



## EFFECT OF URBANIZATION ON THE PERFORMANCE SMES IN ANAMBRA STATE NIGERIA

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**ABSTRACT:** *This work evaluated the effect of urbanization on the performance SMEs in Anambra State Nigeria. Specifically the study investigated the effect of infrastructural services on performance of SMEs, social amenities on the performance of SMEs and the effect of technological development and performance of SMEs in Anambra State, Nigeria. Relevant conceptual, theoretical and empirical literatures were reviewed. The study was anchored on Self-Generated or Endogenous Urbanization Theory. This study adopted survey design. Infrastructural services, social amenities and technological development were employed as the independent variables while performance of SMEs was employed as the dependent variable. The population is unknown, as such the sample size of the study was determined with the aid of Topman's non-parametric sample size determination formula, applied when the population frame is unknown. A sample size of 368 respondents. The data generated were analyzed using descriptive statistics, correlation analysis and multiple regression analysis. The study found that infrastructural facilities has a significant effect on the performance of SMEs; Social amenities has a significant effect on the performance and technological development has a significant effect on the performance of SMEs in Anambra State, Nigeria. The study concludes that urbanization had a significant effect on the performance of SMEs in Anambra State, Nigeria. The study recommended that government should provide availability of Infrastructural facilities in rural areas will decrease the rural – urban migration of the people that will increase on the performance of SMEs. Government in collaboration with private sector could make and implement programme for rural upliftment such as social amenities programmes, housing loans, electricity, water supply etc. So that they will not have interest to migrate to urban areas. Small business owners should stay current on technological development and try to influence government decision-making and policy on urbanization.*

**KEYWORDS:** Infrastructural Facilities, Social Amenities, Technological Development and performance of SMEs.



## INTRODUCTION

The rate of urbanization is increasing in both the developed and developing countries. However, rapid urbanization, particularly the growth of large cities and the associated problems of unemployment, poverty, inadequate health care, poor sanitation, urban slums and environmental degradation pose a formidable challenge in developing countries. Available statistics shows that more than half of the world lives in urban areas at the end of 2010 from 49% (3.2billion) in 2008. The same report projected that figure is likely to rise to 60% (4.9billion) by 2030. according to the UN state of the world population 2007 report, the majority of people worldwide will be living in towns or cities, for the first time in history, this is referred to as the arrival of the "urban millennium" or the 'tipping point'. In regard to future trends, it is estimated 93% of urban growth will occur in developing nations, with 80% of urban growth occurring in Asia and Africa

Urbanization simply defined, is the shift from a rural to an urban society and involves an increase in the number of people in urban areas during a particular year. Urbanization is the outcome of social, economic and political development that lead to urban concentration and growth of large cities changes in the land use and transformation from rural to metropolitan pattern of organization and governance. Although Urbanization is the driving force for modernization, economic growth and development, there is increasing concern about the effect of expanding cities, particularly on human health, livelihood and environment. The implication of rapid urbanization and demographic trends for employment, food, security, water supply, shelter and sanitation, especially the disposal of waste (solid and liquid) that the cities produce are staggering (UNCED, 1992). The question that arises is whether the current trend in urban growth is sustainable considering the accompanying urban challenge such as unemployment, poverty and environmental degradation especially in the developing countries.

Thus, of significant attention to us is the problem of unemployment as a result of urbanization in the Nigerian urban areas. Urban unemployment or unemployment in the urban Nigeria stands for the conglomeration of people with diversity background, willing and able to work in the urban areas resulting in pressure of supply of labour over the demand for labour. Thus causing joblessness. Implicit in this definition are the following for excessive manpower supply of labour over manpower demand for labour, there may have a risen a situation whereby job seekers irrelevant or not needed education qualification, both the public and private sector may not have involved a calculated policy to afford them the opportunity for self employment through planned programs. In Nigeria it is estimated that in 1900 about 95% of Africa's inhabitants South of Sahara lived from the Primary occupations of farming, hunting & gathering, cattle anomalism, and fishing (Aase, 2003:1) meaning that less than 5% were urban. In 1950 (the start of the independence period) 14.7% of Africa's inhabitants were urban in 2000 had it risen to 37.2% and it is expect 3.76%, 3.35% per year (UN, 2002) the Nigerian city of Lagos in 1963 had 665000 inhabitants (Rakodi, 1991) and 8.7million in 2000 is expected to become the worlds 11th biggest city by 2015 with 16million inhabitants (UN, 2002).

