Influence Of Managerial Skills On The Performance Of Small And Medium Scale Enterprises In Lagos State, Nigeria

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ABSTRACT

The study examined the influence of managerial skills on the performance of Small and Medium Scale Enterprise in Lagos state, Nigeria. It was guided by two research questions. A descriptive survey research design was adopted for this study. The study population consists of owner/managers of selected SMEs in Lagos State that are registered with SMEDAN in Lagos State. The total of 742 SMEs was the sample size using Cochran formula. A structured survey questionnaire was used to gather data from the respondents with reliability coefficient of 0.92. The analysis was carried out using descriptive statistics where frequency count and percentage denotation was used to show variations in the responses and opinions. The findings showed that managerial skills as measured by financial skill and marketing skill influence performance of Small and Medium Scale Enterprise in Lagos state. The study recommended that business owners and managers should focus on improving managerial skills in order to improve the performance of small and medium scale enterprises thereby helping in economic growth and unemployment reduction as well as wealth maximization.

Keywords: Managerial Skills, Performance Small and Medium Scale Enterprise, Financial Skills, Marketing Skills

Introduction

Small and Medium Enterprises (SMEs) are an important sector in both developed and developing economies (Stanislous and Mornay, 2011; Nishantha and Amura, 2011). They can

be considered as one of the principal driving force (Criveanu et. al, 2011) in economic development because they demand private ownership and entrepreneurship, they are flexible and can adopt quickly to changing market demand and supply situation, they create employment (Vandenberg, 2009) which help diversify economic activities and make a significant contribution to export and trade. SMEs are viewed as the drivers of financial development and improvement in various nations of the world. Indeed, the sector represents more than 80 percent of financial development in many nations on the planet (Sidek and Mohammed, 2014). In the assessment of Thabit Yahya and Abdelhay Elsayed (2012), SMEs assume significant jobs in moving nations to a more elevated level of prosperity. On account of Nigeria, SMEs endeavors to some degree give jobs to the Nigerian populace. SMEs contribute largely to domestic output by providing raw material for larger firm's consumption thereby creating enabling environment for government to generate incomes from the activities of the SMEs through various forms of tax levies (Aminu and Sharrif, 2015).

In many African countries, small and medium enterprises (SMEs) are seen as the major source of livelihood for a large proportion of the population (Tarfasa, Ferede, Kebede, & Behailu, 2016). Therefore, the performance of SMEs should be seen as a major concern by governments and other economic regulatory bodies. SMEs as the commonest form of enterprise accounts for generally 99% of all firms subsequently getting to be the most source of job provider, accounting for around 70% of jobs on average and major contributors to value creation, producing between 50% and 60% of value-added on average (OECD, 2016b). Alese (2017) was of the opinion that SMEs-focused nations experienced diminish in destitution level and crime rate as well as an increment in per capital income and fast growth in national yield among other profitable effects. In a developing country like Nigeria, small businesses play a very significant role in reducing unemployment and sustaining economic growth and development. The small-scale industry forms a greater percentage of the list of registered companies in Nigeria and they have been in existence for a long time (Ayozie, 2006). Considering the role SMEs play in sustaining national economic growth, entrepreneurs are expected to possess sound skill and information on financial matters. (Eniola & Entebang,

2017).

Studies by the United Nations Industrial Development Organisation, UNIDO-Nigeria in its 'Start-up of a skill acquisition program for women entrepreneurs', 2017 shows that Micro, Small and Medium Enterprises (MSMEs) has the propensity to drive the Nigerian Economy, and data reveals that there are currently over 17 million MSMEs employing over 31 million Nigerians. Micro, Small and Medium Enterprise Sector account for over 80% of enterprises that employ about 75 % of Nigeria's total workforce, therefore, formulating and effectively implementing MSMEs friendly policies represents innovative ways of building the capacity to engage in entrepreneurial activities and creating job opportunities thus, playing a central and invaluable role in helping Nigeria realize its quantity advantage.

Managerial skills are important for planning the strategies, directing the organizational strategies, supervising the team in upcoming challenges, building the networking, distribution channels, and decision-making. Smith et al., (2006) also posit that marketing/sale skills are constituents of managerial skills to enable the firm to identify customer demand and distribution according to channels and supply chain. According to Ahmad and Ahmad (2018), financial skills are helping the firm in accounting, maintenance, budgeting, and managing financial resources from different resources, which they enumerated comprehensively. Smith et al., (2006) also defined the importance of legal skills to include privacy and security and risk management during highly challenging situations. On the same note, Ahmad and Ahmad (2018) and Smith et al. (2006) emphasize the importance of administrative skills and high-level skills as a means of developing advisory boards, building relationships with organizations, problem-solving and learning.

