

Factors Militating the Growth of Small Scale Business and Employment Creation in Awka Metropolis Nigeria

Ifeanyi E. Nuel Okoli & Nkiru Peace Nwakoby

Nnamdi Azikiwi University Awka, Nigeria

Email: ie.okoli@inizik.edu.ng, np.nwakoby@unizik.edu.ng

Abstract

This study examined factors militating the growth of small scale business and employment creation in Awka Metropolis. Three specific objectives, research questions and hypotheses were formulated with the decomposed variables of the study. The study was anchored on Active Learning Theory. This study adopted survey research design. The study population was five hundred and fifty six (556) workers while the sample size was two hundred and thirty three (233) arrived at using Taro Yamane formula. Data were collected using self-administered questionnaire from the sample of workers at Awka Metropolis. The simple random sampling technique was used for the study. Chi- Square was applied for hypotheses testing. The study found that poor financing, inadequate social infrastructures, lack of managerial skill constitute major challenges for small scale businesses to creation jobs. Therefore, the study revealed that there is a significant relationship between small scale business and employment creation. The study concluded that small scale businesses are essential agents of economic growth and national development. The study recommended among others that government need to put in place new policy guidelines aimed at making the acquisition of funds easier for the entrepreneurs of small scale businesses and also entrepreneurs should aim at giving some basic skills training to the unskilled and semiskilled people engaged to work for them so that they can contribute more positively to the growth of the enterprise.

Keywords: small scale business, employment creation, managerial skill, finance, social infrastructure.

1. Introduction

Small Scale Businesses (SSBs) play an important role in the economic growth of both developed and developing nations. One of the major goals of any economy is the achievement of full employment, and the attainment of this macroeconomic objective has remained an issue that continues to receive attention in developing countries, particularly those in Africa where high- level poverty exists with an increasing unemployment rate (Oni, 2006). The dynamic role of small scale businesses as engines through which the growth and development objectives of nations can be achieved has been recognized and stated in several studies. According to Kpelai (2009), small- scale business are generally regarded as the driving force of economic growth, job creation and poverty reduction, as they provide the necessary groundwork for entrepreneurship development, innovation and risk-taking behaviour and provide the foundation for long-term growth dynamics and the transition towards larger enterprises. The sector serves as a catalyst for employment generation, national growth, poverty reduction and economic development and can boast of being the major employers of labour compared to the major industries, including multinationals (Kadiri, 2012). SSBs help in the achievement of improvement in rural infrastructure and improved living standards of rural dwellers, thereby creating employment utilization of indigenous technology, production of intermediate technology and an increase in the revenue base of private individuals and the government (Wahab

and Ijaiya, 2006).

Most countries are characterized by a large number of small scale businesses mainly in the informal sector. Nigeria falls within this category of economies, as micro, small- and medium-sized enterprises account for over 95% of non-oil producing activities outside agriculture, with small-scale businesses accounting for approximately 85% of all firms operating in the economy (Nnanna, 2001). The contributions claimed for small-scale businesses are numerous. According to Safiriyu and Njogo (2012), the vibrancy of small scale business subsectors is an important part of an economy because they bring about new ideas and provide job opportunities, thus encouraging entrepreneurship. They have an immediate impact on employment generation (Ayozie and Latinwo, 2010). Thus, the development of SSBs is seen as an accelerator to the achievement of wider economic and socioeconomic objectives, including poverty alleviation and unemployment reduction (Uchechukwu, 2003). Fissaeha (2019) states that SSBs employ 22% of the adult population in developing countries while Fabayo (2019) observed that small firms are major source of employment opportunities for a wide cross-section of the workforce: the young, old part-time workers and the cyclically unemployed.

However, in an attempt to address the unemployment problem in Nigeria, a plethora of strategies and measures have been proposed, including National Development Plans (NDPs) and the rolling plans, the National Directorate of Employment (NDE), the Better Life Programme (BLP) for rural women, the Family Support Programme (FSP) and the Family Economic Advancement Programme (FEAP) during the post-SAP period, the Poverty Alleviation Programme (PAP), which was later changed to the National Poverty Eradication Programme (NAPEP), the Small and Medium Enterprises Equity Investment Scheme (SMEEIS), the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), and the Bank of Industry (BOI), among others. Nevertheless from 2006 until 2011, Nigeria unemployment averaged 14.6%, reaching an all-time high of 23.9% in 2011 from a record low of 5.33% in 2006 (NBS/CBN Surveys, 2014).

