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EFFECT OF ENTREPRENEURIAL DEMOGRAPHIC CHARACTERISTICS ON THE PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES IN KWARA STATE

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Abstract

In developed and developing nations, Small and Medium Enterprises (SMEs) play pivotal roles in the process of industrialization and its being regarded as powerful engines for economic growth and development of any nation. This study aimed at examining the influence of entrepreneurial demographic characteristics on the performance of SMEs in Kwara State, Nigeria. Extensive review of extant literature were done for better understanding of the current development of research revolving entrepreneurial demographic characteristics and SMEs' performance that constitute the variables of this study. An explanatory survey was adopted and the population comprises of registered SMEs (agro-allied and non-agro allied). A sample size of four hundred (200) SMEs was chosen using multi-stage sampling technique. Data were analysed using correlation and multiple regression analysis to investigate among the construct variables. The findings show significant relationship among entrepreneurial demographic variables and performance of SMEs. The study concludes that there is a positive relationship between entrepreneurial demographic characteristics and Performance of SMEs in Kwara State as statistically shown. On this note, it is recommends that government should remove import duties on raw materials and provide infrastructural facilities such as good roads, transport means, water and power supplies and ensure that its policy favour SMEs for instance, access to credit facilities, foreign exchange protection from serve competition through tariff and quotas and trade license.

Keywords: Entrepreneurial; Characteristics; Demographics; SMEs; Performance; Kwara state

INTRODUCTION

In Nigeria, there are various types of SMEs spread across every sector such as tailoring, weaving, embroidery, restaurants, knitting, black smiting, printing press, laundry and dry cleaning, potteries, dying, sawmill, mechanical workshops, metal work, block making, pomade making, rice mill, bread making, candle making, leather work among many others which play a

pivotal role in developing the nation's economy. SMEs in Nigeria have consistently recorded higher growth rate as compared to other industrial sectors of the economy. This sector is noted for its employment potential at low capital cost and the labour intensity. It is estimated to be higher than the larger enterprises, for instance, SMEs provide 70% of industrial employment, 60% of agricultural employment and employ 87.9% of the workforce in the private sector (Kadiri, 2012). In 2002, 98% of all businesses in the manufacturing sector were SMEs operating in Nigeria, providing 76% of the workforce and 48% of all industrial output in terms of value added while in the agriculture sectors, SMEs employ more than 80% of the total workforce (Sorwoko, Armanu & Hadividjojo, 2013). In the last few years, an increase in employment of SMEs has exceeded the increase in their contribution to GDP, highlighting the employment creation potential of this sector of the economy (SMEDAN, 2006 cited in Eniola, 2014). Apart from increasing per capital income and output, SMEs create employment opportunities, promoting effective resources utilization consider critically for engineering economic growth and development.

SMEs contribute largely to increase the level of industrialization; modernization; urbanization, gainful and meaningful employment (Aremu & Adeyemi, 2011; Kadiri, 2012). However, in recent years, demographic characteristics of entrepreneurs and performance of SMEs has received increased attention of researchers. Lumpkin and Dess (2001) argued that demographic characteristic of entrepreneurs such as age, gender, education and experience increase performance of SMEs while Zarook, Rahman and Khanam (2013) criticized the small business research for trying to establish a direct relationship between the demographic characteristics of the entrepreneurs and the success or failure of SMEs.

SMEs have made significant contributions to the growth of the developed and developing economies of the world. Many countries either less-developed, developing or developed are concentrating on the development of SMEs. SMEs were considered as main catalogs for innovation, poverty reduction, employment generation, and social integration (Lema, 2013). Like other developing nations, SMEs are facing a lot of challenges in Nigeria. SMEs are undergoing serious crisis and the issue of what is wrong with it, is now the fundamental question. Before Nigeria was able to feed itself, now it has to import. The debt burden is steadfastly growing, exports to other countries is no longer helping the economy, poverty, unemployment, hunger, disease are encroaching up the population. This study is based on the effect of entrepreneurial demographic characteristics on the performance of SMEs in Nigeria. This study examined if demographic characteristics will enhance the performance of the selected SMEs. Does gender of entrepreneurs has effect on performance of SMEs in Kwara state? This study hypothesized that there is a significant relationship between entrepreneurial demographic characteristics on the performance of SMEs in the study area. The paper is divided into sections. Section one above provides the introduction. Section two examined the literature review. The third section discussed the study methods. The results of this study were discussed in section four and lastly, section five discussed conclusion.

