BANK LENDING POLICIES AND ENTREPRENEURSHIP DEVELOPMENT OF SME's IN OTA, OGUN STATE NIGERIA

Nkiruka E. Ifekwem, Linus I. Okafor and Chidera C. Obasi
Department of Business Administration, Bells University of Technology, Ota, Nigeria
E-mail: okaforlinus82@yahoo.com +2348037222426

Abstract
This study investigated bank lending policies and entrepreneurship development of SME's in Ota, Ogun state Nigeria. To achieve the objective of the study, research questions and hypotheses were raised to guide the study. Structured research question was used as instrument to gather information from the respondents. The simple random sampling technique was used to collect information from 125 SMEs respondents. The data collected were analyzed using frequency tables and percentages. Pearson Product moment correlation (PPMC) statistical tool was used to test the hypotheses at 0.05 level of significance. It was found that there is significant relationship between Interest rate and entrepreneurship development; there is no significant relationship between bank recovery behaviour and entrepreneurship development and that there is significant relationship between bank credit and entrepreneurship development. It was therefore recommended among others that the banks must ensure that the enterprises live above failure that may result from poor management despite the best intention of the entrepreneurs. Banks have to take over the reign of the enterprises and play a constructive role in order to attain this feat. The necessary infrastructure and skills needed to assist in improved quality of management in business enterprises and this will ultimately improve the quality of assists for banks.

Keywords: Lending, interest rate, entrepreneurship, banks

Introduction

The need for the development of Small and Medium Enterprises (SMEs) has been in the fore-front of national economic development program of most developing countries in the past few decades. Nigeria in particular has manifested this concern in her past annual budgets and development plan initiatives (Babalola, 1999). This is obvious because the government recognizes the importance of entrepreneurship development and believes firmly in the fact that government alone cannot exhaustively cope with the economic and social needs of her citizens (Donaldson, 2009).

Lending which is one of the services rendered by the commercial banks needs to be effectively carried out by the banks since it is the basis for the establishment of sound economic development. The lending operations of commercial banks in any economy constitute a critical sector in its growth and development. According to Aliyu and Yusuf (2014). The need for lending arises in view of the apparent financial inequality in the economic system which is the gap arising between the deficit unit –the entrepreneurs and the surplus unit-the banks. Thus, lending by banks must be designed in such a way that it could be of total benefit to all the different interest groups of the bank which includes the shareholders, depositors and the borrowers.

The bank lending function has been seen as the outflow of finance intermediation process, (Aliyu and Yusuf, 2014).It represents the channelling of funds by bank institution to those economic units (the entrepreneurs) that have more investment and consumption needs than their resources can meet. In view of the ways in which all the interest groups can benefit from the bank lending services, the researcher

found it necessary to determine the influence of the bank lending practices on entrepreneurship development.

The critical areas relating to lending for which banks in Nigeria normally set policies include: Loan Unit; Loan Supervision; Credit risk management; managing difficult loan beneficiary; controlling customer accounts and Monitoring and review of customer case. These are the factors that normally determine granting of loans to entrepreneurs for small and medium business enterprises.

UNDP (2010) Defined entrepreneurship development as referring to the process of enhancing entrepreneurial skills and knowledge through structured training and institution-building programmes. Entrepreneurship development aims to enlarge the base of entrepreneurs in order to hasten the pace at which new commercial ventures are created. This accelerates employment generation and economic development. Entrepreneurship development focuses on individuals who wish to start or expand a business. Furthermore, entrepreneurship development concentrates more on economic growth potential and innovation.

In developing countries, Nigeria inclusive, the primary barrier to economic growth is often not so much with a scarcity of capital, labour or land, but it is the scarcity of both the dynamic entrepreneurs that can bring these together and the markets and mechanisms that can facilitate them in this task.

The federal Government of Nigeria recognized the role entrepreneurship could play in jumpstarting the growth

and development of the economy and decided in 2009 that a centre for entrepreneurial development be established in each of the tertiary institutions where different skills would be taught. At the end of their programme of study, graduates of the tertiary institutions would be able to set up their own businesses with a view of contributing to the economy. It is discernible from the foregoing that the role of entrepreneurship can be facilitated or encouraged by granting loans to entrepreneurs for small scale business enterprises for economic boost.