The government programmes and initiatives led to the proliferation of SSBs in Anambra State and Awka South Metropolis in particular with the introduction of one youth two skills (1 youth 2 Skills Solution) initiative of the State government. Thus, with an increased number of SSBs, it was expected that these small scale businesses would expand and metamorphose into large enterprises with large capital, productivity, profit and enhanced job opportunities. The phenomenon of a high unemployment rate despite the increased numbers of SSBs raises questions yet to be answered. Many factors have been identified contributing to this premature death of SSBs and increase in unemployment. Key among them include: insufficient capital, infrastructural inadequacies (water, roads, power supply etc.), lack of focus, inadequate market research, over-concentration on one or two markets for finished products, lack of succession plan, inexperience, lack of proper book keeping, inability to separate business and family or personal finances, lack of business strategy, inability to distinguish between revenue and profit, inability to procure the right plant and machinery, inability to engage or employ competent and talented staff, cut-throat competition. It is also important to note that SSBs in Awka Metropolis are not immune from the aforementioned challenges in their day to day operations hence it becomes necessary to embark on a study that investigates the militating factors and prospects of small scale businesses growth in Awka Metropolis, Nigeria.

The main objective of the study is to examine factors militating against Small Scale Businesses (SSBs) growth and employment creation in Awka Metropolis Nigeria. The specific objectives are to: (1) Determine whether poor financing constitute a major militating factor in SSBs growth and employment creation in Awka Metropolis. (2) To ascertain whether inadequate social infrastructures constitute a major militating factor in SSBs growth and employment creation in Awka Metropolis. (3) To determine whether lack of managerial skills constitute a major militating factor in SSBs growth and employment creation in Awka Metropolis.

2. Literature Review

Small Scale Business. From country to country the definition of small businesses varies as the same variables such as revenue, asset base, number of workers, ownership can determine in which category the business falls. Also this varies from sector to sector as some sectors are more labour and asset intensive than others. Thus what constitutes a small, micro and medium enterprise is not cast in stone and thus varies between countries making it at times difficult to conduct a cross-sectional comparison (Nwoko, Nkemakolam, & Okuma, 2019). In most developed market economies like the United States of America (USA), U.K. and Canada the definition criterion adopted a mixture of annual turnover and employment levels. The Federal Ministry of Commerce and Industry defines small businesses as firms with a total investment (excluding cost of land but including capital) of up to N750, 000, and paid employment of up to fifty (50) persons (Agwu and Emeti, 2014).

In general, a small scale enterprise is a business in which its owner influences the entire decision- making process and the business has relatively small market share and low capital requirement for its operation. A small scale enterprise has also been described as a small business in which the manager personally performs all the functions of management (Obi, 2015). Small Scale Business exist in the form of sole proprietorship and partnership, though some could be registered as limited liability companies and characterized by: simple management structure, informal employer/employee relationship, labour intensive operation, simple technology, fusion of ownership and management and limited access to capital. The seven major sources of funding available to SMEs in Nigeria include: personal resources, family and friends, partners or business associates, informal financial markets, banks among others. Their role in economic development includes: technological/industrial development, employment generation, technology acquisition, capacity building, promotion of economic growth, increased standard of living, industrial dispersal or spread, servicing of large-scale industries, export promotion, structural transformation of rural areas, flexibility and low take-off requirements (Agwu and Emeti, 2014).

Factors militating against SSBs growth and employment creation. Small scale businesses are known worldwide to encounter some structural difficulties, problems or limitations, which if confronted can drive them to promote economic growth and development. Some of the militating factors affecting small scale businesses in Awka Metropolis include the following: Financial Problems: About 80% of small scale businesses are stifled because of poor financing and other associated problems. The problem of financing small scale business is not so much the sources of funds but its accessibility. Factors identified inhibiting funds accessibility are the stringent conditions set by financial institutions, lack

of adequate collateral and credit information and cost of accessing funds. The capital shortage problem in the small firm sector is partly one, which stems for the uneconomic deployment of available resources by the owner- managers.

