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FINANCIAL ACCESSIBILITY AND GROWTH OF MANUFACTURING SMALL AND MEDIUM ENTERPRISES IN NORTH CENTRAL NIGERIA

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Abstract: *This study investigated the effect of financial accessibility on growth of manufacturing small and medium enterprises in North Central Nigeria. Specifically, the study examined the effect of credit terms, collateral, payment frequency and cost of credit on the growth of manufacturing small and medium enterprises in North Central Nigeria. This study utilized the survey research design, the study area is North Central Nigeria, comprising of Benue State, Kogi State, Kwara State, Nasarawa State, Niger State, Plateau State and the Federal Capital Territory. The population of the study was 1,784 with a sample size of 327 generated scientifically using Yamen's Formula. The study made use of questionnaire with a validity and reliability index of .742 and .802 respectively. The study established that there exist a positive and significant effect of the dimensions of financial accessibility on growth of manufacturing small and medium enterprises in North Central Nigeria. Considering outcomes based on hypothetical findings which shows a statistically significant positive relationship between financial accessibility and the growth of manufacturing SMEs, the study concluded that improved access to financial resources (credit terms, collateral, frequency payment and cost of credit), positively impacts the growth of manufacturing SMEs in North Central Nigeria. This finding would support policies and initiatives aimed at increasing financial accessibility to spur SME growth in the region. Since financial accessibility is found to have a statistically significant and meaningful impact on the growth of manufacturing SMEs in North Central Nigeria, the study recommended among others that on improving credit terms, owners / managers of these SMEs partner with financial institutions so as to consider offering flexible repayment terms tailored to the cash flow patterns of manufacturing SMEs. This could include grace periods or seasonal adjustments for industries with fluctuating demand.*

Keywords: *Financial Accessibility, growth, credit terms, collateral, payment frequency, cost of credit, sales growth, business expansion*

1.0 INTRODUCTION

1.1 Background to the Study

The majority of small and medium-sized businesses (SMEs) are having trouble getting financing due to the current rapid upsurge in many market-driven economies, which limits their ability to grow competitively. The literature on entrepreneurship claims that SMEs promote economic growth in both developed and developing nations. For instance, they do so by stimulating innovation and creativity and, when given access to funding, by significantly increasing national GDPs (Ghosh, 2016). Through the financial intermediation process, financial institutions are crucial in bridging the gap between households with surpluses and those with deficits. It is anticipated that financial institutions will effectively close the information gap regarding the suppliers of households with surpluses and those with deficits. It has been discovered that having access to financial services enhances economic growth. Economic growth has been found to be restricted in economies where financial institutions restrict financial accessibility (Suku & Makokha, 2018). Regretfully, the majority of SMEs in developing nations still struggle to obtain bank financing, which limits their ability to expand.

Approximately 96% of Nigerian businesses are SMEs, according to IFC studies, compared to 53% in the US and 65% in Europe. They also contribute around 1% of GDP, which is higher than 40% in Asian nations and 50% in the US or Europe (Suberu et al., 2011). Due to their difficulty obtaining bank credit, SMEs are frequently deterred from seeking funding from traditional banks. Thus, there is no denying Nigeria's need for SMEs to expand. According to research by Osoro and Muturi (2013), financial access helps businesses grow by lending money to both new and established companiesBy speeding up economic growth, escalating competition, and increasing demand for labor, it helps the economy as a whole. About 80% of small and medium-sized businesses in Nigeria failed as a result of inadequate funding and other related issues (Balunywa, 2012).

Numerous business surveys have found that the most crucial element influencing the survival and expansion of entrepreneurship in both developed and developing nations is financial accessibility (Eton et al., 2017). According to Waithanji (2014), financial accessibility is the capacity of people or businesses to access financial services such as credit, deposits, payments, insurance, and other management services. An organization can be said to be growing if its size, workforce, assets, capital, sales, and profit all increase (Nongo et al., 2021). In Nigeria, low-income earners view financial accessibility as the best alternative source of capital for their entrepreneurship as a way to increase their income, which will improve their performance through growth and contribute to the nation's economy (Ledgerwood et al., 2021). Because most Nigerians are low-income earners, financial accessibility has made it possible to better manage limited household and business resources, guard against financial risks by seizing investment opportunities, and generate income. SMEs are viewed as tools for enhancing Nigeria's economy and lowering the nation's poverty issue. Many Sub-Saharan African economies are based on small and medium-sized businesses, which also hold the key to a potential resurgence of economic growth and development. Even though SMEs play a significant role in the economies of Sub-Saharan Africa, institutionalized financial service organizations that lend money to businesses do not formally support them, especially when it comes to credit.

