

Effect of Socio-Cultural Factors On the Performance Of SMEs In Kwara State, Nigeria

Stephen, O. Ore & Jatto .M. Awwal
Department of Business Administration
School of Business and Management Studies
The Federal Polytechnic
Offa, Kwara State, Nigeria
E-mails: toyinore73@gmail.com; jattoma31@gmail.com
Phones: +2349077466666; +2347037416013

ABSTRACT

It is disturbing that the performance of SMEs in most developing countries are far below expectation as there are cases of early death of most SMEs in their start-ups. The objective of the study is to examine the effects of socio-cultural factors on the non-financial performance of SMEs in Kwara State. Both Iceberg Model: Conscious and Subconscious Culture and Hofstede's cultural dimensions theories were adopted for the study. The study used explanatory and quantitative design in form of surveyed questionnaire to collect primary data from forty (40) randomly selected SMEs owners in Kwara State. Both descriptive and inferential tools were used for the analysis and the study found that socio-cultural factors as attitude, values, religion, education and family background has negative and insignificant relationship with effectiveness while the factors have positive and significant effect on the efficiency of SMEs in Kwara State. The study recommends that SMEs in Kwara State should find appropriate and conscious match between the socio-cultural factors so that the both effective and efficient resource utilization and realization of the objectives will be easy.

Keywords: Business Environment, Effectiveness, Efficiency, Socio-cultural factors.

iSTEAMS Proceedings Reference Format

Stephen, O. Ore & Jatto .M. Awwal. (2019): Effect of Socio-Cultural Factors On the Performance Of SMEs In Kwara State, Nigeria. Proceedings of the 19th iSTEAMS Multidisciplinary Conference, The Federal Polytechnic, Offa, Kwara State, Nigeria. 7th – 9th August, 2019. Pp 175-188
www.isteam.net/offa2019 - DOI Affix - <https://doi.org/10.22624/AIMS/iSTEAMS-2019/V19N2P19>

1. INTRODUCTION

SMEs are acknowledged as the driving force of high rate of employment, improved standard of living, production of value-added product and services and generally the creator of strong economies (Agboli & Ukaegbu, 2006). Due to their implication for economic growth, all the countries either developed or developing, are concentrating on the development of SMEs. They are not only the driving force for the promotion of an economy, SMEs are considered as main driver for innovation, poverty reduction, employment generation, and social integration (Subhan, 2013). The contribution of SMEs to economic development all over the world is substantially vast in creating jobs for increasing rural and urban manpower with a provision of adequate resilience and innovation in the economy at large, developing entrepreneurship, indigenous skills and technology, enhancing exports, alleviating poverty situation and also building industrial base at different scales (Dasanayaka, 2008; Nina, 2009).

Business environment, like water to plant, is a very crucial determining factor to the survival of any enterprise. The business environment is considered as being central to economic activities and growth worldwide (Agboli & Ukaegbu, 2006). There is a close and unremitting interaction between an organization and its environment according to Akinbogun (2008). Therefore, SMEs do not operate in isolation but within a given environment which might shape their performance, survival and profitability (Kennerley & Nelly, 2003).

This environment can be economic, political, spatial and in the case of this study, socio-cultural. Socio-cultural Business Environment factors are, but not limited to, those deeply rooted elements in people of a society or group and encompass the values, attitudes, norms, practices, institutions, stratifications and related ways of a society (Azim, 2008). However, George (2011) argues that socio-cultural differences exist between Nigeria and Great Britain therefore making it difficult to transfer business management practices from one area to another. Socio-cultural factors are imperative components of the Nigerian business environment as they strongly influence business activities (Olaoye, 2003). However, constant changes in the global business landscape such as technology, transport, trade, communication, are currently affecting African entrepreneurs, who are intrinsically attitudinal, and sedentary (Ekeledo & Bewayo, 2009).

Sociocultural factors play an influencing role in shaping the minds and consequently breeding entrepreneurs. Business values and management methods are functions of business cultural environment (Azim, 2008). People acquire their shared characteristics and pattern of behaviour through socialization processes which involves factors like education, religion and family background. These dimensions happen to be the most prominent in describing the Sociocultural Business Environment (Yeboah, 2014). Socio-cultural factors, in relation to entrepreneurship, point to all the elements within the social system and culture of a group of people which positively or negatively influence entrepreneurship development or entrepreneurial behaviour and performance (Wetherly & Otter, 2011).