Management Problems: Lack of necessary skills and knowledge in management characterize the operation of small scale businesses in Nigeria. In most of the small businesses, the management of the enterprises is one man show. It solely rests on the head of the entrepreneur. Top level management decisions are taken alone by him. Two heads or more as people say are better than one but in this case, it is only one head alone that carries out management decisions and ideas. Hence, he must be adequately prepared for the job of providing total management. Management involves, planning controlling, organizing, directing, to perform all these functions alone without any managerial help, there would be problems. The management process is hampered not only by lack of diversified talents but also by the entrepreneur's casual approach to management problems. The talent of the small owner might be inadequate to discuss genuine business opportunities and appreciating the usefulness of overall business planning. Because of their lack of managerial skill, most of the entrepreneurs managing the small scale business in Nigeria cannot prepare business plans or feasibility studies for their businesses; hence most of the enterprises die at their early stage.

Inadequate Infrastructural Facilities: The problem of unstable and unreliable supply of electricity, dilapidated roads, inadequate supply of water for both home and industrial use, inefficient and costly communication system, among others, have for long hindered the growth and development of small scale business in Nigeria. Nearly all small scale business operating in Nigeria have one or more power generating plants as an alternative source of power supply. The cost of obtaining, maintaining, sustaining and managing such generating plants are more often than not very expensive and this has made cost of production as well as prices of product very expensive, with the latter turning out to be more and more uncompetitive in comparison with the imported equivalent. It is estimated the cost of providing basic infrastructural amenities at 5% to 20% of the total cost of setting up a manufacturing and processing industry in Nigeria. This cost will be significantly higher today taking into account the rapid rate of inflation in the economy.

Socio-Cultural Problems: Most Nigerian entrepreneurs do not have the investment culture of ploughing back profits. The attitude of a typical Nigerian entrepreneur is to invest today and reap tomorrow. Also, the socio-political ambitions of some entrepreneurs may lead to the diversion of valuable funds and energy from business to social waste. The problem of bias against made in Nigeria goods is significant. Most Nigerians have developed a high propensity for the consumption of foreign goods as against their locally made substitutes.

Marketing Problem: Marketing is another problem of small scale businesses. It is good to get the idea on how to satisfy the consumers' needs with goods and services, it is another thing to know how represent the goods and services in such a way that the consumers will really appreciate. Many of the managers are not so well educated and therefore have no marketing programmes. Where they have, they are not adequately equipped to execute the programmes in such a way that will bring good result. Many of them see the marketing channels as being expensive. They cannot invest on advertising and sales promotion. Most of them rely solely on words of mouth. How many of them can afford networking, customer referrals, yellow pages directories, television, radio, outdoor, email marketing?

Only few if there is any.

Labour Problem: Selection of personnel to work in their enterprises has always been a problem to small scale enterprises owners, this is because most of the time the employment is based on sentiment or qualification (grade), They will like to employ their families or relations even if they are not qualified to do the job. They put skills, training and experiences at the background while selecting the personnel. This is one of the reasons why they always run into problems. They will put round pegs in round holes or square pegs in a round holes.

Inadequate Conducive and Enabling Environment: The Federal Government fiscal and monetary policies in Nigeria as it relates to business issues have been unpredictable, contradictory, inconsistent and from time to time conflicting. This has generated a lot of problems for domestic investors as against their foreign participants who have the alternative of making Nigeria a dumping ground for their output. Associated to this is the problem of unlawful taxes (business development tax, business registration tax, business premise tax, sanitation fees, signboard fees, stickers etc.) most often than not by state and local government agencies (tax force on this or that). As a result of this, small scale businesses in Nigeria carry out their operations under high cost and unfavourable business environment.

Employment Creation. It is very difficult to find a clear definition of employment creation. In every economy, there are both active and inactive populations. The economically active populations are referred to as the employed population. They include those actively engaged in the production of goods and services. Generally, employment is a situation where a person is doing a job to earn income. Employment can also exist where a person is self-employed. Therefore, employment creation can be referred to as the provision of job opportunities for those who are willing and able to work. Employment creation is achieved through the initiation of many procedures which are meant to create more jobs to the unemployed. Imran (2000) identifies five important approaches through which the creation of more jobs is facilitated. This includes entrepreneurship Development Initiatives through Government pending/stimulus, government legislation and monetary/fiscal policies and the market share approach and new ideas approach to job creation.

