Impact of Microfinance Services on Performance of Small and Medium Scale Enterprises (SMEs) In Zaria Metropolis

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A b s t r a c t

The success of Micro Finance Institutions (MFIs) across the world have increasingly become enthusiastic in the promotion of financial services to the poor as a development intervention tool and specifically to reduce poverty a-s it stimulates the growth of micro enterprises by developing new markets and promoting a culture of entrepreneurship. However, the efficiency of the MFIs in the highly volatile environment of Small Medium Enterprises (SMEs) in Nigeria has not been empirically investigated in Zaria metropolis. It was on this note that the study examines the Impact of Microfinance services on Performance of Small and Medium Scale Enterprises in Zaria metropolis. The research design used was cross sectional and descriptive. A sample of 300 SMEs operating with Cred Microfinance bank within Zaria Metropolis were selected. Primary data was used while questionnaire was the data collection instrument adopted. Data was analyzed using regression analysis where SPSS 20.0 was used to process the data. The study revealed that the microfinance services have significant impact on the level of entrepreneurship activities of SMEs in Zaria metropolis. The study recommends that the amount of loan given by MFIs to SMEs should be increased and they should also be encouraged to save to enable them grow and propel their enterprises.

Keywords: *Microfinance, Micro-loan, Micro-savings, SMEs, Zaria metropolis.*

Background to the Study

The Nigerian government has over the years embarked on series of policy and institutional reforms aimed at enhancing the flow of finance from the banking sector to Small and Medium Enterprises (SMEs) as well as those involved in the petty business (Micro) activities and to entrepreneurial ventures at the informal level in particular. However, the important objective of boosting the performance of the entrepreneurial activities of SMEs has not materialized. Traditional Banks perceive micro activities as bad risk, hence have little interest in funding the sector, this is coupled with issues of high transaction costs and short tenor of payback period when funding is considered. Since a robust economic growth cannot be achieved without putting in place well focused programmes to reduce poverty through empowering the people by increasing their access to formal financial services, the Central Bank of Nigeria (CBN 2005) as part of its banking reform agenda embarked on licensing Microfinance Institutions (MFIs) aimed at providing financial services to entrepreneurs who are not served by the conventional financial institutions (Ozioko, 2010). Emphasis, therefore, shifted from large-scale industries to SMEs, which have the potentials for developing domestic linkages for rapid and sustainable industrial development. According to Yarron (1998) Nigeria has remarkable entrepreneurs who need support at every level and this includes Micro, Small and Medium Enterprises as well as big businesses. A common characteristic of these enterprises is their need for good financing.

SMEs are critical agents of economic transformation as they account for more than 50 percent of Gross Domestic Product (GDP) of developing economies, are main source of innovation and technological development, source of supply of both human capital and raw materials to larger businesses and main source of entrepreneurship and enterprise (Sanusi, 2003). The contribution of the SME sector to the Nigerian economy is crucial for the achievement of the broader development objectives such as poverty alleviation, spreading of employment opportunities and increasing indigenous ownership of resources in the economy (Chidoko, Makuyana, Matungamire, & Bemani, 2011). SMEs contribute nearly half of Nigerian GDP and accounts for over 25 percent of employment in the country. There are 17 million SMEs in Nigeria, employing 32.41 million persons and contributes about 46.54 percent to the nation's GDP in nominal terms (National Bureau of Statistics 2013).

Small and Medium Enterprise Development Agency of Nigeria (SMEDAN 2005) defined SMEs based on the following criteria small scale enterprises are businesses with ten to fourty nine people with annual turnover of five to fourty nine million Naira, while a medium scale enterprise have fifty to one hundred and ninety nine people and annual turnover of fifty to four hundred and ninety nine million Naira

With the existing inclination of economic activities in Zaria metropolis in Kaduna State, SMEs are undoubtedly recognized by the government, private individuals and developmental experts as the main engine room for any nation's growth and development which can be summarily referred to as the bedrock of the nation. However, despite the huge contributions of SMEs to national development, they are contending with numerous

challenges. Lawson (2007) emphasized that lack of access to finance has been identified as one of the major constraints to SMEs. The reason is that provision of financial services is an important means for mobilizing resources for more productive use (Watson and Everett, 1999). The extent to which small enterprises can access fund determines the extent to which small firms can save and accumulate their own capital for further investment (Hossain, 1988), but SMEs in Nigeria find it difficult to gain access to formal financial institutions such as commercial banks for funds because they generally lack the requirements. This inadvertently hinders their performance. The inability of the SMEs to meet the conditionality of the traditional financial institutions for loan consideration provided a platform for attempt by informal institutions to fill the gap usually based on informal social networks; this is what gave birth to micro-financing.