Therefore, a survey by the UN international labour organization (ILO) indicated that as many as 3 million Nigerians fall within the working age out of this, 90 percent or about 3 million are unemployed. A further study on the geographical distribution of those unemployed shows that as many as 2.7million out of the 3 million live in urban area (ILO survey report African concord 1996). Surely, it is very difficult to ascertain the current rate of unemployment in Nigeria but



evidence and indication of urban unemployment overwhelming. There is no gainsaying that there are significant correlation between urbanization and unemployment in Nigeria though Urbanization is also a consequence of industrialization or economic specialization. It connotes the movement of people principally from agricultural productivity. The process involves changing relationship and interaction.

Conclusively, there exists convincing evidence that the bulk of urban unemployment in the country is among able bodied youths. Data shows that in 2009 at the recent Nigerian economic summit, group (NESG) policy dialogue on the Nigeria economy, Nigeria's minister of finance quoted data from the National Bureau of statistics (NBS) saying that "unemployment in Nigeria is running at around 19.7 percent on average and almost half of 15-24 year olds living in urban areas are jobless" the theme of the policy dialogue growth through public private partnership.

### **Statement of Problem**

The Nigeria population of about 150 million with a growth rate of 3.2%, more youths are getting into the educational system, more youths are also graduating, more are getting into the urban labour market while more are also becoming unemployed. Some of the manifestation of the failing of both the educational system and the economy are unemployment and underemployment. The problems and challenges posed by the rapid urban growth in Nigeria are immense. More easily observable and perhaps very frightening are the general human and environmental poverty, the declining quality of life and the underutilized as well as the untapped wealth of human resources. Housing and associated facilities (such as water, electricity, waste disposal) are grossly inadequate. Millions live in substandard environments called slums, plagued by squalor and grossly inadequate social amenities, such as, a shortage of schools, poor health facilities and lack of opportunities for recreation among others. Juvenile delinquency and crime have become endemic in urban areas as a result of the gradual decline of traditional social values and the breakdown of family cohesiveness and community spirit. Moreover, the capacity of law enforcement institutions to prevent crime is increasingly hampered by technological and resource limitations.

Lack of infrastructure is one of the most pressing problems in Nigerian cities. Significant proportions of the houses in major towns and cities have no access to electricity, pipe-borne water or hygienic toilet facilities. The proportion of existing urban housing stock that is dilapidated or is in need of major repairs is estimated at 22.3 per cent nationwide, while about 3 million housing units are required to meet the backlog of housing needs and the replacement of substandard ones. In many Nigerian cities, the city centres are decaying without any programme of rehabilitation while new urban peripheries develop without planning or the necessary infrastructure. Intracity mobility is greatly hampered by poor planning and inefficient land use. The network capacity of the transportation system is grossly inefficient and structurally defective. The urban economy is characterized by low and marginal productivity and high rates of unemployment and underemployment. The low capacity utilization in the industrial sector also continuously worsens the employment-generating capacity of the urban economy. Nigeria's urbanization is driven by factors such as population growth, rural- urban migration, and the concentration of economic activities in urban centers. The allure of better education, healthcare, and employment prospects draws individuals from rural areas to cities, resulting in overcrowded urban spaces and the strain on existing housing infrastructure (Ajanlekoko, 2002). As a consequence, housing shortages, inadequate infrastructure, and the proliferation of slums have become prevalent issues in Nigerian cities.



The failure of the Nigerian government to respond adequately to the increasing demand for urban infrastructural services, social amenities has had the following consequences:

### **Objectives of the Study**

The general objective of this study is to investigate the effect of Urbanization and Performance SMEs in Anambra State Nigeria. Specifically, the study seek to:

1. Investigate the effect of infrastructural services on performance of SMEs in Anambra State, Nigeria
2. Examined the effect social amenities on the performance of SMEs in Anambra State, Nigeria
3. Determine the effect of technological development and performance of SMEs in Anambra State, Nigeria

### **Research Questions**

The following research questions were formulate to guide the study

1. To what extent does infrastructural facilities affect the performance of SMEs in Anambra State, Nigeria?
2. To what degree does social amenities affect the performance of SMEs in Anambra State, Nigeria?
3. To what level does technological development **and** performance of SMEs in Anambra State, Nigeria?

### **Statement of Hypothesis**

The following null hypotheses were formulated in line with the objectives of the study to give direction to the study at .05 level of significance

Ho<sub>1</sub>: Infrastructural facilities has no significant effect on marketing sustainability in Nigeria bottling company in Niger delta.

Ho<sub>2</sub>: Social amenities has no significant effect on the performance of SMEs in Anambra State, Nigeria.

Ho<sub>3</sub>: Technological development has no significant effect on the performance of SMEs in Anambra State, Nigeria.