The challenges to employment creation in Nigeria are the same all over the country, as such when these challenges are identified, it means that they are applicable to Awka metropolis and the other existing states of Nigeria. Imran (2000) and Sajo, Nwachukwu, & Nwamuo (2013) identify the following challenges or problems that negatively affect employment creation programmes in Nigeria: (i) Poor state of infrastructure (ii) Lack of access to productive inputs such as finance and workspace (iii) Lack of access to Business Development Service (iv) Lack of sufficient government stimulus (v) Changes in government policies (vi) Lack of the right attitude by Nigerians, and (vii) Lack of adequate and effective entrepreneurship training scheme for sustainable employment creation.

Theoretical Framework. This study is anchored on Active Learning Model of Erickson and Pakes (1995) which states that a firm explores its economic environment actively and invests to enhance its growth under competitive pressure from both within and outside

the firm. The potential and actual growth changes over time in response to the outcomes of the firm's own investment and those of other actors in the same market. According to this model of learning, owners or managers of small businesses could raise their efficiency through formal education and training that increases their endowments while government may support their activities through the creation of the enabling environment.

Entrepreneurs or managers of SSBs with higher formal education, work experience, training and government assistance would therefore be expected to grow faster than those without these qualities. This implies that SSBs in Nigeria have prospects of experiencing growth and contributing meaningfully to employment generation only when appropriate investments are made into them by all the stakeholders. This could best be achieved by government intervention through the provision of financial assistance, social infrastructures, capacity building of SSBs operators and favourable taxation policies.

Empirical Review. Taiwo (2014) carried out an empirical research on the impact of entrepreneurship development on job creation in Nigeria. The study used descriptive design and it was conducted in the South- Western parts of Nigeria. Findings of the study revealed that in any giving economy, entrepreneurship development gave birth to job creation which motivated people to do something that better their lives and the country at large. The study evaluated the relationship between job creation and entrepreneurship development in Nigeria. It was clear from his observation that job creation or employment opportunity in an economy could be traceable to entrepreneurship training and development. The study was not based on the impact of the entrepreneurship in the provision of sustainable job creation, while the present study will focus on the assessment of the impact in the provision of sustainable job creation.

Dappa & Onuoha (2019) examined empirically the relationship between Entrepreneurship Development Programmes and Employment Generation in Bonny Local Government Area of Rivers State, Nigeria. The predictor variable known as Entrepreneurship Development Programmes was measured by Youth Enterprise with Innovation in Nigeria, National Directorate of Employment and its effect on the generation of employment. The cross-sectional research design was adopted for this study as the study deals with the collection of necessary data from respondents at different locations. 103 entrepreneurs were taken from the population size of 114 using the 1970 Krejcie and Morgan table of sample size determination for the 38 entrepreneurship ventures for this study. A total of 103 copies of questionnaires were administered out of which 92 copies representing 89.3% of the questionnaires were properly completed and retrieved while 11 copies representing 10.7% were not retrieved. Data was gathered from primary and secondary sources while 4 Hypotheses were tested using the Spearman's rank-order Correlation Coefficient for analysis with the support of the Statistical Package for Social Sciences (SPSS) Version 21. The findings indicated that EDP such as YOUWIN and NDE brings about employment through formal and informal employment generation. The study however, recommends that the government should increase the funding of her EDP.

Cho and Lee (2020) researched the impact of entrepreneurship development on employment creation with key data inputs from Gangwon, South Korea. Two types of entrepreneurship, cutting- edge and replicative, are considered to contribute to the debate through the lens of binary logit regression evaluation. A sample of 331 entrepreneurs was

chosen using a simple random sampling method and was evaluated using descriptive statistics and binary logit regression. The outcome indicated that around 79.7% of the sampled entrepreneurs had used one or more individuals, recommending that entrepreneurship growth has caused a decrease in unemployment. The outcome indicates that innovation, education and start-up capital have a favourable and substantial effect on business development. The findings highlight the demand for sustained initiatives by government and nongovernment institutions towards creating entrepreneurship programs to make activities and achieve comprehensive development.

