

ECONOMIC AND FINANCIAL IMPLICATIONS OF GOVERNMENT REGULATIONS ON ORGANISATIONAL PERFORMANCE OF SELECTED SMES OPERATING IN ASABA, DELTA STATE

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Article Information	ABSTRACT
<p>Received: 10th January, 2024</p> <p>Accepted: 22th January, 2024</p> <p>Published: 8th February, 2024</p> <p>KEYWORDS: Economic; Finance; Government; Regulations; Organisation; Performance; Smes</p> <p>Publisher: Empirical Studies and Communication - (A Research Center)</p> <p>Website: www.cescd.com.ng</p>	<p><i>Government regulations play a significant role in shaping the operating environment for small and medium-sized enterprises (SMEs), influencing their economic and financial performance. This study examined the economic and financial implications of government regulations on the organisational performance of selected SMEs in Asaba, Delta State. The research adopts a mixed-methods approach, combining quantitative analysis and interviews to comprehensively explore the multifaceted relationships between regulatory measures and SME outcomes. A purposive sampling technique is employed to select a representative sample of SMEs operating in various sectors within the region. Through in-depth interviews with key stakeholders, the qualitative analysis uncovers the perceptions and experiences of SME owners and managers regarding the impact of government regulations. Data collected from 383 respondents to the study through a structured questionnaire was subjected to percentage and independent t-test analysis. Findings from this study contribute to a deeper understanding of how government regulations influence the economic and financial trajectories of SMEs in Asaba, offering insights for policymakers, practitioners, and scholars seeking to enhance the support structures for small businesses. The results underscore the need for balanced regulatory frameworks that promote competitiveness while mitigating potential adverse effects on SMEs' financial health.</i></p>

Introduction

Small and medium-scale firms (SMEs) have a significant role in promoting sustainable development, particularly in developing countries, within the context of the contemporary global landscape. The historical documentation of small and medium-sized enterprises (SMEs) as instruments for fostering economic growth can be witnessed in 19th-century

Europe. During this period, the European economy was mostly dominated by cottage industries, the majority of which were really SMEs (Onwukwe, 2022). The prevailing state of affairs underwent a transformation alone during the period of the industrial revolution, which was thereafter accompanied by the advent of mass production. However, the mass production paradigm was challenged by the dual oil crises of the 1970s, leading to an unforeseen reassessment of the significant contributions of small and medium-sized enterprises (SMEs) to the worldwide economy (Onwukwe, 2022). Numerous empirical studies undertaken over an extended period of time have consistently shown the significance of small and medium-sized enterprises (SMEs) in fostering socio-economic progress and advancement within nations. Oboh (2013) asserts that the growth of small and medium-sized enterprises (SMEs) played a crucial role in driving the economic expansion of the United States throughout the period spanning from the 1970s to the 1980s. In a similar vein, the gross domestic product (GDP) of India saw sustained growth and underwent economic change during the 20th and 21st centuries. Scholars have ascribed this progress to the efficacy of India's Small and Medium Enterprises (SMEs) programme, as shown by studies conducted by Oboh (2013) and the Asia-Pacific Economic Cooperation (APEC) organisation (2022).

At present, the Nigerian economy is faced with a multitude of challenges, notably the pervasive issue of extreme poverty and the persistent problem of unemployment. Onwukwe and Ifeanacho (2016) assert that the aforementioned concerns may be attributed, at least in part, to the country's inadequate execution of sustainable development initiatives. The present economic status of our nation may be attributed to a lack of respect for sustainable development initiatives, particularly those that have the potential to enhance the growth of small and medium-sized enterprises (SMEs). The present catastrophic state of the country's economy is exacerbated by the government's indifferent and apathetic stance, hence exacerbating the problem. Onwukwe (2022) asserts that a significant decrease in the average per-capita income of Nigerians has resulted in over 50% of the population falling below the poverty threshold. It is disheartening to see that, despite a significant 100% rise in global wealth, over half of the world's population continues to subsist on a meagre daily income of \$2 (Onwukwe & Ifeanacho, 2015). Undoubtedly, Nigeria, like several other emerging nations, may be classified within this particular grouping. As a result, Nigeria was unable to attain the first objective of the Millennium Development Goals (MDGs), namely, the attainment of a 50% decrease in poverty by the year 2015.

