

## Imperatives of Small-Scale Businesses and Employment Generation in Uyo Local Government Area, Akwa Ibom state

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### Abstract

The study investigated the relationship between small scale enterprises and employments generation in Uyo Local Government Area, Akwa Ibom State. A cross-sectional survey research method was adopted for the study. A sample of 361 respondents was drawn from the population of 3725 using Taro Yamane's scientific sampling formula. For the objectives of the study to be achieved, three hypotheses were formulated and tested. The study utilized structured questionnaire as a major instrument for data collection. 361 questionnaire were distributed and 334 were returned in useable form. Data collected were analyzed using simple percentage and regression. The results of the regression analysis indicated positive relationship between the variables of small scale enterprises and employment generation in Uyo, Akwa Ibom State. It was recommended that; there should be simplified loan application processes and reduced collateral requirements for small scale enterprises to encourage access to funding, there should be government policies that promote and ensure regular maintenance of existing infrastructure to prevent deterioration and reduce disruptions to business operations, and there should be development of entrepreneurship and business management training programs tailored for small scale enterprise owners, covering essential skills like book-keeping, marketing and customer service.

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## 1. Introduction and Background

Small Scale Businesses (SSBs) are very vital in the economic growth of nations, most especially, developing countries like Nigeria. They are the back bone of most economies and arguably could be termed as the engine for employment creation, poverty reduction and contribution albeit to development (Udom, Edidiong, Wisdom and Raphael, 2024). SSEs make a significant contribution to the economy and business landscape as they operate in various sectors including but not limited to agriculture, manufacturing, retail and a wide range of services. Small scale businesses (SSBs) have come to play a crucial role in the informal economy and thread that sustains the local economic survival of people (Kingdom, Wisdom, Udom and Edidiong, 2024) particularly within Uyo Local Government Area in Akwa Ibom State. The level of unemployment (especially in cities like Uyo) has been alarming with the attendant challenges such as high poverty rate and social unrest. Therefore, job creation is necessary and small-scale businesses has been identified as an important tool to serve the increasing demand for employment opportunities. According to Abaikpa, Thomas and Udom (2022), the rapid rise of the service industry and of so-called "buying and selling" as an ever-increasing trend common to many developing countries has made the creation of "own account workers" a prominent problem. This in Uyo, as well as in most of the country, takes the form of the creation of small business businesses, which are in most cases generating little or no employment for others, largely employing close family members and are of concern with variable performance and survival rates. However, if the prosperity of more developed countries were the subject of historical investigation, most of what would eventually be known about the nature of that nation's economy would be based on a detailed description of their small business activity, with the large corporations and capital-intensive manufacturing relegated to the status of a curious anomaly as there were relatively few at the time. These small businesses as are still the main suppliers of several goods and services which can be provided on a small scale (watch servicing, hair cutting, dressmaking, etc.). Historically, as the economy grew and developed, so also did the business grow from family to professional management, as was the case in Europe. Today, America is known and currently seeking to encourage and economically resuscitate the small-scale industrial firm, which has declined recently (Abaikpa, Thomas, Udom and Emmanuel, 2023).

As in the case of Uyo, for example, and other developing countries with economic problems, people at the local level are mostly enjoined to help themselves come forward as entrepreneurs, provide job opportunities, and help narrow the constantly growing income gap. According to [Abaikpa, Thomas, Udom and Emmanuel \(2023\)](#), however, the slowing down of the public sector economy due to economic problems is having an opposite effect, as many workers from the local council industrial estate, local steel rolling mill, and State Ministry of Works and Housing are onto the streets at a time, this is equally the case in Uyo. Small businesses don't need much money to start, use many workers and can adapt when markets change. This makes them good at giving jobs to many people who can't get work in big companies. This study wants to look at how small businesses affect job creation in Uyo LGA, Akwa Ibom State. It will look at how many jobs they create and that will show how they can reduce unemployment and grow the local economy. The study will also look at the challenges small businesses in Uyo face and opportunities for them to grow and survive. After all that, the study will recommend how government can support systems that will make small businesses better at creating jobs and the economy in the area.

## 1.2 Statement of the Problems

In developing nations, small scale businesses (SSBs) are critical to strengthening the economy and facilitating development because they provide employment opportunities that alleviate both poverty and wealth. Small scale businesses (SSBs) play a pivotal role in job creation in Nigeria. According to [Ojo \(2020\)](#) small scale businesses (SSBs) provide a substantial number of jobs in city and rural areas in Nigeria. The National Bureau of Statistics (NBS, 2021) establishes that small businesses add approximately 48% to Nigeria's Gross Domestic Product (GDP) and employ above 80% of the labor force. The very high unemployment rate in Nigeria, which hit above 33% in 2021 shows that we need plans to create more jobs ([National Bureau of Statistics, 2021](#)). In Uyo just like many other parts of Nigeria, people see small scale businesses (SSBs) as a strategic way to tackle unemployment. [Ekpo and Essien \(2019\)](#) assert that starting and keeping small-scale businesses running in Uyo has helped create lots of jobs and cut down unemployment especially for young people and women. Micro, Small and Medium scale Businesses' (MSMEs) are key to economic growth and development in many developing countries, serving as means of creating jobs, reducing poverty and generating wealth among other things. Among different localities in Nigeria, these SMEs play significant roles in terms of employment creation, such as Uyo Local Government Area in Akwa Ibom State. As posited by [Ojo \(2020\)](#), their significance cannot be underestimated given their contribution to urban and rural workforce where they are involved in substantial numbers.

Also, over 80% of the workforce is employed by small scale businesses, contributing about 48% to Nigeria's GDP as reported by the [National Bureau of Statistics \(2021\)](#). Given that in 2021 the country had a high-level unemployment rate of around 33%, there is a pressing need for actions aimed at creating jobs ([National Bureau of Statistics, 2021](#)). Studies have shown that in Uyo and other parts of Nigeria, small and medium-sized businesses play a major role in addressing this situation. According to [Ekpo and Essien \(2019\)](#) the establishment and continued existence of small-scale businesses in Uyo have contributed immensely to the provision of jobs and curbing unemployment especially among young people and women. [Nwankwo et al. \(2022\)](#) stress that social businesses via their entrepreneurial activities and pioneering strategies provide diverse employment opportunities that are crucial in fostering local community socio-economic development.

Various challenges impede the realization of their full potential; among them are financial constraints, lack of business skills and formal training as [Udo \(2021\)](#) states. The problems include limited access to credit facilities, substandard infrastructure, absence of entrepreneurial knowledge and training programs provided at tertiary education institutions. This essay aims at understanding how small-scale businesses contribute toward employment creation so that they might be able to realize more gains in this field. This study aims at determining the degree to which the small-scale businesses located in Uyo Local Government Area are contributing towards job creation and economic development. It will identify the main forces behind job creation in small scale businesses located within Uyo and investigate some of their problems. Also, it will analyze the extent of effectiveness of policies or measures imposed upon SSEs to facilitate their ability of providing permanent jobs while at the same time realizing regional development goals.

## 1.3 Objectives of the Study

The main objective of this study is to investigate the relationship between small scale businesses and employments generation in Uyo Local Government Area, Akwa Ibom State. Specific objectives of this study include:

- i. To examine the relationship between inadequate access to finance and employment generation in Uyo local government area, Akwa Ibom State.
- ii. To examine the relationship between poor infrastructure and employment generation in Uyo local government area, Akwa Ibom State.
- iii. To examine the relationship between lack of business skills and employment generation in Uyo local government area, Akwa Ibom State.