## **REVIEW OF RELATED LITERATURE**

### **Conceptual Review**

#### **Urbanization**

Urbanization refers to the process by which rural areas become urbanized as a result of economic development and industrialization. Demographically, the term urbanization denotes the redistribution of populations from rural to urban settlements over time. However, it is important to acknowledge that the criteria for defining what is urban may vary from country to country, which cautions us against a strict comparison of urbanization cross-nationally. The fundamental difference between urban and rural is that urban populations live in larger, denser, and more heterogeneous cities as opposed to small, more sparse, and less differentiated rural places. It's the physical growth of rural or national land into urban areas as a result of population in-migration to an existing urban area. Effects include change in density and administration services. While the exact definition and population size of urbanized areas varies among different countries, urbanization is attributed to growth of cities. Urbanization is the social process whereby cities grow and societies became more urban in nature, as opposed to being mostly rural and agricultural. Urbanization is what occurs when the rural character of a town is gradually replaced by housing and industrial development, resulting in more suburbs. Its an increase in the proportion of people living in urban or developed areas compared to rural areas. Urbanization is not merely a modern phenomenon, but a rapid and nutoric transformation of human social roots on a global scale, whereby predominantly village culture is being rapidly replaced by predominantly urban culture. The last major change in settlement patterns was the accumulation of limits- gatherers into villages many thousand years ago. Village culture is characterized by common bloodiness, intimate relationships and communal behaviour whereas urban culture is characterized by distance bloodiness, unfamiliar relations, and competitive behaviour. This unprecedented movement of people is forecast to continue and intensify in the next few decades, mushrooming cities to size incomprehensible only a century ago.

Urbanization is not about simply increasing the number of urban residents or expanding the area of cities. More importantly, its about a complete change from rural to urban style in terms of industry structure, employment, living environment and social security. The rapid urbanization of the world's population one the twentieth century is described in the 2005 revision of the UN World urbanization prospects report. The global proportion of urban population rose dramationlly from 13% (220 million) in 1900, to29% (732 million) in 1950, to 49% (3.2 billion) in 2005. The same report projected that the figure is likely to rise to 60% (49 billion) by 2030. According to the UN State of the World population 2007 report, sometime in the middle of 2007, the majority of people worldwide will be living in towns or cities for the first time in history, this is referred to as the arrival of the "urban millennium or the typing point. In regard to future trends, it is estimated 93% of urban growth will occur in developing nations, with 80% of urban growth occurring in Asia and Africa.

#### **Performance of Small and Medium Enterprises (SME)**

Typically, performance is ultimate outcome expected in every business activity (Muhammad et al., 2019; Ahmed et al., 2018; Galdeano et al., 2018; Ahmed, Mozammel & Ahmed, 2018; Roespinoedji et al., 2019). SME performance is the total performance of the firm and is showed by the aggregate of performance of finance, business, and human resource functions



of the organization in a given time. Firms formulate goals and objectives to be achieved within a given time frame. Performance measures the organizations' effectiveness against these set objectives. Thus, organizational performance refers to the ability of an organization to attain its goals such as high-profit margin, product quality, and larger market share, better financial results at a stipulated time and by applying the relevant strategy. Organizational performance has many dimensions which may be difficult to quantify (Rowley, 2017) opines that, both financial and non-financial indicators have been used to measure performance. The financial indicators were sales growth and percentage profit margin. In the service industry, employee productivity has been used as a measure of performance (Mishra, 2018). Gavrea, Ilies and Stegorean, (2017) SME performance shows the actual output or results of an organisation as measured against its proposed outputs (or goals and objectives). It is one of the most important variables in the field of management research today. Although the concept of SME performance is very common in academic literature, its definition is not yet a universally accepted concept. Richard et al, (2016) view SME performance as comprises three specific areas of firm outcomes: financial performance (profits, return on assets, return on investment and others product market performance (sales, market share, and shareholder return (total shareholder return, economic value added, others. Waiganjo, Mukulu & Kahiri, (2016) note that SME performance may be assessed in terms of its multiple objectives of profitability, employee satisfaction, productivity, growth among many other objectives. Proponents of the balanced score card performance management system have suggested a broader performance appraisal approach that recognizes both the financial and non-financial measures including sales, profitability, return on investments, market share, customer base, product quality, innovation and company attractiveness. Richard et al, (2019) explains that SME performance includes the actual output or results of firms as measured against its intended outputs (goals and objectives). Kunze (2013), has defined SME performance as consisting of both SME and operational dimensions of performance.

