MICROFINANCE BANK SERVICES AND SURVIVAL INSTINCT OF MICRO, SMALL AND MEDIUM ENTERPRISES (MSMES) IN SOUTH-WEST, NIGERIA

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Abstract

This study investigated the effect of microfinance bank services (MFBs) on survival instinct of Micro, Small and Medium Enterprises (MSMEs) in South–West, Nigeria. The objective of the study is to examine the effect of dimensions of microfinance banks services on survival instincts of MSMEs in South-West, Nigeria. Descriptive research design was used through proportional stratified sampling technique in this study. Taro Yamane formula was used to arrive at 400 which formed the sample size determination of the study. Both descriptive and inferential statistics were employed for the test of the hypothesis through Statistical Packages for Social Sciences (SPSS) version 26 was used to analyse the data retrieved. The study found out that all the microfinance bank services have a significant positive effect with the survival instinct of MSMEs in South–West, Nigeria. The study concludes that the dimensions of microfinance banks services have positive significant effects on survival instincts of MSMEs in South-West, Nigeria. The study recommended that microfinance banks should improve the number of loans/credits granted to MSMEs in order to eventually translate to economic growth for survival.

Key Words: Micro-finance Bank Services, Survival Instinct, Micro, Small, and Medium Enterprises (MSMEs), Growth Theory, South-West Nigeria

Introduction

MSMEs are organisations determined by total assets in capital, equipment, plant, and working capital that are less than N 250,000 and employing few employees which are less than 50 full time workers (Anande-kur, & Faajir, 2020). The Small and Medium Enterprises Development Agency (SMEDAN) (2017) defines micro businesses as those that have less than 10 employees and an asset base (excluding land and buildings) of less than N5 million. It places employee number of small enterprises at between 10-49 with the asset base (excluding land and buildings) at between N5 million and N50 million. One of the organisations that is charged with the identification of opportunity and application of risk in transforming ideas into business ventures for profit both in developed and emerging economies, is the MSME.

The roles of micro-finance banking institutions in promoting MSMEs by providing sufficient financial services to rural and urban people have become a necessary tool for the purchase and acquisition of financial knowledge, wealth, and skills among others (Abebe & Kegne, 2023). Without adequate financial supply, business activities are going to be hindered. Adequate accessibility to finance and credit facilities is therefore essential tool in promoting MSMEs sector of any economy. The method of operation of conventional banking has imposed a market niche that must be explored if the majority of the populace is to be bankable. Scholars such as: Anwar, Hussain, Kamarudin, Sufian, Zainal & Wong (2021) opine that even when the financial system is active with enough liquid funds, the banks have been very reluctant to grant loans to MSMEs which they regard as high-risk firm. Most banks would rather pay the penalty imposed for not meeting the minimum exposure to preferred sectors of the economy than run the risk of being exposed to them. Therefore, such a defined market over time constrains the growth sector of the economy, which is the MSMEs.

The survival instinct of MSMEs is therefore one way of establishing a link between microfinance bank and their services. The trend in literature has been focused on the link between microfinance and income, empowerment, profit, and so forth (Fithria, Sholihin, Arief, & Anindita, 2021). Another scholar observed that not much attention has been given to the link between microfinance banks' services and survival instinct (Hulme, 1997). In Nigeria, the two main sources of finance available to MSMEs are the banking financial institutions, such as conventional banks, insurance companies and development banks; and the non-banking financial institutions consisting of money lenders, credit and savings cooperative societies, friends, relatives, and personal savings (Babajide, 2012).

From the foregoing, numerous strategic managements, business management, and entrepreneurship scholars have analysed prominent roles played by MSMEs in local communities, both in developed and developing countries, for sustainable survival instinct outcomes. Orichom & Omeke (2021) in Uganda emphasized that MFBs extend loans to borrowers from both borrowed and personal loan capital sources. Nevertheless, for these loans to be productive and revenue generating, there is need to prevent and control operational risks through a comprehensive risk mitigation strategy that includes; risk identification, analysis, control, and management. Further that, MFBs carry out pre−disbursement due diligence of the repayment capacity and risk levels of potential clients. They also carry out thorough approval of loans and verification of documents before disbursement. In the same vein, Ambarkhane, Nanda & Kaur (2020) emphasised that microfinance banking institutions in India have gained international recognition with the claims that it is one of the significant devices for poverty reduction, women's empowerment, household security and micro-enterprise development.