Numerous academics have contended that one of the primary obstacles to SMEs' growth at various stages is financial accessibility (Quartey et al., 2017; Atiase et al., 2018; Abubakar et al., 2019). Numerous empirical studies have demonstrated the connection between financing availability and SME growth. For example, Chen and Kieschnick (2018) determined the physical assets, sales growth, and overall profit margins of a subset of US SMEs between 2000 and 2016 using the quasi-likelihood model. According to the study, SMEs in the US may grow in size if they use bank loans to finance their working capital. Despite reviewing the potential for profitability and sales growth, no effort was made to examine how easily SMEs could obtain financing. At the continental level, Yussif et al. (2019) confirmed that a lack of funding had crippled a number of SMEs in Ghana. According to their resource-based view (RBV) theory, the availability of financial resources may have an impact on the expansion of SMEs. According to the study, RBV may be important for SMEs to obtain enough funding for expansion and survival. The strict requirements that financial institutions place on SME owners who want loans, however, were not addressed with much effort. Using the signaling theory, Ibrahim and Ifeyinwa (2020) claimed that the majority of lending institutions in Nigeria face the difficulty of efficiently monitoring SMEs' performance and making sure they are progressing satisfactorily. The results also showed that the degree of transparency in the management of the majority of SMEs may make monitoring difficult. According to Okuwhere and Tafamel (2022), the high level of risk resulting from most businesses' inadequate recording and documentation is linked to the degree of volatility in the growth of Nigeria's SMEs. This study is poised to determine the effect of financial accessibility and growth of manufacturing SMEs in North Central Nigeria.

1.2 Statement of Problem

Because they make use of and contribute to national resources, SMEs are well-known and in a position to serve local, regional, and global markets. Nigeria's economy has grown recently as a result of the importance of SMEs, which have a major impact on a number of recent issues, including the creation of jobs, GDP contribution, government revenue, and poverty alleviation. With the recent change in the Central Bank of Nigeria's cash policy, which did not sit well with the operations of these manufacturing SMEs because cash is now a sacred cow that is purchased at a high rate, the high attendant rate of business failures among Nigerian manufacturing SMEs, and specifically North Central, is concerning. A number of SMEs have gone out of business as a result of the surge in material and non-material resource prices, while others are struggling with stunted growth in areas like sales growth and business expansion.

Among other things, North Central Nigeria is strategically significant as the entryway to Nigeria's abundance of agricultural products. It is significant for entrepreneurs to adopt financial accessibility strategies and tactics like credit terms, collateral, payment frequency, and cost of credit that would keep their businesses' operations booming and increase their growth metrics in terms of sales growth and business expansion. However, observations show that the failure rate of manufacturing small and medium enterprises is still rising, with stunted growth on the other side. This is because many have failed to migrate to strategies and tactics of financial accessibility that require anticipating challenges and sourcing resources to promote enterprises’ operations and growth of SMEs. The question is why stunted growth in these manufacturing SMEs in North-Central, Nigeria?

However, prior research on the impact of financial accessibility on the expansion of SMEs has been carried out in both developed and developing nations outside of Nigeria, such as Uganda (Muktar 2017), Kenya (Waithanji 2021), and Lesotho (Amadasun and Mutezo 2022). Similarly, research done in Nigeria, including Nwajei and Adams (2023), Emueje et al. (2020), Owenvbiugie (2020), and Iyke and Onuoha (2023), concentrated on organizational performance metrics other than growth rather than the expansion of manufacturing SMEs. The study gap resulted from the fact that some, like Elshaer and Saad (2022) and Ogbumgbada and Onyemauche (2023), who even concentrated on growth, were not located in North Central Nigeria. Based on this backdrop, it is germane for an empirical study to be done to determine the effect of financial accessibility on the growth of manufacturing SMEs in North-Central Nigeria so as to fill the gap.

1.3 Objectives of the Study

The main objective of this study was to examine the effect of financial accessibility on growth of manufacturing small and medium enterprises in Nigeria. However, the specific objectives of the study are to:

i. determine the effect of credit terms on growth of manufacturing small and medium enterprises in Nigeria.
ii. evaluate the effect of collateral on growth of manufacturing small and medium enterprises in Nigeria.
iii. investigate the effect of payment frequency on growth of manufacturing small and medium enterprises in Nigeria.
iv. assess the effect of cost of capital on growth of manufacturing small and medium enterprises in Nigeria.

1.4 Significance of the study

A study on financial accessibility and growth of small and medium enterprises in North Central Nigeria is significant in several ways such as; Nigeria's economy depends heavily on SMEs, especially in North Central Nigeria. By empowering small businesses, improving financial accessibility for these companies can boost local economic growth, generate employment, and eventually lower poverty rates. The study can pinpoint particular obstacles, like high interest rates, collateral requirements, or a lack of credit history, that frequently restrict access to credit and financing options by looking at the financial accessibility issues that SMEs face. This can help financial institutions and policymakers identify areas that require reform. The results could help financial institutions develop financial products that are more accessible to SMEs, like loans with lower collateral requirements, and they could also influence policies that encourage banks to provide SMEs with more easily accessible financial services. Because financial accessibility allows SMEs to scale their operations by investing in marketing, inventory, and equipment, it can have a direct impact on sales growth. Growing SMEs help create a more stable and varied economic foundation, which is necessary for long-term, steady economic growth. The knowledge gained from North Central Nigeria may be used as a standard by other areas dealing with comparable issues. Replicable tactics that improve SME financial accessibility and growth in other regions of Nigeria and Sub-Saharan Africa may result from this. Understanding how financial accessibility affects sales growth allows the study to guide initiatives that teach SMEs about good financial management techniques and efficient financing options, which strengthens their growth and resilience. All things considered, the study can provide important insights into how expanding financial access can spur SME expansion, which will help Nigeria's local economy and larger national development objectives.

