DETERMINANTS OF MICRO, SMALL AND MEDIUM ENTERPRISES PERFORMANCE IN SOUTHERN SENATORIAL DISTRICT OF CROSS RIVER STATE, NIGERIA

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ABSTRACT
This study examines the determinants of micro, small and medium enterprises performance in Southern Senatorial District of Cross River State. The study adopted the survey research design. The sample size of the study was 400 micro, small and medium enterprises in Southern Senatorial District of Cross River State. The instrument of data collection was the questionnaire and the data collected was analyzed using the logistic regression technique. From the Logit regression result, it was observed that financial factors have a negative and insignificant impact on the performance of micro, small and medium enterprises in Southern Senatorial District of Cross River State. It was observed also that human capital factors have a positive and significant impact on the performance of micro, small and medium enterprises in Southern Senatorial District of Cross River State. Social and cultural factors have a positive and significant impact on the performance of micro, small and medium enterprises in Southern Senatorial District of Cross River State. Based on the findings, the study recommended that funds should be made easily accessible to MSMEs by microfinance banks so as to explore untapped business investment potentials of MSMEs to the utmost benefit of the generality of the economy. However, government should prioritize enabling business environment like good infrastructures such as good road network, stable power supply, etc in the country so as to enhance MSMEs performance. Finally, Micro small and medium enterprises should be encouraged to embrace the new digital infrastructures such as e- commerce so as to enhance their optimal performance.
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1. INTRODUCTION
Micro, Small and Medium Enterprises (MSMEs) form the bedrock of economic growth and development globally (Sinha, Sinha & Sinha 2024). These firms typically account for more than 90 percent of all firms outside the white-collar jobs, constituting a major source of employment and generating significant domestic and export earnings. MSMEs growth not only emerges as a key instrument in poverty reduction efforts but also very important in most economy's growth process. In Nigeria, MSMEs account for 96 percent of businesses and 84 percent of employment (Emmanuel, 2019). The Micro, Small and Medium Enterprises (MSMEs) contributes about N38.8 trillion (48.47 percent) to the nation's Gross Domestic Product, (Small and Medium Enterprises Development Agency of Nigeria, 2018; Price Waterhouse Coopers, 2018). MSMEs not only contribute largely in bettering the lives of the

Nigerian population through job creation, they also contribute to the formation of capital to the locals as well as increase in outputs.

Given the great potentials of MSMEs in terms job creation, poverty reduction, industrial growth, social and economic development, the performance of MSMEs has taken a more concerning stance to researchers and policy makers globally (Okpara 2011). Hence, these justify why the micro finance banks, commercial banks in collaboration with the monetary authorities in Nigeria should provide investible funds to the MSMEs sub-sector so that they can improve their performance and contribute effectively to economic growth and development in Cross River State, Nigeria.

The economy of Cross River State is being plagued with the challenges of uninspiring sluggish growth, weak trade and investment amidst rising inequality. They are also growing dissatisfaction among citizens with the current state of affairs, which is also manifesting itself in the form of massive poverty and unemployment. Against this backdrop, there is a need to create the conditions that enable the micro, small and medium enterprises (MSMEs) to perform optimally in the Southern Senatorial District of Cross River State. Since, MSMEs are key players in the economy globally, enabling them to adapt, thrive and participate more actively in the Southern Senatorial District of Cross River State is essential for boosting economic growth and development of the State and the country in general.

In spite of all these untapped potentials, Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) SMEDAN Act of 2003 has not done so much in term revamping MSMEs maximally due to multiple taxation, low level of entrepreneurial skills, poor management policies, constrained access to money and capital markets, low equity participation from promoters, low return on investment, inadequate equity capital, poor infrastructural facilities, high rate of enterprise mortality, shortage of skilled manpower, multiplicity of regulatory agencies, societal and attitudinal problems, bureaucracy, integrity and transparency problems, lack of access to information, among others. The complexity of these challenges forms a limiting constraint for MSMEs to strive optimally in the study area.

On the flip side, empirical studies on the determinants of MSMEs performance in Nigeria showed mixed results. For instance, studies such as Sempala and Mutoki (2018) and Usman and Tahir (2018), among others have found positive impacts of determinants (access to credits, access to market and the level of managerial skills) on micro, small and medium enterprises performance. On the other hand, studies such as Toluyemi, Sanni and Toluyemi (2016) as well as Heslina, Otto, Muh and Muh (2016) all established both positive and negative impacts of some key determinants (venture capital, entrepreneurial characteristics and competence of entrepreneurship) on the performance of micro, small and medium enterprises. Studies from Obianagwa and Eze (2020) represents a different dimension to the empirical conversation as the study revealed that high interest rates have adverse effects on the SMEs which will further worsen the chances of financial inclusion among MSMEs as pointed out by Ene *et.al* (2022). Against these backgrounds, the study seeks to ascertain the determinants of micro, small and medium enterprises performance in Southern Senatorial District of Cross River State, Nigeria; a micro unit of the generality of the Cross rivers state eco system.

