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THE MISSING LINK FOR EFFECTIVE PERFORMANCE OF MICRO, SMALL AND MEDIUM SCALE ENTERPRISES (MSMES) IN NIGERIA: A STUDY OF MSMES IN ANAMBRA STATE

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ABSTRACT

The study evaluates the impact of adequate credit facilities, basic infrastructure and managerial ability on MSMEs sector performance in Nigeria. The design was descriptive survey which was principally primary and the result generalized for the entire population. Major statistical tools of analysis were summary statistics of percentages, Pearson correlation and regression analysis which were carried out using SPSS version 16.0. Preliminary results showed that F-Statistic of 24.296 is statistically significant, valid and fit for prediction. Regression coefficient represented by 'R' shows that 72.9 percent proving that the dependent and independent variables are related. The 'R2' of 0.711 means that 71.1 percent variation explained by the regressors on the regressee. Major findings show that credit facility access, basic infrastructure access and managerial ability have positive and significant effects on MSMEs sector; hence, concluding that the MSMEs sector stimulate the economy's development but the inadequacies of access to credit, infrastructural deficit and managerial incompetency should be addressed. It was recommended among others that government should as a matter of necessity provide basic infrastructure possibly through public private partnership which have been found to have worked in other places so that the MSMEs sector can operate with reduced running cost which self-provision of facilities has brought upon the operators in the MSMEs sector.

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1. INTRODUCTION

The engine of economic growth of the developed economies of the world was anchored on the activities of Micro, small and medium scale enterprises (MSMEs) within the economy. They are labour intensive, capital saving and capable of facilitating job creation that mitigate against the devastating effect of unemployment, especially in Nigeria as the most populous country in the African continent with very little absorption capacity for the teaming unemployed graduates (Agwu & Emeti, 2014). However, the unimpressive engagement of employees in recent years has attracted research interest on what could be the impeding factors and how they could be ameliorated to enable the sector play its role effectively in the economy. The introduction of the Structural Adjustment Programme (SAP) facilitated the shifting of trend from capitalist and large scale industrial project to small scale enterprises (industry) which develop the potentials of the economy better and improve self-reliant industrialization by building trust on local raw materials, boost employment, guarantee even distribution of industrial development within the country, as well as facilitate the growth of non-oil exports (Osotimehin, Jegede, Akinlabi & Olajide, 2012). Micro, small and medium scale enterprises (MSMEs) play key roles in facilitating economic development, importantly in developed economies of the world. In line with the above assertion Kombo, Justus, Murumba and Makworo (2011) revealed that the economic growth of Kenya has benefited immensely from micro, small and medium scale enterprises (e.g. agricultural activities and rural businesses). However, reverse is the position of micro, small and medium scale enterprises impact in the Nigerian economic environment with overloaded economic disadvantages, harsh economic conditions, over-taxing and poor infrastructural facilities.

Government have introduced different incentives to improve the position micro, small and medium scale enterprises within the economy with little progress. Fiscal incentives, grants, bilateral aids from multilateral institutions and specialized ones have been introduced toward making the sector vibrant. It is disappointing to note that this important sub-sector has not

achieved desired expectation. The situation becomes more worrisome when it is compared other countries, especially the emerging economies. It has been demonstrated that there is high correlation between poverty, hunger, unemployment and economic wellbeing of the people and the level of micro, small and medium scale enterprises (MSMEs) of a developing country. Despite the enormous role of MSMEs play in employment generation, technological development, wealth creation, etc in Nigeria, many challenges have hindered the anticipated success of the sector. Therefore, the study evaluates the effect of factors like inadequate credit access, infrastructural deficit, poor electricity, poor water supply and managerial inefficiency on the performance of MSMEs in Nigeria. According to Aremu and Adeyemi (2011) most MSMEs die within their first five years while others goes into extinction between fifth and tenth year of existence in Nigeria. The inability of the sector to stimulate employment and facilitate Nigerian economy to growth and development (Nwankwo, 2012) has also create a lacuna on the direction of MSMEs. Hence, the study desire to inquire into how factors like inadequate financing, huge infrastructural deficit (electricity, water, roads, etc) and lack of managerial ability (Basil, 2005) have affected the performance of MSMEs in Nigeria.

