

## **FINANCIAL ACCESSIBILITY AND PERFORMANCE OF ENTREPRENEURSHIP IN DELTA STATE, NIGERIA**

**<sup>1</sup>Nwajei, Felix Liberty, Ph.D and <sup>2</sup>Nnamdi Emmanuel A. Egwunyenga**

<sup>1</sup>Department of Business Administration, Faculty of Management Sciences

University Of Delta Agbor, Delta State, Nigeria

<sup>2</sup>Department of Business Administration, School of Business Studies, Delta State Polytechnic, Ogwashi Uku.

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**Abstract:** The study is to examine financial accessibility and performance of entrepreneurship in Delta State, Nigeria. Specifically, the study assessed the effect of collateral requirement, loan procedure and Credit terms on the performance of Entrepreneurship in Delta State. Three research questions and three hypotheses guided this study. Relevant related literature was reviewed. The study was anchored on Credit Access Theory. Descriptive research design was adopted. The study was carried out in Delta State, Nigeria. Data was sources for primary and secondary sources. The population of the study comprised 1,737 registered owners of entrepreneurship business in Delta state. The sample size consists 339 using statistical formula devised by Borg and Gall. Face and content validity was adopted in this study. The reliability of the questionnaires was established through test retest method and Cronbach Alpha. The study employed Multiple Regression Analysis (MRA) method to test the hypotheses. The findings of the study revealed that collateral requirement have a positive significant effect on the performance of entrepreneurship in Onitsha, Delta State. Loan procedure has a positive significant influence on the performance of entrepreneurship in Onitsha. Credit terms have a positive significant influence on the performance of entrepreneurship in Onitsha, Delta State. The study concluded that financial accessibility had a positive significant performance of entrepreneurship in Delta State. The recommended that Bank of Nigeria should come up with policies that flexibly enable entrepreneurship to access financial assistance. Loans for capital assets or technology acquisition should be low-interest loans, which can be secured and assist the development of entrepreneurship. Bank should increase the duration of their entrepreneurship credit terms repayment, or spread the repayment over a longer period of time, or increase the moratorium.

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**Keywords:** Collateral Requirement, Loan Procedure, Credit Terms, Performance of Entrepreneurship

### **INTRODUCTION**

Sales volume, cash on hand, and profitability are three indicators of an entrepreneur's performance (Kelley Nakosteen, 2018). Sustaining maximum liquidity shows that the cash levels needed to meet the firm's regular transactions are accompanied by economies of scale. Growth in sales is frequently utilized as a performance indicator. There is a claim that more sales will eventually translate into higher profitability. Predicting an enterprise's capability can benefit from knowledge of its financial performance (Nyanzi, 2019). MFIs provide

financial accessibility and are regarded as the greatest alternative source of finance for low-income individuals and their entrepreneurial endeavors as a way to increase income, improve performance, and contribute to the nation's economy (Ledgerwood et al., 2021). Financial accessibility has given the majority of economically disadvantaged Nigerians opportunities to manage limited household and entrepreneurial resources more effectively, protect themselves from financial risks by seizing investment opportunities, and generate income.

According to Belás et al. (2017), entrepreneurship is thought to be the catalyst for economic growth that supports equitable development. The industry's main benefit is its cheap capital cost employment potential. Compared to companies, the entrepreneurship sector has a significantly greater labor intensity. It is often known that entrepreneurship plays a significant part in the nation's social and economic growth. This industry fosters entrepreneurship, which is frequently propelled by the inventiveness and originality of its members. Most people think that entrepreneurship growth is the key to creating the kind of jobs that our nation needs (Gertler & Kiyotaki 2020). Additionally, Love and Peria (2018) proposed that entrepreneurship generates savings, income, and jobs. Nkurunziza (2015) contends that entrepreneurship is a critical component of a nation's growth and that it is important to the Nigerian economy.

Access to capital enables entrepreneurs to grow their companies and hire top talent, preserving their performance and competitiveness. However, because of these traits, Nigerian entrepreneurship faces obstacles that reduce their risk tolerance and keep them from expanding and achieving economies of scale. The difficulties lie not only in working finance and investment financing, but also in developing human resources, breaking into new markets, and getting access to knowledge and current technology. Both internal and external variables limit the availability of financial resources (Turyahebwa et al., 2018). Numerous business surveys have found that the most crucial element influencing the survival and expansion of entrepreneurship in both developed and emerging nations is financial accessibility (Eton et al., 2017). However, performance refers to the method or procedure by which entrepreneurs carry out their duties. The success of an entrepreneurial venture may be evaluated using a variety of metrics, including profitability, employment expansion, production level, and even sales. Furthermore, companies possess their own set of performance metrics (Okech & Atieno, 2021). There are many different definitions and metrics for entrepreneurship, which differ from nation to nation and across the sources of data on entrepreneurship (Arinaitwe & Mwesigwa 2020). The number of workers, asset value, sales value, and capital size are some of the often used characteristics, yet there isn't a single, widely accepted definition of entrepreneurship. According to Turyahebwa et al. (2018), the official definition of entrepreneurship in Nigeria is determined by the yearly turnover of the business in addition to the number of employees.