2. LITERATURE REVIEW

2.1 CONCEPTUAL ISSUES

Micro, Small and Medium Scale Enterprises (MSMEs)

While Micro Enterprises are those enterprises whose total assets (excluding land and buildings) are less than Five Million Naira with a workforce not exceeding ten employees, the Small Enterprises are those enterprises whose total assets (excluding land and building) are above Five Million Naira but not exceeding Fifty Million Naira with a total workforce of above ten, but not exceeding forty-nine employees. The Medium Enterprises are those enterprises

with total assets (excluding land and building) above Fifty Million Naira, but not exceeding Five Hundred Million Naira with a total workforce of between 50 and 199 employees., (SMEDAN, 2013).

The Central Bank of Nigeria (CBN, 2005) defined small scale industry as an industry whose (working capital including land cost) total investment does not exceed 2.5 million naira and whose annual turnover averages N12.5 million annually. Bamidele (2005) defines small scale industries as those industries whose fixed asset and cost of new investment does not exceed N10 million. The Nigeria Bank for Commerce and Industry (as cited in Jimah, 2011) defined a small scale enterprise as one whose capital does not exceed N750,000. The above definition plays emphasis on the capital requirement in the formation of the business. Though capital is not the only consideration in determining whether a business venture is a SMEs or not.

In the context of this study, micro, small and medium enterprises are defined as follows:
Micro Enterprises are those enterprises whose total assets (excluding land and buildings) are less than Five Million Naira with a workforce not exceeding ten employees; Small Enterprises are those enterprises whose total assets (excluding land and building) are above Five Million Naira but not exceeding Fifty Million Naira with a total workforce of above ten, but not exceeding forty-nine employees while Medium Enterprises are those enterprises with total assets excluding land and building) are above Fifty Million Naira, but not exceeding Five Hundred Million Naira with a total workforce of between 50 and 199 employees., (SMEDAN, 2013).

Performance

Performance, according to Hornby (2000) is described as an action or achievement considered in relation to how successful it is. Performances are variously measured and the perspective are tied together and consistently monitored from the organization context (Jamil & Mohamed, 2012). It can be concluded that performance is synonymous to success. What connotes performance varies from one organization to another.

2.2 THEORETICAL LITERATURE

Financial growth theory

The financial growth theory was propounded by Berger and Udell in the year 1998. The theory states that when a business matures over the years, its financial obligations and financing options changes. According to the theory, firms that are smaller, younger and possess more ambiguous information must initially depend on internal funding, trade credit, or a type of financing called angel finance. Angel finance is one that occurs when an individual or organization provides a limited amount of financial backing for a start - up business with more favourable repayment plan. As the firm grows, it qualifies for acquiring both venture capital and mid-term loans as sources of both intermediate equity and intermediate debt respectively. Further aging of the firm makes it to become bigger and less informational murky. The MSMEs initial use of internal financing leads to a peculiar state of affairs whereby capital structure decisions are heavily dependent on the limited financing options. Therefore, MSMEs possess varying capital structures and are financed by various sources at different stages of their development (Berger and Udell, 1998). The weaknesses of this theory is that empirical evidence for the financial growth life cycle model is limited, with a couple of notable exceptions (Fluck et al., 1998; Gregory et al., 2005). The former study finds that, contrary to predictions of the financial growth life cycle model, external sources of finance exceed internal sources for the youngest firms.

Human Capital Theory

This theory was propounded by Bruederl, Preisendoerfes and Ziegler in 1992. The theory posits that expenditures on education, job training, and health are capital investments that will yield economic and social returns at the individual and societal levels. The general assumption is that the human capital of the founder of micro, small and medium firm enhances the survival of these firms. This theory is linked to the determinants of micro, small and medium enterprises performance such that when an individual obtain some specific experiences through knowledge, it can improve those variables associated with the performance of enterprise. A major strength of the model is that it helps policymakers and researchers evaluate the relationships between education and training as economic and social benefits that guarantees robust outputs. On the flip side, the HCT fails to provide insight into the processes through which education and training translates into higher wages.

2.3 EMPIRICAL LITERATURE

Aliyu *et.al.* (2013) inspected the relationship of owner/manager knowledge, competitive intensity, complexity of marketing, technical competence, firm size with the mediation of advisory services on the performance of Nigerian SMEs. The study employed structured questionnaire survey involving a sample of 278 manufacturing SMEs operating in Kano State. A total of 198 valid questionnaires were completed and returned representing 71 percent response rate. Evidence suggests that there is significant relationship between owner/manager knowledge, complexity of marketing decision and technical competence and advisory services. In contrast, the result found no significant relationship between firm size and advisory services. Similarly, the result found that owner/manager knowledge, complexity of marketing decision, technical competence and advisory services have significant relationship with performance. The result also indicates that, there is no significant relationship between firm size performance and technical competence and Performance.

