Impact of Microfinance Banks Services on SMEs Performance Amid COVID 19 Recovery: Evidence from Kano Metropolitan Area

Inusa, Auwalu[1], Shuaib, Kabir Musa[2], Gambo, Bello Bichi[3], Shehu, Ummi Rahma[4] & Shehu, Usman Yahaya[5]

[1]International Centre of Excellence for Rural Finance and Entrepreneurship, Ahamdu Bello University, Zaria - Nigeria. aygdanzaki@yahoo.com, +2348069486493
[2]Department of Accounting Education, Federal College of Education (Tech) Bichi, Kano-Nigeria
[3]Department of Metalwork Technology, Federal College of Education (Tech) Bichi, Kano-Nigeria
[4]Department of Business Administration and Entrepreneurship, Bayero University, Kano, Nigeria
[5]Other Financial Institutions Supervision Department, Central Bank of Nigeria

Abstract

Microfinance banks significantly support small and medium-scale enterprises, particularly in emerging economies like Nigeria. The need for this support becomes necessary in the post-COVID-19 recoveries. This paper investigates microfinance banks' impact on SMEs' performance as many went into bankruptcy due to the COVID-19 pandemic. The study collected survey data from SMEs in Kano metropolitan area. The study used a criterion sampling technique on 422 samples in the study area, and PLS-SEM was used for data analysis. The study reveals a positive and significant relationship between entrepreneurial skills and the performance of SMEs in Kano. Similarly, the relationship between microcredit and SMEs performance was positive and significant. Therefore, the study concludes that microfinance banks' services positively and significantly influence SMEs performance. If microfinance banks provide SMEs' owners with access to entrepreneurial skills training, small credits without stringent requirements and savings services, their operational performance and profitability would improve immensely.

Keywords: COVID 19 pandemic, SMEs' performance, Microfinance banks, small and medium scale enterprises (SMEs)

Introduction

Microfinance institutions provide various financial services to the poor and low-income households to improve their living standards. Microfinance institutions have significantly contributed to the poor in both rural and urban areas to uplift their level of income and living standards in different countries (Olowe et al., 2013). In recent times, microfinance emerged as a medium for informal credit that provides financial services to small and micro businesses, which is being regarded as an effective and powerful tool for reducing poverty among people in rural and urban areas. One common experience is that many people have the initiative and commitment but are financially constrained and vulnerable to business failures in various countries (Olowe et al., 2013).

However, effective financing schemes should be capable of providing opportunities for Small and Medium Enterprises to cater for their financing needs to maintain the enterprise's profitability and, by extension, enhance their empowerment and income generation capacities. Many countries established an agency that controls and regulates microfinance banks' activities in their countries. The Central Bank of Nigeria (CBN) provides the regulatory and supervisory policy framework for establishing microfinance banks in Nigeria. Additionally, CBN monitors the activities and operations of microfinance banks (MFBs) and reviews the policy and regulatory framework to ensure effective service delivery. One of the essential functions of a

microfinance bank is the provision of microcredit to small and micro businesses; that important function enables businesses and individuals to access credit for establishing and expanding their businesses.

There is a proliferation of microfinance banks across Nigeria; for example, all the 44 local government areas in Kano State have a microfinance bank established by the State government, although about 20 are under liquidation as they cannot sustain themselves after five years of operation, according to CBN regulations. Again, more than ten MFBs were created by private sponsors, mainly in the six metropolitan local government areas. Many countries worldwide encourage microfinance banking to support SMEs due to their importance to economic development. SMEs are vital to economic development and contribute to the global economy and the economies of developing nations like Nigeria (Shuaib & He, 2021; Toke & Kalpande, 2020).

SMEs play an important role in economic development by empowering the teeming population. According to Abosede & Onakoya (2013) and Aderemi et al. (2020), in Nigeria, SMEs play an important role towards economic growth because of their ability to improve the welfare of the people by reducing unemployment and increasing productivity. However, without health, all these could not be achieved because health is a vital player and a force that drives economic development and growth (Bloom et al., 2001). Unfortunately, the sudden emergence of Corona Virus had wreaked serious havoc to the world. The rapid spread of the COVID-19 pandemic worldwide has meted a huge and unprecedented economic paralysis for the entire world (Mishra, 2020). The virus became prevalent and virally spread to the world with attendant contractions in the global economy.

Therefore, to mitigate the severe impact of the COVID-19 pandemic, the Nigerian government implemented support programs for SMEs (Amuda, 2020). Studies indicate that despite attempts to promote entrepreneurship, just 20% of Nigerians are served; although the target was 80%, only a few high-performing MFBs pay dividends, create jobs and give financing to entrepreneurs. Lack of appropriate financing was common with many interventionist programs (Anyanwu, 2003; Lawson, 2007), and 70% of the population is active in the formal sector, primarily agricultural production (Muktar, 2009; Olaitan, 2006).