2. LITERATURE REVIEW

2.1 Conceptual Review

2.1.1 Micro, Small and Medium Scale Enterprises

The term MSMEs have no universally accepted definition due to the subjective judgement in different economies (Ekpenyong, 1992 in Osetimehin et al, 2012; Egbuogu, 2003). Carpentter (2003) identified different components that constitute MSMEs namely; number of employees, financial strength, sales value, relative size, initial capital and types of industry. Inang and Ukpong (1992) as cited by Osetimehin et al (2012), also included some indicators like number of paid employees, size of capital investment/fixed assets and gross output. Hence, the definition of MSMEs in developed economies like USA, Canada and Britain are capture in the view of Inang and Ukpong (1992). But, the definition of MSMEs in Nigeria varies over time according to constitution of institutions (Eubuomwan, Ikpi, Okoruwa & Akinyosoye, 2013). However, the grossly accepted definition of MSMEs in Nigeria is provided by SMEDAN (2007). SMEDAN (2007) express the meaning of MSMEs using table format to express the components of MSMEs thus;

Table 1

Classification of MSMEs in Nigeria

Size Category	Employment (in persons)	Assets (₦ Million) (excluding cost of land and building)
Micro enterprises	Less than 10	Less than 5
Small enterprises	10 – 49	5 less than 50
Medium enterprises	50 – 199	50 less than 500

Source: Small and Medium Enterprises Development Agency of Nigeria (SMEDAN, 2007), Abuja.

2.1.2 Performance

Performance as a concept is multidimensional in meaning (Obeja, 2008) and it include economy, efficiency, effectiveness, productivity, quality and behaviour. According to Drucker (1964) cited in Uwa (2018), performance is consistent ability to produce results over prolonged time and in a variety of assignments. There is however a school of thought among modern management scholars that argue that ability is neither performance nor result/output (Kerman and Durham, 2009). But in the opinion of Michelle (2009), performance is a product of inputs like traits as initiatives, penetration, foresight, loyalty, integrity, leadership, etc. Rarick (2011) defines performance as a measure of effectiveness in one's contribution against a set of standards set of organizational goals. To Basil (2010), it is a statement that exist when a job is satisfactorily performed in the eyes of the leader. Kaplan and Norton (1992) cited in Anya, Umoh and Worlu (2017) also defined organizational performance as a set of financial and non-financial indicators capable of assessing how organizational goals and objectives have been accomplished. However, within the context of this study, the term performance is measured on the capabilities of micro, small and medium scale enterprises sector to facilitate improved employment generation, poverty alleviation and economic development.

2.1.3 Overview of MSMEs and its Performance Limitations

According to Ejike (2016), without adequate supply of capital, no business can survive and grow. The National Bureau of Statistics (NBS) 2012 discovered in their research that inadequate funding/working capital was the most mentioned problem with a percentage of over 60.7 percent. Thus, access to credit is still a serious challenge that militate against the effective performance of MSMEs in Nigeria despite all the government funding programmes of past years (Evbhuomwan et al, 2013). Various funding initiatives have been instituted to improve access of MSMEs to both long and short terms funds by government in order to improve performance and contribute effectively to the Nigerian economic development. However, available statistics regarding the performance of the MSMEs contradict the efforts of the financial windows of government for significant sector improvement. Fatai (2011) opines that about 80 percent of MSMEs are stifled because of poor financing and other associated problems. He notes further that the problem of financing is not just the funds sources but rather it is about accessibility which ascertain the reason behind the poor impact of the government financial windows on the MSMEs sector in Nigeria.