Assisting in the establishment and prosperity of small enterprises is a mutually beneficial scenario for governmental entities. Local companies play a crucial role in bolstering the tax base by contributing via company taxes and by providing pay to their workers. The empirical literature contains ample evidence indicating that entrepreneurship is increasingly recognised as a significant approach and an advantageous supplementary strategy for generating employment opportunities and enhancing the economic autonomy and well-being of young individuals within the context of potential initiatives and tactics aimed at fostering employment and job creation.

Small and medium-scale firms (SMEs) are generally acknowledged for their significant contributions to social, political, and economic growth. The significance of corporations is especially evident in their capacity to provide affordable commodities, services, financial resources, and job opportunities to a multitude of individuals. According to Onwukwe (2022), it is well recognised that small enterprises make significant contributions to development. However, micro and small entrepreneurs encounter several challenges that impede their sustained viability and growth. Consequently, there has been an increasing level

of attention and investment from governmental bodies and development organisations towards enhancing the performance and expansion of small and medium-sized firms.

In Nigeria, successive governments have made concerted attempts at different intervals to promote the development of entrepreneurship. In their study, Onwukwe and Ifeanchi (2015) used several developmental and financial support mechanisms. Nevertheless, these governmental initiatives proved to be very ineffective due to excessive bureaucratic protocols, rampant corruption, and inadequate and inefficient infrastructure facilities. Several government agencies have been established in Nigeria to facilitate the growth and advancement of entrepreneurship. These include the Small and Medium Scale Enterprise Development Agency of Nigeria (SMEDAN), the National Directorate of Employment (NDE), the Better Life Programme (BLP), the Small and Medium Industries Equity Investment Scheme (SMEIS), the National Poverty Eradication Programme (NAPEP), the Family Economy Advancement Programme (FEAP), and the National Economic Reconstruction Fund (NERFUND). The phrase "government regulations" encompasses any deliberate measures used to effect change in a given circumstance. Regulations may be conceptualised as an initial framework through which the government initiates a series of actions aimed at effecting tangible changes in real-world contexts (Ekezie, 2015).

Policy is used by the government as a means to address a diverse array of concerns. Indeed, the government has the authority to formulate policies that have the potential to alter the magnitude of an individual's tax obligations, parking penalties, import and export tariffs, immigration regulations, and retirement benefits (Ireghan, 2019). In Nigeria, the government has implemented a range of policies with the objective of promoting investment in and enhancing the growth of small and medium-scale firms (SMEs) as a means to produce job opportunities and alleviate poverty. Nevertheless, challenges have arisen in relation to the inadequate execution of these policies. The government has the authority to modify policies that are not aligned with its policy objectives. It has the potential to exert influence on a certain demographic or the whole populace within a given culture.

According to Iromaka (2016), the expansion of small and medium-scale firms is also influenced by various government rules pertaining to subsidies, loan rates, currency rates, and public-private partnerships. The researcher aims to investigate the impact of government laws on the performance of small and medium enterprises (SMEs) in Nigeria.

Objective of the Study

Specific objectives include:

- To find out the effect of business registration on the performance of SMEs.
- To find out the effect of licencing on the performance of SMEs.
- To find out the effect of labour regulations on the performance of SMEs.

Research Questions

- What is the effect of business registration on the performance of SMEs?
- What is the effect of licencing on the performance of SMEs?
- What is the effect of labour regulations on the performance of SMEs?

Hypotheses

- There is no significant effect of business registration on the performance of SMEs.
- There is no significant effect of licencing on the performance of SMEs.
- There is no significant effect of labour regulations on the performance of SMEs.

LITERATURE REVIEW

Concept of government regulations and SMEs

Government policies include the rationales behind prescribed courses of action. Government policy refers to a strategic plan of action that serves as a foundational framework for initiating and implementing change. These entities possess the capacity to exert influence on many aspects of societal functioning, such as tax rates, immigration regulations and statuses, pension systems, parking penalties, and educational institutions. Government policy refers to a predetermined plan of action formulated by the governing body, serving as a foundational framework for initiating and implementing change. Various factors have the potential to have an impact on the tax burden borne by a community, including immigration regulations and policies, pension schemes, parking penalties, and even educational institutions attended. Although policies are intended to be impartial, they may have an impact on some segments of the population. Policies are distinct from laws, yet they possess the potential to influence the creation of laws.

