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Government Roles and Business Sustainability of Selected Small and Medium Scale Enterprises in Ogun State, Nigeria

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Abstract

Small and Medium Enterprises (SMEs) in a developing country contribute significantly to economic empowerment, poverty alleviation and income re-distribution of the nation, thereby improving the revenue growth of the government. In spite of these available benefits, SMEs in Ogun State, Nigeria are still being infested with deficiencies in sustainability specifically in the areas of economy and governance. While several studies have investigated the role of government support on these two dimensions in various sectors, less attention has been given to its impact on business sustainability - economic and governance specific in Ogun State, Nigeria. Hence this study examined the effect of government roles on business sustainability of selected SMEs in Ogun state, Nigeria. Specifically, the study examined the effect of government roles on economic sustainability and business governance of selected SMEs in Ogun State, Nigeria. The study adopted survey research design. The population comprised 1557 owners/managers of selected SMEs in Ogun State, Nigeria. The study adopted a sample size of 403 using Krejcie and Morgan (1970) sample size determination method with a well-structured adapted questionnaire, having a Cronbach's alpha reliability coefficients ranging from 0.719 to 0.823. Four hundred and three questionnaires were administered on the survey participants with a response rate of 93.6.9%. Collected data was analyzed using descriptive and inferential statistics. Multiple regression method of data analysis was adopted. Findings showed that government roles had positive significant effect on business sustainability in selected SMEs in Ogun State, Nigeria (Adj.R2 = 0.421; F(4, 381) = 70.200; $p < 0.05$). Specifically, the results revealed that government roles had a significant positive effect on economic sustainability (Adj.R2 = 0.268; F (4, 381) = 35.790; $p < 0.05$), and business governance (Adj.R2 = 0.316; F(4, 381) = 44.977; $p < 0.05$). The study concluded that government roles enhanced business sustainability and governance in selected SMEs in Ogun State, Nigeria. The study recommended that government decision makers should promote accessible financial support mechanisms and governance among SMEs in Nigeria for their sustainability.

Keywords: *Business governance, Business sustainability, Economic sustainability, Government roles, Small and medium scale enterprise*

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Background to the Study

Small and Medium Enterprises in a developing country contributes significantly to increasing the scope of the sector of the economy. The sector adds reasonably to employment generation, economic empowerment, poverty alleviation and income re-distribution of the nation, thereby improving the revenue growth of the government (Kwak and Rhee, 2019). Despite the available benefits, SMEs are still being infected with poor sustainability in the light of dwarf economic sustainability as well as ill governance. These two challenges (dwarf economic sustainability and ill governance) are capable of being liberated most likely by the intervention of government playing consolidating roles through provision of adequate infrastructure, security, stable government policies and financial supports to SMEs. Globally, the economic crises, lack of infrastructural development, resource scarcity, insecurity, unstable government policies and social inequality have prompted SMEs to prioritize sustainability. Hanney (2023) revealed the growing interest in business sustainability both in academic and business sectors worldwide, where 62 percent of the people want SMEs to prioritize business sustainability. However, SMEs that prioritize sustainability have the tendency to protect economy and enhance healthy business governance.

In South Africa, SMEs constitute 98.5% of the economy and operate in various sectors. However, achieving economic sustainability is challenging due to global economic, environmental, and financial crises. According to Bugwandin and Bayat (2022), SMEs business sustainability has been decreasing, with 75% of SMEs failing within three years of operation. As a result, the economy of South Africa is beset by poverty and inequality, considerable unemployment, carbon-intensive, insecurity and slow GDP growth. The specific business problem was that some SME business owners in South Africa lack economic sustainability strategies to stay in business beyond 5 years (Hoosain et al., 2023). However, the study of Khatun et al. (2021) showed that maintaining the existence, longevity of these SMEs are crucial, given their significant contribution to the country's economy.

The SMEs contribute approximately 70% of the gross domestic product (GDP) in Ghana and have a significant impact on income and the economic growth of the country (Amaglo, 2019). Lydia and Vannie (2020) noted that despite the significant contributions of SMEs to the nation's economy, a large number of these SMEs are not competitive and are struggling with sustainability due to many institutional challenges such as lack of infrastructural development, rigid government policies, insecurity and low financial support. These challenges impede the sustainability of SMEs. it is important to note that more than half of the SMEs in Ghana failed to survive in the first five years despite that they offered the primary prospect for job creation and economic development (Gyimah et al., 2019).