Other opinions are that the existing huge infrastructural deficit has hurt the MSMEs development in Nigeria more than any other known factor (Agwu & Emeti, 2014; World Bank, 2014; Owualah & Obokoh, 2008; Azemar & Desbordes, 2009). Hence, it has been observed that government efforts are not enough to facilitate conducive survival environment and growth of the MSMEs sector in Nigeria which have hindered the unleashing of MSMEs potentials and contribution to significant overall growth and development of Nigerian economy at large. Agwu and Emeti (2014) opined that the problem of infrastructure ranges from lack of electricity supply, water, inadequate transport system, bad roads network, unregulated and expensive communication facilities, poor marketing facilities to improper solid waste management. They stressed that Nigeria's underdeveloped physical and social infrastructures, create a binding constraint to MSMEs growth. All this have made the operating environment unconducive for the entrepreneurs and in some extreme cases closure of business entirely (Adenikinju, 2005).

Poor managerial skills also constitute major setbacks to the Nigerian MSMEs' survival and growth (Wood & West, 2012). In their opinion, about 90 percent of business failures result from inexperience and incompetency. To Rogers (2002), inefficiency in overall business management and poor record-keeping are also major features of most Nigerian MSMEs. He remarks that technical problems/competence, poor essential and required expertise in production, procurement, maintenance, marketing and finances have always led to funds misapplication, wrong and costly decisions which are capable of bringing the enterprise to its knees. Inyang and Enuoh (2010) note that many MSME operators do not know that acquisition of some business management skills such as financial management skill, decision-making skill, time management skill etc, are very essential to the business survival and economic growth. At different occasions, Idowu (2010) and Akingunola (2011) had stressed that poor decision-making and financial management skills and capacity, had led to wrong business advice which have affected businesses. In a similar development, Ekong and Ekong (2016) observe that the acquisition of financial management skill by the MSMEs managers will drive a new curve of success for any business enterprise. Summarily, the relevance of acquisition of business management skills to the operators of MSMEs has been underscored.

2.2 Theoretical Framework

The theory upon which the study is anchored is the active learning model of Erickson and Pakes (1995) which holds that a firm takes advantage of exploring its economic environment and investing its resources in competitive opportunities from both within and outside the firm. The performance of the firm is therefore a product of response to the outcomes of the firm's own investment and those of its competitors. Hence, the model holds MSMEs can improve their efficiency via continuous education/knowledge cum training in their business path that will improve productivity and governments' provision of enabling environment. Entrepreneurs or MSMEs with higher formal education, work experience, training, business skills and government assistance will achieve growth and performance better than those without. The implication is that MSMEs have prospects of experiencing growth and contributing meaningfully to employment generation only when the appropriate investments are made into them by all the stakeholders in Nigeria. It could best be achieved by government intervention via availability of financial assistance, infrastructure, MSMEs operators continuous desire to acquire relevant business skills and favourable tax policies.

2.3 Empirical Review

Looking at the study, different related empirical works have been carried on infrastructural deficiency and MSMEs performance in the literature. For instance, in Nigeria Obokoh and Goldman (2016) using longitudinal survey approach on a sample of 500 MSMEs in Nigeria, discovered that deficiency in infrastructure negatively affect the profitability and performance of MSMEs which reasons are not far from high cost of operations by MSMEs (i.e. self-provision of essential infrastructures). However, the privatization of electricity in November, 2013 in Nigeria has not reduced the plight of MSMEs on power supply. Ocheni and Gemade (2015) examining the reaction of the performance of small and medium scale business enterprises to the effect of multiple taxation in Benue State, Nigeria; and using descriptive survey design discovered that multiple taxation negatively affects SMEs survival. The result also further shows that a positively significant relationship between SMEs size and its ability to pay taxes. Summarily, multiple taxation negatively affects the survival of SMEs in Benue State, Nigeria. Another Nigerian study in Mohammed (2017) assessed MSMEs impact on employment generation and discovered that MSMEs employ below 200 persons in all the states of Nigeria. The study using content analysis found that lack of access to adequate finance, corruption, infrastructural inadequacy, poor managerial ability, insecurity, etc are constraints that hinder MSMEs from performing efficiently. Similarly, Samuel, Babatunde and Olajide-Arise (2014) examine whether the performance of MSMEs are influenced by microfinancing in Lagos State, Nigeria. The study adopting descriptive survey design revealed that microfinancing has positively significant effect on MSMEs performance as it necessitates poverty reduction and employment generation.

