Oeconomia Copernicana

Volume 13 issue 1 2022

p-ISSN 2083-1277, e-ISSN 2353-1827
www.oeconomiacopernicana.pl

Received: 28.12.2021; Revised: 24.01.2022, Accepted: 25.02.2022, Published Online: 09.03.2022

IMPACT OF ENTREPRENEURIAL LITERACY ON SUSTAINABLE FINANCIAL GROWTH OF SMALL AND MEDIUM ENTERPRISES (SMES) IN OYO STATE, NIGERIA.

Solomon Adejare BABARINDE
Department of Business Administration and Marketing, Redeemer's University, Nigeria

Thomas Duro AYODELE
Department of Finance, Redeemer's University, Nigeria

Oluwayemisi Kadijat ADELEKE
Department of Economics, Redeemer's University, Nigeria

Omowumi Monisola AJEIGBE
Department of Economics, Redeemer's University, Nigeria

ABSTRACT

Entrepreneurial literacy in the whole world is a boost to the requisite competences in the twenty-first century for the small and medium enterprises (SMEs), and enhancing sustainable and inclusive development. Entrepreneurial literacy is equipping an individual with the mindsets, abilities, and knowledge necessary to recognize a chance and help it expand in a sustainable manner. Due to the high failure rate of new businesses, sustainability is tough to attain, but it is gaining attention, especially since it was revealed that there is a distinct connection between entrepreneurial literacy and long-term financial development. Hence, the need to assess the impact of entrepreneurial literacy on sustainable financial growth in Small Medium Enterprises (SMEs) in Oyo state, Nigeria. This study was designed to examine the various forms of entrepreneurial literacy, challenges in achieving sustainable financial growth and the impact of entrepreneurial literacy on sustainable financial growth in SMEs.In conducting this study, quantitative analysis was employed to ascertain the impact of entrepreneurial literacy on sustainable financial growth in SMEs. Descriptive statistics and chi square were used to achieve the purpose of this study. Descriptive statistics was used to summarize the characteristics of respondents, various forms of entrepreneurial literacy and challenges in achieving sustainable financial growth. Chi-square analysis was used to assess the significant impact of entrepreneurial literacy on sustainable financial growth in SMEs and test the null hypotheses at 0.05

levels of significance for accepting or rejecting the hypothesis. The study revealed that a good number of the entrepreneurs had high perceived level of the different forms of entrepreneurial literacy which includes good leadership and entrepreneurship skills, refresher courses on marketing, growth strategy, innovation and innovation management, good financial management practices and so on. Also, majority of the entrepreneurs admitted to the challenges faced in achieving sustainable financial growth in SMEs such as insufficient savings, difficulty in getting partners, high interest rate associated with lending to SMEs by banks, poor record keeping and accounting system, inability to generate sufficient returns on investments to pay off principal & interest and so on which affects sustainable financial growth in SMEs. The study has proven that entrepreneurial literacy has significant impact on sustainable financial growth in SMEs. Therefore, this study established that the importance of entrepreneurship literacy in the advancement of the financial system in SMEs is undeniable.

Keywords: Entrepreneurial literacy, financial growth, Small and Medium Enterprises, SMEs, Sustainable.

INTRODUCTION

Entrepreneurial literacy in the whole world is a boost to the requisite competences in the twenty-first century for the success and growth of small and medium enterprises (SMEs), and enhancing sustainable and inclusive development. Small and medium enterprises are known as the pillars of economic development and the empowerment of societies (Miranda & Miranda, 2018). Small and medium enterprises (SMEs) contribute significantly to economic growth by distributing wealth, creating jobs, advancing technology, reducing poverty, and innovating (Agyei et al., 2018). A potent SME Service industry is vital for building a strong industrial economy in a financial system, and thus, well-functioning SMEs are necessary for stable and sustainable economic progress (Smallbone, 2010). This viewpoint is shared by authorities and analysts that see entrepreneurial literacy as a tool that can help SMEs achieve economically beneficial efficiency and growth if it is properly integrated into systems, laws, and federal awareness (Nyachoti et al., 2018).

Entrepreneurial literacy is widely known as a tool for achieving small and medium enterprises growth and development including job creation (Eze et al, 2019).Entrepreneurial literacy is equipping an individual with the mindsets, abilities, and knowledge necessary to recognize a chance and help it expand in a sustainable manner. Due to the high failure rate of new businesses, sustainability is tough to attain, but it is gaining traction, especially since it was revealed that there is a distinct connection between sustainability practices and long-term financial development. According to research on company overall survival, roughly 19 % to 22% of enterprises fail during their first year of operation, and about half of businesses fail in their 5th year (Cook et al., 2012). The lifetime rate is influenced by a variety of factors, including macroeconomic variables like overall economic progress or access to finance, as well as specific factors like the number of workers by the new company, its industry, the tension of becoming self-employed, and the motivation that prompted the founder to be an entrepreneur.

Ngugi (2013) stated that, acquiring entrepreneurial knowledge and mindsets facilitates the achievement of strong financial value over time. The firm must be lucrative to ensure long-term profit development, and this is the notion of sustainability solutions. It is also worth noting that profitability is really not solely about long-term financial progress. Managing risk and effective governance are essential for long - term profitability, particularly for funds (Nobanee, 2020). It was claimed that countries in South America, such as Brazil, as well as the Middle East, such as Malaysia and India, have reaped significant benefits from promoting entrepreneurial education, which has resulted in rapid and long-term financial expansion and progress. Startups with innovative goods or more effective production methods can replace existing, less efficient businesses with the help of a stable and well-functioning monetary sector (Nobanee, 2020). This will lead to increased production and the utilization of underemployed resources in the economy. The importance of entrepreneurship literacy in the advancement of the financial system is undeniable. Therefore, this study seeks to assess the impact of entrepreneurial literacy on sustainable financial growth of Small and Medium Enterprises (SMEs) in Oyo state, Nigeria.