LITERATURE REVIEW

Conceptual Definition

Small and Medium scale Enterprises (SMEs)

The concept of SMEs varies from one country to another. They can be categorized according to a number of different criteria: (i) number of employees; (ii) the invested capital; and (iii) volume of sales (Zarook, *et al*, 2013). Yusuf (1995) sees SMEs as the industries with total investment of between one hundred thousand and two million naira exclusive of land, but including working capital. Companies and Allied Matters Degree (CAMA) No. 1 of 1990, Section 376(2) cited in Aremu and Adeyemi (2011) defines SMEs as industries whose annual turn-over is not more than two million naira (N2,000,000) or who net asset value (net worth) is not more than one million (N1,000,000). Abdulwahab and Al-Damen (2015) referred entrepreneurship to the process of creating something different with value. Collins and Ponniah (2014) asserted that entrepreneurship is the creation and management of new business, small business, and family business. He described entrepreneur as a person who is a risk-taker and has consistency with his goals and objectives in different situation. Schumpeter (1934) cited in Abdulwahab and Al-Damen (2015) define entrepreneur as the person who creates something new and innovation in existing economy. The role of demographic characteristics such as age, religion, gender, experience, background and education of entrepreneurs towards their entrepreneurial behaviors and firm's performance (Sajilan, Hadi & Tehseen 2014; Welmilla, Weerakkody & Ediriweera, 2011; Ahmad, 2007; Davidsson, 1995). SMEs performance refers to the firm's success in the market, which may have different outcomes. However, SMEs performance can be seen from the level of sales, profitability, rate of return of capital, the rate of turnover and gained market share (Abdulateef, Ahmed, Yahaya & Kulomri, 2015). While Lema (2013) uses 3 indicators for performance measurement, such as efficiency, growth, and profit.

Entrepreneurial Demographic Characteristics

Characteristic of entrepreneur referred to demographic characteristic, individual characteristic, personal traits, entrepreneur orientation, and entrepreneur readiness. Previous studies such as Hisrich, Peter and Shepherd (2008) and Sarwoko, Armanu and Haduwudjojo (2013) found that demographic characteristics, such as age and gender, and individual background, e.g. education and work experience, moral support network and professional support network have impacts on entrepreneurial intention and endeavor, personal qualities and traits, such as self-confidence and perseverance, entrepreneurial orientation, e.g. autonomy, innovativeness, risk taking, pro-activeness, competitive aggressiveness, and motivation, entrepreneurial readiness in this study refers to self-efficacy.

Reynolds, Hay, Bygrave, Camp and Autio (2000) found that individuals ranging from 25 to 44 years were the most entrepreneurially active. Sajlan, Hadi and Tehseen (2014) disclosed that successful entrepreneur were relatively younger in age. The older (greater than 25 years old) entrepreneurs were more successful than the younger ones. Mazzarol, Volery, Doss and Thein (1999) asserted that female were generally less likely to be founders of new business than male. Similarly, McMahon (2001) suggested that males had significantly higher entrepreneurial intentions than females and that individuals with prior entrepreneurial experience had significantly higher entrepreneurial intentions than those without such experience. Conversely, Mazzarol, *et al*. (1999) established that respondents with previous government employment experience were less likely to be successful founders of SMEs.

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Reynolds, Hay, Bygrave, Camp and Autio (2000) found that individuals ranging from 18 to 44 years were the most entrepreneurially active. Sajilan, Hadi and Tehseen (2014) disclosed that successful entrepreneurs were relatively younger in age. The older (greater than 25 years old) entrepreneurs were more successful than the younger ones. Mazzarol, Volery, Doss and Thein (1999) asserted that females were generally less likely to be founders of new businesses than males. Similarly, McMahon (2001) suggested that males had significantly higher entrepreneurial intentions than females and that individuals with prior entrepreneurial experience had significantly higher entrepreneurial intentions than those without such experience. Conversely, Mazzarol, *et al*. (1999) established that respondents with previous government employment experience were less likely to be successful founders of SMEs.