The government has the jurisdiction to formulate several policies. The word "policy" is often and extensively used in reference to the activities of governments and the conduct of states in a broader sense. According to Jones (2019), a policy may be seen as a consistent and recurring course of action undertaken by the government in response to public issues with the aim of resolving them. According to Friedrich (2017), a policy may be understood as a suggested course of action put forward by a person, organisation, or government within a certain context. This recommended action provides both limitations and possibilities for the implementation and management of the policy, with the aim of attaining a specific goal or fulfilling a particular target or purpose. Furthermore, Lasswell and Kaplan (2016) conceptualised a policy as a prospective framework including objectives, principles, and methodologies.

Said (2015) acknowledged the existence of three distinct levels of policy. Firstly, there is public policy, which serves as a guiding principle or directive that can have either positive or negative implications and encompasses various sectors or institutions. Secondly, there is implementation policy, which further develops public policy and pertains specifically to government regulations regarding the execution of laws. Lastly, there is the technical policy, which operates within the framework of the implementation policy.

The predominant basis for entrepreneurial activity in underdeveloped nations, such as Nigeria, is essentially rooted in need. The development of government policies favouring small and medium-sized enterprises (SMEs) exhibits notable differences between different types of economies, ranging from advanced to emerging nations, as well as within individual countries. These variances may be attributed to disparities in social and cultural values, the level of industrialization, and the prevailing economic environment (Goedhuys, 2019).

According to Sathe (2016), government rules and bureaucratic processes have the potential to both impede and support entrepreneurial endeavours, including the establishment of new

businesses. The government has the capacity to formulate policies that may enhance and facilitate the development of innovative technology, goods, and solutions. Conversely, the government may also seem to impede the functioning of small and medium-sized enterprises (SMEs) when it implements laws that limit their autonomy and entrepreneurial flexibility in various ways. In order to address the issue of high failure rates among small and medium-sized enterprises (SMEs), the government has undertaken measures to enhance the credibility, stability, integrity, reliability, and global competitiveness of this sector. Additionally, efforts have been made to bolster the capacity of the government to recognise and support SMEs. Governments provide the structures and frameworks that enable various entities to engage in competition. Periodically, the government will make sporadic adjustments to these designs and frameworks in order to facilitate the enhancement of operational practices for small and medium-sized enterprises (SMEs). Government policies have a significant detrimental impact on the performance of small and medium-sized enterprises (SMEs). The current administration often modifies legislation to align with its political agenda. Consequently, small and medium-sized enterprises (SMEs) often find themselves pushed to modify the existing regulatory framework. These measures are expected to have a significant influence.

The primary challenges associated with a hostile business environment include significant industry changes, strict regulatory measures, and intense competition among industry players (Werner, Brouthers, & Brouthers, 2016). Uncertainties arising from a competitive market and product-related factors also contribute to the challenging business climate (G. G. Dess & Beard, 2014). Additionally, the presence of precarious industry settings, unfavourable business conditions, and limited exploitable opportunities further exacerbate the difficulties faced by firms (Covin & Slevin, 2019). Furthermore, changing demand conditions and disruptive innovations can render a firm's technological capabilities obsolete (Zahra & Garvis, 2020). However, previous research conducted by Zahra and Bogner (2020) has shown a negative correlation between the introduction of new goods and the return on equity (ROE) in contexts characterised by hostility. According to Covin and Slevin (2019), in circumstances characterised by intense competition and hostility, the presence of entrepreneurial orientation seems to be associated with the facilitation or enhancement of company performance at elevated levels. Contrary to opposing viewpoints, Zahra (2016) said that companies operating in challenging settings may exhibit hesitancy towards making substantial investments in the development of novel technologies due to the detrimental impact of hostility on profit margins and the subsequent reduction of resources allocated for innovation. Hence, it may be argued that the viability of small and medium-sized enterprises (SMEs) is contingent upon not just financial resources but also the surrounding business ecosystem. The ability to manage business is a significant concern for several small and medium-sized enterprises (SMEs), including the quality of business decision-making and the discipline of managing cash flow. Hence, it is essential that the plan for SME growth be comprehensive in nature.

Business registration and performance of SMEs

Registration of business gives protection under the laws. According to Sathe (2016), in the case of failure to register, you may have to face some legal consequences.

- Sathe (2016) stated that business registration is important for getting a loan from the bank because it will be difficult for the unregistered company to get a loan from the bank.

