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Financial Accessibility And Small And Medium Scale Enterprises Development In South-East, Nigeria

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ABSTRACT: This study aimed to investigate financial accessibility and small and medium scale enterprises development in South-East, Nigeria. Specifically, the study sought to determine the relationship between collateral requirement, and mentoring, loan procedure and coaching, asset tangibility and technological innovation of Small and medium scales enterprises development in South- East, Nigeria. Relevant theoretical and empirical literature were reviewed. This study was anchored on credit access theory. Correlational research design was adopted in this study. The study was carried in South-South. The population of this study comprises 9731 registered Small and Medium Scale enterprises business in South-East, Nigeria. The statistical formula devised by Cochran was employed to determine the sample size of 384. The instrument used in this research was questionnaire. Face and content validity was adopted. Test re-test and Cronbach Alpha coefficient was used to measure the reliability of the instruments. The study employed simple percentages for analyzing research questions and Pearson's product moment correlation coefficient was used in testing the hypotheses. The result of showed that collateral requirement had a significant negative relationship with mentoring of Small and Medium Scale enterprises in South-East, Nigeria; Loan procedure had a significant positive relationship with coaching of Small and Medium scales enterprises in South- East, Nigeria; Asset tangibility had a significant associate with technological innovation of Small and medium scales enterprises in South- East, Nigeria. The study concluded that financial accessibility had a positive significant relationship with Small and medium scales enterprises development in South- East, Nigeria The study recommended among others, that collateral demanded by financial institutions before giving out loan to Small and medium scales enterprises should be flexible and not compulsory to ensure that such facilities are being well utilized.

Keywords: Collateral Requirement, Loan Procedure, Asset Tangibility, Mentoring, Coaching, and Technological Innovation

INTRODUCTION

Small and medium scale enterprises (SMEs) development is the process of enhancing skills and knowledge development through structured training and institution-building programs. It aims to enlarge the base of Small and medium scales enterprises to speed up the pace at which new ventures are created. The focus is on the individual who wishes to start or expand a business, with concentration on development potential and innovation (Suklev

& Debarliev 2021). Small and medium scale enterprises development as a process of enhancing the skillset and knowledge of entrepreneurs regarding the development, management and organization of a business venture while keeping in mind the risks associated with it. Small and medium scale enterprises development carried out through training programs and sessions which are aimed at accentuating Small and medium scales enterprises acumen. Pursuing this field as a career, you will be working towards facilitating skill development among budding Small and medium scales enterprises and assisting them to tackle their struggles with building their businesses (Memon & Tahir, 2021). Small and medium scale enterprises development is a strategic process which incorporates various tools that concentrate on skill development of the individual in an array of ways. Effective Small and medium scales enterprises development program help you understand what it's all about financial accessibility from financial institutions in Nigeria (Al Qudah 2021).

Financial accessibility are seen as the best alternative source of capital for Small and medium scales enterprises development, low-income earners and their Small and medium scales enterprises as a means to raise their income, hence enhancing their performance and contributing in country's economy (Ledgerwood 2021).

Financial accessibility by the majority of Nigerians who are low-income earners have created opportunity to them including managing scarce household and Small and medium scales enterprises resources more efficiently, protection against financial risks by taking advantages of investment opportunities and gaining economic returns. Small and medium scales enterprises has been considered as the engine of economic growth for promoting equitable development (Belás 2017). The major advantage of the sector is its employment potential at low capital cost. The labour intensity of the Small and medium scales enterprises sector is much higher than that of the enterprises. The role of Small and medium scales enterprises in the economic and social development of the country is well established. The sector is a nursery of Small and medium scales enterprises, often driven by individual creativity and innovation. There is a general belief that desired employment generation in this country can be achieved through the development of Small and medium scales enterprises (Gertler & Kiyotaki 2020). Love and Peria (2018) also posited that Small and medium scales enterprises provide income, savings, and employment generation. According to Nkurunziza (2018), Small and medium scales enterprises can be regarded as one of the important element of a country's development and this plays a crucial role in the economy of Nigeria**.**

Financial accessibility allows small and medium scales enterprises to expand their businesses and to acquire the best management, thus ensuring their competitiveness and performance. Financial accessibility has been identified in many business surveys as the most important factor determining the survival and growth of Small and medium scales enterprises in both developing and developed countries (Eton et al., 2017). While development is process or manner by which Small and medium scales enterprises execute their function. Small and medium scales enterprises development can be measured with different indicators, such profitability, and growth in employment, production level, or even sales. In addition, firms also have their own development indicators (Okech & Atieno, 2021). Financial accessibility plays an extremely important role in reducing poverty, approach an equitable distribution of wealth, supporting a comprehensive and sustainable development (Word Bank). Conversely, lack of access to

finance is the underlying cause which leads to income inequality, poverty trap and lower growth. Accessing banking services helps individuals and businesses to find affordable financial resources and/or funds to meet needs as business opportunities come, for an investment in children's education or for retirement savings. Bank loans also help farmers and the poor to protect themselves against financial shocks due to problems such as illness, disease, crop failures and natural disasters. A new paradigm of Small and medium scales enterprises development measure has been adopted by Small and medium scales enterprises.