## 1.4 Research Questions

From the objectives of the study, the following research questions were poised to guide the study:

- i. To what extent is the relationship between inadequate access to finance and employment generation in Uyo local government area, Akwa Ibom State?
- ii. What is the relationship between poor infrastructure and employment generation in Uyo local government area, Akwa Ibom State?
- iii. To what extent is the relationship between lack of business skills and employment generation in Uyo local government area, Akwa Ibom State?

## 1.5 Hypotheses

From the objectives of this study, the following research hypotheses were formulated to guide the study:

- i. There is no significant relationship between inadequate access to finance and employment generation in Uyo local government area, Akwa Ibom State?
- ii. Poor infrastructure has no significant relationship with employment generation in Uyo local government area, Akwa Ibom State.

- iii. There is no significant relationship between lack of business skills and employment generation in Uyo local government area, Akwa Ibom State.

### 1.6 Significance of the Study

The study “Small scale businesses and employments generation in Uyo Local Government Area, Akwa Ibom State” is significant for its potential to contribute to economic planning, employment generation, and sustainable development within Uyo LGA and Akwa Ibom State. It will serve as a critical tool for policymakers, business owners and researchers seeking to leverage the power of small-scale businesses to improve livelihoods and address the socio-economic challenges faced by the local population.

### 1.7 Scope of the Study

The study investigates the relationship between small scale businesses and employments generation in Uyo Local Government Area, Akwa Ibom State.

**Unit scope:** The unit scope for this study was at the micro level. The study focused on 361 registered small-scale businesses in Uyo, Akwa Ibom State.

**Content scope:** The content scope of this study was confined to literature on small scale businesses and employments generation.

**Geographical scope:** The geographical scope of this study was in Uyo, Akwa Ibom State, Nigeria.

## 2. Literature Review

### 2.1. Conceptual Review

#### Concept of Small-Scale Businesses

Small-scale businesses (SSBs) play a crucial role in employment generation in Nigeria, as well as in fostering economic growth and development. Various authors have explored this relationship, emphasizing the contributions of small-scale businesses to reducing unemployment and poverty levels. Small-scale businesses are businesses with limited capital investment, workforce and market reach. In Nigeria, the National Policy on Micro, Small and Medium Businesses (MSMEs) classifies small-scale businesses based on employment numbers, typically involving less than 50 employees, with capital assets excluding land, but they vary in scale depending on industry. According to [Aremu & Adeyemi \(2011\)](#), small-scale businesses are the backbone of economic growth in Nigeria, contributing to job creation by absorbing labor from various skill levels. They argue that these businesses enhance productivity by providing alternative employment opportunities, especially in regions with high unemployment rates.

#### Employments Generation

Small scale enterprise is one of the major employers of people in Nigeria, and are very important in employment creation; especially in a country like Nigeria which has a youthful population. According to [Afolabi \(2013\)](#), the small-scale businesses have the capability to provide a considerable percentage of employment in the private sector hence, involving unskilled, semi and skilled manpower in the fields of production, trading and manufactures section including agriculture, retail and manufacturing subsector. This is especially so in a country which continuously experience high unemployment endemic. [Ogujiuba, Fadila, & Stiegler \(2013\)](#) state that small scale businesses are very important especially in the rural regions since they can offer employment within the region and thereby reduce the rate of people migrating to urban areas. This effect helps to decrease the load on urban areas as well as to overcome poverty so that the economic sustainability of local regions is improved.

#### Challenges Faced by Small-Scale Businesses

While small-scale businesses are recognized for their potential to generate employment, they also face several challenges. [Ihua \(2009\)](#) identifies major constraints, including inadequate access to finance, poor infrastructure, and a lack of skilled labor. These limitations reduce the ability of SSEs to scale up and employ more people, particularly in rural regions where economic activities are often underdeveloped. Furthermore, [Onugu \(2005\)](#) argues that policy inconsistencies, bureaucracy and a lack of access to training and development hinder the growth potential of small-scale businesses in Nigeria. He emphasizes that while these businesses contribute to employment generation, their impact is limited by systemic challenges that need to be addressed. The Nigerian government has made efforts to support small-scale businesses as a means of promoting job creation. Programs such as the National Directorate of Employment (NDE), Small and Medium Businesses Development Agency of Nigeria (SMEDAN), and the Central Bank of Nigeria (CBN)'s various credit schemes have been aimed at encouraging small-scale businesses' growth. [Abdullahi \(2016\)](#) notes that these initiatives have contributed positively to job creation but require better coordination and implementation to enhance their effectiveness.

#### Inadequate Access to Finance and Employment Generation

The research between limited finance and employment creation has been done in several different forums and scholars have established that lack of adequate finance hampers business development and hence employment ([Abaikpa, Thomas, Udoh and Udom, 2023](#)). A major concern to entrepreneurship development of small scale businesses is the issue of finance. Many SSEs often have insufficient funds required to purchase modern technology, expand business or hire more employees. Though, this appears essential in the development of SSEs, several factors have made it difficult for most of the SSEs in Nigeria to access credit from the formal financial institutions. [Aremu & Adeyemi \(2011\)](#) point out that in their opinion small-scale businesses are considered as high-risk borrowers by the financial institutions hence they apply stringent measures in extending credit to such businesses including high interest rates and collateral demands. This in a way hampers the capacity of these business to be

in a position to access the capital required for expansion and therefore creating more employment. In the same sentiment, [Ogujiuba, Fadila, & Stiegler \(2013\)](#) argue that the infographic's claim that the limited opportunity in the rural area sharpens due to the neglect of financial inclusion. It is important to note that many SSEs, especially those located in the rural areas of Nigeria, hardly have bank/microfinance institutional facilities. They use informal sources of finance which are inadequate and expensive charging high interest rates hence they cannot be able to expand and create employment. [King & Levine \(1993\)](#) opine that availability of funds is pivotal in the process of economic growth which in turn leads to employment creation. Businesses especially the SMEs in question struggle to finance new projects hence their ability to hire more employees is impaired in instances where they have poor access to finances. This is especially the case in developing countries which are known to be dominated by SMEs that are key in employment generation.

[Ayyagari, Beck and Demirgüç-Kunt \(2007\)](#) pinpoint to the fact that the SMEs have relatively higher entry barriers to access finance than large firms. Obviously, due to their restricted credit they are not able to expand or invest in new technologies and innovations. This eventuality thus limits their ability to create new employment opportunities for the population. [Beck, Demirgüç-Kunt, & Maksimovic](#) presented that in many developing countries, the access to external finance is main driver of firms' growth. When firms fail to get access to financing, their sizes cannot expand and they cannot create other employment thus hindering employment creation. Furthermore, the authors said the economic points of view highlighting that firms' employment of a large number of workers cannot afford their expansion due to the underdevelopment of financial systems in their economies. [Dinh, Mavridis & Nguyen \(2010\)](#) have opined that in conditions of financial constraints the possibility of new business start up's which are source of new employment also gets limited. This means that, whenever there is an inadequacy of credit, it doesn't only impact the current operating businesses but also the aspiring entrepreneurs, therefore restricting employment expansion. This is especially important in the economies in which the entrepreneurial play a central role to addressing challenges of unemployment. Based on their findings, [Pagano & Pica \(2012\)](#) point out that inefficiencies in financial markets lead to unemployment through denying firms the necessary capital needed in the productive investment for the hiring of workers in labor demanding industries. They suggest that countries with higher degrees of financial development possess lower amounts of unemployment as organizations are able to incur credit to develop human capital and expand operations.