Oseni and Pollitt (2013) showing interest in key components that influence firms' operation in Nigeria examine implication of unsupplied electricity to firms. They employed cross-sectional survey approach and the analytical result reveal that lack of competition from the Sub-Saharan Africa emanated from high cost of production due to self-provision key infrastructural amenities like power. The fin`dings from majority of the reviews has pointed to one issue or the other with regards to why MSMEs have not really fulfil its mandate of employment generation, poverty reduction, improving growth and development in key areas of the Nigeria economy. This study is however necessary to narrow similar approach to an

uncaptured area in the literature like Anambra state in a robust study to address similar notion on identifying factors militating against MSMEs performance in Anambra state of Nigeria. Hence, the study therefore intends to address the following:

(i) Evaluate the effect of credit accessibility on the performance of MSMEs in Anambra state of Nigeria.
(ii) Determine how basic infrastructural facilities accessibility (electricity, water, roads network, e.t.c) affect performance of MSMEs in Anambra state of Nigeria.
(iii) Ascertain the effect of managerial capability on MSMEs performance in Anambra state of Nigeria.

3. METHODOLOGY

3.1 Research Design, Area of study and Population

The study adopted descriptive survey design and primary data were collected from Anambra State, Nigeria, covering all registered MSMEs in the three industrial zones of Awka, Onitsha and Nnewi of Anambra State. The study considered only MSMEs with over five (5) employees in its survey with 197, 281 and 243 (total population of 721) firms considered from Awka, Onitsha and Nnewi respectively.

3.2 Sample Size Determination and Sampling Technique

The sample size is determined via Taro Yameni's Statistical formula. The procedure is as follows:

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n = Sample size to be determined
N = Entire population of interest
e = Error margin (0.05)
1 = Constant (unity)

Substituting in the formula, we have:

$$n = \frac{721}{1 + 721(0.05)^2}$$
$$= 257.27029438$$

∴ n = 257 (Nearest whole number).
Hence, the study's sample size is 257.

Table 2
Population and Sample Distribution

S/N	Zone	Population	Sample Allocation	% of Total
1.	Awka	197	70	27.3
2.	Onitsha	281	100	39.0
3.	Nnewi	243	87	33.7
	Total	721	257	100.0

Source: Field Survey, 2020

3.3 Instrument for Data Collection and Reliability of the Instrument

MSMEs questionnaire were designed using modified five (5) point Likert scale of strongly agree, agree, disagree, strongly disagree and undecided to elicit information from the respondents on the study.

The instrument was validated and reliable in both face and content. Using re-test method, the reliability test showed coefficient of 0.80, 0.80 and 0.90 for the three research questions with an average coefficient of 0.83 (see Appendix II for details). Thus, showing that the instrument is 83 percent reliable and it was considered adequate for the study.

3.4 Method of Data Collection and Analysis

The study using direct questionnaire distribution approach in data collection afforded first hand opportunity of assessing whether the respondents actually understood the questionnaire items which necessitated further explanations or clarifications which help to reduce the volume of non-response. Out of the 257 copies of the questionnaire that were issued out, 253 were completed and returned thus showing a response rate of 98.4 percent. The analysis of this study is anchored on Pearson Correlation and Multiple regression analysis at 0.05 significance level.