In Nigeria, SMEs contribute to economic development and create 80% of the jobs. Nevertheless, 80% of businesses are not sustained beyond five (5) years (Ajibola, 2020). The lack of sustainability is due to various factors, one of which is poor business governance policies aimed at developing small and medium-scale enterprises (Rakhmawati et al., 2020). It is clear that without genuine efforts by business manager to provide effective governance to support businesses, there cannot be sustainability. As a result, businesses in Nigeria have not been able to play the role of economic development worldwide (Rakhmawati et al., 2020). Considering that SMEs are fundamentally important in their contribution to the economy, maintaining sustainability remains objectively necessary (Adebisi & Bakare, 2019).

The governments' involvement in business is critical for developing economies to achieve long-term sustainability. These supports include adequate infrastructure, tax breaks, security, loans, social assistance, favourable government policies and financial assistance will enhance SMEs' sustainability when given adequate attention (Pu et al., 2021). In today's dynamic and competitive business environment, government roles to SMEs will facilitate business sustainability. Government roles in SMEs' sustainability in a transition economy may help businesses to become more environmentally conscious, socially responsible and develop a reliable governance structure. This may be an opportunity to help transform business attitudes toward sustainability and have a more persistent connection with the natural environment (Pu et al., 2021). While the role of government is not static, it is also a widely held belief that governments should act as catalysts for change. So, on one hand, changes in the economic environment profoundly modify what the government can and should do (Banerji & Sharma, 2022). Government policy, therefore, is viewed as a systematic decision focused on government interest (Birkland, 2019). The government has a strategic role in establishing various policies to create a healthy governance system for business sustainability (Sofyan et al., 2020). Though, various policies to support SMEs sustainability are put in place, but often, the model applied is not effective (Afsharghasemi et al., 2019).

Different studies have been carried out on government roles and business sustainability in different contexts (Dittrich & Peeters, 2019; Levy, 2019; Lopes & Bansal, 2021). Nevertheless, there is paucity of knowledge on the empirical effect of government roles on business sustainability especially as it concerns some of its dimensions in Nigeria. This creates some gaps in the literature. Specifically, studies on Government roles and economic sustainability have been conducted using different industries (Smith, 2021; Doe & Smith, 2022; Garcia, 2023), yet, empirical evidence is varied on the relationship between government roles and the economic sustainability of SMEs in Nigeria. While some argue that government intervention is necessary to promote long-term economic growth and stability, and that without effective government intervention, SMEs may face difficulties in accessing financial resources (Tavana et al., 2021; Kukk, 2021; Balboa et al., 2020), others contend that excessive government involvement can lead to inefficiency, waste, and even economic downturns (Kim, 2019; Martinez et al., 2020). It is on this basis that the study hypothesized that $\mathbf{H_{o1}}$**:** Government roles have no significant effect on economic sustainability.

Correspondingly, several studies have been carried out on government roles and business governance of SMEs with numerous outcomes (Kourula et al., 2019; Mizruchi, 2021). Yet, not enough has been done on the effect of government roles on business governance in Ogun State, Nigeria. According to Jones and Kalmi (2019), government's active role in corporate governance can lead to improved business performance and transparency. This is also corroborated by Nguyen et al. (2020) stating that effective government regulations positively affect business governance by promoting transparency, accountability, and ethical practices within organizations. Other authors (Fernandez-Feijoo et al., 2020; Kolk & Perego, 2019) believed that role of government in enforcing regulations and promoting compliance can influence corporate governance practices positively. However, Smith (2021) argued that excessive government regulations and bureaucracy can negatively affect business governance, leading to decreased efficiency and lack of sustainability. In the same vein, Gupta and Patel (2019) concurred with Smith's assertion that political interference and corruption in government decision-making can negatively impact on corporate governance, fostering an environment of unethical behavior and weak accountability which may constitute lack of sustainability. It based on this assumption that the study hypothesized that $\mathbf{H_{o2}}$**:** Government roles have no significant effect on business governance.