To survive and succeed in a potentially austere environment, Small and medium enterprises must effectively deploy and combine their physical, human and organizational assets. Thus, they will develop long-term competitive advantages and, in turn, achieve superior performance (Lonial & Carter, 2015). However, due to their limited resources, Small and medium enterprises need to identify and exploit other means to be able to enhance their competitiveness and performance. In general, various factors of the internal environment, which potentially influence the performance of Small and medium enterprises, are mentioned in the literature of these, particular attention is paid to: firm age and size, human resources and human resource practices, entrepreneurial networks, occupational health and safety measures, product, process, organizational, marketing innovation, organizational orientations, internationalization market orientation, planning flexibility ownership and family involvement, intellectual capital (Leitner & Guldenberg, 2019).



## **Theoretical Framework**

### **Self-Generated Or Endogenous Urbanization Theory.**

Theories on urbanization have been around for such a long time that they have blended into and intersect with theories that also pertain to cities, industrialization, and more recently, globalization. At the risk of being subjective and circumvent, we introduce and discuss four such theories, which provide both earlier and recent explanations for why and how urbanization occurs. First, there is what may be labeled the theory on self-generated or endogenous urbanization. This theory suggests that urbanization requires two separate prerequisites—the generation of surplus products that sustain people in non-agricultural activities (Childe, 1950; Harvey, 1973) and the achievement of a level of social development that allows large communities to be socially viable and stable (Lampard, 1965). From a long temporal perspective, these changes took place simultaneously in the Neolithic period when the first cities emerged in the Middle East (Wheatley, 1971) as mentioned earlier. A much later period in which these two preconditions interacted strongly was the late eighteenth century when the rise of industrial capitalism led to the emergence of urban societies in Great Britain, North-West Europe and North America (Pred, 1977).

In a demographic sense, this theory focuses on the rural-urban population shift as the foundation of urbanization but it identifies industrialization as the basic driver behind the movement of rural population to urban areas for factory jobs. The historical evidence undoubtedly bears this out. Before the Industrial Revolution in Great Britain, no society could be described as urban or urbanized. And all countries, primarily in the West, that began to industrialize rapidly after Great Britain became highly urbanized by the mid-twentieth century, which was followed by accelerated industrialization and then urbanization in the rest of the world through the last century and into the present. If we focus on cities instead of urbanization, this theory accounts for the endogenous conditions that facilitate the transition from pre-industrial to industrial cities, first in the West and then in the rest of the world, in an uneven manner.

Perhaps the first theoretical perspective that remains relevant today in light of the close relationship between industrialization and urbanization, it suffers from the drawback of focusing narrowly on the rural-urban shift within countries as the key to urbanization. Besides the authors cited above, this theoretical tradition was enriched by scholars like Kinsley Davis in the

1950s through the 1970s (Davis, 1951, 1965, 1969, 1972).

### **Empirical Review**

Oghenekome and Onosemuode (2024) examined the impact of urbanization on microclimate: A case study of Warri. The sample size comprised one hundred and eighty - four (184) respondents. In order to ensure widest coverage of questionnaire administration, the Warri South Local Government Area was zoned into four areas which included (a) DDPA (Delta Development Property Authority); (b) Warri Core (Iyara Area); (c) Okumagba Estate and (d) Edjeba. Equal number of respondents (46) was selected from each zone; residents in the 1st street and every 3<sup>rd</sup> street was systematically picked in this consecutive order in all the zones until the required sample size was derived. This research instrument was designed by the researcher for residents in the study area. The questionnaire was sub-divided into two (2) parts;



A and B. Part A was to retrieve information on the residents' personal data, Part B was on the impact of urbanization on microclimate in Warri. Part B was further sub-divided into six (6) sections (A-F). Section A was to retrieve information on the impact of urbanization on microclimate; section B was on microclimatic changes associated with urbanization in the study area; section C was on urban planning strategies in mitigating the impacts of urbanization on the microclimate of the study area; section D was on the impacts of the interaction between climatic elements and urbanization on the microclimate of the study area; section E was on impact of microclimatic elements on the environment; while section F was on impact of microclimatic elements on human health. The data collected were presented in Tables which were generated from the responses of the respondents. The study revealed that urbanization in the study area has a significant impact on the microclimate. The study therefore recommends the planting of vegetation around buildings (green design), making modifications in the design and orientation of buildings amongst others.

