International Journal of Business and Management Invention (IJBMI)
ISSN (Online): 2319-8028, ISSN (Print):2319-801X
www.ijbmi.org || Volume 10 Issue 1 Ser. III || January 2021 || PP 57-65

Loans and Savings in Business Growth of Small And Medium Enterprises (SMES) In The North Central Nigeria: An Empirical Analysis

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ABSTRACT
The study examined the empirical analysis of loan impact and savings in Small and Medium Enterprises business development. The research population consists of total registered SMEs in the states of Kwara, Kogi, and Niger. For the collection of the participating SMEs, purposeful sampling technique was used. A total of 238 were chosen using a simple random sampling method, including 186 clients from SMEs and 52 employees who constituted our sample size. The data were analyzed using coefficient of correlation and multiple regression analysis. The study showed that both clients and MFBs agreed that the level of access to loan services in the form of savings account opening and money depositing was high. Nevertheless, although customers indicated that the accessibility of loan services varied between low and high interest rates, this indicates that customers' accessibility to loan high interest rates face charges that were a worse scenario, leading most of them to increase their business capital savings in terms of the accessibility of the services offered by MFBs in terms of the required risk. In addition, the study revealed that encouraging SME owners to become risk-takers and funding them for the training program would also have a major impact on the development of SMEs' human capital.

KEYWORDS: *Loan and Savings, Business Growth, Small and Medium, Enterprises, North central Nigeria.*

Date of Submission: 15-01-2021 Date of Acceptance: 31-01-2021

I. INTRODUCTION

Small and medium-sized businesses, globally, play a very fundamental role in countries' growth and development. We represent the largest number of businesses that make a positive contribution to both job growth and foreign exchange earnings. However, current data in a country in Nigeria indicate that 90 per cent of registered companies are micro, small and medium-sized enterprises (Mensah, 2004). This target group has been identified as the driving force for the nation's economic growth, because it is a remarkable source of pay and employment for many Nigerians. As indicated by Mensah (2004), small enterprises utilize several workers in the range of 8 to 29 workers and fixed resources of a hundred thousand Naira (N100,000). The medium enterprises are using many workers in the range of 30 and 99 workers with fixed resources of up to one million Naira (N1,000,000).

SMEs are increasingly playing a central role in job creation and income generation in Nigeria and are therefore considered one of the main tools for achieving the overall objective of the poverty eradication program (PAP) that drives Nigeria's socio-economic development agenda (SMEDDAN, 20117). Despite playing such a well-organized role in global and international economies, SMEs have faced the challenge of insufficient financial resources and continue to face it. (Osetimehin, Jegede, Akinlabi & Olajide, 2013; Anyawu, 2003;). These difficulties are compounded by the fact that many SMEs find it difficult to access the financial sector, which would boost their ability to collect the requisite business capital (Makunbi & Kwagala, 2013). Banks, microfinance and other lending organizations offer financial services (Masudur-Rahman & Laila-Arjuman, 2009), but the financial services covered in this paper are those offered by Microfinance Banks.

Specific savings service microfinance banks aim to have a wide variety covering current savings service and entrepreneurial savings service, to name but a few (Kalala & Ouedraogo, 2001), while loan schemes provide both short-term and long-term access to load. Nigeria's microfinance industry was a natural offshoot of the overall economic and political dynamics that impacted the country's economy in a way that left many rural and low-income potential clients banking access to commercial banks ' financial services, particularly in the last two decades (Business Study, 2008). As if this were not enough, the political and economic collapse of the 1980s and 1990s forced many banks to shut down their branches in upcountry. This was accompanied by the closure in Ilorin, Kwara State of community-based financial institutions such as saving and credit cooperative organizations (SACCOs), such as ATIBA- IYALAMU Cooperative and Thrift Society. In Niger AREWA Thrift, in Kogi Igala Micro Bank. A study by SMEDDAN (2010) indicates that attempts by the defunct commercial banks in Nigeria to reverse this scenario in the 1990's by major branch opening were unsuccessful. Many of the branches opened incurred constant losses, which left them with no choice but to close.