In most nations, one of the main factors influencing the success of entrepreneurship is financial accessibility. According to Hasnah, Saniza, Jayaraman, and Ishaka, having access to finance is essential for entrepreneurship to support national economic growth. Purchasing interest-bearing securities with term structures and asset-based collateral as security is a component of credit financing. Long-term, short-term, or trade credit structures are all possible. For funding working capital, most businesses rely on internal funds, short-term supplier credit, or specialist financial products like factoring. When it comes to capital expenditures, which often amount to more than working capital requirements, entrepreneurship depends on internal funding, frequently through new capital infusions from shareholders (World Bank, 2015). Short-term initiatives are not a good fit for long-term funding since it adds extra debt servicing costs to the company. In a similar vein, short-term debts should not be used to fund long-term initiatives because they may need to be returned early on (Nderitu & Githinji 2019).

Access to finance is crucial for tackling equitable wealth distribution, eliminating poverty, and promoting all-encompassing, sustainable development (World Bank). On the other hand, economic disparity, the poverty trap, and slower growth are all caused by a lack of access to financing. Banking services facilitate the finding of cheap financial resources by both individuals and businesses. These resources can be used to save for retirement, invest in children's education, or fulfill demands when business possibilities arise. Additionally, bank loans assist the impoverished and farmers in defending themselves against financial shocks brought on by calamities like illness, disease, crop failures, and natural catastrophes. Entrepreneurs have embraced a new paradigm for measuring entrepreneurship performance. This is predicated on determining the various process levels that the organization employs and linking those processes to KPIs (John, 2021). A major contribution to the accomplishment of corporate objectives should come from the recording and analysis of the key performance indicators. Key indicators of performance (Kelley & Nakosteen, 2020) give information to firms about their service delivery performance, customer request processing times, product delivery efficiency, and error correction time.

The primary justification for encouraging entrepreneurship in developing nations is that these sectors are becoming more and more strategically important to economic growth and development because of their role in generating wealth, jobs, and revenue. The dynamic arguments for entrepreneurship's presence in more developed countries have focused on how inventive these economies are and how they serve as a breeding ground for new businesses (Arinaitwe & Mwesigwa 2021). As a result, entrepreneurship has become a tool for entrepreneurship performance as it increasingly assumes the position as the main means of generating money and jobs through self-employment. Additionally, entrepreneurship supplies the economy with the ideas, expertise, and innovation needed to foster competitiveness on a constant basis. As a result, this backdrop provides a framework for the investigation of the connection between financial accessibility and entrepreneurial success in Delta State, Nigeria.

### **Statement of the problem**

Many studies have been conducted in Nigeria on financial accessibility as a challenge to the performance of Entrepreneurship. Actually, specific attention has been given to the high interest rate, collateral security requirements and small startup capital, and the small size of their operations that cannot meet credit requirement, and recommendations have been given (Turyahebwa et al., 2018; Nyanzi, ; Eton et al., 2017). However, small-scale businesses in Nigeria continue collapsing before celebrating their first birth day. According to Private Sector Foundation Nigeria (2016), about 5% to 10% of the businesses survive and make it to maturity. By observation, many small businesses in Delta State start and die within a space of a year or less due to financial challenges. While performance challenges associated to financial accessibility have been reported elsewhere in Nigeria, there is no empirical evidence that shows the association between financial accessibility challenges and performance of Entrepreneurship in Delta State. This study was, therefore, conducted to bring out the performance challenges among Entrepreneurship in Delta State that are due to financial accessibility. The purpose of the study was to establish the challenges of financial accessibility and performance of entrepreneurship in Delta State.

### **Objectives of the Study**

The main objective of this study was to examine the effect of financial accessibility and performance of entrepreneurship in Delta State, Nigeria. However, the specific objectives of the study are to:

- i) To assess the effect of collateral requirement, on the performance of entrepreneurship in Delta State
- ii) To establish the effect of loan procedure on the performance of entrepreneurship in Delta State
- iii) To examine the effect of asset tangibility on the performance of entrepreneurship in Delta State

### Research questions

The researcher was guided by the following research questions:

- i) To what extent does collateral requirement affect the performance of entrepreneurship in Delta State?
- ii) To what degree does loan procedure affect the performance of entrepreneurship in Delta State?
- iii) To what extent does a credit term influence performance of entrepreneurship in Delta State?