Review of Literature

Economic Sustainability

Jones and Kalmni (2019) define economic sustainability as the efficient allocation of resources, equitable distribution of wealth, and long-term economic growth. They stressed the importance of balancing economic progress with environmental and social considerations, thereby highlighting the interconnections of sustainability dimensions. Economic sustainability has also emerged as a critical concept in the field of economics, aiming to foster long-term growth and development while preserving natural resources and maintaining social well-being. It encompasses the idea of balancing economic progress with environmental protection and social equity (Sachs, 2020). Economic sustainability is characterized by environmental responsibility, social inclusivity, resilience and adaptability and stakeholder engagement. Economic sustainability involves considering the environmental impact of economic activities. This includes reducing resource consumption, minimizing pollution and waste generation, and promoting the use of renewable resources (UNDP, 2019). It also emphasizes long-term economic growth and development rather than short-term gains. It involves ensuring the continuity of economic activities and the equitable distribution of resources across generations (Porter & Kramer, 2019). On the benefits, implementing economic sustainability leads to cost reductions for SMEs. For example, adopting energy-efficient technologies, optimizing resource usage, and implementing waste reduction strategies can result in lower operational costs over time. In addition, integrating sustainability practices into business operations will enhance SMEs competitive edge in the market. According to Bello and Tijjani (2022) economic sustainability can also lead to enhanced reputation and brand for SMEs, foster customer loyalty, and attract socially conscious investors and partners. Economic sustainability opens up opportunities for SMEs to enter emerging markets while focusing on sustainable products and services. Based on the above review of literature, economic sustainability refers to the ability of an economy to support long-term economic growth and development while ensuring the well-being of present and future generations. It involves creating a resilient and inclusive economy that can withstand external shocks, provide opportunities for prosperity, and ensure the equitable distribution of resources and benefits.

Business Governance

Business governance is concerned with the systems and processes by which businesses are directed and controlled. It involves balancing the interests of business stakeholders, such as shareholders, management, customers, suppliers, financiers, government, and the community (Tricker, 2019). Business governance refers to the set of processes, practices, and structures through which a company is directed, controlled, and regulated to ensure its long-term viability (Tabassum & Singh, 2020). Furthermore, business governance establishes a set of relationships between a business's management, its board, its shareholders, and other stakeholders, determining the strategic direction and performance of the business (Hopt et al., 2021). It includes corporate strategies and practices geared towards business sustainability. Business governance is characterized by transparency in decision-making processes, financial reporting, and information disclosure to stakeholders. This includes providing accurate and timely information about the businesses' performance, risks, and governance practices (Hopt et al., 2021). The advantages of business governance emphasized that proper business governance can enhance the credibility of SMEs in the eyes of investors and lenders such as clear reporting mechanisms and risk management processes, as well as increase the likelihood of obtaining external financing. From the above review, it can be said that business governance is the system of rules, practices, and processes that guide and control the operations of a business organization. It encompasses the allocation of rights and responsibilities among stakeholders, the establishment of decision-making structures, and the implementation of mechanisms to ensure accountability and transparency (Yahaya & Nadarajah, 2023).

Government roles

The government refers to those actors who have exclusive authority over legitimate force in a specific territory (Kourula et al., 2019). Government role refers to the relationship between the action of actors and society. Indeed, there is a crucial role for governments in facilitating the transition to an economy that is much more efficient, much fairer, and much less damaging. The role of government support is important for the sustainability of SMEs and promotes the confidence of business actors. These indicate that government support is needed in building business sustainability so that it can be a pillar for economic development (Yang et al., 2019). According to Taneo et al. (2022), the government's proper function is to act as a catalyst i.e., to strengthen or even encourage businesses to increase their competitive performance. They also regulate business activities to protect consumers, employees, and the environment. These interventions aim to protect the public interest, promote fair competition, and ensure a level playing field for businesses in order to ensure their sustainability. Government roles are characterized by the establishment of policies and laws to ensure businesses operate fairly, safely, and responsibly. It includes enforcement of laws and regulations through agencies, such as the Securities and Exchange Commission, to protect consumers, investors, and businesses (Hitt et al., 2019), protection of businesses from external threats such as piracy, cyber-attacks, and terrorism (Ghauri & Cateora, 2019). Government roles have several advantages which include providing leadership and guidance, ensuring public safety and welfare, and promoting economic growth and development (Smith, 2019; Johnson & Lee, 2020; Williams et al., 2022).