- It is important for obtaining benefits from the government schemes; you may have to face problems in the case of a failure to register. For example, if you want to register your business under Udyog Aadhar, you have to mention your registration number, except if you are running a sole proprietorship. If you want to get benefits from the Udyog Aadhar scheme, you have to register your business.
- It is important for creating a brand name because nowadays it is very important for any business to obtain a brand name, so it is important for creating a brand name. A brand name is a valuable asset for any business, so before getting a brand name, you have to register your business.
- Business registration is also important for finding investors. After business registration, investors will easily trust you, but it will be difficult to find investors for unregistered businesses.
- Business registration will increase your credibility in the market, and customers will trust you more because they know that the company is registered, so there is less chance of fraud. Elliot (2013).
- If you want to open a current account on behalf of your business, then you have to register your business. Without registration, it will be difficult for you to open a current account on behalf of your business.
- If you are running a partnership firm, then business registration is important for you because, without registration, you may not be able to file a suit against the third party or against the other partners because, without registration, you may not be able to prove that you are running a partnership firm.
- If you are running a sole proprietorship firm, then business registration will help you prove your business identity. There are formal laws on sole proprietorship, but if you want to register your business, you can do so with the Udyog Aadhar, PAN card, GST, and trademark.
- This helps to create valid invoices, which will help you increase your sales because a customer will trust you more if your business is registered under the law.
- This will help you under the tax laws. You may be able to get a deduction under the various tax laws, but without registration, it will not be possible for you to obtain such a deduction under the tax laws. For example, if you are running a registered LLP, you will be able to get a deduction under the tax laws.
- This is also important during the hiring of employees because no one wants to become an employee of an unregistered company.

Licensing and performance of SMEs

In accordance with Imowo's (2018) findings, it is a legal obligation for newly established enterprises to get business licences in several urban areas. Certain entrepreneurs may have the inclination to forgo the process of obtaining a business licence or delay it until their financial situation is sufficiently profitable to justify the associated expenses. Although it is improbable for an entrepreneur to be apprehended for operating without a licence prior to the success of her firm, it is crucial to ensure compliance with licensing prerequisites before commencing operations. In addition to ensuring legal compliance for company operations, obtaining business licences serves to enhance credibility and facilitate the entrepreneur's eligibility to seek citywide financing opportunities.

There are few methods that are more comparably expeditious and financially advantageous for expanding one's company than the practice of licencing patents, trademarks, copyrights, designs, and other forms of intellectual property to other entities. Licencing enables prompt access to pre-established manufacturing, distribution, and marketing systems that have been

meticulously developed by other organisations over extended periods of time. As a result, you are entitled to a portion of the proceeds generated from the sale of items or services conducted under the authority of your licence. Leasing costs often constitute a small proportion of the sales price; however, their cumulative impact might be substantial.

According to Evans (2018), licencing provides three significant benefits. Firstly, this may imply that you possess a distinctive attribute or characteristic that sets you apart from your competition. Furthermore, this might potentially result in a little improvement in profit margin due to its distinctiveness. Thirdly, this may imply that 10 percent of the shops that you have previously failed to sell to will now be inclined to consider your offering due to its distinctiveness. In the event of such an occurrence, it is possible to proceed with the sale of the remaining products in your inventory.

Licencing pertains to small enterprises in two primary ways. Small companies have the opportunity to engage in a commercial practice often referred to as licensing in." In this scenario, the small firm assumes the role of the licensee and procures the rights to a certain product or brand name from another company. This particular arrangement has the potential to facilitate cost reduction in internal product development for small businesses, expedite their entry into an industry, and enhance their reputation via their affiliation with the licensor. The second method through which small firms might engage in licencing agreements is sometimes referred to as licencing out. In this scenario, the small firm assumes the role of the licensor and engages in a contractual arrangement with another company, granting them permission to manufacture and promote one of its goods, use its brand name, or employ its patented technology. This kind of agreement has the potential to assist a small firm in financing its research and development expenses, enhancing its brand awareness and product exposure, distributing its marketing expenditures over a wider variety of things, and augmenting the scale of its manufacturing activities.

Labour regulations and the performance of SMEs

Labour regulations are of great importance and have a crucial function within the business sector. The purpose of enacting legislation is to ensure that workers are afforded adequate treatment within work settings and that their rights as employees are safeguarded. They guarantee that employers are recognised for their specialised knowledge and are remunerated appropriately.