The main argument for favouring small and medium scales enterprises in developing countries is that they are increasingly playing a strategic role in economic growth and development through their contribution in the creation of wealth, employment, and income generation. In more developed economies, the dynamic arguments for the existence of Small and medium scales enterprises have been stressed in terms of their being more innovative and constituting a seedbed for the development of new firms (Arinaitwe & Mwesigwa 2021). Small and medium scales enterprises is increasingly taking the role of the primary vehicles for the creation of employment and income generation through self-employment and, therefore, has been tools for Small and medium scales enterprises development. Small and medium scales enterprises also provides the economy with a continuous supply of ideas, skills and innovation necessary to promote competition. Therefore, against this background this study seek to establishing the relationship between financial accessibility and small and medium scales enterprises development in South- East, Nigeria

Statement of the problem

Many studies have been conducted in Nigeria on financial accessibility as a challenge to the Small and medium scales enterprises development. Actually, specific attention has not been given to the high interest rate, lack collateral security requirements, short repayment rate, loan procedure, credit term and asset tangibility, and the small size of their operations that cannot meet credit requirement, as a glitches. However, Small and medium scales enterprises business in Nigeria continue collapsing before celebrating their first birth day due to lack of creation of wealth, Coaching, income generation**,** supply of ideas, skills and innovation and promote competition which is as a result of financial accessibility.

According to Private Sector Foundation Nigeria about 5% to 10% of the businesses survive and make it to maturity. By observation, many Small and medium scales enterprises businesses in South- East, Nigeria start and die within a space of a year or less due to financial challenges. The challenges associated with financial accessibility have been reported elsewhere in Nigeria, there is no empirical evidence that shows the association between financial accessibility challenges and Small and medium scales enterprises development in South- East, Nigeria. This study was, therefore, conducted to bring out the challenges among Small and medium scales enterprises in establishing the relationship between financial accessibility and Small and medium scales enterprises development in South- East, Nigeria that are due to financial accessibility. The purpose of the study was to establish the relationship between financial accessibility and Small and medium scales enterprises development in South- East, Nigeria.

Objectives of the Study

The main objective of this study was to investigate the relationship between financial accessibility and Small and medium scales

enterprises development in South- East, Nigeria. However, the specific objectives of the study seek to:

1. Assess the relationship between collateral requirement, and mentoring of Small and medium scales enterprises development in South- East, Nigeria.in South- East, Nigeria
2. Establish the relationship between loan procedure and coaching of Small and medium scales enterprises development in South- East, Nigeria.
3. Examine the relationship between asset tangibility and technological innovation of Small and medium scales enterprises development in South- East, Nigeria.

Research Questions

The following research questions was guide the study:

1. To what degree does collateral requirement correlate with mentoring of Small and medium scales enterprises development in South- East, Nigeria
2. To what extent does loan procedure relate with coaching of Small and medium scales enterprises development in South- East, Nigeria
3. To what level does asset tangibility associate with technological innovation of Small and medium scales enterprises development in South- East, Nigeria

Hypotheses

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

Ho_1: Collateral requirement does not correlate with mentoring of Small and medium scales enterprises development in South- East, Nigeria

Ho_2: Loan procedure does not significantly relate with coaching technological innovation training skills acquisition of Small and medium scales enterprises development in South- East, Nigeria

Ho_3: Asset tangibility has no significant associate with technological innovation of Small and medium scales enterprises development in South- East, Nigeria

REVIEW OF RELATED LITERATURE

Conceptual Review

Financial Accessibility

Financial accessibility remains a constraint to Small and medium scales enterprises as regards to working capital. Small and medium scales enterprises have limited access to capital markets, locally and internationally, in part because of the perception of higher risk, informational barriers, and the higher costs of intermediation which constrains growth and competitiveness. Studies on Small and medium scales enterprises have pointed out that financial accessibility is an impediment to Small and medium scales enterprises contribution as an engine to national economic development, (Onyimba & Muturi, 2018). Access to finance is the ability of individuals or enterprises to obtain financial services, including credit, deposit, payment, insurance, and other risk management services. Those who involuntarily have no or only limited accesses to financial services are referred to as the unbanked or under banked, respectively. Financial accessibility is referred to as a programme which directly lend all or part of money to firms (example public loans or subsidized loans); guaranteed or partly guaranteed loans; provide financial education or information to firms (for instance, about financial services available); facilitate alternative forms of lending (for example, business angels, micro-finance, venture capital and group lending), by creating networks, incentivizing or matchmaking lenders and firms (Rajnoha et al., 2019). Accumulated evidence has shown that financial accessibility promotes growth for enterprises through the provision of credit to both new and existing

businesses. It benefits the economy in general by accelerating economic growth, intensifying competition, as well as boosting demand for labour.