Theoretical Framework

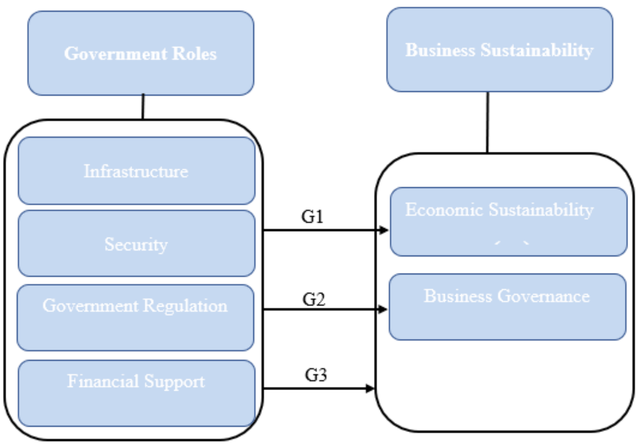
The key foundations of Institutional Theory were articulated in the early 1980s by DiMaggio and Powell, and then, the theory was further developed by Meyer and Scott in the same period (Scott, 1987). DiMaggio and Powell emphasized that governments, social institutions, and regulatory structures encourage organizations and urge them to comply with the specified rules and regulations to ensure their continual growth and prosperity (Al-Shaikh & Hanaysha, 2023). On the other hand, Meyer and Scott emphasized that business organizations have to conform to governmental pressures that aim to regulate business practices and ensure organizational development while considering stakeholders' interests (McCarron, 2021). The assumption of the institutional theory also suggests that formal institutions such as laws and regulations reduce heterogeneous behaviour by firms and shape corporate social behaviour as firms are put under pressure to meet social expectations (Nair & Bhattacharyya, 2019; Garg & Gupta, 2020).

Institutional theory was selected as the anchor theory for this study. The Institutional theory considers the processes by which structures including schemes, rules, norms, and routines become established as authoritative guidelines for social behavior (DiMaggio & Powell, 1983; Li et al., 2022). According to institutional theory, organizational or individual decisions are not driven purely by rational goals of efficiency, but by institutional environments such as social environment and cultural factors. This theory suggests that well-functioning institutions, including governments, are essential for economic development and stability. It underscores the importance of government roles in establishing and maintaining institutions that promote economic growth and social order. The Institutional theory is more appropriate for this study because it provides insights into how institutions, including government bodies, shape and influence the behavior of organizations and individuals. This theory posits that organizations tend to conform to the expectations and norms of their institutional environment, which includes government regulations and policies (Alam et al., 2021). This perspective is relevant for understanding how government regulations and initiatives can shape the sustainability practices of businesses. This view is particularly relevant to business sustainability because it emphasizes the need for businesses to develop and maintain their internal resources and capabilities to achieve long-term success.

Similarly, Institutional theory helps businesses comprehend the regulatory landscape in which they operate. This is vital for sustainability because adherence to regulations, such as environmental standards and labor laws, is essential to avoid reputational damage and legal consequences (DiMaggio & Powell, 1983). Institutional theory also highlights the role of governance in shaping organizational responses to change. Sustainable businesses need to innovate and adapt to evolving societal norms and environmental challenges (Oliver, 1991). In addition, the main benefit of the institutional theory to government roles and business sustainability of SMEs is that, it helps governments and businesses understand the broader institutional context in which they operate. This context includes legal, political, cultural, and social norms that influence decision-making and behavior (Ye et al., 2020). This can help SMEs benefit from forming alliances with other businesses, industry associations, and government agencies to navigate institutional complexities and gain access to resources and knowledge (Sahin & Mert, 2021). Thus, institutional theory is highly relevant to the government roles and business sustainability of SMEs.

Conceptual Model

The conceptual model presented below identifies the independent and dependent variables used in the study. The independent variable is government roles (X) measured by sub-variables of infrastructure, security, government regulations and financial support, while the dependent variable (Y) is business sustainability measured by sub-variables of economic sustainability and business governance. The model also reflects the interaction between independent and dependent variables, that is, government roles components on economic sustainability and governance in the selected SMEs in Ogun state, Nigeria.



Source: Researcher's Conceptual Model (2024)

Methodology

The study adopted survey research design. The population comprised 1557 owners/managers of selected SMEs in Ogun state, Nigeria. The study adopted a sample size of 403 using Krejcie and Morgan (1970) sample size determination method with a well-structured adapted questionnaire, having a Cronbach's alpha reliability coefficients ranging from 0.719 to 0.823. Four hundred and three questionnaires were administered on the survey participants, with a response rate of 93.6.9%. Collected data was analyzed using descriptive and inferential statistics. Multiple regression analysis was used for this study.

