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**RESOURCES AS A DETERMINANT OF GROWTH OF SMALL AND MEDIUM
PRINTING ENTERPRISES IN NORTHERN NIGERIA.**

By

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ABSTRACT

This study was purposely carried out to examine whether resources is a determinant of growth of Small and Medium Printing Enterprises (SMPEs) in Northern Nigeria. To achieve this specific purpose, the study set out with a view to finding solution to perennial growth problem associated with Small and Medium Printing Enterprises in Northern Nigeria. This is anchored on the premise that SMPEs and other SMEs are a major source of job creation, employment and wealth if properly grown and nurtured to maturity. They also represent the seeds for future large companies and corporations. Literatures related to both dependent and independent variables were reviewed covering suitable theories, conceptual and empirical sources. Descriptive survey research design was used for the study while a total of two Hundred and twenty five (225) respondents were used through census method. A structured questionnaire was used as the main instrument administered for collecting pertinent data. This instrument was subjected to content and face validation by experts and professionals in printing, entrepreneurship, measurement and evaluation and statistical fields. Various statistical tools were used to analyze data. The empirical literature showed that resources are key determinants of growth of SMPEs in both developed and emerging economies all over the world. Other literatures also revealed that SMPEs like other SMES in developing countries are faced with monumental challenges. The result of the data analysis revealed that resources have a great positive influence on the growth of SMPEs in Northern Nigeria. According to the findings of the study, adequate human, financial and physical resources are key elements and fulcrum around which the growth of SMPEs in Northern Nigeria is anchored. A well developed human capital, easy access to funds and grants and adequate infrastructures correlates directly and positively with growth of SMPEs in Northern Nigeria. It is recommended that adequate human, financial and physical resources be critically improved and enhanced to enable SMPEs takes it pride of place and plays her expected role in the Nigeria economy. Policy issues on access to funds by SMPE sector be softened to facilitate easy access to funds and finances needed for growing SMPEs and the SMEs in general

Keywords: Resources: (Human, Finance & Physical), Growth of Small and Medium and Printing enterprises,

Background to the study

This study examines whether resources is a determinant of growth of Small and Medium Printing Enterprises (SMPEs) in Northern Nigeria. Resources in the context and content of this study include human, financial and physical resources. Findings of various studies revealed that most SMEs including printing SMEs (SMPEs) in Nigeria have not performed creditably well and hence have not played the

expected vital and vibrant role in the economic growth and development of Nigeria. (Onugu, 2005). Similarly, a high failure rate of Small and Medium Enterprises is a huge negative for an economy, especially in developing economy with limited capital. (Okpara and Kumbiadis (2008).

This is the situation in Nigeria despite government programmes and interventions to increase entrepreneurial activities. As to whether resources is a determinant of growth of Small and Medium Printing Enterprises in Northern Nigeria is therefore the core area of this study.

1. Statement of the Problem

Small and Medium Printing Enterprises (SMEPs) in Nigeria have not performed creditably well and hence have not played the expected vital and vibrant role in the economic growth and development of Nigeria. Specifically, SMPEs in Nigeria are faced with problem of inadequate human, financial and physical resources to grow their enterprises. Revelaton from SMEDAN (2010) report equally highlights the challenges facing the MSME sector in Nigeria. These are weak infrastructure, lack of access to finance and inconsistent government policies, lack knowledge of the various laws, policies or statutes that protect them and can help them expand and grow.

This study on whether resources are determinants of growth of SMPEs in Nigeria is carried out on adequacy of resources, entrepreneur/owner characteristics, environment factors, and government policies. This study on whether resources are determinants of growth of Small and Medium Printing Enterprises will then serve as one of the open **windows** to growth of the nation's economy. At the same time, it will serve as a spring board for industrialization of the nation. This bears in mind the impact of Small and Medium Printing Enterprises on developed economies since its discovery in that region. It is equally of paramount interest to this study looking at Nigeria's vision **20-20-20** that envisages that Nigeria will be among the Top **20** World Economies by the year **2020**. Ironically, Global World Competitiveness Report

(2012) ranked Nigeria at 115th position. Thus, the need to carry out this study in this sector that has hitherto served as one of the major catalyst for industrialization of most developed economies. It is against this background that this study is focused on whether resources are a determinant of growth of Small and Medium Printing Enterprises in Northern Nigeria.

