

## Funding and Accounting Records Keeping Factors Hampering the Growth of Small-Scale Enterprises in Enugu, Nigeria

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### Abstract

The high-rate failure of small-scale businesses in Nigeria needs timely intervention particularly in Enugu State. This, however, informed the present study to determine funding and accounting records keeping factors hampering the growth of small-scale enterprises in Enugu State. Two purpose statements, two research questions and four hypotheses guided the study. The research design was descriptive survey. Population of the study was 400 registered entrepreneurs in Enugu State. Simple random technique was used to select 100 registered entrepreneurs for the study. The instrument for data collection was a structured questionnaire. The questionnaire was tested for validity and reliability. Using Cronbach's alpha, the overall reliability coefficient was 0.82. Descriptive statistics of mean and standard deviation were used to answer the research questions. The t-test for non-correlated data was used to test the hypotheses at 0.05 level of significance. Findings from the study revealed among others that funding and accounting records keeping factors hamper the growth of small-scale enterprises in Enugu State. The findings revealed also that the respondents differ significantly in their mean ratings on funding factors that hamper the growth of small-scale enterprises in Enugu State based on location. Contrarily, the respondents do not differ significantly in their mean ratings on funding factors that hamper the growth of small-scale enterprises in Enugu state based on years of experience. On the other hand, the respondents differ significantly in their mean ratings on accounting records keeping factors that hamper the growth of small-scale enterprises in Enugu State based on location. Similarly, the respondents differ significantly in their mean ratings on accounting records keeping factors that hamper the growth of small-scale enterprises in Enugu state based on years of experience. This study concludes that small scale enterprise has been influential in bringing about economic transformation by providing goods and services to a large group of populace in Nigeria and Enugu State in particular. This has paved way for job creation, improving the standard of living, exploration of locally available materials, generation of taxes for government among others and based on the findings of this study, funding and accounting records keeping hamper the growth of small-scale enterprises in Enugu State.

**Keywords:** *Funding, Accounting, Growth, Small-Scale Enterprises*

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### **Background to the Study**

High rate of unemployment is a global problem. It cuts across all the countries of the world; the developed, developing, and underdeveloped. (Oppong & Sachs, 2015). However, the upsurge is more pronounced in underdeveloped and developing countries. The persistent high rate of unemployment in Nigeria has seemingly defied various approaches aimed at ameliorating it. Governments at all levels and at one time or the other employed various strategies and programmes to drastically reduce the rate of its increase all to no avail. Hence, majority of citizens have resorted to self-employment through small scale enterprise. Eni (2010) defined small scale enterprises as any business that is owned, managed and controlled by a sole proprietor or partners of about two persons, has total assets of less than four million naira and a relatively small share of the market with not more than fifty employees for its growth. In the view of Gbandi and Amisah (2014), classification of SSE in Nigeria is based on capital employed, turnover and number of employees.

Small scale businesses play a paramount role in development of the economy of developing countries and are seen as an engine of growth and development of many nations (Robert & Michael, 2012). Similarly, Fatai (2011) posited that SSEs are very vital springboard for growth, job creation and the socio-economic development of any nation. These enterprises are seen as the engine through which the growth objectives of developing countries can be achieved. It upgrades indigenous technologies through exploration of locally available raw materials. SSEs are essential promoters of sustainable economy and national development. It contributes immensely to national development because of its economic potentials in lifting countries out of poverty and directing it to food sufficiency, vibrant and sustainable economy. (Ministry of Finance, Planning and Economic Development, MOPFED Report in Kehinde, Abiodun, Adegbuyi & Oladimeji 2016).

Nigerian government through its economic regulatory agencies such as Corporate Affairs Commission (CAC), Central Bank of Nigeria (CBN) and Bureau of Public Enterprises (BPE) has recognized the importance of small-scale enterprises in the provision of employment to its citizens. According to Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) (2013), small businesses employed 80 percent of the Nigerian workforce. Shehu, Oni, Adeyinka and Omage (2013), stated that 97 percent of the Nigerian economy are small businesses and are contributing up to 70 percent of the country's job opportunities. Considering the importance of small businesses in the Nigerian economy, local, state and federal governments recognize the need to stimulate small businesses to provide employment, reduce poverty rate, and improve economic growth.