The entire situation left a significant number of SMEs without formal financial services (SMEDDAN 2008). But when Nigeria 's government attempted a range of strategies, policies, and programs such as the Poverty Alleviation Program (PAP) and the Youth Empowerment Scheme (YES) in 2000 via the 2015 N POWER (priority for all) political agenda, no progress was achieved. Budget speech, 2015/2016; SEDAN, 2016, continues to question SMEs with regard to accessibility of the loan and savings culture they needed to promote their business operations. Such conditions were such that MFBs were allowed to come into action. They were especially motivated by a highly favorable government policy climate as they were seen as the only financial institutions that could fill the void by providing low income earners and SMEs with ancillary savings services and loan schemes. It was envisaged that savings culture and loans will be made available to SMEs through these institutions, thus enabling them to gain financial power, develop in business and thus contribute to poverty alleviation in Nigeria (Microfinance Banks, 2011). Microfinance banks in North Central Zone were one of the MBs that came on board in the 90s as a project of State government to help and encourage the lower-income earner and SMEs in the region, in order to provide such services.

Nevertheless, it is not clear if the cause of such a scenario is related to the difficulties that SMEs face in improving their savings culture and accessing the MFBs loan scheme. Even the distance at which such services are difficult for small and medium-sized businesses and how this degree affects the capacity of the company to expand in market, in particular in terms of sales revenue, expansion of productivity and product selection, remains to be well diagnosed. Consequently, the aim of this paper is to shed light on these issues by critically examining these two variables and their effect on business growth of (SMEs) in Nigeria, using as a case those clients of MFBs in Kwara, Kogi and Niger States. The paper's basic objectives are to decide (a) whether the level of such services has any association with the business growth that small and medium-sized enterprises achieve in terms of sales volume, productivity, expansion and product selection and (b) whether there are cause challenges of small and medium-sized enterprise microfinance in Nigeria. Statement of the problem Small and Medium Enterprises (SMEs) in any economy other than other limitless values are recognized having enormous potential for job age and wealth formation. Despite the dominance of small and medium-sized enterprises in the Nigerian manufacturing sectors and the increase in nominal GDP, SMEs have struggled to thrive under a lack of finance. As many scholars have pointed out, this becomes a great challenge to the smooth operation of the sector to develop effectively (Ademu, 2012; Aremu & Adeyemi, 2011; Adewale, 2011). In this respect, the factors that decide growth of SMEs in Nigeria, which will be an avenue for the solution to the challenge of access to finance, need to be investigated. The study focuses on Nigeria's North Central geopolitical region, notably reported by Kwara, Kogi, and Niger. The research covers the duration of operations of SMEs for ten (10) years (2008-2018).

Research Hypotheses

The following hypotheses were formulated to be tested at 0.05 level of significance:

Ho1. There is no significant impact of loan and savings culture on the business growth that the SMEs attained in terms of sales volume profitability, expansion, and range.

Ho2. There are no trigger challenges of micro financing on a small and medium enterprise in Nigeria.

II. LITERATURE REVIEW

Concepts of Small and Medium Enterprise (SMEs)

There is no generally accepted definition for the term Small and Medium Scale Enterprises (SMEs) Kadiri (2012) noted that the criterion for characterizing an undertaking as small , medium or huge varies from one nation to the next, depending on whether it is existing or expanding. For example, a small business may be one nation a vast business to another. SMEs in Nigeria, as the Small and Medium Industries Equity Investment Scheme (SEIS) characterizes, are companies with absolute capital at least? 1.5M. yet not surpassing 200 million, including working capital, yet barring expense of land or potentially with a staff quality of at least 10 and not more than 300. Esuh and Adebayo (2012) noticed that they are firms or businesses emerging because of the entrepreneurial activities of a person.

In particular, the SME division is categorized into three; smaller-scale, small and medium-sized enterprises or enterprises. SMEs of miniaturized size are the lowest of the three groups. In Afolabi's (2013) phrase, 'they are firms that hire up to nine employees in the UK, while in Australia they have fewer than five members, including non-using businesses.' Miniaturized businesses are labeled as SOHO, which means Tiny Office-Home Office, according to the U.S. Census Bureau. In this way, miniaturized scale businesses ought to be viewed as the small type of SME that may utilize less than nine workers or then again might not have representatives by any means. As respect the small businesses, they are businesses bugger than the miniaturized scale businesses as far as size, number of representatives, structure, capital speculation and economic commitments. The Nigerian Industrial Policy characterized small scale business as enterprises with absolute venture of somewhere in the range of N100,000 and N2million, selective of land yet including working capital. In conclusion, the medium businesses as the name proposes are greater than both smaller scale and small businesses as far as activities, labour limit or number of workers, structure, capital venture and size.