However, Cooper, Gascon and Woo (1991) cited in Lema (2013) opined that there are factors which might affect the performance of an enterprise including age, sex, marital status, ethnicity, and level of education. The importance of these three (3) characteristics (age and education) have been chosen to be included in demographic characteristics of the owners and are explain accordingly:

Age

Merriam Webster Dictionary, age is the length of time that one has existed; duration of life. And it says age is the time of life when a person becomes qualified to assume certain civil and personal rights and responsibilities. Along with this age, someone can develop a certain quality of ripeness. However, age of SMEs owned and managed by old entrepreneurs would have performed better than the young ones (Zarook, *et al*, 2013; Sarwoko, *et al*, 2013). As increasing in age, the skills of entrepreneurs might improve. This might be due to the fact that people learn how to managing their time more effectively (Korpunen & Nápravníková, 2012, cited in Islam, *et al*, 2011). This is due to the fact, number of years in doing business gives more chance to the business owners, managers and the managers to have enough experience which will increase efficiency (Welmilla, *et al*, 2011), hence better performance (Streeter, Cameron, 2007). Most of the previous studies agreed that the person's age has been considered as a key demographic characteristic in understanding his or her entrepreneurial behaviors and intentions.

Sex

A number of studies have investigated the role of gender in the field of entrepreneurship and venture success. Issue of demographic characteristic of sex, it may be vary from state to state and country to country, for instance, Islam *et al* (2011) opined that it expect women have fewer opportunities to develop relevant experience, to have fewer contacts that can provide assistance, and to have greater difficulty in assembling resources. Tanzania, in particular, Mothibi (2015) supported that in previous years women had little chance in starting and managing businesses due to various socio-cultural practices prevailed by that time. Türetgen *et al* (2008) cited in Herath and Mahmood (2013) argued that in different cultures the inequalities in the gender exist in many different forms. Some studies highlighted gender differences regarding entrepreneurial abilities, potentials and other entrepreneurial attributes. Some of these studies believed in more engagement of males in better ways of entrepreneurship than females. Similarly, many women want economic and personal independence, but are less capable and confident to run a business (Davidsson, 1999; Muzenda, 2014; Nguyen, Alam, Prajogo & Majumdar, 2009).

Education

Education is one of the most widely studied entrepreneurial variables (Muzenda, 2014; Macnally & Kay, 2013). Presumably education is related to knowledge, skills, problem-solving ability, discipline, motivation, and self-confidence. These may enable the SMEs owners, managers and employees but also entrepreneurs to cope with problems and thereby are more successful (Sajilan, *et al*, 2014). However, it may be that more educated entrepreneurs or SMEs owners perceived a higher opportunity cost in staying with a marginal business. This could lead to a higher threshold level of performance in order to stay with a venture.

Experience

Vesper (1980) cited in Audretsch & Elston (2002) opines that prior entrepreneurial experience can lead to success of the business venture. Perhaps, specific experience in similar venture ensures survival and growth (Davidsson, 1995). Kolvereid (1996) cited in Lawal, Ajonbadi and Otokiti, (2014) found that individuals with prior entrepreneurial experience had significantly higher entrepreneurial intentions than those without such experience. Conversely, Mazzarol, *et al.* (1999) established that respondents with previous government employment experience were less likely to be successful founders of small-businesses.

Performance of SMEs

Performance means the comparison of the value created by a SMEs with the value expected by the starter (Eniola, 2014). SMEs' performance means effective outcomes (Collins & Ponnida, 2014). March & Sutton (1997) cited in Lema, (2013), stated that SMEs' performance have been extended into two main streams. The first line of research concentrates on the study of ways to improve the company's performance and the second deals with the study of different influencing factors on the performance of the company (Herath & Mahmood, 2013). While the significance of business performance is addressed to organizational effectiveness, in a broader concept, there are two indicators explaining business performance including financial performance (sales growth, profitability, earning per share) and operational performance (market share, new product, product quality, marketing effectiveness and value added) (Venkatraman & Ramanujam, 1986 cited in Lema, 2013).

Blackman (2003) was in the opinion that SMEs performance was categorized into three classes of antecedents; entrepreneur attributes, firm characteristics and external environmental factors. Entrepreneur attributes included age, educational qualification, managerial competency and experience. Moreover, Fairoz, Hirobuni and Tanaka (2010) emphasized that the entrepreneurs' demographic profiles have a positive influence on performance of SMEs; pointing out existence of positive correlations between entrepreneurial proactiveness and SMEs performance. The entrepreneurial team demographics such as level of education and size of Entrepreneurial Team have a positive relationship in the determination of performance of SMEs (Talaia & Mascherpa, 2011). Moorthy, Tan, Choo, Wei, Ping, and Leong (2012) found out that an effective entrepreneurial demographic characteristics with skills and experiences lead to a higher innovation as well as competitiveness in the performance of SMEs.