Undie, Agbogo and Pius (2023) investigated the effect of urbanization pull indices on the viability of small businesses in the Calabar Metropolis. The investigation was guided by two objectives, two research questions, and two null hypotheses. The study covered 3001 small scale business operators, comprising 2,800 Operators of Manufacturing Industry (OMIs) and 201 Operators of Service Industry (OSIs). A total of 352 participants was the sample of the study. The Taro Yamane formula was used to generate the sample. The Urbanization Pull Indices and the Small-Scale Business (SSB) Sustainability Questionnaire was used to collect data. This instrument was trial-tested on 30 respondents from within and outside the study area. Cronbach Alpha statistics were used to determine internal consistency, yielding reliability coefficients of 0.83 and 0.79 for the instrument. Mean statistics were used to answer the research questions, while independent t-test was used to test the null hypotheses at .05 level of significance. The findings indicate that the mean ratings for the effect of infrastructure and government policies on SSB sustainability in the Calabar metropolitan area did not differ significantly across OMIs and OSIs. Based on these findings, the study recommends that the state government make it easier for small businesses to run sustainably.

Isibor (2023) motivated by the seeming inability of the public sector to make and implement policies and programmes to curb the high rate of rural urban migration and unemployment that is usually experienced in Nigeria. The study was geared towards an overview of the issues of urbanization and unemployment as well as their implication on the development of Nigeria. Secondary data were collected and analyzed using ordinary least square method. The result obtained from the analysis shows that urbanization has a significant impact on economic growth. It was then recommended that government should strive more to make access to higher education, scholarship and agricultural facilities available to the rural populace and further enhance effort towards population control through public – private sector to make a productive life worth living in rural areas.

Bomani, Derera, and Mashingaidze (2022) examined the challenges and government support for urban small and medium enterprises (SMEs) in Zimbabwe and offer policy direction for further development of the sector. Previous studies that explored challenges facing the urban SMEs in Zimbabwe paid little attention to government support and policy strategies to develop the sector. This study intends to fill this gap. Using a qualitative research design, we gathered data from 25 purposively sampled SMEs through in-depth interviews. Data were analysed using content analysis. Results revealed that urban SMEs face several challenges, including access to finance, lack of technical and management skills, and stringent government





regulations. Although the government implemented some policies to support SMEs, these measures were inadequate. The government should set aside more resources to support the sector, including SMEs clustering and establishing more business incubation centres to facilitate technology and skills transfer. The government should also strike a balance between the regulatory laws of the sector and its development to achieve sustained growth. More importantly, the government's urban plans should incorporate the pressing demands of climate change in building inclusive, resilient, and sustainable cities of the future. The study proposed areas for future research.

## METHODOLOGY

This study adopted survey design. Survey research design was used as it had merits such as researcher having no control over the variables and only reported what was happening. Survey research design was found appropriate because it involved collecting data in order to answer pertinent questions concerning the current status of subjects under study. This study was carried out in Anambra State. Anambra is a state in southeastern part of Nigeria. Anambra is a state with a rich culture. Its' known for its great myths, giant strides, creative, hardworking and innovative people. Its history is as mythical as its great people, as there are diverse perspectives to the origin of ndi Anambra. The Igbo language is the mother tongue, but English is widely spoken due to the early influence of Missionary Schools & UAC Traders. A vast majority speak pidgin English, a blend of native Igbo dialect and English Language, which was probably adopted for ease of trade with early visiting Europeans. The population of study was made up of all the SMEs in Anambra State. The population of this study is not known and therefore it is an infinite population. Since the population is unknown, as such the sample size of the study was 368 with the aid of Topman's non-parametric sample size determination formula, applied when the population frame is unknown. With respect to this research work, the researcher made use of primary and secondary sources of data. The primary sources of data include the questionnaire and the personal interview. The researcher used structured questionnaires. The questionnaires contained both open-ended and closed-ended questions. Open-ended questions were be to get the views and opinions of respondents on how electronic banking affect service delivery and customer satisfaction, while closed-ended questions were used to get the exact information. Matrix questions that utilize the Likert rating scale were used. The research instrument was questionnaire, which was subjected to face and content validity procedures. The reliability of the questionnaire was established through the test- retest method and Cronbach's alpha Reliability Coefficient and 0.77 was obtained. This was considered high enough to make the instrument reliable. The collected data was analyzed using quantitative data analysis methods. Descriptive statistics such as mean and standard deviation was used to present quantitative data in form of tables. Data from questionnaire was coded and entered into the computer using Statistical Package for Social Science (SPSS Version 21) for analysis. It gave means, standard deviations and correlations of each independent and dependent variable. Electronic banking Service delivery and customer satisfaction was regressed against the four independent variables using the regression model. The study also employed Multiple Regression Analysis (MRA) method to evaluate the effect of electronic banking on service delivery and customer satisfaction.