In the last two decades, following the emergence of microfinance banks as a medium that provides banking services to low-income earners, small-scale rural banking, and financing SMEs with initial start-up capital and expansion of their businesses, researchers have focused their attention on how well microfinance banks can perform these essential services. However, many developing countries like Nigeria pay more attention to SMEs' development for empowerment, poverty reduction, and sustainable economic growth (Shuaib & He, 2021). Investigation shows that the only way to support the development of SMEs is to provide them with adequate funding through microfinance banks, as deposit money banks are not accessible due to a lack of collateral and stringent bureaucratic procedures.

SMEs literature revealed that African SMEs lack access to credit, and the economic crisis in the continent would further worsen the situation, particularly with the effects of the COVID-19 pandemic. Ayuk (2014) insists that SMEs have no access to long-term loans, only short-term loans like overdraft, and therefore resort to informal funding arrangements like loans from family and friends, joint savings, and street money lenders. In addition, despite unveiling Covid-19 support, government does not normally pay attention to market failures that stifle entrepreneurship and restrict the potential for innovative small businesses to expand, in addition

to the framework circumstances that have an impact on the business climate. This necessitates the development of small business assistance policies and initiatives, which may be complex and resource-constrained. Numerous of these policies and programs are developed and put into effect locally.

Therefore, to ensure that those programs are cost-effective, they must be systematically reviewed, assessed, and evaluated (Storey, 2004). While evaluating the efficiency with which such schemes promote SMEs' performance, an effectual SMEs financing scheme should be capable of providing SMEs with opportunities to address their financing problems. Thus, this will maintain the enterprises' profitability and improve the SMEs' performance to achieve sustainability.

The empirical evidence on the impact of microfinance services on SME's Performance remains inconclusive and contradictory. Some studies only looked at the effect of microfinance banks services on poverty alleviation (Kiiru & Kenia, 2007; Boadu, 2009), others examined microcredit as a tool for entrepreneurship development (Akingunola, Adekunle, Adegbesan, &Aninkan 2013,) and some studies investigated the impact of microfinance institutions services on entrepreneurial development (Alalade, 2013, Ojo, 2009). Therefore, the question of whether the services of microfinance banks (microcredit, micro-savings and entrepreneurial skills training) have improved or not the performance of SMEs in Kano state remains unanswered. Most previous studies focused on areas like Lagos, Zaria Gombe Gombe states (Zhiri, 2017; Audu, Magaji & Baba, 2021).

In addition, the literature has shown that majority of studies (Babajide, 2011;Wang, 2013; Rotich, Lagat & Kogei, 2015; Wanambisi, 2015; Kalui & Omwansa,2015; Yusuff et al., 2016) used a single dimension to explain the effect of microfinance services on SMEs performance. They focused mainly on either operational or financial performance while the concept cannot be adequately measured by a single dimension since it is a multi-dimensional construct (Ahmad & Ghani, 2010). Therefore, this study attempts to fill this literature gap by combining the both operational and financial measures of SMEs performance. Specifically, the study is intended to determine the impact of microcredit, micro-savings and entrepreneurial skills training on operational and financial performance of SMEs. Based on the preceding discussion, the study attempts to test the following hypotheses:

H_{01}: Microfinance banks' services are significantly associated with SMEs' performance in Kano metropolitan area.
H_{02}: Microcredit is significantly associated with SMEs' performance in Kano metropolitan area.
H_{03}: Micro-savings are significantly associated with SMEs' performance in Kano metropolitan area.
H_{04}: Entrepreneurial skills training is significantly associated with SMEs' performance in Kano metropolitan area.

Literature review

Studies on microfinance banks and SMEs have dominated the finance and economics literature in the last two decades due to their importance in empowerment, job creation, business expansion, and increase in the general standard of living of small and medium scale entrepreneurs across the globe (Toke & Kalpande, 2020). Many studies have examined the relationship between microfinance banks and the development of SMEs using performance indexes worldwide. Some emphasize poverty reduction, empowerment, or sustainable

economic growth (Abraham et al., 2017; Etuk et al., 2014; Olowe et al., 2013; Sussan & Obamuyi, 2018). Similarly, studies established that microcredit, micro-savings, and entrepreneurial skills training as common functions of MFBs to SMEs. Therefore, the present study adopts these dimensions to examine their impact on SMEs' performance. (Yusuff et al., 2016).