### Research Hypotheses

In line with the objectives and research question the following hypotheses were formulate guided this study.

- i) Ho<sub>1</sub>: Collateral requirement have no positive significant effect on the performance of entrepreneurship in Delta State
- ii) Ho<sub>2</sub>: Loan procedure has no positive significant influence on the performance of entrepreneurship in Delta State
- iii) Ho<sub>3</sub>: Credit terms has no positive significant influence on the performance of entrepreneurship in Delta State

## LITERATURE REVIEW

### Conceptual Framework

#### Financial Accessibility

Working capital remains a limitation for business due to financial accessibility. Entrepreneurship faces obstacles in accessing capital markets, both domestically and globally. These include the impression of increased risk, informational gaps, and greater intermediation costs that impede development and competitiveness. Research on entrepreneurship has shown that entrepreneurship's ability to drive national economic growth is hampered by financial accessibility (Onyimba & Muturi, 2016). The capacity of people or businesses to get financial services, such as credit, deposits, payments, insurance, and other risk management services, is known as access to finance. Individuals who unintentionally lack or have restricted access to financial services are known as underbanked or unbanked, respectively. According to Rajnoha et al. (2019), financial accessibility refers to a program that either directly lends all or part of the money to businesses (e.g., public or subsidized loans); guarantees or partially guarantees loans; educates businesses about financial services; or facilitates alternative forms of lending (e.g., business angels, micro-finance, venture capital, and group lending) by establishing networks, incentivizing, or matching lenders and businesses. A growing body of research has demonstrated that financial accessibility, or the ability to extend credit to new and current firms, fosters company growth. Through speeding economic growth, escalating competitiveness, and increasing demand for labor, it improves the economy as a whole.

The ability of entrepreneurs to obtain funding for profitable ventures, business expansion, and the acquisition of cutting-edge technologies is known as financial accessibility. It can also be characterized as the lack of both price and non-price barriers to the use of financial services (McCormick & Atieno, 2021). As per Waithanji (), financial accessibility refers to the capacity of individuals or businesses to acquire financial services such as insurance, credit, deposit, payment, and other management services. Income inequality will normally decrease as a result of the lowest earnings of individuals on the income ladder rising (Kelley and Nakosteen, ). Financial institutions normally lend to a company based on the value of fixed assets supplied as security, and they usually need a tangible fixed asset as security (collateral). Smaller businesses than large businesses, however, have less collateralizable assets. This might have anything to do with the firm's current stage of growth. Lower retained income in the early phases of the company might prevent it from investing in fixed assets. The capital limitations

that small businesses have are another factor in the lower percentage of fixed assets in their operations. It is challenging for them to buy a big number of fixed assets due to the requirement to obtain substantial quantities of finance. According to the logic above, businesses that own physical assets are likely to have reduced financing costs and easier access to bank funding. According to earlier research (Storey, Berger and Udell, 2018; Michaelas et al., 1999), bank funding is contingent upon the ability to secure loans through collateral. Furthermore, Sogorb-Mira (2005) discovered that physical assets had a favorable impact on leverage for SMEs. According to Johnsen and McMahon (2005), enterprises possessing more intangible assets have a lower requirement for borrowing due to the collateral component, even when other factors remain constant.

### **Performance of Entrepreneurship**

Performance is determined by an organization's capacity to use its resources effectively and efficiently in order to achieve its goals and objectives (Calice 2021). Financial ratios like profitability, liquidity, market, and debt ratios are used in the literature on finance and accounting to assess the performance of entrepreneurship. However, these ratios are only the last performance indicators, as input and product prices, as well as the efficiency and productivity of the firms themselves, also have an impact (Amornkitvikai & Harvie, 2016). Nonetheless, operational, subjective, and objective metrics may be used to assess the success of entrepreneurship (Harash, Suhail, & Jabbar, ). Because financial measurements can be independently tested and validated, they are known as objective measurements and are generated from a company's records. Conventional financial performance statements, asset and liability statements, and management accounts are insufficient for accurately gauging the performance of companies that want to thrive and increase value for owners and shareholders. Entrepreneurship performance measurement involves determining the business's processing levels and linking key performance indicators to those activities (Madole, 2018).