Despite the enormous progress made in many aspects of the Nigerian economy, owners and managers of MSMEs are faced with challenges of survival instinct (Emmanuel, 2015). Moreover, as a major contributor to the Gross Domestic Product (GDP), the creation of job opportunities, the growth of infrastructural facilities, and their involvement in socio-economic development issues such as reduction of poverty, equal wealth distribution, and economic diversification spectrum, MSMEs are as significant and relevant as any other organisation. However, little seems to be known about the extent to which the state government efforts and interventions have affected the survival instinct of these MSMEs. It is against this back drop that a study of the effect of MFB services on survival instinct of MSMEs in South–West, Nigeria becomes expedient.

Statement of the Research Problem

Microfinance banking institution is a poverty reduction instrument since it offers financial assistance to those in need, and therefore, it is a game plan for uplifting MSMEs (Nakabugo, Muathe, & Mwasiaji, 2021). While it has been studied widely in the context of MSMEs, little literature reflects the effect of micro-finance banking services (MFBSs) on survival instinct (Chioma, Esther, & Chinelo, 2014; & Umanhonlen, Okoro – Okoru, & Umahonle, 2018). Micro-finance banking institutions have traditionally faced with the pressures of mobilisation of funds, inability to extend loans to customers, inability to execute investment plans and opportunities, and incessant struggle to meet liquidity and re-capitalisation bases (Igbokwe, Elikwu, & Uwaleke, 2018).

There are two problems that necessitated the originality of this study. First is the increased number of failed MSMEs in South-West, Nigeria due to the way traditional banks perceive micro activities as bad risk (Zhiri, 2017); and second, the somewhat growing challenge issues of high transaction costs and short tenor of payback period when funding is considered for some MSMEs in achieving their pre-determined acquisition of financial services and strategic entrepreneurial growth targets and vision (Dim, Ezeanokwasa, & Abdulwaris, 2023). It has been argued that achieving targets is not only an indicator of survival but also of survival instinct (Adebowale, Ojewole, & Osaro, 2017; Bora & Chungyalpa, 2017). The challenges of failure in vision and goal accomplishment seem to have threatened the existence and survival instinct of many MSMEs more than ever before.

SMEDAN Report (2017) indicates that only15% of newly established MSMEs survive within five (5) years in Nigeria. The remaining 85% that survives normally witness low performance due to one reason or another. Studies have shown that the collapse or survival of an organisation rests on its management in sourcing for the mix of finance (Akinso, 2018; & Dammak, Mahmoodabadi, Abdlamer, Sabbar, & Ojah, 2023). It is still not fully understood whether the problems of failure and survival of MSMEs can be attributed to the accessibility of microfinance bank services, especially from the point of view of MSMEs as a business enterprise with some types of economic and social motives. Consequently, this study is set out to deconstruct micro finance banks services in the form of micro deposits/savings, micro credit/loan, and micro bank leasing in enhancing the survival instinct of MSMEs in South-West, Nigeria. Hence, this study has come to fill the gaps which have been created in previous studies due to conflicting reports demonstrated on how those microfinance bank services can be encouraged in enhancing sustainable survival instinct of MSMEs firms which have regional and continental arrangements.

Objectives of the Study

This paper seeks to:

a. examine effect of micro-savings on survival instinct of MSMEs in South-West, Nigeria;
b. establish the effect of micro-credit on survival instinct of MSMEs in South-West, Nigeria;
c. determine the effect of micro-leasing in influencing survival instinct of MSMEs in South-West, Nigeria;

Therefore, the sections of this paper are divided into introduction, literature review, methodology, results and discussions and conclusion and recommendations.

Literature Review

Concept of Microfinance Banks Services

According to Komil (2022), savings refer to the amount of money kept by people with financial institutions. In this light, therefore, micro-savings stand for a small fraction of the income of the poor that is safely kept by financial institutions, mostly MFBs. Micro-savings as a microfinance banks' service enable people with few assets to save, since they could make weekly savings as well as contribute to group savings, and such savings are mobilized by the microfinance institutions for further lending as loans to other clients (Abebe, & Kegne, 2023). From a microfinance point of view, scholars such as: Chandrarathna & Sumanasiri (2021) added that three points should be taken into account in defining micro-savings. These are the savers, the amount saved, and the institution that collects the savings. With this focus in mind, micro-savings stand for small amount of money kept by the poor and low-income earners with specialized institutions.