Statement of the Problem

Small and medium enterprises add value to the nation's progress and expansion (Abbasi et al, 2018). Financial sustainability in SMEs, on the other hand, is an issue. Small and medium enterprises face various challenges that include finance, supply chain, and knowledge gaps. Finance has been recognized as a critical difficulty for SMEs by analysts (Quartey et al, 2017).SMEs face financial difficulties, according to Ezeagba (2017), since they lack effective financial management. Several entrepreneurs do not possess the requisite account books and documents to ensure that the company accounts for all of its expenditures. SME success is hampered by a lack of proper monetary backing. SMEs, on the other hand, could tackle the obstacle by identifying the variables that cause the problem and devising a solution.

Entrepreneurial literacy is a new paradigm for evaluating human achievement in terms of business development. The startup's business development is certainly aided by a deep awareness and adept competence in the business world. Entrepreneurial literacy is essential since most individuals who want to start a business have insufficient knowledge about financial management, taxes concerns, credit control, and the formation of long-term business projections (Winarno, 2018).

According to information gotten from the Office of Cooperatives and Small-Medium Enterprises, SME's rose by 2.41 percent in 2013 over the previous year. Microbusiness actors have lately overtaken small-medium firms. The traditional concern addressed in micro firms is the irregularity of the business operator, making it challenging to scale up the standard. It implies that a beginner entrepreneur in microbusiness has insufficient experience of company and long-term financial management. This issue could be caused by a lack of entrepreneurial literacy among corporate entities (Winarno, 2018). Against these backdrops, it will be needful to assess the impact of entrepreneurial literacy on sustainable financial growth in Small Medium Enterprises (SMEs).

Objectives of the Study

This study seeks to investigate the impact of entrepreneurial literacy on sustainable financial growth of Small and Medium Enterprises (SMEs) in Oyo state, Nigeria. The specific objectives are:

1. To examine the various forms of entrepreneurial literacy in SMEs in Oyo State
2. To examine the challenges in achieving sustainable financial growth in SMEs in Oyo State
3. To assess the impact of entrepreneurial literacy on sustainable financial growth of SMEs in Oyo State

Research Hypothesis

$H0_1$: There is no significant impact ofentrepreneurial literacy on sustainable financial growth in SMEs.

Significance of the Study

According to the Nigerian Small Medium Enterprise Development Agency, SMEs fail eighty percent of the time during first five years of operation (Agwu, 2014; Akinso, 2018). The information obtained from this research would contribute significantly to raising awareness among SME owners about various ways to improve a company's performance and financial development through entrepreneurial literacy. Business person receive entrepreneurial literacy training in order to develop the skills. SME productivity, earnings, income, and scale all benefit from entrepreneurship literacy (Mayuran, 2016). This study's entrepreneurship literacy evaluations aid in the discovery of significant improvement in sales, revenue, capital stock, and financing operations. Such knowledge has the biggest influence in terms of improving financial management and excellent company standards (Martinez et al., 2016).

LITERATURE REVIEW

Overview of Small and Medium Scale Enterprises (SMEs)

Small and Medium Scale Enterprises have no generally held definition. The size of a SME, as defined by the number of staff, earnings, or resources, is arguably the defining factor. SMEs can be separated from microenterprises and major corporations based on these qualities. There is a greatdisagreement on the particular cutoff (IEG World Bank, 2013). SMEs are classified as formal businesses, as opposed to informal businesses.Conversely, the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA) (both part of the World Bank group) define SMEs as companies with ten to three hundred staff and holdings of $100,000 to $15 million (about €11.4 million) or transactions in that range (IEG World Bank, 2013).

Small-scale businesses are also characterized in terms of yearly income and the percentage of paid workers in the US, the United Kingdom, and Canada. In the United Kingdom, a small scale firm is defined as one with a yearly income lower than 2 million pounds and under 200 paid workers(Dalberg Global Development Advisors, 2011). Nevertheless, in Japan, they are classed according to the specific industry and the size of salaried staff. Since around 2012, SMEs are known as the "backbone of the European economy," accounting for ninety-eight percent of all firms with a maximum of 20.7 million entities, sixty-seven percent of total employment, and fifty-eight percent of gross value added in the EU (EC,2012). The magnitude or quantity of stocks, total yearly revenue, and the number of personnel are all used to characterize SMEs in Nigeria and other countries. As a result, SMEs are classified as organizations with one to twenty employees and investments ranging from N20,000 to N500,000. In their study, Aremu and Adeyemi (2011) said that Nigerian SMEs exist to create jobs, decrease poverty, produce wealth, and minimize wealth gaps. Furthermore, it is widely acknowledged that SMEs represent the bedrock upon which large corporations are built (Onakoya et al, 2013).