It is an empirical fact that the business sphere of most developing countries is dominated by Small and Medium Enterprises. It is also beyond doubt that these SMEs are not only pivotal to the emergence of most African, South American and Asian countries out of poverty, they also help in creating jobs, improving the GDP and consequently helping in solidifying the national economy. Despite these realities, it is rather disturbing that the performance of SMEs in developing countries are far below expectation and most of these enterprises die within their first five years of existence.

It is in the light of this that the Nigerian Government and other international bodies as well as national agencies like World Bank, Small and Medium Enterprise Development Agency of Nigeria (SMEDAN), Foreign Direct Investment (FDI) have made several effort and contributions to ensure the growth of these enterprises. It has however been worrisome that despite the incentives, policies, programmes and support aimed at revamping the SMEs, they have reformed below expectation in Nigeria, with the most striking evidence seen in the rising rate of unemployment in the country. The poor contribution of SMEs to the development of the country may be due to some socio-cultural factors emerging in 21st century as the business environment is multifaceted and dynamic.

2. CONCEPTUAL FRAMEWORK & THEORETICAL FRAMEWORKS

2.1 Conceptual Frameworks

2.1.1 Concept of Small and Medium Enterprises.

There is no generally accepted definition of a small business because the classification of businesses into large-scale or small-scale is a subjective and qualitative judgment (Ekpenyong and Eyong, 1992). One of the main challenges in developing a cross-country analysis of SME data is the lack of a universal definition of what constitutes an SME (Ardic et al., 2011).

A common issue in the literature is the term used to describe the category of businesses that do not fall into the group of large enterprises. One part refers to them as small businesses; others use the concept of small and medium enterprises, while some refer to them as micro, small and medium enterprises. With the introduction of the National Policy on MSMEs has addressed the issue of definition as to what constitutes micro, small and medium enterprises (SMEDAN, 2013). As seen in figure 1, the definition adopts a classification based on dual criteria, employment and assets (excluding land and buildings).

Table 1: Classification of MSMEs in Nigeria

Size Category	No of Employee	Assets (=Million=) (Excluding Land and Buildings)
Micro enterprises	Less than 10	Less than 5
Small enterprises	10 to 49	5 to less than 50
Medium enterprises	50 to 199	50 to less than 500

Source: SMEDAN (2013)

2.1.2 Socio-cultural Business Environment

Socio-cultural factors refer to a combination of social and cultural variables as they influence or modify social behavior within a social milieu. Socio-cultural factors include the cultural, religious, gender, educational and social conditioning which influence people’s beliefs, values, attitudes, habits, forms of behavior and lifestyles (Akpor-Robaro,2012). In other words, socio-cultural factors consist of all elements, conditions and influences which shape the personality of an individual and potentially affect his/her attitude, disposition, behaviour, decisions and activities. These environmentally relevant patterns of behaviour lead to the creation of different cultural values in different societies, some of which influence the performance of businesses. Therefore, culture, as distinct from political, social, technological or economic contexts, has relevance for economic behavior and business performance (Wetherly, 2011).

According to Hofstede (1998), Culture is “the ‘software of the mind’; a ‘collective mental programming’ of the people”. It is the combination of material and spiritual wealth designed by man through process of social and historical growth. Culture is the source of ties that bind members of societies through an elusive “socially constructed constellation consisting of such things as practices, competencies, ideas, schemas, symbols, values, norms, institutions, goals, constitutive rules, artifacts and modifications of the physical environment” (Fiske, 2002). These internalized rules create traditions that often go deeper than reason (Stuart, 2004). Kelly (1955) opined that cultural orientation could be thought of as the master plan behind super ordinary constructs that covertly influence manifest cognitive content. Socio-cultural factors help shape the pattern and ways of managing a business. The key sociocultural factors that have been found to have major impact on the operation and performance of companies are: Attitude, values, religion and social institution (Trehan and Trehan, 2009).