## DATA PRESENTATION AND ANALYSIS

### Demographic Characteristics of the Respondents

**Table 1: Demographic Profile of the Respondents**

Demographic Variables	Particulars	No. of Respondents	Percentage
Gender	Female	146	54
	Male	124	46
Marital Statues	Single	102	38
	Married	141	52
	Separated/Divorced	27	10
Age Bracket	20 - 30 years	61	23
	31 - 40 years	118	44
	41 - 50 years	38	14
	51 years and above	53	19
Educational Qualification	OND/NCE/O'Level	113	42
	B.Sc./HND	103	38
	MSC/MBA	30	11
	PhD and others	24	9

**Source:** *Field Survey, 2024*

The table above shows the demographic profile of the of the sampled SMEs in Anambra State. A higher proportion of the respondents (54%) are female while 46% of the respondents are male. Table 1 also shows that 38% of the respondents are single, 52% are married while the remaining 10% of the respondents are either divorced or separated. The table further revealed the age bracket of the respondents. The distribution shows that 23% of the respondents are between the age bracket of 20 to 30 years while 118 respondents representing 44% are within the age bracket of 31 - 40 years. On the same note, 14% of the respondents are within the age bracket of 41 - 50 years while the remaining respondents representing 19% are within the age bracket of 51 years and above. Table 1 further shows that 42% of the respondents have either Ordinary National Diploma, National Certificate on Education or O'Level Certificate as their educational qualification. 38% of the respondents agreed that they have either Bachelor of Science (B.Sc.) or Higher National Diploma (HND). 11% of the respondents have either M.Sc. or MBA while the remaining 9% have P.hD and others as their educational qualifications.

### Presentation of Data relevant to the Research Questions

**Research Question One:** To what extent does infrastructural facilities affect the performance of SMEs in Anambra State, Nigeria?



**Table 2 Respondents views on effect does infrastructural facilities affect the performance of SMEs**

Transaction Alerts		SA (%)	A (%)	UD (%)	D (%)	SD (%)
1	Infrastructural facilities study area affect the performance of SMEs	82 (30%)	103 (38%)	20 (7%)	31 (12%)	34 (13%)
2	Infrastructural facilities is more severe in urban areas improve the performance of SMEs.	96 (34%)	107 (40%)	23 (9%)	25 (10%)	19 (7%)
3	The spatial patterns of infrastructural facilities changes the performance of SMEs with in urbanization.	102 (38%)	124 (46%)	16 (6%)	14 (5%)	18 (6%)
4	Urbanization contributes to increase in infrastructural facilities study area.	103 (38%)	106 (39%)	11 (4%)	16 (4%)	20 (7%)
5	Urbanization leads to increase in the performance of SMEs	105 (39%)	100 (37%)	20 (7%)	25 (10%)	20 (7%)

**Source:** *Field Survey, 2024*

Table 2 above shows that 30% of the respondents strongly agreed Infrastructural facilities study area affect the performance of SMEs, 38% of the respondents agreed, 7% of the respondents were undecided, 12% of the respondents disagreed while the remaining 13% of the respondents strongly disagreed. Also, 34% of the respondents strongly agreed that Infrastructural facilities is more severe in urban areas improve the performance of SMEs, 40% of the respondents agreed, 9% of the respondents were undecided, 10% of the respondents disagreed while 7% of the respondents strongly disagreed.

A higher proportion of the respondents (45%) agreed that the spatial patterns of infrastructural facilities changes the performance of SMEs with in urbanization, 34% of the respondents strongly agreed, 6% of the respondents were undecided, 15% of the respondents disagreed while 6% of the respondents strongly disagreed. The table also revealed that 38% of the respondents strongly agreed that Urbanization contributes to increase in infrastructural facilities study area., 39% of the respondents agreed, 4% of the respondents were undecided, 4% of the respondents disagreed while 7% of the respondents strongly disagreed. Finally, the table revealed that 39% of the respondents strongly agreed urbanization leads to increase in the performance of SMEs, 37% of the respondents agreed, 7% of the respondents were undecided, 10% of the respondents disagreed while the remaining 7% of the respondents strongly disagreed with the assertion.

**Research Question Two:** To what degree does social amenities affect the performance of SMEs in Anambra State, Nigeria?