Oladele and Oloowokere (2014) investigated the sources of finance and the performance of SMEs in Ado-Ekiti metropolis. The descriptive statistics and multiple regressions were used to analyze the data. The study concluded that there is nexus between sources of finance and business' performance and from the overall coefficient regression results, it shows that formal source of finance is the most significant independent variables that is enhancing SMEs' performance in Ado-Ekiti metropolis. The finding of this could be criticized on the ground that the conclusion is not an absolute reality especially in areas with paucity of financial literacy and inclusiveness. Mba and Cletus (2014) examined the prospects and challenges of SMEs in Port Harcourt using the descriptive statistics. The result revealed that poor financing, inadequate social infrastructure, lack of managerial skills and multiple taxation were major challenges confronting SMEs in Port Harcourt. Narrowing the research inquiry to electricity supply by Alo and Adeyemo (2021) revealed (using a random sampling technique approach on selected 277 respondents) that effective power supply (EPS) exhibited a significant positive impact on the profitability of business enterprises. They study recommended that government at all levels should formulate policies that would encourage effective power supply in other to boost productivity of the SMEs and increase profitability. This study is similar to Sani & Ajayi (2022) study on effect of multiple taxation, high tax rate and tax compliance on SMES even though the determinants of performance appears different.

Bowale and Ilesanmi (2014) examined factors influencing the capacity of SMEs to create employment in Lagos in Southwest, Nigeria. Primary data were used for this study. The target population was all small businesses in Lagos State. The choice of the study area was based on size and concentration of SMEs. Data were collected using questionnaires from a sample of 180 small firms. The selection of respondents was done using two- stage stratified

sampling procedures. In the first stage, five local governments with highest number of SMEs concentration were selected. In the second stage, using systematic sampling on the list of all the SMEs in the selected local governments, a total 36 Small businesses were selected systematically from each local government area in the five LGAs in Lagos state. The data collected were analyzed using appropriate descriptive statistics and inferential techniques. The results showed that majority 75 percent of surveyed SMEs operating in the study area were microenterprises employing less than 10 workers while only 19 percent and 6 percent of the respondents engaged in small scale and medium scale enterprises employing between 10 and 50 workers respectively. The results also showed that there was substantial increase (133 percent) in number of SMEs owners that have grown in terms of employment generation from microenterprises to small scale and medium firms over the span of five years. The result showed further that business registration, business size, nature of business, sources of capital, were the major factors determining both income and employment generation potentials of SMEs. The study concluded that age of business, education, and sources of raw materials were the only significant factors influencing the capacity of SME to generate employment.

Anga (2014) theoretically and empirically examined the various factors that affect the performance of SMEs in Nigeria. It employed the logistic regression method to establish that corruption is the major external factor that affects growth of SMEs. The study recommended that in order to achieve the desired objective of functional SMEs, the fight against corruption must be tackled from the foundation and then to the leadership position. Ibrahim and Mohd (2015) examined and explore quantitatively a small sample of data on the determinants of SMEs Performance in Nigeria. The study adopted survey approach to collect 46 usable questionnaires from SMEs in Kano as one of the strata based on stratified random sampling method. The model produces six factors that are used as a determinant of SMEs performance in Nigeria. Results confirmed that firm performance, entrepreneurial orientation, marketing orientation, learning orientation, technical orientation, access to finance and business environment are determinants of SMEs performance in Nigeria.

Orugu and Uzondu (2015) investigated the socio-economic determinants of the performance of SMEs of Corporative Societies in Onitsha, Nigeria. The study used descriptive statistics to analyze a sample of 99 entrepreneurs. The results revealed that the socio-economic characteristics such as age, sex, education, corporative experience and income are determinants of the performance of SMEs. Dotun (2015) examined the key determinants of innovation in small and medium scale enterprises (SMEs) in southwestern Nigeria. Data for the study were collected using questionnaire and face-to-face interview with SME Owners/Managers. A total of 1,247 questionnaires were administered on four lines of business using stratified random sampling of which 996 representing 51.18% were returned and found suitable for analysis. This was supplemented with interviews of 38 SME Owners/Managers. The data collected were analyzed using appropriate descriptive and inferential statistics. The study revealed that eight factors were accounted for technological and organizational innovation performance of SMEs in the study area. These factors included accessibility to foreign inputs, government support, relevant academic educational background of owner/managers, comparing company's products regularly with those of its competitors, extent of investment in Research and Development (R & D), extent of foreign collaboration/Number of external partners, prior experience of owner-manager, and availability of Patent and Copyright. In conclusion, the study found that accessibility to external inputs and extent of investment in R & D are the most important factors that influence innovation in SMEs in southwestern Nigeria.

Onugu and Uzondi (2015) determined the influence of the socio-economic characteristics of cooperative members on the performance of their Small and Medium Enterprises (SMEs) in Onitsha metropolis of Anambra State, Nigeria. A sample of 99 entrepreneurs, drawn from 10 cooperative societies in Onitsha North and Onitsha South Local

Government Areas (LGAs) that constitute the metropolis, was sampled for the study. Descriptive (percentages, means, Likert-scale), analytical and inferential (chi-square) tools were used for the analysis of the data obtained. The result of the study indicates that the profitability analysis showed a fair return in the SMEs of the Cooperative members. The regression result indicated that the socio-economic characteristics (sex, age, education, cooperative experience and income) influenced significantly the performance of their SMEs. Also, it was found out that the three characteristics; cooperative experience, level of income and education, explained significant variations in the gross margin of the SMEs performance. Idris and Chindo (2015) examined the determinants of small and medium-sized enterprises (SMEs) performance in Nigeria. An autoregressive distributed lag approach to co-integration was applied to sample from 1981 to 2010 to achieve the set objective. The results revealed that both in the short-and long-run, interest rate and net export have had a negative impact on SMEs performance. At the same time, other determinants such as government spending, political instability and level of education were found to have insignificant impact during the studied period. Therefore, maintenance of low interest rate will undoubtedly assist to boost the performance of SMEs in Nigeria. As such, monetary authorities need to play a very important role toward achieving the target.