There are several definitions to the concept of microfinance. Otero and Rhyne (2007) described microfinance as a revolution that involves the large scale provision of small loans and deposit services to low income people by secure, and conveniently located. It includes a broader range of services mainly credit, savings opportunities, insurance, money transfers and other financial products targeted to the poor and entrepreneurs (Ojo, 2009). Most people think of microfinance, if at all, as being about micro-credit i.e. lending small amounts of money to the poor. Microfinance is not only this, but it also has a broader perspective which also includes insurance, transactional services, and importantly, savings (Khan and Rahaman 2007).

Savings is a common word used by individuals on daily basis. It simply means putting something aside for future use or what will be considered as deferred expenditure (Amu and Amu, 2012). Micro- savings as a microfinance service enable people with few assets to save, since they could make weekly savings as well as contribute to group savings, and such savings are mobilized by the microfinance institutions for further lending as loan to other clients (Mkpado & Arene, 2007). Consequently, SMEs lack access to formal savings; many of them are unaware of the importance of this service especially as it could serve as an insurance buffer for them in terms of shocks.

Balasubramanian, Kumar, and Subramanian, (2012) defined micro-credit as the extension of small loans to low-income individuals who typically lack collateral, steady employment, and a verifiable credit history. Access to finance is also identified as a key constraint to the poor in securing their savings or to SMEs attempting to grow and expand their businesses. Schumpeter (1973) also stresses the role of credit in financing innovation to bring about development. In his theory, economic development arises as a result of innovation which is attributed to entrepreneurs. But without credit the benefits may not be realized by the society and here lies the argument for continuous financial support for SMEs to realize its full potential.

Bryman (1992) described performance as the result from a person's effort which is achieved by the presence of labour, ability and assignment perception, effort because of motivation, satisfaction, and organizational commitment that shows the amount of energy used by an individual in initiating a task. Therefore, a good measurement of

organizational performance must be able to consider the goal of the owner designed to promote the business such as SMEs in the areas of some specific results as output and profitability (Marr & Schiuma, 2003).

The two main mechanisms for the delivery of financial services to clients by Microfinance institutions are: relationship based banking for individual entrepreneurs and small businesses; and group-based where several entrepreneurs come together to apply for loans and other services as a group (Ameer & Jamil, 2013). In a country where only one in ten working Nigerians is formally employed and underemployment is estimated at 70.5 percent, microfinance, SME finance and branchless banking are important in supporting growth and reducing poverty through employment creation (National Bureau of Statistics, 2006).

Statement of Problem
The bedrock of any nation's industrial development is entrepreneurial activities this can be attested with economic breakthroughs in the Asian tigers. The economic boom recorded in some of the Asian countries which is not unconnected to SMEs have lifted hundreds of millions of people out of poverty and created tens of millions of new middle-class consumers (Wang et al, 2011). The role of financial institutions in development of a country is demonstrated through the crucial role that savings and credit play in economic growth (Armendariz de Aghion and Morduch 2005). Unfortunately, traditional banks in Nigeria are reticent in offering financial services to the poor, because they are usually unable to meet their requirements. It is worrisome that despite the potential importance of SMEs in any economy, high mortality rate among established SMEs is becoming a reoccurring phenomenon in Nigeria.

According to a SMEDAN 2010 report, only 15% of newly established businesses survive the first five years in Nigeria. The ones that survive after this period usually record poor performance. The crucial role of finance to the growth and survival of SMEs and the adoption of microfinance as the main source of financing SMEs in Nigeria is pivotal. It therefore makes it imperative to study the extent to which microfinance can enhance small business performance. Besides, the empirical evidences emerging from various studies about the effect of microfinance on entrepreneurial development have so far yielded mixed results that are inconclusive and contradictory. Some studies only looked at microfinance and poverty alleviation (Electrin et al, 2013, Kiiru and Kenia 2007, Boadu, 2009), other studies looked at microcredit alone as an intervention tool for entrepreneur development (Akingunola et al 2013,) others looked at the presence of microfinance institutions as a catalyst for entrepreneurial development (Ozioko, 2007, Alalade 2013 Ojo, 2009). Question of whether specific microfinance services (micro-credit, micro-savings) improves or worsens SMEs performance is still worthy of further research such as the one being undertaken in this study.