**Table 4.2 Respondents Views on Effect of social amenities on performance of SMEs**

Statements	SA (%)	A (%)	UD (%)	D (%)	SD (%)
1 Urbanization in the study area leads to changes in social amenities and performance of SMEs	105 (39%)	100 (37%)	20 (7%)	25 (10%)	20 (7%)
2 Social amenities changes associated with urbanization in the study had a positive impact on performance of SMEs.	102 (38%)	124 (46%)	16 (6%)	14 (5%)	18 (6%)
3 Urbanization increases social amenities in the study area.	103 (38%)	106 (39%)	11 (4%)	16 (4%)	20 (7%)
4 Social amenities lead to urbanized densely populated areas of SMEs performance.	96 (34%)	107 (40%)	23 (9%)	25 (10%)	19 (7%)
5 Social amenities affect quality of SMEs performance in urbanized areas.	103 (38)	82 (30%)	20 (7%)	31 (12%)	34 (13%)

**Source:** *Field Survey, 2022*

Table 2 above indicated that 39% of the respondents strongly agreed that Urbanization in the study area leads to changes in social amenities and performance of SMEs, 37% of the respondents agreed, 7% of the respondents were undecided, 10% of the respondents disagreed with 7% of the respondents strongly disagreed. A higher proportion of the respondents 46% agreed that Social amenities changes associated with urbanization in the study had a positive impact on performance of SMEs, 37% of the respondents agreed, 6% of the respondents were undecided, 5% of the respondents disagreed while 6% of the respondents strongly disagreed.

The table also shows that 38% of the respondents strongly agreed that Urbanization increases social amenities in the study area. 39% of the respondents agreed, 4% of the respondents were undecided, 4% of the respondents disagreed while 7% of the respondents strongly disagreed. Furthermore, 34% of the respondents strongly agreed that Social amenities lead to urbanized densely populated areas of SMEs performance, 40% of the respondents agreed, 9% of the respondents were undecided, 10% of the respondents disagreed while 7% of the respondents strongly disagreed with the assertion. Finally, higher proportion of the respondents 38% strongly agreed that Social amenities affect quality of SMEs performance in urbanized areas, 30% of the respondents agreed, 7% of the respondents were undecided, 12% of the respondents disagreed while 13% of the respondents strongly disagreed with the assertion.

**Research Question Three:** To what level does technological development and performance of SMEs in Anambra State, Nigeria?



**Table 3 Respondents views the effect of technological development on performance of SMEs**

Statements	SA (%)	A (%)	UD (%)	D (%)	SD (%)
1 Extreme technological development increases urbanization	96 (34%)	107 (40%)	30 (11%)	25 (10%)	15 (6%)
2 Technological development related urbanization can be a direct consequence of favorable performance of SMEs	102 (38%)	124 (46%)	18 (6%)	16 (6%)	14 (5%)
3 Changes in technological development elements influence the performance of SMEs	103 (38%)	106 (39%)	20 (7%)	16 (6%)	11 (4%)
4 Higher technological development increased urbanization	96 (34%)	107 (40%)	19 (7%)	23 (9%)	25 (10%)
5 Technological development planning enhance the performance of SMEs	82 (30%)	103 (38)	34 (13%)	31 (12%)	20 (7%)

**Source:** *Field Survey, 2024*

Table 3 above shows that a higher proportion of the respondents (40%) agreed that extreme technological development increases urbanization, 34% of the respondents strongly agreed, 11% of the respondents were undecided while the remaining 10% of the respondents disagreed while the remaining 6% of the respondents strongly disagreed. On a similar note, 46% of the respondents strongly agreed that technological development related urbanization can be a direct consequence of favorable performance of SMEs, 6% of the respondents were undecided while the remaining 6% of the respondents disagreed while the remaining 5% of the respondents strongly disagreed. Table.3 above shows that, 39% of the respondents agreed that changes in technological development elements influence the performance of SMEs, 38% of the respondents strongly agreed, 7% of the respondents were undecided 6% of the respondents disagreed while the remaining 4% of the respondents strongly disagreed. Also, 40% of the respondents strongly agreed that higher technological development increased urbanization, 34% of the respondents agreed, 7% of the respondents 9% of the respondents disagreed were undecided while the remaining 1% of the respondents strongly disagreed.

Furthermore, 38% of the respondents agreed that technological development planning enhance the performance of SMEs, 30% of the respondents strongly agreed, 13% of the respondents were undecided, 12% of the respondents disagreed while the remaining 7% of the respondents strongly disagreed.

### Regression Result

Multiple regression result was employed to test the effect of independent or explanatory variables on the dependent variables. The result of the multiple regression analysis is presented in the tables below.

**Table 4. Summary of the Regression Result**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.515 <sup>a</sup>	.665	.554	2.749	1.708

a. Predictors: (Constant), INFF, SA, TD

b. Dependent Variable: P SMEs

Table 4. shows that  $R^2$  which measures the strength of the effect of independent variable on the dependent variable have the value of 0.665. This implies that 66% of the variation in performance of SMEs is explained by variations in via infrastructural facilities social amenities and technological development. This was supported by adjusted  $R^2$  of 0.554.