The study is broken down into five main parts in order to achieve the stated goals. After discussing the first component, component two focuses on reviewing relevant literature that covers the theoretical ideas of financial accessibility on SMEs' growth and reviewing relevant empirical studies. The third element focuses on the methodology used to conduct the research. The analysis of the data is covered in component four, and the conclusion and recommendations are given in component five. The findings and suggestions of the study will help to reveal how financial accessibility supports the expansion of SMEs in North Central Nigeria and beyond.

2.0 LITERATURE REVIEW

This section comprises of the theoretical background, conceptual review as well as review of related empirical studies.

2.1 Theoretical Background

2.1.1 The credit theory, which was proposed by Stiglitz and Weiss (1981), supports this investigation. Since it offers a theoretical framework for comprehending why financial market inefficiencies frequently impede SMEs' ability to obtain financing, Stiglitz and Weiss's Credit Rationing Theory (1981) is extremely pertinent to the analysis of financial accessibility and sales growth of SMEs.

2.1.2 The credit theory was postulated by Stiglitz and Weiss (1981)

Stiglitz and Weiss (1981) proposed the credit theory, which offered a framework for examining inefficiencies in the financial markets. According to this framework, the primary reason why financial markets in developing nations malfunction is information asymmetry. When financial institutions lend money to economic agents, they are concerned about the risks involved as well as the interest they will earn. According to the theory, lenders may restrict or "ration" credit rather than raise interest rates because of problems like asymmetric information, which occurs when lenders have less knowledge about borrowers' true risk, and adverse selection, which occurs when riskier borrowers are drawn to higher interest rates. This implies that lenders' risk concerns may make it difficult for even profitable SMEs to obtain credit, which would restrict their ability to increase sales. SMEs may not be able to invest in growth prospects like increasing their inventory, implementing new technology, or breaking into new markets if they are unable to obtain sufficient funding. Their inability to scale operations to meet increased demand or strengthen their competitive edge has a direct impact on their ability to increase sales.

SMEs are frequently forced to rely on high-interest informal loans or personal savings due to credit rationing, which can limit their profitability and make them more vulnerable to financial instability. SMEs may put survival ahead of sales growth if they are compelled to borrow at unsustainable high rates, which would limit their potential economic contribution. Stiglitz and Weiss's theory can support the need for focused policy interventions (such as government-backed loan guarantees or SME-friendly credit facilities) to lessen lenders' risk aversion by highlighting the obstacles brought about by credit rationing. This promotes more fair credit availability, particularly for SMEs that are profitable but viewed as risky. Financial institutions can reconsider risk assessment and loan structuring for SMEs by putting the theory into practice. By reducing information asymmetry, alternative lending models such as relationship-based lending or innovations in credit scoring can facilitate SMEs' access to credit without imposing undue restrictions. Researchers can offer focused solutions in North Central Nigeria by using Stiglitz and Weiss's theory as a basis for studies that examine how and why SMEs experience financial inaccessibility and how resolving these issues may increase sales growth.

The majority of financial institutions are better at screening and keeping an eye on borrowers than other investors. They are experts at collecting and analyzing private data. Managing finances has access to extremely strategic data about the income and expenses of businesses as well as how they evolve (Aremu and Popoola, 2011). According to the theory, if small and medium-sized businesses need collateral, credit rationing will still take place because of adverse selection. They contend that, on average, low-risk borrowers anticipate a lower rate of return. As a result, they are generally poorer than high-risk borrowers after a while. As a result, low-risk borrowers are unable to offer additional collateral. A higher interest rate may have the same negative selection effect as more collateral requirements. According to Koech (2011), banks only provide contracts that allow them to simultaneously modify collateral requirements and interest rates. He demonstrated that in order to prevent credit rationing, interest rate and collateral requirements are always combined (Nyanzi, 2015). Applying the Credit Rationing Theory essentially offers a foundation for comprehending and resolving the credit access problems that impede the expansion of SMEs, demonstrating that measures meant to lessen credit rationing may improve financial accessibility and boost SMEs' sales growth.

2.2 Conceptual Review

This section deals with financial accessibility and its related dimensions as well as growth of SMEs and its respective measures.