A study in Asia reveals that SMEs account for 96% of all Asian businesses providing two out of three jobs in the private sector. However, one major problem facing the development of SMEs is the easy access to credits due to asymmetric information between the funding institutions and the SMEs leading to high transaction costs (Yoshino & Taghizadeh-Hesary, 2018). Navajas & Tejerina (2006) examined microfinance institutions in Latin America and the Caribbean. The study examined the extent of the microfinance market in the regions regarding access to funds and how it reduces poverty among the low-income through institutional and household survey data. The survey confirms a significant increase in the number of microfinance clients. Thus, it provided a practical and simple framework to improve the measurement of demand, access and use of financial services.

Wang (2013) investigated the effect of microfinance services on the development of SMEs in Taizhou, China. Survey data were collected from areas with a high concentration of SMEs in China, using multiple regression analysis. The result reveals that microfinance institutions play a critical role in SMEs' revenue and profit growth. Similarly, Kanayo et al. (2013) investigated the challenges of microfinance access in Nigeria using secondary source of data. The study revealed that microfinance institutions have almost collapsed in Nigeria because of high transaction costs, default in loan repayment, widespread delinquency, poor loan quality and management deficiencies.

Furthermore, Babajide (2012) assessed the impact of microfinance services on the growth of micro, small and medium enterprises (MSMEs) in Nigeria. The study surveyed 502 randomly selected enterprises that were financed by microfinance banks in the country. The result reveals that access to microfinance does not have a significant relationship with the growth of MSMEs. in Nigeria. Similarly, Sussan & Obamuyi (2018) investigated the effect of microfinance banks services on entrepreneurship development in Nigeria. Ten (10) selected entrepreneurial firms in Anambra State were surveyed and Pearson correlation and ANOVA were used to test the formulated hypotheses. The result reveals that microfinance banks have a positive and significant effect on entrepreneurship development in Nigeria.

Kalui & Omwansa (2015) assessed the effects of microfinance banks' products on SMEs' financial performance in Kenya. After identifying the crucial role of SMEs in achieving Kenya's vision 2030, the study examined whether microfinance products significantly affect SMEs' financial performance. The study drew 372 survey data from microfinance managers through stratified random sampling. Data were analyzed using regression analyses. The result revealed a strong relationship between microfinance products and the financial performance of SMEs.

Theoretical framework

The Resources Based View (RBV) is the main theory that clarifies how a resource affects business performance (Crook et al, 2008). RBV is considered to be relevant to this study because microcredit, micro savings and entrepreneurial skills training are financial resources that could affect SMEs' financial performance. Numerous studies have been conducted on how the environment affects an organization's ability to survive (Aldrich, 1979, Hannan & Freeman 1977). Effective internal resource management can greatly boost venture performance and the

likelihood of survival of those ventures (Oginni & Adesanyam, 2013). But to achieve better performance results, the resources need to be regularly replenished and extended for businesses in general and start-ups in particular. Resources have been categorized into three groups: organizational resources, human capital resources, and physical capital resources (Barney, 1991). All these resources are considered necessary for an entrepreneur to be successful. Therefore, the RBV theory has been adopted in this study to underpin the hypothesized relationships.

Research model

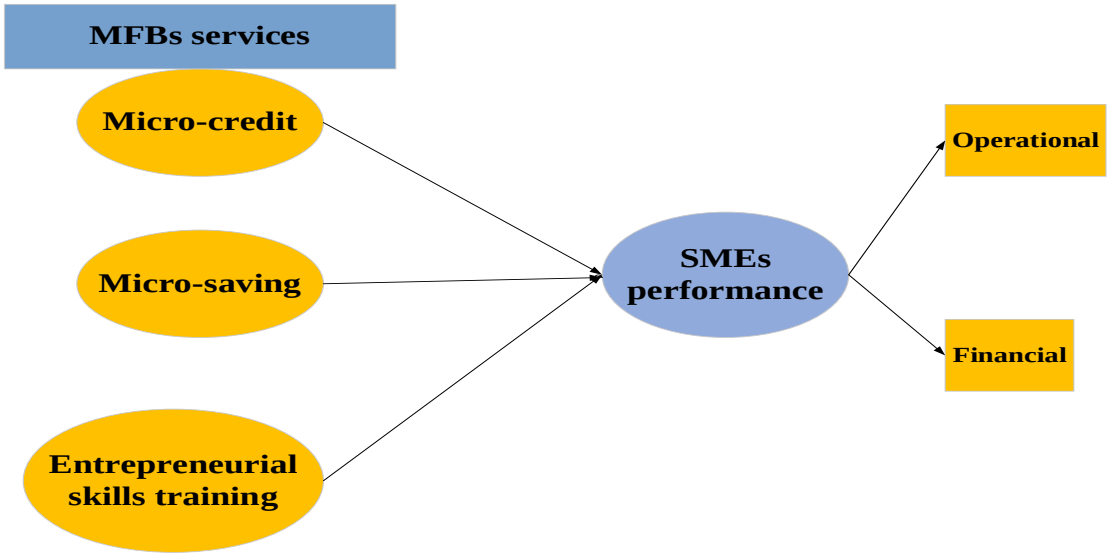

Figure 1: a proposed model

Figure 1 presents the proposed model of the study. The model shows the relationship between MFBs services (independent variable with three dimensions, microcredit, micro-savings and entrepreneurial skills training) and SMEs' performance (dependent variable with two dimensions, operational and financial performance).