Financial accessibility is the ease with which Small and medium scales enterprises can get finance to undertake productive investments to expand their businesses and to acquire the latest technologies, thus ensuring their competitiveness and that of the nation as a whole or it can be defined as an absence of price and non-price barriers in the use of financial services (McCormick & Atieno, 2021). Financial accessibility is defined as the ability of individuals or enterprises to obtain financial services, including credit, deposit, payment, insurance, and other management services, (Waithanji, 2017). The incomes of those in the lower end of the income ladder will typically rise, hence reducing income inequality (Kelley and Nakosteen, 2021). Usually, banks require a tangible fixed asset as security (collateral) for the loan and banks typically lend to a firm based on the value of fixed assets offered as security. However, small firms have fewer collateralizable assets than large firms. This may partly relate to the stage of growth of the firm. In the earlier stages of the firm, it may have lower retained profits which may hinder it from purchasing fixed assets. Another reason for small firms to have a smaller proportion of fixed assets is the capital constraints they face. Because of the need to raise large amounts of capital, it is difficult for them to acquire a large number of fixed assets. The above reasoning implies that firms with tangible assets have relatively easier access to bank finance and lower costs of financing. Previous studies (Storey, Berger & Udell, 2018; Michaelas *et al.,* 2019) also suggest that bank financing depends on whether lending can be secured by collateral. Moreover, Sogorb-Mira (2021) found a positive effect of tangible assets on leverage for SMEs. Johnsen and McMahon (2021) also stated that other factors held constant, firms with more intangible assets need to borrow less because of collateral factor.

Collateral Security Requirements

The importance of size of Small and medium scales enterprises collateral requirement to the banks in granting loan cannot be over emphasized. Storey (2014) stated that financial accessibility financing of collateral requirement will depend on whether the lending can be secured by collateral. He also stated that firm with least intangible asset need to borrow less, compared with firms with more tangible asset because of collateral factor. Collateral has been proxies by land and machineries. Small and medium scales enterprises has fewer assets to offer as collateral than large firms. This may largely relate to the stage of performance of Small and medium scales enterprises firms belong to. In the earlier stage of the Small and medium scales enterprises, it may have lower retained profit which may hinder them from assess finance compared to larger firms which have a longer history (Pandula, 2017). Ofei (2014) found that generally bank savings and landed property are the most important collateral accepted by credit institutions.

Loan Procedure

Principally, the typical process of paying off the debt balance on a loan over a period of time without any extra principal paid on the balance called loan repayment. Another method of repayment is a lump sum with interest at maturity. If the repayments of both principal and interest are up to date in accordance with the agreed repayment terms deemed to be performed. However, if the interest on principal is due or exceed 90 days postponed or transfer into a new loan it is deemed as non-performing (Nawai & Shariff, 2021). According to Pearson and Greeff (2020) the point in the borrower's repayment history which had missed at least three time

installments within 24 month period describes as default. Meanwhile, when it comes to a circumstances borrowers are fail to repay a loan according to the terms or condition of a loan agreed upon signed the contract will be recognized as loan default. Wongnaa and Awunyo-Vitor, (2021) defined loan default as the inability of a borrower to fulfil their obligation as at when due. It could be either in term of voluntary or involuntary which explained that defaulted may occur if the borrower is either unwilling by their choices (voluntary default) or really unable (in-voluntary default) to make the repayment (Godquin, 2014).

Asset Tangibility

Usually, banks require a tangible fixed asset as security (collateral) for the loan and banks typically lend to a firm based on the value of fixed assets offered as security. However, small firms have fewer collateralizable assets than large firms. This may partly relate to the stage of growth of the firm. In the earlier stages of the firm, it may have lower retained profits which may hinder it from purchasing fixed assets. Another reason for small firms to have a smaller proportion of fixed assets is the capital constraints they face. Because of the need to raise large amounts of capital, it is difficult for them to acquire a large number of fixed assets. The above reasoning implies that firms with tangible assets have relatively easier access to bank finance and lower costs of financing. Previous studies (Storey, 2014; Berger & Udell, 2018) also suggest that bank financing depends on whether lending can be secured by collateral.

Moreover, Sogorb-Mira (2015) found a positive effect of tangible assets on leverage for Small and medium scales enterprises. Johnsen and McMahon (2015) also stated that other factors held constant, firms with more intangible assets need to borrow less because of collateral factor.

Small and Medium Scales Enterprises Development

Small and medium scales enterprises businesses phenomenon appeared in economics in 1930s but it got recognition as an important factor of social and economic change only in 1960s (Timmons & Spinelli 2016). For more than a decade the studies of Small and medium scales enterprises businesses confined to large scale businesses and industry, and then to small scale industrial sector. The emergence and development of Small and medium scales enterprises businesses is not a spontaneous one but a dependent phenomenon of economic, social, political, psychological variables often attributed as supporting conditions to development of Small and medium scales enterprises businesses (Hill & Mac Gowon, 2009). Nwafor (2017) defined Small and medium scales enterprises development is the most effective method for creating new enterprises, and bringing new products and services to the market". These Small and medium scales enterprises businesses activities significantly affect the economy of a society by building the economic base and providing job opportunities. To be enterprising is to keep your eyes open and your mind active. It is to be skilled enough, confident enough, creative enough, and disciplined enough to seize opportunities that present themselves regardless of the environmental influence (Nwafor 2017).

Ajagbe (2014) opined that an act of being small and medium scales enterprises businesses is seen as "one who undertakes innovations with finance and business acumen in an effort to transform innovations into economic goods". Hence, "entrepreneurs perceive problems as opportunities, and then take action to identify the solutions to those problems and the customers who will pay to have those problems solved". Small and medium scales enterprises

development is simply a function of the ability of small and medium scales enterprises businesses to see opportunities in the marketplace, initiate change (or take advantage of change) and creates value through solutions.