Objectives of the Study

The main objective of this study is to examine the impact of Microfinance services on the performance of SME's in Zaria metropolis. The specific objectives are:

i.   To investigate the impact of Micro-credit from Microfinance bank on the performance of SME's in Zaria metropolis.

ii.   To identify impact of Micro-savings of Microfinance bank on performance of SME's in Zaria metropolis.

Research Questions

Based on the problem stated above, this study seeks to answer the following questions:

i.   Does micro-credit provided by microfinance bank have impact on SMEs performance in Zaria Metropolis?

ii.   Does micro-savings provided by microfinance bank have impact on SMEs performance in Zaria Metropolis?

Research Hypotheses

H_o: Micro-credit from Microfinance bank has no significant impact on the performance of SME's in Zaria metropolis.

H_{o2}:   Micro-savings from microfinance bank does not have significant impact on SME's performance in Zaria metropolis.

Literature Review

Concept of performance

Performance according to Obiwuru, Okwu, Akpa and Nwankwere (2011) refers to ability of an organization to achieve such objectives as high profit, quality product; large market share, good financial results and survival at pre-determined time using relevant strategy for action. Consequently, Wang, (2010) viewed performance as product accomplishments, results and achievements in an organization. Williams and Andersons, (1991) also defined performance as employee's achievement level in his/her responsibility and duties assigned in the workplace. Understanding determinant factors of SMEs performance is considered an important area of focus in Enterprises (Rosli, 2011). This is because SMEs contribute to employment growth at a higher rate than larger firms. Anastasia (2008) viewed that organizational performance construct can be measured by effectiveness, efficiency, satisfaction and innovation of the product. According to Apolot (2012), organizational assessments of performance in sales growth, customer satisfaction and profitability were measure in their businesses. This study therefore adapts the definition of both Apolot (2012) and Anastasia (2008).

Concept of Microfinance

One such poverty alleviation tool is microfinance, which has gained worldwide recognition since the 1990s and has been proven to have positive impact on poverty levels and entrepreneurship development in developing countries (Hossain et al, 2008). Microfinance is the provision of financial services to the poor, aiming to empower low-income populations by providing them with access to credit and other financial services. Through MFIs, the poor can obtain collateral-free loans at relatively low interest rates and

use the money for creating microenterprises (small businesses owned by poor people), funding children's education, and improving households, among others. Aside from microcredit (small loans to the poor), MFIs have also developed numerous financial services, such as micro-insurance and micro-mortgage that are designed to accommodate the poor's financial needs. Most of these institutions have also required their clients to open up savings accounts, which could be used for emergency and investment purposes (Carr & Tong, 2002).

The Canadian International Development Agency (CIDA) defines microfinance as, "the provision of a broad range of financial services to poor, low income households and micro enterprises usually lacking access to formal financial institutions" (CIDA, 2002).Micro-finance is defined as the provision of financial services and the management of small amounts of money through a range of products that are targeted at the poor people. This product includes loans, savings, insurance etc (United Nation, 2005). Also, micro finance is defined as 'the provision of credit, savings, and other financial services to lower-income groups' (Almeyda & Branch, 1999). Microfinance, according to Otero (1999) is 'the provision of financial services to low-income poor and very poor self-employed people'. Microfinance came into being from the appreciation that micro-entrepreneurs and some poorer clients can be 'bankable', that is, they can repay, both the principal and interest, on time and also make savings, provided financial services are tailored to suit their needs. This study however adopts the definition of Almeyda and Branch (1999) this is because it highlights the dependent variable (performance) and the independent variables (micro-credit and micro-savings).

Concept of Microcredit
According to Micro-credit Summit (2002), Microcredit is the extension of small loans to entrepreneurs too poor to qualify for commercial bank credit. Micro-credit is the provision of cash and in kind loans in smaller amounts to micro, small entrepreneurs meant to improve their business operations. Sinha and Matin (1998) states 'microcredit refers to small loans, whereas microfinance is appropriate where NGOs and Microfinance Institutions (MFIs) supplement the loans with other financial services such as savings, insurance, etc'. Thus microcredit is a component of microfinance in that it involves providing credit to the poor. Credit provides the basis for increased production efficiency through a specialization function (Kimemia, 2004).