Despite the vital roles of small-scale enterprises and its potential impact to economic growth, the Nigerian operating environment still leaves much to be desired, especially with particular emphasis on Enugu State. Evidently, the growth of SSEs can be hampered by several factors, but this study is delimited to funding and Accounting Records Keeping.

Funding is one of the factors that can hamper the growth of small-scale enterprises in Nigeria and Enugu state in particular. Many small-scale enterprises have folded up due to

inaccessibility of funds. SSEs mostly source their funds from personal savings and soft loans from family members (Dugguh, 2015). According to Dugguh (2015) various Nigerian Government have initiated programs like People's Bank of Nigeria and National Economic Reconstruction Fund (NERFUND) aimed at subsidizing the cost of capital and increased access to credit by small businesses in the Nigerian economy. Dugguh, however, observed that most of such initiatives have not altered the problem of inadequate access to finance on the part of small business owners in the Nigerian economy.

An accurate and up-to-date account record keeping is crucial in running a profitable venture. In the view of Reynolds (2010), accounting records keeping are key sources of information and evidence used to prepare, verify and/or audit the financial statements and is vital to the growth of business establishment. According to Agbemava, Ahiase, Sedzro, Adade, Bediako, Nyarko and Kudo (2016), majority of SSEs do not keep proper accounting records otherwise referred to as incomplete records. SSEs owners have failed to recognize the importance of well-structured accounting system that would have enabled them keep accurate financial statement. Lack of accurate financial statement jeopardizes the chances of securing credit facility from banks and this in turn hampers the growth of SSEs and has led to dearth of growth and high rate of business failures.

Arguably, the most important factor of entrepreneurship and small business development is location which could include the nearness to raw material, accessibility to business premises, good road networks, concentration of the area of the business and others. Kala and Guanghua (2010) defined location as the choice of where a business is to be located, be it small, medium and large cities or urban or rural locations. This definition is in line with Esteban, Yancy and Christian (2010) who referred to location as the choice of locating your business either in the rural or urban centre and they also linked location with the type of products or services the firm tends to offer.

The entrepreneurs used in this study include registered entrepreneurs with different years of experience operating in urban and rural areas in Enugu State. Years of experience of an entrepreneur are very paramount to the success of the enterprise. This is because, if the small-scale enterprises are owned and managed by well-experienced individuals, the likely resultant effect will be business boom and success. According to McElwaine (2014), experience is the process or fact of personally observing, encountering, or undergoing something. Experience here can be categorized based on the number of years spent in operating a business outlet and could be grouped into experienced (6years and above) and less experienced (0-5years). It is possible that experienced entrepreneurs will handle different factors that hamper the growth of SSEs much better due to longer years of business experience than those with lesser experience.

Consequently, the findings of this study when disseminated through journal publication will be beneficial to owners/managers of small-scale enterprises, operators of commercial and micro finance banks and future researchers. The findings of this study are beneficial to owners/managers of small-scale enterprises. For owners and managers of micro and small

businesses, access to a study like this can aid their understanding of current challenges and reveal the essential factors that promote small business growth and survival and thus enable them to focus on the most important ones to enhance their growth and performance.

The study will assist microfinance institutions in their credit policy formulation strategies and to make favourable adjustment that will be beneficial to SSEs owners/managers. This could make people develop interest in going into small scale enterprise with the confidence that they will access startup capital. The findings of this study are beneficial to the Enugu State government. Successive governments in Nigeria have always had a policy programme for SMEs, but most of the programmes have failed to achieve sustainable growth in the SMEs sub-sector. Most of the government assisted programmes have themselves become failures.