2. Definition of SMEs

The table below was postulated by Small and Medium Enterprises Development Agency of Nigeria. The table defined and classified SMEs in Nigeria in terms of size, employment and assets.

Table. 1.1 Definition and Classification of MSMEs in Nigeria

S/No.	SIZE CATEGORY	EMPLOYMENT	ASSETS (N million) (Excluding Land and buildings)
1.	Micro Enterprises	Less than 10	Less than 5
2.	Small enterprises	10 -49	5 less than 50
3.	Medium Enterprises	50 -199	50 less than 500

Source: Small and Medium Enterprises Development Agency of Nigeria (2001)

3. Review of Literature.

Selected literatures on resources as determinants of Small and Medium Enterprises with printing inclusive were reviewed based on the objective and the research design.

Importance of SMPEs

Thorsten and Asli (2006) postulates that although SMEs constitute a significant part of total employment in many countries, one of the reasons they may not be able to contribute to economic growth is because they face greater growth obstacles. Indeed, compared to large firms, SMEs are more constrained by different obstacles, and limited access to finance is an important

one of these. Research suggests improving legal and financial institutions helps all deserving firms access finance and grow, but the effect is greatest on smaller firms. Both firm-level and industry-level studies suggest that small firms do relatively better compared to large firms in countries with better-developed institutions.

In another development, Ngugi, Gakure, Were, Ngugi and Kibiru, (2012) in a study carried out on the influence of intellectual capital on the growth of SMEs in Kenya reveals that management's technical skills influenced growth of SMEs, followed by managerial experience. Similarly, a study relating Kenyan Manufacturing SMEs finance needs by Migiro (2006) reveals that general knowledge and awareness of finance options available to SMEs were poor resulting in low growth of SMEs in Kenya. An OECD Score Board (2012) and (UCS) (2011) equally revealed that access to finance by SMEs constitute a major barrier to growth of SMEs. In another study, German Institute for Global Area Studies (2008) research findings on Business Constraints and Growth Potential of Micro and Small Manufacturing Enterprises in Uganda reveals that MSEs' growth potential is negatively affected by limited access to productive resources (finance and business services), by high taxes, and by lack of market access.

Resources therefore are perceived as one of the major fulcrum around which the growth of Small and Medium Printing Enterprises revolves.

In a related study, Mbogo (2011) shows that owner/manager capabilities in financial, marketing, human resource and managerial accounting influence decision-making, and consequently SMEs success and development. The study concludes that training level and managerial accounting capabilities of owner/manager have a strong, positive and significant influence on the decision

making and consequently are critical for the success, growth and survival of SMEs. In Oghojafor, Okonji, Olayemi, Olufemi and Okolie (2011) Report on 50years of Entrepreneurship Development in Nigeria: Challenges and Prospects, the study reveals that such SMEs initiatives failed abysmally due to over bearing bureaucracies, corruption, inadequate infrastructural facilities and maladministration.

Generally, quite a number of studies have been carried out on the determinants of growth of SMEs with SMPEs inclusive. Results show that poor management and economic condition as well as the type of activity in which the firm engages are significant determinants of firm growth and factors for SME failures. (Ihua, 2009, Liua and Pangb 2011), examined determinants of survival and growth of Listed SMEs in China and posited that the difficulty in raising funds is a long-term bottleneck that hampers the development of SMEs. In another development on study on internal and external factors hampering SME growth -A qualitative case study of SMEs in Thailand, Grimsholm and Poblete (2010) found out that there are a number of significant factors hampering Thai SMEs to grow. The major obstacles are attributed to lack of access to finance, competition, barriers to trade, management competence, lack of skilled labour, low investment in Research & Development and new technology.