Attitude: People’s attitudes help determine what they think is right or appropriate, what is important, and what is desirable. Attitude is measured across three levels, namely attitude to time; attitude to work and; attitude to contractual obligation. SME owners and managers’ personality and orientation are major factors influencing their attitude generally and consequently affecting the way the business is run. **Values:** According to Parsons (1951), value is an element of a shared symbolic system which serves as a criterion or standard for selection among the alternatives of orientation which are intrinsically open in a situation. An entrepreneur’s cultural value is likely to influence the decisions he makes regarding the operation of business and management of his staff.

Religion: Religion can provide the basis for transcultural similarities under shared beliefs in Islam, or Christianity. There remains a healthy respect for individual religious differences. Swidler (1986), offers explanation on the image of culture such as symbols, rituals which are disposable to people for solving real-life problems. Some SME owners, due to their religious beliefs resort to prayers and fasting to overcome organizational challenges. Some Managers mandate prayer meeting involving all members of staff on daily basis while some engage the services of priest; other use religious symbols as a way of religious affiliation. **Social institutions:** Social institutions – business, political or family – influence the behavior of people and the ways in which people relate to each other (Johnson, 2014). In some communities, the family is the most important social group, and family relationships sometimes influence the work environment and employment practices.

2.1.3 Socio-Cultural Realities and Small and Medium Sized Enterprises (SMEs) in Nigeria

Scholars on enterprise consensually identified three factors that characterize SMEs business environment (Allen & Udell, 2004) and fourth factor common in developing countries (Allen & Udell, 2004) these include: the continuation of marked informational asymmetries; lack of transparent accounting and reporting systems; lack of succession plan; poor corporate governance practice—unfriendly business ethic and culture. Similarly, Basil (2005) identified several factors responsible for the slow growth and premature nature of SMEs in Nigeria, which include dearth of capital, insufficient market demand, poor succession plan, poor managerial competency, lack of adequate infrastructure and support, family interferences with businesses, poor financial management skills, and high level of unprofessional practices. SMEs in Nigeria operate in an informal setting and are generally a one-man business show or at best managed by two or three family members, relations or friends, who handle all business decisions. Characteristically, it is difficult to separate private and business interest. Bolton (1971) described SMEs as having a personalized style of management devoid of formal structures; with ownership and control solely in the hands of the owner (Spencer, 1999). SMEs have been recognized as a key factor in investment in social capital which can assist in tackling societal challenges, however this is not reflected in their social practice because they are mostly driven by personal moral conviction and not business reason (Habisch, 2004).

2.2 Theoretical Framework

2.2.1 The Iceberg Model: Conscious and Subconscious Culture

The Iceberg Model of Culture propounded by Hall (1976) likened culture as an iceberg. Hall maintained that a larger aspect of our lives and work are overwhelmed as the invisible part of an iceberg. The larger invisible parts are unobserved and often ignored. He opined that the impact of underlying subconscious aspect on the actions, behaviour and perception of people need to be given consideration. The physical (conscious) aspect of culture is visible, such as behaviours, actions and beliefs (tip of the iceberg), while the invisible and unconscious aspect (larger part/below the surface) include underlying values, traditions, beliefs, taboo trigger behaviour and action. Therefore, the conscious aspect of culture which may be visible are necessary explanation of action, behaviour, perception of people, while the larger subconscious aspect that are not visible are underlying factors enough to capture actions and behaviours. Culture therefore cannot be understood by the visible aspect only, but rather with the underlying invisible values, beliefs, traditional norms (Hall, 1979).

2.2.2 Hofstede's Cultural Dimensions

In his attempt to provide explanations to the fact that some concepts of motivation did not work in different countries that same way, Hofstede (1983, 1996) devised an approach to identifying the pervasive fundamental differences of national cultures. According to Hofstede, the way people in different countries perceive and interpret their world varies along four dimensions: power distance, uncertainty avoidance, individualism and masculinity.

Power distance (PD): refers to the degree of inequality between people in physical and educational terms (i.e. from relatively equal to extremely unequal). In high PD societies power is concentrated among a few people at the top who make all the decisions. People at the other end simply carry these decisions out. They accept differences in power and wealth more readily. In low PD societies, on the other hand, power is widely dispersed and relations among people are more egalitarian. The lower the power distance the more individuals will expect to participate in the organizational decision-making process. A high-power distance score was observed in Japan. The United States and Canada record a middle-level rating on power distance, but countries such as Denmark, Austria and Israel exhibit much lower ratings.