Methodology

Research design, population, and sampling

The study used a survey design to collect and collate data for analysis. According to Kale (2015), 456,678 SMEs are in light manufacturing in Kano (Kale, 2015; Shuaib & He, 2021). Again, the study used Krejcie & Morgan's (1970) scientific Table to determine the sample size based on the population of 456,678. The sample derived is 384, and 10% was added to compensate for non-response and improper filling of the instrument (Israel, 1992), bringing the number to 422. Moreover, the study used a criterion sampling technique during the data collection. Two criteria were used in selecting the respondents: first, SMEs must have benefited from MFB services before the survey; and lastly, the SMEs managers or owners must have been operating for not less than five years and are, therefore, knowledge about SMEs operation. According to Sekaran & Bougie (2016), convenience sampling is a data collection technique involving potential respondents available and willing to participate in the study. The researcher received 375 responses, but 44 surveys were removed because they were not completed correctly. Thus, the study had 331 valid responses for further analysis. The response rate was 78%, which was sufficient for analysis. The study used PLS-SEM 3 for the data analysis.

Measurement of variables

The study adapted the measures for microfinance bank services from the study of (Yusuff et al., 2016), consisting of microcredit (MC), micro-savings (MS), and entrepreneurial skills training (EST) represented by five, six, and five items. The SMEs performance construct consisted of operational OP and financial performance FP and were measured by four and five items, respectively, adapted from (Boyer & Lewis, 2002; Vickery et al., 2003; Flynn et al., 2010). The items were measured using a five-point Likert scale: Strongly Agree (SA), Agree (A), Undecided (UD), Disagree (D), and Strongly Disagree (SD).

Results and Discussion

Evaluation of measurement model

Table 1 below presents the values of the Cronbach's Alpha, composite reliability and AVE of the variables under review. As a decision rule, outer loadings of 0.70 are considered reliable and acceptable. Indicators with loadings below the threshold should only be deleted if the deletion increases the reliability of the constructs (Hair et al., 2017). However, some scholars argued that even outer loadings of 0.4 can be considered reliable and acceptable. As presented in Table I, the AVE and composite reliability values range from 0.509 to 0.922 which show that the items used in the study measured the constructs and thus have convergent validity. Similarly, the values for Cronbach's Alpha exceed 0.50.

Table I Measurement model: Reliability and Convergent validity

Construct	Item	Loadings	Cronbach Alpha	Composite reliability	Average Variance Extracted
SMEs Performance	OP1	0.711	0.905	0.922	0.570
	OP2	0.740			
	OP3	0.739			
	OP4	0.737			
	OP5	0.697			
	FP1	0.715			
	FP2	0.816			
	FP3	0.784			
	FP4	0.844			
Microcredit	MC1	0.779	0.785	0.854	0.541
	MC2	0.697			
	MC3	0.828			
	MC4	0.595			
	MC5	0.697			
Micro-savings	MS1	0.705	0.807	0.8672	0.509
	MS2	0.726			
	MS3	0.700			
	MS4	0.758			
	MS5	0.706			
	MS6	0.684			
Entrepreneurial skills	ES2	0.872	0.854	0.902	0.697
	ES3	0.874			
	ES4	0.860			
	ES5	0.725			

Table I shows one item from entrepreneurial skill (ES1) for having factor loadings below the acceptable threshold of 0.50. The deletion was done to increase the reliability measures. All the values for both composite reliability and Cronbach's alpha were above 0.50 and are therefore reliable. Similarly, all the constructs' AVE values met the minimum convergent validity criteria (0.50). The figure below shows all the measures.