Akanwa and Akpanabia (2012) argued that small and medium scales enterprises development is the willingness and ability of an individual to seek out investment opportunities, establish and run an enterprise successfully". Igwe (2013) described Small and medium scales enterprises development as a powerful engine of economic growth and mentoring for many developing countries, which is crucial for improving the quality, number and variety of employment opportunities for the poor". Soyibo (2016) see Small and medium scales enterprises development as the process of identifying an opportunity related to needs satisfaction and converting it to a product or service of value".

Duru (2011) stresses that "many people have the wrong assumption that anyone who manages a large company is an entrepreneur, it should be noted that many managers of big companies carry out decisions made by higher ranking executives". These managers are not entrepreneurs because they do not have final control over the company and they do not make decisions that involve risking the company's resources. Small and medium scales enterprises development is not just about establishing a business or doing business; it is not just about making money; It is about having the ability and willingness to take risks and to combine factors of production in order to produce goods and services that can satisfy human wants and create wealth (Nwankwo and Okeke, 2016; Kanothi, 2009)

Acs and Szerb (2007) noted that Small and medium scales enterprises development revolves around the realization of existence of opportunities in combination with decision to commercialize them by starting a new firm. Small and medium scales enterprises development has been defined as a force that mobilizes other resources to meet unmet market demands the ability to create and build something from practically nothing (Jones & Sakong, 2016), and the process of creating value by pulling together a unique package of resources to exploit an opportunity (Onwuka, Ugwu, Itoya & Okeke 2015). Small and medium scales enterprises therefore involves a significant amount of innovation, creativity, risk bearing and self-determination" (Balogun, 2014). Successful entrepreneurs seem to be scarce commodities today. Most people are too scared to take risks. They would rather be in the comfort zone of salary earning as they want to be sure of their regular income/salary at the end of every month or period.

Theoretical Framework

Credit Access Theory

The credit theory was postulated by Stiglitz and Weiss (1981) who provided a framework for analyzing financial market inefficiencies. This framework provides that information asymmetry is the main cause of financial market malfunctioning in developing countries. Financial institutions that advance loans to economic agents are not only interested in the interest they receive on loans, but also the risks of such loans. Most financial institutions screen and monitor borrowers more efficiently than other investors can. They are specialized in gathering private information and processing it. Managing money and deposit accounts, banks own highly strategic information on firms' receipts and expenditures as well as the way firms develop (Aremu & Popoola, 2021).

In reference to Stiglitz and Weiss (1981), adverse selection and thus credit rationing still occurs if banks require collateral. They argue that low-risk borrowers expect a lower rate of

return on average. Thus, they are less wealthy than high-risk borrowers on average after some periods. Low-risk borrowers are therefore not able to provide more collateral. Increasing collateral requirements may have the same adverse selection effect as a higher interest rate. Instead, Koech (2021) argues that banks only offer contracts in which they simultaneously adjust interest rates and collateral requirements. He proved that there is always a combination of interest rate and collateral requirements so that credit rationing does not occur (Nyanzi,).

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Relevance of the theory to the study

Credit theory, also known as the credit rationing theory, posits that lenders limit the amount of credit available to borrowers due to asymmetric information, moral hazard, and adverse selection. This leads to credit rationing, where some borrowers may not receive loans despite being creditworthy. Credit theory is relevant to the study because it highlights the challenges SMEs face in accessing credit due to information asymmetry and higher risk perceptions. The theory explains why financial institutions may be reluctant to lend to SMEs, leading to financial accessibility issues. Understanding credit theory can help identify solutions to improve credit accessibility for SMEs, such as credit scoring, collateral requirements, and loan guarantee schemes.

Empirical Review

This section presents a summary of global and local empirical literature on financial accessibility and Small and medium scales enterprises development. Olowe, Moradeyo and Babalola (2023) investigated the impact of finance on Small and medium scales enterprises development in Nigeria. The population of the study consists of the entire Small and medium scales enterprises business in Oyo State. However, the study was restricted to Ibadan metropolis. Purposive sampling technique was used to select the participating Small and medium scales enterprises. Simple random sampling technique was used to select a total of 82 Small and medium scales enterprises operators that constituted our sample size. Pearson correlation coefficient and multiple regression analysis were used to analyze the data. The results from this study showed that financial services obtained from banks have positive significant impact on Small and medium scales enterprises development in Nigeria. The results also revealed that duration of loan has positive impact on Small and medium scales enterprises development but not statistically significant. The results also showed that high interest rate, collateral security and frequency of loan repayment can cripple the expansion of Small and medium scales enterprises development in Nigeria. The study recommended that banks should lighten the condition for borrowing and increase the duration of their customers' loan and also spread the repayment over a long period of time.