Credit has been considered not only as one of the critical inputs in MSMEs, but is also regarded as an effective means of economic transformation and poverty alleviation. The performance of the entrepreneurship sector depends to a large extent on the availability of credit. Credit affects the performance through survival instinct of MSMEs by providing resources for the purchase of inputs and the adoption of new technology (Kumar, & Nanda, 2023). Accordingly, Dim, Ezeanokwasa & Abdulwaris (2023) posit that credit is one of the critical inputs for economic development because it encourages MSMEs to undertake new investments and/or adopt new technologies. Micro-credits are used for working capital in the purchase of raw materials and goods for the micro-enterprise, as capital for construction, or in the purchase of fixed assets that aid in production, among other things. Access to finance is also identified as a key constraint for the poor in securing their savings or for MSMEs attempting to grow and expand their businesses.

Micro-leasing is defined under the microfinance scheme as a contractual agreement between the owner of the asset, who grants the other parties the right to use the asset in return for a periodic payment, and the other party who is the user of such assets (Alawode & Adelere, 2021). This kind of leasing is a contractual arrangement calling for the user to pay the owner for the use of an asset. Proper buildings and vehicles are common assets that are leased. Industrial or business equipment is also leased. Basically, a lease agreement has to do with two parties, both the lessor and the lessee. The lessor is the legal owner of the asset, while the lessee obtains the right to use the asset in return for regular rental payments. The lessee agrees to abide by various conditions regarding their use of the property or equipment (Anwar, et al. ,2021). There are three types of microfinance leasing: finance leasing, operating leasing and contract hire leasing. Therefore, leasing financing for equipment is generally provided by banks, and independent micro-finance companies for MSMEs (Yua, Cross & Epor, 2023).

Concept of Survival Instinct

Survival instincts have many emotional as well as empirical connotations. Furthermore, many MSMEs failed because of their inability to withstand the challenges posed by their internal and external dynamic business environments. However, scholars like Nweke & Obiekwe (2018) opined that the success and prosperous future of any organisation depend largely on the survival skills, knowledge, abilities, and competencies displayed by owners, managers, and employees. Akinso (2018) emphasised that while MSMEs try to preserve the current state of affairs, the majority of their efforts are geared towards the instinct of survival, relevance, and growth. Murray, Kotha & Fisher (2020) see survival instinct as self-regarding and thinking. These impulses contribute to the development and combination of patterns necessary to establish social structures regulating human behaviour. Ejiogu (2012) and Rashid & Ratten (2021) described survival instincts as the company's art of continuing its business without interruption, which is to enable them to fulfil the organisation's mission and goals and performance. Further that instincts, behaviours and structures are thought to lead to economic and cultural evolution with the passing of time.

Growth Theory (1939)

This study is underpinned by the growth theory propounded by Harold (1939) and Dolman (1946), known as the Harold Dolman growth model. The assumption behind this model is that, for a steady state of growth, aggregate demand must grow at the same rate as the economy's output capacity grows. The model has the following implications to this study, first, we see the need for investment, if an entrepreneur has to grow, and this idea corresponds to the loans and savings given by MFBs to enable more investment by small entrepreneurs. The implication is that, despite the effort made to lend to entrepreneurs, their business prosperity is limited by the country and its global economic performance. As national economic performance grows, MSMEs and members will also perform well because there will be more business opportunities. This theory believes that the services of the microfinance banks in the form of credit provision, savings mobilization, insurance, training, etc., serve as a useful tool for increasing the productive capacity or growth of the MSMEs or their users. The importance of microfinance banks in generating growth has been widely discussed in the literature.

In addition, Bencivenga & Smith (1991) explained that the development of microfinance banks and efficient financial intermediation contribute to economic growth of rural area by channeling savings to high productive activities and reduction of risks that may endangered their productive capacity. Therefore, survival instinct of MSMES in South-West, Nigeria matter to the availability of microfinance bank services. This shows relevance of the theory to the study. This study is therefore anchored on growth theory.

Empirical Review on Microfinance Bank Services and Survival Instinct

Musti, Mallum & Ahmed (2020) investigated the impact of Microfinance bank on the performance of selected small and medium enterprises, SMEs in Adamawa State. The study also determined how Microfinance banks activities were used in loan repayment, loan duration as well as collateral security required in obtaining a loan from a microfinance bank. The study made use of survey design and used both primary and secondary data. A simple random sampling technique was used to select 346 sample size. The data were analysed using descriptive statistical techniques. Four hypotheses formulated were developed around the theories of financial growth perking order theories. The scope of the study covers a period from 2010 to 2018. The major finding shows that a significant relationship exists between microfinance bank and SMEs performance in Adamawa state. The study recommended that the Microfinance banks and government should soften the borrowing condition and also to increase the capital base of Microfinance banks to service more entrepreneurs.