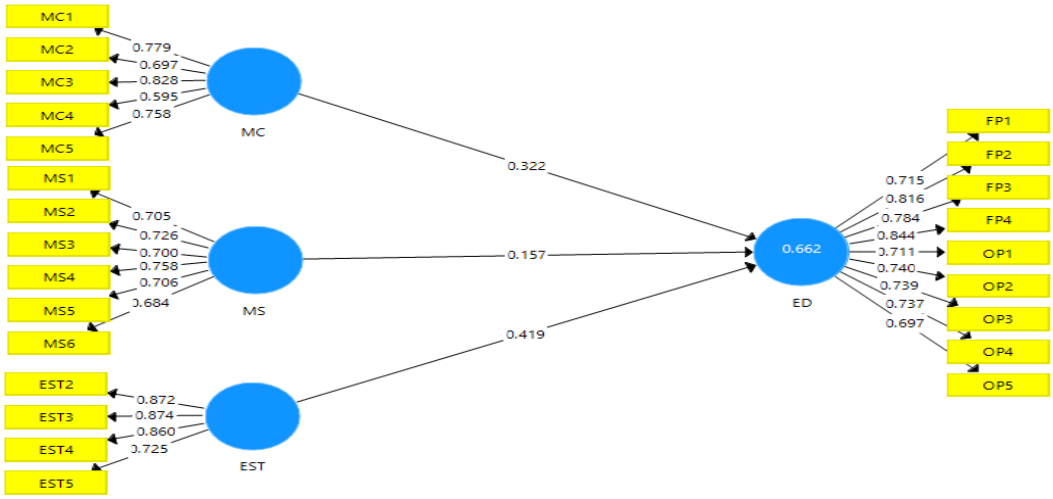

Figure 2. Measurement model

Furthermore, the study presents the discriminant validity of the constructs using the Heterotrait-monotrait (HTMT) criterion. Henseler et al. (2015) state that HTMT is a superior ratio to the Fornell-Lacker and the cross-loading criterion due to its higher specificity and sensitivity rate.

HTMT criterion	SMEs Perf.	ES	MC	MS
SMEs Performance.				
Entrepreneurial skill	0.856			
Microcredit	0.851	0.827		
Micro-saving	0.803	0.874	0.899	

Table II presents the HTMT ratio for the constructs. It compares the values to a predefined threshold. A value close to 1 indicates a lack of discriminant validity; hence researchers (Gold et al., 2001; Kline, 2011) suggest a threshold of 0.85 and 0.90. In this regard, the highest value of 0.899 is below the HTMT0.90 and indicates no multicollinearity among the variables, as Gold et al. (2001) argued.

4.2 Evaluation of structural model

This section presents the tests of hypotheses and R-squared (R2) of the model. The hypotheses were rejected or not rejected based on p-value at 5% level of significance. Table III below shows the decision on the hypotheses.

Table III: Structural Model Results: Direct and Indirect Relationships

Relationships	Original Sample (O)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values	Decision
EST -> ED	0.419	0.074	5.633	0.000	Supported
MC -> ED	0.322	0.059	5.471	0.000	Supported
MS -> ED	0.157	0.071	2.199	0.028	Supported

The reflection of the results in table 3 is shown in figure 3:

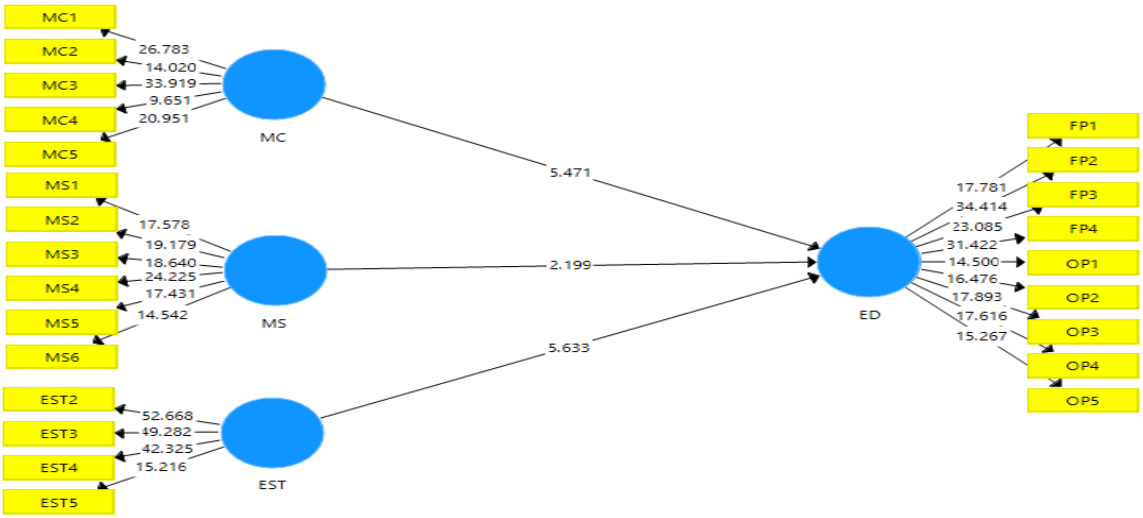

Figure 3. Structural model

Table III and figure 3 reveal positive and significant direct relationships among the variables under study. Specifically, the relationship between entrepreneurial skill and SME performance was positive and significant (β value = 0.419 and a p-value of 0.000). Similarly, the relationship between microcredit and SMEs performance was positive and significant (β value = 0.322 and a p-value of 0.000). The findings further reveal a positive and significant relationship between micro-savings and SMEs performance (β value = 0.157 and a p-value of 0.028). The findings of this study are consistent with the findings of Kalui & Omwansa (2015) and Wang (2013)