Mairura, Namusonge and Kabare (2023) examined the role of financial intermediation in promoting small and medium scales enterprises development in Kenya. The study sought to examine the nature of support Small and medium scales enterprises development receive from financial intermediation, to identify the evaluation procedures undertaken by financial intermediation before they offer support, to examine the regulatory framework in place for the support on Small and medium scales enterprises development, to establish how managerial competence influence support to Small and medium scales enterprises development and its effects on Small and medium scales enterprises development. The primary data was collected through structured questionnaires containing both closed and open ended questions. The data was analyzed using descriptive statistics such as frequency,

percentages, means and standard deviation as well as inferential statistics such as ANOVA, Multiple linear regression and correlation analysis. The findings show that most of the respondents agreed with the fact that, they received a lot of support from the financial intermediaries, Support received enhanced Small and medium scales enterprises development. Small and medium scales enterprises development is attributed to the nature of support received as accounted by 49.2 percent, who agreed that they received a lot of support, 73.5 percent said that support received enhanced Small and medium scales enterprises development and 55.6 percent strongly agree and agree cumulative responses. The findings of the study showed the role played by financial intermediaries in promoting small and medium scales enterprises development in Kenya. The results of the study form the basis for recommendations to relevant stakeholders to ascertain the appropriate leading strategy for improving Small and medium scales enterprises development in Kenya.

Moradeyo and Babalola (2023) investigated the impact of financial accessibility on Small and medium scales enterprises development in Nigeria. The population of the study consists of the entire SMEs in Oyo State. However, the study was restricted to Ibadan metropolis. Purposive sampling technique was used to select the participating SMEs. Simple random sampling technique was used to select a total of 82 SME operators that constituted our sample size. Pearson correlation coefficient and multiple regression analysis were used to analyze the data. The results from this study showed that financial services obtained from banks have positive significant impact on Small and medium scales enterprises development in Nigeria. The results also revealed that duration of loan has positive impact on Small and medium scales enterprises development but not statistically significant. The results also showed that high interest rate, collateral security and frequency of loan repayment can cripple the expansion of Small and medium scales enterprises development in Nigeria. The study recommended that banks should lighten the condition for borrowing and increase the duration of their customers' loan and also spread the repayment over a long period of time.

Ochola et, al (2023) carried out a study to determine effect of finance on productivity, profitability and growth and expansion of Small and medium scales enterprises development in Kisumu City. They applied clustering, simple random and purposive random sampling to pick a sample of 341 out of a population of 3000 registered businesses. Primary and Secondary data was used and quantitative data analyzed using both descriptive and inferential statistics. They concluded that micro financing in sufficient quantities would have greater effect on profitability. Productivity and growth and expansion of Small and medium scales enterprises development. The study does not however detail parameters of sufficient quantities.

Mamman and Aminu (2023) assessed the effect of banking reforms on loan financing of Small and medium scales enterprises development in Nigeria. A sample size of 500 was randomly chosen and chi-square test was used which indicated that there is no significant effect of banking reform on loan financing for Small and medium scales enterprises development in Nigeria and suggested that there are some constraints which restricted access to loans from the banks for Small and medium scales enterprises development in Nigeria.

Aliyu and Bello (2023) examined the contribution of commercial banks to the growth of Small and medium scales enterprises

development in Nigeria between 1980 and 2019. Using ratio analysis and trend analysis, it was discovered that commercial banks contribute to financing Small and medium scales enterprises development but their contribution has declined as the government through CBN directives abolished the mandatory bank's credit allocations.

Omah, Duruwoju, Adeoye and Elegunde (2022) examined the impact of post-bank consolidation on Small and medium scales enterprises development in Nigeria, with special reference to Lagos State. A sample size of 50 was drawn from the supra-population of the study within Ikeja Local Government in Lagos State. Applying mean, standard deviation and coefficient of variation in its data analysis, the study revealed that SMEs do not have better access to finance through banks, due to neo-reorganization in banks as a result of post-bank consolidation and Small and medium scales enterprises ddo not have absolute rapport with the financial institutions due to their financial background in Nigeria.

Adesukanmi (2022) carried out a study on the impact of financial accessibility on Small and medium scales enterprises development in Ife Central Local Government area of Osun state. The study is an assessment of the impact of financial accessibility activities have on Small and medium scales enterprises development in Ife central local government area of Osun state. As a way of achieving the objectives of the study, the researcher employed the use of primary data via the use of structured questionnaire and interview guide. Questionnaires were administered to the Small and medium scales enterprises business. The findings of the study reveals the constraining factors of most Small and medium scales enterprises businesses owners had was assessing micro finance loans, this includes non-presentation of business records, lack of confidence on the part of banks as regards the ability to pay back their loans and fear of diversion of loans for purposes other than what it was meant for. The study recommends that Federal Government should channel more funds to establish small and medium scales enterprises development.