Liu, Ye and Feng (2019) study analyzed the effects of small-scale entrepreneurship growth on employment creation in China. Survey data collection was carried out utilizing an online survey. The participants in the research were 92 entrepreneurs in Guangzhou, China, who had a direct and accountable role in the daily functions of the entrepreneurial enterprises. The data evaluation technique employed was descriptive statistics and correlation evaluation using SPSS 20. The research findings reveal an unimportant influence of small-scale business ventures on employment creation in China. This recommends that small-scale business ventures cannot play a considerable role in the economic development, job creation and poverty reduction in the study of China. While small business ventures in China are expected to be essential tools to address joblessness, the goal has not happened due to several difficulties. By outlining these difficulties, the study also gave tips for developing a durable small-scale business sector in China.

Ifionu and Akinpelumi (2017) carried out research on the input of entrepreneurial financing on output (employment) generation in Nigeria while using secondary data over the period of 1992 to 2014. Due to the huge role of entrepreneurial financing in stimulating output (employment) the study is supported by the intermediate and entrepreneurial financial theory. The analytical tools used are unit root/ stationary test, ordinary least squares regression, Johansen co-integration etc. The analysis showed that in the long and short run situations the loans from micro-finance credit and commercial banks influence the gross domestic output in the nation which is high. More so, it was also indicated that access to credit facilities and small and medium equity investment played an insignificant role in the nation's growth level. The study stated that accessibility of fund as a major problem. They recommended that government help business-oriented visionaries to have access to funds to sustain their business and provide efficient access to important data on identifying opportunities, innovation, raw materials, etc. which will encourage them to reduce working expenses.

Onyekwelu & Oyeogubalu (2020) examined the effect of entrepreneurship development on employment generation in Nigeria, using selected MSMEs in Anambra State. The study adopted descriptive survey design because the result was to be generalized for the entire population of interest. From a population 524, a sample of 227 was determined using Taro Yameni's statistical formula. Major tools of analysis were summary statistics, Pearson Correlation and Multiple regression analysis. Preliminary results indicated that overall, the model is statistically significant through the F-value of 22.789. Regression coefficient of 0.691 showed that 69.1 percent relationship exists between dependent and independent variables. Similarly, coefficient of determination represented by 'R²' showed that 65.6 percent variation in the dependent variable can be explained by the independent variables. The study concluded that development of entrepreneurial skills and creation of

enabling business environment will enhance the employment generation capacity of the MSMEs sector in Nigeria. It was recommended among others that both the practicing and prospective entrepreneurs should endeavour to develop the requisite entrepreneurial skills to be effective in the management of their businesses.

Nwoko, et al. (2019) investigated the effect of money banks credits on financial performance of small and medium scale enterprise in Nigeria. The specific objective is to determine the effect of money banks credits to SMSE on Nigerian economy, The research design adopted for this research is the ex-post facto and descriptive research design, The relevant data for this study have been obtained from the Central Bank of Nigeria statistical bulletin covering the period of 1982- 2018. The study revealed that Deposit money banks credits to SMSE have a positive effect on Nigerian economy. The study concluded that the economic reason for credit to small and medium scale enterprises (SMEs) is indisputable as we can observed that small and medium scale enterprises was seen to have progressively become a major factor in economic development of many countries of the world. The study recommended that government should implement policies that guide SMEs in accessing financial assistance from banks and other institutions.

Agwu, and Emeti. (2014) examined the issues, challenges and prospects of Small and Medium Scale Enterprises (SMEs) in Port-Harcourt City, Nigeria. This was informed by the high rate of unemployment in the society and the poor performance of SMEs in employment generation. The study adopted a descriptive research design using 120 randomly selected registered operators of SMEs in Port-Harcourt City. Data collected were analyzed using descriptive statistics while formulated hypotheses were tested using z-test. Results from the data analysis indicated that poor financing, inadequate social infrastructures, lack of managerial skills and multiple taxation were major challenges confronting SMEs in Port-Harcourt City, thus recommended: provision of soft loans to SMEs operators, government guaranteeing of long-term loans to SMEs operators, establishment of SMEs funding agency, public/private sector partnership in infrastructural provision, capacity building for SMEs operators and provision of tax incentives for SMEs operators.

