

Environmental Factors, Managerial Skills and Performance of Small and Medium Enterprises (SMEs) in Manufacturing Sectors in Oyo State, Nigeria

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Certification

This thesis entitled “Environmental Factors, Managerial Skills and Performance of Small and Medium Enterprises in Manufacturing Sectors in Oyo State, Nigeria” was carried out by Oladeji, Adesola Alaba with matric number LCU/PG/002599 in the Department of Management and Accounting, Faculty of Management and Social Sciences, Lead City University, Ibadan, Nigeria under my supervision.

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Dedication

I dedicate this study project to God Almighty, the Source of Wisdom and Knowledge, who enabled me to accomplish this academic achievement.

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Abstract

Business environmental factors present opportunities and threats that every organization must find a means of coping with in order to achieve their stated objectives. It is therefore pertinent for business organizations to take cognizance of these environmental opportunities and threats irrespective of their goals and aspirations. Thus, managers must identify, analyze and respond appropriately to emerging environmental challenges because of their wide impact on the performance of the organization. This study therefore examined the influence of environmental factors, managerial skills on Small and Medium Enterprises (SMEs) performance in the manufacturing sectors in Oyo State, Nigeria. This study is underpinned by the contingency theory and resource based theory. A descriptive research design was adopted for this study. The population of the study consisted of 31,739 registered SMEs operating within Oyo State. For this study, sample size of 395 was calculated and obtained using Taro Yamane sample size formula (1967). Out of the 395 questionnaires administered to the selected SMEs' owners/managers in the three senatorial districts in Oyo State, only 320 questionnaires were recovered fully filled, making the response rate to be 81%. The formulated research hypotheses were tested using multiple regression analysis through SPSS version 27.0. The findings revealed that environmental factors have significantly impacted profitability in the small and medium scale enterprises (SMEs) in Oyo State (R-Square = 0.720, F-statistic = 10.61); the environmental factors have a significant impact on innovation in the SMEs manufacturing sector in Oyo State (R-Square = 0.625, F-statistic = 1.988); the environmental factors have significantly impacted sales revenue in the SMEs manufacturing sector in Oyo State (R-Square = 0.824, F-statistic = 1.926); the environmental factors have significantly influenced employee satisfaction in the SMEs manufacturing sector in Oyo State (R-Square = 0.520, F-statistic = 1.585); the managerial skills have significantly impacted SMEs performance in the manufacturing sector in Oyo State (R-Square = 0.78, F-statistic = 0.637). The study concluded that SMEs performance in the manufacturing sector in Oyo State is significantly influenced by managerial skills and environmental factors. Based on the findings, it is recommended that Oyo State government should implement economic laws that control SMEs competitiveness, investigate the many taxes imposed on SMEs as well as try to control business operations.

Key words: Business environmental factors, economic factors, political factors, technological factors, socio-economic factors managerial skills, SMEs performance

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List of Acronyms

Acronyms	Meaning
SMEs -	Small and Medium Enterprises
SMEDAN -	Small and Medium Development Agency of Nigeria
SWOT -	Strength, Weakness, Opportunity and Threat
YOUWIN -	Youth With Innovation in Nigeria
NEDEP -	National Enterprise Development Program
CBN -	Central Bank of Nigeria
CMD -	Centre for Management Development
SBA -	Small Business Administration
GDP -	Gross Domestic Product
MD -	Managing Director
ROA -	Return on Asset
FSP -	Family Support Programme
FEAP -	Family Economic Advancement Programme
BOI -	Bank of Industry
NACRDB -	Nigerian Agricultural Cooperative and Development Bank
AMCON -	Asset Management Corporation of Nigeria
LCCI -	Lagos Chamber of Commerce Industry
R & D -	Research and Development
COVID 19 -	Coronavirus Disease
US -	United State
EU -	European Union
IT-	Industrial Training
VoIP -	Voice over Internet Protocol
HR -	Human Resources
MSEs -	Medium Scale Enterprises

PESTLE -	Political, Ecological, Social, Technology, Legal and Economic
SPSS -	Statistical Package for Social Sciences
ICT -	Information and Communications Technology
MBEEQ -	Multifactor Business Environment Enterprise Questionnaire
SSEM -	System of Simultaneous Equation Model
OLS -	Ordinary Least Square
SSAA -	Sub-Sahara Africa Anglophone
ANOVA -	Analysis of Variance
SA -	Strongly Agree
A -	Agree
U -	Undecided
D -	Disagree
SD -	Strongly Disagree
AMS -	Average Means Square
PEF -	Political Environmental Factors
EEF -	Economic Environmental Factors
TEF -	Technological Environmental Factors
MS -	Managerial Skills
EF -	Economic Factors
PF -	Political Factors
TF -	Technological Factors
SF -	Socio-cultural Factors
VRIN -	Valuable, Rare, Inimitable and Non-substitutable