Theoretical Framework

Contingency Theory and Demographic Characteristics

Alberto, Gianluigi, & Alesandro (2013) developed a SMEs theory of planned behavior on what marketing for SMEs entrepreneurs, the need to market the marketing approach. The theory stated that, the adoption of the marketing approach is conditioned by entrepreneurs' own conception of marketing, which may be substantially different from that proposed and this implied that, the potential benefits for SMEs, coming from its adoption, rely upon what entrepreneurs really do when they think they are implementing a marketing program. Contingency theory has been widely used in researches on the measurement of the performance and effectiveness of an organization. The theory claims that there is no optimum

method to systematize a firm and the organization structure of the company (Fiedler, 19). Contingency theory argues that the most appropriate structure for an organization is the that best fits a given operating contingency, such as technology or environment (Chittithan, Islam, Keaw, Halsiza & Yusuf, 2011). Like grounded theory approach the Contingency theory identified the financial and non-financial measures based on short-term and long-term matrix. The theory concluded that, in line with the goal approach, the owners-managers focused the evaluation process on abilities to attain the internally generated goals and targets. Resource Based View (RBV) posits that the improvements of firm performance depend on availability of, access to, valuable, rare, inimitable, non-substitutable and relatively immobile resources or resource bundles (Barney 1991) cited in Islam, *et al* (2011).

METHOD

An explanatory research survey was adopted because it measures variables using data collected from a representative sample and then examined the relationship among the variables. The population comprises of SMEs operating in Ilorin metropolis. In an attempt to carry out the study, a survey was first carried out and a total of one thousand six Hundred (1600) SMEs were identified in the study areas. Out of these, three hundred and Seventy (370) belong to the agro allied category while one thousand two hundred and thirty (1230) operate in the non-agro allied sector. A sample size of two hundred (200) SMEs was chosen using multi-stage sampling technique. This sampling method is informed by the relative homogeneity of SME characteristics and the residential structure of the enterprise under study. This is because it involves two or more steps that combine some of the probability techniques (Sekaran & Bougie, 2010). Firstly, the SMEs were grouped into agro allied and non-agro allied. Secondly, SMEs who were duly registered by the government and have been operating in the business for a minimum of five (5) years were randomly selected. Thirdly, a proportional sample size of SME operators from both agro allied and non-agro allied giving a total of 200 of the legitimate population. Determination of sample size for this study is made by referring to the work of Krejcie and Morgan (1970). In their generalized scientific guideline for sample size determination, Krejcie and Morgan state that the sample size of 200 is appropriate for study population of up to 2,000 elements. The determined sample of this study is also appropriate going by the Roscoe's (1975) rule of thumb. Roscoe states that for most research, a sample bigger than 100 and less than 500 is appropriate. Primary Method of data collection was employed. To obtain the required data/information, a structured questionnaire was distributed to the respondents. The questions drawn in two phases, socio-demographic variable of the respondents as well as performance of SMEs. Data collected from questionnaires were analyzed using SPSS version 20.0. The data analysis included the correlations and multiple regression analysis.

DISCUSSION OF FINDINGS

This section of the paper discusses results gathered from the analysis of data collected from the field.

Table 1: Statistics of the Distribution of Respondents by Gender

		frequency	percent	valid percent	cumulative percent
valid	male	103	73.0	73.0	73.0
	female	38	27.0	27.0	100.0
	total	141	100.0	100.0	

Source: *Author's Computation, 2018*

The questionnaire distributed randomly among both male and female SMEs' Owners. Out of one hundred and forty one.(141) respondents, 103 (73%) were male and 38 (27%) were female respondents. The male were more represented at the SMEs in Kwara State than their female counterparts and the implication is that, the male respondents were more into SMEs development in the state.

Table 2: Statistics of the Distribution of Respondents by Age

		Age			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-30	11	7.8	7.8	7.8
	31-40	86	61.0	61.0	68.8
	41-50	27	19.1	19.1	87.9
	51-60	14	9.9	9.9	97.9
	61 and above	3	2.1	2.1	100.0
	Total	141	100.0	100.0	

Source: *Author's Computation, 2018*

The age of the respondents was grouped into five levels ranging from 20-30years to above 61 years. Majority of respondents were within the age group of between 31 and 40 years which was 61% (86 out of 141) while 61 years and above was having the least as shown 2.1% (3 out of 141). The implication was that, the majority of SMEs owners in Kwara State were of the middle age and this was a great advantage, as they can easily understood the concept of the study.