Okon (2018) asserts that labour laws serve the purpose of elucidating and formalising the responsibilities of employers towards their workforce. The labour movement has an extensive historical record of engaging in lobbying efforts aimed at advocating for legislation that safeguards workers' rights, enhances worker safety, combats the issue of child labour, and enhances the bargaining power of employees in relation to their employers. Although labour regulation may at first seem burdensome for businesses, it plays a crucial role in ensuring the safety, well-being, and job satisfaction of workers. Consequently, contented employees often exhibit higher levels of productivity.

Labour laws provide a crucial and essential function. The purpose of these regulations is to ensure equitable treatment of workers within their individual work settings and to safeguard their rights as employees. It is an established reality that workers are indeed obligated to comply with the terms and conditions outlined in their employment contracts or agreements. Nevertheless, it is essential to acknowledge that they should not be exposed to any kind of mistreatment. It is essential for business enterprises and corporations to prioritise the

implementation of rules that do not devalue or discriminate against their workers but rather aim to enhance their overall experience. Companies in the corporate sector may align themselves with legal requirements via the implementation of benefits and skills development plans and strategies. According to Evans (2018), it is important that workers have convenient access to breaks and are afforded various advantages by their respective organisations. In this specific manner, as individuals enhance their talents, the organisation also implements internal promotions. Now, let us examine many arguments that elucidate the significance of labour regulations in establishing a conducive work environment that promotes corporate development.

1: Protection of Employees' Rights

All workers are entitled to certain rights that serve to safeguard their well-being within their respective work settings. The aforementioned rights, including provisions such as lunch and leave breaks, conducive working conditions, and equitable working hours, serve as safeguards against employee exploitation inside the workplace. Additionally, it is important to note that workers are granted sick leave and other types of regular leave, as clearly outlined in the company's agreement (Okon, 2018). The execution of these benefits is determined by the Human Resources (HR) department of the organisation. Placing significant emphasis on employee well-being and ensuring equitable treatment will contribute to increased staff retention within the firm. Hence, in conjunction with adherence to labour law regulations and the establishment of employee contracts, an organisation has the ability to formulate policies aimed at fostering a positive and mutually beneficial relationship with its workforce.

By enacting labour laws, firms have the ability to maintain employee satisfaction and well-being. By fostering a shared understanding among all parties involved and mitigating conflicts, these regulations serve to prevent employee dissatisfaction, reducing the likelihood of inter-employee conflicts. In order to enhance employee retention, firms should adhere to labour laws, which serve as a comprehensive framework for managing the organisation and ensuring fair treatment of workers. This strategic approach will effectively contribute to the retention of talent inside the organisation and foster a sense of appreciation among all employees. Additionally, organisations that get favourable employee evaluations possess a favourable standing within the business landscape, therefore augmenting their entire worth.

The impact of labour laws on business success is a topic of considerable academic interest and debate.

Labour regulations have the capacity to foster harmonious and influential interactions between workers and corporate enterprises. By ensuring appropriate working conditions, providing benefits, and upholding employee rights, the workforce may collaborate with the firm to achieve organisational goals and progress towards ultimate success. Additionally, it is important for workers to cultivate a sense of pride in their affiliation with the organisation and demonstrate unwavering dedication in their pursuit of being the most exemplary member of the firm. As individuals expand their employment responsibilities, they have the opportunity to augment their income potential and even advance their career within the organisation. Hence, having a sufficient understanding of employment regulations is vital in order to provide the necessary framework for effectively addressing any potential unfavourable circumstances.

Registration and its impact on the functioning of small and medium-sized enterprises (SMEs)

According to Hilton (2018), the impact of property registration on the performance of small and medium enterprises (SMEs) encompasses several factors.

1. The absence of property registration increases the susceptibility to fraudulent activities. In the realm of identity theft, individuals with malicious intent have the capacity to fraudulently appropriate your personal identity, thereafter engaging in activities such as the unauthorised sale or mortgage of your property, all without your awareness or consent. Registration serves as a means of safeguarding one's property from fraudulent activities and defending against any attempts by external parties to claim adverse possession, colloquially known as "squatter's rights".
2. The presence of ownership evidence: registration facilitates the process of property acquisition and transfer by consolidating all pertinent title information inside the Property Register, which is publicly accessible via internet platforms. The Property Registry will compile the necessary information from the historical deeds and afterwards extract and record just the relevant details in the three registers comprising the registered title.