Toluyemi, Sanni and Toluyemi (2016) examined factors influencing performance of micro, small and medium enterprises in Nigeria. Appropriate descriptive statistics and Ordinary Least Square (OLS) regression analysis were used to describe and analyze the data collected. The study revealed that the age at which a potential entrepreneur starts apprenticeship, entrepreneur's level of education, family type of entrepreneur and the enterprise start-up arrangement have negative relationship with the performance of enterprises. On the other hand, period of apprenticeship, backward, forward and horizontal networking have positive relationship with the level of performance of enterprises. However, only forward networking is significant at 1% level of significance while backward networking and family type are significant at 5% level of significance. In the same vein enterprise location is significant at 10% level of significance. The study recommended that the Nigerian Educational Curriculum be amended to include entrepreneurial development right from the primary school to the tertiary level. Similarly, Government at all levels should embark on empowerment programs for youth to encourage them to get attached to a master trainer for mentoring. The master trainers should be given incentives based on the number of their mentees.

Okuneye and Ogunmuyi (2016) examined the various factors that determine the growth of small and medium scale enterprises (SMEs) in Nigeria during 1980-2013. The study utilizes the Ordinary Least Square method within the framework of the multiple regression model. The results emanating from the analysis suggest that credit facilities, interest rate as well as inflation rate are key determinants of the growth and survival of SMEs in Nigeria. Thus, the government, through the Central Bank of Nigeria (CBN), should relax the restrictive regulations and operations which discourage borrowings as well as promote intervention programs through which adequate funds will be easily access by prospective investors. Usman and Tahir (2018) explored the factors influencing the performance of Micro, Small and Medium Scale Businesses in Borno state, Nigeria. Results from the exploratory factor analysis showed that infrastructural facilities, government policies, entrepreneurial training and insecurity were principal factors exerting influence on the performance of Micro, Small and Medium Scale Enterprises in Maiduguri.

Ojuye and Egberi (2018) accessed the factors determining the performance of small and medium enterprises (SMEs) in Delta State, Nigeria. The main objective of this study is to empirically investigate the determinants of SMEs performance in Delta State. Descriptive survey design was used for the study. The population of the study is one thousand two hundred and forty (1, 240), while the sample size was two hundred and forty eight (248). Data were

generated using questionnaire. Data collected were presented in tables and analyzed using descriptive statistics of mean and standard deviation to answer the research questions while correlation analysis via Statistical Package for Social Science (SPSS) version 4.0 was used to analyze the data. The findings show that there is a positive relationship between finance and infrastructure on the performance of SMEs. The conclusion drawn from the studies was that for SMEs to continue achieving its expected performance all determinants must be readily available to complement each other. The result recommends amongst others that government should focus on the provision of all finance and infrastructural facilities needed for the smooth operations of SMEs in Delta State and Nigeria at large.

Ibrahim and Mustapha (2019) investigated the factors that influence the performance of SMEs in Nigeria, particularly the relationship between entrepreneurial orientations (EO), contemporary marketing (CM) and government support policy and the performance of small and medium enterprises (SMEs). The study used structured questionnaires; data was collected from 240 SMEs in northeast Nigeria. The findings of the study indicate a significant positive relationship between EO and CM on the Performance of SMEs. In addition, the results of the study validate that government support policy moderates the relationship between EO and CM on the performance of SMEs in Nigeria. The study implications for policy makers, government, regulators and SMEs owner-managers is to look at government support policy as it affects SMEs performance by providing conducive environment for business operation.

Adejoh (2020) study assessed commercial bank credit to Micro, Small, and Medium Enterprises (MSMEs) and economic growth in Nigeria using the Toda-Yamamoto (T-Y) procedure. Findings from the T-Y estimation revealed that there was no causal relationship between commercial bank credit to MSMEs and economic growth in Nigeria for the period under analysis. It concludes that commercial bank credit to these entrepreneurs was inadequate to spur growth. To reverse this, the study recommends that commercial banks should extend more funds to MSMEs, while also providing them with long-term and sound credit risk management so as to boost their growth enhancing effects on the economy.

3. RESEARCH METHODOLOGY

3.1 Research design

. This study adopted the survey research design to establish the determinants of micro, small and medium enterprises performance in the Southern Senatorial District of Cross River State. The target population of the study comprised of 334,497 registered micro, small and medium scale enterprises existing in Southern Senatorial District of Cross River State Nigeria, (SMEDAN/NBS, 2022).