Entrepreneurial Literacy

Entrepreneurial literacy is defined as "the entire set of educational and training operations that aim to prepare people to engage in business behaviors, or some of the factors that influence that desire, like entrepreneurial skills, the perceived benefits of the activity, or its viability" (Lián, 2014). Many entrepreneurial literacy programs aim to help people achieve some development of business skills. Entrepreneurial competencies are information, abilities, and dispositions that influence one's desire and capacity to execute the entrepreneurial task of making unique value. This concept is in line with most of the studies on both general and entrepreneurial abilities (Lackeus, 2015). In the last three decades, entrepreneurship literacy has been greatly focus on by researchers as well as regulators.This rise in demand can be ascribed to the relative benefits of the program in preparing future entrepreneurs as well as a 21st-century technique for promoting economic sustenance. Mauchi et al., (2011) noted that entrepreneurship literacy is a path that enables a person to develop a commercially attractive concept after obtaining the relevant knowledge, mindsets, and skills. It is critical to establish a foundation for creativity and the construction of a moral code, as well as to foster an entrepreneurship spirit that promotes wealth generation and accelerates innovation.In fact, entrepreneurship literacy may change the mindset of an entrepreneurto think favorably about starting a business that would increase employment and, at the end of the day, make a significant contribution to the community to enhance the country's financial position (EU, 2012). Entrepreneurial literacy has historically been regarded as teaching the necessary competencies needed to start a new business, but the optimal way for instilling this competence in management has been confusing. Various ways for passing on experience can be made use ofin regards to the aim. The best techniques to use are industrial education and the use of a controlled setting of role play and operating practices to broaden the comprehension of entrepreneurship knowledge to spectators, if the goal is persons' abilities and the creation of potential business owners, (Nyachoti et al., 2018).

Relationship between Entrepreneurial Literacy and Financial Growth

Owing to the fact that finance is a limited resource trying to compete among several uses, it must be planned for properly in order to achieve the startup's objectives. Monetary expansion is a part of entrepreneurial education that needs to be focused on. It is the real control of financing needed to fund the firm's investments and every other actions performed by the enterprise (Nyachoti et al., 2018). Because of the dynamism of financial progress for all company entities, it is indeed critical to pay greater attention to asset returns, return on capital, and capital market fluctuations. Several researches have highlighted these aspects as a primary cause of corporate failure or success if not properly managed. When they receive the funds, numerous business persons may face difficulties handling their finances. They lack the financial management abilities necessary to distribute their funds based on their needs. According to many research, insufficient money, financial mismanagement, and improper cost control and pricing of commodities are important challenges for several entrepreneurs. This conduct can result in poor cash flow administration and bookkeeping practices, both of which impact basic internal controls and, as a result, business results (European Union, 2012).

Challenges of Sustainable Financial Growth in Nigeria

Businesses encounter numerous problems all throughout the world, particularly when they are first beginning. This holds true for SMEs as well. SMEs in Nigeria suffer a variety of financial issues that limit their ability to survive and expand. The most serious issue that MSMEs confront is acquiring financing. Access to finance, particularly credit, is a vital facilitator for small and medium-sized businesses' progress and expansion. These are because, conventional banks are not constructed to provide the type of loan sought by small businesses considering the nature of their financing evaluation tools, and small firms have major underlying structural faults that characterize them as potentially dangerous borrowers (Onakoya et al. 2013).

In regards to other financial difficulties for SMEs, poor use of financial assets and deficient working capital management in terms of cash inventories and receivables management frameworks have been identified. Cash-flow issues are special among them because degradation of cash-flow in a company forces the proprietors to fund everyday activities with equity capital or personal finances, and when this scenario persists for a long time, the dissolving equity capital affects the company's survival (KOSGEB, 2011). Furthermore, it is said that effective inventory management improves SMEs' competitive edge (KOSGEB, 2011). Other researches have proven the relevance of cash and inventory management for SMEs(Kaya &Alpkan, 2012). Improper overall and financial planning, dearth of feasibility evaluations before investment choices, limited financial record keeping, and absence of financial report assessments because of inadequate financial knowledge of SME owners/managers are part of the primary trouble spots of SMEs in Turkey in terms of financial management(Kaya &Alpkan, 2012; Alkış&Temizkan, 2012; Güler,2010). The SME loan market, on the other hand, is infamous for market inefficiencies and defects. As a result, fifty-five percent to sixty-eight percent of official SMEs in emerging markets and developing economies are either not served or poorly served by financial firms, leading to an overall credit deficit of USD5.1 trillion (PWC, 2020).

Review of Entrepreneurial Literacy and Sustainable Financial Growth

Since sustainable fiscal improvement is at the heart of a small business's overall management system, financial inefficiency and inefficacy have a negative impact on the SME's lifespan and productivity. Because the majority of SMEs' challenges are financial in origin, poor fiscal growth is a crucial and prevalent reason of SMEs' failure (Jindrichovska, 2013). Lack of financial growth expertise, along with the instability of the business climate, frequently causes SMEs to confront major financial and overall performance issues, which can even jeopardize the company's survival (Kaya &Alpkan, 2012).

An empirical study was conducted on the financial management methods of 260 SMEs in the southeastern Turkish cities of Kahramanmaraş, Hatay, Anlurfa, Adyaman, and Gaziantep (Karadag, 2015).The results indicated that SMEs' financial growth procedures are "not satisfactory," as most strategies are only "partially" implemented. The research study's main finding was that there is a general absence of entrepreneurial literacy in fiscal expansion strategies. An analysis of thirty SMEs was done by Güler (2010). According to their results, lack of adequate management knowledge and the accumulation of receivables in administration of working capital are two of the major difficulties that SMEs face when it comes to maintaining financial growth. Nigeria has a substantial but largely untapped possibility for entrepreneurship due to its population composition, with the underlying determinants being a lack of technical understanding and education in the preparation of business plans, as well as challenges in obtaining startup capital to cover the high costs of starting a business (Karadag, 2015). The macroeconomic development assumption Becker 1964 proposed this hypothesis, which recognizes the need for requisite skills, competencies, and qualities (human capital) that are embodied and aid in the formation of individual views, social, and financial well-being (Becker, 1964). Becker emphasizes the importance of human capital in improving the firm's desirability and administration, which leads to long-term viability and a competitive edge over rivals in any given market. Human capital, according to academics, is a strategy that may be utilized to endorse the notion that knowledge provides persons with intellectual talents with the ability to be more prolific and contribute immensely at given task (Becker, 1964). In his dissertation, Ngugi (2014) also stated that knowledge and talent combine to generate human capital, which is the main element for business success in terms of profitability, development, and expansion.Entrepreneurs are said to have higher forms of human capital, giving them an advantage in identifying and exploiting opportunities for the goal of improving corporate performance.

