

Assessment of the Problems of Small Business on Venture Performance

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ABSTRACT

Small Business (SB) is the bed rock of economic growth and development in both developed and developing nations. Small ventures create employment opportunities, promote economic flexibility, and contribute to competitiveness among enterprises and nation states for economic efficiency. Despite their contributions to the global economy small scale businesses are facing a number of problems, especially in developing countries that hinder venture performance. The study was designed to assess the problems of SB on venture performance and specifically: To examine the impact of human capital, finance, and business strategy on venture performance. Finally, we examined whether business environment and entrepreneur's culture moderate the relationship between the problems of SB and venture performance. The sampling technique used for the research is multi-stage sampling method. Large primary sampling units were selected such as geopolitical zones in Nigeria, then states, followed by local governments and after that town and finally some industries within the town. However, the technique of random-sampling is applied at all stages hence; the sampling procedure can be described as multi-stage random sampling and questionnaire was the instrument employed, 142 SBs were examined. The data have been subjected to the multiple regressions analysis using SPSS Software. The study observes that inadequate HC and finance, poor/lack of business strategy constraints the performance of SBs. Similarly, business environment and entrepreneur's culture moderate between these problems and venture performance in Nigeria. The research concludes that SB in Nigeria is facing a number of problems. However, the problems prevented them from performing to maximize benefits for economic growth and development of the country. The study suggests among others, that the government and financial institutions should increase its support to SBs. As a matter of policy the government and its agencies should encourage venture capitalists system and angel investors in the country to invest in SBs. Because venture capital and angel investors are near absent in Nigeria today. Consequently, owner-managers should improve in business planning and human resource management.

Keywords: *SB Problems, Venture Performance, Entrepreneurship, Human Capital, Business Strategy, and Finance.*