2.2.1 Financial accessibility

According to Waithanji (2014), financial accessibility is the capacity of people or businesses to access financial services such as credit, deposits, payments, insurance, and other management services. Financial accessibility can be defined as the lack of both price and non-price barriers to financial services, or as the ease with which entrepreneurs can obtain funding to make profitable investments to grow their companies and acquire the newest technologies, ensuring their competitiveness and that of the country as a whole (McCormick & Atieno, 2021). In terms of working capital, financial accessibility continues to be a barrier to entrepreneurship. Due in part to the perception of increased risk, informational obstacles, and the higher costs of intermediation, which limit growth and competitiveness, entrepreneurs have limited access to capital markets both domestically and abroad. Financial accessibility is a barrier to entrepreneurship's ability to drive national economic development, according to studies on the subject (Onyimba & Muturi, 2016). Access to capital enables business owners to grow their companies and hire top talent, boosting their performance and competitiveness However, because of their traits, Nigerian entrepreneurs face obstacles that reduce their ability to withstand risk and keep them from expanding and achieving economies of scale. The difficulties lie not only in working capital and investment financing, but also in market access, human resource development, and modern technology and information availability. Both internal and external factors limit access to financial resources (Turyahebwa et al., 2018).

2.2.2 Dimensions of financial accessibility

Credit terms, collateral, payment frequency and cost of credit are employed as dimensions of financial accessibility in this study.

i. Credit terms: Credit terms are guidelines or agreed-upon conditions (provided by a seller to a buyer) that govern the monthly and total credit amount, the maximum amount of time that can be repaid, the cash or early payment discount, and the amount or rate of the late payment penalty. In order to manage cash flow, build trust between the buyer and seller, and make sure the buyer is aware of the expenses and due dates involved in their purchase, credit terms are crucial.Credit terms include things like interest rates, collateral, and loan payback schedules, according to Okech et al. (2021). The conditions under which a seller grants a buyer credit for the purchase of goods or services are known as credit terms. These terms outline the expectations, payment timeline, and any discounts or penalties associated with early or late payment.

ii. Collateral: Collateral is a term used to describe security or assurance for a loan. According to Storey (2018), whether or not a loan can be secured by collateral will determine the bank of industry's collateral requirements. Additionally, he said that because of the collateral factor, companies with fewer intangible assets require lower borrowing rates than those with more tangible assets. Land and machinery have served as stand-ins for collateral. A controversial topic in the financing of entrepreneurship has been the collateral that commercial banks in developing nations require. However, real estate collateral offers a way to offset losses in the event of default, as well as a motivation and rationale for lending and repayment (Davydenko et al., 2017). Compared to large firms, entrepreneurs have fewer assets to pledge as collateral. This may have a lot to do with the performance stage that entrepreneurship firms are in. Compared to larger companies with more established histories, startups may have lower retained profits in their early stages, which could make it more difficult for them to obtain financing (Pandula, 2017). Ofei (2017) discovered that landed property and bank savings are typically the most significant collateral that credit institutions accept.

iii. Payment frequency: Compared to big businesses, entrepreneurs have fewer assets to pledge as security. The performance stage that entrepreneurship firms are in may have a significant impact on this. Smaller retained profits in the early stages of entrepreneurship could make it more difficult for them to obtain financing than larger, more established companies (Pandula, 2017). Ofei (2017) discovered that the most significant collateral that credit institutions accept is typically landed property and bank savings. In support of the argument, Nugroho (2013) noted that a loan term that is too short prevents the borrower from earning enough money to cover repayments, while a longer loan term may cause the client to become extravagant and ultimately default.

iv. Cost of credit: The total amount a borrower must pay over and above the initial amount borrowed (principal) in order to receive a loan or credit is known as the cost of credit. It includes all costs related to borrowing, such as interest, fees, and other charges incurred during the course of the loan. It is essentially the cost of obtaining funds and varies according to borrower creditworthiness, lender policies, and loan type. According to Chaibi and Ftiti (2015), the biggest obstacle facing small businesses is high interest rates. Since higher loan costs increase SMEs' debt loads, Farinha and Felix (2015) claim that SMEs are more likely to default on their loans if interest rates are higher.

2.2.3 Growth of SMEs

The process of increasing an enterprise's success in some way is known as business growth. Either increasing the company's top line or revenue through increased sales of goods or services, or increasing the operation's bottom line or profitability through cost reduction, can lead to business growth. According to Ubesi and Okeke (2013), growth has long been regarded as a crucial and unique aspect of organizational performance. A variable's change over time can be used to illustrate a company's growth. An organization can be said to be growing if its size, workforce, assets, capital, sales, and profit all increase (Nongo et al., 2021). If an organization doesn't expand, it will eventually fail. Therefore, it is crucial for owners, managers, employees, and creditors to measure the growth of business organizations (Skalik, 2016). Growth is a major concern for business owners and managers. An organization's survival may be threatened by operational stagnation. This is due to the fact that all businesses, regardless of size, want to expand their business operations. Therefore, in the face of both controllable and uncontrollable forces and disruptions, it is imperative that business owners implement strategies that will help their company expand and maintain a competitive edge in its sector. SMEs are constantly looking for methods to improve their performance and operations, particularly in key business domains like market, finance, management skill, and innovation. This is because their growth is what ensures their sustainability and long-term existence (Ogbumgbada and Onyemauche, 2023).

