A CONCEPTUAL MODEL OF FACTORS AFFECTING BUSINESS PERFORMANCE AMONG THE MANUFACTURING SUB-SECTOR OF SMALL BUSINESS ENTERPRISES IN NIGERIA (BAUCHI STATE).

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Abstract
The purpose of the study is to identify the factors influencing business performance among the manufacturing sub-sector of small business enterprises in Nigeria (Bauchi state). This is because of the enormous importance of the sub-sector to the growth and development of the economy in terms of poverty alleviation, job creation, revenue generation etc. it is also known that people from different socio-demographic may have different factors affecting their businesses. Therefore, in ensuring the development of a country or region, more attention should be paid to SMEs development, and for you to achieve the needed development, like in my region that is multi-ethnic, multi-cultural, and different patterns of behavior, you need to identify the factors affecting business performance within the region.

KEYWORDS: ENTREPRENEURSHIP, SMALL BUSINESS ENTERPRISES, FIRM PERFORMANCE, SMES

Introduction
The importance of entrepreneurship cannot be over emphasized, especially into this world of increasing needs for industrialization. Scholars from multiple disciplines in the Social Sciences have grappled with a diverse set of interpretations and definitions to conceptualize this abstract idea. Overtime, some writers have identified entrepreneurship with the function of uncertainty-bearing, others with the coordination of productive resources, others with the introduction of innovation and still others with the provision of capital (Hose Litz 1952).

Small and medium enterprises (SMEs) have long been believe to be important in supporting economic development within a country (Akhtar;1999,Mazzarol,Volery,Doss and Thain,1999).One of the important roles of SMEs include poverty alleviation through job creation. For instance, in the Netherlands, SMEs account for 98.8percent of all private sector companies, contribute 38.6percent to GDP and employ 55percent of total workforce (EIM Business and Policy Research, 1999). In Italy, SMEs contribute to USD35million in export, and absorbs 2.2million of National labors (Patrianila, 2003).

Thai SMEs are increasingly seen as creators of new jobs (Swerczek and Ha, 2003) and Vietnamese SMEs employs 64percent of industrial workforce. Therefore, in ensuring the economic growth of a country or a region, more attention should be paid into SMEs
development, and for you to achieve the development, you have to identify the factors affecting the business success. A 2004 survey conducted by the Manufacturers Association of Nigeria (MAN) revealed that only about ten percent (10%) of industries run by its members are fully operational. Essentially, this means that 90 percent of the Industries are either ailing or have closed down. Given the fact that manufacturing industries are well-known catalysts for real growth and development of any nation, this reality clearly portends a great danger for the Nigerian economy.

ROLE OF THE SME SUB-SECTOR IN THE ECONOMY
A review of historical experience of economic growth and development in various countries is replete with success stories of the salutary effect and positive impact and contributions of SMEs in industrial developments, technological innovations and export promotion. The Industrial Revolution of 1760-1850 represents a good testimony of the inherent innovative spirit of SMEs, which is increasingly challenged in the present century particularly afterwards of economic change cum technological innovations and industrial liberalization have swept various economies of the world. These challenges notwithstanding, SMEs have remained as much important and relevant economic catalysts in industrialized countries as they are in the developing world. In many developed countries, more than 90% of all enterprises are within the SME sub-sector while 80% of the total industrial labor force in Japan, 50% in Germany and 46% in USA small businesses contribute nearly 39% of the country’s national income. Comparable figures in many other developed countries are even higher. Studies have indicated that the sustenance of interest in SMEs in the developed economies is due to technological as well as social reasons more so as those economies are currently driven by knowledge, skill and technology as opposed to material and energy-intensiveness. This is also as a result of a Paradigm shift to new processes of manufacturing that are based on flexible systems and processes of production driven by sophisticated software on robust hardware platforms. The social reasons include the need for generation of more employment and poverty reduction through self-employment ventures and decentralized work centre’s.

Venture Growth
Empirical studies of entrepreneurship have used rate of growth as a measure of venture performance (Begley and boyd, 1987, lee 1996). Hanks (1993) Found that self reported data of business growth and business volume from entrepreneurs had better internal consistency and content validity compared with other self reported data of venture performance.

Johannisson, 1993, Philips, 1989 and story, 1994, says growth has been used as a simple measure of performance in business. Also (brush, 1992) suggest that, growth is the most appropriate indicator of performance for surviving small firms. Most recent research on firms growth has increase our understanding of different growth patterns eg demler (2003) have shown that firm growth patterns are related to the demographic characteristics of firms such as age.

Empirical evidence;
Empirical evidence from the US (Evans, 1987) and from the developing world (chuta,1989) has repeatedly supported the relationship between firm growth and firm age and size. In addition demand and supply factors such as sectors and locations enter into the growth decision of the
individual firm. (Roni, 2003) says the success of entrepreneurship results from certain environmental conditions and some economic factors input. Also yusuf (1995) said good management, access to finance, personal qualities of the entrepreneur and satisfactory government support were the most significant factors affecting the success of small business.

There is an extensive literature regarding the determinants of the supply of entrepreneurship. Not only economists have taking an interest in this topic, sociologists and psychologists have studied the issue as well, they indicated that the socio-economic background of the proprietor may be an important determinant of his entrepreneurial ability and aggressiveness. The performance of a firm (including its growth) likely depends on part of the human capital embodied in its proprietor, eg Bates (1990) finds that the educational level of the proprietor is positively and significantly related to small firms success and growth. Also douglas (1976), Evans (1989) finds that education, experience, and previous self employment are important determinants of starting small enterprise successfully. Other proprietor’s characteristics might also influence enterprise growth (evans and Leighton).

Schein (1987) says that the performance of a business founder is measured by the performance of the organization. Which in turn influenced by the environment in which the organization emerges (tsai et al, 1991) among the frequently used measures of performance are annual sales, number of employees, growth in sales and growth in employee number (brush, 1992).

Box et al (1995) suggested some elements which have relationship with business performance of Thai entrepreneurs, which is previous experience, age, and management team. While Hisrich (1997) propose human capital, (level of education, years of experience and business skills), to assess the performance of entrepreneurs.

Lerner (1997) conducted a study on the success of Israeli entrepreneurs and categorized factors affecting their performance like motivation, network affiliation, demographic variables, and environmental influence. Also Thi bault (2002) suggests personal factors such as demographic variables and business factors such as amount of finance, technology, age of the business and location as important factors in examining the sales performance of entrepreneurs.

**Objectives**
The objective of the paper is to identify the factors affecting business performance among the manufacturing sub-sector of small business enterprises in Bauchi state of Nigeria.
Conceptual Framework

Storey (1994) identified key components to be important in analyzing the success of SMEs: the characteristics of the entrepreneur; the characteristics of the enterprise; and the external environment. The conceptual framework is developed in line with these three components.

**Characteristics of entrepreneur**
- Age
- Gender
- Work Experience
- Education

**Characteristics of Enterprise**
- Origin of enterprise
- Length time in operation
- Size of enterprise
- Capital source
- Location

**External environment**
- Marketing
- Technology
- Information access
- Entrepreneurial readiness
- Social network
- Legality
- Capital access
- Government support
- Business plan

Business performance

Source: Developed for the study

Conclusion

To conclude, the influencing factors of the performance of small business manufacturing firms in my region are of paramount importance, in order to improve the efficiency and effectiveness of the firms, and recommend measures for policy formulation and implementation with the view to overhauling the subsector.
References