Human capital emphasizes the need of human resources development through educational and entrepreneurship training. Schultz relates gaining knowledge and competence to increasing production and the development of corporate entities that results to enterprises continuing to operate well. Also there is a widespread assumption that promoting solid entrepreneurial literacy among SME leadership will enhance wage gains, ability to pay back loans, save money, and minimize waste, which will all boost the effectiveness of these businesses. Theory of Firm places a high value on human resources, particularly management issues that impede firm growth (Penrose, 1959). This model emphasizes on a firm's internal workings, explaining endogenous data on - uniqueness and innovation on firm growth while also explaining the outside environment in which the company carries out activities, which should be the picture in the imaginations of the company's management. When the two engage, the companies' output potential is defined. This theory is important because it departs from traditional lucrative theories, which focus on personal enterprises rather than considering them as a product of their external environment (Pitelis, 2002). The approach emphasizes administrators who must practice sound management techniques; nevertheless, this is influenced by the enterprises' internal dynamism, their grasp of external and internal reality, as well as their own motivation, which comprises earnings, but also socio-psychological factors Jensen and Meckling (Jensen and Meckling, 1976). Because SMEs rely on management systems with human resource features to manage their everyday commercial operations, this concept is appropriate to the research.The approach emphasizes the importance of expertise and business routines, as well as the use of external networks to assist the enterprises' activities. Sound business principles must be learned through entrepreneurial literacy in order for a company to flourish and prosper.

METHOLODOGY

Oyo State is astate in southwest part of Nigeria. Ibadan is its capital, the third most populated city in Nigeria and previously the second most populated city in Africa (Katrine, 2019). Oyo State has boundary by Kwara State, Osun State, Ogun State and the Republic of Benin. With anestimated population of 7,840,864 in 2016, Oyo State is the fifth most populated city in the Nigeria.The inhabitants of Oyo State residents are Yoruba. It is also called the "Pace Setter State", present-day Oyo State sits on domains formerly ruled by different kingdoms and empires.Oyo State is known for being the site of the premier university in Nigeria, the University of Ibadan (Oyo State, 2019). The state economy remains mostly agriculture with the western city of Shaki being known as the state's breadbasket. Cassava, cocoa, and tobacco are among the vital crops to Oyo State's economy. There is a total of one hundred and three (103) entrepreneurs in the Small and Medium Enterprises (SMEs). These are target population for this study.

The study adopted a quantitative methods research design of cross-sectional study assessment of entrepreneurial literacy on sustainable financial growth of small and medium enterprises (SMEs) in Oyo state, Nigeria. The sample size was calculated using Cochran's formula to select the number of study units from the defined study population.

$$n = \frac{Z^2 pq}{e^2}$$

Where:

n is the calculated sample size

Z is the standard normal deviation at a confidence interval set at 95% (1.96)

p is the proportion of the target population which is estimated to have the characteristics being measured.

q is the proportion of the target population which is estimated not to have the characteristics being measured (q = 1- p). $q = 1 - 0.0.864 = 0.136$

e is the level of precision set at 5% (0.05)

$$n = \frac{Z^2 pq}{e^2}$$

$$n = \frac{(1.96)^2(0.935)(1 - 0.935)}{0.05^2}$$

$$n = \frac{3.8416 \times (0.935 \times 0.065)}{0.0025}$$

$$n = \frac{0.2335}{0.0025}$$

$$n = 93.4$$

10% for possible non response rate

Hence, n = $93.4 + 10\%$ of (93.4)

n = $93.4 + 9.34$

n = $102.74 \sim 103$

n = 103

Data was collected using interviewer-administered structured questionnaire made up of 38 questions, the questionnaire was divided into four (4) section, section one deals with individual demographic data, section two deals with questions relating to various forms of entrepreneurial literacy in SMEs, section three deals with questions relating to challenges in achieving sustainable financial growth in SMEs while section four deals with questions relating to the impact of entrepreneurial literacy on sustainable financial growth in SMEs.

Self-administered questionnaires procedures were used to collect data with the help of trained research assistants. The questionnaires have open-ended questions. Simple random sampling technique was used to select the participants among the selected 103 entrepreneurs in the Small and Medium Enterprises (SME). Analysis of data was done using Statistical Package for Social Sciences (SPSS) version 20 and it entails frequencies and cross-tabulation tables with chi-square tests of significance at 5 %. The results were presented in form of graphs, tables and figures.

DATA ANALYSIS, RESULT AND INTERPRETATION

This section is concerned with the analysis, interpretation of data, as well as generalization based on the outcome of the analysis. It focused on univariate and bivariate analysis and interpretation of the impact of entrepreneurial literacy on sustainable financial growth of Small and Medium Enterprises (SMEs) in Oyo state, Nigeria.