As indicated by Afolabi (2013), they are the undertakings that use not less than 15 members under the Australian Fair Work Act (2009) to less than 500 employees under the US, whereas the European Commission described medium-sized undertakings as undertakings that use less than 250 staff as well as having an annual accounting report of not more than 43 million euros. The Objectives and Policies in the Establishment of Microfinance Bank Contrary to this, the need to fund separate and special institutions generated by the government of Nigeria becomes essential in order to help micro-enterprises as well as low-income earners so that loans and credit facilities are given equally. According to McCarthy (1998), the result of government intervention in the credit market for micro enterprises is usually to induce formal financial institutions to supply more credits to small and medium scale Enterprises (SMEs) or lower interest rate through subsidy; and offer of guarantee and outright compulsion, than they would otherwise voluntarily provide.

In recent public debates, microfinance has been mentioned as an important instrument for poverty reduction in developing countries where it has been introduced in the last decade. Many authors argue that microcredit can help to substantially reduce poverty (Littlefield, Morduch and Hashemi, 2003; Dunford 2006). Access to credit can contribute to a long-lasting increase in income by means of a rise in investments in income generating activities and to a reasonable extent, diversification of sources of income; it can contribute to accumulation of assets; it can reduce vulnerability due to illness, drought and crop failures, and it can contribute to a better education, health and housing of the borrower. However, others authors like (Khande, 2005; Scrully,2004) doubt that microcredit can contribute to a substantial reduction in poverty. In the alternative, separate and special institutions have been created by the Nigerian government and specially funded to provide more and/or cheaper credit to the micro enterprises and the low income group.

This and others might have informed the microfinance policy regulatory and supervisory framework guideline issued by the Central Bank of Nigeria (CBN) in December 2005 with the following specific objectives:

(i) To regulate the activities of the Microfinance institutions that has been operating outside the supervisory framework of the CBN.

(ii) To recognize the existing informal institutions and bring them under the supervisory role of CBN.

(iii) Create a vibrant microfinance sub-sector that would be adequately integrated into the mainstream of national financial system.

(iv) Create a platform for the foundation of microfinance banks.

Microfinance arrangement perceives the current casual organizations and brings them inside the supervisory domain of the CBN not exclusively to upgrade money related strength, yet to likewise extend the monetary framework of the nation to meet the budgetary necessities of the Micro Small and Medium Enterprises (MSMEs). Lemo (2006) placed that the arrangement would make a lively microfinance sub-division that would be sufficiently coordinated into the standard of the national budgetary framework and give the improvement to growth and advancement. It would likewise orchestrate working benchmarks and provide a pivotal platform to the progress of microfinance organization.

Empirically, some studies have revealed that, there is a significant positive connection between microfinance loan and the growth of SMEs in Nigeria. For instance, Agba, Ocheni and Nkpoyen (2014) assessed the impact of microfinance credit program on poverty reduction between low income employees in Nigeria using micro savings and micro loan. The study found that, microcredit scheme in the state increases access to loan of the low income earners which enhance their operations and boost their ability to savings. Akingunola et al.(2013) assessed the effect of microfinance on entrepreneurship development in Nigeria and found that, microfinance facilities like loan are positively related to the activities of micro entrepreneurs .moreover, Olowe, moradeyo and Babalola (2013) examined the influence of microfinance on SMEs growth in Nigeria and revealed that, loan offered by microfinance to SMEs has positive effect with their growth in Nigeria but the study contended that, the frequency of repayment of loan is an impediment to SMEs growth in Nigeria.

In contrast, other studies have found a negative relationship between the impact of microfinance loan services and the growth of SMEs for instance, Babajide (2012) assessed the impact of microfinance services on the growth of SMEs in Nigeria. The study used loan size, loan tenor, microloan, micro-saving and interest rate as the microfinance services (independent variables). The study found a dynamic indication that, access to microfinance facilities such as frequency of loan repayment, loan duration, loan size does not improve the growth of SMEs in Nigeria (negative impact).