Maroun (2022) assessed the unconventional sources of funds that are available for growth of small and medium enterprises (SMEs) in Nigeria. The focal concentration was to provide answer to the research question which entails the impacts that unconventional financing method has on the operating performances of SMEs in Nigeria. The conceptual framework was the pecking order theory. The study employed a narrative approach, and data gathered using semi structured interviews from a sample size of 20 SMEs in Lagos, Nigeria. Findings from the study reveal that most SMEs are oblivious of the unconventional finance source available to them, and they try to build trust of the banks through maintenance of proper documentation and record. The study concluded that SMEs of Nigeria should be open to credits from the unconventional sources, and further recommends crowdfunding as an easy source of raising funds.

Nkeng & Kehdinga (2023) examined the relationship between credit management and the financial performance of micro finance institutions, taking a sample of 43 MFIs administrators in the towns of Dschang, Mbouda & Bafoussam of Cameron. The study applied a quantitative research design, where questionnaires were used. Data was collected from both primary and secondary sources. Data was processed and analyzed using formal, tables, pie charts, multiple linear regressions, and Anova, chi-squared, Cronbash's Alpha, Pearson tests were carried out to understand the relationship between credit management and financial performance of microfinance institution in Cameroon. A total of 43 respondents were considered out of the entire population. Findings indicated that credit policies, debt recovery technique mechanisms are significant and positively related to the portfolio quality of MFIs in Cameroon. The study recommended that good recovery techniques such as constant customer reminder, prolonging recovery period, penalties etc, enabled MFIs to perform financially well.

Methodology

Descriptive survey method was used as a research design in this study. This study selected twenty-four (24) microfinance banks in South-West, Nigeria based on size, coverage, customer strength, and entrepreneurship growth. The population of this study was restricted to 114,075 customers (owners and managers) of selected microfinance banks in South-West, Nigeria who had spent at least 6 (six) months in banking experience with the selected microfinance banks. They were selected for the study because of their patronage (volume of transactions) in order to examine their survival instinct through banking services extended to them. Using a purposive sample technique, the study narrowed its emphasis to registered owners and managers of MSMEs who are customers of microfinance banks from the population of 114,075.

Data were gathered from these respondents with the aid of structured questionnaire using Taro Yamane (1967) formula to determine sample size of 400. Techniques for simple random and stratified sampling were applied. Six significant states (Lagos, Ogun, Oyo, Osun, Ondo, & Ekiti) were selected in South-West, Nigeria because of large concentration of MSMEs in these geographical locations. 400 copies of questionnaire were distributed to the respondents; 397 of those copies were validly returned, and 3 of the copies were rejected due to improper filling. To guarantee representation among the owners and managers of trading, manufacturing, and artisans of MSMEs enterprises, stratified sampling was employed. Other sources of data gathered were secondary papers from online journals, textbooks, and publications. The respondents' demographic variables were recorded in Section A. The topics of microfinance banks services and survival instinct in MSMEs in South-West, Nigeria were covered in Section B using Five-point Likert Scale in the questionnaire's design.

Tabular presentation and both descriptive and inferential statistics were used in the data analysis process and the research hypotheses were tested using Pearson Product Moment Correlation and Version 26 of the Statistical Packages for Social Sciences (SPSS). Scholars in the field of strategic management, organisation behaviour and entrepreneurship in the Department of Business Administration of the

University examined the survey's face and content validity. Chrobach's Alpha was used to assess internal consistency by given out of 20 copies of structured questionnaire given to respondents (MSMEs) in Ilorin, Kwara State (North-Central), Nigeria chosen at random to determine the pilot testing. Chrobach's Alpha was employed to assess the survey's reliability at 0.86.