Findings

Restatement of Hypothesis One

H_{01}: Government roles have no significant effect on economic sustainability of selected SMEs in Ogun State, Nigeria.

Table 1: Shows the summary of multiple regression between Government role and economic sustainability of selected SMEs in Ogun State, Nigeria.

N	Model	B	Sig.	T	ANOVA (Sig.)	R	Adjusted R^2	F (4,381)
381	(Constant)	10.099	0.000	8.289	0.000[a]	0.525[a]	0.268	35.790
	Infrastructure	0.150	0.007	2.709				
	Security	0.206	0.000	3.810				
	Government Policy	0.122	0.043	2.031				
	Financial Support	0.089	0.125	1.538				
	Predictors: (Constant), Infrastructure, Security, Government Policy, Financial Support							
	Dependent Variable: Economic Sustainability							

Source: Author's computation, 2024 underlying data from Field Survey

Table 1 shows the multiple regression analysis results to examine the effect of government roles on economic sustainability of selected SMEs in Ogun State, Nigeria. The results showed that Infrastructure ($\beta = 0.150$, $t = 2.709$, $p < 0.05$); Security ($\beta = 0.206$, $t = 3.810$, $p < 0.05$) and Government Policy ($\beta = 0.122$, $t = 2.031$, $p < 0.05$) exerted a positive and significant value on economic sustainability of selected SMEs in Ogun State, Nigeria. Financial Support is the only factor that shows a positive but insignificant effect ($\beta = 0.089$, $t = 1.539$, $p > 0.05$) on economic sustainability. This implies that, Infrastructure, Security, and Government Policy are important factors in selected SMEs in Ogun State, Nigeria which in turn yields an increase in economic sustainability.

The R value of 0.525% supports this result and it indicates that government roles component has a strong positive relationship with economic sustainability of selected SMEs in Ogun State, Nigeria. The coefficient of multiple determination Adj.$R^2 = 0.268$ indicates that about 26.8% variation that occurs in the economic sustainability can be accounted for by the government roles while the remaining 74.2% changes that occurs is accounted for by other variables not captured in the model.

The predictive and prescriptive multiple regression models are thus expressed:

CMT = 10.099 + 0.150IE + 0.206SY + 0.122GY + 0.089FS + U_i---Eqn (i) (Predictive Model)

CMT =0.150IE + 0.206SY + 0.122GY + U_i ---------Eqn(ii) (Prescriptive Model)

Where:
IE = Infrastructure
SY = Security
GY = Government Policy
FS = Financial Support

The regression model shows that holding government roles to a constant zero, economic sustainability would be 10.099 which is positive. In the predictive model it is seen that of all the variables, financial support is positive and insignificant, so the management of the selected SMEs in Ogun State can downplay these variables and that is why they were not included in the prescriptive model. The results of the multiple regression analysis as seen in the prescriptive model indicate that when all other variables of government roles components (infrastructure, security and government policy) are improved by one-unit economic sustainability would also increase by 0.150, 0.206 and 0.122 respectively and vice-versa. This implies that an increase in infrastructure, security and government policy would lead to an increase economic sustainability of the selected SMEs in Ogun State, Nigeria. Also, the F-statistics (*df* = 4, 381) = 35.790 at p = 0.000 ($p < 0.05$) indicates that the overall model is significant in predicting the effect of government roles on economic sustainability which implies that government roles components except financial support are important determinants in the economic sustainability of selected SMEs in Ogun State, Nigeria. The result suggests that such of selected SMEs in Ogun State should pay more attention towards developing the components of the government roles especially infrastructure, security and government policy to increase economic sustainability. Therefore, the null hypothesis ($H_0$1) which states that Government roles have no significant effect on economic sustainability of selected SMEs in Ogun State, Nigeria was rejected.

Restatement of Hypothesis Two

H_{02}: Government roles have no significant effect on business governance in governance in selected SMEs in Ogun State, Nigeria.

Table 2: Summary of multiple regression between Government role and business governance of selected SMEs in Ogun State, Nigeria.