Lusardi & Bassa (2013); Lusardi, Mitchell & Curto (2011); Lusardi & Tufano (2015) also stated that individuals and Small and Medium Enterprise (SME) managers with low levels of financial skill tend to make wrong decisions by participating less in the formal financial system and borrow at higher interest rates relative to their more financially literate counterparts. Bayrakdaro & Botan, (2014) also highlighted the merits of financial skill for

SMEs entrepreneurs to be: improvement of financial services, increment of savings portion, better risk management, reduction of volatility in the economic field, and fast development in the financial sector. Financial skill is the comprehensive understanding of a set of knowledge, attitudes, and behaviours.

Akindoju (2016) identified financial constraints, management experience, leadership skills, marketing, planning, and education as the factors critical to small business success or failure. However, this study focuses on the marketing aspect of the success or failure. Marketing allows businesses to meet several customer needs through planning, implementation, and control of marketing promotions (O'Cass, Ngo, & Siahtiri, 2012). Dzisi and Ofosu (2014) noted that implementing sustainable marketing strategies are important factors that support SME performance and growth. It is on record that small businesses frequently lack marketing techniques and skills (e.g. Kozan & Akdeniz, 2014). Managers often mentioned poor market conditions resulting from (a) lack of market knowledge, (b) lack of marketing techniques, (c) incomplete product development, and (d) product commercialization as contributing factors to poor market positioning (Hacioglu, Eren, Eren, & Celikkan, 2012).

Improving the quality of human resources is highly needed, especially in the field of human resource competencies such as knowledge, skill, ability and attitude to entrepreneurship. Human resources development is fruitful not only for SMEs business owner but also for improving the livelihood of workers (Purwidianti, 2015). Entrepreneurship and productivity must be supported with the development of technology in order to strengthen the quality of human resource. On the other hand, the use of technology is increasingly important since 60 percent of the production process (BPS, 2016) is still carried out in labour-intensive SMEs. Like other developing regions, Nigeria SMEs has long been associated with substantial gaps in road, power infrastructure, poor supply network, high cost of input and output; not to mention its notoriously high levels of corruption and bureaucratic restrictions, which increase the cost of distribution and investment, thus cause the rundown of performance indicators such as profitability, market share, sales growth, competitive advantage and productivity in the Nigeria

SMEs (Manufacturing Association of Nigeria (MAN, 2019). Ojeleye, Opusunju, and Abdullahi (2020) emphasized that part of the factor hindering growth and continuous performance in Nigeria SMEs industry relates to poor quality and non-availability of inputs in the market, such as raw materials and equipment as well as limited size of the domestic market for products.

Furthermore, SMEs are exposed to more competitive pressure from different parts of the world (Hamis, 2010) through national, regional and international competition from large companies, especially Transnational companies (TNCs) and Multi-national companies (MNCs). To withstand such business turbulence, there is a need to improve competitiveness and operating efficiency. This need can be achieved successfully by having among other things; effective management (Jennings and Beaver, 2017) which is vital component in success of SMEs so as to keep pace with that prevailing condition. Since effective management depends on good management skills of owner/manager Yusuf (2015) as cited in Yahya (2020), the present study therefore attempts to find out from owners/managers the effects of management skills on their enterprises performance.

Statement of the Problem

Looking at the performance of Nigerian SMEs, more than 80% of SMEs have failed after three years of operation due to mismanagement, lack of innovation, lack of important skills and lack of implementation of strategic planning. From the growing trends in the firm's performance, SMEs in Nigeria had recorded a continuous declined in their productivity and performance (Bhatti & Akram, 2020). While there is much evidence that managerial skills (MS) as organizational tools are recognized as the main driver of firm's success, there is little understanding of how these skills help the organizational planning and development of the strategies. Numerous studies acknowledged that managerial skills are a source of competitive advantage. However, most studies considered managerial skills to be a single construct, taking into account only a particular dimension of managerial skills. Different dimensions of managerial skills may indeed be relatively more important from the different aspects of the firms. In Nigeria, the level of managerial skills among entrepreneurs is quite low and shallow.