Table 3: Statistics of the Distribution of Respondents by Education

		Education			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	OND/NCE/Other equivalents	39	27.7	27.7	27.7
	B.Sc./BA/HND/Other Equivalents	61	43.3	43.3	70.9
	MA/MED/M.Sc./Other Equivalents	26	18.4	18.4	89.4
	Ph.D./DBA Other equivalents	4	2.8	2.8	92.2
	Other (Specify)	11	7.8	7.8	100.0
	Total	141	100.0	100.0	

Source: Author's Computation, 2018

The education level of the respondents showed that majority of the respondents 43% (61 of 141) have obtained B.Sc./BA/HND and other equivalents, followed by 27.7% (39 out of 141) respondents having qualification of OND/NCE/other equivalents while SMEs PhD/DBA/Others having least % that is (2.8). This implies that all respondents were educated and could therefore understand the contents of the questionnaire better.

Table 4: Statistics of the Distribution of Respondents by Experience

		Experience			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-10 years	20	14.2	14.2	14.2
	11-20years	55	39.0	39.0	53.2
	21-30years	42	29.8	29.8	83.0
	31-40years	21	14.9	14.9	97.9
	41years and above	3	2.1	2.1	100.0
	Total	141	100.0	100.0	

Source: Author's Computation, 2018

Analysis from the Table above showed whether respondents have experience. Majority respondents were between 11 and 20 years of experience showing 39% that is, (55 of 141), followed by respondents between 21-30years with 29.8%. This implies that the SMEs owners in Kwara were experienced to answer the questions.

Testing of Hypothesis

Ho₁: Gender of the entrepreneurs has no significant impact on the performance of SMEs in Kwara State

Table 5: Correlation between Gender and Performance of SMEs

		Correlations	
		Gender	Gender_SMEs
Gender	Pearson Correlation	1	.626**
	Sig. (2-tailed)		.000
	N	141	141
Gender_SMEs	Pearson Correlation	.626**	1
	Sig. (2-tailed)	.000	
	N	141	141

** . Correlation is significant at the 0.01 level (2-tailed)

Source: Author's Computation, 2018

From the results of the Pearson's correlation shown in the Table above, there was a positive significant correlation between Gender and Performance of SMEs of the respondents. For instance, Pearson correlation between the two variables is 0.626, which is positive. It showed that there was an impact between Gender and Performance of SMEs in Kwara State which found relationship statistically significant.

Ho₂: There is no significant relationship between entrepreneur's age and performance of SMEs in Kwara State.

Table 6: Correlation between Gender and Performance of SMEs

		Correlations	
		AGE_SMEs	Age
AGE_SMEs	Pearson Correlation	1	.766**
	Sig. (2-tailed)		.000
	N	141	141
Age	Pearson Correlation	.766**	1
	Sig. (2-tailed)	.000	
	N	141	141

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Author's Computation, 2018

From the Table above, the results of the Pearson's correlation showed there was a positive relationship between Age and Performance of SMEs. For instance, the result of Pearson correlation between the two variables was 0.766, which was positive. This implies that there was a significant relationship between Age and Performance of SMEs in Kwara State.

Ho3: Education of entrepreneurs has no significant relationship with performance of SMEs in Kwara State

Table 8: Correlation between Education and Performance of SMEs

		Correlations	
		Education	Education_SMEs
Education	Pearson Correlation	1	.806**
	Sig. (2-tailed)		.000
	N	141	141
Education_SMEs	Pearson Correlation	.806**	1
	Sig. (2-tailed)	.000	
	N	141	141

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Author's Computation, 2018

The results of the Pearson's correlation above showed there was a positive significant relationship between Education and Performance of SMEs of the respondents in Kwara State. This can be seen as the Pearson correlation between the two variables is 0.806 which found the relationship statistically significant. Thus, there is statistical evidence to claim that Education and Performance of SMEs are positively related.