Results and Discussion of Findings

Table 1: Demographic Characteristics of the Respondents

Demographic Characteristics	Frequencies	Percentages
Gender		
Male	178	44.8
Female	219	55.2
Total	**397**	**100%**
Age		
25 years and below	161	40.6
26 years – 40 years	121	30.5
41 years – 50 years	37	9.3
51 years and above	78	19.6
Total	**397**	**100%**
Marital Status		
Single	174	43.8
Married	161	40.6
Others	62	15.6
Total	**397**	**100%**
Educational Qualification		
SSCE	91	22.9
OND/ NCE	111	28.0
HND/B.SC/B.Ed./B.A	119	30.0
Others	76	19.1
Total	**397**	**100%**
	Work Experience	
Below 6 years	84	29.2
6-10 years	126	43.7
11 -15 years	48	16.7
16 years and above	30	10.4
Total	**397**	**100%**
	Period of Business	
Below 5years	194	48.9
6years – 10 years	143	36.0
Above 10 years	60	15.1
Total	**397**	**100%**
	Types of Business	
Sole Trading	95	23.9
Limited Company	41	10.3
Individuals	261	65.7
Total	**397**	**100%**
	Categories of Business	
Trading	95	23.9
Manufacturing	72	18.1
Artisans	230	57.9
Total	**397**	**100%**

Source: Field Survey (2024)

Interpretation: The table indicates that 44.8% of the respondents are male, while 55.2% are female. This distribution provides insight into the gender composition of the study participants. The age distribution reveals that the majority of respondents fall within the age groups of 18 - 25 years (40.6%). This information gives a sense of the age demographics of individuals involved in microfinance and MSMEs in South – West, Nigeria. The educational background of the respondents varies, with the highest percentage having completed HND or BSc (30.0%). This sheds light on the level of education among individuals engaged in MSMEs. The data on marital status indicates that a significant portion of the respondents are either single (43.8%) or married (40.6%).

This information is relevant for understanding the personal circumstances of individuals involved in MSMEs. The majority of respondents have been operating their businesses for 5 years and below (48.9%). This insight into the duration of business operations is crucial for assessing the experience levels of MSME owners. The distribution of work experience shows that more than half (55.9%) of the respondents are between the ages of 6 – 10 years. This information provides context regarding the professional background of individuals in the MSME sector. The table categorizes businesses into different types, with individual businesses being the most common (65.7%). This breakdown helps identify the prevalent forms of business structures in the studied population. The categories of business reveal that the largest group is involved in artisan activities (57.9%), followed by trading (23.9%). This information classifies the nature of businesses represented in the study.

H_0^1: There is no significant effect of micro-savings and survival instinct on MSMEs in South–West, Nigeria.

Table 2: Regression Analysis for Objective One

Model Summary					
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate R**	
1	0.564	0.319	0.317	0.37180	
ANOVA					
Model	**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
Regression	25.523	1	25.523	184.635	0.000
Residual	54.602	395	0.138		
Total	80.125	396			
Coefficient					
Model		**Unstandardized Coefficients B**	**Standardized Coefficients**	**t**	**Sig.**
1	(Constant)	1.190		4.992	0.000
	Micro-Savings	0.743	0.564	13.588	0.000

Source: Authors' Computation Result (SPSS, 26)

Interpretation: The moderate positive correlation coefficient (R = 0.564) suggests a discernible relationship between micro-savings and survival instinct. Approximately 31.9% of the variability in survival instinct is explained by micro-savings, as indicated by the R Square value (0.319). The statistical significance of the regression model is reinforced by the ANOVA results, where the F-Statistic (184.635) is highly significant (p-value = 0.000). This implies that the model, incorporating micro-savings as a predictor, provides a significantly better fit than a model without it. The coefficients further emphasize the importance of micro-savings in influencing survival instinct. The positive coefficient (0.743) signifies that, for each unit increase in micro-savings, there is an estimated increase in survival instinct. The standardized coefficient (Beta = 0.564) provides a standardized measure of this relationship, emphasizing the relative importance of micro-savings in explaining variability in survival instinct. The positive co- efficient of 0.743 signifies that, for each increase in unit of deposit/savings there will be an estimated increase in survival instinct. The standardised co-efficient of 0.564 shows a positive relationship between micro deposit/savings and survival instinct. This study affirms the position of Zhiri (2017) and Abebe & Kegne (2023).

H_o^1: What is the significant effect of micro-credit on survival instinct of MSMEs in South–West, Nigeria?