One benefit is the potential for decreased future expenses since the initial registration fee is contingent upon the assessed value of the property. A discount of 25% is applicable to voluntary first registrations. According to Hilton (2018), voluntary first registration refers to the act of choosing to register one's property as opposed to being compelled to do so due to circumstances such as a property sale or mortgage acquisition.

The process of registering facilitates conveyancers in determining property ownership and the associated rights and obligations, enhancing clarity in property transactions. In the event that the property lacks registration, it becomes necessary for the conveyancer to examine the original deeds. Deeds are often characterised by their long nature as handwritten documents that pose challenges in terms of legibility and interpretation. The duration of the transaction may be extended as a result of reviewing the deeds, as the conveyancer will be required to await the acquisition of the deeds, verify the accuracy of the chain of ownership, and afterwards prepare the contractual documentation.

Certainty is ensured by the provision of a title plan by the property registration, in addition to the registered title to the property. This title plan serves as proof of the property's extent. This facilitates the process for a purchaser to ascertain the demarcations of their property and verify that their comprehension of the property's extent aligns with the depiction on the title plan. The process of registration further offers a guarantee supported by the state, which ensures the security of the property's title. This guarantee signifies that the state assures that the legal ownership of the property is vested in the registered owner.

The Impact of Credit Regulations on the Performance of Small and Medium Enterprises (SMEs)

Credit control refers to the lending strategy used by banks and financial organisations in order to provide monetary loans to their clientele. According to Ogunlade (2019), the approach places a focus on providing loans to consumers with a favourable credit score or credit history. Customers who possess a favourable credit report often have a commendable history

of fulfilling their financial obligations. This enables lenders to mitigate the risk of loan defaults when extending a new line of credit to borrowers.

Entrepreneurship is often regarded as a highly esteemed occupation among the global workforce. The majority of individuals possess a desire to establish and manage a modest company with the ultimate goal of achieving significant financial success. Nevertheless, the realisation of this aspiration is contingent upon the entrepreneur's ability to make astute choices and adopt effective strategies that provide favourable outcomes in the operational aspects of the enterprise.

In accordance with the findings of Robin (2018), credit laws serve the purpose of enabling banks and financial institutions to identify consumers who have a history of delinquency and possess unfavourable credit reports. These regulations also aim to guarantee that such borrowers are provided with a line of credit. This has the potential to assist lenders in reducing the likelihood of consumers defaulting on their financial obligations and enhancing the profitability of lending activities.

Who are the users of credit regulations?

This technique is used by banks, financial institutions, merchants, and manufacturers in order to optimise lending profitability and only provide loans to consumers with a substantial likelihood of debt repayment. The risk committee of the corporation analyses credit rules to limit losses due to substandard lending.

The regulation of credit has significant importance for the preservation of cash flows for lending institutions. Let us contemplate a scenario whereby a lender, acting without proper coordination, extends credit to a borrower with a deficient credit history. It is probable that the borrower would fail to make timely payments or have delays in payment based on their previous credit history.

Robin (2013) noted that credit control guarantees that only potential customers who have a strong credit history of fulfilling their debt repayments are favoured. This will guarantee that the organisation will possess sufficient cash flow and liquidity to sustain its operational activities.

Banks' credit departments provide loans to firms with robust credit ratings and profiles. A company credit report that reflects well indicates the ability of a firm to fulfil its financial responsibilities. A positive correlation exists between the quality of a business credit report and the potential loan limitations that a firm may be eligible for. This implies that individuals will have the opportunity to seek financial assistance as a tool to get credit privileges. It is advisable to prioritise the improvement of your company's credit reports in order to avail yourself of many advantages, along with several other perks.

RESEARCH METHODOLOGY

The investigation was conducted through the use of the survey research method, in which the opinion of selected SMES in Asaba was sought on the effect of government regulations on the performance of SMES in Nigeria. This method was adopted because of its advantages over other methods in terms of coverage of a relatively large population and the generalisation of the sample selected from the population. The population of the study comprised staff from selected SMEs in Asaba, given as 12057, as provided by CAC, Delta

State Office (2022). This study used the Taro Yamane Formula to determine a sample size of 383 respondents. A total of 383 questionnaire forms were administered to the respondents, and all forms were successfully retrieved, thus increasing the number of respondents used for the study. The instrument for data collection was a self-developed questionnaire, which consisted of three sections: A, B, and C. This is the most commonly used tool in survey research. Section A sought to obtain demographic data from the respondents, while Section B focused on questions for which answers were sought in keeping with the objectives of the study, and Section C constituted structured questions for testing the null hypothesis. The secondary sources of data collection were acquired from existing materials such as journals, articles, textbooks, unpublished research works, the internet, etc. The data obtained were analysed using simple percentage analysis and t-test analysis.