Statement of the problem

The deregulation of the Nigerian financial system since 1986 resulted to high interest rates, persisting liquidity crisis and credit rationing in favour of large companies. The policy somersault that characterized the post-deregulation period left Nigerian SMEs under severe financial stress and extreme financing gaps. A good business environment or investment climate will encourage private firms to be well managed and efficient, be profitable to grow, create jobs, increase the rate of economic growth and reduce poverty. Faseun and Baweyao (2009) argued that the challenges which Nigerian banks have to tackle before a successful implementation of SMIEIS include those that relate to cash flows, investment structuring, monitoring/value enhancement, liquidity and exit strategies. Small and Medium Industries Equity Investment Scheme (SMIEIS) is a voluntary initiative of bankers" committee which requires all licensed banks to set aside 10 percent of their profit before tax (PBT) for equity investment in, and promotion of SMEs. Despite the existence of programmes and policies on financial support for SMEs in Nigeria, very few small and medium scale businesses receive financial assistance (credit) when they need it. This has constrained the development of their businesses and hence their performance. Hassan and Olanriran (2011) found that 75 percent of small firms he studied in Nigeria considered lack of financial support as a major constraint militating against the growth of small business. The study found that small business owners consider procedures for securing credit from banks cumbersome and the acceptable collateral for such loans excessive. On the other hand, banks argued that most small business owners that apply for loans do not present acceptable investment or business plan and feasibility study. In the light of the un-credit worthiness of most SMEs as viewed by the banking system, this study has become necessary to ascertain how banking lending policies has led to the development of small and medium business enterprise in Nigeria.

Entrepreneurship development

Entrepreneurship is the dynamic process of creating incremental wealth. This wealth is created by individuals who assume the major risks in terms of equity, time and /or career commitment or provide value for some product or service. The product or service may or may not be new or unique, but value must somehow be infused by the entrepreneur by receiving and locating the necessary skills and resources efficiently and effectively. Entrepreneurship is thus considered as the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic, and social risks, and receiving the resulting rewards of monetary and personal satisfaction and independence that comes with it. Following increasing interest of empirical researchers and academic theorists in the field of entrepreneurship, various definitions and concepts are found in the literature. A common denominator in a good number of studies is the important role of three key factors namely, risk-taking, innovation and identification and use of opportunities, with varying degrees of emphasis (Ekpe, R.D. Mac, M.P & Rozac, D.A, 2010). Schumpeter (1994), a development economist, sees entrepreneurship from the point of view of value creation and defines an entrepreneur as a risk-taking innovator needed for rapid economic development, through the process of "creative destruction", by which obsolete technologies and ideas are replaced by new ones. Schumpeter (1994) argues that entrepreneurship has the potential for economic development, through the introduction of new innovative combinations, which render old industries obsolete. According to Joseph Schumpeter, the carrying out of new combinations can take several forms including a) the introduction of a new product, b) the introduction of a new mode of production, c) the opening up of a new market and d) the reorganization of an existing firm to respond to changing technology.

Hister & Pierce (2005), define entrepreneurship as a process by which individuals, either on their own, or within organization, pursue opportunities. Kiiru (2009), similarly express the strong view that the existence, nature and discovery of opportunities constitute the real core of entrepreneurship. They provide explanation why some people discover these opportunities while others do not.

Entrepreneurship development is concerned with the study of entrepreneurial behaviour, the dynamics of business set-up, development and expansion of the enterprise. Entrepreneurship development (ED) refers to the process of enhancing entrepreneurial skills and knowledge through structured training and institution-building programmes.It basically aims to enlarge the

base of entrepreneurs in order to hasten the pace at which new ventures are created. This accelerates employment generation and economic development.

In Nigeria, studies have been carried out on the effect of entrepreneurship development on the problem of high unemployment rate, high level of poverty and slow economic growth rate (Olusanya, Oyebo, Ohadebere, Chukwuemeka, 2012). Given the generally held view that entrepreneurship development is the key to poverty eradication, employment generation and rapid economic development, various governments in Nigeria have, over the past three decades, evolved policies and programmes, aimed at developing entrepreneurship through the development of small and medium scale enterprises (SMEs). In spite of all the efforts, unemployment rate has remained high, rising from 13.1% in year 2000 to 23.9% in 2011, with youth unemployment put at over 50% (IMF, 2013). Over 100 million Nigerians live below poverty line on less than US$1 a day and with the percentage of the population in abject poverty rising from 54.7% in 2004 to 60.9% in 2010 (Ezirim, 2005)Above all, Nigeria's human development index (HDI) remains abysmally low at 0.453, much below world weighted average of 0.7 (UNDP, 2006). Efforts made by various governments in Nigeria over the years to develop entrepreneurship have not yielded the desired results. One major reason is the treatment of all small businesses as entrepreneurial firms and implementation of policies and programmes across the board. The second sets of problems are related to economic, social and political factors that create hostile environment inimical to the development of entrepreneurial firms and other small businesses. To address these challenges and facilitate the development of entrepreneurship in Nigeria, the following measures are recommended: Entrepreneurial firms should be separated from other non-entrepreneurial small businesses, to allow for distinct policies and programmes required by each category of small businesses. To achieve this categorization, all small businesses should be encouraged to submit their business plans to a development agency such as the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN). From the business plans, potential and nascent entrepreneurs are identified and separately registered. The Agency should develop a strategy for monitoring, on yearly basis, firms that are classified as entrepreneurial for at least a period of three years. Firms that fail to realize projections in their business plans should be declassified. Entrepreneurial firms should be given higher level of support including outright government grants and soft loans for research