The Printing trade has impacted every facet of human life. According to Printing Industry of America Data 2009, the printing industry employs 909,179 people among 33,565 establishments with annual sales totaling over \$140.7 billion in annual shipments. While the industry accounts for a significant portion of the nations' total volume of goods and services, it also represents the largest conglomeration of small businesses in the domestic manufacturing sector. Seventy nine percent of the plants in the industry employ 19 people or less. Most firms in the industry serve local or regional markets, though some printers and many publishers reach national and international markets. The industry is dominated by five separate

and distinct processes, lithography, letterpress, flexography, gravure, and screen printing. (US Economic Census Report 1999).

Small and Medium Printing Enterprises in Nigeria

In Nigeria, the art of printing was first established in Abeokuta to print “Iwe Irohin” by the early Christians missionaries in 1863. Since then, the trade quickly spread across major cities in Nigeria. One of the common characteristics of this trade is that they are owned and ran as family and individual enterprises except for Government owned Printing Presses.

Printing trade from onset was entrepreneurial in nature. Its discovery has affected and impacted every facet of human development including Entrepreneurship. Business activities in the printing enterprise is therefore broadly classified into Prepress, Press and Postpress. This gives room for specialization in any of this major area. However, growing and nurturing these enterprises from subsistence level to sustainable level have been a phenomena and nightmares especially in developing economies like Nigeria. Although there are no empirical studies on growth of SMPEs in Nigeria, related studies on determinants of growth of SMEs in Nigeria is lopsided and grows horizontally.

4. Study Objectives

The major objective of this study is to find out whether resources is a determinant of growth of Small and Medium Printing Enterprises in Northern Nigeria. This study further investigated whether human, finance and physical resources are determinants of growth of small and medium printing enterprises in Northern Nigeria.

5. Research Design

This study adopted descriptive research design. Ndagi (1999) defines descriptive research survey as a procedural research method that is concerned with the collection of data for the purpose of describing and interpreting existing conditions, prevailing practices, attitudes and ongoing processes. It is one of the most widely applied on non-experimental research designs in the field of social sciences and allied fields in data collection of large volume from an unbiased sample of individuals sampled from the targeted population (Ezejelue, Ogwo & Nkamnebe, 2008). Similarly, the choice of descriptive design according to Nachimias and Nachimias (2009), is anchored on the premise that descriptive research design is one of the most important data collection methods in social sciences and as such is used extensively to collect information that will be used in determining the effect of the independent variable on the dependent variable. Similarly, according to Gakure (2010), they are also useful in clarifying your understanding of a problem rather than generalize your findings.

The study targeted 225 Small and Medium Printing Enterprises in Northern Nigeria that are based Kaduna. This study targets this population in view of the fact that Kaduna has being one of the oldest regional headquarters of Northern Nigeria and have a number of beehives of SMPE activities across major towns of the state. Findings from this study could be replicated as a fair representation of the entire Northern Nigeria. A list of questionnaire was prepared and administered on the targeted population to find out whether resources are a determinant of SMPEs in Northern Nigeria. 223 of the total questionnaire

6. Research Findings

4.5.1.1 Human Resources

This section investigated if human resources determine the growth of Small and Medium Printing Enterprises in Northern Nigeria. The study sought to know whether SMPEs needed human resources to grow their enterprises.

As to whether human resource determines the growth of Small and Medium Printing Enterprises, Fig. 1 shows that all (223) representing (100%) of the respondents agreed that Human resources determines the growth of Small and Medium printing Enterprises in Northern Nigeria.