#### Poor Infrastructure and Employment Generation

Another factor which affect the growth of small scale enterprise in Nigeria is Infrastructure. Infrastructure failure and its linkages to employment creation have been explored extensively in both, economic and management journals. Infrastructure, namely transport roads, electricity, water, communication and other physical networks, are critical for development and employment opportunities. Insufficient development of infrastructure can considerably hinder the activities of companies and the availability of work places. [Ihua \(2009\)](#) also emphasizes that lack of infrastructure for instance poor road networks, power supply and transport systems act as a detractor to SSEs by increasing the cost of doing business. High operating costs lower the survivability of SBs and their ability to expand thus inhibiting employment generation. For instance, [Onugu \(2005\)](#) states that frequent power blackouts compel most of the small businesses to use generators thereby translating to the high costs of doing business. The extra costs incurred on energy hamper ability of small business organizations to budgets on other areas such as staff development or expansion thus leading to more job losses. For instance, a weak infrastructure impacts on the ease of accessing markets. From [Afolabi's \(2013\)](#) work, the author explains that a lot of the smaller-scale businesses struggle with the transportation issue of the produced goods to other bigger markets for sales and earnings. These businesses are not able to hire new employees or invest in technologies that can increase business productivity when these businesses record low revenue growth rates, on regular basis. [Estache and Garsous \(2012\)](#) in their paper on infrastructure and growth also posit that any sector deficiencies whether in energy, transport or telecommunications for example translate into constraints that affect the output of firms. This, in turn, limits employment creation particularly for industries that are intensive in their demand of employment. For instance, inadequate infrastructure such as erratic power supply or poor transport networks contribute highly to the production costs and restrict the chances of organizational growth and hence employment chances for the citizens. According to [Agénor and Moreno-Dodson \(2006\)](#), there is a special focus on infrastructure investments for enhancing labour productivity and in turn how it contributes to employment. They note that poor infrastructure hinders growth of the agricultural and industrial sectors that are important in the creation of employment especially in the developing world. For instance, inadequate transport structures hinder market access resulting to slow expansion of business and subsequently, employment of more people. Also lack of power supply affects the industries thus limits employment in manufacturing industries. According to [Briceno-Garmendia, Estache and Shafik \(2004\)](#) set out that due to development of infrastructural gaps such as water supply, output is most often constrained and competition is distorted hence restricting the options for firms' expansion. Therefore, employment generation is not possible on the scale that it could have been, were local infrastructure conditions more favorable. [Calderón and Servén \(2004\)](#), observe that infrastructure constrains employment generation and they relate under employment infrastructure to poor economic growth and development particularly within the developing world. Their assertion is that infrastructure development enhances the country's economic activities by bringing down transaction costs and barriers to market thereby enhancing employment. On the other hand inadequate infrastructure hampers the development of cost and gradually reduces the capability of firms in creating new employment.

#### Lack of Business Skills and Employment Generation

Lack of skills and its impact on employment generation is a critical area of scholarship especially toward s business and employment perspectives, business venture and small business developments. Business competencies refer to practical expertise in functional fields of business for instance finance, marketing, people management and administration among others. Lack of these skills hampers the competencies of such a business to operate optimally and transform to generate employment opportunities. Nichter and Goldmark in the year 2009 explores the part played by SMEs in developing countries and realize

that lack of business skills is a hindrance to job creation. They note that majority of the businessmen do not possess adequate skills in finance, marketing and management that can be useful in the expansion of their businesses. This deprives the concerned firms of the growth as a number of businesses cannot undertake expansion of capacity, employment generation or market expansion, all of which has a direct link with employment generation. A study by [Hisrich, Peters, & Shepherd \(2010\)](#) note that skills such as entrepreneurship are important for the growth of businesses that in turn results to employment opportunities. As noted, they say that most business people, especially in the informal sector do not possess these skills and, therefore, end up with business failure or no growth to create more jobs. While the employed young persons provide for their families, afford basic needs and pay bills, the business minded individuals create jobs, diversify the economy, and grow their businesses. According to [Baum, Locke & Smith \(2001\)](#), skills such as goal setting and goal commitment, decisions making and resource mobilization were strongly influential in the growth of business venture. Companies that do not expand because of the absence of such skills employ fewer people into the market. According to them, there are various factors that shape and support growth oriented entrepreneurship especially the SMEs where the entrepreneur bears the responsibility of managing all the operations and involving in strategizing too. When such skills are not developed firms do not capitalize on expansion opportunities and therefore their ability to create new employment is compromised.

In the paper entitled Economic Growth and Employment: The Rise of the Entrepreneur, [van Praag and Versloot \(2007\)](#) discuss the problems in question. They opine, that the lacking of proper business skills the entrepreneurs fail at high rate, this way the employment generation is low. Furthermore, the experienced businessmen are in a strong position to discover the potential business prospects that may lead to job generation. Accordingly, the study affirms that business education and training plays a crucial role of enabling the entrepreneurs to acquire the necessary skills to expand their businesses, and thus, generate more employment in the economy. According to [Storey \(1994\)](#), it is stated that the SMEs who do not have adequate business skills to manage and develop necessary organizational functions such as financial management and human resources tend not to expand their workforce. This stagnation in the growth of firms leads to the inability of the firm to generate employment opportunities which is normally as a result of lack of managerial and operational competence. [Rauch & Frese \(2007\)](#) analyze the effects of business planning for success and reveal positive effects in which structured business planning that corresponds to business skills, prominently influences employment generation. This is according to the authors who state that the poor planning entrepreneurs do no plan for growth and do not set proper structures for growth. This leads to lost chances of creating employment so that businesses remain stunted and small in their growth. In contrast, companies that invest their time and effort in planning are likely to realize better growth and generate more employment opportunities. [Kiggundu \(2002\)](#) concentrates on the nexus between managerial skills and firm performance in Africa and presented the view that many small firms remained small because of poor business skills that affected firm growth, thus compromising job creation. He further says that most of the business people lack business skills and therefore face challenges such as poor financial management, weak marketing strategies and poor human resource management among others. These deficiencies undermine the growth of firms because it decreases their employment capacity and their ability to hire more workers.

## 2.2. Theoretical Review

Several theories provide a strong foundation for understanding the relationship between small-scale businesses (SSBs) and employment generation in Nigeria. These theories explain how small businesses contribute to job creation and economic development, and how various factors such as entrepreneurship, innovation and capital accumulation drive this process. However, in understanding the relationship the following theories provide a foundational support:

### The Entrepreneurship Theory

The entrepreneurship theory developed by [Joseph Schumpeter in 1934](#) is basic in order to understanding the contribution of small-scale businesses in the creation of employment. Thus, according to Schumpeter, the key dynamism in the economic progress is the innovation and the figure of an entrepreneur. He points out that the role of the entrepreneur consists in the reconnaissance of new combinations of resources; appearance of new products and elaboration of new technologies that can stimulate job creation and, accordingly, economic growth. In the given country context of Nigeria, the conception of the small entrepreneurship is quite apparent especially in fields of agriculture and trading as well as manufacturing. From [Aremu & Adeyemi \(2011\)](#) it was pointed out that entrepreneurship in today's developing economy is very crucial as it is the persons who form new businesses employing labour where such enterprise conditions are sited most especially in areas of high unemployment. Thus, the entrepreneurship theory is useful for understanding the ways to 'prime' entrepreneurship and foster the creation of SSEs, and, in this way, improve employment prospects.