Theoretical Background

The theory proposed in this paper is significant and suitable for the explanation of an empirical analysis of effects of loan and savings in business growth of small and medium Enterprises the study employed Resource based theory because of it relevance to the topic.

Resource Based Theory (RBT)

Resource based theory suggest that , the foundation for improvement in the competitive market of a firm toward achieving growth rely on the organization's ability in utilizing tangle and intangible resources (Assets). Intangible capital like social capital factor, training programs for employees of a firm, etc. on the other hand, tangible resources or capital like physical assets such building and machineries of the firm (Nothnagel, 2008; Barney & clerk, 2007).

It is important to note that social capital factor represent the intangible resources of a firm and loans received will be part of the tangible capital (resources) towards realization of the firm's growth. While savings may be used by a firm to make further investment in another sector. Also, saving can be utilized in acquiring shares in another firm (intangible resources).

Resource Based Theory This strategic management model views resource based with entrepreneurship theories to further show the relationship services offered by microfinance banks and its strategic practices on the performance of entrepreneurship development. In a world where a customer preference is volatile, the identity of the customer was changing, and technology for servicing customers' requirement were continuously evolving; and wherever externally focused orientation does not provide a secure condition for formulating long term strategy. When the external approach is in a state of flux, the firms on resources and capabilities may be the basis on which it defends its identity. Hence, the definition of a business in terms of what it is capable of doing may offer a durable basis for strategy than a definition based upon need, which a business seeks to satisfy. Resource-based theory's view on competitive advantage contends that internal resources were more important for a firm than external factors in achieving and sustaining competitive advantage.

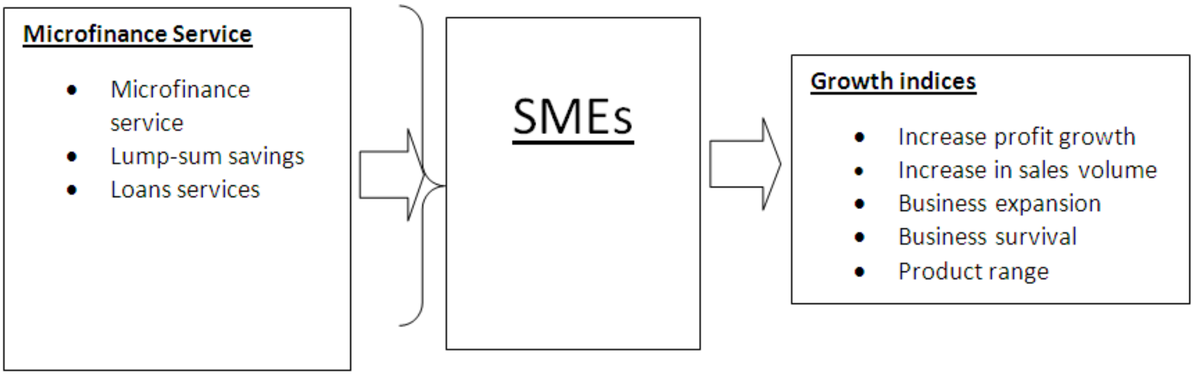
The proponents of Resource Based View contend that organization performance was primarily to be determined by internal resources that can be regrouped in three all-encompassing categories: physical plant and equipment, location, technology, raw materials. These connote machine; human resources including employees, training, experience, intelligence, knowledge, skills ability and organizational resources among others (David, 2011). Recent entrepreneurial theoretical studies have tried to establish precise mechanism through which financial systems influence economic development. The resources based theory of the firm was propounded by Werner fetl, (1984) is regarded as one of the theories of strategic management that is widely referenced particularly because of is practical relevance to contemporary management practice.

This paper is theoretically underpinned by" The resource-based view (RBV) and the rationale of the Pecking-Order (POT) Theories. Barney's 1991 article "Firm Resources and Sustained Competitive Advantage" is broadly referred to as a critical work in the development of the resource-based view. In any case, a few researchers contend that there was proof for a fragmentary resource-based hypothesis from the 1930s.RBV recommends that firms are heterogeneous in light of the fact that they have heterogeneous resources, which means firms can have various systems since they have diverse resource blends. The RBV concentrates on the firm's inner resources with an end goal to distinguish those benefits, abilities and skills with the possibility to convey prevalent upper hands. During the 1990s, the resource-based view (otherwise called the resource-advantage hypothesis) of the firm turned into the prevailing worldview in strategic planning. RBV can be viewed as a response against the situating school and its to some degree prescriptive methodology which concentrated on outside contemplations, quite industry structure. The supposed situating school had overwhelmed the order all through the 1980s.