METHODOLOGY

Correlational research design was adopted in the study. According to Nworgu (2015). This method was adopted because it find the relationship between two variables. This study made use of primary and secondary data. For the primary source, data was collected on a first-hand basis by the researcher for the specific research purpose. The population of the study comprises 9731 registered Small and medium scales enterprise businesses in South-East, Nigeria. There was official record of number of Small and medium scales enterprises business owners in in South-East, Nigeria which was obtained from the National Bureau of statistics (NBS) and Small and Medium Enterprise Development Agency of Nigeria (SMEDAN), 2025. The sample consist of 384 Small and medium scale enterprises in South-East, Nigeria using statistical formula devised by Cochran. For the purpose of data collection, the researcher made use of a structured questionnaire of five points Likert scale. In the structured questionnaire, respondents shall be required to respond to options which range from: Strongly Agree (5), Agree (4), Undecided (3), Disagree (2), Strongly Disagree (1). The research instrument were subjected to face and content validity procedures. Test re-test method and Cronbach Alpha was carried out to achieve reliability of the research instrument**.** The study used simple percentage to answer the research questions, while hypotheses was tested using Pearson Moment Correlation Coefficient whereas the hypotheses will be tested at .05 level of significance using regression analysis.

ANALYISES AND INTERPRETATION OF DATA

A total of three hundred and eight four copies of questionnaire were distributed to the respondents. Three hundred and fifty copies of questionnaires were returned and properly filled and found relevant to the study showing 91.2 % of return. Thirty four copies of questionnaire were not properly filled showing 8.8% of invalid questionnaire. Therefore, the analysis was be based on three hundred and fifty copies of questionnaire (350) properly filled.

Presentation of Data relevant to the Research Questions

The tables and analysis presented below covers the objectives of this research work.

Question One: To what degree does collateral requirement correlate with mentoring of small and medium enterprises in South- East, Nigeria?

Table 1: Respondents opinion on collateral requirement correlate with mentoring of small and medium enterprises

S/N	Items	SA	A	U	D	SD	Mean
1	The level of collateral by banks determines financial accessibility by Small and medium scales enterprises development	101 28.9%	126 36.0%	59 8.3%	46 13.1 %	18 5.1%	3.74
2	Small and medium scales enterprises with collateral security have much more chances to get loans from the bank	129 36.9%	130 37.1%	61 17.4%	32 9.1%	8 2.3%	4.00
3	Small and medium scales enterprises with collateral receive loans with lower interest rates	134 38.3%	147 40.9%	41 11.7%	11 3.1%	17 4.9%	4.05
4	Bank value collateral security as a significant factor for Small and medium scales enterprises credit	120 34.3%	143 48.3%	32 9.1%	22 6.3%	33 9.4%	3.86
5	Small and medium scales enterprises with higher level of collateral have defaulted less than the Entrepreneur with lower/no collateral	127 36.3%	149 42.6%	43 12.3%	20 5.7%	11 3.1%	4.10

Source: Researcher's Field Survey, 2025

Table 1 presents the effect of effect of risk taking on sales performance. Regarding the issue bordering on the level of collateral by banks determines financial accessibility by Small and medium scales enterprises development , 101(28.39%) of the total sample strongly agreed, 126 (36.0%) agreed, 46(13.1%) disagreed, 18(5.1%) strongly disagreed and 59 (13%) were undecided with a mean of 3.74. On whether Small and medium scales enterprises with collateral security have much more chances to get loans from the bank, 129 (36.9%) respondents strongly agreed and130 (37.4%) agreed. On the other hand, 32(9.1%) respondents disagreed, 8(2.3%) strongly agreed and 61 (17.4%) undecided with a mean of 4.00. Table 1 questions on whether Small and medium scales enterprises with collateral receive loans with lower interest rates, 134 (38.3%) respondents strongly agreed and 147(40.9%) agreed. Conversely, 11(3.1%) disagreed, 17(4.9%) strongly disagreed and 41 (11.7%) were undecided with a mean of 4.05. Question on whether bank value collateral security as a significant factor for Small and medium scales enterprises credit, 120(34.3%) respondents strongly agreed and143 (48.3) agreed. On the

other hand, 22(6.3%) disagreed, 33 (9.4%) strongly disagreed and 32 (9.1%) were undecided with a mean of 3..86. The result on Table 1 indicates that 127(36.3%) respondents strongly agreed that Small and medium scales enterprises with higher level of collateral have defaulted less than the Entrepreneur with lower/no collateral, 20 (7%) 11 strongly disagreed and 43 (12.3%) were undecided with a mean of 4.10This implies that collateral requirement correlate with mentoring of small and medium enterprises in South- East, Nigeria.

Question Two: To what extent does loan procedure relate with Coaching of small and medium enterprises in South- East, Nigeria?

Table 2: Respondents opinion on loan procedure and Coaching of small and medium enterprises

S/N	ITEMS	SA	A	U	D	SD	Mean
1	Size of loan procedure enhance Small and medium scales enterprises development	127 36.3%	149 42.6%	43 12.3%	20 5.7%	11 3.1%	4.10
2	Loan procedure are conditions for Small and medium scales enterprises to access bank loans	122 34.9%	104 46.3%	78 22.3%	22 6.3%	24 6.9%	3.82
3	Sources loan is encouragement to Small and medium scales enterprises growth	99 28.3%	162 53.0%	48 13.7%	23 6.6%	18 5.1%	3.88
4	Loan procedure requirement from banks discourage Small and medium scales enterprises from financial accessibility	92 26.3%	126 36.0%	42 12.0%	52 14.9%	38 10.9 %	3.38
5	Small and medium scales enterprises do not make use of bank loan size incentives to their utmost advantage	85 24.3%	158 45.1%	57 16.3%	39 11.1%	11 3.1%	3.69