### The Human Capital Theory

Employment, Human Capital Theory by Becker (1964) states that education and training increases productivity of employee thereby creates employment and growth in the economy. This theory is particularly useful in explaining the dynamics of skilled labor and it's relation to small-scale enterprise development. This is an acute issue as [Oyelaran-Oyeyinka \(2020\)](#) noted deficiency of qualified labour in Nigeria is an important factor for SSEs, which are characterized by a lack of professional training among entrepreneurs and employees affecting their performance. According to the Human Capital Theory this skills mismatch could be corrected through education and training to increase the capacity of the SSBs to create more employment. It is a theory that stresses the need for occurrence in a development of human capital to support the small businesses and their creation of employment.

## 2.3. Empirical Review

Research on small scale businesses (SSBs) and job creation often highlights significant challenges such as insufficient business

knowledge, inadequate infrastructure and limited funding opportunities. These factors significantly influence the growth of SSBs and consequently impact job creation. However existing studies that examine how these challenges affect job creation are limited. For instance in their research on business growth and financial constraints across 45 countries [Beck, Demirgüç Kunt and Maksimovic \(2005\)](#) found that small and medium sized businesses (SMEs) need access to funding to expand and create jobs. The authors note that smaller companies face greater difficulties in securing external investments compared to larger firms making them more susceptible to financial constraints. In 99 developing countries, [Ayyagari and others \(2011\)](#) studied how job creation relates to access to finance. They discovered that the ability of small and medium businesses (SMEs) to expand and create jobs is greatly limited by financial access problems. SMEs with financial restrictions did not show the same job growth rates as those with financial access. The researchers pointed out that businesses that could obtain credit experienced a 5.7% higher job growth rate compared to those without credit. This finding highlights that SMEs with financial support grow more quickly and create more employment opportunities.

[Kira \(2013\)](#) conducted an empirical study, on small and medium businesses in Tanzania on financial access effects on enterprise performance and employment generation. It found that the growth of businesses and hence the number of jobs created is held back by insufficient financial resources. Larger businesses that had more money, of course they were going to hire and grow, but companies with constrained means grew much slower. The big takeaway in their study was businesses with more money were able to hire 10% more workers than those that weren't as financially secure. [Escribano et al.](#) An empirical study of SMEs in Sub-Saharan Africa by [Acar \(2010\)](#) found that an inadequate infrastructure significantly reduced productivity for businesses and inhibited employment generation due to poor electricity supply. The report also notes that unreliable electricity and poor transport systems drive up operating costs, reducing the ability of SSEs to expand operations and take on more staff. Later in their study, though, they found that businesses located in regions with top-ranking infrastructure had increased the number of employment by 13%, providing additional support for the essential role of infrastructure to foster SSE growth and employment. [Ayogu & Agu \(2015\)](#) conducted a study on the effects of infrastructure on SME performance in Nigeria. A Bill prepared by two Labour MPs for the Official Statistics (Infrastructure Cost Factor) Bill 2014-15, took account of this and was reinforced by the CBI's annual Joint Business Forum survey last year with Phillips after five consecutive years when road congestion had been rated one of the top threats to UK prosperity. The finding that poor infrastructure – especially electricity and road networks – impeded SMEs from scaling up and employing more people; It additionally demonstrated that a significant number of the little organizations in provincial and urban zones have high practical expenses attributable to deficient foundation, constraining their benefit and job creation. The study found that, on average, SMEs in locations with particularly poor infrastructure are 15% less likely to create new jobs compared with businesses based in regions where the roads and transport networks were more reliable. [Mburu and Wanjiru \(2013\)](#) conducted a study on SMEs in Kenya and found that poor infrastructure, especially in rural areas, had an effect to decrease the capacity of small firms to create jobs. They found that bad roads and erratic power supply raise the cost of doing business, impede the flow firms, among other things, stunting their ability to grow as would be expected. They found that, SMEs effected by poor infrastructure reported employment generation growth rate lower by 9% compared to those with adequate access to infrastructure.

[Honig \(2001\)](#) conducted a study in firm performance of Jamaica and South Africa with the view of examining relationship between entrepreneurial skill development and firm performance. He found his hypothesis confirmed: Small business owners with low business skills are less likely to expand their firms and produce jobs. It revealed the low-performing decisions by entrepreneurs deficient in financial aspects and managerial capabilities, inhibiting firm growth with restricted employment generation. He also found that, entrepreneurs with formal business training were 12% more likely to create new jobs than those without training. [Miller and Westerfield \(1991\)](#) suggest that adequate management is a requirement for the success of any enterprise but is particularly critical in the informal sector. [Kiggundu](#) studied African entrepreneurs and concluded that virtually everything discovered about businesses mirrored in one way or other managers conducting them. Insufficient managerial skills among small-scale entrepreneurs in Africa hinder the effective operations of their businesses leading to low firm performance and fewer job opportunities. He found that companies run by owner-managers with formal managerial training had a 15 per cent higher growth rate in terms of employees than those run by non-practicing entrepreneurs.

[Benzing and Chu and Kara \(2009\)](#), in research on small businesses in Ghana, have established that a lack of business skills, especially those relating to marketing and financial management capability limited the potential for growth among small firms which translated into a negative impact on employment creation. This stunted the growth of many small businesses because the business owners did not know how much to charge, had difficulty managing cash flow properly, and often maintained unhealthy relationships with clients. They found, for example, that for small businesses investing in the development of business skills among their owners and employees was associated with an increase in employment by 10% over three years. Yet empirical work demonstrates that two of the largest Meta variables that restrict both small scale enterprise (SSE) growth and employment generation are insufficient access to finance; poor infrastructure as well as no return on business skills. SSEs need financing to grow and create jobs. Likewise, dated infrastructure places a further cost burden on business and heavily decreases the efficiency of operation, this leads to stagnant job creation action. Finally, the absence of vital business skills impedes management and decision-making, inhibiting firm growth and employment. Targeted policies and support in these areas can go a long way toward increasing the contributions of SSEs to job creation and economic growth.

#### **2.4. Issues/Gaps in Literature and Knowledge**

There is now a robust literature on minibusinesses and employment (see, e.g., many of the papers cited in [Clark et al. 2007](#)), yet there are still many open questions and major issues that need to be tackled. The main fault of this subject discovered in the studies, is a complexity of readings/meanings and things that are referred to identity conceptually loudly other explorers and researchers to also focus on. However, despite the general acceptance of the small and medium-sized enterprise (SME) concept worldwide, the definitions of small-scale businesses (SSBs) remain diverse as those propounded by scholars differ both in

definition and classification (Abor & Quartey, 2010). A continuing frustration in the literature is that studies use differing criteria to define a SSE, and these variations impact generalizability. The lack of uniform definition of this term creates signal challenges for obtaining valid research findings on employment generation. The literature on the relationship between competitiveness and employment is revealing: Ayyagari, Beck, & Demirguc-Kunt (2007) report that “despite broad consensus that SMEs are an important driver of job creation, no systematic empirical evidence exists (particularly in developing countries) to quantify this impact”.