### **Theoretical Framework**

#### **Credit Access Theory**

It was Stiglitz and Weiss (1981) that proposed the credit theory as a framework for analyzing financial market inefficiencies. This approach indicates that the primary reason for financial market dysfunction in emerging nations is knowledge asymmetry. Financial organizations that provide loans to economic actors are concerned about the risks associated with those loans in addition to the profit they earn from them. Compared to other investors, most financial institutions are better at screening and keeping an eye on borrowers. They are experts at obtaining and handling sensitive information. Banks control extremely crucial information about a company's revenue and expenses as well as its growth since they manage money and deposit accounts (Aremu & Popoola, 2021).

According to Stiglitz and Weiss (1981), if banks demand collateral, adverse selection and thus credit rationing still take place. They contend that borrowers with minimal risk typically anticipate a lower rate of return. After a while, they are therefore often less rich than high-risk borrowers. Therefore, low-risk borrowers are unable to offer further collateral. Raising the requirements for collateral might have the same detrimental selection impact as raising interest rates. Rather, Koech (2021) contends that banks only provide contracts that allow them to concurrently change the criteria for collateral and interest rates. He demonstrated that interest rates and collateral requirements are always combined to prevent credit rationing (Nyanzi, 2019).

### **Collateral Requirement**

It is impossible to overstate how crucial the amount of the entrepreneurial collateral demand is to banks when they are making loan decisions. According to Storey (2018), the ability of the bank of industry to finance the collateral requirement will rely on the ability of the loan to be secured by collateral. Additionally, he said that because of the collateral element, businesses with less intangible assets need to borrow less money than businesses with more tangible assets. Land and machinery have used as stand-ins for collateral. Compared to huge companies, entrepreneurs have less assets to pledge as security.

This might have a lot to do with the performance stage that entrepreneurial businesses are in. When compared to larger companies with a longer history, smaller businesses may find it more difficult to secure financing due to their lower retained profit in the early stages of their venture (Pandula, 2017). According to Ofei (2017), the two most significant types of collateral that lending institutions often accept are bank accounts and real estate. Additionally, the study discovered that 62% of respondents felt completely restricted in their ability to evaluate funds as a result of their incapacity to offer enough collateral and the exorbitant interest rates that lending institutions imposed.

According to empirical findings, there is no discernible difference between big and small banks in terms of loan availability and collateral requirements. Therefore, in terms of bank size, we were unable to locate any information on the entrepreneurship's capacity to pledge collateral or their ability to get loans. Furthermore, from the standpoint of bank size, we were unable to locate any convincing evidence that collateral may lower interest rates on loans for entrepreneurship. Similarly, our findings refute the idea that loans with collateral are safer than those without, as well as the notion that the credit risk of entrepreneurship varies idiosyncratically with bank size. The findings of our regression analysis indicate that foreign banks require less collateral for fixed assets than do public and private banks, when it comes to the collateral segmentation across bank sizes and ownership types. In contrast to small banks, major banks need larger amounts of fixed assets as security. A lesser degree of third party assurance is also accepted as collateral by private banks. But our findings for personal guarantees as collateral don't hold true for different bank sizes or ownership configurations.

### **Credit Terms and Performance of Entrepreneurship**

Credit terms encompass the criteria or mutually agreed upon conditions provided by sellers to buyers, which regulate the monthly and overall credit amount, maximum time allotted for repayment, discounts for cash or early payment, and the extent or rate of penalties for late payment (Kakuru, ). According to Okech et al. (2021), credit terms consist of factors such as interest rates, collateral, and loan repayment periods. The requirement of collateral by commercial banks in developing countries has been a contentious matter in the realm of entrepreneurship financing. Nevertheless, real estate collateral serves as an incentive and rationale for lending and repayment, as well as a means to offset losses in the event of default (Davydenko et al., 2017). Banks in developing countries tend to have limited exposure to entrepreneurship. Primarily, banks offer a smaller share of investment loans and impose higher fees and interest rates (Yeboah et al.). Interest is commonly defined as the compensation received by the lender over a specified period. From the perspective of the borrower, interest represents the cost of capital at the time of obtaining a loan. As indicated by Balunywa (2021), the interest rate in the context of credit demand by entrepreneurship is the measure of the price paid by a borrower to a lender for the utilization of financial resources during a specific time frame. Banks maintain that lending to entrepreneurship entails greater risks and higher transaction costs, thereby justifying their elevated interest rates (Waithaka & Njeru).