SOCIO-DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS

Univariate level of analysis which includes frequency and percentage distribution of the respondent on the impact of entrepreneurial literacy on sustainable financial growth of Small and Medium Enterprises (SMEs) in Oyo state, is used From Table 4.1.1, out of 103 respondents, the males are about 9% less than females. Majority of the respondents, 60.2% are within age group 26-35 while 15-35 are 32% and 36-45 are 7.8%. Almost 80% of the respondents are Christians while others practice Islam. Majority of the respondents, 83.5% are singles, 8.7% are married while 7.8% are divorced.About half ofthe respondents have MA/MSc and above, 38.8% haveHND/B.Sc./BA while others have ND/NCE, secondary or primary background. Almost 75% of the respondents are Yoruba 18.4% are Igbo while others are Hausa

Table 4.1.1 Socio-Demographic and Economic Characteristics of respondents

	FREQUENCY(n=103)	**PERCENT (%)**
GENDER		
Male	47	45.6
Female	56	54.4
AGE GROUP		
15-25	33	32.0
26-35	62	60.2

36-45	8	7.8
RELIGION		
Christianity	79	76.7
Islam	24	23.3
MARITAL STATUS		
Single	86	83.5
Married	9	8.7
Divorced	8	7.8
EDUCATIONAL LEVEL		
Primary	8	7.8
Secondary	8	7.8
ND/ NCE	1	1.0
HND/B.Sc/BA	40	38.8
MA/MSc and above	46	44.7
ETHNIC GROUP		
Yoruba	76	73.8
Igbo	19	18.4
Hausa	8	7.8
LINE OF BUSINESS		
Trading (Buying and Selling)	57	55.3
Manufacturing	23	22.3
Construction	15	14.6
Artisan	8	7.8
MONEY INVESTED		
N5,000-N20,000	40	38.8
N21,000-N50,000	32	31.1
N51,000-N100,000	31	30.1
NUMBER OF STAFF EMPLOYED		
None	30	29.1
1-5	65	63.1
6-10	8	7.8
NUMBER OF YEARS OF ORGANIZATION		
1-4 years	79	76.7
5-8 years	24	23.3

55.3% of the respondents are into Trading (buying and selling), 22.3% are into manufacturing, and 14.6% are into construction while others are artisan. Almost 40% of the respondents invested N5,000 -N20,000, 31.1% invested N21,000-N50,000 while 30.1% invested N51,000-N100,000. Most the respondents employed 1-5 staff, 29.1% don't have staff while 7.8% have 6-10 member of staff. 76.7%

of the respondents have their organization for 1-4 years while others had it 5-8years.

Data Analysis 1

Uni-Variate level of analysis includes frequency and percentage distribution of the respondents to assess the different forms of entrepreneurial literacy.

Table 4.2.1.1: Table showing the awareness and knowledge of respondents on the different forms of entrepreneurial literacy.

	FREQUENCY(n=103)	**PERCENT (%)**
Are you aware of any entrepreneurial literacy?		
Yes	95	92.2
No	8	7.8
Did you partake in any form of entrepreneurial literacy training?		
Yes	89	86.4
No	14	13.6

92.2 %of the respondents are aware of entrepreneurial literacy while others do not. Also, majority of the respondents, 86.4% partake in the entrepreneurial literacy training. This indicates a high knowledge of the different forms of entrepreneurial literacy among the respondents.

Table 4.2.1.2 Likert scale: showing the different forms of entrepreneurial literacy

S/N		YES	NO
3.	Good leadership and entrepreneurship skills	56(54.4%)	47(45.6%)
4.	Refresher courses on marketing	63(61.2%)	40(38.8%)
5.	Growth strategy	55(53.4%)	48(46.6%)
6.	Innovation and innovation management	72(69.9%)	31(30.1%)
7.	Good financial management practices	63(61.2%)	40(38.6%)
8.	Financial administration and business development	55(53.4%)	48(46.6%)
9	Structural Human Resource Management	59(57.3%)	44(42.7%)
10.	Interaction with other SMEs	56(54.4%)	47(45.6%)

From Table 4.2.1.2, more than half of the respondents are affirmed that good leadership and entrepreneurship skills is one of the different forms of entrepreneurial literacy, 61.2% of the respondents attested to refresher courses on marketing while 53.4% of the respondents also revealed growth strategy as a form of entrepreneurial literacy. Close to 70% of the respondents stated innovation and innovation management as part of entrepreneurial literacy. 61.2% of the respondents were well informed about good financial management practices. 57.3% of the respondents were also acquainted with structural human resource management and 54.4% of the respondents had interaction with other SMEs.

Table 4.2.1.3: Table showing the perceived level of the different forms of entrepreneurial literacy.

	FREQUENCY(n=103)	PERCENT (%)
Low	13	12.6
Average	44	42.7
High	46	44.7

From Table 4.2.1.3, close to half of the respondents had high perceived level of the different forms of entrepreneurial literacy, 42.7% had average perceived level while 12.6% had low perceived level are well acquainted with the different forms of entrepreneurial literacy.

Data Analysis 2

Uni-variate level of analysis includes frequency and percentage distribution of the respondents to examine the challenges of sustainable financial growth in SMEs.

Table 4.3.1.1: Table showing sustainable financial growth in SMEs.

	FREQUENCY(n=103)	PERCENT (%)
Source of funds for establishing		
Personal Savings	64	62.1
Loan from friends	32	31.1
Contribution from friends	7	6.8
Have you experienced any financial set-back in the last 3 months?		
Yes	63	61.2
No	40	38.8

The table above shows that more than 60% of the respondents use their personal funds as their source of funds and also experience financial set-back in the last three months.

Table 4.3.1.2: Table showing challenges of achieving sustainable financial growth in SMEs.