From Naude & Havenga (2005), It is also argued that the fact that many SSEs studies focus either on a certain sector or a specific geographic area, has until now only provided us with general insights in terms of the relationship between SSEs and their employment effect. But we are still lacking more comprehensive information which comprises for example cross sectorial as well as regional variation in particular rural versus urban context. According to Beck, Demirguc-Kunt, & Maksimovic (2005), one of such relevant themes that did not get enough attention is related to how access to finance interlinks with employment generative potentialities of SSBs since it has been recognized that access to finance is an important growth constraint but as far too little attention was given indeed also how different facets of financial access get translated directly and indirectly into job creation by SSBs. This challenges thus our ability to measure accurately the role played by SSEs in employment generation especially given the fact that quite number of these businesses operate within a domain which as De Soto (2000) termed – labeled as informal sector- possesses an informal character, having observed that this has led—or could possibly also lead—to underreporting when recording data on employment because very often exchanges relating 2 income from work are not registered officially.

Mead & Liedholm (1998) highlight the fact that in most studies, the effects of SSEs on the employment situation focus within the operational time. Longitudinal studies which show how SSEs employment are sustained over many years are needed rather than focus on unsustainable growth over the years. Such types of data consequently leave a gap in insight into the long-term impacts that SSBs have on job creation. Tambunan (2009) points out that gender studies on employment generation through SSE are hardly any. Levy (1993) comments that there exists a gap in understanding the contributions of skills and training to the stimulated employment by SSEs. The shortage of reasonably qualified peoples is amongst many constraints to business and job creation especially of small businesses. This has however not been investigated on the entrepreneurship and workers’ skill tilling or training which is still minimal. In addition, Acs & Audretsch (1990) pointed out that there have not been sufficient studies on the effects of technological changes on the ability of SSBs to create jobs. Automation as it stands out today is becoming more the order of things and is likely to change the traditional ways in which SSEs create new employment. However, closing these gaps further would allow future researchers a better context on how small business operations are beneficial in providing employment mainly in the global south.

### 3. Methodology

#### 3.1. Research Design

Research design constitutes the blue print, plans and guidelines that is used in data collection and analyses with regard to the study. Research design is a must step requirement for a research process if research problems and hypotheses are to be adequately addressed. Therefore, this study employed a cross-sectional survey.

#### 3.2. The Study Area

This study was conducted in Uyo, Akwa Ibom State. The State is in the South-South zone of Nigeria with its capital at Uyo. The State is the largest oil producing state in Nigeria. The population of the State is estimated at about 309, 573 as of 2006 (NPC, 2006 report). It has an area of 95 km<sup>2</sup> (36. 7sq.ml) and a land area of 95km<sup>2</sup> (36. 7sq.ml), Wikipedia encyclopedia (2007). The people in the area are predominantly Ibibio; others include Annang, Oron, Eket, Obolo, Ibeno and other speaking tribes in Nigeria. Akwa Ibom State is inhabited by people of different walks of life such as teachers, businessmen, students, traders, civil servants and unemployed youths among others. The choice of this study area was driven by the relevance of the research topic.

#### 3.3. Population

The population of this study consisted 3725 registered small-scale businesses in Uyo, Akwa Ibom State.

#### 3.4. Sample Size/Sampling Technique

Judgmental sampling technique was adopted for the study. Given the population, a sample size was derived using Taro Yamane’s scientific formula which is given as:

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

Where: N = Population. 1 = constant. e = Level of significance  
n = sample size.

$$n = \frac{3725}{1 + 3725 (0.05)^2}$$

$$n = 361$$

### 3.5. Sources of Data Collection

Data for this research work were collected through two sources – primary and secondary sources. The primary data were obtained by the researcher through questionnaire administration. Secondary data were obtained from published reports, books, journals, newspapers, magazines and internet.

### 3.6. Instrument for Data Collection

The instrument for data collection was “Small Scale Businesses and Employment Generation questionnaire” (SSEEGQ). The questionnaire was divided into two sections. Section A and section B. Section A sought for information on the demographic data of the respondents. Section B was the main body of the questionnaire. This section contained twenty-five (25) closed-ended questions using a five-point Likert’ scale instrument through which the opinions of the respondents were expressed. Their responses were measured by means of a five-category rating system as follows:

- SA - Strongly agree
- A - Agree
- D - Disagree
- SD - Strongly disagree
- U - Undecided

### 3.7. Validity of Research Instrument

The validity is basically concerned on how a research instrument measures what it intended to measure (Field, 2005). Consequently, the researcher was concerned with the degree to which the instrument measured management accounting practices and financial performance. Face validity of the questionnaire was established in order to make sure that the questionnaire items appear to take care of relevant information in the area of interest. The face validity of the questionnaire was established by the researcher’s supervisors in the school of management Sciences, National Open University, Uyo, Akwa Ibom State. Each sub - section in the questionnaire has five items which were reviewed by the supervisor and all ambiguous items were removed and those found relevant were retained. The supervisor certified that the instrument was face valid and should be used for the study. His opinion helped to strengthen the quality of the instrument.

### 3.8. Reliability of the Instrument

A test is said to be reliable if it measures what it is supposed to measure consistently (Huck 2007). For the purpose of this work, internal consistency of the questionnaire was established and determined by Cronbach’s Alpha (CA).

### 3.9. Procedure for data Collection/Administration of the Instrument

Data collection was done in the sampled study area. The researcher visited the study area with letter from the supervisor to clarify the motivation behind the study to them. Relevant information for the study was gathered by the researcher with the assistance of the managers and owners of small-scale businesses under study. They were informed of the activity and the need to give honest responses to the instructions that, data collected would be used and treated confidentially for academic research purposes only. After this, the researcher undertook the administration of the questionnaire with the help of these business owners/managers.

### 3.10. Methods of Data Analysis

Considering the nature of data collected, the statistical methods that adopted for data analysis were simple percentages and regression. The data were analyzed with the help of a statistical tool using SPSS.

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## 4. Data Presentation, Analysis and Findings

### 4.1. Data Presentation

Table 1: Copies of Questionnaire Administered and the Response Rate

S/N	Copies of questionnaire distributed	Copies of questionnaire retrieved useable	Percentage (%)
Business owners	361	334	92.5
Total	361	334	90.8

Source: Compiled from questionnaire response, (2024).

The total copies of questionnaire that were accurately filled and returned were 334 out of the 361 that were allocated and distributed. This constitutes 92.5% of the total copies of questionnaire and was found relevant for use. Despite efforts by the researcher to ensure adequate and correct completion of the questionnaire by self-administering, 27 copies of questionnaire were returned incompletely filled, hence were discarded. The responses were then analyzed using the Statistical Package for Social Sciences (SPSS).

Table 2: Personal Data of the Respondents

Variables	No. of Respondents	Percentage (%)
<b>Age</b>		
25-34 Years	11	3.3
35-44 Years	203	60.8
45-54 Years	95	28.4
55 Years and above	25	7.5
Total	334	100.0
<b>Gender</b>		
Male	205	61.2
Female	130	38.8
Total	334	100.0
<b>Marital Status</b>		
Single	93	27.8
Married	218	65.3
Divorced	14	4.2
Widowed	9	2.7
Total	334	100.0
<b>Educational Qualification</b>		
SSCE or Below	0	0
Diploma	29	8.7
Bachelor's degree and equivalent	169	50.6
Post Graduate and above	136	40.7
Total	334	100.0
<b>Employment Status</b>		
Permanent staff	58	17.4
Contract staff	166	49.7
Casual/Salesforce Agents	110	32.9
Total	334	100.0
<b>Years of Service</b>		
1-5 years	136	40.7
6-10 years	37	11.1
11-15 years	148	44.3
16 years above	13	3.9
Total	334	100

Source: Field Survey, (2024).