This can be ascribed to the need for the fundamental understanding of financial management, product marketing, innovativeness and risk-taking. Entrepreneurs in the SMEs are faced with challenges regarding poor financial management, poor marketing mix, and lack of innovative, poor risk-taking, poor competitive aggressiveness, improper bookkeeping and maintaining up to date financial records, especially financial statements all of which are managerial skill indicators. These poor processions of managerial skill lead to poor performance by SME owners and premature growth of their enterprise.

Evidence has shown that on the average in Nigeria, 30% of every new small and medium enterprise failed at the end of their second year and 50-60% cannot manage to survive to the end of the seventh year (Egbunike & Okerekeoti, 2018; Etuk, Etuk, & Baghebo, 2014), because they are frequently under pressure of different challenges ranging from unstable economic policies, poor entrepreneurial orientation ideas, poor infrastructural facilities among others. SMEs in Nigeria are overwhelmed with problems such as unstable economic policies, poor managerial skill and agility to manage unstable economic policies, lack of innovativeness, risk taking propensity and autonomy leading to high failure rate and low performance indicators in terms of profitability and sales growth. Anchor on this cursory observation and background challenges, this study examine the influence of Managerial skills (financial skill, marketing skill, innovative skill and risk-taking skill) on the performance of Small and Medium Scale Enterprise in Lagos state, Nigeria.

Objectives of the Study

Themainobjectiveofstudyistoexaminetheinfluenceofmanagerialskillson the performance of Small and Medium Scale Enterprise in Lagos state, Nigeria, the specific Objectives are to:

1 assess the influence of financial skill on the performance of Small and Medium Scale Enterprise in Lagos state, Nigeria

2 examine the influence of marketing skill on the performance of Small and Medium Scale Enterprise in Lagos state, Nigeria

Research Questions

The following research questions were answered in this study

1. To what extent does financial skill influence the performance of Small and Medium Scale Enterprise in Lagos state, Nigeria?

2. What is the extent to which marketing skill influence the performance of Small and Medium Scale Enterprise in Lagos state, Nigeria?

Theoretical Framework

Human Capital Theory

The origin of human capital goes back to emergence of classical economics in (1776) and thereafter developed a scientific theory. The idea of investing in human capital was first developed by Adam Smith (1776), who argued in the Wealth of Nations that differences between the ways of working of individuals with different levels of education and training reflected differences in the returns necessary to defray the costs of acquiring those skills. Economists such as Elliot (1991) developed the theory of human capital. He is concerned with human capital in terms of the quality, not quantity, of the labour supply (Baron & Armstrong, 2007). According to Armstrong (2012) cited in Odhong and Were (2013), Human capital theory helps to determine the impact of people on the business and their contribution to shareholder value. It demonstrates the human resources practice that produce value for money in terms, for example, of return on investment. According to Daebong (2009), human capital theorists believe that education and earning power are correlated, which means, theoretically, that the more education one has, the more one can earn, and that the skills, knowledge and abilities that education provides can be transferred into the work in terms of productivity. Human capital refers to the knowledge, expertise, and skill one accumulates through education and training (Severine & Lila, 2009).

Human capital theory suggests that education and training raises the productivity of workers by imparting useful knowledge and skills, hence raising worker's future income by increasing their lifetime earnings (Becker, 1964 in Xion, 2001). In short, human capital is a set of skills/characteristics that increase worker's productivity. Schultz (1975) as cited in Xiao (2011)

suggests that education enhance an individual's ability to successfully deal with disequilibrium in changing economic conditions. Such ability includes that of perceiving a given disequilibrium, analyzing information, and reallocating resources to act. Since SMEs performance depends on its degree of flexibility and adaptability of quickly changing market demand and supply (Criveanu et al., 2011), thus the theory support the relationship between management skills and SMEs performance. This theory rests on the assumption that education is highly instrumental and necessary to improve the production capacity of a population. Human capital theorist further argued that an educated population is a productive population. The theory keeps on emphasizes how education increases the productivity and efficiency of human capability which is the product of innate abilities and investment in human beings. The provision of education is seen as an investment in human capital, which proponents of the theory have considered as equally or even more worthwhile than that of physical capital (Woodhall, 1997 in Almuntarez, 2011).