3.2 Theoretical Framework

The theoretical framework of this research is based on the financial growth theory as well as the human capital theory. According to the financial growth theory, firms that are smaller or younger depend on initial internal funding or trade credit as sources of finance as the firm grows, it qualifies for acquiring both short and long term loans for expansion, (Berger & Udell, 1998). This theory is linked to the determinant of micro, small and medium enterprises performance since most micro, small, and medium scale enterprises in Cross River State depend largely on internal funding during their early stages and as there grow they resort to borrowings so as to expand their businesses leading to improve performance.

Human capital theory is also adopted as the theoretical framework for this study. The theory is concerned with knowledge and experiences of entrepreneurs. The general assumption is that the human capital of the founder of micro, small and medium firm provides chances to survive. Since human capital acts as a resource which makes the founder more efficient in organizing financial and material resources and in attracting customers and investors to their

businesses This theory has an important implication since the theory is concerned with knowledge and capacities and processes as well. For any nation to grow there must be positive change in the performance of MSMEs and for the business to succeed It must be developed through conscious learning by the owner and in most cases failure in entrepreneurial activities is attributed to poor management tactics. It is therefore believed that training in management functions can help reduce business failure substantially and contribute to success of an enterprise. This theory is linked to the determinant of micro, small and medium enterprises performance such that when an individual obtain some specific experiences through knowledge it can improve those variables associated with the performance of enterprise.

The review of empirical studies showed that there are numerous studies investigating the determinants of micro, small and medium scale enterprises performances in Nigeria and in other countries with mixed and inconclusive findings from the studies. Specifically, Ibrahim and Mohd (2015) examined the determinants of SMEs Performance in Nigeria using the survey method. Also, Idris and Chindo (2015) investigated the determinants of small and medium-sized enterprises (SMEs) performance in Nigeria (1981 to 2010) using the Autoregressive distributed lag approach. The present study differs from the studies of Ibrahim and Mohd (2015) as well as that of Idris and Chindo (2015) by investigating the determinants of micro, small and medium scale enterprises performances in Cross River State using the logit regression method.

Table 1
Summary of Micro, Small and Medium Enterprises in Southern Senatorial District of Cross River State.

Seaatorial Districts in Cross River State	Micro	Small	Medium	Total
Southern Senatorial District	334,025	408	84	334,497
Central Senatorial District	312,921	388	46	313,365
Northern Senatorial District	274,310	330	38	274,688
	921,256	1,126	168	922,550

Source, SMEDAN, Cross River State, 2021.

Sample Size

In this study, since the finite population is known, the Taro Yamane formula (1967) was used in determining the sample size as follows:

$n = N/1 + (N e^2)$

Where: n = Sample size

n = Actual population

e = the error term (0.05)

$n = 334,497 / [1 + (334, 497 \times 0.05^2)]$

n = 399.5

n = 400 Sample size

Sampling technique and instrument of data collection

Purposive sampling method was adopted in this study as the sampling technique.

The main instrument used for data collection was the questionnaire. The instrument was divided into two parts namely the bio data segment and the main part that elicited information on the main variables of the study which includes financial factors, social and cultural factors, human capital factors, infrastructural factors and Micro, Small and medium enterprises performance. This instrument was constructed by the researcher using a two-point likert scale with responses ranging from:

Agree 1 point
Disagree 0 point

The choice of using 1 for agree and 0 for disagree is because of the adopted regression technique which recognizes binary numbers of 1 and 0.

For ease of data preparation, codes were assigned to each item and a coding schedule was prepared by developing a key for each of the constructs of the instrument as shown in Table 2 below.

TABLE 2
Coding schedule for the research instrument

Variable		Code
Age	20-29 years	1
	30-39 years	2
	40-49 years	3
	Above 49 years	4
Work Experience	Less than 5 years	1
	5 – 10 years	2
	10 – 16 years	3
	Above 16 years	4
Educational Qualification	FSLC	1
	Diploma	2
	B.Sc	3
	Masters/PhD	4
Financial factors	Agree	1
	Disagree	0
Social and cultural factors	Agree	1
	Disagree	0
Human capital factors	Agree	1
	Disagree	0
Infrastructural factors	Agree	1
	Disagree	0
MSMES performance	Agree	1
	Disagree	0

4. RESULT **AND DISCUSSION OF FINDINGS**

4.1 Presentation of Data

TABLE 3: Summary of respondents

Questionnaire	Responses according to MSMEs operators	Total	Percentage (%)
No. returned	381	381	95.25
Not returned	19	19	4.75
Total	400	400	100

Source: Field survey by the Author, 2023

From table 3 Four hundred (400) questionnaires were administered to respondents and out of this number, 381 questionnaires were returned while 19 questionnaires were not returned. The total number of questionnaire returned was 381 representing 95.25 per cent of the instrument distributed.

TABLE 4: Gender of Respondents

Respondents	Frequency	Percentage (%)
Male	204	53.5
Female	177	46.5
Total	381	100

The above table shows that male respondents were greater in number with a total of 204 representing 53.5 percent while female respondents came behind with 46.5 percent of the total respondents. The percentage was derived by dividing the frequency of each gender by the total number of respondents. The outcome was multiplied by 100 per cent.