Recke (2019) examined entrepreneurial development and employment creation in Hamburg, Germany. The research specifically analyzed the capability of small and medium ventures (SMEs) to create employment in Hamburg. The research embraced a survey study style. The research participants were 500 registered SMEs in Hamburg, listed by the National Association of SMEs. A simple random sampling strategy was utilized to choose twenty city government regions in Hamburg and a sample size of 150 SMEs. A total of 550 copies of the survey were carried out with a reaction rate of 80.4%. Data were analyzed by making use of descriptive and inferential statistics. Results revealed a substantial relationship between self-employment and the acquisition of professional skills. Additionally, there was a substantial connection between business collaboration formation and the acquisition of managerial abilities. Similarly, there was a considerable relationship between family business formation and acquisition of technical abilities with inheriting ventures. Additionally, there was a substantial connection between government employment training programmes and self-employment. On top of that, among the SMEs in Hamburg, baker shops (99), service centres (85), petty trading (75) and barbing (59) created more job opportunities than others. The research concluded

that vocational skills and government training created employment with SMEs in Hamburg, Germany. In addition, business development improved the acquisition of managerial and technical skills. The research suggested that government and SMEs should concentrate on creating ventures that create more employment. On top of that, the government ought to provide appropriate training for entrepreneurs. At the same time, business owners, in turn, should give enough and continuous training for staff members to improve their technical skills.

3. Research Method

This study adopted a survey research design. This is because this study seeks to elicit data for analysis through the use of a questionnaire. The population of the study consists of owners, managers and workers of small scale businesses in Awka Metropolis Nigeria. The population of the study stood at five hundred and fifty six (556) workers. A sample size of two hundred and thirty three (233) was arrived at using Taro Yamane formula. The researcher used structured questionnaire as method of data collection. The instrument used to collect data for the study was subjected to content and face validity by the researcher. To determine the reliability of the instrument, the study conducted a pilot study and analyzed data using Cronbach's alpha which is a coefficient of reliability. The data in this study was presented using tables and frequency percentage which were obtained through the questionnaire. Also, the data was analyzed using the chi-square statistical technique. Decision Rule: Accept the alternative hypothesis, if the calculated Chi square (X^2) is greater than the null hypothesis; otherwise, reject the alternative hypothesis if the calculated Chi square (X^2) is less than the null hypothesis.

4. Findings and Discussions

Test of Hypothesis One. H_{01} : Poor financing does not constitute a major militating factor in SSBs growth and employment creation in Awka Metropolis.

Table 1. Chi-square Output on poor financing and employment creation

Chi-Square Test			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	882.425 ^a	28	.000
Likelihood Ratio	897.908	28	.000
Linear-by-Linear Association	224.811	1	.000
N of Valid Cases	233	100	

Note. a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 26.72.

Table 1 shows the chi-square output on poor financing as a major militating factor SSBs growth and employment creation in Awka Metropolis, Nigeria. The result showed that poor financing has a significant effect on employment creation in Awka Metropolis,

Nigeria. This is judging from the Pearson Chi-Square Coefficient which is 882.425 and the asymptomatic significance which 0.000 (asymptomatic significance < significance level 0.05). The null hypothesis is therefore rejected in favour of the alternate hypothesis.

Table 2. Test of significant of poor financing on employment creation

Symmetric Measures		
	Value	Approx. Sig. .000
Nominal by Phi	.538	.000
Nominal Cramer's V	.269	.000
N of Valid Cases	233	

Note. a. Not assuming the null hypothesis. b. Using the asymptotic standard error assuming the null hypothesis.

Table 2 reveals the significant effect of poor financing on employment creation in Awka Metropolis, Nigeria. From the Phi coefficient as indicated in Table 2, at .538 (50%), it is revealed that cumulatively, poor financing have a moderately significant effect on employment creation in Awka Metropolis, Nigeria.

Test of Hypothesis Two. H₀₂: Inadequate social infrastructures constitute a major militating factor in SSBs growth and employment creation in Awka Metropolis.

Table 3: Chi-square Output on inadequate social infrastructures constituting a militating factor in SSBs growth and employment creation.