Table 2. Indicate that of the 334 respondents, 11(3.3%) were between the ages of 25-34 years, 203 (60.8%) were between the ages of 35-44 years, 95 (28.4%) were between the ages of 45-54 years, while 25 (7.5%) respondents were 55 years and above. From the table, 205 respondents (61.2%) were males while 130 (38.8%) were females.

The table also indicates that most of the staff who took part in the survey were married representing 218 respondents (65.3%) and 93 (27.8%) were single. Based on educational qualification, the company had more staff with Bachelor's degrees and its equivalent representing 169 respondents (50.6%) and those with Post graduate qualifications alongside other professional certification were 136 (40.7%), others with diploma qualification fell within the ranking of cleaners and other auxiliary staff.

The table also shows that Contract staff made up most of the unit of analysis, representing 166 respondents (49.78%) and Casual/Salesforce Agents were 110 (32.9%), permanent staff were 58 respondents (17.4%), this representation means that the company had more Contract staff and Casual/Salesforce agents combined in their staffing. Based on their years of services, 148 (44.3%) had spent between 11-15 years of service in the company, 136 (40.7%) had spent between 1-5 years in service, while 37 (11.1%) had spent between 6-10 years in service, 13 respondents (3.9%) had spent 16 years and a slightly above.

#### 4.2. Analysis of Research Questions and Responses

The analyses in this section are done as per the research questions and hypotheses formulated for this study. They analysis is to ascertain the highest positive response rate to the questions on the questionnaire.

**Research questions: To what extent is the relationship between inadequate access to finance and employment generation in Uyo local government area, Akwa Ibom State?**

Tables 3: inadequate access to finance and employment generation

Inadequate access to finance	Strongly Agree Freq and (%)	Agree Freq and (%)	Undecided (%)	Disagree Freq and (%)	Strongly disagree (%)	Total (n) (%)
Inadequate access to finance greatly impact the growth and sustainability of small-scale businesses in Uyo local government area.	51 (15.3)	151 (45.2)	59 (17.7)	58 (17.4)	15 (4.5)	334 (100)
Financial instruments or support systems have greatly enhanced access to finance for small-scale businesses in Uyo local government area.	14 (4.2)	173 (51.8)	34 (10.2)	98 (29.4)	15 (4.5)	334 (100)
Microfinance institutions have greatly alleviated the challenges of inadequate access to finance for small-scale businesses in Uyo local government area.	43 (12.9)	156 (46.7)	10 (3)	110 (32.9)	15 (4.5)	334 (100)
Lack of collateral requirements greatly affect the ability of small-scale businesses to secure financing and subsequently create jobs in Uyo local government area.	52 (15.8)	153 (45.8)	2 (0.6)	121 (36.2)	6 (1.8)	334 (100)

Source: Field Survey, (2024)

For the question on inadequate access to finance greatly impact the growth and sustainability of small-scale businesses in Uyo, Table 3 shows that 202 respondents, representing 60.5% agreed that friendly contacts with personnel at every level exist at the company. While 17.7% of respondents were undecided, 73 respondents representing 21.9% disagreed respectively.

For the question on Financial instruments or support systems have greatly enhanced access to finance for small-scale businesses in Uyo local government area., 187 respondents representing 56% agreed that the company had room for good consultation and guidance among its staff. While 10.2% were undecided on whether this practically took place at the company, 113 respondents representing 33.9% disagreed.

When respondents were asked whether Microfinance institutions have greatly alleviated the challenges of inadequate access to finance for small-scale businesses in Uyo local government area, 199 respondents representing 59.6% agreed that this applied to the company. While 3% were undecided, 125 respondents representing 37.4% disagreed.

Responding to the question Lack of collateral requirements greatly affect the ability of small-scale businesses to secure financing and subsequently create jobs in Uyo local government area, 205 respondents representing 61.6% of respondents agreed that tasks communicated to them were well defined. While 0.6% respondents were undecided, 127 respondents representing 38% of respondents disagreed.

#### Research questions on poor infrastructure and employment generation in Uyo local government area, Akwa Ibom State.

Tables 4: poor infrastructure and employment generation in Uyo local government area, Akwa Ibom State.

Training and development	Strongly Agree Freq and (%)	Agree Freq and (%)	Undecided (%)	Disagree Freq and (%)	Strongly disagree (%)	Total (n) (%)
Comprehensive on the job trainings	44 (13.2)	141 (42.2)	99 (29.6)	15 (4.5)	35 (10.5)	334 (100)
Company involving Salesforce at all levels in its decision mak	14 (4.2)	110 (32.9)	133 (39.8)	62 (18.6)	15 (4.5)	334 (100)
Orientation not based on a sense of job importance	36 (10.8)	120 (35.9)	103 (30.8)	39 (11.7)	36 (10.8)	334 (100)
Management delegating duties and responsibilities and expect timely results and reporting	52 (15.6)	142 (42.5)	11 (3.3)	123 (36.8)	6 (1.8)	334 (100)

Source: Field Survey, 2020

For the question on how Training and development of Friesland Campina WAMCO Nigeria Plc. impact on their Salesforce performance, Table 4 shows that, 185 respondents representing 55.4% agreed that they were given a comprehensive on the job training to enable them function. While 29.6% respondents were uncertain of this, 50 respondents representing 15% disagreed that they were given a comprehensive on the job training.

When respondents were asked if the company involved its Salesforce at all levels in their decision making process, 124 respondents representing 37.1% expressed positive responses that the company did. While 39.8% were undecided, 77 respondents representing 23.1% disagreed that staff were involved in the company's decision making process.

For the question on whether the orientation given to staff were not based on a sense of job importance, 156 respondents representing 46.7% responded they agreed. While 30.8% were undecided, 75 respondents representing 22.5% disagreed that the orientation they were given were based on a sense of job importance.

When respondents were asked further if the company's management delegated duties and responsibilities and expected timely results and reporting, 194 respondents representing 58.1% agreed that management did. While 3.3% were uncertain, 129 respondents representing 38.6% disagreed that management often delegated duties and responsibilities and expected timely results and prompt reporting.

**Research questions on lack of business skills and employment generation in Uyo local government area, Akwa Ibom State.**

Tables 5: lack of business skills and employment generation in Uyo local government area, Akwa Ibom State.