Interestingly, the new resource-based view contended that the wellspring of economical favorable position gets from getting things done in an unrivaled way; by developing prevalent abilities and resources. Jay Barney's article, "Firm Resources and Sustained Competitive Advantage" (1991), is viewed as significant in the rise of the resource-based view (Prahalad and Hamel, 1991). Various researchers call attention to that a fragmentary resource-based point of view was apparent from the 1930s, taking note of that Barney was intensely impacted by Werner felt's prior work which presented the possibility of resource position hindrances being generally undifferentiated from section boundaries in the situating school (Priem and Butler, 2001). Different researchers propose that the resource-based view speaks to another worldview, yet with roots in "Ricardian and Penrosian economic speculations as indicated by which firms can acquire practical supranormal returns whether, and just in the event that, they have prevalent resources and those resources are ensured by some type of disengaging component blocking their dissemination all through the business (Lewis and Kipley, 2012).

Conceptual Framework

Microfinance bank was used by the selected SMEs. These service included clients level of improvement over savings and access to loan scheme as at when needed. It was measured in terms of the degree to which the savings culture improves at the selected microfinance bank and how it used optimally to obtain the loan services. The dependent variable was business growth of SMEs and was measured in terms of profitability, capital size, sales volume, increase in sale outlets and product range. As shown in figure, care was taken to recognize that there were other variables that could affect the business growth of the SMEs in the north central zone. These included government policy, geographical location, gender, political environment, marital status, culture poverty, management and technology. Although these variables were recognize, their effects were assumed constant and were therefore not investigated.



III. METHODOLOGY

The study used survey design to elicit for information about the subject variables (dependent and independent). This is because of its relevance in the business and management studies. The population of the study consist of total registered SMEs in the three states which are Kwara, Kogi and Niger. Purposive sampling technique was used to select the participating SMEs. Simple random sampling technique was used to select a total of 238, including 186 SME clients and 52 employees that constituted our sample size. The primary data consist of a number of items in well-structure questionnaire that was administered to and completed by the respondents. To ensure validate and reliability of the questionnaire, experts in the field of microfinance were consulted to review the questionnaire. Correlation coefficient and Regression analysis were used to analyze the data obtained from respondents.

Data Presentation, Analysis and Interpretation

Test of Hypotheses

H_{01}: Loan and saving culture do not substantially increase the success of the SMEs in North-Central

Table 1. Model Summary

Model	R	R Square	Adjusted R Square	Std. The error of the Estimate
1	.905[a]	.819	.817	.51640

a. Predictors: (Constant), Mandatory savings is compulsory before having access to a loan

Savings culture is regressed over the SMEs performance, and the result is significant at 5% level. The R=0.905 implies there is a direct positive relationship between the explanatory variable (Loan and Savings culture) and the response variable (SMEs performance). The R-square=0.819, which is just so close to adjusted-R square implies the savings culture is a good predictor of SMEs performance because the difference between the two is negligible (i.e.0.819-0.817= 0.002). This directly implies that the 81.9% of SMEs performance depend on mandatory savings before having access to loan and the remaining 18.1% was attributed to other factors not accounted by this model which include business environment, business intention, government policies etc.

Table 2 ANOVA[a]

Model		Sum of Squares	df	Square	F	Sig.
1	Regression	132.657	1	132.657	497.460	.000[b]
	Residual	29.334	110	.267		
	Total	161.991	111			

a. Dependent Variable: SMEs performance

b. Predictors: (Constant), Mandatory savings is compulsory before having access to loan

The ANOVA Table 2 indicates the overall significant of savings culture and its relationship with SMEs performance. It follows that the ratio of regression sum of square (132.657) over the total sum of square (161.991) produce the same result as the R-square (0.819) which implies the model account for most of the variation in the outcome variable (i.e. SMEs performance). Hence, the p-value=0.000 and F-calculated (497.460) fall outside the rejection region which means that there is significance relationship between the SMEs performance and mandatory savings culture before loan accessibility from microfinance bank at 5% level of significant.