The onerous requirements and bureaucratic lending procedures implemented by formal financial institutions continue to pose a challenge to entrepreneurship in accessing credit (Otieno et al., 2015). These bureaucratic lending procedures necessitate that numerous entrepreneurs provide accurate financial information, which is often lacking in most cases (Otieno et al.2015). The operating environment for entrepreneurship is often too rudimentary to facilitate documentation. Customers of entrepreneurship do not typically request receipts when purchasing goods, suppliers do not ask for invoices, private contracts are seldom documented, and the enforcement of audited accounts is lax (Turyahebwa et al., 2018), thereby making it arduous to maintain and provide information to creditors as needed. For small enterprises, the attributes of the proprietor might be the most important factor in a bank's credit decision, although many of these attributes cannot be verified by any database (Amornkitvikai & Harvie, 2016).

Conversely, Collateral security poses a significant obstacle to accessing financial credit for Entrepreneurship. Collateral refers to a form of security or guarantee for borrowed loans (Hasnah et al., 2018). In Nigeria, the Bank of Nigeria mandates that loans above a certain minimum must be sufficiently secured, preferably with first-class guarantees or a bond over property (Calice et al., 2021). However, many Entrepreneurship lack the necessary collateral to meet these requirements. Consequently, potential borrowers from this group are discouraged from applying for credit, and if they do, their access is often denied. In such cases, Entrepreneurship are compelled to seek alternative sources of credit (Waithaka & Njeru,).

Rosenberg (2009) found in his research that financial institutions favor large loans due to the proportional decrease in administrative costs. Kalema (2018) conducted a study on financial service accessibility in Nigeria and discovered that the average loan size was below UGX 300,000, with loan terms typically ranging from one to twelve months. Given the small size of Entrepreneurship and their corresponding small loans, lending rates often exceed 30 percent in order to mitigate the risks associated with unsecured lending. However, the IMF (2018) report argues that this form of financing is unattractive for Entrepreneurship. The report suggests that low-income Entrepreneurship would be better off deferring borrowing until they have the necessary funds, rather than borrowing at such high rates. Additionally, several studies have shown that Entrepreneurship typically seek small loans to meet immediate needs, as they may lack the capacity or experience to handle large sums of money in their businesses, which can ultimately lead to failure. The granting of loans is contingent upon one's savings with a financial institution and the Entrepreneurship's previous loan repayment history (Amornkitvikai & Harvie, 2016).

### **Loan procedure and Performance of Entrepreneurship**

Principally, the fundamental process of settling the outstanding debt amount on a loan over a specific duration without any additional principal payment on the outstanding amount is referred to as loan repayment. Another approach to repayment involves a lump sum payment along with interest upon maturity. If both the principal and interest repayments are made in accordance with the agreed-upon repayment terms and are up to date, it is considered as a fulfilled obligation. However, if the interest on the principal remains unpaid or exceeds a period of 90 days and is postponed or transferred to a new loan, it is classified as non-performing (Nawai & Shariff, 2021). Pearson and Greeff (2020) elucidate that default refers to a situation in the borrower's repayment history where at least three installment payments have been missed within a 24-month period. On the other hand, in cases where borrowers fail to abide by the terms and conditions of a loan as agreed upon and signed in the contract, it is recognized as loan default.

Numerous researchers have highlighted that defaulting on a loan reduces the availability of funds for enterprises and has a negative impact on entrepreneurial performance, particularly for those who require capital to operate, grow, and sustain themselves in their respective industries (Al-Sharafat, Qtaishat & Majdalawi, 2021). Addae-Korankye (2020) explains that a defaulted loan is a consequence of a delinquent loan, which occurs when the likelihood of recovery becomes minimal. Murray (2021) expounds upon the notion that a loan default transpires when a borrower fails to make the necessary payments or fails to comply with the terms of the loan in some other manner. Ameyaw-Amankwah (2021) emphasizes that default occurs when a borrower fails to fulfill their legal obligations as per the loan contract, which includes the incapacity to make scheduled payments or the violation of a loan covenant within the contract. This initially serves as an indicator of the borrower's increasing risk of defaulting on the loan. Initially, a payment default does not signify that the borrower has completely ceased making payments on the loan. It may refer to collection or legal proceedings or, from an accounting perspective, the loan may be classified as non-performing or written-off (Addae-Korankye, 2020).

Previous studies have indicated that a wide range of factors, including social and economic characteristics, demographics, management styles, financials, loan characteristics, borrower characteristics, group lending and cultural characteristics, information, training, business types, social ties, and psychological, may have an impact on loan procedures or repayment performance. (Sinha, Dhaka, Addae-Korankye 2020, and Mondal, 2021). Each research study's key findings offered a foundation of ideas or concepts that were not in conflict with one another and may be crucial for more research.