ITEMS	STRONGLY AGREE	AGREE	UNDECIDED	DISAGREE	STRONFLY DISAGREE
Insufficient savings	47(45.6%)	40(38.8%)	8(7.8%)	8(7.8%)	0
Difficulty in getting partners	23(22.3)%	73(70.9%)	7(6.8%)	0	0
High collateral requirements by banks	19(18.4%)	56(54.4%)	19(18.4%)	0	8(7.8%)
High interest rate linked with borrowing to SMEs by banks	20(19.4)%	46(44.7%)	19(18.4%)	9(8.7%)	9(8.7%)

Disbursement method of Bank of Industry (BOI) is known for secrecy and ending in the hands of someentrepreneurs.	30(29.1%)	28(27.2%)	27(26.2%)	9(8.7%)	9(8.7%)
Poor record keeping and accounting system	24(23.3%)	55(53.4%)	24(23.3%)	0	0
Lack of funds to train existing staff on the latest technology and skills	24(23.3%)	47(45.6%)	24(23.3%)	0	8(7.8%)
Inability to generate sufficient returns on investments to pay off principal & interest	24(23.3%)	39(37.9%)	16(15.5%)	8(7.8%)	16(15.5%)
Expected market conditions are unfavorable.	32(31.1%)	39(39.7%)	24(23.3%)	0	8(7.8%)

From Table 4.3.1.2, 87% of the respondents agreed that insufficient savings is a challenge to achieving sustainable financial growth in SMEs**,** 7.8% were indecisive and disagree respectively. More than 90% of the respondents affirmed that difficulty in getting partners is a constraint to sustaining financial growth while others were indecisive. Above 70% of the respondents noted that a high collateral requirement by banks affects sustainable financial growth in SMEs while others disagreed. 63.1% of the respondents revealed that high interest rate associated with lending to SMEs by banks is a barrier to sustaining financial growth in SMEs, 18.4% were indecisive while others disagreed. More than half of the respondents affirmed that disbursement process of Bank of Industry (BOI) is known for secrecy and ending in the hand of some entrepreneurs which is a constraint to achieving sustainable financial growth in SMEs**,** 26.2% were indecisive while others disagreed. Close to 80% of the respondents agreed that poor record keeping and accounting system challenges sustainable financial growth in SMEs while others were indecisive. More than 60% of the respondents revealed that lack of funds to train existing staff on the latest technology and skills is a challenge to achieving sustainable financial growth in SMEs, 23.3% were indecisive while others disagreed. 61.2% of the respondents agreed that inability to generate sufficient returns on investments to pay off principal & interest affects sustainable financial growth in SMEs, 15.5% were indecisive while others disagreed. About 70% of the respondents that unfavorable market conditions is a barrier to sustaining financial growth in SMEs, 23.3% were indecisive while others disagreed.

Data Analysis 3

Uni-variate level of analysis includes frequency and percentage distribution of the respondents to assess the impact of entrepreneurial literacy on sustainable financial growth**.**

Table 4.4.1.1 Likert scale: showing the impact of entrepreneurial literacy on sustainable financial growth

ITEMS	STRONGLY AGREE	AGREE	UNDECIDED	DISAGREE	STRONFLY DISAGREE
Refresher courses in management have enabled the business improve its operations.	64(62.1%)	31(30.1%)	8(7.8%)	0	0
Management have the needed skills to oversee the preparation of financial statements.	40(38.8%)	40(38.8%)	23(22.3%)	0	0
There is increase in equity of the business.	25(24.3%)	31(30.1%)	39(37.9%)	8(7.8%)	0
There has been an increase on return on assets.	40(38.8%)	31(30.1%)	24(23.3%)	8(7.8%)	0
The firm now has a better investment policy.	24(23.3%)	39(37.9%)	24(23.3%)	8(7.8%)	8(7.8%)
The firm's net profit margin is above average.	48(46.6%)	23(22.3%)	16(15.5%)	8(7.8%)	8(7.8%)

Almost90% of the respondents agreed that refresher courses in management have enabled the business enhance its operations while 7.8% are indecisive. About 78% affirmed that the management have the needed skills to undertake the preparation of financial statements while 22.3% are indecisive. More than halfof the respondents indicated increase in equity of the business, 37.9% are indecisive while 7.8% disagreed. Close to 70% revealed increase on return on assets, 24% are indecisive while others disagreed. 68.9% agreed that the firm's net profit margin is above average, 15.5% are indecisive while others disagreed.

4.4.2. Bivariate analysis which includes cross tabulation and chi square to show the impact of entrepreneurial literacy on sustainable financial growth in SMEs**.**

Hypothesis one

H0[1]: There is no significant impact between entrepreneurial literacy and sustainable financial growth in SMEs.To test this hypothesis, the impact of entrepreneurial literacy on sustainable financial growth was compared using chi square statistics.

Table 4.4.2.1: Summary of the chi square test for the impact of entrepreneurial literacy on sustainable financial growth

CHARACTERISTICS AND VARIABLE	**Entrepreneurial literacy**					
		LOW	**AVERAGE**	**HIGH**	**CHI SQUARE**	**P VALUE**
Sustainable financial growth						
BAD	FREQUENCY	0	8	16	22.825	.000
	PERCENT	0.0%	7.8%	15.5%		
FAIR	FREQUENCY	1	18	20		
	PERCENT	1.0%	17.5%	19.4%		
GOOD	FREQUENCY	12	18	10		
	PERCENT	11.7%	17.5%	9.7%		

Significant at $p \geq 0.05$

From Table 4.2.4.1, the chi-square statistic, $\chi_{(2)}$ =22.825. The p-value obtained was 0.000 which is less than 0.05. Thus, we reject null hypothesis.

This means there was a significant difference between entrepreneurial literacy and sustainable financial growth in SMEs. The result further shows that entrepreneurial literacy has a significant impact on sustainable financial growth in SMEs.

DISCUSSION, CONCLUSION AND RECOMMENDATIONS

This study seeks to investigate the impact assessment of entrepreneurial literacy on sustainable financial growth of Small and Medium Enterprises (SMEs) in Oyo state, Nigeria. Entrepreneurial literacy has been widely known for achieving small and medium enterprises growth and development including job creation. This study adopted the use of questionnaire and it was distributed among one hundred and three entrepreneurs in Oyo state, Nigeria. Descriptive statistics and chi square were used to achieve the purpose of this study and test the null hypotheses at 0.05 levels of significance for accepting or rejecting the hypothesis.