Data Analyses and Results

Table 1: Distribution of Respondents by sex

Sex	No. of Respondents	% of Respondents
MALE	194	50.65
FEMALE	183	47.78
Total	383	100

Source: Researcher's Computation (2023).

Table 1 shows that one hundred ninety four (194) respondents representing 50.65% of the sample population were male while one hundred and eighty three (183) respondents representing 47.78% of the population were female.

Table 2: Age Distribution

Age	No. of respondents	% of Percentage
20 – 25	106	27.67
26 – 30	77	20.10
31 – 35	56	14.62
36 – 40	88	22.97
41 – Above	56	14.62
Total	383	100

Source: Researcher's Computation (2023).

Table 2 shows that hundred and six (106) respondents representing 27.67% of the sample were between the age bracket of 20–25 years, seventy-seven (77) respondents each representing 20.10% were between the age bracket of 26–30 years, fifty-six of the respondents representing 14.62% were 17% were 31–35 years respectively, and eighty-eight (88) respondents representing 22.97% of the sample were between the age limit of 36–40

years, and fifty-six (56) respondents representing 14.62% were within the age limit of 41 and above.

Table 3: Marital Status Distribution

Status	No. of Respondents	% of Respondents
Single	158	41.25
Married	134	34.98
Divorced	55	14.36
Widow/Widowers	36	9.39
Total	383	100

Source: Researcher's Computation (2023).

Table 3 above shows that one hundred and fifty eight (158) respondents representing 41.25% of the sample were single, one hundred thirty four (134) respondents representing 34.98% of the sample were married, only fifty five (55) respondents representing 14.36% of the sample were divorced as well as only thirty six (36) respondents representing 9.39%

Table 4: Educational Qualification Distribution

Qualification respondents	No. of Respondents	% of Respondents
WAEC/NECO	162	42.29
OND	101	26.37
HND/BSC	53	13.83
MSC	21	5.48
PHD	46	12.01
Total	383	100

Source: Researcher's Computation (2023).

Table 4 shows that one hundred and sixty two (162) respondents representing 42.29% of the sample were WAEC/NECO holders, one hundred and one (101) respondents representing 26.37% were OND/NCE certificate holders; fifty three (53) respondents representing 13.83% were holders of HND/BSC certificates holders, while twenty one (21) respondents representing 5.48% were MSC certificate holders and only forty six (46) respondents representing 12.01% of the population were PHD holders.

RESEACRH QUESTIONS

Research Question One

What is the effect of Business Registration on the performance of SMEs?

Table 5: percentage analysis of effect of Business Registration on the performance of SMEs

Extent	Frequency	Percentage
Very high extent	122	31.85
High extent	77	20.10
Low extent	96	25.06
Very low extent	88	22.97
Total	383	100

Source: Researcher's Computation (2023).

The above table 5 present the percentage analysis of Business Registration on the performance of SMEs, the table show that there is very high effect of Business Registration on the performance of SMEs. Therefore, the result causes the research question to be significant.

Research Question Two

What is the effect of Licensing on the performance of SMEs?

Table 6: percentage analysis of effect of Licensing on the performance of SMEs

Extent	Frequency	Percentage
Very high extent	137	35.77
High extent	89	23.23
Low extent	78	20.36
Very low extent	79	20.62
Total	383	100

Source: Researcher's Computation (2023).

The above table 6 present the percentage analysis of effect of Licensing on the performance of SMEs, the table shows that there is high effect of Licensing on the performance of SMEs. Therefore, the result causes the research question to be significant.

Research Question Three

What is the effect of Labor Regulations on the performance of SMEs?

Table 7: percentage analysis of effect of Labor Regulations on the performance of SMEs?

Extent	Frequency	Percentage
Very high extent	129	33.68
High extent	77	20.10
Low extent	82	21.40
Very low extent	95	24.80
Total	383	100

Source: Researcher's Computation (2023).