3.5 Model Specification

The relationship between the predictor and the dependent variables were specified in this section thus:

MSMEs Performance = f(AC, ABI, MA) - - - - (1)
Econometrically,
MSMEs Performance = $\alpha_o + \alpha_1$ AC + α_2 ABI+ α_3 MA + μ_t - -(2)
Where:
MSMEs = Micro, small and medium enterprises performance

α_o = The intercept
AC = Credit accessibility
ABI = Access to basic infrastructure
MA = Managerial ability/competency
μ_t = Stochastic error margin

The *a priori* or signs expectation of the coefficients are:

$\alpha_1 > 0$, $\alpha_2 > 0$ and $\alpha_3 > 0$

or

$\alpha_{i's} > 0$

As could be seen from the above functional equation, MSMEs performance is a function of credit availability, access to basic infrastructure and managerial ability.

4. DATA PRESENTATION AND ANALYSIS

4.1 Demographic Features of the Respondents

The background information of MSMEs sector correspondents are displayed in the demography in table 3.

Table 3

Demographic of the Respondents

S/N	Demographic Features		Frequency	Percentage of Total
1.	Gender:	Male	161	63.7
		Female	92	36.3
		Total	253	100.0
2.	Age:	18 – 27	19	7.5
		28 – 37	51	20.2
		38 – 47	87	34.4
		48 – 57	63	24.9
		58 and above	33	13.3
		Total	253	100.0
3.	Educational Attainment:			
		FSLC	4	1.6
		WAEC	33	13.0
		OND/NCE	75	30.0
		HND/First degree	103	40.4
		Masters	21	8.3
		Professional Cert	15	5.9
		Ph.D	2	0.8
		Total	253	100.0
4.	Organizational Tenure:			
		Below 5 years	47	18.6
		5 – 10 years	79	31.2
		11 – 15 years	87	34.4
		16 and above years	40	15.8
		Total	253	100.0

Source: Field survey, 2020

The demography presented in table 3 shows that from 253 respondents, only 161 (63.7 percent) are male while 92 (36.3 percent) are female correspondence. The table shows also that more three-quarter of them 234 (92.5 percent) are 28 years and above. On educational attainment, 216 (84.6 percent) have qualifications ranging from ordinary National Diploma (OND), National Certificate of Education (NCE) and above. For organizational tenure, 206 (81.4 percent) have managed their respective enterprises for 5 years and above. The implication of the analysis is that the respondents have sufficient experience to effectively discuss issues relating to the study's subject-matter.

Table 4
Correlation Analysis

Variables		MSMEs Performance	Access to Credit	Access to Basic Infrastructure	Managerial Ability
MSMEs Performance	Pearson Correlation	1	.713**	.697**	.653**
	Sig. (2-tailed)		0.000	.000	.000
	N	253	253	253	253
Access to Credit	Pearson Correlation	.713**	1	.441**	.525*
	Sig. (2-tailed)	.000		.000	.010
	N	253	253	253	253
Access to Basic Infrastructure	Pearson Correlation	.697**	.441**	1	.492*
	Sig. (2-tailed)	.000	.000		.000
	N	253	253	253	253
Managerial Ability	Pearson Correlation	.653**	.525**	.492**	1
	Sig. (2-tailed)	.000	.010	.021	
	N	253	253	253	253

*** Correlation is significant at 0.05 level (2-tailed).*
** Correlation is significant at 0.01 level (2-tailed).*

Table 4 shows the correlation matrix of the performance of MSMEs and the predictor variables (credit accessibility, access to basic infrastructure and managerial ability to the MSMEs operators). The correlation showed positively strong relationship in many of the cases and few positively weak relationships. However, the relationships do not suggest multicollinearity presence. Thus, the need for regression analysis.

Table 5
Summary of Analysis of Variance (ANOVA) for the Model

Source of Variation	Df	Sum of Squares	Mean Square	F-ratio	Sig.
Regression	4	157.828	39.457	24.296	.000[a]
Residual	70	113.654	1.624		
Total	74	271.482	-		

a. Predictor: (constant), Access to credit, access to basic infrastructure and managerial ability.
b. Dependent variable: MSMEs Performance.

The result of the analysis of variance shows that F-Statistic of 24.296 is significant because the probability level 0.000 is less than 0.05. Hence, the components of Credit accessibility, basic infrastructure and managerial ability affect the performance of MSMEs in Anambra state of Nigeria. Therefore, we conclude that the model is significant, stable, valid and fit for predictions.