and development and easy access to venture capitalists and business angels. The development of other small businesses will continue to be pursued to promote self-employment, reduce crime rate and improve the people's living condition. To this end, the implementation of the Microfinance Policy should be reviewed for greater impact on the generality of the rural populace. Finally, government should strive to reduce the cost of doing business in Nigeria, to the benefit of both entrepreneurial firms and other small businesses, by providing conducive environment. To achieve this objective, infrastructural facilities, including good road network, stable power and water supply should be provided as a matter of priority. Security should be beefed up in both urban and rural communities and the problem of corruption should be realistically addressed.

Materials and methods
Sample and sampling technique
This are the method used in drawing samples from a population usually in such a manner that the sample will facilitate determination of some hypothesis concerning the population. Stratified random sampling and convenient sampling technique was used for this study due to the heterogeneity of the data to be collected. Out of the different businesses in Ota 5 type of business was randomly selected out of which the following respondents was conveniently selected. A total no of 150 respondents made up the sample.

Data collection and data analysis
The data for this study was collected with the use of questionnaire which was given to some selected small and medium business enterprises in Ota.

Descriptive statistics was used to analyze the data of this research work. They are simple calculations, percentages and statistical summation of responses, Also the Pearson Product Moment Correlation (PPMC) Statistical tool was used in hypothesis testing in other to reach a logical conclusion.

Results and discussion
Data from the respondents were quantified and converted in simple percentages, with the aid of Statistical packages of Social Sciences (SPSS), Pearson Product Moment Correlation statistical techniques was also employed to test the hypotheses and the research findings were discussed. A total of 150 questionnaires were administered to SME's. Out of the 150 questionnaires administered to SME's 125 were duly completed while 20 were uncompleted. Thus the completed questionnaires serve as the basis for our data analysis.

Presentation and Analysis of Demographic Data   (SMEs)

Table 1: Demographic Data

Sex	Frequency	Percent
Male	76	60.8%
Female	49	39.2%
Total	125	100%

Source: (field survey 2017)

The table above shows the gender of the respondents that participated in the research work. (60.8%) of the respondents are male while (39.2%) of the respondents are female. Majority of the respondents involved in the study are male

Table 2: Age

Age	Frequency	Percent
20-29	42	33.6%
30-39	56	44.8%
40-49	16	12.8%
50 and above	11	8.8%
Total	125	100%
Age	Frequency	Percent

Source :(field survey 2017)

The table shows the age group of the respondents. (33.6%) of the respondents are 20-29yrs, (44.8%) of the respondents are 30-39yrs, (12.8%) of the respondents are 40-49yrs, and (8.8%) of the respondents are 50yrs and above. Majority of the respondents are 30-39yrs of age.

Table 3: Educational qualification

Educational Qualification	Frequency	Percent
SSCE/WAEC	57	45.6%
OND/NCE	17	13.6%
HND/B.A/B.SC	37	29.6%
M.SC/MBA	12	9.6%
Others	2	1.6%
Total	125	100%

Source (field survey 2017)

The table shows the highest level of education of the respondents (45.6%) of the respondents have SSCE/WAEC, (13.6%) of the respondents have OND/NCE, (29.6%) of the respondents have HND/B.A/B.SC, (9.6%) of the respondents have M.SC/MBA and (1.6%) of the respondents have other qualifications. Majority of the respondents have SSCE/WAEC as their educational qualification.

Table 4: Type of Business

Type of Business	Frequency	Percent
Restaurant service	47	37.6%
Cyber café	20	16%
Laundry service	15	12%
Boutique services	25	20%
Others	18	14.4%
Total	125	100%

Source: (field survey 2017)

The table shows the type of businesses of the respondents, (37.6%) of the respondent provide Restaurant services, (16%0 of the respondent own cyber café's (12%) of the respondents provide laundry services, (20%) of the respondents own boutique's (14.4%) of the respondents operate other businesses. Majority of the respondents provides restaurant services

Table 5: Form of Ownership

Form of ownership	Frequency	Percent
Sole Proprietorship	64	51.2%
Partnership	43	34.4%
Company	14	11.2
Others	4	3.2%
Total	125	100%

Source (field survey 2017)

The table shows the form of business ownership of the respondents, (51.2%) of the respondents are sole proprietors, (34.4%) of the respondents are in partnership, (11.2%) of the respondents businesses are company owned, (3.2%) of the respondents businesses are owned in other forms. Majority of the respondents are sole proprietors.