Methodology

Descriptive survey research design was adopted for this study. The study population consists of owner/managers of selected SMEs in Lagos State that are registered with SMEDAN in Lagos State. Lagos State is classified into five divisions; Ikorodu 783, Epe 593, Ikeja 4,446, Badagry 468 and Lagos Island 5373. The total population was 11,663 (SMEDAN). Lagos State was chosen because it was the hub city and commercial nerve Centre of Nigeria. Lagos State is cosmopolitan and metropolitan in nature that houses the largest SMEs that operate in Nigeria (SMEDAN). For this study, Cochran formula was used to derive the sample size. This was determined by applying the Cronbach Alpha (1997) formula as is standard method of randomization and identify the limits of errors considered as the most essential items in the survey. This helped the researcher obtained the sample and used the results to make sampling decisions based on the data.

The formula is:

$$n = \frac{NZ^2pq}{\underline{\hspace{3cm}}}$$

$$d^2 (N\text{-}1) + Z^2pq$$

Where:

n = sample size

N = Total number of registered SMEs in Lagos State (N=11,663)

Z = 95% Confidence Interval (Z = 1.96),

p = 0.5

q = 1 – p

d = degree of accuracy or estimation (d = 0.04)

Therefore;

$$n = \frac{11{,}663\ (1.96)^2\ (0.5)\ (0.5)}{(0.04)^2\ (11{,}663\text{–}\ 1) + (1.96)^2\ (0.5)\ (0.5)} = 571$$

However, to compensate for the non–response and for wrong filling of questionnaires, the sample size was increased by 171 which is 30% of the total sample. This is as recommended by Zikmund, (2000).

Therefore 30% of 571   = 171

Then the appropriate sample size is given as n = 571 + 171 = 742

n = 742

The study employed multistage sampling procedure, which were stratified sampling technique and random sampling technique. The stratified sampling technique was applied by grouping the SMEs in Lagos State into five strata i.e. Badagary, Epe, Ikeja, Ikorodu and Lagos Island divisions, out of which proportionate sample selection was done. The adoption of the multi-stage approach gave a fair representation of the SMEs since these SMEs operate in different locations across Lagos State. The simple random sampling adopted gave each element an equal opportunity of being selected.

Table 1

The Five Divisions of Lagos State with employees and proportionate numbers

S/N	Five Division in Lagos State	Population Size Per	Total Populatio	Sample Size	Proportionate Sample Size	Percent %

		division	n			
1	Ikorodu	783			50	6.74
2	Epe	593	11,663	742	38	5.12
3	Ikeja	4,446			283	38.14
4	Badagry	468			30	4.04
5	Lagos Island	5,373			341	45.96
Total		11,663				100

Source: Researcher's Computation (2024)

A structured survey questionnaire was used to gather data from the respondents. Six points modified scale format was adopted in designing the questionnaire and response to specific items ranging from Very High (VH) = 6, High (H) =5, Moderately High (MH) =4, Moderately Low (ML) =3, Low (L) =2, Very Low (VL) =1. The questionnaire items were adopted from previous studies based on the similarities with the current study. The independent variables are financial skill, marketing skill, innovative skill and risk-taking skill. The dependent variable is productivity performance of SMEs in Lagos State. The instrument was divided into three sections; namely sections A, B, and C. Section A focused on the general characteristics of the respondents, section B contained items on Managerial Skill (financial skill, marketing skill, innovative skill and risk-taking skill). Section C will examine items on productivity performance of SMEs. The instrument for this study was subjected to face and content validity by the experts. To ensure the reliability of the instrument, test-retest reliability of the instrument was employed. A test-retest reliability of the instrument was carried out among 70 small and medium scale enterprises in Ogun State, Nigeria. Pearson Product Moment Correlation (PPMC) was used to determine the level of reliability coefficient. However, the reliability coefficient yielded 0.92.The set of structured questionnaires were distributed and collected by the researcher with the help of two trained research assistants. Drop and pick method was used in the administration of the questionnaire. The researcher ensures that respondents were adequately briefed on the content and procedure for filling the questionnaire and enough time was given to the respondents to respond to each item in the questionnaire. The analysis was carried out using descriptive

statistics where frequency count and percentage denotation was used to show variations in the responses and opinions.

Results and Discussion of Findings

Research Question One: To what extent does financial skill influence on the performance of Small and Medium Scale Enterprise in Lagos state?