Table 6
Summary of Regression Results

Model	R	R.Square	Adjusted R-Square	Standard Error of the Estimate
I	0.729	0.711	0.692	0.61125

a. Predictor: (constant), Access to credit, access to basic infrastructure and managerial ability.
Researchers' computation using SPSS 23

The regression result presented in table 6 shows that regression coefficient represented by 'R' with a value of 0.729 means that 72.9 percent relationship exists between the dependent and independent variables. Similarly, the coefficient of determination represented by 'R^2' with a value of 0.711 means that 71.1 percent of variation in dependent variable can be explained by the independent variables.

Table 7
Summary of Regression Coefficients, t-value and Probability Level

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1(Constant)	-.068	.209	-	-815	.367
Access to Credit	.617	.056	.724	10.214	.010
Access to Basic Infrastructure	.516	.058	.818	3.725	.000
Managerial Ability	.127	0.53	.652	2.613	.021

a. Dependent Variable: MSMEs Performance

4.2 Test of Hypotheses

The hypotheses formulated were re-stated and tested in this section of the analysis at 0.05 level of significance as follows:

H_{O1}: Access to adequate credit does not have significant effect on the performance of MSMEs in Anambra state of Nigeria.

H_1: Access to adequate credit have significant effect on the performance of MSMEs in Anambra state of Nigeria.

Using the t-values and the corresponding significant levels as presented in table 7, the results therefore determine the acceptance and rejection of the null and alternative hypotheses as follows:

The coefficient of access to adequate credit facilities as presented in table 7 is represented by α_1 with a value of 0.724 signify that when adequate access to credit facilities is increased by one unit, MSMEs performance will increase by 72.4 percent if other variables in the model are held constant. The t-value of 10.214 and its corresponding significance level of 0.010 shows that the coefficient is significant because 0.05 is greater than 0.010. Consequently, the null hypothesis was rejected while the alternative which suggests that adequate access to credit facilities have significant affect MSMEs performance in Anambra state of Nigeria was accepted.

H_{O2}: Access to basic infrastructure (electricity, water, roads network, etc) does not have significant effect on the performance of MSMEs in Anambra state of Nigeria.

H_2: Access to basic infrastructure (electricity, water, roads network, etc) have significant effect on the performance of MSMEs in Anambra state of Nigeria.

In the same vein, the coefficient of access to basic infrastructure (electricity, water, roads network, etc) is represented by α_2 with a value of 0.818 and it means that when access to basic infrastructure is increased by one unit, performance of MSMEs will increase by 81.1 percent when other variables in the model are held constant. The t-value of 3.725 and its corresponding probability level of 0.000 shows that the coefficient is significant because 0.000 is less than 0.05. Therefore, the null hypothesis was rejected and we concluded that access to basic infrastructure have significant effect on the performance of MSMEs in Anambra state of Nigeria.

H_{O3}: Adequate managerial ability does not have significant effect on the performance of MSMEs in Anambra state of Nigeria.

H_3: Adequate managerial ability have significant effect on the performance of MSMEs in Anambra state of Nigeria.

Similarly, the coefficient of adequate managerial ability is represented by α_3 in the model and it has a value of 0.652 signifying that when adequate managerial ability is increased by one unit, performance of MSMEs will increase by 65.2 percent if other factors in the model are not allowed to vary. Equally, the t-value of 2.613 and its corresponding probability level of 0.021 shows that the coefficient is significant because 0.021 is less than 0.05. Given such weight of evidence against the null hypothesis, it was rejected while the alternative which suggests that adequate managerial ability have significant effect on the performance of MSMEs in Anambra state of Nigeria was accepted.