Chi-Square Test			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	489.625 ^a	28	.000
Likelihood Ratio	557.379	28	.000
Linear-by-Linear Association	46.466	1	.000
N of Valid Cases	233	100	

Note. a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 5.50. Source: SPSS output from Field Survey, 2023.

Table 3 reveals the chi-square result for inadequate social infrastructure as it relates to creations of employment in Awka Metropolis. From the result, it showed that inadequate social infrastructure significantly affect creation of employment in Awka Metropolis. This is owing to the fact that the Chi-Square Coefficient obtained is 489.625 and the asymptomatic significance was 0.000 which is less than 0.05 level of significance used.

Judging by this result, the null hypothesis is rejected in favour of the alternate hypothesis.

Table 4. Test of significant for inadequate social infrastructure on employment creation

Symmetric Measures		
	Value	Approx. Sig. .000
Nominal by Phi	.408	.000
Nominal Cramer's V	.204	.000
N of Valid Cases	233	

Note. a. Not assuming the null hypothesis; b. using the asymptotic standard error assuming the null hypothesis.

Table 4 shows the effect of inadequate social infrastructure in Awka Metropolis, Nigeria. The Phi coefficient obtained is .408 (40%). This reveals that cumulatively, inadequate social infrastructure plays a moderate significant effect on determining employment creation in Awka Metropolis, Nigeria.

Test of Hypothesis Three. H₀₃: Lack of managerial skills constitute a major militating factor in SSBs growth and employment creation in Awka Metropolis.

Table 5. Chi-square Output for lack of managerial skills and employment creation

Chi-Square Test			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	502.798 ^a	28	.000
Likelihood Ratio	533.648	28	.000
Linear-by-Linear Association	57.132	1	.000
N of Valid Cases	233	100	

Note. a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 19.20. Source: SPSS output from Field Survey, 2023.

Table 5 shows the output of the chi-square test of the lack of managerial skills in Awka Metropolis. Looking at the result, the Pearson Chi-Square Coefficient is 502.798 and the asymptomatic significance is 0.000 which is less than 0.050 significance levels. This shows that lack of managerial skills have a statistically large effect on them.

	Value	Approx. Sig. .000
Symmetric Measures		.000

Table 6. Test of significant for lack of

managerial skills and employment creation		.000
Nominal by Phi	.702	
Nominal Cramer's V	.405	
N of Valid Cases	233	

Note. a. Not assuming the null hypothesis; b. using the asymptotic standard error assuming the null hypothesis.

Table 6 shows the effect of lack of managerial skills in Awka Metropolis. From the Phi and Cramer's V coefficient as shown in the table, at .702 (70%), this indicates that cumulatively, lack of managerial skills constitute a major factor to the growth and employment creation of SSBs in Awka Metropolis.

5. Conclusion

This study was conducted primarily to examine factors militating against Small Scale Businesses growth and employment creation in Awka Metropolis, Nigeria. The study was anchored on factors that constitute major challenge for Small Scale Businesses in employment creation in Awka Metropolis. This militating factors include poor finance, inadequate social infrastructures, and lack of managerial skills. This study concluded that small scale businesses are essential agents of economic growth and national development, thus government intervention through the provision of financial assistance, social infrastructures and favorable taxation policies will go a long in addressing these militating factors of SSBs. On the basis of the research findings, the following recommendations were made: There is the need for the government to put in place new policy guidelines aimed at making the acquisition of funds easier for the entrepreneurs of small scale businesses. Entrepreneurs should aim at giving some basic skills training to the unskilled and semiskilled people engaged to work for them so that they can contribute more positively to the growth of the enterprise. The entrepreneurs of small scale businesses must endeavour to establish more businesses in both the rural and urban centers to provide more goods and services for the teeming population.

References

- Agwu, M.O. and Emeti, C.I. (2014). Issues, Challenges and Prospects of Small and Medium Scale Enterprises (SMEs) in Port-Harcourt City, Nigeria.
- Ayozie, D.O. & Latinwo, H.K. (2010). Entrepreneurial Developments and Small Scale Industry Contribution to Nigerian National Development: A Marketing Interface. *Information Management and Business Review*. 1 (2), 51-68.
- Cho, Y. H., & Lee, J. H. (2020). A study on the effects of entrepreneurial orientation and learning orientation on financial performance: Focusing on mediating effects of market orientation. *Sustainability*, 12(11), 45-59. <https://doi.org/10.3390/su12114594>.
- Dappa, K. B. & Onuoha, B.C. (2019). Entrepreneurship Development Programmes and Employment Generation in Bonny Local Government Area of Rivers State, Nigeria. *International Journal of Business, Economics and Entrepreneurship Development in*

Africa, 10(6), 59-75.