Table 2

Descriptive Statistics of Financial Skill

Statements	Level of Agreement (n=687)								
	Very high	High	Moderately high	Moderately low	Low	Very low	Mean	Std. Deviation
Making complex financial decisions	30.4%	39.8%	11.9%	11.2%	4.9%	1.8%	4.74	1.239
Getting self to follow through on financial intentions	22.8%	48.8%	11.4%	11.2%	4.9%	0.9%	4.70	1.137
Skill to recognize a good financial investment	28.4%	35.3%	16.1%	10.7%	7.4%	2.0%	4.60	1.307
Financial analytical thinking	20.3%	42.6%	14.6%	14.6%	6.1%	1.4%	4.50	1.252
Understanding financial information	18.1%	45.0%	16.1%	11.2%	8.3%	1.1%	4.49	1.230

Short-term financial planning	21.5%	44.3%	11.6%	13.2%	7.6%	1.8%	4.53	1.271
Average							**4.59**	**1.239**

Source: Field Survey, 2024

Table 2 presents the results of descriptive analysis of financial skill. The results of the descriptive analysis revealed that 30.4% of the respondents indicated very high to making complex financial decisions, 39.8% of the respondents indicated high, 11.9% indicated moderately high, 11.2% indicated moderately low, 4.9% indicated low while 1.8% indicated very low. On the average, most of the respondents opined that making complex financial decisions is high with a mean of 4.74 and a standard deviation of 1.239. Further, 22.2% of the respondents indicated very high to Getting self to follow through on financial intentions, 48.8% indicated high, 11.4% indicated moderately high, 11.2% indicated moderately low, 4.9% indicated low while 0.9% indicated very low. On the average, most of the respondents opined that getting self to follow through on financial intentions is high with a mean of 4.70 and a standard deviation of 1.137.

Also, on skill to recognize a good financial investment, 28.4% indicated very high, 35.3% indicated high, 16.1% indicated moderately high, 10.7% indicated moderately low, 7.4% indicated low while 2% indicated very low. On the average, most of the respondents opined that skill to recognize a good financial investment is high with a mean of 4.60 and a standard deviation of 1.307. With regards to financial analytical thinking, 20.3% indicated very high, 42.6% indicated high, 14.6% indicated moderately high, 14.6% indicated moderately low, 6.1% indicated low while 1.4% indicated very low and 0.5% was missing. On the average, most of the respondents opined that financial analytical thinking is high with a mean of 4.50 and a standard deviation of 1.252.

Furthermore, 18.1% of the respondents indicated very high to understanding financial information, 45% of the respondents indicated high, 16.1% indicated moderately high, 11.2%

indicated moderately low, 8.3% indicated low while 1.1% indicated very low. On the average, most of the respondents opined that understanding financial information is moderately high with a mean of 4.49 and a standard deviation of 1.230. Finally, 21.5% indicated very high to response to short-term financial planning, 44.3% indicated high, 11.6% indicated moderately high, 13.2% indicated moderately low, 7.6% indicated low while 1.8% indicated very low. On the average, most of the respondents indicated that response to short-term financial planning is high with a mean of 4.53 and a standard deviation of 1.271.

Research Question Two: What is the extent to which marketing skill influence the performance of Small and Medium Scale Enterprise in Lagos state, Nigeria?

Table 3

Descriptive Statistics on Performance

Statements	Level of Agreement (n=647)							
	Very high	High	Moderately high	Moderately low	Low	Very low	Mean	Std. Deviation
Product market expansion	5.6%	36.9%	33.8%	10.3%	12.1%	1.3%	4.07	1.168
Judicious use of raw materials	23.3%	41.6%	14.3%	11.0%	7.2%	2.7%	4.52	1.333
Quick response to mal-function production processes	17.0%	47.6%	15.7%	12.5%	5.4%	1.8%	4.50	1.212

Meet customer demand	15.9%	43.4%	19.2%	11.2%	6.7%	3.6%	4.36	1.320
Customer services sensitivity	21.5%	41%	17.2%	10.5%	7.6%	2.2%	4.48	1.323
Cheap cost of production	22.8%	41.8%	16.1%	9.4%	7.8%	2.0%	4.54	1.302
Satisfying range of clients	23.3%	41.6%	14.3%	11.0%	7.2%	2.7%	4.52	1.333
Average							**3.78**	**1.121**

Source: **Researcher's Field Survey, 2024**

Table 3 presented the results of descriptive analysis of productivity. The results of the descriptive analysis revealed that 5.6% of the respondents indicated very high to product market expansion, 36.9% of the respondents indicated high, 33.8% indicated moderately high, 10.3% indicated moderately low, 12.1% indicated low and 1.3% indicated very low. On average, the respondents proposed that product market expansion is moderately high (mean = 4.07, STD = 1.168).