N	Model	B	Sig.	T	ANOVA (Sig.)	R	Adjusted R^2	F (4,381)
381	(Constant)	8.067	0.000	6.643	0.000[b]	0.569[a]	0.316	44.977
	Infrastructure	0.141	0.011	2.546				
	Security	0.157	0.004	2.908				
	Government Policy	0.090	0.136	1.492				
	Financial Support	0.252	0.000	4.369				
	Predictors: (Constant), Infrastructure, Security, Government Policy, Financial Support							
	Dependent Variable: Business Governance							

Source: Researcher's Findings, 2024

Interpretation

Table 2 above shows the multiple regression analysis results to examine the effect of government roles on business governance of selected SMEs in Ogun State, Nigeria. The results showed that infrastructure ($\beta = 0.141$, $t = 2.546$, $p < 0.05$); security ($\beta = 0.157$, $t = 2.908$, $p < 0.05$) and financial support ($\beta = 0.252$, $t = 4.369$, $p < 0.05$); exerted a positive and significant on business governance of selected SMEs in Ogun State, Nigeria. Government policy ($\beta = 0.090$, $t = 1.492$, $p > 0.05$) is the only factor that shows a positive but insignificant effect on business governance of selected SMEs in Ogun State, Nigeria. This implies that, infrastructure, security, and financial support are important factors in selected SMEs in Ogun State, Nigeria, which in turn yields an increase in business governance. The R value of 0.569% supports this result and it indicates that government roles component has a strong positive relationship with business governance of selected SMEs in Ogun State, Nigeria. The coefficient of multiple determination Adj.R^2 = 0.316 indicates that about 31.6% variation that occurs in the business governance can be accounted for by the government roles while the remaining 68.4% changes that occurs is accounted for by other variables not captured in the model. The predictive and prescriptive multiple regression models are thus expressed:

CMT = 8.067 + 0.141IE + 0.157SY + 0.090GY + 0.252FS + U_i---Eqn (i) (Predictive Model)
CMT =+0.141IE + 0.157SY + 0.252FS + U_i ---------Eqn(ii) (Prescriptive Model)

Where:
IE = Infrastructure
SY = Security
GY = Government Policy
FS = Financial Support

The regression model shows that holding government roles to a constant zero, business governance would be 8.067 which is positive. In the predictive model, it is seen that of all the variables, only government policy is positive and insignificant, so the management of the selected SMEs in Ogun State can downplay this variable and that is why it was not included in the prescriptive model. The results of the multiple regression analysis as seen in the prescriptive model indicate that when all other variables of government roles components (infrastructure, security, and financial support) are improved by one unit, business governance would also increase by 0.141, 0.157 and 0.252 respectively and vice-versa. This implies that an increase in infrastructure, security, and financial support would lead to an increase in business governance of the selected SMEs in Ogun State, Nigeria. Also, the F-statistics (df = 4, 381)= 44.977 at p = 0.000 ($p < 0.05$) indicates that the overall model is significant in predicting the effect of government roles on business governance which implies that government roles components except government policy are important determinants in the business governance of selected SMEs in Ogun State, Nigeria. The result suggests that such selected SMEs in Ogun State should pay more attention towards developing the components of the government roles especially infrastructure, security, and financial support to increase business governance. Therefore, the null hypothesis (H_02) which states that Government roles have no significant effect on business governance of selected SMEs in Ogun State, Nigeria was rejected.

Restatement of Hypothesis Three

Table 3: Summary of multiple regression between Government role and business sustainability of selected SMEs in Ogun State, Nigeria.

N	Model	B	Sig.	T	ANOVA (Sig.)	R	Adjusted R^2	F (4,355)
	(Constant)	7.754	0.000	7.987				
	Infrastructure	0.101	0.022	2.297				
	Security	0.204	0.000	4.730	0.000[b]	0.654[a]	0.421	70.200
	Government Policy	0.192	0.000	3.988				
381	Financial Support	0.146	0.002	3.180				
	Predictors: (Constant), Infrastructure, Security, Government Policy, Financial Support							
	Dependent Variable: Business Sustainability							

Source: Researcher's Findings, 2024

Interpretation

Table 3 above shows the multiple regression analysis results to examine the effect of government roles on business sustainability of selected SMEs in Ogun State, Nigeria. The results showed that infrastructure (β = 0.101, t = 2.297, $p < 0.05$); security (β = 0.204, t = 4.730, $p < 0.05$), government policy (β = 0.192, t = 3.988, $p < 0.05$) and financial support (β = 0.146, t = 3.180, $p < 0.05$); exerted a positive and significant on business sustainability of selected SMEs in Ogun State, Nigeria. This implies that, infrastructure, Security, government policy and financial support are important factors in selected SMEs in Ogun State, Nigeria which in turn yields an increase in business sustainability. The R value of 0.654% supports this result and it indicates that government roles component has a strong positive relationship with business sustainability of selected SMEs in Ogun State, Nigeria. The coefficient of multiple determination Adj.R^2 = 0.421 indicates that about 42.1% variation that occurs in the business sustainability can be accounted for by the government roles while the remaining 57.9% changes that occurs is accounted for by other variables not captured in the model. The predictive and prescriptive multiple regression models are thus expressed:

