {2.3719}, that is, f -cal > f -tab. Hence, we reject the null hypothesis $\{H_0\}$ and accept the Alternative hypothesis which means that the overall estimate has a good fit which also implies that our independent variables are simultaneously significant. We now conclude that Managerial skills have a significant positive effect on the growth of small and medium-scale enterprises in Nigeria.

From the result, f -calculated {761.285} is greater than the f -tabulated {2.3719}, that is, f -cal > f -tab. Hence, we reject the null hypothesis $\{H_0\}$ and accept the Alternative hypothesis which means that the overall estimate has a good fit which also implies that our independent variables are simultaneously significant. We now conclude from the analysis that technological on the growth of small and medium-scale enterprises in Nigeria. This was supported in the literature review of Agboola, Aremu, Eze, and Wahab (2020) on the Effect of technological on the growth of small and medium-scale enterprises in Nigeria. The finding showed that there is a positive individual significant effect on employees' performance. An improvement in technology and career development tends to enhance SMEs employees' performance.

Summary of Findings

The findings at the end of this study include the following:

- i. Managerial skills have a significant positive effect on the growth of small and medium-scale enterprises in Nigeria $t(n = 315) = 4248.823, P < 0.05$;
- ii. Technology has a significant effect on the growth of small and medium-scale enterprises in Nigeria $t(n = 315) = 761.285, P < 0.05$

Conclusion

The study concluded that Managerial skills had a positive effect on the level of output, also Managerial skills had a positive effect on the level of growth of small and medium-scale enterprises in Nigeria. Organizations have noticed the importance of Managerial skills since engaged employees perform more effectively than disengaged employees. Technology has a bond with the organization. These individuals feel empowered and in control of their fate at work. Having an engaged workforce in the human services field is vitally important because research shows that engaged workers help organizations reap benefits such as increased efficiency, higher levels of customer satisfaction, higher productivity, and lower turnover rates.

Recommendation

- I. SMEs in South-East, Nigeria should improve their Managerial skills acquisition in order to improve employees' dedication which will enable growth, while efficiently delivering outstanding results.
- II. SMEs in South East, Nigeria should embark on institutional reforms and technology to help achieve results in high-priority areas, train directors and administrators on fundamentals of performance management systems and the measurement of key performance indicators.