Uncertainty Avoidance (UA) concerns the degree to which people in a country prefer formal rules and fixed patterns of life, such as career structures and laws, as means of enhancing security. Another important dimension of uncertainty avoidance is risk taking. High UA is probably associated with risk aversion. Organization personnel in low UA societies face the future as it takes shape without experiencing undue stress. In high UA cultures, managers engage in activities

such as long-range planning to establish protective barriers to minimize the anxiety associated with future events. On uncertainty avoidance, according to Hofstede, the United States and Canada score quite low, indicating an ability to be more responsive in coping with future changes. But Japan, Greece, Portugal and Belgium score high, indicating their desire to meet the future in a more structured and planned fashion.

Individualism denotes the degree to which people in a country learn to act as individuals rather than as members of groups. In individualistic societies, people are self-centered and feel little need for dependency on others. They seek fulfillment of their own goals over the groups. In collectivistic societies, members have a group mentality. They are interdependent on each other and seek mutual accommodation to maintain group harmony. Collectivistic managers have high loyalty to their organizations and subscribe to joint decision making. The United Kingdom, Australia, Canada and the United States show very similar high ratings on individualism, while Japan, Brazil, Colombia, Chile and Venezuela exhibit very low ratings.

Masculinity relates to the degree to which 'masculine' values, such as achievement, performance, success, money and competition, prevail over 'feminine' values, such as quality of life, maintaining warm personal relationships, service, care for the weak, preserving the environment and solidarity. Masculine cultures exhibit different roles for men and women and perceive anything big as important. The feminine cultures value 'small as beautiful', and stress quality of life and environment over materialistic ends. A relatively high masculinity index was observed for the United States, Italy and Japan. In low-masculinity societies such as Denmark and Sweden people are basically motivated by a more qualitative goal set to job enrichment. Differences on masculinity scores are also reflected in the types of career opportunity available in organizations and associated job mobility.

Time perspective: In a 23-country study, some years after Hofstede's original work, Hofstede and Bond (1988) identified a fifth dimension that they first termed Confucian Dynamism and then renamed 'time orientation'. This time orientation is defined as the way members in an organization exhibit a pragmatic future-oriented perspective rather than a conventional history or short-term point of view. The consequences of a high score on the long-term orientation (LTO) index are persistence, ordering relationships by status and observing this order. The opposite is short-term orientation, which includes personal steadiness and stability. Most south-east Asian markets, such as China, Hong Kong, Taiwan and South Korea, score high on the LTO index. This tendency has something to do with the Confucian traditions prevalent there. On the other hand, many European countries are short-term oriented. They believe in preserving history and continuing past traditions.

2.3 Empirical Review

Sharmilee and Muhammad (2016) studied the factors affecting the performance of small and medium enterprises in KwaZulu-Natal, South Africa. It was observed that in South Africa, the growth of SMEs and prevalence of SMEs is significantly low. Therefore, the aim of the study is to identify the internal and external factors affecting the performance of SMEs in KwaZulu-Natal in South Africa. It was a cross-sectional study conducted among 74 SMEs owners/managers who were members of the Durban Chamber of Commerce via online using anonymous questionnaire. The results revealed technological advancement would improve the performance of the business. With regards to challenge, the majority of the respondents viewed competition as a major challenge. Almost all the respondent indicated that crime and corruption affecting business performance. Competition was the only factor amongst the studied internal and external factors that revealed a significant association with the performance of SMEs in KwaZulu-Natal ($p = 0.011$). SMEs need to recognize they must prepare for both domestic and international competition. Collaboration between SMEs could be a way for SMEs to confront competition. This study though relates to SMEs performance but completely ignored the effect of socio-cultural factor on the performance of SMEs.