Source: Researcher's Field Survey, 2025

The result on Table 2 indicates that 127(36.3%) respondents strongly agreed that size of loan procedure enhance Small and medium scales enterprises development, 149(42.6%) agreed, 20(5.7%) disagreed, 11(3.1%) strongly disagreed and 43 (12.3%) were undecided with a mean of 4.10. On whether loan procedure are conditions for small and medium scales enterprises to access bank loans 122(34.9%) respondents strongly agreed, 104(46.3%) agreed, 22(6.3%) disagreed, 24(6.9%) strongly disagreed and 78 (22.3%) were undecided with a mean of 3.82. the table also revealed that 99(28.3%) respondents strongly agreed that sources loan is encouragement to small and medium scales enterprises growth, 162(53.0%) agreed, 23(6.6%) disagreed, 18(5.1%) strongly disagreed and 48 (13.7%) were undecided. Table reveals that 92(26.3%) respondents strongly agreed that loan procedure requirement from banks discourage Small and medium scales enterprises from financial accessibility, 126(36.0%) agreed, 52(14.9%) disagreed, 38(10.9%) strongly disagreed and 42 (18%) were undecided.

The table 2 also reveals that small and medium scales enterprises do not make use of bank loan size incentives to their utmost advantage, 85(24.3%) respondents strongly agreed and 158(45.1) agreed. However, 39(11.1%) disagreed, 11(3.1%) strongly disagreed while 57 (19.3% were undecided with a mean of 3.69. With a cutoff mean score of 2.50 for the rating scale, all the items had mean scores above the cutoff point. This implies that loan procedure relate with Coaching of small and medium enterprises in South- East, Nigeria

Question Three: To what level does asset tangibility associate with technological innovation of small and medium enterprises in South- East, Nigeria?

Table 3: Respondents view on asset tangibility and technological innovation of small and medium enterprises

S/N	ITEMS	SA	A	U	D	SD	Mean
1	Banks require a tangible fixed asset as security (collateral) for the loan	95 27.1%	161 46.0%	8 2.3%	24 6.9%	12 3.4%	**4.01**
2	Lower retained profits hinder purchases of tangible assets	111 37.7%	166 47.4%	34 9.7%	37 10.8%	2 0.6%	**3.99**
3	Tangible assets have relatively easier access to bank finance	113 32.3%	133 38.0%	41 17.7%	54 15.4%	9 2.6%	**3.89**
4	Intangible assets need to borrow less because of collateral factor	85 24.3%	163 46.6%	71 20.3%	25 7.1%	6 1.7%	**3.87**
5	Tangible assets on leverage for help Small and medium scales enterprises financial accessibility	101 28.9%	176 50.3%	34 9.7%	37 10.8%	2 0.6%	**3.99**

Source: Researcher's Field Survey, 2025

Table 3 shows that 95 respondents representing 27.1% of the total sample strongly agreed that banks require a tangible fixed asset as security (collateral) for the loan, 161 (46.0%) agreed, 24 (6%) disagreed,12 (3%) strongly disagreed while 8 (2.3%) were undecided with a mean of 4.01. On whether lower retained profits hinder purchases of tangible assets, 111(37.7%) respondents strongly agreed, 216 (47.6%) agreed, 37(10.8%) disagreed, 2 (0.6%) strongly disagreed and 34 (9.7%) were undecided with a mean of 3.99

Table.3 reveals that 113 (32.3%) respondents strongly agreed that tangible assets have relatively easier access to bank finance, 133(38.0%) agreed, 54(15.4%) disagreed, 9(2.6%) strongly disagreed while 41(17.7%) were undecided with a mean of 3.89. Table.3 shows that 85(24.3%) respondents agreed that intangible assets need to borrow less because of collateral factor, 163(64.6%) agreed, 25(7.1%) disagreed, 6(1.7%) strongly disagreed and 71(20.3%) were undecided with a mean of 3.87.

Finally the table reveal that 101(27.8%) respondents strongly agreed that tangible assets on leverage for help Small and medium scales enterprises financial accessibility, 176 (50.3%) agreed, 37(10.8%) disagreed, 2 (0.6%) strongly disagreed and 34 (9.9%) were undecided with a mean of 3.87. Using a cutoff mean score 2.50 for the rating scale, all the items had means scores above the cutoff point. This implies that tangibility associate with technological innovation of small and medium enterprises in South- East, Nigeria.