### **Empirical Review**

Waithanji (2020) studied the effect of microfinance credit on the financial performance of entrepreneurship in Kiambu County, Kenya. The study was done through the use of survey design. Out of the 2,061-entrepreneurship licensed, the study randomly sampled 60 entrepreneurships. The study found that there is a direct relationship of financial accessibility and financial performance of the companies. The study also concludes that the enterprises benefit from loans from microfinance institutions, the entrepreneurship seek financial assistance from the MFIs due to interest rate, easy loan repayment and amount offered. There is need to provide an enabling environment for entrepreneurship to grow and thrive; therefore, there is a need to develop strategies to enhance increased access to microfinance credit by entrepreneurship from commercial banks and microfinance institutions.

Waithanji (2021) studied the relationship between of financial accessibility on the financial performance of entrepreneurship in Kiambu County, Kenya. The study was done through the use of survey design. Out of the 2,061 entrepreneurship licensed, the study randomly sampled 60 SMSs. The study found that there is a direct relationship of financial accessibility and financial performance of the companies. The study also concludes that the enterprises benefit from loans from microfinance institutions, the Entrepreneurship seek financial assistance from the MFIs due to interest rate, easy loan repayment and amount offered. There is need to provide an enabling environment for Entrepreneurship to grow and thrive, therefore there is a need to develop strategies to enhance increased access to financial accessibility by entrepreneurship from commercial banks and microfinance institutions. In a related view, financial accessibility in Nigeria provides assistance to Entrepreneurship in the area of accounting, financial management and entrepreneurship that complies with national accounting requirements and/or best practices, this will improve the performance of Entrepreneurship. The inaccessibility of credit and capital is a major impediment to the development of Entrepreneurship, particularly because it prevents them from acquiring the new technology that would make them more productive and more competitive.

Kasekende and Opondo, (2018) explored the link between financial accessibility and the performance of entrepreneurship. The limited availability of credit and capital is a major barrier to the development of Entrepreneurship, primarily because it inhibits their capacity to acquire the latest technology that would boost their productivity and competitiveness. Access to finance will provide assistance to Entrepreneurship in the area of accounting, financial management and entrepreneurship that complies with national accounting requirements and/or best practices, which will improve the performance of Entrepreneurship. The study demonstrates that a significant relationship exists between financial accessibility and the performance of entrepreneurship.

Muktar (2017) investigated the relationship between performance in entrepreneurship and financial accessibility. They contend that the success of small businesses is heavily impacted by the availability of financing, which is a factor in operating costs, the pursuit of profit, and the nation's inflation rate. Depending on how the borrowed money is used, this is quantified in terms of output, income, and employment levels. Accessibility to funds is unaffected as long as the borrowed funds are used for high-yielding investments. However, it was discovered that in order for this to happen, the borrowers needed to be able to access a significant amount of cash in order to raise their investment levels and benefit from economies of scale.

Samar and Tahir (2019) conducted research to evaluate the Bank of Industry's support for industrial growth and entrepreneurship in the city of Bauchi. The primary goal of the research is to determine how the Bank of Industry's lending program affects industrial growth and entrepreneurship in the city of Bauchi. The ordinary least square (OLS) research strategy, which was selected for the Survey, was employed to investigate the hypotheses. The results of the study's research showed that the Bank of Industry's financial involvement had a significant impact on entrepreneurship in Bauchi Metropolis.

In the Irepodun Local Government Area (LGA) of Kwara State, Nigeria, Adeoti, Gbadeyan, and Yinusa (2021) investigated the effect of microfinance lending on the survival of small- and medium-sized enterprises. The population/sample for this study consisted of the two operational microfinance banks located in the Irepodun LGA. The hypothesis was tested using ANOVA. The results showed that small- and medium-sized businesses in the study region greatly benefit from microfinance banks' existence. According to the report, longer repayment terms and greater funding should be made available to prospective business owners in order to support the establishment of new ventures and the creation of jobs.

In the Nigerian state of Edo, Owenvbiugie and Imuentinyan (2020) conducted research on the impact of finance on the expansion of small and medium-sized businesses. To address the study issue, the researchers employed a survey research methodology with the assistance of descriptive statistics. The study's conclusions show that the numerous onerous rules and regulations implemented by banks and non-banking organizations have, over time, acted as a barrier to the expansion of entrepreneurship by making it difficult for entrepreneurs to obtain loans and credit from the organizations. The researcher suggests that governments step in and loosen the regulations in response to these findings.