4.3 Coefficient of Determination

The R-square (R^2) is another essential tool for assessing structural model (Hair et al.,, 2014; Hair et al., 2011, 2012; Henseler et al., 2009). According to Chin (1998) and (Hair et al. (2016), R-square values of 0.25, 0.50 and 0.75 show small, medium and large values respectively. In addition, Falk & Miller, (1992) suggests 10% as the minimum value acceptable for R^2. Table 4 shows R^2 value for the study's model.

Table IV Coefficient of determination for direct relationship: R-Squared

Construct	R-Squared
SMEs Performance	0.662

The R square value stands at 0.662, indicating that microfinance bank services have explained about 66.2% of the variation in SME performance in Kano state, Nigeria. Other factors not investigated in this study explain the remaining 33.8%.

Implications

The study investigated the impact of microfinance bank services on SMEs' performance in Kano state, Nigeria, amid COVID-19 recovery. As discussed earlier, microfinance banks' entrepreneurial skill training has significantly impacted SMEs post-COVID-19. This implies that the entrepreneurial training that microfinance banks give SME owners to enhance their financial and management skills greatly influences their business performance.

Furthermore, in line with our findings earlier, microcredit was also found to have a positive and significant effect on SMEs' performance in Kano metropolitan. This finding corroborates previous studies (Babajide, 2011;Wang, 2013; Kalui & Omwansa,2015; Yusuff et al., 2016) which found positive and significant association between microfinance bank services and SMEs performance. This suggests that if microfinance institutions increase the number of credits they give to SMEs, their performance will be boosted. This finding portrays the relevance of microfinance institutions' microcredit in boosting SMEs' performance, which ordinarily could not have accessed credits from conventional deposit money banks because of stringent credit requirements. In addition, the results indicate micro savings have a positive and significant relationship with SMEs' performance. This finding is in line with the that of the study of Audu, Magaji and Baba (2021) which found positive and significant relationship between microfinance services and SMEs performance. This implies that the small savings SMEs owners are encouraged to make by microfinance institutions significantly impact their ability to access other important services and thus improve their business performance. Therefore, as microfinance savings increase, SMEs performance also increases. One of the essential savings services that the MFBs provide is the daily contribution which offers an avenue for SME owners with low income to save money that can be channeled for a good business course.

From a theoretical point of view, this study has provided additional perspectives which enhanced our understanding of the basic reasons microfinance services impact SMEs performance from operational and financial perspectives. From a practical point of view, the findings of this study would assist policymakers/stakeholders in the financial industry in developing new policies and programs that would promote microfinance services and SMEs' performance to stimulate economic growth and development.

Conclusion

The study concludes that microfinance banks' services positively and significantly influence SMEs' operational and financial performance. The findings suggest that entrepreneurial skill training, microcredit and micro-savings predict SME performance in Nigeria. Therefore, the study concludes that providing SME owners access to entrepreneurial skills training, micro-credits without stringent requirements and savings services could improve their operations and financial performance. Thus, the present study has provided theoretical and empirical support to the earlier hypothesization that microfinance services provided by a microfinance institution in Kano, Nigeria, promote not only the financial but operational performance of SMEs.

Limitations and directions for future research

It is not uncommon to face certain limitations in research of this nature. Therefore, the researchers faced some limitations that future researchers can address to contribute better knowledge. First, considering the limited resources at our disposal, cross-sectional data were collected at a point in time that was considered appropriate and acceptable. However, the approach limited the ability of the researchers to make causal inferences as a result of the cross-sectional nature of the data. Thus, the study recommends that future research use a longitudinal research design to examine the variables at different points in time to see if the findings could be replicated. Second, this study focused only on the Kano metropolitan area in Nigeria, limiting the extent to which findings could be generalized, especially to other states and even beyond Nigeria. Finally, the study assessed the effect of microfinance services on SMEs' performance without the intervention of any third factor. Future studies could use important variables such as SME owners' self-efficacy to moderate the relationship in the same model to test whether there would be significant changes in the relationship.

References

Abosede, A. J., & Onakoya, A. B. (2013). Entrepreneurship, economic development and inclusive growth. *International Journal of Social Sciences and Entrepreneurship*, *1*(3), 375–387.