Further, 23.3% of the respondents indicated very high to Judicious use of raw materials, 41.6% indicated high, 14.3% indicated moderately high, 11% indicated moderately low, 7.2% indicated low and 2.7% indicated very low. Also, on quick response to mal-function production processes, 17% indicated very high, 47.6% indicated high, 15.7% indicated moderately high, 12.5% indicated moderately low, 5.4% indicated low and 1.8% indicated very low. On average, the respondents proposed that the quick response to mal-function production processes is moderately high (mean = 4.50, STD = 1.212). Moving on, 15.9% of the respondents indicated very high to meet customer demand, 43.4% indicated high, 19.2% indicated moderately high, 11.2% indicated moderately low, 6.7% indicated low and 3.6% indicated very low. On average, the respondents proposed that meet customer demand is

moderately high (mean = 4.36, STD = 1.320).

With regards to customer services sensitivity, 21.5% respondents indicated very high, 41% indicated high, 17.2% indicated moderately high, 10.5% indicated moderately low, 7.6% indicated low and 2.2% indicated very low. On average, the respondents proposed that customer services sensitivity is moderately high (mean = 4.48, STD = 1.323). In addition, 22.8% of the respondents indicated very high to cheap cost of production, 41.8% indicated high, 16.1% indicated moderately high, 9.4% indicated moderately low, 7.8% indicated low and 2% indicated very low. On average, the respondents proposed that cheap cost of production is high (mean = 4.54, STD = 1.302).

Finally, 23.3% of the respondents indicated very high to satisfying range of clients, 41.6% indicated high, 14.3% indicated moderately high, 11% indicated moderately low, 7.2% indicated low and 2.7% indicated very low. On average, the respondents proposed that satisfying range of clients is high (mean = 4.52, STD = 1.333). The average score of the statements is 3.78 with a standard deviation of 1.121 which means that on average the respondents opined high with the statements under productivity, with variations in some statements responses as revealed by the grand standard deviation of 1.121 which confirms the divergence in respondents' opinions towards the mean.

Discussion of Findings

The study revealed that financial skill has significant influence on performance of SMEs in Lagos State. The finding is consistent with those of Okibo and Shikanda (2015) that financial management, communication, leadership, skills, rewards and recognition positively and significantly influence SMEs performance. The finding also agrees with Letangule and Letting (2012) that one ways to achieving growth, performance and sustaining performance is to encourage and foster good financial management system and creativity internally within the institution. The study revealed that proper financial skill significantly influences performance of the firms to a great extent. Latif, Razak & Malaysia (2011) described that applying the financial principles for creating and maintaining value by decision-making and proper

management of resources significantly influence SMEs performance.

The finding of this study also agrees with those of Kangu (2017) that good marketing skill will to reduce costs and increase performance by solidifying customer loyalty. The result also corroborates the Scheers (2011) revealed that no business activity can be successfully operated without the assistance of the marketing skills. This is because identifying the needs and desire of the consumers and their buying behavior greatly depends on the income, social status and psychology of the consumer. Developing an appreciating marketing skill such as, skills to communicate, fast track sales, customers' relation, order processing and understanding the consumers are important to the success of SMEs performance.

Conclusion

This study concluded that Managerial skill (financial skill and marketing skill) have a strong positive influence on the performance of SMEs as it has been established that SMEs that experience high performance is managed by entrepreneurs who possessed good managerial skills such as financial skill, marketing skill, innovative skill and risk-taking skill.

Recommendations

The recommendations for the study are as follows:

1. It is therefore recommended that business owners and managers should focus on improving managerial skills in order to improve the performance of small and medium scale enterprises thereby helping in economic growth and unemployment reduction as well as wealth maximization.

2. The study recommends that SMEs entrepreneurs should be made to see the importance of having good managerial skills such as financial skill, marketing skill, innovative skill and risk-taking skill. The relevant ministry of trade and industry should organize workshop and seminar on managerial skill acquisition.

3. The study recommends that the Nigeria government supports SMEs development through provision and dissemination of relevant industry data and publications that enhance

innovation in the industry.

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