It is also hope that these findings would contribute to the body of knowledge and stimulate more researchers' interest in this field of study. The scope of this study is delimited to funding and accounting records keeping factors hampering the growth of small-scale enterprises in Enugu State. Owners and managers of registered small-scale businesses situated in two senatorial zones in Enugu state was used as respondents in the study. The study is further delimited to intervening variables of location and years of experience of these business managers and owners.

### **Statement of the Problem**

Small scale enterprises (SSEs), represent the country's major opportunity for industrialization and contribute enormously to sustainable growth and socio-economic development in the areas of tax generation, provision of raw materials and creation of employment opportunities as well as poverty alleviation. Dearth of growth and closure of small-scale enterprises in Nigeria particularly in Enugu state is a threat to socio-economic development of the state. (Anah, 2017)

Moreover, the persistent high failure rate of SSEs in Enugu State has become a major threat to the socio-economic development of the state. These socio-economic threats are evident in inadequate education, corruption, cultural and religious discrimination, and unemployment to mention but a few. This rate of failure is connected to the way entrepreneurs perceive different factors that hamper the growth of SSEs in Enugu State. Where entrepreneurs perceive these factors as insurmountable or lack adequate knowledge of how to handle them, the ugly trend will persist. This study is, therefore conceived to empirically determine funding and accounting records keeping hampering the growth of SSEs in Enugu State as a major step in addressing the persistent high failure rate to enhance socio-economic development of the state.

### **Purpose of the Study**

The main purpose of this study was to determine funding and accounting keeping factors hampering the growth of small-scale enterprises in Enugu State.

Specifically, the study will determine;

1. Funding factors that hamper the growth of small-scale enterprise in Enugu State.

2. Accounting records keeping factors hamper the growth of small-scale enterprise in Enugu State

### **Research Questions**

The following research questions guided the study;

1. What are the funding factors that hamper the growth of small-scale enterprises in Enugu State?
2. What are the accounting records keeping factors that hamper the growth of small-scale enterprise in Enugu State?

### **Hypotheses**

The following hypotheses were tested at 0.05 level of significance

1. Entrepreneurs do not differ significantly in their mean ratings on funding factors that hamper the growth of small-scale enterprises in Enugu State based on location.
2. Entrepreneurs do not differ significantly in their mean ratings on funding factors that hamper the growth of small-scale enterprises in Enugu State based on location based on years of experience (0-5yrs and 6yrs above)
3. Entrepreneurs do not differ significantly in their mean ratings on accounting records keeping factors that hamper the growth of small-scale enterprises in Enugu State based on location.
4. Entrepreneurs do not differ significantly in their mean ratings on accounting records keeping factors that hamper the growth of small-scale enterprises in Enugu State based on years of experience (0-5yrs and 6 above)

### **Literature**

#### **Funding Factors**

One of the factors affecting the growth of small-scale enterprise in Nigeria is funding. According to Ololube (2017), the budgetary allocations set aside to assist and are available for SSEs growth and development in Nigeria is very small. Inadequate funding of SMEs stands as one of the major factors working against effective SSEs planning and implementation (Abeh, 2017). The capital base of would-be entrepreneurs in Nigeria is very low because of the poverty rate and most SSEs find it difficult to access loans from banks. As a result, many of them are undercapitalized. Contributing, Fayomi (2012) posited that entrepreneurs are faced with problem of finance and finds it difficult to raise funds for investment from the financial markets. However, when banks decide to grant them credit, it is usually at a high interest (Mawoli and Aliyu, 2010).

Financing small scale enterprises has become one of the main challenges that negate small business success in Nigeria. The capital to invest is critical to the growth of small businesses sustenance and survival. Gbandi and Amissah (2014) found the failure of small businesses to access long-term financing as the main source of small business failure in Nigeria. Similarly, Akinola and Iordoo (2013), asserted that inadequate funding of small businesses remains their barrier with Nigerian capital markets. A qualitative study by Ozioma-Elendimuo (2015) involving 100 small businesses in Aba, Nigeria found that lack of adequate funding was what

hinders their growth to be public limited companies. Bah and Fang (2015) found crime, inadequate infrastructure, corruption, regulations, and access to finance as the major external factors negating small business success, and the factors also affect small business access to finance. Most of the small businesses in Nigeria are undercapitalized due to the tendencies of owners depending on personal and family savings as a source of funding (Opara, 2011). A qualitative study by Cole and Sokoly (2016) revealed that most of the small businesses do not apply for loans from financial institutions because of the bureaucracies involved in loan application procedures.