Concept of Micro-savings
Savings mobilization has recently been recognized as a major force in microfinance. In the past, microfinance focused almost exclusively on credit; savings were the "forgotten half" of financial intermediation (Vogel 1984). Balasubramanian, Kumar, and Subramanian, (2012) defined micro-savings as product that consists of a small deposit account offered to low-income individuals as an incentive to store funds for future use. Often, minimum balance requirements are waived, or are very low, allowing users to save small amounts of money and not be charged for the service. Scott (2003) defines savings as income not spent or differed consumption. Weath (2009) argued that Economists identify two distinct motives for saving. The first is the precautionary motive; future income is uncertain and if

people are risk averse it then makes sense to abstain from consuming income completely immediately so that a reserve is available to maintain consumption should income be lower than expected. The second motive is the life-cycle motive. People typically plan to retire; in order to finance their spending in retirement they need to save up out of their earnings while they work.

Concept of SME in Nigeria
Small scale businesses, Small scale industries and small scale entrepreneurship are used interchangeably to mean a Small and Medium Enterprise. Its deliberation was to refer to the operational definition. In Nigeria and worldwide, there seems to be no specific definition of small business. Different authors, scholars, and schools have different ideas as to the differences in capital outlay, number of employees, sales turnover, fixed capital investment, available plant and machinery, market share and the level of development, these features equally vary from one country to the other.

In Nigeria, for example, the Third National Development plan defined a small scale business as a manufacturing establishment employing less than ten people, or whose investment in machinery and equipment does not exceed six hundred thousand naira (Kayode, 2010). Similarly, Central Bank of Nigeria (CBN) in its credit guidelines, classified small scale business as these business with an annual income/asset of less half a million naira (N500,000) (Kayode, 2010). Also, the Federal Government Small Scale Industry Development Plan of 1980 defined a small scale business in Nigeria as any manufacturing process or service industry, with a capital not exceeding N150, 000 in manufacturing and equipment alone. In the same vein, the Small Scale Industries Association of Nigeria (1973) also defined small scale business as those having investment (i.e. capital, land building and equipment of up to N60, 000 (pre-SAP Value) and employing not more than fifty persons. While, the Federal Ministry of Industries defined it as those enterprises that cost no more than N500, 000 (pre-SAP Value) including working capital to set up. In addition, the Centre for Management Development (CMD) definition of small industry in the policy proposal submitted to the federal government in 1982 defined small scale industry as, "a manufacturing processing, or servicing industry involved in a factory of production type of operation, employing up to 50 full-time workers" (Kayode, 2010). In the United States, the Small Business Administration (SBA) defines a small business as one that is independently owned and operated and is not dominant in its field, and meets employment or sales standard develop by the agency (White & Chacaltana, 2002).

Review of Literature
Ameerand & Jamil (2013) examined the effectiveness of microfinance loans in Pakistan. The purpose was to find out how much the microfinance loans were effective in Pakistan from the borrower perspective. The sample comprised of 40 clients that had collected loan before while regression analysis was adopted as tool of analysis. The finding showed that loan procedures had impact on loan consumption but income does not depend on the consumption of the loans. Consequently, the study only concentrated on loan (microcredit) leaving out micro-savings. The study also considered loans given individually to enterprises and not as a group.

Fant (2010), examined micro-credit as a poverty reduction tool in the Savelugu/Nanton district in northern region of Ghana. The sample comprised of 40 respondents and content analysis was adopted. The study found out that there are marked improvement in household economic variables such as increased level of incomes, saving, expenditures on consumption and acquisition of assets. However, the study only looked at microcredit as an intervention and didn't consider micro savings. Consequently, the study was based on a government micro credit scheme (MASLOC scheme) not clients that patronize a microfinance institution.

Ojo (2009) investigated the impact of microfinance on entrepreneurial development of small scale enterprises that are craving for growth and development in a stiffened economy called Nigeria. The sample comprises of 60 entrepreneurs in Lagos State while Chi square, analysis of variance and simple regression analysis were adopted as tools of analysis. The study found that there is a significant difference in the number of entrepreneurs who used microfinance institutions and those who do not use them while there is a significant effect of microfinance institutions activities in predicting entrepreneurial productivity; and that there is no significant effect of microfinance institutions activities in predicting entrepreneurial development. Consequently, the study only looked at individual lending, not group lending by SMEs.

Electrin, Mosoti, George, Mandere, Jonathan, Kagumba and Njenga (2013) investigated the impact of micro-finance services on poverty alleviation in Kisii County Kenya. The study employed a causal study. The population for this study consisted of six microfinance institutions registered under AMFI that were consistently operational in the Kisii County between January 2008 and December 2013. Stratified random sampling was used to select 200 respondents for the study. Data was collected by use of a questionnaire. The data was pre-processed using Statistical Package for Social Sciences (SPSS). Multiple regression analysis between different variables related to standards was conducted to determine whether a group of variables together predicted a given dependent variable. The study found out that the four variables considered in this study were relevant in explaining the effects of microfinance institutions on the poverty alleviation in Kisii County. Credit facilities had the highest impact followed by personal savings of the residents, training services and finally insurance. The study however looked at poverty alleviation and not performance of small business enterprises.