Motivation	Strongly Agree Freq and (%)	Agree Freq and (%)	Undecided (%)	Disagree Freq and (%)	Strongly disagree (%)	Total (n) (%)
Lack of business skills among entrepreneurs imp the performance and employment generation potential of small-scale businesses in Uyo local government area.	71 (21.3)	152 (45.5)	106 (31.7)	-	5 (1.5)	334 (100)
There is no effective training programs that enha business skills among small-scale enterprise owne Uyo local government.	63 (18.9)	170 (50.9)	91 (27.2)	-	10 (3.0)	334 (100)
Educational background of small-scale enterprise owners greatly influence their ability to navigate challenges and generate employment in Uyo.	50 (15.0)	149 (44.6)	120 (35.9)	-	15 (4.5)	334 (100)
Mentorship and networking play vital rol addressing the lack of business skills among small-entrepreneurs.	14 (4.2)	173 (51.8)	132 (39.5)	-	15 (4.5)	334 (100)
Government and non-governmental organiza always collaborate to provide business skills tra specifically tailored to the needs of small businesses in different sectors in Uyo government area.	35 (10.5)	160 (47.9)	106 (31.7)	-	33 (9.9)	334 (100)

Source: Field Survey, 2020

For the question on the lack of business skills among entrepreneurs impact the performance and employment generation potential of small-scale businesses in Uyo local government area.. Table 5 shows that, 223 respondents (66.8%) respondents agreed that the company expressed gratitude towards personnel’s extra effort on a job was not expressed by rewards or commendations. While 31.7% were undecided, 5 respondents (1.5%) strongly disagreed.

When respondents were asked that there is no effective training programs that enhance business skills among small-scale enterprise owners in Uyo local government, 233 respondents (69.8%) agreed that the company did not. While 27.2% were undecided, 10 respondents (3.0%) strongly disagreed.

For the question on educational background of small-scale enterprise owners greatly influence their ability to navigate challenges and generate employment in Uyo, 187 respondents (59.6%) agreed that they did. While 35.9% were uncertain about this, 15 respondents (4.5%) disagreed.

When respondents were asked if mentorship and networking play vital role in addressing the lack of business skills among small-scale entrepreneurs, 187 respondents (56%) agreed the management of the company did. While 39.5% were uncertain, 15 respondents (1.5%) strongly disagreed.

For the question concerning if government and non-governmental organizations always collaborate to provide business skills training specifically tailored to the needs of small-scale businesses in different sectors in Uyo local government area, 195 respondents (58.4%) agreed that salesforce were offered rewards and recognition for a job well done. While 31.7% were uncertain they did, 33 respondents (9.9%) strongly disagreed.

**4.3. Testing of Hypotheses**

**H<sub>01</sub>: There is no significant relationship between inadequate access to finance and employment generation in Uyo local government area, Akwa Ibom State**

Table 6 Regression analysis inadequate access to finance and employment generation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.861 <sup>a</sup>	.575	.571	.44520

a. Predictors: (Constant), inadequate access to finance

**ANOVA<sup>a</sup>**

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	49.445	1	49.445	62.587	.000 <sup>b</sup>
1 Residual	50.576	149	.790		
Total	100.021	150			

a. Dependent Variable: employment generation

b. Predictors: (Constant), inadequate access to finance

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.470	.089		6.430	.000
inadequate access to finance	.666	.021	.861	12.827	.000

a. Dependent Variable: employment generation

The model summary in table 6 shows an R- value of 0.861. The result shows a positive influence of inadequate access to finance on employment generation in Uyo local government area, Akwa Ibom State. The R square- value of 0.571 shows that 57.1% variation in inadequate access to finance was accounted for by variations in employment generation. The ANOVA table indicates that the regression model significantly predicts the dependents variable given the F- value of 62.587 and its corresponding P- value of 0.00. This implies that there is a positive influence of inadequate access to finance on employment generation. Also, the B-coefficient of 0.666 implies that holding every other thing constant, the model predicts 0.666 units increase in inadequate access to finance given a unit increase in employment generation.

**Ho2: Poor infrastructure has no significant relationship with employment generation in Uyo local government area, Akwa Ibom State.**

Table 7: Regression analysis showing result for poor infrastructure and employment generation

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	.752 <sup>a</sup>	.555	.551	.43222	

a. Predictors: (Constant), Poor infrastructure

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	49.445	1	49.445	55.117	.000 <sup>b</sup>
	Residual	50.576	149	.790		
	Total	100.021	150			

a. Dependent Variable: employment generation

b. Predictors: (Constant), Poor infrastructure

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.570	.089		5.130	.000
Poor infrastructure	.766	.021	.752	11.117	.000

a. Dependent Variable: employment generation

The model summary in table 7 shows an R- value of 0.752. This result shows a positive effect of Poor infrastructure on employment generation in Uyo local government area, Akwa Ibom State. The R square- value of 0.551 shows that 55.1% variation in Poor infrastructure on employment generation. The ANOVA table indicates that the regression model significantly predicts the dependents variable given the F- value of 55.117 and its corresponding P- value of 0.00. This implies that there is significant effect of Poor infrastructure on employment generation. Also, the B-coefficient of 0.766 implies that holding every other thing constant, the model predicts 0.766 unit increase in Poor infrastructure on employment generation.

**Ho3: There is no significant relationship between lack of business skills and employment generation in Uyo local government area, Akwa Ibom State.**

Table 8 Regression analysis showing result for lack of business skills and employment generation

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.882 <sup>a</sup>	.669	.664	.43220

a. Predictors: (Constant), lack of business skills

ANOVA<sup>a</sup>

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	49.445	1	49.445	62.587	.000 <sup>b</sup>
1 Residual	50.576	149	.790		
Total	100.021	150			

a. Dependent Variable: employment generation

b. Predictors: (Constant), lack of business skills

Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.570	.089		3.430	.000
1	lack of business skills	.766	.021	.972	17.127	.000

a. Dependent Variable: employment generation

The model summary in table 8 shows an R- value of 0.882. the result shows positive impact of lack of business skills on employment generation in Uyo local government area, Akwa Ibom State. The R square- value of 0.664 shows that 66.4% variation in lack of business skills was accounted for by variations in employment generation. The ANOVA table indicates that the regression model significantly predicts the dependents variable given the F- value of 62.587 and its corresponding P- value of 0.00. This implies a positive impact of lack of business skills on employment generation. Also, the B-coefficient of 0.766 implies that holding every other thing constant, the model predicts 0.766 unit increase in lack of business skills given a unit increase in employment generation.

#### 4.4. Discussion of Findings

##### To examine the relationship between inadequate access to finance and employment generation in Uyo local government area, Akwa Ibom State

The model summary in table 4.2.1 shows an R- value of 0.861. The result shows a positive influence of inadequate access to finance on employment generation in Uyo local government area, Akwa Ibom State. The R square- value of 0.571 shows that 57.1% variation in inadequate access to financewas accounted for by variations in employment generation. This was in line with the work done by [Kira \(2013\)](#), with a focus on the impact of financial access on business performance and employment creation. They discovered that insufficient financial resources impede the growth of businesses, thereby reducing the quantity of jobs generated. Businesses with financial resources were more likely to expand and hire more people, whereas businesses with limited resources grew more slowly. Their study's key finding was that SMEs with more access to financing added 10% more employees than businesses with tighter budgets. [Escribano et al. \(2010\)](#) discovered that insufficient infrastructure, especially power, had a major detrimental impact on business productivity and the creation of jobs in empirical research of SMEs in Sub-Saharan Africa. According to the report, unstable electricity and inadequate transportation infrastructure raise operating expenses, which limits SSEs' capacity to grow and add additional staff.