According to Oliyede, (2012) financial institutions in Nigeria avoid risk associated with SMEs loans. With regard to the foregoing, Opara (2011) stated that poor records and unreliable collateral are the main reasons why financial institutions refuse loans to SMEs in Nigeria. Similarly, posited Olorunshola banks tend to feel unconcerned meeting the credit needs of SSEs and this was claimed as due to factors such as the operators' inadequate preparation of project proposals, incomplete financial documentation, inadequate collateral, and the inability to raise the required equity contribution.

Another peculiar challenge faced by small scale enterprise with regard to funding is high lending rate. Lending rate is the price demanded by the lender from the borrower for the use of borrowed money. According Kanayo, Jumare, and Nancy (2013), SMEs avoid loans from micro finance institutions because they charge high interest rates which make it difficult for them to make profits. High lending rate compels small businesses to reduce inventories, incur high production cost and experience sharp falls in sales which ultimately affect their profit margins and growth Kapila and Mead (2011) averred that high lending rates weaken firm balance sheets partially by reducing expected future profits and partially because small firms have long-term physical assets but mainly short-term liabilities. This maturity disparity implies that net current cash flows decline when lending rates increase, and also that the present value of assets declines relative to the present value of liabilities.

Collateral is another aspect of funding that hampers the successful running of SSEs in Nigeria. Generally, the term collateral refers to assets pledged by a borrower to secure a loan. The lender can seize these assets if the borrower does not make the agreed-upon repayments on the loan, so the lender has some protection if the borrower defaults (Anyanwu, 2011). Nnanna (2011) posited that collateral is just one of several important aspects of the lending decision. Its role is an essentially subordinate one. When all else fails, the bank can hope to turn to its claim on collateral as a means of covering or at least mitigating its losses. Gangata and Matavire (2013) revealed that not many SMEs are successful in accessing funding from financial institutions, this is because they fail to meet lending requirements, which include collateral security. In a nutshell, finance is an indispensable input in business, if SSEs will attain any form of growth. And where there is inadequate or lack of this vital input the sustainability of such venture will be questionable

#### **Accounting Records Keeping Factors**

Accounting records keeping for income and expenditure is the first essential step of accounting which provides a source of information to owners and all other interested parties.

(Maseko, 2011) stipulate that small scale enterprises recordkeeping is the backbone of one's business. Keeping accurate accounting records actually creates a profitable business. Germain, (2010) finds that most business operators especially those in SME's perceive record keeping as a method of recovering initial investment in the form of cash at the end of the accounting period. If SSEs are not maintaining proper accounting records long term sustainability of the business is under question.

According to Agbemava, Ahiase, Sedzro, Adade, Bediako, Nyarko and Kudo, (2016), majority of SMEs do not keep proper accounting records. SSEs owners have failed to recognize the importance of well-structured accounting system that would have enabled them keep accurate financial statement. Lack of accurate financial statement jeopardizes the chances of credit facility from banks.

Record keeping is vital to business management (Ademola, Samuel & Ifedolapo, 2012). In essence, the SSEs' owners or manager should be personally involved in record keeping. Proper record keeping ensures long term sustainability of the business and anticipates long term prospects. Small scale enterprises (SSEs) are crucial to economic growth and stability in developing countries particularly in sub-Saharan Africa. They constitute the largest proportion of businesses, generate employment, provide essential goods and services, contribute to the gross domestic products (GDPs), and enhance sustainable development of several countries (Eze & Okpala, 2015). However, studies across sub-Sahara African countries have shown that SSEs growth and performance has not been optimal (Olatunji, 2013). One reason that could be adduced from the inadequate business growth of SSEs is poor maintenance of accounting records.