CMT = 7.754 + 0.101IE + 0.204SY + 0.192GY + 0.146FS + U_i---Eqn (i) (Predictive Model)
CMT =0.101IE + 0.204SY + 0.192GY + 0.146FS + U_i ---------Eqn(ii) (Prescriptive Model)

Where:
IE = Infrastructure
SY = Security
GY = Government Policy
FS = Financial Support

The regression model shows that holding government roles to a constant zero, business sustainability would be 7.754 which is positive. In the predictive model it is seen that all the variables are positive and significant, so the management of the selected SMEs in Ogun State cannot downplay these variables. The results of the multiple regression analysis as seen in the prescriptive model indicate that when all other variables of government roles components (infrastructure, security, government policy and financial support) are improved by one unit, business sustainability would also increase by 0.101, 0.204, 0.192 and 0.146 respectively and vice-versa. This implies that an increase in infrastructure, security, government policy and financial support would lead to an increase in business sustainability of the selected SMEs in Ogun State, Nigeria. Also, the F-statistics (df = 4, 381)= 70.200 at p = 0.000 ($p < 0.05$) indicates that the overall model is significant in predicting the effect of government roles on business sustainability which implies that all the government roles components are important determinants in the business sustainability of selected SMEs in Ogun State, Nigeria. The result suggests that such selected SMEs in Ogun State should pay more attention towards developing the components of the government roles especially infrastructure, security, government policy and financial support to increase business sustainability. Therefore, the null hypothesis ($H_0$3) which states that Government roles have no significant effect on business sustainability of selected SMEs in Ogun State, Nigeria was rejected.

Discussion of Findings

The study found that government roles have significant effect on economic sustainability of selected SMEs in Ogun State, Nigeria. This result agrees with other empirical results proving that government activities are mostly geared towards economic sustainability.

Zhang and Cheng (2023) for instance examined the role of transport infrastructure in economic growth. The study showed that transport infrastructure has a significant and positive effect on economic growth. This agrees with Acemoglu et al. (2023) who examined innovation and growth in the global economy. The result showed that government's action significantly influences economic sustainability through policy formulation, regulation, and resource allocation. Likewise, Wooseung and Boyoung (2019) found that, with government supports, entrepreneurship had a positive effect on business sustainability. Correspondingly, Olaore (2021) assessed the role of small and medium-scale enterprises (SMEs) as a catalyst to all things good in great economies. The study found a significant effect between entrepreneurship development and infrastructure development and employment generation. The study also found a significant effect between government policies and infrastructure development. Barlas (2020) finding as well concurred with the present study revealing a long-run significant effect of government spending on economic growth. He inferred that infrastructure is a critical factor in economic growth. This is also in harmony with the work of Onwukwe and Ifeanacho (2019) who found that there is a significant positive effect of SME growth on socio-infrastructural development. Nevertheless, Stiglitz (2021) deferred from the present finding in his article that there is no significant effect between growth of SMEs and government intervention with emphasis that voluntary transactions between individuals and businesses without government interference lead to better outcomes for society as a whole. Though, not much of this position is discovered in the literature.

The study further found that government roles have significant effect on business governance of selected SMEs in Ogun State, Nigeria. Empirically, the study is compatible with Kourula et al. (2019) who examined the new roles of government in the governance of business conduct. The study showed that government regulation has positive effect on governance of business conduct. Similarly, Maher and Andersson (2019) correspondingly found that business governance has an underlying impact on economic growth and development. These findings are in line with present study, in that, business governance and sustainability reflect not only the growing attention to sustainability in general, but also the growing recognition of the role it plays in corporate governance as regards to sustainability, hence government support for private sector has positive effect on business developmental process. In connection with this, Salvioni and Gennari (2019) found that regardless of the existing corporate governance structure, the change in business orientation towards sustainability virtually shifts every corporate governance system to excellence, ensuring greater stability of the board members and improving the company's risk profile. In addition, the findings showed that good governance will help companies realize their values and make more sustainable values. However, Smith (2021) deferred in his finding that excessive government regulations and bureaucratic red tape negatively affect business governance, leading to decreased efficiency and innovation. While Gupta and Patel (2019) in support revealed that political interference and corruption in government decision-making can negatively impact business governance, fostering an environment of unethical behavior and weak accountability. Summarily, there is a greater support from the literature perspective for significant effect of government intervention on the growth and development of SMEs in relation to corporate governance and economic sustainability.