Abraham, A., Ibrahim, R., & Amin, A. (2017). Innovation Performance Growth among Small and Medium Sized Firms in Malasya: A Pilot Study. *International Journal of Modern Management Sciences*, *6*(1), 1–6.

Aderemi, T. A., Ojo, L. B., Ifeanyi, O. J., & Efunbajo, S. A. (2020). Impact of Corona Virus (COVID-19) pandemic on small and medium scale enterprises (SMEs) in Nigeria: A critical case study. *Acta Universitatis Danubius. Œconomica*, *16*(4).

Ahmad, S., & Ghani, E, (2010). Brain Drain: Propensity For Malaysian Professionals To Leave For Singapore. Springer Science + Business Media Singapore Pte Ltd.

Alalade, Y. S., Amusa, B.O., & Adekunle, O. A., (2013). Microfinance bank as a catalyst for entrepreneurship development in Nigeria: Evidence from Ogun State. *International Journal of Business and Social Science,* 4 (12), 286-303.

Aldrich, Howard E (1979). Organizations and environments. Englewood Cliffs, NJ: Prentice-Hall

Akingunola, R. O., Adekunle, O. A, Adegbesan, K. J., Aninkan, O. O. (2013). Microfinance banks and entrepreneurship development in Nigeria: A case of Ogun State. European Journal of Business and Management, 4 (28), 100-111.

Amuda, Y. J. (2020). impact of coronavirus on small and medium enterprises (smes): Towards postcovid-19 economic recovery in Nigeria. *Academy of Strategic Management Journal*, *19*(6), 1–11.

Anyanwu, J. C. (2003). Estimating the macroeconomic effects of monetary unions: the case of trade and output. *African Development Review*, *15*(2-3), 126–145.

Audu, B., Magaji, A.A., & Baba, M. (2021). The role of microfinance institutions services' on the performance of SMEs in Gombe state, Nigeria. Journal of Management Sciences, 4(1), 500-517.

Ayuk, J. A. (2014). Financing small and medium enterprises in Cameroon. *Вестник Евразийской Науки*, *4 (23)*, 89.

Babajide, A. A. (2012). Effects of microfinance on micro and small enterprises (MSEs) growth in Nigeria. *Asian Economic and Financial Review*, *2*(3), 463–477.

Barney Jay, (1991) Firm resources and sustained competitive advantage. *MA Journal of Management,* 17(1), 99-120.

Boyer, K. K., & Lewis, M. W. (2002). Competitive priorities: investigating the need for trade-offs in operations strategy. *Production and Operations Management*, *11*(1), 9–20.

Chin, W. W. (1998). The partial least squares approach to structural equation modeling. *Modern Methods for Business Research*, *295*(2), 295–336.

Crook . Rusell T. Ketchen Jr. David J., Combs James G. (2008) Strategic resources and performance: A metaanalysis. *29*(11).

Etuk, R. U., Etuk, G. R., & Michael, B. (2014). Small and medium scale enterprises (SMEs) and Nigeria's economic development. *Mediterranean Journal of Social Sciences*, *5*(7), 656.

Falk, R. F., & Miller, N. B. (1992). *A primer for soft modeling.* University of Akron Press.

Flynn, B. B., Huo, B., & Zhao, X. (2010). The impact of supply chain integration on performance: A contingency and configuration approach. *Journal of Operations Management*, *28*(1), 58–71.

Gold, A. H., Malhotra, A., & Segars, A. H. (2001). Knowledge management: An organizational capabilities perspective. *Journal of Management Information Systems*, *18*(1), 185–214.

Hair, J. F. Jr., Hult, G. T. M., Ringle, C. M., Sarstedt, M. (2014). *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM).* SAGE Publications Sage CA: Los Angeles, CA.

Hair, J.F., Hult, G.T.M., Ringle, C.M. and Sarstedt, M. (2017). *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)* (2nd Editio). Sage Publications Inc.

Hair, J.F.Jr., Hult, G.T.M., Ringle, C., Sarstedt, M. (2016). *A Primer on Partial Least Squares Structural Equation Modelling (PLS-SEM).* Sage Publications.

Hair, J. F., Ringle, C. M., & Sarstedt, M. (2011). PLS-SEM: Indeed a silver bullet. *Journal of Marketing Theory and Practice*, *19*(2), 139–152.

Hair, J. F., Sarstedt, M., Ringle, C. M., & Mena, J. A. (2012). An assessment of the use of partial least squares structural equation modeling in marketing research. *Journal of the Academy of Marketing Science*, *40*(3), 414–433.

Hannan And Freeman. (1977). Handbook of organizational change and innovation,

Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science*, *43*(1), 115–135.

Henseler, J., Ringle, C. M., & Sinkovics, R. R. (2009). The use of partial least squares path modeling in international marketing. In *New challenges to international marketing*. Emerald Group Publishing Limited.