Johnson , George , Owoyemi & Adegboye (2014) examined the effect of socio-cultural realities on the Nigerian SME using Lagos State as a case with basically two objectives namely (i) identify socio-cultural realities in the SME business environment in Nigeria and; (ii) examine the impact of these factors (in i) on the development of SMEs. Socio-cultural realities were measured from three major factors, namely attitude; religion and values: each of this factor were further categorized into several level of constructs. Responses from ten (10) SME owners/representatives in the five (5) major districts of Lagos state identified the socio-cultural realities as key factors affecting their businesses. A further research is recommended to further establish whether these results reflect the general condition in other states of Nigeria. From this review, it is obvious that a study to examine the effects of socio-cultural factors on SMEs performance in other geographical area is imperative.

Tambari, Chioma & Ononogbo (2018) conducted investigation to determine the implications of environmental factors on the productivity of selected small and medium scale enterprises on selected SMES in Portharcourt, Rivers-State Nigeria. The study took a descriptive survey approach and relied on a five point likert scale questionnaire as its major source of data. A sample of 124 respondents was drawn using purposive sampling technique. The data gathered was analyzed using multiple regressions with the aid of 20.0 version of the statistical package for social sciences (SPSS 20.0). Results obtained from the joint test shows that environmental factors affects the productivity of SMEs. However, the results of the individual test suggested that the implications of economic and political environmental factors are severely felt by SMEs than the socio-cultural factors. Based on the results obtained, the paper drew three conclusions and advanced three recommendations among which were; that SMEs should strategically engage in constant monitoring and conducting of environmental scanning, SMEs should learn to align their operational strategies with present market and environmental realities. This calls for a regular update and adjustment in strategies and that Government should provide an urgent safety net for SMEs against undue taxation and other harsh economic policies that tend to hamper their productivity.

Maziku, Majenga and Mashenene (2014) studied how socio-cultural factors affect the performance of women SMEs in Tanzania using quantitative and qualitative research approaches involving 80 female owner-managers. The results show that attitude of husbands; ethnicity and immobility of women SMEs have negative effect on the performance of women SMEs while family roles and education were found to have a weak positive effect on the performance of women SMEs.

2.3 Literature Gap

It can be seen from the review of the few extant studies on the relationship and effects of socio-cultural factors (SCFs) on performance of SMEs that; i) the need to investigate the subject in other geographical area (s) apart from the once captured in the above studies is needed. ii) Other SCFs' variables as social institution, beliefs and family background left area to be investigated. iii) The use of quantitative research through survey design and questionnaire instrument without gender bias is also covered by this present study .iv) This present study also use the non-financial performance measures (effectives and efficiency) which are not captured in the reviewed studies.

3. METHODOLOGY

The study adopted the survey research design with the use of well-structured questionnaire used to obtain data from the target respondents for descriptive and inferential analysis. The study population of 50 respondents as owners/managers of small and medium business enterprises was also adopted as the sample size is shown below:

Table 3.1: Population and Sample of the Study

Respondent Sector	Respondent Category	No of Respondents	Valid Percent
Manufacturing	Food Restaurant	7	18
Manufacturing	Shoe Making	6	15
Service	Business centres/cyber café	10	25
Service	Hotels	4	10
Service	Repairers of phone/Computer	5	12
Service	Hair dressing /barbing saloon	8	20
Total		40	100

Source: Field Survey, 2019

Table 3.1 shows that larger percentage of the population was from the owners of business centres and cyber café (25%) followed by 20% from the hair dressing/ barbing saloon. 18% was from the food restaurant, 15% from shoe making and 12% the repairer of GSM/computer and the least percentage i.e 10% was from the hotel business.

This study adopts SPSS software for both the descriptive and inferential analysis of the quantitative data. Descriptively, simple percentages and frequency distribution tables were used while Pearson Correlation and linear regression were used as inferential tool for analysis.

4. DATA PRESENTATION AND ANALYSIS

4.1 Descriptive Analysis

Table 4.1 Gender Distribution

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	27	67.0	67.0	67.0
Valid Female	13	33.0	33.0	100.0
Total	40	100.0	100.0	

Source: Field Survey, 2019

From the Table 4.1, it is shown that 27 out of the 40 respondents are male constituting 67% while the remaining 13 respondents are female, that is 33%. It is obvious that majority of the respondents are male.

Table 4.2 You are Small or Medium Scale Enterprise Owner

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	40	100.0	100.0	100.0

Source: Field Survey, 2019

Table 4.2 shows that all the 40 respondents are small scale enterprise owners constituting 100% of the sample size.