2.2.4 Measures of Growth of SMEs

This study measures growth of firms in terms of sales growth and business expansion as explained by Ahmad (2022), and Giacomo (2021).

i. Sales Growth: The term "sales growth" describes the rise in revenue from a company's goods and services relative to prior sales. It is interchangeable with the idea of a sales volume increase, which is related to the rise in sales during a reporting period. According to Ahmad (2022), business expansion is the process of growing a company with the goal of increasing the enterprise scale of operations in order to increase profit and provide additional benefits for the venture. The steady improvement in an organization's sales of goods and services is known as sales growth. Sales volume variance, the percentage of sales volume, and cost volume profit analysis are used to calculate this growth, among other things. Entrepreneurs must constantly make sure that their sales are increasing in order for their business to succeed, as higher sales translate into larger profits. According to Marquis (2019), a company's leadership is aware that the likelihood of profitability through increased sales typically depends heavily on how consumers view the company's goods and services.

ii. Business expansion: Business expansion is a stage of a company's life that is full of opportunities and risks. If it is not handled well, it can be the end of a struggling company (Giacomo, 2021). Therefore, in times when their business is being challenged by unfriendly forces, entrepreneurs are expected to continue growing their businesses. Since only their resilience can lead to business expansion, this is only possible when they are resilient. According to Ahmad (2022), business expansion is the process of growing a company with the goal of increasing the enterprise scale of operations in order to increase profit and provide additional benefits for the venture.

2.3 Empirical Review

Muktar (2017), establish the relationship between financial accessibility and performance of SMEs in Kabale Municipality. The study design was a cross-sectional survey that combined qualitative and quantitative methods. Using both purposive and simple random sampling methods, a sample size of 200 participants was selected from a target population of 360 subjects. Questionnaires and interviews were used to gather data. Both descriptive (mean and standard deviation) and inferential (correlation and regression) statistics were used to analyze the data. SPSS version 20 helped with these. The results show that the primary factor influencing financial accessibility is collateral security. The main issue influencing the performance of SMEs in Kabale municipality is low investment potential. Financial accessibility contributes as little as 17.4% of the performance level of SMEs in Kabale municipality, indicating a moderately positive and significant relationship between the two. In order to increase their investment potential, the study advised business owners to make investment decisions. Additionally, the Bank of Uganda should develop policies that allow SMEs to obtain financial aid in a flexible manner.

Kasekende and Opondo, (2018), examined the relationship between financial accessibility and performance of Entrepreneurship. One of the biggest obstacles to the growth of entrepreneurship is the inaccessibility of credit and capital, especially since it keeps them from obtaining the new technology that would increase their productivity and competitiveness. Entrepreneurship will perform better if it has access to financing, which will help it with accounting, financial management, and entrepreneurship that conforms with national accounting standards and/or best practices. The study concludes that the performance of entrepreneurship and financial accessibility are strongly correlated.

Owenvbiugie and Imuentinyan (2020), carried out a study on the role of finance on the growth of small and medium scale enterprises in Edo state of Nigeria. In order to address the research question, the researchers used a survey research approach in conjunction with descriptive statistics. The study's conclusions show that the onerous amount of rules and regulations implemented by banks and non-banking organizations has, over time, impeded the growth of entrepreneurship by making it difficult for people to obtain loans and credit from the organizations. Drawing from these findings, the researcher suggests that governments should step in and loosen regulations.

Waithanji (2021), studied the relationship between of financial accessibility on the financial performance of entrepreneurship in Kiambu County, Kenya. Survey design was used to conduct the study. 60 SMSs were randomly selected for the study from among the 2,061 entrepreneurship licenses. The study discovered a direct correlation between the companies' financial performance and their financial accessibility. The study also comes to the conclusion that businesses profit from loans from microfinance organizations. Entrepreneurship seeks out financial support from MFIs because of the interest rates, ease of loan repayment, and available funds. The development of strategies to improve entrepreneurship's increased access to financial accessibility from commercial banks and microfinance institutions is necessary in order to create an environment that supports its growth and success. According to a related perspective, financial accessibility in Nigeria helps entrepreneurship with accounting, financial management, and entrepreneurship that conforms with national accounting standards and/or best practices, all of which enhance entrepreneurship's performance. One of the biggest obstacles to the growth of entrepreneurship is the inaccessibility of credit and capital, especially since it keeps them from obtaining the new technology that would increase their productivity and competitiveness.

Amadasun and Mutezo (2022), investigated the influence of access to finance on the competitive growth of SMEs in Lesotho. Similarly, access to finance has been identified as a dominant constraint facing the SME sector in Lesotho. This study identified the variables pertaining to financial accessibility that affect the competitive expansion of Lesotho's SME sector. Access to financial information, bank and business support services, bank structure, and collateral requirements of the financial sector are among the factors that were identified. According to our analysis's findings, there is a connection between the independent variables of commercial banks' collateral requirements, bank and business support services, and access to financial information. These independent variables are therefore linked to the ability of SMEs in Lesotho to achieve competitive growth. The findings specifically showed that Basotho managers and entrepreneurs view the predictors—collateral requirements, access to financial information, and bank and business support services—as crucial elements of financing availability that prevent the majority of businesses from obtaining the required bank credit, which in turn affects SMEs' ability to achieve competitive growth in Lesotho. The study comes to the conclusion that Lesotho's SMEs' ability to compete is greatly impacted by their access to financing.