Table 8

Eigen Values, Condition Index and Variance Proportion

Model	Eigen Value	Condition Index	Variance Proportion			
			Constant	AC	ABI	MA
1	4.519	1.004	.00	.00	.00	.00
2	.072	6.547	.07	.08	.15	.34
3	.083	7.146	.06	.16	.39	.09
4	.047	10.103	.05	.64	.22	.24

a. Dependent Variable: MSMEs Performance

Specifications: eigen values that are close to zero indicates dimension which explains little variance. In table 8, the values of 2, 3 and 4 in the model are close to zero which expresses very little variance in the model. For the condition index, when the values are more than 15 for any of the variables, it is an indication of possibility of multicollinearity. However, the values are in the range of 1.004 to 10.103 which indicates non-presence of multicollinearity between dependent and independent variables.

4.3 Discussion of Findings, Conclusion and Recommendation

Here, the findings of the different results from table 3 to 8 are elaborately discussed in line with the hypothesis of the study. Accordingly, the result of the first test of hypothesis showed that adequate access to credit facilities by the operators of MSMEs will have positive and significant effect on their performance. The result is in line with that of Samuel et al (2014) when they found from their study that microfinancing has positive and significant effect on the performance of MSMEs in Lagos State, Nigeria. The result of the study showed further that microfinancing effect on MSMEs manifested more in the area of employment generation and creation of wealth in Anambra state of Nigeria. Microfinance banks were necessitated by both individuals, groups, association and government to provide access to credit for MSMEs since the conventional and big banks could not do that because the interest rates charged and the collateral demands were outside the reach of many MSMEs

in the country. Commercial banks also see the MSMEs as high-risk areas that they cannot deal with due to their (MSMEs) informal nature or poor chances of survivals. But the sector needs capital (adequate financing) to enable it play the role of employment generation and wealth creation effectively so that the economy can be properly stimulated on the path of growth and development to reduce poverty.

The result of the second test of hypothesis showed that access to basic infrastructure (electricity, water, roads network, etc) have positive and significant effect on the performance of MSMEs in Nigeria. The result is in line with that of (Agboli & Ukaegbu, 2006; World Bank, 2014) when they found in their separate efforts that the performance of MSMEs is predicated on the availability of infrastructure which impacts on their competitiveness as infrastructure services affect other factors of production. It is expected that the provision of basic infrastructure would reduce the running cost of the MSMEs in Nigeria because the cost of self-provision is prohibitive, especially for power supply as acknowledged by Owualah and Obokoh (2008). It has equally been found that the impact of infrastructure on businesses and consequently economic growth, is quite significant and that growth is accelerated while income inequality is reduced, when there is an increase in the availability and quality of infrastructure.

The result of the third test of hypothesis showed that acquisition of adequate managerial ability positively and significantly affects the performance of MSMEs in Nigeria. Again, this result like others is in line with that of Agwu and Emeti (2014) when they found that acquisition of managerial skills was one of the factors that can enhance the performance of MSMEs sector in Nigeria. The managerial abilities are in diverse areas which include the acquisition of decision-making skill, financial management skill, time and marketing management abilities. Financial management skill in particular, enables the MSMEs operators to avoid misapplication of funds as well as reduce financial risks which often bring business to its knees. Many of those who operate in this sector are lacking in various entrepreneurial competencies hence the inability of the sector to attract the expected growth in the economy. The study reveals that the acquisition of the relevant skills will enable the MSMEs sector to stimulate the economy on the path of growth and development.

From the findings, it was observed that all the variables considered have significant effect on the performance of the MSMEs within the three zone of Anambra state of Nigeria. Thus, showing that these factors are key components that affect the performance of the MSMEs in Nigeria. Apparently, the micro, small and medium scale enterprises have the potential to generate the desired level of employment in the economy, create wealth and stimulate the economy to growth and development but some inadequacies which have hindered the sector from playing the expected roles in the economy would have to be addressed so that the sector can unleash its potentials. Such impediments include but not limited to: lack of access to adequate finance, poor state of infrastructure (electricity, water, roads, network, etc), lack of managerial ability among other factors. Overcoming the identified challenges will surely reposition the sectors. Hence, the conclusion that the components of access to adequate finance, poor state of infrastructure (electricity, water, roads, network, etc), lack of managerial ability among other factors are the missing links that affect the performance of MSMEs in Anambra state of Nigeria.