Table 3: Regression Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.562	.100		5.624	.000
	Mandatory savings is compulsory before having access to loan	.883	.040	.905	22.304	.000

a. Dependent Variable: SMEs performance

Table 4.4.3 revealed that savings culture with beta-coefficient (0.883) is significantly contributing to SMEs performance in the North-central region at 5% level of significance. This directly implies the significant impact of mandatory savings culture before loan accessibility on SMEs performance is high at 95% confidence level. if owner/manager of SMEs ignore mandatory savings culture, then the progress report of SMEs' performance in the selected region would reduce significantly by (88.3-56.2=32.1%) and it will significantly affect the Human Resource growth of SMEs since the removal has a significant effect on SMEs performance at 5% ($p=0.000<0.05$). Therefore it is posited that there is a substantial impact of savings culture on Human Resource growth of SMEs at 5% level.

H_{02}: Microfinance bank services have no significant effect on Human Resource growth of SMEs in North-Central

Table 4:Tests of Between-Subjects Effects of MFBs services on Human Resource growth of SMEs

Source	Type III Sum of Squares	Df	Mean Square	F	Sig.
Corrected Model	54.580[a]	3	18.193	141.249	.000
Intercept	4.331	1	4.331	33.626	.000
Motivation	2.903	1	2.903	22.536	.000
Participation in the training program	.532	1	.532	4.133	.045
MFIs' non-financial services	.003	1	.003	.026	.873
Error	13.911	108	.129		
Total	361.000	112			
Corrected Total	68.491	111			

a. R Squared = .797 (Adjusted R Squared = .791)

Dependent Variable: Human capital makes the labour force more productive

The adjusted $R^2 = 0.791$, also called the coefficient of multiple determinations to show that the variance in Human capital is explained uniquely or jointly by the change in MFBs services in the selected area. This means that no fewer than 79.1% change in Human Resource growth of SMEs is caused by a unit increase in motivation, participation in the training program, and non-financial services which collectively measure MFBs services. Hence, the null hypothesis is rejected, and the alternative hypothesis is accepted. A further 20.9% (unexplained) is attributed to other factors not investigated in the model. These other factors may include government policy, business experience, business environment not explained in the model. Therefore, there is a dare need for further research that should be conducted to investigate the other factors (20.9percent) that determine the Human capital development of the SMEs in the area. This variance is highly significant as indicated in the F-value in the corrected model (F=141.249 and $P < 0.05$) and that all the three (3) proxies of MFBs services are significantly related with Human Resource growth of SMEs at 5% level. Hence, by comparing the weighted sum of regression in Table 4 notably the motivation and business commitment (2.903) and participation in the training program (0.532) were highest and therefore implied that owner/managers should be motivated strategically and participate in the training program. These two factors are significant at 95% confidence level. However, non-financial services of MFIs are insignificant and therefore cannot be used to drawn inference on Human capital development of SMEs because findings reveal that typically the selected region was predominantly dominated by sole traders who need financial services of MFBs than the non-financial services due to their small capital outlay for the business in the area.

Table 5: Parameter Estimates

Dependent Variable: Human capital makes the labour force more productive

Parameter	B	Std. Error	t	Sig.	95% Confidence Interval Lower Bound	Upper Bound
Intercept	.421	.073	5.799	.000	.277	.565
Motivation	.369	.078	4.747	.000	.215	.524
Participation in the training program	.237	.117	2.033	.045	.006	.468
MFIs' non-financial services	-.017	.109	-.161	.873	-.233	.198

SPSS Computation, 2019

Motivation with regression parameter (Beta=0.369) reveals that there is a direct positive impact of the motivation of MFBs' clients on Human Resource growth of SMEs; the result is significant at 5% level. This result means that with an increase in motivation of client of MFBs by 1% will have even caused a 36.9% increase in Human Resource growth of SMEs and vice-versa. Participation in the training program with regression parameter (Beta=0.237) equally implies that there is a direct positive impact of the training program on Human Resource growth of SMEs in the sampled area. This means an increase in the training program by 1% will cause an increase in Human capital development of SMEs by 23.7%. The directions of impact of all MFBs services are all positive except that of Non-advisory services which is not significant at 5% level and cannot be used to drawn inference on the outcome variable, because Human Resources growth of most sole traders is beyond deterministic functions of small capital outlay, easy of business operation and consultation of no one for financial advisory service for features of one-man business predominantly dominated the selected region which they are typically known for. This situation makes the self-owned and self-run type of business organization keeping its business affairs privacy. Thus motivating and sponsor them for the training programme is significant at 5% level.