In order to check for autocorrelation in the model, Durbin-Watson statistics was employed. Durbin-Watson statistics of 1.708 in table 4.4 shows that the variables in the model are not autocorrelated and that the model is reliable for predications.

**Table 5: ANOVA Result**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	723.274	4	180.818	23.920	.000 <sup>b</sup>
	Residual	2003.189	265	7.559		
	Total	2726.463	269			

a. Dependent Variable: INFF, SA, TD

b. Predictors: (Constant), PSMES

The f-statistics value of 23.920 in table 4.3.3 with f-statistics probability of 0.000 shows that the independent variables has significant effect on dependent. This shows that infrastructural facilities social amenities technological development, a can collectively explain the variations in performance of SMEs.

**Table 6 Coefficients of the Model**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	7.105	1.718		4.135	.000
Infrastructural Facilities	.344	.071	.272	4.848	.000
Social Amenities	.656	.097	.006	3.089	.000
Technological Development	.079	.057	.077	2.387	.007

a. Dependent Variable: CS

Table 6 shows the coefficient of the individual variables and their probability values. Infrastructural facilities has regression coefficient of 0.344 with a probability value of 0.000. This implies that infrastructural facilities has a positive but significant effect on performance of SMEs. Social amenities has a regression coefficient of 0.656 with a probability value of 0.000 implying that social amenities has a positive and significant effect on performance of SMEs in in Anambra State. Furthermore, technological development has a regression



coefficient of 0.079 with a probability value of 0.007. This implies that technological development has a positive and significant effect on performance of SMEs in Anambra State.

### **Test of Hypothesis One**

HO<sub>1</sub>: Infrastructural facilities has no significant effect on the performance of SMEs in Anambra State.

Hi: Infrastructural facilities has a significant effect on the performance of SMEs in Anambra State.

In testing this hypothesis, the t-statistics and probability value in table 6 is used. Infrastructural facilities has a t-statistics of 4.848 and a probability value of 0.000 which is statistically significant. Therefore, we reject the null hypothesis and accept the alternative hypotheses which state that infrastructural facilities has a significant effect on the performance of SMEs in Anambra State.

### **Test of Hypothesis Two**

HO<sub>2</sub>: Social amenities has no significant effect on the performance of SMEs in Anambra State, Nigeria.

HO<sub>2</sub>: Social amenities has a significant effect on the performance of SMEs in Anambra State, Nigeria.

Social Amenities has a t-statistics of 3.089 and a probability value of 0.000 which is statistically significant. Therefore, we reject the null hypothesis and accept the alternative hypotheses which state that automated Social amenities has a significant effect on the performance of SMEs in Anambra State, Nigeria.

### **Test of Hypothesis Three**

Ho: Technological development has no significant effect on the performance of SMEs in Anambra State, Nigeria.

Hi: Technological development has a significant effect on the performance of SMEs in Anambra State, Nigeria.

Technological development) has a t-statistics of 2.387 and a probability value of 0.007 which is statistically significant. Therefore, we reject the null hypothesis and accept the alternative hypotheses which state that technological development has a significant effect on the performance of SMEs in Anambra State, Nigeria.



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## **SUMMARY OF FINDINGS**

This work evaluated the effect of urbanization and performance SMEs in Anambra State Nigeria. The data generated were analyzed and the following were evident.

1. Infrastructural facilities has a significant effect on the performance of SMEs in Anambra State, Nigeria.
2. Social amenities has a significant effect on the performance of SMEs in Anambra State, Nigeria.
3. Technological development has a significant effect on the performance of SMEs in Anambra State, Nigeria.

## **CONCLUSION**

This work evaluated the effect of electronic banking services on customer satisfaction in deposit money banks in Anambra. It was discover that infrastructural facilities has a significant effect on the performance of SMEs; social amenities has a significant effect on the performance of SMEs and technological development has a significant effect on the performance of SMEs in Anambra State, Nigeria. The study concludes that urbanization had a significant effect on the performance of SMEs in Anambra State, Nigeria.

## **RECOMMENDATIONS**

Based on the findings of this study, the study recommends that:

1. Government should provide availability of Infrastructural facilities in rural areas will decrease the rural – urban migration of the people that will increase on the performance of SMEs.
2. Government in collaboration with private sector could make and implement programme for rural upliftement such as social amenities programmes, housing loans, electricity, water supply etc. So that they will not have interest to migrate to urban areas.
3. Small business owners should stay current on technological development and try to influence government decision-making and policy on urbanization





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