In a study by Amaoka (2010), conducted in the Kumasi Metropolis of Ghana, it found that the SMEs do not maintain proper books of accounts mainly because the proprietors lacked the necessary accounting knowledge and could not afford the cost of hiring accounting professionals. These findings were buttressed by findings in a recent study in Ghana. In the study, Kofi, Adejei, Collins and Christian (2014) found that there was poor financial record keeping and inadequate financial reporting among SSEs in Ghana. These findings were consistent with findings in studies conducted in Nigeria and other countries.

It is often stated that business decisions need to be supported by good and quality financial information which needs to be relevant, user friendly and available in a timely manner, (Abdulrasheed, Khadijat & Oyebola, 2012). Where appropriate accounting should be an active steering tool to run and manage a business instead of representing another administrative burden that the SSEs has to comply with. It is important that the accounting records keeping for SSEs should fulfill such functions as providing essential financial information for the owners and managers in order for them to be able to manage the business in a competitive environment and to make informed decisions to prevent business failure and to expand the business. However, owners of SSEs may have particular needs and conditions, so that accounting systems need to be flexible in order not to impose unnecessary operative burden, (Abdulrasheed, Khadijat&Oyebola2012). However, many new business owners are daunted by the mere idea of bookkeeping and accounting.

## **Materials and Methods**

The descriptive survey research design was adopted for this study. Descriptive survey according to Nworgu (2015) is aimed at collecting data on, and describing in a systematic manner the characteristics, features or facts about a given population. The study was conducted in Enugu State. The people of the area are industrious and enterprising. The population for this study consisted of 400 owners of small-scale enterprises registered with cooperate Affairs Commission (CAC) Enugu. Purposive sampling technique was used to select 100 entrepreneurs drawn from two senatorial zones out of three existing ones in Enugu State. The sample size drawn represents thirty percent of the entire population; this is a good representative of the entire population. According to Brumeister and Aitken (2012), 30 percent sample size from a large population distribution of above 100 respondents is considered appropriate of the entire population.

Questionnaire was the instrument used for data collection. The questionnaire was validated by three experts in business education and measurement and evaluation from the Faculty of Education, Nnamdi Azikiwe University, Awka. The questionnaire has two sections, Section A and Section B. Section A contains items on the demographic data of the respondents while section B consists 2 clusters, B1 to B2. Cluster B1 contains 7 items while cluster B2 contains 6 items. Cluster B1 measured funding factors hampering growth of small-scale enterprise while cluster B2 measured accounting records keeping factors hampering growth of small-scale enterprises. Section B is structured on a four-point rating scale with response options of Strongly Agreed (SA), Agreed (A), Disagreed (D), and Strongly Disagreed (SD).

The reliability of the instrument was established using Cronbach Alpha statistics. This procedure according to Nworgu (2015) applies to instrument that are scored on multiple bases (polytomously). Data collected and analyzed yielded reliability coefficients of 0.81, 0.78 respectively, with an overall reliability coefficient of 0.82, indicating a high-level reliability of the items in the instrument. According to Agu (2012), reliability of 0.672 and above is deemed reliable. The instrument was administered to the study sample personally by the researchers with the help of research assisted who were briefed on the purpose of the study. Descriptive and inferential statistics were used in data analysis. Specifically, mean was used in answering the research questions, while standard deviation was used to determine the homogeneity or otherwise of the respondents' mean ratings. Null hypotheses were tested using t-test statistics for non-correlated data. The probability alpha level for rejecting or accepting the null hypotheses was set at 0.05 level of significance, If the significant value is equal to or greater than the alpha value, the null hypothesis will not be rejected; otherwise, it will be rejected. The statistical analysis was done using the Statistical Package for Social Sciences (SPSS) version 23.