References

- Abor, J., & Quartey, P. (2010). Issues in SME Development in Ghana and South Africa. *International Research Journal of Finance and Economics*, 39(6), 215-228.
- Agwu, M. O. and Emeti, C. I. (2014). Issues, Challenges and Prospects of Small and Medium Scale Enterprises (SMEs) in Port-Harcourt City, Nigeria. *European Journal of Sustainable Development*, 3 (1), 101–114.
- Ajakaiye, O., Jerome, A.T., Nabena, D. and Alaba, O.A. (2015) *Understanding the relationship between growth and employment in Nigeria (No. 2015/124)*. WIDER Working Paper. Available at: <https://econpapers.repec.org/paper/unuwpaper/wp-2015-124.htm>
- Aminu, B., Adamu, J. and Ibrahim, A. (2018). Impact of Small and Medium Scale Enterprises on Economic Growth: Evidence from Nigeria. *Global Journal of Economics and Business*, 4(2), 236 - 244
- Araga, A.S. (2010). Small and medium enterprises: Strategies for promotion and challenges of their development in Nigeria. *Financial Theory and Engineering (NCFTE), International Conference on Communications IEEE*, Cape Town, South Africa, 23–27 May, 271–278.
- Barratt-Pugh, L. (2005). Managing Knowledge Development in SMEs: No Longer the Poor Cousins, as Training Changes to Learning? Sustaining Growth and Performance in East Asia: The Role of Small and Medium Sized Enterprises, 3, 163.
- Cant, M. C. and Wiid, J. A. (2013). Establishing the challenges affecting South African SMEs. *International Business & Economics Research Journal (IBER)*, 12(6), 707–716.
- Courseault Trumbach, C., Payne, D. & Kongthon, A. (2006). Technology Mining for Small Firms: Knowledge Prospecting for Competitive Advantage. *Technological Forecasting and Social Change*, 73(8), 937-949.
- Dabor A. O., and Oserogho, A. (2017). Challenges Facing Small and Medium Scale Enterprises in Nigeria. *International Journal of Marketing & Financial Management*, 5(5).
- Harvie, C., & Lee, B. C. (2005). Introduction: The Role of Small and Medium-Sized Enterprises in Achieving and Sustaining Growth and Performance. *Sustaining Growth and Performance in East Asia*, Cheltenham: Edward Elgar, pp. 3-27.
- Hofstede, G., & Hofstede, G. J. (2005). *Cultures and Organizations. Software of the Mind*, 2 nd edition. McGrawHill, New York.
- Kowo, S., Adenuga, O. and Sabitu, O. (2019). The role of SMEs development on poverty alleviation in Nigeria. *Entrepreneurship and Sustainability Centre*, 1(3).
- Lind, P. (2005). Competitiveness Through Increased Added Value: A Challenge for Developing Countries. *Journal of Comparative International Management*, 8(1).
- Macpherson, A., & Holt, R. (2007). Knowledge, Learning and Small Firm Growth: A Systematic Review of the Evidence. *Research Policy*, 36(2), 172-192.
- Mahadea, D. (1996). Financial constraints on small business entrepreneurs: a Transkei case study. *Acta Academia*, 29(1), 70–89.
- Marom, S. and Lussier, R.N. (2014). A business success versus failure prediction model for small businesses in Israel. *Business and Economic Research*, 4(2)
- Mohammed, S. A.; Balarabe, A. J. and Salwa K (2016). Challenges Affecting the Performance of Small and Medium Scale Enterprises (SMEs) in Nigeria. ISSN: 1985-7012, 9 (2).
- Nwokoye, N. G. (1988). *Marketing Strategies for Small Business Under SAP*. Business Concord. Lagos. Nigeria.
- Ogolo, J.I. (2009). *Effects of Management on Employee Workplace Learning in Developing Human Capital in Small Manufacturing Enterprises in Southeast Nigeria*. Doctoral dissertation, Thesis for Award of PhD in Management, University of Nigeria Enugu Campus. Unpublished.
- Ogujiuba, K. K., Ohuche, F. K., & Adenuga, A. O. (2004). Credit Availability to Small and Medium Scale Enterprises in Nigeria: Importance of New Capital Base for Banks–Background and Issues. Ideas. repec. org/p/wpa/wuwpma/0411002. html.
- Oluboba, O. (2011). ‘Career Crises and Financial Distress: The Way Out’ in Joseph Ajayi, J., and Adesina, S. “Experts Highlight Problems Militating against SMEs in Nigeria”. *Tribune Business*.
- Ojo, A. T. (2006). Using SMEs to Achieve Millennium Development Goals: Challenges and Prospects. *Covenant Journal of Business and Social Sciences*, 1(1), 20-35.
- Okorie, N. (1989). Banks Roles to Small-Scale Business. *Bus. Times*, Lagos, April 17.th
- Okpara, J.O. (2011). Factors constraining the growth and survival of SMEs in Nigeria: Implications for poverty alleviation. *Management Research Review*, 34(2), 156–171.
- Onugu, B. A. N. (2005). Small and medium enterprises (SMEs) in Nigeria: Problems and prospects. St. Clements University.
- Onuoha, B.C. (2013). Poor succession planning by entrepreneurs: The bane of generational enterprises in South-East, Nigeria. *AFRREV IJAH: An International Journal of Arts and Humanities*, 2(2), 270–281.

- Osamwonyi, I.O. and Tafamel, A.E. (2010). Options for sustaining small and medium scale enterprises in Nigeria: Emphasis on Edo State. *African Research Review*, 4(3), 192–211.
- Rogers, B. A. (2002). Funding of SMEs: Sourcing of Funds and Problems Limiting Access. *The Official Journal of the Institute of Chartered Accountants of Nigeria*, 35(1), 15- 18.
- Theng, L.G. and Boon, J.L.W. (1996). An exploratory study of factors affecting the failure of local small and medium enterprises. *Asia Pacific Journal of Management*, 13(2), 47–61.
- Tannock, J., Krasachol, L., & Ruangpermpool, S. (2002). The Development of Total Quality Management in Thai Manufacturing SMEs: a Case Study Approach. *International Journal of Quality & Reliability Management*, 19(4), 380-395.
- Thassanabanjong, K., Miller, P., & Marchant, T. (2009). Training in Thai SMEs. *Journal of Small Business and Enterprise Development*, 16(4), 678-693.
- West; D and Wood, G. (1972). *Financial Management*. The U.S.A. Hayuton Muffin Company.
- World Bank (2009). Thailand Economic Monitor April-June 2009. [Online]. Available: <http://www.worldbank.or.th>. (January 1, 2010).