Testing of Hypotheses

Hypotheses one

H_0: Collateral requirement has no positive significant relationship with mentoring of Small and medium scales enterprises in South-East, Nigeria

H_{01}: Collateral requirement has a positive significant relationship with mentoring of Small and medium scales enterprises in South-East, Nigeria

Table 4: Result of Pearson Product-Moment Correlation Analysis between collateral requirement and mentoring

		Mentoring	Collateral Requirement
Mentoring	Pearson Correlation	1	-.887**
	Sig. (2-tailed)		.000
	N	500	500
Collateral Requirement	Pearson Correlation	-.887 **	1
	Sig. (2-tailed)	.000	
	N	500	500

****. Correlation is significant at the 0.05 level (2-tailed).**

Interpretations

The correlation in Table 4 shows collateral requirement had a negative significant relationship with mentoring of Small and medium scales enterprises in South- East, Nigeria. The Pearson's product moment correlation coefficient values reveal a strong negative and significant correlation between collateral requirement and mentoring (r = -0.887, at p=0.000<0.05). This implies that an increase in collateral requirement will decrease mentoring of Small and medium scales enterprises in South- East, Nigeria. Based on this result, the null hypothesis which states that collateral requirement had a negative significant relationship with mentoring of Small and medium scales enterprises in South-East, Nigeria was accepted

Hypothesis Two

H_0: Loan procedure has no significant positive relationship with Coaching of Small and medium scales enterprises in South- East, Nigeria

H_1: Loan procedure has a significant positive relationship with Coaching of Small and medium scales enterprises in South- East, Nigeria

Table 5: Result of Pearson product-moment correlation analysis between Loan procedure and Coaching of Small and medium scales enterprises

		Coaching	Loan procedure
			.
Coaching	Pearson Correlation	1	863**
	Sig. (2-tailed)		.000
	N	500	500
Loan procedure	Pearson Correlation	.863 **	1
	Sig. (2-tailed)	.000	
	N	500	500

****. Correlation is significant at the 0.05 level (2-tailed).**

Interpretations

The correlation in Table 5 shows that loan procedure had a significant positive relationship with Coaching of Small and medium scales enterprises in South- East, Nigeria. The Pearson's product moment correlation coefficient values reveal a strong positive and significant correlation between loan procedure and Coaching (r = 0.813, at p<0.05). This implies that an increase in loan procedure will increase Coaching of Small and medium scales enterprises. Based on the findings, the study therefore rejects the null hypothesis two (H_0) which states that loan procedure has no significant positive relationship with Coaching of Small and medium scales enterprises in South- East,

Nigeria.

Hypothesis Three

H_0: Asset tangibility has no significant associate with technological innovation of Small and medium scales enterprises in South-East, Nigeria

H_1: Asset tangibility has a significant associate with technological innovation of Small and medium scales enterprises in South- East, Nigeria

Table 6: Result of Pearson product-moment correlation analysis between asset tangibility and technological innovation of Small and medium scales enterprises

		Technological Innovation	Asset Tangibility
Technological Innovation	Pearson Correlation	1	.769**
	Sig. (2-tailed)		.000
	N	500	500
Asset Tangibility	Pearson Correlation	.769**	1
	Sig. (2-tailed)	.000	
	N	500	500

****. Correlation is significant at the 0.05 level (2-tailed).**

Interpretations

Table 6 presents result of Pearson Product Moment Correlation (PPMC) test on the relationship between asset tangibility and technological innovation of Small and medium scales enterprises in South- East, Nigeria. The correlation table revealed that asset tangibility had a significant relationship with technological innovation of Small and medium scales enterprises in South- East, Nigeria ($r = 0.769$, $p<0.05$). This implies that asset tangibility increase technological innovation of Small and medium scales enterprises in South-East. Therefore, the finding indicates that asset tangibility had a significant relationship with technological innovation of Small and medium scales enterprises in South-East, Nigeria. Based on this result, the null hypothesis one (H_0) which states that asset tangibility had no significant relationship with technological innovation of Small and medium scales enterprises in South- East, Nigeria is hereby rejected.

Summary of Findings

1. Collateral requirement had a significant negative relationship with mentoring of Small and medium scales enterprises in South- East, Nigeria ($r = -0.887$, at $p=0.000<0.05$).
2. Loan procedure had asignificant positive relationship with Coaching of Small and medium scales enterprises in South- East, Nigeria ($r = 0.813$, at $p= 0.000<0.05$).
3. Asset tangibility had a significant associate with technological innovation of Small and medium scales enterprises in South- East, Nigeria ($r = 0.769$, $p= 0.000<0.05$).

CONCLUSION

The study examines the relationship between financial accessibility and Small and medium scales enterprises development in South- East, Nigeria. Data was obtained from primary sources and tested using Pearson product-moment correlation analysis. The results showed that collateral requirement had no positive significant relationship with mentoring of Small and medium scales enterprises; loan procedure had asignificant positive relationship with coaching of Small and

medium scales enterprises, asset tangibility had a significant associate with technological innovation of Small and medium scales enterprises Therefore, the study concluded that financial accessibility had a positive significant relationship with Small and medium scales enterprises development in South-East, Nigeria

Based on the findings of the study the following recommendations are proffered towards enhancing the development of small and medium enterprises South-East, Nigeria

1. Collateral demanded by financial institution before give out loan to Small and medium scales enterprises should be flexibly and not compulsory to ensure that such facilities are being well utilized. Financial institution should come up with policies that flexibly to enable Small and medium scales enterprises to access financial assistance
2. Loan procedure should classify into low and high-interest loans scheme. The conservative loans to entrepreneurship can be maintained as low-interest loans, while loans for capital assets or technology acquisition should be low-interest loans, which can be secured and assist the development of entrepreneurship.
3. Small and medium scales enterprises should have little tangible asset in other to assess financial assistance from financial institution. This will go a long way to

improve Small and medium scales enterprises development.

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