Summarily, the study found that government roles have significant effect on business sustainability of selected SMEs in Ogun State, Nigeria. This result is in alignment with different empirical results. Hatani et al. (2018) in their study on the role of government and business growth and empowerment of Micro and Small Enterprises (MSEs) in Raha City of Southeast found that the role of government has positive and significant impact on business growth and empowerment of SMEs. Furthermore, the result of the study aligns with the study of Pu et al. (2021) which revealed that government activities in nurturing macro environment such as external credit availability, stable market interest rate, affordable tax rate, and reduced transaction cost, have positive effect on SMEs sustainability. The results of these studies agree with the study of Songling et al. (2018) on the role of government support in sustainable competitive position and firm performance. It revealed that government financial and nonfinancial support have a significant influence on sustainable competitive position. This outcome also aligns with Lee and Kim (2019) in their study on business sustainability of Start-Ups based on government support which revealed that government support had a positive effect on business sustainability. However, this result negates the findings of the study of Adegboyo et al. (2021) which revealed that government policies and interventions has negative effect on the development and implementation of sustainable practices in businesses. The implication therefore is that the result of the study does not agree with the present study and that of the aforementioned authors due to issues such as bureaucratic bottlenecks, inconsistent policies, corruption, and inadequate infrastructure.

Summary of Hypotheses

The findings from the descriptive analysis and hypotheses tested indicated that there was positive and significant effect of government roles on business sustainability in selected SMEs in Ogun State, Nigeria. The summaries of results of hypotheses are presented in table 4.

Table 4: A Summary of the Tested A *priori* Hypotheses of the Study

Hypotheses	**Results**	**Decisions**
$H_0$1: Government roles have no significant effect on economic sustainability in selected SMEs in Ogun State, Nigeria.	$\beta_1 - \beta_4 > 0$; $Adj.\ R^2 = 0.268$; $F(4, 381) = 35.790$; $p < 0.05$	Reject
$H_0$2: Government roles has no significant effect on business governance selected SMEs in Ogun State, Nigeria.	$\beta_1 - \beta_4 > 0$; $Adj.\ R^2 = 0.316$; $F(4, 381) = 44.977$; $p < 0.05$	Reject
$H_0$3: Government roles have no significant effect with business sustainability in selected SMEs in Ogun State, Nigeria.	$\beta_1 - \beta_4 > 0$; $Adj.\ R^2 = 0.421$; $F(4, 381) = 70.200$; $p < 0.05$	Reject

Source: Researchers' Findings 2024

Conclusion and Recommendations

From the results of the analysis, the study concluded that government roles enhanced business sustainability in selected SMEs in Ogun State, Nigeria. Specifically, the results revealed that government roles contribute to the economic sustainability and governance of selected SMEs in Ogun State, Nigeria. The study has implications for small business owners by creating awareness on how to grow their businesses through various government interventions. An effect of this awareness will lead to advocacy for supportive government policies by highlighting areas where compliance can be streamlined or where additional support is needed to navigate regulatory requirements. This will also help to identify opportunities for collaboration, and create a more favourable environment that encourages effective business sustainability and governance to regulate and empower the citizens economically thereby contributing to the economic growth and development of the nation. Finally, government agencies will identify specific needs of SMEs, understand the challenges and opportunities facing SMEs and develop policies and programs that better support their sustainability.

Based on the findings of the study, the following recommendations are made:

i. The government policy makers should place priority in investing on critical infrastructure such as transportation, energy, and digital connectivity to support the operational need of SMEs and enhance competitiveness. This should be done by conducting a comprehensive needs assessment and integrate modern technologies into infrastructure projects in alignment with the sustainability requirements of SMEs;

ii. The government policy makers should develop and promote accessible financial support mechanisms, including low interest loans, grants and venture capital to facilitate SME growth and sustainability. This can be done through implementation of financial literacy programs to educate SME owners on available funding options and means of accessibility;

iii. Business governance and public policies should support innovation and technology adoption among SMEs through incentives, funding, and technical assistance.

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