Table 4.3 How long have you been an Enterprise Owner

	Frequency	Percent	Valid Percent	Cumulative Percent
Btw 0-2 years	7	16.5	16.5	16.5
Btw 3-5years	12	29.0	29.0	45.5
Valid Btw 6-9years	14	38.0	38.0	83.5
10years & Above	7	16.5	16.5	100.0
Total	40	100.0	100.0	

Source: Field Survey, 2019

Table 4.3 indicates that 7 (16.5%) of the 40 respondents have own a small business enterprise for a period of 0-2 years. Owners of small business enterprise for a period of 3-5 years are 12 (29%) among the respondents. 14 (38%) of the respondents have own a small business enterprise for 6-9 years while 7 (i.e 16.5%) have spent 10years and above as owners of small scale business enterprise. Therefore, majority of the respondents are in the category of those who have own small scale business enterprise for a period of 6-9years.

4.3 Inferential Analysis

Effect of Socio-cultural Factors on SMEs Effectiveness

The analysis on table 4.4 and 4.5 show the effects and relationship between the socio-cultural factors and effectiveness of SMEs in Kwara State.

Table 4.4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.67 ^a	.24	.25	2.918	.25	.172	1	38	.681	1.945

a. Predictors: (Constant), Socio-cultural Factors

b. Dependent Variable: Effectiveness

The table 4.4 shows that 25% changes in the effective performance of SMEs in Kwara State are caused by the socio-cultural factors. The Durbin-Watson value of 1.945 shows the absence of multiple or repeated indicator in the content of the research instrument.

Table 4.5: Correlations Between SCFs and effectiveness

		EF	SCF
Pearson Correlation	EF	1.000	-.67
	SCF	-.67	1.000
Sig. (1-tailed)	EF	.	.340
	SCF	.340	.
N	EF	40	40
	SCF	40	40

Table 4.5 shows the correlation between socio-cultural factors and effectiveness in the performance of SMEs in Kwara State. It is shown that, there exist a negative (-0.67) and insignificant ($p > 0.05$) relationship between the two constructs. This implies that as more socio-cultural factors like religion, individual values and attitude are given more priority in workplace, the effectiveness attainment of the business goal will be reducing.

Socio-cultural Factors and Efficiency of SMEs in Kwara State.

The analysis on table 4.6 and 4.7 show the effects and relationship between the socio-cultural factors and efficiency of SMEs in Kwara State.

Table 4.6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.115 ^a	.39	.43	2.349	.43	.511	1	38	.479	1.789

a. Predictors: (Constant), SCF

b. Dependent Variable: Efficiency

The R-square adjusted shows how efficiency is affected by the socio-cultural factors. 43% variation in the performance of SMEs in Kwara State is accounted for by the socio-cultural factors affecting the business. The 1.789 of Durbin-Watson is between 1.5 and 2.5 rule of thumb which means there is absence of multiple or repeated indicator in the instruments.

Table 4.7: Correlations Between SCFs and Efficiency

		EY	SCF
Pearson Correlation	EY	1.000	.115
	SCF	.115	1.000
Sig. (1-tailed)	EY	.	.240
	SCF	.240	.
N	EY	40	40
	SCF	40	40

Table 4.8: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	22.039	3.305		6.669	.000
	SCF	.38	.137	.115	2.85	.479

a. Dependent Variable: EY

Table 4.7 shows the correlation between socio-cultural factors and efficiency in the performance of SMEs in Kwara State. It is shown that, there exist a positive (0.115) and significant ($p < 0.05$) i.e 0.000 relationship between the two constructs. This implies that as more socio-cultural factors like religion, individual values and attitude are given more priority in workplace; the effectiveness in the business performance will also appreciate.

4. DISCUSSION OF FINDINGS

The findings on the relationship between the effectiveness and socio-cultural factors negate the study of (Johnson, 2014) but consistent with Tambari, Chioma & Ononogbo (2018). But the relationship between socio-cultural factors and SMEs efficiency or resource utilization management finds no related study in the extant literature.