The effect of microfinance banks on the performance of small and medium-sized businesses in Nigeria was examined by Igwenagu (2019). As part of the study goals, the researcher was interested in learning how entrepreneurship obtained financing from microfinance banks, how these funds were used, and how this affected the entrepreneurship's performance. The researcher supported the use of secondary data obtained by extracting information from the annual report and primary data obtained by administering questionnaires. The study's findings offer factual support for the theory that entrepreneurs who obtained funding from microfinance banks

also performed better. The report suggests restructuring the microfinance banks to put them in a better position to support the nation's countless entrepreneurs by providing additional funding.

Bello and Mohammed (2019) looked at how financing from the banking sector affected the expansion of small and medium-sized businesses in Nigeria. The primary goal of the research is to determine if credit provided by the banking industry significantly affects the expansion of small and medium-sized businesses in Nigeria. Annual data from 1985 to 2010 was gathered and used in the study as part of the methodology, and descriptive statistics, correlation matrices, and error correction models were used to test the formulated hypotheses. The results show that credit from the banking sector has a significant impact on the growth of small and medium-sized businesses in Nigeria because it positively affects some important macroeconomic growth variables like inflation, exchange rates, trade debts, etc. The report does, however, suggest that financial lending organizations (Monetary Authorities) loosen the strict requirements attached to credit facilities in order to support entrepreneurship in the nation and promote easy loan accessibility, which will enhance entrepreneurship financing and performance.

### **METHODOLOGY**

In this study, a descriptive survey research approach was used. This approach was used since the study's fieldwork was done and descriptive statistics were mostly used for data analysis after it was gathered. Primary and secondary data were used in the Delta State investigation. According to the National Bureau of Statistics and SMEDAN Collaborative Survey (2022), the study's population consisted of 1,737 registered entrepreneurship businesses in Delta State, Nigeria. These businesses are primarily composed of partnerships, sole proprietorships, and private limited companies. Sample size consist 339 entrepreneurship using statistical formula devised by Borg and Gall (1973) to determine the sample size. For the purpose of data collation, the researcher shall make use of a structured questionnaire of five points Likert scale. In the structured questionnaire, respondents shall be required to respond to options which range from: Strongly Agree (5), Agree (4), Undecided (3), Disagree (2), Strongly Disagree (1). The reliability of the questionnaire was determined through the test-retest and Cronbach's Alpha reliability Coefficient and 0.773 was obtained. Simple percentage was use to answer the research questions, while hypotheses was tested using Multiple Regression Analysis. The test was performed at 0.05 level of significance. For decision on the hypotheses, if p-value is equal to or less than significant value of 0.05, the null hypothesis will be accepted, but if p-value is greater than significant value of 0.05, the null hypotheses will be rejected.

### **DATA PRESENTATION AND ANALYSIS**

In this phase, the generated data were presented and examined. The respondents received three hundred and thirty nine (339) copies of the questionnaire in total. Three hundred and twenty seven (377) of the three hundred and thirty nine (339) copies that were given were correctly filled out and deemed pertinent to the study. Twelve incomplete questionnaire copies were received. Consequently, the three hundred and twenty-seven (327) pertinent copies served as the foundation for the study in this section. The demographic data was provided and examined in the first portion. The data pertinent to the study questions was examined in the second section, which also included a test of the hypotheses and a discussion of the results.

#### **Analysis of Items Related to Research Question**

The questionnaire items related to the research questions are presented and analyzed below:

**Research Question One:** To what extent does collateral requirement affect the performance of entrepreneurship Delta State?

**Respondent’s opinion on whether collateral requirement affect the performance of entrepreneurship**

	Frequency	Percent
Strongly Disagree	18	5.5
Disagree	68	20.8
Agree	120	36.7
Strongly Agree	121	37.0
Total	327	100.0

Source: Field Survey, 2022

Table 4.6 above indicates that 37% of the respondents strongly agreed that collateral requirement affect the performance of entrepreneurship, 36.7% of the respondents agreed, 20.8% of the respondents disagreed while the remaining 5.5% of the respondents strongly disagreed.

**Research Question Two:** To what degree does loan procedure affect the performance of entrepreneurship in Delta State?

**Table 4.11 Respondents views’ on whether size of loan affect the performance of entrepreneurship**

	Frequency	Percent
Strongly Disagree	15	4.6
Disagree	43	13.1
Agree	161	49.2
Strongly Agree	108	33.0
Total	327	100.0

Source: Field Survey, 2023

Table 4.11 above indicates that 49.2% of the respondents strongly agree that does loan procedure affect the performance of entrepreneurship, 33% of the respondents agreed, 13.1% of the respondents disagreed while the remaining 4.6% of the respondents strongly disagreed.