##### Based on the second objective of the study which was to examine the relationship between poor infrastructure and employment generation in Uyo local government area, Akwa Ibom State

This result shows a positive effect of poor infrastructure on employment generation in Uyo local government area, Akwa Ibom State. The R square- value of 0.551 shows that 55.1% variation in poor infrastructure on employment generation. The ANOVA table indicates that the regression model significantly predicts the dependents variable given the F- value of 55.117 and its corresponding P- value of 0.00. This implies that there is significant effect of poor infrastructure on employment generation. This study is in support of [Ayogu and Agu \(2015\)](#) carried out research on the impact of infrastructure on the performance of SMEs in Nigeria. The result of their finding showed that poor infrastructure - particularly electricity and road networks - hindered the ability of SMEs to expand and employ more people. The study further revealed that many small businesses in rural and urban areas struggle with high operational costs due to unreliable infrastructure, which decreases their profitability and capacity to employ. They discovered that, SMEs in regions with poor infrastructure were 15% less likely to generate new employment compared to those in areas with better infrastructure. [Mburu and Wanjiru \(2013\)](#) carried out a study on SMEs in Kenya and discovered that poor infrastructure, particularly in rural areas, directly influenced the ability of small firms to create jobs. They discovered that, poor road conditions and unpredictable power supply increased the cost of doing business, which limited firm's growth and job creation. They discovered that, SMEs with access to good infrastructure re-counted a 9% higher growth rate in employment generation compared to those facing infrastructure challenges. [Honig \(2001\)](#) carryout research on the relationship between entrepreneurial skills and firm performance in Jamaica and South Africa.

##### Based on the third objective of the study which was to examine the relationship between lack of business skills and employment generation in Uyo local government area, Akwa Ibom State

The result shows positive impact of lack of business skills and employment generation in Uyo local government area, Akwa Ibom State. The R square- value of 0.664 shows that 66.4% variation in lack of business skills was accounted for by variations in

employment generation. The ANOVA table indicates that the regression model significantly predicts the dependents variable given the F- value of 62.587 and its corresponding P- value of 0.00. This implies a positive impact of lack of business skills on employment generation. This study is supported by Ghana, [Benzing, Chu, and Kara \(2009\)](#) found that a lack of business skills, particularly in marketing and financial management, limited the growth potential of small firms, which negatively impacted employment creation. Many small business owners lacked knowledge in critical areas such as pricing, cash flow management, and customer relations, which stunted firm growth. They discovered that, small businesses that invested in improving the business skills of their owners and employees saw a 10% increase in employment over three years. However, empirical studies show that inadequate access to finance, poor infrastructure and lack of business skills are major constraints that limit the growth and employment generation potential of small-scale businesses. Without adequate financing, SSEs cannot expand their operations or hire more workers. Similarly, poor infrastructure increases business costs and reduces productivity, further limiting job creation. Lastly, the lack of essential business skills hampers effective management and decision-making, reducing firm growth and employment opportunities.

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## 5. Summary, Conclusion and Recommendations

### 5.1. Summary of Findings

The main objective of this study is to investigate the relationship between small scale businesses and employments generation in Uyo Local Government Area, Akwa Ibom State. The specific objectives of the study were to examine the relationship between inadequate access to finance and employment generation in Uyo local government area, Akwa Ibom State, to examine the relationship between poor infrastructure and employment generation in Uyo local government area, Akwa Ibom State, and to examine the relationship between lack of business skills and employment generation in Uyo local government area, Akwa Ibom State. Three hypotheses were formulated and tested in this study. Bearing in mind the nature of this study, the researcher employed the use of survey research design in which primary data was obtained through questionnaire administration. Data for this study were obtained from both primary and secondary sources. Primary data were obtained through a structured questionnaire. The questions were closed-ended, and directed to collect relevant data from the small-scale businesses in Uyo, Akwa Ibom State. Secondary sources were information from existing literature such as relevant textbooks, Journals and internet. The researcher employed tables and simple percentage method to analyze the research questions. However, the regression technique was used to test hypotheses. The results of the regression analysis presented consistent findings. This implies that, there is a significant positive relationship between variables of small-scale businesses and employment generation.

### 5.2. Conclusion

In conclusion, the results of the regression analysis indicated a significant positive relationship between variables of small-scale businesses and employment generation.

### 5.3. Recommendations

From the findings of this study, the following recommendations were made:

- i. There should be simplified loan application processes and reduced collateral requirements for small scale businesses to encourage access to funding.
- ii. There should be government policies that promote and ensure regular maintenance of existing infrastructure to prevent deterioration and reduce disruptions to business operations.
- iii. There should be development of entrepreneurship and business management training programs tailored for small scale enterprise owners, covering essential skills like book-keeping, marketing and customer service.

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## Declaration of Competing Interest

The authors declare that they are not aware of any competing financial interests or personal relationships that may have influenced the work described in this document.

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**APPENDIX I: Questionnaire**

Please read carefully each of the statement below and tick to indicate your agreement or disagreement to each item. Each item has to do with the level of relationship between management accounting practices and financial performance. The level or degrees of your responses are: Strongly agree (SA), Agree (A), strongly disagree (SD), disagree (D) and Neutral (N).

S/N	SMALL SCALE BUSINESSES DIMENSION	SA	A	SD	D	N
<b>A</b>	<b>Inadequate Access to Finance</b>					
7	Inadequate access to finance greatly impact the growth and sustainability of small-scale businesses in Uyo local government area.					
8	Financial instruments or support systems have greatly enhanced access to finance for small-scale businesses in Uyo local government area.					
9	Microfinance institutions have greatly alleviated the challenges of inadequate access to finance for small-scale businesses in Uyo local government area.					
10	Lack of collateral requirements greatly affect the ability of small-scale businesses to secure financing and subsequently create jobs in Uyo local government area.					
11	Government policies play vital role in improving access to finance for small-scale businesses in Uyo local government area.					
<b>B</b>	<b>Poor Infrastructure</b>					
12	Poor infrastructure greatly affect the operational efficiency of small-scale businesses and their ability to generate employment in Uyo local government area.					
13	Specific types of infrastructure deficits such as transportation, electricity, internet access are most detrimental to the growth of small-scale businesses in Uyo.					
14	Public-private partnerships has greatly leveraged to improve infrastructure for small-scale businesses in Uyo local government area.					
15	The indirect effects of poor infrastructure on local economies has greatly affected employment rates in Uyo local government area.					
16	Infrastructural challenges vary between different sectors of small-scale businesses in Uyo local government area.					
<b>C</b>	<b>Lack of Business Skills</b>					
17	Lack of business skills among entrepreneurs impact the performance and employment generation potential of small-scale businesses in Uyo local government area.					
18	There is no effective training programs that enhance business skills among small-scale enterprise owners in Uyo local government.					
19	Educational background of small-scale enterprise owners greatly influence their ability to navigate challenges and generate employment in Uyo.					
20	Mentorship and networking play vital role in addressing the lack of business skills among small-scale entrepreneurs.					
21	Government and non-governmental organizations always collaborate to provide business skills training specifically tailored to the needs of small-scale businesses in different sectors in Uyo local government area.					
<b>D</b>	<b>EMPLOYMENT GENERATION DIMENSION</b>					
22	A lot of specific creative skills contribute most significantly to employment generation in small scale businesses in Uyo local government area.					
23	Many small-scale industries influence local economic growth through employment generation in Uyo local government area.					
24	Small-scale businesses face a lot of challenges in sustaining employment generation in Uyo local government area.					
25	Employment generation capacity of small scale businesses vary across different sectors in Uyo local government area.					
26	Government policies greatly play vital role in enhancing the employment generation capabilities of small-scale businesses in Uyo local government area.					