Babajide (2011) investigated the effects of micro-financing on Micro and Small Enterprises (MSEs) in South-west Nigeria. The sample of the study is four hundred and forty three (443) micro enterprises and one hundred and eighty (180) small enterprises while Survival Analysis and multiple regression analysis were adopted as tools of analysis. The findings revealed that micro finance and micro-financing enhance survival of Micro and Small Enterprises (MSEs) but not sufficient for growth and expansion of such Micro and Small Enterprises.

Alalade, Amusa and Adekunle (2013) examined the relationship and causality between microfinance bank operations and Entrepreneurship development in Ogun State, Nigeria. Survey research design was adopted and data collected through financial statement of some selected microfinance bank operators within Ogun state and the use of questionnaires to collect data from a sample of 20 entrepreneurs from each of the four zones in Ogun State which are Ijebu, Egba, Yewa and Remo zones. The impact of microfinance bank operations and Entrepreneurship development in Ogun State, Nigeria was analyzed using the regression analysis method. The study revealed that there is no significant impact of microfinance bank operations on entrepreneurial development in Ogun State.

Akingunola, Adekunle, Adegbesan and Aninkan (2013) determined the impact of microfinance on entrepreneurship development in Nigeria with a special reference to Ogun State. The sample of the study comprises of 300 entrepreneurs in the state while Ordinary least squares (OLS) regression method was adopted as tool of analysis. The study revealed the existence of positive relationship between microfinance and entrepreneurship development in Nigeria. It further revealed that microfinance contribute to entrepreneurial activities that can lead to sustainable development in Nigeria.

Theoretical Framework
This study is underpinned by growth theory propounded by Harold (1939) and Dolmar (1946), known as the Harold Dolmar growth model. The assumption behind this model is that, for steady state of growth, aggregate demand must grow at the same rate as an economy's output capacity grows. The model has the following implication to this study, first we see the need for investment, if an entrepreneur has to grow, and this idea corresponds to the loans and savings given by MFIs to enable more investment by small entrepreneurs. The implication is that, despite the effort made to lend to entrepreneurs, their business prosperity is limited by the country and the global economic performance. As national economic performance grows the SMEs and members also perform well because there will be more business opportunities. The theory believes that the activities of the microfinance banks in form of credit provision, savings mobilization, insurance, training etc serves as a useful tool for increasing the productive capacity of the users. The importance of microfinance banks in generating growth has been widely discussed in literature. In addition, Bencivenga and Smith (1991) explained that development of microfinance banks and efficient financial intermediation contributes to economic growth of rural area by channelling savings to high productive activities and reduction of risks that may endangered their productive capacity.

Methodology
Study Area
The study was conducted in Zaria local government of Kaduna State, Nigeria. The choice for the location is because it has the largest concentration of SMEs in Kaduna State (Kaduna state ministry of commerce). The study specifically dealt with those enterprises that are centered in Zaria Metropolis which are small and medium enterprises beneficiaries of Cred Microfinance bank services.

Scope of the Study

The scope of this study focuses on analyzing the Impact of Microfinance services on performance of SMEs in Zaria metropolis. The study will only be limited to the two micro finance services (loan, savings) provided by the Microfinance bank to the Different SMEs that engage in different business activities within Zaria metropolis and registered with Cred MFI were selected.

Research Design

This study made use of descriptive design where data was collected using questionnaire and analysed with quantitative techniques.

Population of the Study

The population comprised of 300 registered SMEs. These enterprises are registered with Cred Microfinance Bank, Zaria. Census sample was used and the total population of 300 was taken as sample.

Method and Sources of Data

Questionnaire was adopted as the instrument of data collection. The questionnaire measuring micro-savings and micro-credit was adapted from the study of Msoka (2014). Performance was measured by profitability, sales growth, innovation, effectiveness, efficiency and customer satisfaction questionnaire was adapted from Anastasia (2008) as well as Apolot (2012). The instruments had a five-point rating scale of Strongly Agree, Agree, Disagree, Undecided and Strongly Disagree response options.