Nwajei and Adams (2023), examined financial accessibility and performance of entrepreneurship in Delta State, Nigeria. The study specifically evaluated the impact of credit terms, loan procedures, and collateral requirements on Delta State's entrepreneurial performance. This study was guided by three hypotheses and three research questions. A review of pertinent related literature was conducted. Credit Access Theory served as the study's foundation. They used a descriptive research design. The study was conducted in Nigeria's Delta State. Primary and secondary sources provided the data. 1,737 registered owners of entrepreneurial businesses in Delta State made up the study's population. Using a statistical formula developed by Borg and Gall, the sample size is 339. This study used both face and content validity. Cronbach Alpha and the test-retest method were used to determine the questionnaires' reliability. To test the hypotheses, the study used the Multiple Regression Analysis (MRA) method. The study's conclusions showed that the performance of entrepreneurship in Onitsha, Delta State, is significantly improved by the requirement for collateral. The loan application process significantly improves Onitsha's entrepreneurship performance. In Onitsha, Delta State, credit terms significantly improve the performance of entrepreneurship. According to the study's findings, financial accessibility significantly improves Delta State's entrepreneurship performance. It is advised that the Bank of Nigeria develop regulations that allow entrepreneurs to obtain financial support in a flexible manner. Low-interest loans that can be secured and support the growth of entrepreneurship are ideal for capital asset or technology acquisition loans. The bank should extend the moratorium, spread out the repayment over a longer period of time, or lengthen the duration of their entrepreneurship credit terms.

3.0 METHODOLOGY

The study area is North Central Nigeria, which includes Benue State, Kogi State, Kwara State, Nasarawa State, Niger State, Plateau State, and the Federal Capital Territory. This study used a survey research design. With a sample size of 327 determined scientifically

using Yamen's Formula, the study's population consisted of 1,784. A questionnaire with validity and reliability indices of.742 and.802, respectively, was used in the study. The multiple regression analysis model used in this study includes financial accessibility as the independent variable and growth as the dependent variable. Consequently, the model specifications listed below are intended to test the hypotheses that have been developed:
The model for this research is given as
GWT = (FIA) = (CRT, COL, PAF, COC)
Where
FIA = Financial Accessibility
CRT = Credit Terms
COL= Collateral
PAF= Payment Frequency
COC = Cost of Credit
The regression model, thus is given as
$FIA = x + \beta_1 CRT + \beta_2 COL + \beta_3 PAF + \beta_4 COC + e$ ……… (1)
Where
x = Intercept of the regression
β_1- β_4= parameter estimates
e = error term
Data was analyzed using both descriptive and inferential statistics to assess the relationship between the variables. Regression analysis was one of the inferential statistics used to examine data and ascertain how financial accessibility affected the expansion of SMEs in North Central Nigeria. Student t-statistics produced by the regression model were used to test the hypotheses developed for this investigation. For a two-tailed test, the study's level of significance is 5%. According to the decision rule, if the critical/t-value (±1.96) is higher than the computed value, the null hypothesis is accepted; if not, it is rejected. Accordingly, a variable is considered statistically significant if its t* (t-calculated) value is greater than the tabulated value of ±1.96 under 95% (or 5%) confidence levels, and statistically insignificant if its t* value is less than the tabulated value of ±1.96 under 95% (or 5%) confidence levels, according to the student t-test (t-statistic).

4.0 RESULTS AND DISCUSSION

This section includes data analysis, hypothesis testing, and findings discussion based on the study's goals, related research questions, and guiding hypotheses.

4.1 Data Presentation

Three hundred and twenty-seven (327) of the questionnaires that were given to respondents in the manufacturing small and medium businesses selected for this study were successfully completed and returned in analysable form, yielding a 100.0 % return rate.

4.1.1 Regression Analysis

The findings of the regression analysis of the study's model are shown in this subsection. The regression model describes the extent to which the dependent variable (growth) is impacted by the predictor variables (credit terms, collateral, payment frequency, and cost of credit). The model summary, analysis of variance, and coefficients tables display the outcome. The degree to which the independent variables influence the dependent variable was ascertained using the model summary. The model's suitability for additional statistical analysis is determined using the ANOVA test. F statistics and the associated P-values were calculated in order to accomplish this. The calculation of predictor variable coefficients came next. The study employed multiple regression analysis with a 95 percent confidence level (α = 0.05).**Table 1: Model Summary[b]**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin Watson
1	.803	.548	.575	.639	1.738

a. Predictors: (Constant), CRT, COL, PAF, COC
b. Dependent Variable: GWT

Source: Researcher's Computation from SPSS Output, 2024.