## Results

**Table 1:** Respondents mean ratings on funding factors that hamper the growth of small scale enterprise in Enugu State

S/N	Funding Factors	Mean	SD	Remark
1	High cost of lending	3.28	0.74	Agree
2	Inadequacy of funds	3.87	0.64	Strongly Agree
3	High interest rate	3.50	0.68	Strongly Agree
4	Misappropriation of funds	3.13	0.70	Agree
5	Bureaucracies in accessing bank loans	3.84	0.65	Strongly Agree
6	Under-capitalization of SSEs	3.11	0.77	Agree
7	Inability to pay rents and other charges for business space	4.00	0.73	Strongly Agree
<b>Grand Mean</b>		<b>3.53</b>		<b>Strongly Agree</b>

Table 1 shows that two items have mean scores of 3.13 and 3.11 which means that the respondents agreed with them. The remaining four items have means scores ranging between 3.50 and 4.00 which means that the respondents agreed with them. The cluster mean score of 3.53 shows that the respondents agreed that funding factors hamper the growth of small-scale enterprise in Enugu State. The standard deviation for all the items is within the same range which indicates homogeneity of the respondent's view.

**Table 2:** Respondents mean ratings on accounting records keeping factors that hamper the growth of small scale enterprise in Enugu State

S/N	Record Keeping Factors	Mean	SD	Remark
1	Lack of quality financial information	3.10	0.74	Agree
2	Inability of entrepreneurs to separate personal and business accounts	3.13	0.74	Agree
3	Poor maintenance of accounting records	3.12	0.83	Agree
4	Lack of accounting knowledge by entrepreneurs	3.00	0.78	Agree
5	Poor financial reporting	3.00	0.84	Agree
6	Lack of skilled accounting personnel	3.00	0.87	Agree
<b>Grand Mean</b>		<b>3.06</b>		<b>Agree</b>

Table 2 shows that all the items have mean scores ranging between 3.00 to 3.13 which means that the respondents agreed with them. The cluster mean score of 3.06 shows that respondents agreed that accounting records keeping factors hamper the growth of small-scale enterprise in Enugu State. The standard deviation for all the items is within the same range and indicates homogeneity of the respondent's opinion.

**Table 3:** t-Test summary of respondents on funding factors that hamper the growth of small scale enterprises in Enugu State based on location

Variable	N	Mean	SD	Df	t-value	Sig. value	Alpha value	Decision
Urban	60	22.45	2.89	118	0.417	0.696	0.05	Not Significant
Rural	40	22.70	3.47					

Data presented in table 3 reveals the t-test summary on respondents mean ratings on funding factors that hamper the growth of small-scale enterprises in Enugu state based on location. The result reveals that the significant value (0.696) is greater than the alpha value (0.05), this implies that the respondents do not differ significantly in their mean ratings on funding factors that hamper the growth of small scale enterprises in Enugu State based on location ( $t = -$ ,  $df = 118, p > .05$ ). Hence the null hypothesis is not rejected.

**Table 4:** t-Test summary of respondents on funding factors that hamper the growth of small-scale enterprises in Enugu State based on experience.

Variable	N	Mean	SD	Df	t-value	Sig. value	Decision
0-5 years	42	22.35	3.04	118	0.156	0.558	Not significant
6 years and above	58	22.69	3.14				

Data reported in table 4 shows the t-test summary of the mean rating of respondents on funding factors that hamper the growth of small-scale enterprises in Enugu state based on years of experience. The result revealed that the significant value (0.558) is greater than the alpha value (0.05), this implies that the respondents do not differ significantly in their mean ratings on funding factors that hamper the growth of small scale enterprises in Enugu state based on years of experience ( $t = -$ ,  $df = 118, p > .05$ ). Hence the null hypothesis is not rejected.

**Table 5:** t-Test summary of respondents on accounting factors that hamper the growth of small-scale enterprises in Enugu state based on location

Variable	N	Mean	SD	Df	t-value	Sig. value	Decision
Urban	60	18.68	3.36	118	1.487	0.010	Significant
Rural	40	17.65	3.71				

Data presented in table 5 reveals the t-test summary on respondents mean ratings on accounting factors that hamper the growth of small-scale enterprises in Enugu state based on location. The result reveals that the significant value (0.010) is lesser than the alpha value (0.05), this implies that the respondents differ significantly in their mean ratings on accounting factors that hamper the growth of small scale enterprises in Enugu State based on location ( $t = -$ ,  $df = 118, p > .05$ ). Hence the null hypothesis is rejected.