Ericson, R., and A. Pakes, (1995). "Markov-Perfect Industry Dynamics: a Framework for Empirical Work", *Review of Economic Studies*, 62(1), 53-82.

Fabayo, J.A. (1989), "Small-Scale Enterprise Development Strategy: A Critical Option for Long- Term Economic Progress in Nigeria". *The India Journal of Economics*, 58(1), 159-171.

Fissacha, Y. (1991). Small Scale Enterprises in Lesotho: Summary of a Country wide Survey, *Gemini Technical Report*, No 14 Washington D.C, Development Alternatives Inc.

Ifionu, E.P., & Akinpelumi, O.F. (2017). The Role of Entrepreneurial Financing on National Output: An Empirical Analysis. *African Research Review*, 11(3), 162-177.

Imran, A. (2000). *Job Creation: A Review of Policies and Strategies*. California: CDP.

Kadiri, I. B. (2012). Small and Medium Scale Enterprises and Employment Generation in Nigeria: The Role of Finance. *Kuwait Chapter of Arabian Journal of Business and Management Review*. 1(9), 79-93.

Kpelai, T. (2009). *Entrepreneurship Development in Nigeria*. Maakurdi: Aboki publishers.

Nnanna, O.J. (2001). Financing small business under the new CBN directive and its likely impact on industrial growth of the Nigerian economy. *CBN Bulletin*, 25(3).

Nwoko, C.N.J., Nkemakolam, T.C. & Okuma, N.C. (2019). Small Scale Enterprises and Nigerian Economy. *American Research Journal of Humanities & Social Science*, 2(6), 45-53.

Obi, J.N. (2015). The Role of Small-Scale Enterprises in the Achievement of Economic Growth in Nigeria. *International Journal of Social Sciences and Humanities*, 3(1), 7-19.

Oni, B. (2007). *Employment Generation: Theoretical and Empirical Issues*. A paper presented at the Nigerian Economic Society on Employment Generation in Nigeria (NES 2006 Annual Conference).

Onyekwelu, N.P. & Oyeogubalu, O.N. (2020). Entrepreneurship Development and Employment Generation: A Micro, Small and Medium Enterprises Perspective in Nigeria. *International Journal of Contemporary Applied Researches*, 7(5), 26-40.

Recke, M.P. (2019, September). Sociotechnical Imaginaries and their Metrification that Shape Public Policy towards High-Growth Entrepreneurship in Hamburg, Germany. In European Conference on Innovation and Entrepreneurship (pp. 1210-XXIV). Academic Conferences International Limited.

Safiriyu, A.M. & Njogo, B.O. (2012). Impact of Small and Medium Scale Enterprises in the Generation of Employment in Lagos State. *Kuwait Chapter of Arabian Journal of Business and Management Review*, 1(11), 107-151.

Sajo, F., Nwachukwu, L.C. & Nwamuo, P. (2013). Entrepreneurship Development for Sustainable Livelihood among Youths in Imo State: Implications for Counselling, Conference Proceedings, CASSON.

Taiwo, O. E. (2014). Impact of entrepreneurship development on job creation in Nigeria. *Research Journal of Entrepreneurship*, 2 (4), 120-129.

Uchechukwu, F.N. (2003). Survey of Small and Medium Scale Industries and their Potentials in Nigeria. Being a paper presented at Central Bank of Nigeria (CBN) Seminar on Small and Medium Industries Equity Investments, August Lagos; CBN, (4), 6-18.

Wahab, L & Ijaiya M.A. (2006) Small and medium scale enterprise access to commercial banks credit and their contribution to GDP in Nigeria. *CBN Journal of Banking*.

Copyrights

Copyright for this article is retained by the author(s), with first publication rights granted to the journal.

This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (<http://creativecommons.org/licenses/by/4.0/>)