Owing to the conclusion drawn, the study proffer recommendations thus; fund providing agencies should be established by government without also ignoring the presence of monitoring and supervising agency to regulate the activities of the various financing institutions to ensure that MSMEs are given access to credit at affordable rates. Deliberate efforts should be made to facilitate provision of basic infrastructures which are very necessary to the MSMEs sector in particular and the entire economy at general. The deliberate effort of public private partnership will go a long way to reduce these deficiencies. There is also need to continuously build the capacity of MSMEs operators through regular training programmes/seminars organized by both government who desire improved economic growth through MSMEs and Professional bodies who want to add creativity to the sphere investment innovations. This will make them learn how to plan, manage, organize, direct, control and improve their business for effective performance.

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Appendix I
Survey Instrument

Section A: Personal Data

Instruction: Please tick [√] as appropriate in the boxes provided

1. Gender: Male [1]; Female [2]
2. Age:
   (a) 18 – 27 [ ]
   (b) 28 – 37 [ ]
   (c) 38 – 47 [ ]
   (d) 48 – 57 [ ]
   (e) 58 and above [ ]
3. Educational Attainment:
   (a) First School Leaving Certificate (FSLC) [ ]
   (b) WAEC/SSCE [ ]
   (c) OND/NCE [ ]
   (d) HND/First degree [ ]
   (e) Professional Cert. (ICAN, ANAN, etc) [ ]
   (f) Masters [ ]
   (g) Ph.D [ ]
4. Organizational Tenure:
   (a) Below 5 years [ ]
   (b) 5 – 10 years [ ]
   (c) 11 – 16 years [ ]
   (d) 16 years and above [ ]

Appendix II
Reliability Test

The reliability test was carried out through the application of Spearman rank order correlation coefficient. The estimation procedure is as shown below:

$$r = 1 - \frac{6\sum d^2}{n(n^2-1)}$$

Where:

r = the coefficients to be determined
n = Number of response options
d = difference in rank order
1and 6 = Constants

The value of the coefficient ranges from -1 to +1

Reliability Estimation for Research Question I

Response Options	Result of 1st responses (x)	Result of 2nd responses (y)	R_x	R_y	$R_x - R_y$ (d)	d^2
Strongly agree	5	6	2	1	1	1
Agree	7	5	1	2	-1	1
Disagree	4	3	3	4	-1	1
Strongly disagree	3	4	4	3	1	1
Undecided	1	2	5	5	0	0
Total	20	20				4

$$r = 1 - \frac{6(4)^2}{5(5^2-1)}$$
$$= 1 - \frac{24}{120}$$
$$r = 0.80$$

Reliability Estimation for Research Question II

Response Options	Result of 1st responses (x)	Result of 2nd responses (y)	R_x	R_y	$R_x - R_y$ (d)	d^2
Strongly agree	5	6	2	1	1	1
Agree	7	5	1	2	-1	1
Disagree	4	3	3	4	-1	1
Strongly disagree	3	4	4	3	1	1
Undecided	1	2	5	5	0	0
Total	20	20				4

$$r = 1 - \frac{6(4)^2}{5(5^2 - 1)}$$
$$= 1 - \frac{24}{120}$$
$$r = 0.80$$

Reliability Estimation for Research Question III

Response Options	Result of 1st responses (x)	Result of 2nd responses (y)	R_x	R_y	$R_x - R_y$ (d)	d^2
Strongly agree	7	6	1	1	0	0
Agree	6	5	2	2	0	0
Disagree	4	3	3	4	-1	1
Strongly disagree	2	4	4	3	1	1
Undecided	1	2	5	5	0	0
Total	20	20				2

$$r = 1 - \frac{6(2.0)^2}{5(5^2 - 1)}$$
$$= 1 - \frac{12}{120}$$
$$r = 0.90$$