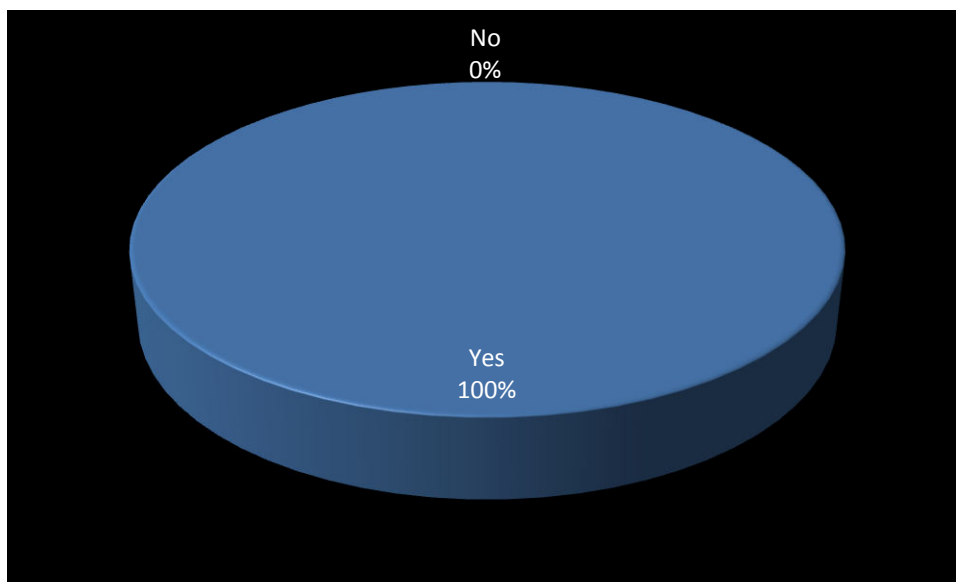


Fig.1. Human Resource as a determinant of growth of SMPEs

As to whether financial resources determines the growth of SMPEs, Fig. 2 showed that 180 of the respondents representing 80.72% agreed that financial resources determines the growth of

small and medium printing enterprise, while the remaining 43 of the respondents (19.28%) disagreed that financial resources is a determinant of growth of SMPEs in Northern Nigeria.

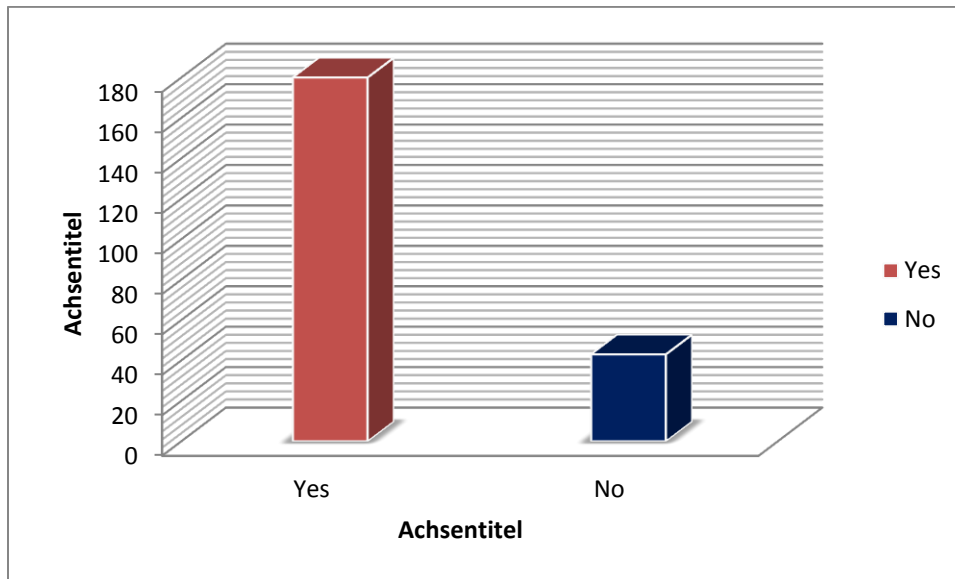


Fig.4.13 Financial Resources as determinant for growth of SMPEs

On the effect of financial resources on SMPEs, Table 4.15 showed that 200 of the respondents (89.69%) agreed that financial resources have great effect on the growth of Small and Medium Printing Enterprises in Northern Nigeria. On the other hand, only 23 respondents representing just 10.31% accepted that financial resources have less effect on the growth of SMPEs in Northern Nigeria.