Discussions

The discussions of the findings of the present study are presented here in relation to the research objectives and hypothesis. From Table 4.2.1.2, more than half of the respondents are affirmed that good leadership and entrepreneurship skills is one of the different forms of entrepreneurial literacy, 61.2% of the respondents attested to refresher courses on marketing while 53.4% of the respondents also revealed growth strategy as a form of entrepreneurial literacy. 61.2% of the respondents were well informed about good financial management practices. In summary, close to half of the respondents are well acquainted with all the different forms of entrepreneurial literacy. These tallies with the findings of Mauchi et al. (2011) that entrepreneurship literacy includes relevant knowledge, mindsets, and skills that promotes wealth generation, accelerates innovation and enhance financial position. Also, Nyachoti et al. (2018) noted that entrepreneurial literacy is operating practices to broaden the comprehension of entrepreneurship knowledge to spectators.

The result from Table 4.3.1.2 indicated that 87% of the respondents agreed that insufficient savings is a challenge to achieving sustainable financial growth in SMEs**,** 7.8% were indecisive and disagree respectively. Close to 80% of the respondents agreed that poor record keeping and accounting system challenges sustainable financial growth in SMEs while others were indecisive. 61.2% of the respondents agreed that inability to generate sufficient returns on investments to pay off principal & interest affects sustainable financial growth in SMEs, 15.5% were indecisive while others disagreed. Therefore, most respondents admitted to the challenges faced in achieving sustainable financial growth in SMEs. The findings of this study agreed with the research from European Union, (2012) that insufficient money, financial mismanagement, and improper cost control and pricing of commodities are important challenges for several entrepreneurs. This conduct can result in poor cash flow administration and bookkeeping practices, both of which impact basic internal controls and, as a result, business results. Kaya & Alpkan (2012) also revealed that improper overall and financial planning, dearth of feasibility evaluations before investment choices, limited financial record keeping, and absence of financial report assessments because of inadequate financial knowledge of SME owners/managers are part of the primary trouble spots of SMEs in Turkey in terms of financial management.

The result to statistical analysis relating to the hypothesis one as shown in table 4.2.4.1 revealed that entrepreneurial literacy has a significant impact on sustainable financial growth in SMEs.The finding of this study is in accordance the study of Winarno (2018) that entrepreneurial literacy is essential since most individuals who want to start a business have insufficient knowledge about financial management, taxes concerns, credit control, and the formation of long-term business projections. Also, Ngugi (2013) stated that, acquiring entrepreneurial knowledge and mindsets facilitates the achievement of strong financial value over time. The firm must be lucrative to ensure long-term profit development, and this is the notion of sustainability solutions.

Conclusion

From this study, it can be concluded that:

i. The different forms of entrepreneurial literacy ranges from good leadership and entrepreneurship skills, growth strategy and good financial management practices amidst others.
ii. The finding of the study agreed that there are quite number of challenges in achieving sustainable financial growth in SMEs such as insufficient savings, inability to generate sufficient returns on investments to pay off principal & interest and so on.
iii. It can also be concluded that entrepreneurial literacy has significant impact on sustainable financial growth in SMEs.

Recommendations

i. Entrepreneurial literacy should be made mandatory for all entrepreneurs at all levels. This will enhances their performance at difference level of business operations.
ii. Knowledge obtained from entrepreneurial literacy should be channeled effectively to the financial growth of SMEs to ensure continuity of most businesses.
iii. Banks and financial institutions should work hand-in-hand with entrepreneurs to understand their needs and help them identify the training that focuses on financial growth.

REFERENCES

- Abbasi, W. A., Wang, Z., &Alsakarneh, A. (2018). Overcoming SMEs financing and supply chain obstacles by introducing supply chain finance. Holistical, 9(1), 7-22.
- Adebisi, S. A., & Alaneme, G. C. (2015).Challenges of Finance and the Performance of Small and Medium Enterprises (SMES) in Lagos State. UNILAG Journal of Business, 5(8), 46–58.
- Agyei, S.K. (2018). Culture, financial literacy, and SME performance in Ghana. Cogent Econ. Finance., 6, 14(6), 8-13.
- Alkış, H., & Temizkan, V. (2012). Kobi’lerin Yönetsel Sorunlarının Cözümünde Japon Yönetim Sisteminin Rolü. KarabükÜniversitesi Sosyal Bilimler Enstitüsü Dergisi, 2(1), 22-29
- Aremu, M. A. and Adeyemi, S.L. (2011).Small and Medium Scale Enterprises as a survival strategy for employment generation in Nigeria. Journal of Sustainable Development 4(1), 200-206.