Table 3: Regression Analysis for Objective Two

Model Summary					
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate R**	
1	0.563	0.317	0.316	0.37215	
ANOVA					
	Sum of Squares	**Df**	**Mean Square**	**F**	**Sig.**
Regression	25.421	1	25.421	183.553	0.000
Residual	54.705	395	0.138		
Total	**80.125**	**396**			
Coefficient					
Model		**Unstandardized Coefficients B**	**Standardized Coefficients**	**t**	**Sig.**
1	(Constant)	1.588		7.573	0.000
	Micro-Credit	0.658	0.563	13.548	0.000

Source: Authors' Computation Result (2024)

Interpretation: The findings from the analysis, as presented in Table 3 provide valuable insights into the nature and significance of this relationship. The correlation coefficient (Pearson's r) of 0.563 indicates a moderate positive correlation between micro-credit and survival instinct. This suggests that there is a tendency for businesses to perform better when they make use of micro-credit facilities. The highly significant p-value (0.000) adds robustness to this observation, indicating that this correlation is not likely due to random chance. The model explains about 31.7% of the variability in survival instinct, as indicated by the R Square value (0.317). The adjusted R Square value (0.316) suggests that the model's complexity is justified, considering the number of variables included.

The standard error of the estimate (0.37215) provides an average measure of how well the model predicts the actual values. The highly significant F-Statistic (183.553), p-value = 0.000) in Table 3 indicates that the overall model is statistically significant. The coefficient for micro-credit is 0.658, suggesting that, on average; a unit increase in micro-credit is associated with a 0.658 increase in survival instinct. The standardized coefficient (Beta) of 0.563 provides a standardized measure of the strength and direction of the relationship. The t-statistic of 13.548 for Micro-credit is highly significant (p-value = 0.000), indicating the statistical significance of the variable. The result provides valuable evidence supporting the positive impact of micro-credit on survival instinct of MSMEs in South-West, Nigeria.

H_o^1: There is no significant effect of micro-leasing on survival instinct of MSMEs in South-West Nigeria.

Table 4: Regression Analysis for Objective Three

Model Summary					
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate R**	
1	0.511	0.261	0.259	0.38712	
ANOVA					
Model	**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
Regression	20.930	1	20.930	139.662	0.000
Residual	59.195	395	0.150		
Total	**80.125**	**396**			
Coefficient					
Model		**Unstandardized Coefficients B**	**Standardized Coefficients**	**t**	**Sig.**
1	(Constant)	1.450		5.76	0.000
	Micro-Leasing	0.689	0.511	11.818	0.000

Source: Authors' Computation Result (2024)

Interpretation: The correlation coefficient (Pearson's r) is 0.511, suggesting a moderate positive correlation between micro-leasing and survival instinct. The R-square (0.261) indicates that 26.1% of the variability in survival instinct is explained by the model. The adjusted R-square (0.259) considers the model's complexity. The highly significant F-Statistic (139.662), p-value = 0.000) suggests that the overall model is statistically significant. The intercept (constant) is 1.450. The correlation co-efficient of 0.511 suggests a moderately positive correlation between micro-leasing and survival instinct. The unstandardized co-efficient of 0.689 means that for every unit increase in micro–leasing there will be an increase of 0.689 of survival instinct. This study affirms the position of Qazi, Shah, and Chandio (2021).

Conclusion and Recommendation

In conclusion, findings in this study showed that microfinance bank services (micro–deposits/savings, micro–credits /loans, and micro- leasing) have a significant positive effect on survival instinct of MSMEs in South–West, Nigeria. Microfinance banks should improve their services in order to increase the performance of the micro, small and medium scale enterprises. Microfinance banks should put up a proper marketing team to encourage micro – savings by the micro, small and medium scale enterprises. This will serve as a deposit that can be lent to other MSMEs for growth and will also serve as a buffer or fall – back fund in case of need by the concerned MSMEs (depositors). Microfinance banks should improve or increase on the number of loans /credits granted to MSMEs while making sure that the canons of lending are not put aside. This will improve the performance of the existing MSMES whilst creating new ones. The loans should be disbursed at very low interest lending rates to enable the businesses to survive.

This study recommends that since demographic analysis shows that more of women fall into the category of MSMEs, women should therefore be encouraged financially and otherwise in order to further increase the number of women in that sector. It is generally believed that women are good managers than men. Microfinance banks should educate MSMEs owners to accept micro leasing as an alternative to traditional lending and also to see it as an investment opportunity. This will go a long way toward improving the performance of their businesses.

Contribution to Knowledge and Implication of the Study

This study served as platforms for other researchers to build their theoretical and practical studies in the areas of strategic management, organisational behaviour and entrepreneurship literature. The findings can be employed and adopted by government agencies by establishing policies that are market and business-friendly oriented for MSMEs to grow performance to relevance and survivability because the sector contributes to economic growth and development for youth empowerment and wealth creation. The implication of this study calls for concerns in the use of microfinance banks services that are business-oriented but soft in its approach towards developing MSMEs for overall sustainable growth in these regional axes.

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