The regression model summary is displayed in Table 1. According to the model summary, financial accessibility (credit terms, collateral, payment frequency, and cost of credit) accounted for 54.8% of the variation in the growth of SMEs, with a R Square of 0.548. Other factors besides those in the model accounted for the remaining 45.2%. The outcome suggests that aspects of financial accessibility are important indicators of SMEs' expansion. Additionally, a strong positive correlation between the study's variables is indicated by the R=0.803 value.

Table 10: Analysis of Variance (ANOVA)

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	30.540	4	7.635	16.525	.000
Residual	153.028	331	.462		
Total	183.568	335			

a. Dependent Variable: Growth
c. Predictors: (Constant), CRT, COL, PAF, COC
b. **Source:** Researcher's Computation from SPSS Output, 2024.

The results of the Analysis of Variance (ANOVA) are displayed in Table 2 and show that the p-value was less than 0.05 and the F (4,331) = 16.525 was greater than the critical F value of 2.42. Thus, the study demonstrates the model's goodness of fit. The findings also suggest that changes in growth were significantly explained by financial accessibility (credit terms, collateral, payment frequency, and cost of credit), and that the model was both statistically significant and sufficient for forecasting changes in the growth of manufacturing SMEs in North-Central Nigeria.

Table 3: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
(Constant)	1.458	.248		5.486	.000
CRT	.163	.074	.135	2.704	.002
COL	.154	.069	.205	4.103	.010
PAF	.292	.052	.235	4.378	.000
COC	.202	.055	.262	4.388	.000

a. Dependent Variable: GRT

Source: Researcher's Computation from SPSS Output, 2024.

The regression coefficient, as displayed in Table 3, explains how financial accessibility affected the expansion of manufacturing SMEs in North Central Nigeria. Credit terms had β = 0.136, t = 2.704, P = 0.002; collateral β =.0205, t = 4.103, P = 0.10; payment frequency β = 0.235, t = 4.378, P = 0.000; and cost of credit β = 0.226, t = 4.388, P = 0.000, according to the results. In North Central Nigeria, the growth of manufacturing SMEs is significantly impacted by credit terms, collateral, payment frequency, and credit cost, according to the results. According to the results, a unit change in credit terms would result in a 16.3% increase in the growth of SMEs if all other factors remained unchanged. Additionally, SMEs' growth would alter by 15.4% for every unit change in collateral. With all other things being equal, a unit increase in payment frequency would lead to a 29.2% increase in the growth of SMEs, whereas a unit change in the cost of credit would lead to a 20.2% change in the growth of SMEs. Accordingly, the results indicate that the most significant impact on the growth of SMEs is caused by the frequency of payments, which is followed by the cost of credit, the terms of credit, and collateral.

4.2 Test of Hypotheses and Discussion of Findings

The findings of the study were presented and discussed in line with the research hypotheses and objectives.

4.2.1 Effect of credit terms on the growth of manufacturing SMEs in North Central-Nigeria

The analysis of the data collected from the respondents and test of hypothesis one revealed that there is a positive and significant effect of credit terms on the growth of manufacturing SMEs in North-Central, Nigeria. Regression analysis was used to test the hypothesis at 5 % level of significance and the p-value (0.002) was lower than the significance level. This can be statistically given as P-value 0.000 < α = 0.05. According to Nwajei and Adams (2023), who looked at financial accessibility and the performance of entrepreneurship in Delta State, credit terms significantly improve the performance of entrepreneurship in Onitsha, Delta State. These findings are consistent with those of that study. The results of this study are consistent with those of Agyaman et al. (2021), who found a strong positive correlation between the performance of SMEs in Ghana and their ability to obtain credit.

4.2.2 Effect of collateral on the growth of manufacturing SMEs in North Central-Nigeria

The analysis of the data collected from the respondents and test of hypothesis two revealed that that there is a positive and significant effect of collateral on the growth of manufacturing SMEs in North-Central, Nigeria Regression analysis was used to test the hypothesis at 5 % level of significance and the p-value (0.010) was greater than the significance level. This can be statistically given as P-value 0.010 > α = 0.05. The results of this study are in line with those of Akwo and Ngwa's (2024) investigation, which found that collateral requirements improve financial performance and are essential for lowering lending risk. Higher collateral requirements have a detrimental effect on SMEs' financial performance, particularly in emerging economies, according to Verma et al. (2021). According to Elewa and El-Haddad (2019), financial outcomes for SMEs are improved by more relaxed collateral requirements. This suggests that financial institutions should implement flexible collateral policies and risk-based lending practices. The long-term consequences of collateral requirements were highlighted by Mandipa and Sibindi (2022), who advised financial institutions to take into account more than just collateral when evaluating creditworthiness.