5. CONCLUSION AND RECOMMENDATIONS

SMEs are better understood from the perspective of socio-cultural context. Any comprehensive investigation into the factors of business performance must consider the social and cultural sides of business behavior. Socio-cultural realities are strong components of business environment as they manifest themselves in various forms including religious beliefs, traditions, language, religious symbols and affiliation. Socio-cultural factors can also take the form of traditional beliefs which are either imbibed or accepted as a standard business practice. SMEs are characteristically informal, high risk business; poor management orientation and business ethics. Being a one-man business or at most three, SME businesses are tied to culture, tradition and religion as typified by owners' orientations, values and personality. As the analysis shows negative and insignificant relationship between the socio-cultural factors and the effectiveness in the performance of SMEs in Kwara State, the business should de-emphasize the factors so that effectiveness can be improved upon. The also recommended that the efficiency or resources cost minimization will be improved by given the employees seen of belongings or recognizing their values, attitude, religion and education.

REFERENCES

1. Adeyemi, S. L. (2011). Small and medium scale enterprises as survival strategy for employment generation in Nigeria. *Journal of sustainable Development*, 4(1), 200-206.
2. Agboli, M., & Ukaegbu, C. C. (2006). Business environment and entrepreneurial activity in Nigeria: implications for industrial development. *Journal of Modern African Studies*, 44(1), 1-30.
3. Akpor-Robaro, M.O.M. (2012). The impact of socio-cultural environment on entrepreneurial emergence: A theoretical analysis of the Nigerian society. *European Journal of Business and Management*, 4(16): 172- 182.
4. Arasti, Z., Pasvishe, F. A., & Motavaseli, M. (2012). Normative Institutional Factors Affecting Entrepreneurial Intention in Iranian Information Technology Sector. *Journal of Management and Strategy*, 3(2), 16–25.
5. Ardic, OP, Mylenko, N., Saltane, V. (2011). Small and medium Enterprises: a cross-country analysis with a new date set. *World Bank Policy Research - Working Paper Series*.
6. Ayatse, F. A. (2013) Driving Entrepreneurship Education in Nigeria: Issues and Challenges. *International Journal of Business and Management Review*, 4(1), 83-90.
7. Azim, M. T. (2008). Socio-cultural environment for entrepreneurship development in Bangladesh. *Journal of Bangladesh Studies*, 10(1), 51-60.
8. Beyene, A. (2002). Enhancing the Competitiveness and Productivity of Small and Medium Scale Enterprises (SMEs) in Africa: An Analysis of Differential Roles of National Governments Through Improved Support Services. *Africa Development*, 27(3&4).
9. Dasanayaka, S.W.S.B. (2008) 'Over view of SMEs in Pakistani and Srilankan perspective.'
10. Dorfman, W. P., & Howell, J. P. (1988). Dimensions of National Culture and Effective Leadership Patterns: Hofstede Revisited. *Advances in International Comparative Management*, 3, 127–150.
11. Ekeledo, I., K., & Bewayo, E. D. (2009). Challenges and opportunities facing African entrepreneurs and their small firms. *International Journal of Business Research*, 9.
12. EU, (2011). *EU journal for small and medium enterprises; Are EU SMEs recovering from the crisis?*
13. George, O. J. (2011). Impact of Culture on the Transfer of Management Practices in former British Colonies.
14. Hatten, TS (2011). *Small Business Management: Entrepreneurship and Beyond (5th ed.)*. Mason: South-Western Cengage Learning.
15. Ihugba, O. A., Odii, A., & Njoku, A. C. (2013). Challenges and Prospects of Entrepreneurship in Nigeria. *Academic Journal of Interdisciplinary Studies*, 2(5), 25.
16. Karpak, B., & Topcu, I. (2010). Small and medium manufacturing enterprises in Turkey: An analytical network process framework for prioritizing factors affecting success. *International Journal Production Economics*, 125, 60-70.
17. KPMG. (2012). *Confronting Complexity*.
18. Liao, J., Welsch H., & Moutray, C.H. (2009). Start-up resources and entrepreneurial discontinuance: The case of nascent entrepreneurs. *Journal of Small Business Strategy*, 19(2), 1-15.
19. Maziku, P., Majenga, A. and Mashenene, R.G. (2014). The Effects of Socio-Cultural Factors on the Performance of Women Small and Medium Enterprises in Tanzania: *Journal of Economics and Sustainable Development*, Vol. 5(21), 51-62.
20. Nina, R., Brinckmann, J., and Bauscha, A. (2009) 'Is innovation always beneficial?' A Meta analysis of relation between innovation and performance. *ESADE, AV, Pedralbes*, 60 (62), 1-5.
21. OECD (2009) *Proceedings of 6th International Business and Social Sciences Research Conference 3 –4 January, 2013, Dubai, UAE, ISBN: 978-1-922069-18-4*
22. OECD-UNIDO. (2004). *Effective policies for small business*. Paris: OECD.policies/sme/fies/sme_definition/sme_user_guide_en.pdf.