Table 4.15 Effect of Financial Resources as determinant of growth of SMPEs

Response	Frequency	Percent
Great effect	200	89.69%
Less effect	23	10.31%
Total	223	100%

On High interest rate on loans, Data on Table 4.21, 188 of the respondents representing (84%) agreed that High interest rate on loans is a hindrance to growth of SMPEs with just 35 representing 16% do not share such opinion.

Table 4.21 High Interest Rate

Response	Frequency	Percent
Yes	188	84.00%
No	35	16.00%
Total	223	100%

Physical Resources (Machineries)

On whether physical resources (Machineries) determines the growth of Small and Nedium Printing Enterprises, data on Table 4.23 showed that a vast majority (221) of the respondents representing 99.1% affirmed that Physical resources is a determinant of growth of SMPEs in Northern Nigeria. Only 0.9% (n=2) disagrees with this statement as illustrated on Fig. 4.27. This figure is highly insignificant as growth of SMPEs in the 21st century will largely rest on acquisition of modern machineries.

Table 4.23 Physical Resources (Machines) a Determinant of Growth of SMPEs

Responses	Frequency	Percentage
Yes	221	99.1%
No	2	0.9%
Total	223	100%

Fig.4.22 Physical Resources (Machines) as Determinant of Growth of SMPEs

On whether availability of modern machineries influence the growth of SMPEs, the study revealed from the data on Table 4.24 that a vast majority (203) of the respondents representing 91% of the respondents do not have modern printing machines in their enterprises. The remaining 20 of the respondents representing just 9.00% shared the view of having modern printing machines in their enterprises. This may likely account for low growth rate of the SMPEs in the face global trends in the printing industry.

8. Table 4.24 Availability of Modern Printing Machines

Response	Frequency	Percent
Yes	20	9.00%
No	203	91.00%
Total	223	100%

As to the benefits on the availability of modern printing machines in SMPEs, data on Table 4.25 showed that 201 of the respondents representing 90.13% said that availability of modern printing machines in SMPEs is greatly advantageous. This may be in the area of global competitiveness. The remaining 22 respondents representing 9.87% viewed it as less disadvantageous.