4.2.3 Effect of payment frequency on the growth of manufacturing SMEs in North Central-Nigeria

The analysis of the data collected from the respondents and test of hypothesis three revealed that that there is a positive and significant effect of payment frequency on the growth of manufacturing SMEs in North-Central, Nigeria. Regression analysis was used to test the hypothesis at 5 % level of significance and the p-value (0.000) was lower than the significance level. This can be statistically given as P-value 0.000< α = 0.05. The results of this study are consistent with those of Murage (2021), whose research showed that flexible repayment schedules for mobile loans improved the performance of the respondents' businesses. Longer repayment periods were preferred because they allowed for the conversion of the purchased stock into cash, whereas short repayment periods deterred businesses from borrowing due to extreme pressureThe certainty of cash flow over extended and adjustable repayment periods may also make budgeting easier. Finally, a lengthy payback period allowed for the realization of the intended use of the borrowed funds. The study's conclusions ran counter to those of Amsi et al. (2017), who discovered that the repayment period had a detrimental impact on the financial performance of SMEs in Nairobi, Kenya.

4.2.4 Effect of cost of credit on the growth of manufacturing SMEs in North Central-Nigeria

The analysis of the data collected from the respondents and test of hypothesis four revealed that, that there is a positive and significant effect of cost of credit on the growth of manufacturing SMEs in North-Central, Nigeria. Regression analysis was used to test the hypothesis at 5 % level of significance and the p-value (0.000) was lower than the significance level. This can be statistically given as P-value 0.000< α = 0.05. The findings are consistent with those of Akwo and Ngwa (2024), whose research verified the statistically significant outcome and the noteworthy enhancement of the financial performance of SMEs in Cameroon by credit costs. Higher credit costs have a detrimental effect on SME financial performance, with microenterprises suffering more than small businesses, according to a study by Islam et al. (2018). In order to improve the financial results for SMEs, Johnson (2020) emphasized the necessity of competitive interest rates and fee structures. The long-term link between credit costs and financial performance was highlighted by Sohilauw et al. (2020), who argued for pricing strategies that match credit costs to the risk and creditworthiness of SMEs. The availability of credit is essential to the development and growth of SMEs. It has a direct effect on financial performance by making it possible to invest in new initiatives and market prospects. The importance of accurately considering credit costs when selecting a financing option is highlighted by the fact that SMEs' financial performance typically improves as credit costs increase.

5.0 CONCLUSION AND RECOMMENDATIONS

This section deals with the conclusion, recommendations, limitation and suggestions for further studies as well as contribution to knowledge.

5.0 Conclusion

5.1 Considering results based on hypothetical findings that demonstrate a statistically significant positive relationship between financial accessibility and the growth of manufacturing SMEs in North Central Nigeria, the study concluded that improved access to financial resources (credit terms, collateral, frequency of payment, and cost of credit) has a positive impact on the growth of manufacturing SMEs in North Central

Nigeria. This conclusion was reached after conducting a regression analysis on the relationship between financial accessibility and the growth of manufacturing SMEs in North Central Nigeria. This research would back up measures and policies meant to make money more accessible in order to promote the expansion of SMEs in the area.

5.2 Recommendations

Since financial accessibility is found to have a statistically significant and meaningful impact on the growth of manufacturing SMEs in North Central Nigeria, the study recommended as follows;

- **i.** i. In order to look into providing flexible repayment terms that are suited to the cash flow patterns of manufacturing SMEs, owners and managers of these SMEs collaborate with financial institutions to improve credit terms. For sectors with varying demand, this can entail grace periods or seasonal modifications.
- ii. ii. With regard to collateral requirements, before applying for credit from financial institutions, owners and managers of manufacturing SMEs should make an effort to guarantee that they have adequate documentation and collateral security. In order to increase credit availability for SMEs with limited fixed assets, financial institutions will be able to take into account alternative collateral, such as inventory, contracts, or movable assets.
- iii. iii. When it comes to changing the frequency of payments, small business owners and managers should always bargain with these financial institutions to provide payment plans that fit their business cycles, especially for those impacted by seasonal variations in demand. Payment options that are semi-annual or quarterly, for instance, can alleviate financial strain.

v. In order to encourage growth and lessen financial strain, owners and managers of these SMEs should pressure the government or financial institutions to lower interest rates for SMEs, particularly those in manufacturing.

5.3 Limitations and suggestions for further studies

In comparison to the total number of SMEs in North Central Nigeria, the researchers' sample size was comparatively small. Therefore, in order to improve comprehensive results, future researchers on this topic should expand their studies to include more States. This could be accomplished by selecting a sample size from the country's largest cities, which would allow for a location-based comparison of financial accessibility as a driver of SMEs' growth. Future research could also concentrate on how financial accessibility affects the expansion and development of SMEs in North Central Nigeria. This will help both current managers and owners of SMEs and aspiring business owners. Lastly, future studies can add more variables to gauge how SMEs' financial accessibility might propel economic expansion in Nigeria or other nations.

5.4 Contribution to Knowledge

In order to inform region-specific policies that promote financial inclusion and the expansion of SMEs, the research assists policymakers in understanding the unique financial difficulties faced by manufacturing SMEs in North Central Nigeria. The study adds to current theoretical frameworks in business studies and economics, particularly those centered on emerging markets and development finance, by examining the connection between financial accessibility and the expansion of SMEs in developing economies. In addition to being beneficial to academia, this research may also have real-world ramifications for government organizations, financial institutions, and SMEs development initiatives that prioritize regional economic growth.

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