**Table 6:** t-Test summary of respondents on accounting records keeping factors that hamper the growth of small-scale enterprises in Enugu State based on years of experience

Variable	N	Mean	SD	Df	t-value	Sig. value	Decision
0-5 years	42	17.68	4.18	118	1.905	0.000	Significant
6 years and above	58	18.86	2.83				

Data reported in table 6 shows the t-test summary of the mean rating of respondents on funding factors that hamper the growth of small-scale enterprises in Enugu state based on years of experience. The result revealed that the significant value (0.000) is lesser than the alpha value (0.05), this implies that the respondents differ significantly in their mean ratings on accounting records keeping factors that hamper the growth of small scale enterprises in Enugu state based on years of experience ( $t = 1.905, df = 118, p > .05$ ). Hence the null hypothesis is rejected.

### Discussion

The findings from the study revealed that high cost of lending, inadequate of funds, high interest rate, misappropriation of funds, bureaucracies in accessing bank loans, under-capitalization of SSEs and inability to pay rents and other charges for business space hampers the growth of SSEs in Enugu State. This finding corroborates the findings of Owenvbiugie (2015) which revealed that SSEs growth was hindered as result of inability to access funds from financial institutions as a result of stringent policies required by banks and other financial institutions. This finding is inconformity with the assertions of Ololube, (2017) whose findings observed that the budgetary allocations set aside to assist and are available for SSEs growth and development in Nigeria is very small.

The findings from the study further revealed that the respondents do not differ significantly in their mean ratings on funding factors that hamper the growth of small-scale enterprises in Enugu State based on location. Similarly, the respondents do not differ significantly in their mean ratings on funding factors that hamper the growth of small-scale enterprises in Enugu state based on years of experience. This finding agrees with the findings of Orji, Oba, Mgbeahuru and Elabor (2018) which found that there is a positive significant relationship between finance and business growth and development. These findings further agree with the findings of Tizhe-Oaya and Mambula (2017) which revealed that access to finance was found to be a sine qua non for a successful entrepreneurial development while in respect of interest rate charged on SSEs loans and advances; the entrepreneurs' ability to borrow was not hindered. Finance is an indispensable tool for successful running of SSEs in developing countries Nigeria inclusive. However, this important tool is negated thus the high rate of business failure.

The finding of this study revealed that lack of quality financial information, inability of entrepreneurs to separate personal and business accounts, poor maintenance of accounting records, lack of accounting knowledge by entrepreneurs, poor financial reporting and lack of

skilled accounting personnel hampers the growth of SSEs in Enugu State. This finding corroborates that of Akabom, Ejabu, Bogbo, Atu and Adejonpe (2015) which revealed that good accounting behaviour enhanced measurement of resources, internal control assessment and growth of SMEs.

On the other hand, the respondents differ significantly in their mean ratings on accounting factors that hamper the growth of small-scale enterprises in Enugu State based on location. Also, the respondents differ significantly in their mean ratings on accounting records keeping factors that hamper the growth of small-scale enterprises in Enugu state based on years of experience. This finding disagrees with the study of Onaolapo and Adegbite (2014) which reveals that there was a strong positive relationship between accounting records keeping and performance of small-scale enterprises. The findings further revealed that accounting records keeping is essential for decision making which invariably affects performance of small-scale enterprises.

### **Conclusion**

Small scale enterprise has been influential in bringing about economic transformation by providing goods and services to a large group of populaces in Nigeria and Enugu State in particular. This has paved way for job creation, improving the standard of living, exploration of locally available materials, generation of taxes for government among others. Based on the result of the findings, it could be concluded that funding and accounting records keeping factors hamper the growth of small-scale enterprises in Enugu State.

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