TABLE 5: Age of Respondents

Age	Frequency	Percentage (%)
20 – 29	87	22.58
30 – 39	113	29.7
40 – 49	116	30.4
Above 49	65	17.1
Total	381	100

Table 5 shows that those who fall between the ages of 40-49 years constitute majority of the respondents with 116 representing 30.4 percent. Those between the ages of 20-29 years recorded 87 respondents representing 22.6 percent, respondents between the ages of 30-39 years recorded 113 respondents representing 29.7 percent while those above 49 years recorded 65 respondents representing 17.1 percent.

TABLE 6: Work Experience

Years	Frequency	Percentage (%)
Less than 5 years	66	17.3
5 – 10 years	86	22.6
11 – 16 years	110	28.9
Above 16 years	109	28.6
Total	381	100

Table 6 shows that respondents with work experience above 16 years were the majority with 109 as the frequency representing 28.6 percent. Respondents with work experience between 11 to 16 years were 110 representing 28.9 percent. Respondents with work experience between 5 to 10 years were 86 representing 22.6 percent, while respondents with less than 5 years' work experience were 66 representing 17.3 percent.

TABLE 7: Educational Qualification of Respondents

Qualification	Frequency	Percentage (%)
First School Leaving Certificate (FSLC)	150	39.4
Diploma	64	16.8
Bachelor's degree	147	38.6
Masters/ PhD	20	5.2
Total	381	100

Table 7 shows that majority of the respondents were holders of FSLC amounting to 150 respondents representing 39.4 percent. Bachelor's degree followed were 147 representing 38.6 percent. Respondents with Diploma certificate were 64, representing 16.8 percent while those with Masters/PhD degrees recorded 20 respondents representing 5.2 percent.

Responses to objective one: To examine how financial factors impede the performance of micro, small and medium enterprises in Cross River State

Table 8: Performance of my business is largely influenced by its financial base

Responses	No. of respondents	Percentage (%)
Agree	261	68.6
Disagree	120	31.4
Total	381	100

Source: Field Survey by researcher, 2023 (responses to question 1, Section B)

Table 9: Item 2: Investments in my business are adequate

Responses	No. of respondents	Percentage (%)
Agree	164	43.0
Disagree	217	57.0
Total	381	100

Source: Field Survey by researcher, 2023 (responses to question 2, Section B)

Table 10: Item 3: Micro credit facilities are accessible for my business

Responses	No. of respondents	Percentage (%)
Agree	145	38.0
Disagree	236	62.0
Total	301	100

Source: Field Survey by researcher, 2023 (responses to question 3, Section B)

Table 11:

Item 4: The Capital base of my business is good

Responses	No. of respondents	Percentage (%)
Agree	135	35.5
Disagree	146	64.5
Total	381	100

Source: Field Survey by researcher, 2023 (responses to question 4, Section B)

Table 12: Item 5: My Business profitability is high

Responses	No. of respondents	Percentage (%)
Agree	135	35.5
Disagree	146	64.5
Total	381	100

Source: Field Survey by researcher, 2023 (responses to question 5, Section B)

For question 1 (Table 8) a total of 261 respondents representing 68.6 per cent agreed to the questions raised, while a total of 120 respondents representing 31.4 per cent disagreed to the questions raised. For question 2 (Table 9), a total of 164 respondents representing 43 per cent agreed to the question raised, while 217 respondents representing 57 per cent disagreed to the question raised. For question 3 (Table 10), a total of 145 people who filled the questionnaires representing 38 per cent agreed to the question raised, while 236 respondents representing 62 per cent disagreed to the question raised. For question 4 (Table 11), a total of 135 people who filled the questionnaires representing 35.5 per cent agreed to the question raised, while 146 respondents representing 64.5 per cent disagreed to the question raised. For question 5 (Table 12), a total of 135 people who filled the questionnaires representing 35.5 per cent agreed to the question raised, while 146 respondents representing 64.5 per cent disagreed to the question raised.

Responses to objective two: To establish how social and cultural factors impact the performance of micro, small and medium enterprises in Cross River State

Table 13: Item 6: My business has strong rules and shared values that make it unique

Responses	No. of respondents	Percentage (%)
Agree	251	65.9
Disagree	130	34.1
Total	381	100

Source: Field Survey by researcher, 2023 (responses to question 5, Section B)

Table 14: Item 7: My business beliefs and religion unite the business staff and guide the morals of its employees

Responses	No. of respondents	Percentage (%)
Agree	227	59.6

Disagree	154	40.4
Total	381	100

Source: Field Survey by researcher, 2023 (responses to question 6, Section B)

Table 15: Item 8: My business has a code of conduct that guide the operation of the business

Responses	No. of respondents	Percentage (%)
Agree	206	54.1
Disagree	175	45.9
Total	381	100

Source: Field Survey by researcher, 2023 (responses to question 7, Section B)

Table 16:
Item 9: Innovation and technological advancements present new ways of doing things and new challenges that can strain culture in a business group

Responses	No. of respondents	Percentage (%)
Agree	211	55.4
Disagree	170	44.6
Total	381	100

Source: Field Survey by researcher, 2023 (responses to question 9, Section B)