The model estimated for the study is presented below:
$$SP = \alpha i_+ \beta iIF + \beta_2 IC + \varepsilon$$

Where:
SP-   Information on SME's Performance
αi –   Intercept of the model
β-   The slope coefficient
IF-   Information on Micro-loan
IC-   Information on Micro-savings
ε -   Random disturbance term.

Result and Discussion
Table 1: Model Summary

Model	R	R^2	F	Sig
	0.077	0.066	5.062	0.04

In table 1, R explains the relationship between the explained and the explanatory variables. This is explained up to (0.077) which is 7.7%, showing that the microfinance services are positively related to the performance of SME activities in Zaria metropolis. This implies that as microfinance services increase by a unit, the performance of SMEs activities in Zaria metropolis increases by 7.7 %. The co-efficient of determinations reveals

a value of 0.066 (7%), indicating that the microfinance services which are the independent variables explains up to 7% of the variation in the performance of SMEs activities in Zaria metropolis while the remaining 93% is covered by other factors that can affect SMEs performance which are beyond the scope of the study. In addition, the summary of the model shows that the model is fit and all explanatory variables have been carefully selected as this is confirmed by F-statistics of 5.064 which is significant at 0.04 as shown in the table above.

Table 2: Regression Analysis Result

Variables	Beta	t-value	p-value
Constant	4.249	1.907	0.004
IF	0. 271	0.352	0.029
IG	0.026	0.628	0.011

From the analysis in table 27 above, there exist positive relationship between microfinance services and performance of SMEs in Zaria metropolis and statistically significant at 5 percent level of significance. Beta values show 0.271 with p-value of 0.029 respectively. This implies that a unit change in the microfinance services will lead to increase in the performance level of SMEs in Zaria by 27.1%. Also, the p-value which is 0.029 is less than the 0.05 level of significance. Thus, the null hypothesis which states that micro-credit has no significant impact on the performance of SME's in Zaria metropolis will be rejected. This finding is consistent with that of.

The second independent variable represented by presence of MFIs is positively related to SMEs performance in Zaria and statistically significant at 5 percent level of significance. Beta values show 0.026 with p-value of 0.011 respectively. This implies that a unit change in the growth of MFBs will lead to increase in the level of SMEs performance by 2.6%. Also, the p-value which is 0.011 is less than the 0.05 level of significance. Thus, the null hypothesis which states that micro-savings has no significant impact on SME performance in Zaria metropolis will be rejected. This result conforms to the study of Someyo et-al (2011) that affirmed that loan and saving are positively significant with the business performance.

Conclusion and Recommendations
The review of literature shows that the microfinance institutions are evident tools for entrepreneurship development due to the roles they perform in the Nigerian economy. Despite the various challenges surrounding microfinance in Nigeria, the institution serves as a key player in the financial sector that has positively impacted the life of individuals, business organization, other financial institutions, the government and the economy at large through the services it offers. The findings of this study show that microfinance institutions significant impact on the level of entrepreneurship activities in Zaria metropolis. Thus, it is recommended that the Microfinance institutions should improve on their supply of micro-credit to SMEs, also, the MFIs should help in encouraging the SMEs to save. Micro-savings will help SMEs acts as a buffer in terms of shocks which could be economic, environmental, or any disaster. In order to enable the beneficiaries / customers

of micro finance to fully appreciate the utility of the facilities, the monetary authority (CBN) must continue to appraise the credit delivery channels and formulate policies that would facilitate the delivery of the facilities not only to the rural communities but also to development of the entrepreneurship development in the area.

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Descriptive Statistics

	Mean	Std. Deviation	N
PER	3.6488	.84356	24
IF	2.4881	.24169	24
IG	2.9167	.36316	24

Correlations

		PER	IF	IG
	PER	1.000	.076	.032
Pearson Correlation	IF	.076	1.000	.172
	IG	.032	.172	1.000
	PER	.	.362	.496
Sig. (1-tailed)	IF	.362	.	.211
	IG	.496	.211	.
	PER	24	24	24
N	IF	24	24	24
	IG	24	24	24

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	IG, IF[b]		Enter

a. Dependent Variable: PER
b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.077[a]	.016	.009	.88022

a. Predictors: (Constant), IG, IF

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.096	2	.048	5.062	.040[b]
	Residual	16.271	21	.775		
	Total	16.366	23			

a. Dependent Variable: PER
b. Predictors: (Constant), IG, IF

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.249	2.228		1.907	.030
	IF	.271	.771	.078	.352	.029
	IG	.026	.513	.011	.050	.011

a. Dependent Variable: PER