Ho4: Entrepreneurial work experience has no effect on the performance of SMEs in Kwara State

Table 9: Correlation between Experience and Performance of SMEs

		Correlations	
		Experience	Experience_SMEs
Experience	Pearson Correlation	1	.833**
	Sig. (2-tailed)		.000
	N	141	141
Experience_SMEs	Pearson Correlation	.833**	1
	Sig. (2-tailed)	.000	
	N	141	141

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Author's Computation, 2018

The Table above showed a positive results of Pearson's correlation on the relationship between Experience and Performance of SMEs in Kwara State which is significant. This can be seen as the correlation between the two variables is 0.833. The relationship had a strong positive relationship as the correlation coefficient is higher than 0.5 found relationship statistically significant.

Multiple Regression Analysis of Entrepreneurial Demographic Characteristics on Development of SMEs in Kwara State

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.623 ^a	.388	.383	.350
2	.638 ^b	.407	.398	.345
3	.678 ^c	.460	.448	.331

a. Predictors: (Constant), AGE_SMEs

b. Predictors: (Constant), AGE_SMEs, Gender_SMEs

c. Predictors: (Constant), AGE_SMEs, Gender_SMEs, Education_SMEs

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
1 (Constant)	.504	.087		5.818	.000	.333	
AGE_SMEs	.247	.026	.623	9.381	.000	.195	
2 (Constant)	.456	.089		5.130	.000	.280	
AGE_SMEs	.122	.065	.308	1.881	.062	-.006	
Gender_SMEs	.125	.060	.343	2.096	.038	.007	
3 (Constant)	.539	.088		6.120	.000	.365	
AGE_SMEs	-.031	.075	-.077	-.410	.683	-.179	
Gender_SMEs	.037	.062	.103	.605	.546	-.085	
Education_SMEs	.221	.060	.655	3.668	.000	.102	

a. Dependent Variable: Demographic_Variables

Source: Author's Computation, 2018

The result presented in Table above is the ordered logistic regression for the models concerned in this study. Performance of SMEs in Kwara State was regressed on Gender, Age, Educational qualification, Experience and Performance (growth and expansion are used as proxy). The result showed that all the variables significantly influence the probability of the SMEs performing better, but the direction of influence differs. Age was seen to have a negative (-0.31 unstandardized coefficient) while Gender, Educational qualification, and Experience were all seen to have positive influences on the probability that SMEs are performing better. The result also showed that increase in the level of each of educational qualification, experience increases the likelihood of SMEs performing better. Statistically significant Chi-squared suggested that the variables in the model were all jointly significant.

CONCLUSION

It was found that there was a positive and strong relationship between Gender and Performance of SMEs. The correlation between these variables was 0.626 which is significant at 0.005 level. This correlation was found to be strong. Also, it was found that there is a positive weak relationship between Age and Performance of SMEs. The correlation between these variables was 0.766, which is significant at 0.005 level. Positive weak relationship was also found between Education and Performance of SMEs. The correlation between these variables was 0.806, which is significant at 0.005 level. This correlation was found to be weak as it is lower than the lower bound. Lastly, the study found that there is a positive strong relationship between Experience and Performance of SME. The correlation between these variables was 0.833, which is significant at 0.005 level. This correlation was found to be strong as it is higher than the lower bound. According to the results of multiple regression analysis, all variables were found to have a positive impact on the Performance of SMEs with the strength of the R^2 squared with 0.623, 0.638 and 0.678 values respectively which shows that the model is moderately fitted and the implication is that, increase in female SMEs should be encouraged in order to improve the performance of SMEs in Kwara State. Also, more experienced people should be encouraged to keep the SMEs better. Higher degree of education and professional qualification should also be encouraged as both will likely bring an improvement to the performance of SMEs.

The result of the findings confirmed that the gender of entrepreneurs, their ages, educational qualification of entrepreneurs, period in which SMEs have been in business, i.e., experience of the entrepreneurs all have statistically significant positive effects on performance of the SMEs in Kwara State and this implies that SMEs in Kwara State should improve on their educational qualifications. Improvements in work experience by entrepreneurs are also a necessary ingredient for enhancing their performance. The study concluded that there is a positive relationship between entrepreneurial demographic characteristics and Performance of SMEs in Kwara State as evidentially shown. On this note, it is recommended that government should remove import duties on raw materials and provide infrastructural facilities such as good roads, transport means, water supply, power supply ensure that its policy not to be favourable to only large firm but also SMEs, for example, access to credit facilities, foreign exchange protection from serve competition through tariff and quotas and trade license as these will go a long way in reducing the production costs of SMEs in the State. Lastly, government should encourage money deposit banks and other financial institutions of interest free loan to SMEs.

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