IV. DISCUSSION OF FINDINGS

Findings from hypothesis 1 were intended to determine whether savings and the level of accessibility of the loan from Microfinance Bank significantly affect SMEs performance in the selected region. Also was there any relationship with the business growth that the client SMEs attained in terms of sales volume, profitability and expansion? Savings culture is regressed over the SMEs performance, and the result is significant at 5% level. The relationship was tested using correlation analysis indicated in the model summary Table 1, which posited that 81.9% of SMEs performance depends on mandatory savings account before having access to the loan. Further, savings culture is regressed over the SMEs performance, and the result is significant at 5% level. This implies that the levels at which savings culture and loan services were accessible were high. It is also vital to note that while clients felt that savings are a doorway to wealth creation in SMEs, the MFBs, on the other hand, provide accessibility requirements to loan services from a high rate of turnover from savings culture as indicated in RQ 1.

Generally, the findings from hypothesis 1 show that both clients and MFBs concurred that the level of accessing loan services in the form of opening savings accounts and depositing money was high. However, while clients indicated that the accessibility of loan services varied between low and high levels of interest charges, this suggests that clients' accessibility to loan high-interest face charges which were a worse scenario and that makes most of them improve on their savings for the business capital. Since the survival of all business enterprises, particularly microfinance institutions, depends on how clients perceive their products or services, the MFBs need to review their stands on interest charges entrepreneurship development in the selected region. The views expressed by the clients on interest charges take precedence so that necessary improvements can be made.

A quite contrasting response pattern was recorded in hypothesis 2 concerning the accessibility of the services that MFBs provided in terms of necessary risk-taking and motivation of clients, training and giving advice. No fewer than 79.1% increase in Human Resource growth of SMEs is caused by a unit increase in Clients' motivation, participation in the training program, and advisory services which collectively refers to as Non-financial services rendered by the MFBs in the sampled region. Therefore, the null hypotheses are rejected at 5% level, and the alternate hypotheses posited that loan and savings culture has a significant improvement on the success of SMEs and that MFBs services have a significant effect on Human Resource growth of SMEs in the North Central Region at 95% confidence level.

V. CONCLUSION AND RECOMMENDATIONS

The findings indicate that the level of accessibility of the savings services and the growth of the company of the client SMEs were both generally high on average, especially from the point of view of the clients. The only service that can impact client SME growth has been weak savings culture that delays the maturity of loan services as an arrangement between Microfinance Bank and owners of SMEs. Any consumer whose low level of accessibility to the loan means that depositing money in the savings account was similarly small. Accessibility to the savings services had a clear and important yet positive relationship to SSEs growth. The optimistic nature of the partnership meant that strengthening the savings culture by enhancing loan accessibility would result in a major improvement in SMEs' thriving business growth in revenue, productivity, and expansion in the sampled region. Motivating the owners of SMEs to become risk-takers and funding them for the training program would also have a huge effect on the development of SMEs in human resources.

I. Managing MFBs will increase accessibility to loan facilities, as this is intended to translate into a major improvement in the business growth of customer SMEs in selected North Central States.
II. Achieving the desired change in the growth of SMEs in human capital should be accomplished by ensuring that the understanding of business risk-taking and training of clients takes precedence and placing special emphasis on ensuring that clients successfully acquire the skills gained as required from the training provided by MFBs.
III. This calls for MFBs services to be marketed, and consumers to be sensitized on how the services can be used to raise the capital needed to fuel their business growth.

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Mohammed Yakub Kio, et. al. "Loans and Savings in Business Growth of Small And Medium Enterprises (SMES) In The North Central Nigeria: An Empirical Analysis." *International Journal of Business and Management Invention (IJBMI)*, vol. 10(01), 2021, pp. 57-65. Journal DOI- 10.35629/8028