Table 17: Item 10: My business has enough patronage

Responses	No. of respondents	Percentage (%)
Agree	170	44.6
Disagree	211	54.4
Total	381	100

Source: Field Survey by researcher, 2023 (responses to question 10, Section B)

For question 6 (Table 13) a total of 251 respondents representing 65.9 per cent agreed to the questions raised, while a total of 130 respondents representing 34.1 per cent disagreed to the questions raised. For question 7 (Table 14), a total of 227 respondents representing 59.6 per cent agreed to the question raised, while 154 respondents representing 40.4 per cent disagreed to the question raised. For question 8 (Table 15), a total of 206 people who filled the questionnaires representing 54.1 per cent agreed to the question raised, while 175 respondents representing 45.9 per cent disagreed to the question raised. For question 9 (Table 16), a total of 211 people who filled the questionnaires representing 55.4 per cent agreed to the question raised, while 170 respondents representing 44.6 per cent disagreed to the question raised. For question 10 (Table 17), a total of 170 people who filled the questionnaires representing 44.6 per cent agreed to the question raised, while 211 respondents representing 54.4 per cent disagreed to the question raised.

Responses to objective three: To determine the effect of human development factors on the performance of micro, small and medium enterprises in Cross River State

Table 18: Item 11: Education plays an important role in the growth of business enterprises

Responses	No. of respondents	Percentage (%)

Agree	281	73.6
Disagree	100	26.4
Total	381	100

Source: Field Survey by researcher, 2023 (responses to question 11, Section B)

Table 19: Item 12: Entrepreneurial training is key to business success

Responses	No. of respondents	Percentage (%)
Agree	217	56.9
Disagree	164	43.1
Total	381	100

Source: Field Survey by researcher, 2023 (responses to question 12, Section B)

Table 20**: Item 13:** Health conditions of entrepreneurs is key to business success

Responses	No. of respondents	Percentage (%)
Agree	206	54
Disagree	174	46
Total	381	100

Source: Field Survey by researcher, 2023 (responses to question 13, Section B)

Table 21:
Item 14: Lack of emphasis on skills, commitment, knowledge and ability and an absence of total involvement negatively affect daily running of the business

Responses	No. of respondents	Percentage (%)
Agree	231	60.6
Disagree	150	39.4
Total	381	100

Source: Field Survey by researcher, 2023 (responses to question 14, Section B)

Table 22: Item 15: More educated entrepreneurs are better than less educated entrepreneurs in terms of business management

Responses	No. of respondents	Percentage (%)
Agree	243	63.7
Disagree	138	36.3
Total	381	100

Source: Field Survey by researcher, 2023 (responses to question 15, Section B)

For question 11 (Table 18), a total of 281 respondents representing 73.6 per cent agreed to the question raised, while 100 respondents representing 26.4 per cent disagreed to the question raised. For question 12 (Table 19), a total of 217 people who filled the questionnaires representing 56.9 per cent agreed to the question raised, while 164 respondents representing 43.1 per cent disagreed to the question raised. For question 13 (Table 20), a total of 206 people who filled the questionnaires representing 54 per cent agreed to the question raised, while 174 respondents representing 46 per cent disagreed to the question raised. For question 14 (Table 21), a total of 231 people who filled the questionnaires representing 60.6 per cent agreed to the question raised, while 150 respondents representing 39.4 per cent disagreed to the question

raised. For question 15 (Table 22), a total of 243 people who filled the questionnaires representing 63.7 per cent agreed to the question raised, while 138 respondents representing 36.3 per cent disagreed to the question raised.

Responses to objective four: To evaluate the impacts of infrastructural factors on the performance of micro, small and medium enterprises in Cross River State.

Table 23: Item 16: Poor road network affect my business operations

Responses	No. of respondents	Percentage (%)
Agree	251	65.8
Disagree	130	34.2
Total	381	100

Source: Field Survey by researcher, 2023 (responses to question 16, Section B)

Table 24: Item 17: ICT has led to high productivity in my business

Responses	No. of respondents	Percentage (%)
Agree	227	59.6
Disagree	154	40.4
Total	381	100

Source: Field Survey by researcher, 2023 (responses to question 17, Section B)

Table 25: Item 18: Poor power supply is not good for my business

Responses	No. of respondents	Percentage (%)
Agree	206	53
Disagree	175	47
Total	381	100

Source: Field Survey by researcher, 2023 (responses to question 18, Section

Table 26: Item 19: Advances in technology has helped my business operations

Responses	No. of respondents	Percentage (%)
Agree	221	58
Disagree	160	42
Total	381	100

Source: Field Survey by researcher, 2023 (responses to question 19,2Section B)

Table 27: Item 20: Digital infrastructures has enhance growth of my business

Responses	No. of respondents	Percentage (%)
Agree	211	55.3
Disagree	170	44.7

Total	381	100

Source: Field Survey by researcher, 2023 (responses to question 20, Section B)

For question 16 (Table 23) a total of 251 respondents representing 65.8 per cent agreed to the questions raised, while a total of 130 respondents representing 34.2 per cent disagreed to the questions raised. For question 17 (Table 24), a total of 227 respondents representing 59.6 per cent agreed to the question raised, while 154 respondents representing 40.4 per cent disagreed to the question raised. For question 18 (Table 25), a total of 206 people who filled the questionnaires representing 53 per cent agreed to the question raised, while 175 respondents representing 47 per cent disagreed to the question raised. For question 19 (Table 26), a total of 221 people who filled the questionnaires representing 55.3 per cent agreed to the question raised, while 160 respondents representing 42 per cent disagreed to the question raised. For question 20 (Table 27), a total of 211 people who filled the questionnaires representing 55.3 per cent agreed to the question raised, while 170 respondents representing 44.7 per cent disagreed to the question raised.