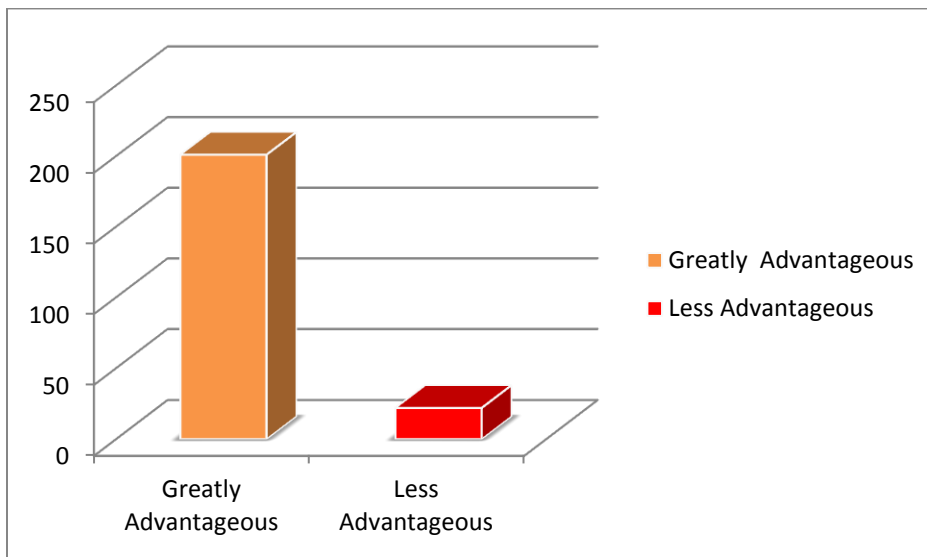


Fig.4.24 Advantages of Availability of Modern Printing Machines

The influence of resources on the growth of Small and Medium Printing Enterprises and SMEs in general is not restricted to Nigeria alone. Studies by Ngugi, J., Gakure, Were, Ngugi, P., Robinson, (2012), Khan, Karinah & Zulkifli (2013) on The Influence of Intellectual Capital on the Growth of Small and Medium Enterprises in Kenya corroborated the outcome of this study. Findings of the research affirmed that management's technical skills influenced the growth of SMEs and mostly followed by managerial experience. The study further revealed that managerial innovativeness is the most significant factor influencing the growth of Small and Medium Enterprises in Kenya. Thus, the study affirmed that sustainable competitive advantage is attained when the firm has a human resource pool that cannot be imitated or substituted by its rivals. In another study by Nieman and Nieuwenhuizen (2009) in Hove1 and Tarisai (2013) financial management was regarded as one of the most important aspects of business. Therefore, financial information available to the agribusiness SME owner/manager must be detailed; detached from their personal accounts; regardless of whether their financial information was derived from a cashbook, bank statement, double entry bookkeeping, monthly or quarterly management accounts, and whether their financial system was computerized or not. In another study, Hall (1995) realized that those owner/ managers who collected financial information mainly to assist in the running of the business were more likely to survive than those limiting its use to assisting in their negotiations with external businesses. Therefore, the larger the amount of surplus cash ploughed back into the business, in place of taking it as compensation by the owner, the better the chances of survival (Nieman 2006).

A study by Mwangi and Namusonge (2014) on the Influence of Innovation on Small and Medium Enterprise (SME) Growth- A Case of Garment Manufacturing Industries in Nakuru County confirmed the influence of employing modern machineries in production processes in

SMPEs. Findings of this study postulated that innovation has continued to influence businesses in the garment making industry in many ways. Innovation is such a vital component in any business undertaking that without it, it is virtually impossible for a business to survive due to the increased competition that is observed within industries. In order for a business to thrive and grow, the management of the business must see innovation as a key tool or proponent of business success. The use of modern technology in running SMEs as technological innovation is a key factor in a firm's competitiveness. Technological innovation is unavoidable for firms which want to develop and maintain a competitive advantage and gain entry in to new markets (Becheikh et al. 2006). Among firms of different sizes, SMEs are generally more flexible, adapt themselves better, and are better placed to develop and implement new ideas. The flexibility of SMEs, their simple organizational structure, their low risk and receptivity are the essential features facilitating them to be innovative (Harrison and Watson 1998). Therefore, SMEs across industries have the unrealized innovation potential (Chaminade & Vang 2006).

Technology is therefore important to support and promote SMEs development as it is responsive to local economies and results in distinctive products and services. Initiatives to support indigenous technology should therefore aim to link SMEs with technology specialists in order to generate an enabling environment that develops technology capacity. This is likely to result in a great performance of SMEs as it provides differentiated products, services and technical services in accordance with the resources available and the market needs in the context of these SMEs.

Conclusion

This study was able to establish a strong link between resources (Human, Finance and Physical resources) and growth of businesses and recommends that the Nigerian and regional government

should establish close links with SMEs in the small and medium printing industries to encourage adequate harnessing of resources and strategies that will enable the sector to expand.

In conclusion, human, financial and physical resources should be viewed as a key driver to the growth of Small and Medium Printing Enterprises not only in Nigeria but the world at large especially in developing economies. Furthermore, investment in these resources through provision of budgetary allocation for the development and growth of SMPEs should be seen an investment in the right direction with high returns as this will to a large extent contribute to the growth of SMPEs in Northern Nigeria.

Recommendation

Form the foregoing, the study strongly recommend that adequate human, financial and physical resources be critically improved and enhanced to enable SMPEs takes it pride of place and plays her expected role in the Nigeria economy. Policy issues on access to funds by SMPE sector be softened to facilitate easy access to funds and finances needed for growing SMPEs and the SMEs in general. This squarely rests on the government at both regional and national level to develop appropriate road map for the development and growth of SMPEs/SMES in the Northern Nigeria and the country at larger.

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