The above table 7 present the percentage analysis of effect of Labor Regulations on the performance of SMEs, the table show that the is high effect of effect of Labor Regulations on the performance of SMEs. Therefore, the result causes the research question to be significant.

Hypothesis One

There is no significant effect of Business Registration on the performance of SMEs. In-order to test the hypothesis. Independent t-test analysis was used in comparing the mean score of the two groups.

TABLE 7

Independent t-test analysis of effect of Business Registration on the performance of SMEs

Variable	N	X	SD	t
High	234	12.01	1.30	21.45*
Low	149	15.15	0.71	

***Significant at 0.05 level; df= 381; N= 383; critical t-value = 1.96**

Source: Researcher's Computation (2023).

The above table 7 presents the obtained t-value as (21.45). This value was tested for significance by comparing it with the critical t-value (1.96) at 0.05 level with 381 degree of freedom. The obtained t-value (21.45) was greater than the critical t-value (1.96). Hence, the result was significant. The result therefore means that there is significant effect of Business Registration on the performance of SMEs

Hypothesis two

There is no significant effect of licensing on the performance of SMEs. In-order to test the hypothesis independent t-test analysis was used in comparing the mean score of the two groups.

TABLE 8**Independent t-test analysis of effect of Licensing on the performance of SMEs**

Variable	N	X	SD	t
High	201	12.07	1.34	18.31*
Low	191	15.00	1.09	

***Significant at 0.05 level; df= 381; N= 383; critical t-value = 1.96**

Source: Researcher's Computation (2023).

The above table 8 presents the obtained t-value as (18.31). This value was tested for significance by comparing it with the critical t-value (1.96) at 0.05 level with 381 degree of freedom. The obtained t-value (18.31) was greater than the critical t-value (1.96). Hence, the result was significant. The result therefore means that there is significant effect of Licensing on the performance of SMEs

Hypothesis three

There is no significant effect of effect of Labor Regulations on the performance of SMEs. In-order to test the hypothesis independent t-test analysis was used in comparing the mean score of the two groups.

TABLE 9**Independent t-test analysis of effect of effect of Labor Regulations on the performance of SMEs**

Variable	N	X	SD	t
High	282	12.41	1.65	10.96*
Low	101	14.98	0.83	

***Significant at 0.05 level; df= 381; N= 383; critical t-value = 1.96**

The above table 9 presents the obtained t-value as (10.96). This value was tested for significance by comparing it with the critical t-value (1.96) at the 0.05 level with 381 degrees of freedom. The obtained t-value (10.96) was greater than the critical t-value (1.96). Hence, the result was significant. The result therefore means that there is a significant effect of labour regulations on the performance of SMEs.

Conclusion

SME firms were selected because they hold an important position in the economy, especially from the point of view of the growth of local and regional economic systems. This is important for at least three parties—clients, companies, and the relevant authorities' bodies—to strategize on continuing the existence of the effect in SMEs by accordingly controlling the selected elements. This study found a relationship between government policy and SME firm performance. Likewise, government policy has a major impact on the competitiveness of SMEs. Conceptually, the study indicates that SME firm performance varies with the choice

of government policy they adopt. Conceptually, the survey shows that the performance of SME varies with the choice of government policy, spatial relations and guidelines, schemes and incentives, and support arrangements for the individual sector.

Recommendations

Based on the study you described, here are some potential recommendations that could be drawn from your research findings regarding the economic and financial implications of government regulations on the organizational performance of selected SMEs operating in Asaba, Delta State:

Government authorities should consider providing SMEs with clearer and more accessible information regarding relevant regulations. This could include workshops, seminars, and online resources that offer guidance on compliance requirements specific to the industries in which these SMEs operate.

Policymakers should explore the possibility of implementing sector-specific regulatory reforms that address the unique challenges faced by SMEs. These reforms could simplify bureaucratic processes, reduce administrative burdens, and create an environment that supports sustainable growth.

Establishing a platform for regular and constructive dialogue between government agencies and SME representatives can facilitate a better understanding of the practical implications of regulations. This dialogue could lead to more balanced and effective regulatory frameworks.

The government, in collaboration with industry associations and financial institutions, could promote financial literacy programs tailored to SMEs. These programs can empower SME owners and managers to better navigate financial challenges arising from regulatory compliance.

Introducing capacity-building initiatives that offer training in areas such as compliance, record-keeping, and financial management can enhance SMEs' ability to adapt to regulatory changes and maintain financial stability.

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