Table 28: Item 21: There is growth in the sales and profits of my business

Responses	No. of respondents	Percentage (%)
Agree	129	33.9
Disagree	252	66.1
Total	381	100

Source: Field Survey by researcher, 2023 (responses to question 21, Section B)

Table 29: Item 22: My business now have many employees

Responses	No. of respondents	Percentage (%)
Agree	227	59.4
Disagree	154	40.6
Total	381	100

Source: Field Survey by researcher, 2023 (responses to question 22, Section B)

Table 30: Item 23: My business has expanded to many places

Responses	No. of respondents	Percentage (%)
Agree	206	54
Disagree	175	46
Total	381	100

Source: Field Survey by researcher, 2023 (responses to question 23, Section B)

Table 31: Item 24: The level of my business innovations is high

Responses	No. of respondents	Percentage (%)
Agree	221`	58

Disagree	160	42
Total	381	100

Source: Field Survey by researcher, 2023 (responses to question 24, Section B)

Table 32: Item 25: Our entrepreneurial development services has impacted positively on the poor

Responses	No. of respondents	Percentage (%)
Agree	170	44.6
Disagree	211	54.4
Total	381	100

Source: Field Survey by researcher, 2023 (responses to question 25, Section B)

For question 21 (Table 28) a total of 129 respondents representing 33.9 per cent agreed to the questions raised, while a total of 252 respondents representing 66.1 per cent disagreed to the questions raised. For question 22 (Table 29), a total of 227 respondents representing 59.4 per cent agreed to the question raised, while 154 respondents representing 40.6 per cent disagreed to the question raised. For question 23 (Table 4.28), a total of 206 people who filled the questionnaires representing 54 per cent agreed to the question raised, while 175 respondents representing 46 per cent disagreed to the question raised. For question 24 (Table 30), a total of 221 people who filled the questionnaires representing 58 per cent agreed to the question raised, while 160 respondents representing 42 per cent disagreed to the question raised. For question 25 (Table 4.31), a total of 170 people who filled the questionnaires representing 44.6 per cent strongly agreed to the question raised, while 211 respondents representing 55.4 per cent disagreed to the question raised.

4.2 Analysis

Table 32: Logit regression result
Dependent Variable: MSMESP

Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	-0.263069	0.287851	-0.913909	0.3608
FINF	-0.040558	0.245307	-0.165334	0.8687
HCF	0.515522	0.248687	2.072973	0.0382
IFF	-0.228229	0.244403	-0.933822	0.3504
SOCF	0.729100	0.244357	2.983745	0.0028
McFadden R-squared	0.637489			
Prob(LR statistic)	0.004473			
Obs with Dep=0	158			
Obs with Dep=1	223			

4.2 DISCUSSION OF FINDINGS

From table 32, the estimated model has a negative intercept represented by the constant term (-0.263069). This means holding the independent variables constant; there will be an autonomous decrease in micro, small and medium enterprises (MSMEs) performance in Southern Senatorial District of Cross River State. From the estimated result, human capital factors have a positive and significant impact on the performance of micro, small and medium enterprises in Southern Senatorial District of Cross River State. Cultural factors were found to have a positive and significant impact on the performance of micro, small and medium enterprises in Southern Senatorial District of Cross River State. This is even as financial factor and infrastructural factor were found not to impact significantly on performance of MSMEs in the study area; a submission a variance with the submission of Usman and Tahir (2018), hence urging the need for financial deepening as advocated by Obafemi *et.al* (2016). Furthermore**,** the McFadden R-squared of the model depicts a good fit. It shows that 63.75 per cent of the systematic change in MSMEs performance is accounted for by the independent variables in the model. The other 35.25 per cent left unexplained is attributed to other factors not captured in the model, but represented by the error term. The P-value of 0.00473 indicate that the overall estimated model is statistically significant.

5. CONCLUSION AND RECOMMENDATIONS

Based on these research outcomes, the following recommendations are made:

- Funds should be made easily accessible to MSMEs by microfinance banks and the federal government so that micro, small and medium enterprises can expand their businesses so as to enhance their performance by contributing to employment, poverty reduction and improvement of livelihoods.
- Microfinance banks should give loans to MSMEs at a low lending rate so that more micro, small and medium enterprises can have access to credits facilities to invest in their businesses.
- The Government should continue to provide good infrastructures such as good road network, stable power supply, etc in the country so as to enhance the growth and development of micro, small and medium enterprises.

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