- Azende, T. (2011).An empirical evaluation of small and medium enterprises equity investment scheme in Nigeria. Journal of Accounting and Taxation, 3(5), 79-90.
- Becker and Gary (1964). Human Capital: A theoretical and empirical analysis with special reference to Education. The University of Chicago Press
- Cook, R.; Campbell, D. and Kelly, C. (2012). Survival Rates of New Firms: An Exploratory Study, Small Business Institute Journal. 8(2), 35-42.
- Dalberg Global Development Advisors (2011). Report on Support to SMEs in Developing Countries through Financial Intermediaries (Geneva: EIB, November, 2011).
- European Commission. (2012). Annual Report on Small and Medium-sized Enterprises in the EU: EU SMEs in 2012: At the crossroads.
- European Union, (2012).Effects and impact of entrepreneurship programmes in higher education. A report was prepared in 2012 for the European Commission, DG Enterprise, and Industry. Brussels.
- Eze, B. U., &Eyanuku, J. (2019). Entrepreneurship Education And Enterprise Growth : Evidence Entrepreneurship Education And Enterprise Growth : Evidence From Small And Medium Enterprises In Lagos State, Nigeria. Nigerian Journal of Management, 0–13.
- Kumar, S. (2022). Strategic management of carbon footprint using carbon collectible non-fungible tokens (NFTS) on blockchain. Academy of Strategic Management Journal, 21(S3), 1-10
- Kumar, S. (2021). Review of geothermal energy as an alternate energy source for Bitcoin mining. Journal of Economics and Economic Education Research, 23(1), 1-12
- Roy, V., Shukla, P. K., Gupta, A. K., Goel, V., Shukla, P. K., & Shukla, S. (2021). Taxonomy on EEG Artifacts Removal Methods, Issues, and Healthcare Applications. Journal of Organizational and End User Computing (JOEUC), 33(1), 19-46. http://doi.org/10.4018/JOEUC.2021010102
- Shukla Prashant Kumar, Sandhu Jasminder Kaur, Ahirwar Anamika, Ghai Deepika, Maheshwary Priti, Shukla Piyush Kumar (2021). Multiobjective Genetic Algorithm and Convolutional Neural Network Based COVID-19 Identification in Chest X-Ray Images, Mathematical Problems in Engineering, vol. 2021, Article ID 7804540, 9 pages. https://doi.org/10.1155/2021/7804540
- Ezeagba, C. (2017). Financial reporting in small and medium enterprises (SMEs) in Nigeria.Challenges and options.International Journal of Academic Research in Accounting, Finance and Management Sciences, 7(1). 25-34
- Güler, S. (2010). İstanbul Menkul Kıymetler Borsasına (İMBK) Kayıtlı Küçükve Orta Büyüklükteki İşletmelerin (KOBİ) Sermaye Yapıları ÜzerineBir Uygulama. Suleyman Demirel University, The Journal of Faculty of Economics and Administrative Sciences, 15(3): 353-371.

- IEG World Bank/IFC/MIGA (2013).Evaluation of the World Bank Group's Targeted Support for Small and Medium Enterprises. Approach Paper. January 7, 2013.
- Jensen, M., Meckling, W. (1976), Theory of the Firm: Managerial Behaviour, Agency Costs and Ownership Structure, Journal Financial Economics, 305-360.
- Jindrichovska, I.; Ugurlu, E.; and Kubickova, D.. (2013). Changes in Capital Structure of Czech SMEs: A Dynamic Panel Data Approach, Ekonomika a Management, 2(3): 36-49.
- Karadag, H. (2015). Financial Management Challenges In Small and Medium-Sized Enterprises : Management Challenges In Small and Medium-Sized Enterprises : A Strategic Management. UK: Lifelong Prints
- Kaya, S. and Alpkan, L. (2012). Problems and Solution Proposals for SMEs in Turkey, Emerging Markets Journal, 2(2): 178-196.
- Kosgeb, K. (2011 StratejisiveEylemPlanı 2011-2013, http: //www .sanayi. gov .tr / Files/Documents
- Lackeus, M. (2015). Entrepreneurship in education: What, Why, When, How. OECD, 1-36.
- Mauchi, et al,(2011).Entrepreneurship Education Lessons: A Case of Zimbabwean Tertiary Education Institutions. Educational Research, 2(7), 1306-1311
- Miranda, A. T., & Miranda, J. L. (2018).Status and conditions of small- and medium sized enterprises as predictors in empowering rural communities in Samar Island, Philippines. Asia Pacific Journal of Innovation and Entrepreneurship, 12(1), 105- 119.
- Nenge, Katrine (2019). "Which is the largest city in Africa: Lagos vs. Ibadan city". Legit.ng - Nigeria news. Retrieved 2021-03-07.
- Nobanee, H. (2020). Conceptual Building of Sustainable Financial Management & Sustainable Conceptual Building of Sustainable Financial Management & Sustainable Financial Growth. Nature of Business, 12, 111-119.
- Nyachoti, E. O., Machuki, V., & Oteki, E. (2018).Entrepreneurial Education in Financial Management and Performance of Youth-owned Micro and Small Enterprises in Bungoma County , Kenya. 5(4), Journal of Business Development 112, 33–41.
- Onakoya, A. B. O., Fasanya, I. O. and. Abdulrahman, H. D. (2013). European Journal of Business and Management. 5 (4), 130-136.
- Ondes, T. &Gungor, N. (2013). Kobi'lerin Finansmani Erzurum Organize SanayiBolgesindeBirArastirma. Ataturk University Journal of Economics and Administrative Sciences, 27 (1).
- Oyo State. (2019). Nigerian Investment Promotion Commission. 2019-01-09. Retrieved 2021-03-07.
- Penrose, E.T. (1959). The Theory of the Growth of the Firm; New York, Oxford University Press.
- Pitelis, C. N., ed. (2002). The Growth of the Firm - The Legacy of Edith Penrose. Oxford University Press, Oxford, UK.
- PWC (2020).PwC ' s MSME Survey 2020. June.
- Quartey, P., Turkson, E., &Abor, J., &Iddrisu, A. (2017). Financing the growth of SMEs in

Africa: What are the constraints to SME financing within ECOWAS? Review of Development Finance, 7, 18-28.

- Smallbone, D.; Welter, F.; Voytovich, A.; Egorov, I. (2010). Government and entrepreneurship in transition economies: The case of small firms in business services in Ukraine. Serv. Ind. J. 30, 655–670.
- Winarno, A., Malang, U. N.,Wijijayanti, T., & Malang, U. N. (2018). Does entrepreneurial literacy correlate to the small-medium enterprises performance in batu east java ?24(1), 1–13.