Israel, G. D. (1992). Determining sample size (Fact sheet PEOD-6). *Gainesville, FL: University of Florida*.

Kale, Y. (2015). Micro, small and medium enterprise national survey 2013. *National Bureau of Statistics Nigeria*.

Kalui, F. M., & Omwansa, D. M. (2015). Effects of Microfinance Institutions' Products on Financial Performance of Small and Medium Enterprises; A Case of Machakos Town, Kenya. *Journal of Business and Management*, *17*(4), 50–57.

Kanayo, O., Jumare, F., & Nancy, S. (2013). Challenges of microfinance access in Nigeria: Implications for entrepreneurship development. *Mediterranean Journal of Social Sciences*, *4*(6), 611.

Kiiru, J. M. & Kenia, M., (2007). The impact of microfinance on rural poor households' income and vulnerability to poverty: Case study of Makueni district, Kenya: [On-line].

Kline, R. B. (2011). Principles and practice of structural equation modeling (3. Baskı). *New York, NY: Guilford*.

Krejcie, R. V, & Morgan, D. W. (1970). Determining sample size for research activities. *Educational and Psychological Measurement*, *30*(3), 607–610.

Lawson, B. (2007). Access to finance for SMEs, Financial System Strategy 2020. *International Conference. Abuja, Nigeria*.

Mishra, Mukesh Kumar (2020). The World after COVID-19 and its impact on Global Economy, ZBW – Leibniz Information Centre for Economics, Kiel, Hamburg

Muktar, M. (2009). The role of microfinance banks in the promotion and development of entrepreneurship in semi urban and rural areas. *Retrieved from Focus Nigeria: Www. Focusnigeria. Com/Microfinance-Bank. Htm*.

Navajas, S., & Tejerina, L. (2006). Microfinance in Latin America and the Caribbean: Connecting Supply and Demand. *Banco Interamericano de Desarrollo, Washington DC*.

Oginni, Babalola O, Adesanyam, Abel Segun. (2013). Business environmental factors: Implications on the survival and growth of business organisations in the manufacturing sector of Lagos metropolis

Olaitan, M. A. (2006). Finance for small and medium enterprises: Nigeria's agricultural credit guarantee scheme fund. *Journal of International Farm Management*, *3*(2), 30–38.

Olowe, F. T., Moradeyo, O. A., & Babalola, O. A. (2013). Empirical study of the impact of microfinance bank on small and medium growth in Nigeria. *International Journal of Academic Research in Economics and Management Sciences*, *2*(6), 116.

Sekaran, U., & Bougie, R. (2016). *Research methods for business: A skill building approach*. John Wiley & Sons.

Shuaib, K. M., & He, Z. (2021). Impact of organizational culture on quality management and innovation practices among manufacturing SMEs in Nigeria. *Quality Management Journal*, *28*(2), 98–114.

Storey, D. (2004). Promoting entrepreneurship and innovative SMEs in a global economy: towards a more responsible and inclusive globalisation. *Second OECD Conference of Ministers Responsible for Small and Medium-Sized Enterprises (SMEs), Istanbul*.

Sussan, M. U., & Obamuyi, T. (2018). The impact of microfinance bank on entrepreneurship development in Nigeria. *Journal of Business and Economic Development*, *3*(2), 51–61.

Rotich, I., Lagat, C & Kogei, J. (2015). Effect of microfinance services on the performance of small and medium enterprises in Kenya. African Journal of Business Management, 9 (5): 206-211

Toke, L. K., & Kalpande, S. D. (2020). Total quality management in small and medium enterprises: An overview in Indian context. *Quality Management Journal*, *27*(3), 159–175.

Vickery, S. K., Jayaram, J., Droge, C., & Calantone, R. (2003). The effects of an integrative supply chain strategy on customer service and financial performance: an analysis of direct versus indirect relationships. *Journal of Operations Management*, *21*(5), 523–539.

Wanambisi, A.N. (2013). Effects of microfinance on business performance: A survey of micro and small enterprises in Kitale municipality, Kenya. International Journal of Academic, Research in Business and Social Science, 3(7): 56-67.

Wang, X. (2013). The impact of microfinance on the development of small and medium enterprises: The case of Taizhou, China. *The Johns Hopkins University, Baltimore, MD, USA*.

Yoshino, N., & Taghizadeh-Hesary, F. (2018). *The role of SMEs in Asia and their difficulties in accessing finance*.

Yusuff, Y. Z., Abu Bakar, A., & Ahmad, S. (2016). Microfinance and women entrepreneurs' business performance: The mediating role of social capital. *Journal for Studies in Management and Planning (JSMaP)*, *2*(6), 82–96.