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An Evaluation of the Contribution of Environmental Characteristics to the Success/Failure of Small and Medium Enterprises (SMEs) in Nigeria

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ABSTRACT

The aim of the study is to investigate the contributions of environmental characteristics to the success/failure of small and medium enterprises (SMEs) in Nigeria. This was achieved by establishing whether political and economic factors contribute to the success/failure of SMEs in Nigeria. For the purpose of data collection, a survey questionnaire was conducted among registered SMEs as documented by the Corporate Affairs Commission (CAC) directory of 2014. The questionnaire was designed mainly based on a Likert's Scale of five ordinal measures from 1-5 according to the level of importance. A total number of 304 questionnaires were sent out to entrepreneurs with registered firms with CAC in Lagos, Port Harcourt, Onitsha, Kano, Kaduna and Lokoja towns where there is good presence of SMEs. After three months' period, 204 representing 67% of the questionnaires were returned and deemed useable. The data was analyzed using linear regression. The study established that majority (76%) of the respondents agreed that Environmental Characteristics was statistically significant in explaining the SMEs in Nigeria. The study recommended that government should have policies that will influence the growth of SMEs in Nigeria with the benefits of increasing Gross Domestic Product (GDP) and generating employment opportunities.

Keywords: Economy, Government, Growth, Private Sector and Small and Medium Enterprises (SMEs)