**Research Question Three:** To what extent does a credit term influence performance of entrepreneurship in Delta State?

**Table 4.16: Respondents opinion on whether firm credit term influence performance of entrepreneurship**

	Frequency	Percent
Strongly Disagree	9	2.8
Disagree	26	8.0
Agree	228	69.7
Strongly Agree	64	19.6
Total	327	100.0

Source: Field Survey, 2023

Table 4.16 above shows that 19.6% of the respondents strongly agreed that credit term influence performance of entrepreneurship, 69.7% of the respondents agreed, 8% of the respondents disagreed while the remaining 2.8% of the respondents strongly disagreed.

**Test of Hypotheses**

Here, the three hypotheses formulated in this study were tested using t-statistics and significance value of the individual variables in the regression result. The essence of this is to ascertain how significant are the effect of individual independent or explanatory variables on the dependent variables. The summary of the result is presented in the table below.

**T-Statistics and Probability Value from the Regression Result**

Model	Unstandardized Coefficients		Standardized	T	Sig.
	B	Std. Error	Coefficients		
(Constant)	18.916	1.918		9.863	.000
Collateral Requirement	.123	.043	.158	2.870	.001
Loan Procedure	.085	.044	.202	2.923	.000
Credit Terms	.171	.044	.209	1.901	.000

- a. Dependent Variable: Performance of Entrepreneurship
- b. Predictors: (Constant), Collateral Requirement, Loan Procedure ,Credit Terms

Source: SPSS 21.0

**Test of Hypothesis One**

Ho: Collateral requirement have no positive significant effect on the performance of entrepreneurship in Delta State

In testing this hypothesis, the t-statistics and probability value in table 4.7 is used. Collateral requirement has a t-statistics of 2.870 and a probability value of 0.001 which is statistically significant. Therefore, we reject the null hypothesis and accept the alternative hypotheses which state that Collateral requirement have a positive significant effect on the performance of entrepreneurship in Delta State.

**Test of Hypothesis Two**

Ho: Loan procedure has no positive significant influence on the performance of entrepreneurship in Delta State. Loan procedure has a t-statistics of 2.923 and a probability value of 0.000 which is statistically significant. Therefore, we reject the null hypothesis and accept the alternative hypotheses which state loan procedure has a positive significant influence on the performance of entrepreneurship in Delta State.

**Test of Hypothesis Three**

Ho: Credit terms have no positive significant influence on the performance of entrepreneurship in Delta State. Credit terms have a t-statistics of 1.901 and a probability value of 0.000 which is statistically insignificant. Therefore, we reject the alternative hypotheses and accept the null hypothesis which states that credit terms had a positive significant influence on the performance of entrepreneurship in Delta State.

**Summary of Findings**

- i) Collateral requirement have a positive significant effect on the performance of entrepreneurship in Delta State. Collateral requirement has a t-statistics of 2.870 and a probability value of 0.004 which is statistically significant at 0.05 level of significance.

ii) Loan procedure has a positive significant influence on the performance of entrepreneurship in Delta State. Loan procedure has a t-statistics of 2.923 and a probability value of 0.005 which is statistically significant at 0.05 level of significance.

iii) Credit terms have a positive significant influence on the performance of entrepreneurship in Delta State. Credit terms has a t-statistics of 1.901 and a probability value of 0.176 which is statistically insignificant at 0.05 level of significance.

### **Conclusion**

The study examines the effect of financial accessibility on the performance of entrepreneurship in Delta State. Data was obtained from primary sources and tested using multiple regression analysis. The results showed that collateral requirement have a positive significant effect on the performance of entrepreneurship in Delta State. Loan procedure has a positive significant influence on the performance of entrepreneurship in Delta State. Credit terms have a positive significant influence on the performance of entrepreneurship in Delta State. Therefore, the study concluded that financial accessibility had a positive significant performance of entrepreneurship in Delta State.

### **Recommendations**

The recommended that:

1. The study established collateral security as key among the determinants of financial accessibility. Financial institutions, especially banks must come to the aid of entrepreneurship by reducing the collateral requirements, which remain high to most of them. Bank of Nigeria should come up with policies that flexibly enable entrepreneurship to access financial assistance.
2. Loan procedure should classify into low and high-interest loans scheme. The conservative loans to entrepreneurship can be maintained as low-interest loans, while loans for capital assets or technology acquisition should be low-interest loans, which can be secured and assist the development of entrepreneurship.
3. Bank should increase the duration of their entrepreneurship credit terms repayment, or spread the repayment over a longer period of time, or increase the moratorium. This will enable the entrepreneurship to have greater use of the credit over a longer period for the acquisition of capital assets and technology for business growth and development

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