23. Ogechukwu, A. D., Oboreh, J. S., Umokoro, F., & Uche, A. V. (2013). Small and medium scale enterprises (SMEs) in Nigeria the Marketing Interface. *Global journal of management and Research marketing*, 13(9), 1-12
24. Olaoye, R. (2003). Man and Technology. In B. Salawu (Ed.), *Sociology: Concepts and Themes* (101–121). Ilorin: Ahnour International.
25. Sharmilee Sitharam and Muhammad Hoque (2016). Factors affecting the performance of small and medium enterprises in KwaZulu-Natal, South Africa. *Problems and Perspectives in Management*, 14(2-2), 277-288.
26. Tesfayohannes, M. (2012). African Entrepreneurs Should Plan and Aspire Beyond The Fence At The Current Complex Global Business Environment. Sigmund Weis School of Business, Susquehanna University, Selinsgrove, PA, USA.
27. The World Bank. (2012). *Doing Business*. Washington, DC
28. Triandis, H. C. (1972). *The Analysis of Subjective Culture*. New York: John Wiley & Sons.
29. Zeffane, R. (2014). Does collectivism necessarily negate the spirit of entrepreneurship? *International Journal of Entrepreneurial Behavior & Research*, 20(3), 278-296.



APPENDIX- QUESTIONNAIRE

Socio-Cultural Factors

Instruction: Please rank your views using the scale 1 – 5. Scale: 5 = Strongly agree, 4 = Agree, 3 = Undecided, 2 = Disagree, 1 = Strongly disagree

S/N	Items	Scale				
		1	2	3	4	5
SCF1	Attitude: emotional orientation has significantly improved in the Business					
SCF2	Attitude: joint social role in form of committees improve job Performance					
SCF3	Attitude: Referenced achievement as benchmark improve staff Morale					
SCF4	Values: The business directions are jointly agreed upon by staff					
SCF5	Values: The company frequently compare performance with competitors.					
SCF6	Religion: Their is a powerful emotive relationship to job performance in the business					
SCF7	Religion: Domineering religious belief affect business goals positively					
SCF8	Family background: you have observed inferiority or superiority complex in the discharge of duty by your staff.					
SCF9	Education: Your level of educational qualification has not impacted much on the business operation					

Efficiency

Instruction: Please rank your views using the scale 1 – 5. Scale: 5 = Strongly agree, 4 = Agree, 3 = Undecided, 2 = Disagree, 1 = Strongly disagree

S/N	Items	Scale				
		1	2	3	4	5
EY1	My skill has impacted significantly in on the general business performance					
EY2	Less staff training is needed to discharge business duties properly					
EY3	The company has been producing more using lesser time as time passes					
EY4	The presence of the business is felt more in the environment.					
EF5	The business has incurred less cost of operation in recent years.					
EY6	The ratio of output is higher than input.					
EY7	The company has learn how to minimise effort on the job performance					

Effectiveness

Instruction: Please rank your views using the scale 1 – 5. Scale: 5 = Strongly agree, 4 = Agree, 3 = Undecided, 2 = Disagree, 1 = Strongly disagree

S/N	Items	Scale				
		1	2	3	4	5
EF1	The quality of my work-life do affect business improvement in recent years					
EF2	The company have recorded increase in production capacity in the last few years					
EF3	Attitude of employees has increased over the years					
EF4	Investment in machineries and equipment have increased over the years					
EF5	The success of the company in terms of productivity can be attributed to socio-cultural factor					
EF6	It is obvious that the organization can improve on her productivity level					
EF7	Productivity has led to expansion					