Table 6: Sources of Initial Capital

Sources of Initial Capital	Frequency	Percent
Commercial banks	26	20.8%
Personal savings	32	25.6%
Relations and friends	67	53.6
Government	0	0
Total	125	100%

Source (field surevy2017)

The table shows the sources of initial capital of respondent, (20.8%) of the respondents initial capital is from commercial banks, (25.6%) of the respondents initial capital is personal savings. (53.6%) of the respondents initial capital is from relations and friends, (0%) of the respondents have no initial capital from the government.

Table 7: Work Experience

Work Experience	Frequency	Percent
1-5 years	45	36%
6-10years	38	30.4%
11-15years	27	21.6%
Others	15	12%
Total	125	100%

Source: (field survey 2107)

The table shows the working experience of the respondents in their businesses, (36%) of the respondents are 1-5yrs,(30.4%) of the respondents are 6-11yrs,(21.6%) of the respondents are 11-15yrs, Majority of the respondents that have been operating their business are 6-10 years.
Analyses of research questions (SMES)

RQ 1: Effect of interest rate on Entrepreneurship development

Table 8: My bank is interest oriented

Options	Frequency	Percent%	Valid %	Cumulative%
Strongly agree	75	60	60	60
Agree	50	40	40	100
Disagree	_			
Strongly disagree	_			
Total	125	100	100	

Source: (Field survey 2017)

The table shows 50 representing (40.0%) of the respondents agree, and 75 representing (60.0%) of the respondents strongly agree. Majority of the respondents strongly agree that their bank is interest oriented.

Table 9: Interest rate negatively affects my entrepreneurship development

Option	Frequency	Percent %	Valid%	Cumulative%
Strongly agree	31	24.8	24.8	24.8
Agree	57	45.6	45.6	70.4
Disagree	22	17.6	17.6	88
Strongly disagree	15	12	12	100
Total	125	100	100	

Source: (field survey 2017)

The table shows that (12.0%) of the respondents strongly disagree, (17.6%) of the respondents disagree, (45.6%) of the respondents agree and (24.8%) of the respondents strongly agree. Majority of the respondents agree that interest rate negatively affect entrepreneurship development.

Table 10: I would prefer low interest rate for my business

Options	Frequency	Percent %	Valid %	Cumulative %
Strongly agree	73	58.4	58.4	58.4
Agree	52	40	41.6	100
Disagree	-	-	-	
Strongly disagree	-	-	-	
Total	125	100	100	

Source :(Field survey, 2017)

The table shows 52 representing (40.0%) of the respondents agree, and 73 representing (58.4%) of the respondents strongly agree. Majority of the respondents strongly agree that they would prefer low interest rate for their business.

RQ2: Relationship between bank recovery and entrepreneurship development

Table 11: Bank long-term repayment plan has led to my business growth

Options	Frequency	Percent%	Valid	Cumulative%
Strongly agree	53	42.4	42.4	42.4
Agree	60	48	48	90.4
Disagree	7	5.6	5.6	96
Strongly disagree	5	4	4	100
Total	125	100	100	

Source: (field survey 2017)

The table shows that (4.0%) of the respondents strongly disagree, (5.6%) of the respondents disagree, (48.0%) of the respondents agree, (42.4%) of the respondents strongly agree. Majority of the respondents agree that bank-loan repayment plan has led to their business growth.

RQ3: Relationship between bank credits on entrepreneurship development

Table 12: My bank collateral requirement negatively affects my business

Options	Frequency	Percent%	Valid%	Cumulative%
Strongly agree	78	62.4	62.4	62.4
Agree	47	37.6	37.6	100
Disagree	-	-	-	
Strongly disagree	-	-	-	
Total	125	100	100	

Source: (field survey 2017)

The table shows that (37.6%) of the respondents agree, (62.4%) of the respondents strongly agrees. Majority of the respondents strongly agrees that their bank collateral requirement negatively affects their business.

Table 13: Bank loan-terms have made it difficult for my business to secure loans

Options	Frequency	Percent%	Valid%	Cumulative%
Strongly agree	68	54.4	54.4	54.4
Agree	52	41.6	41.6	96
Disagree	5	4	4	100
Strongly disagree	-	-	-	
Total	125	100	100	

Source: (field survey 2017)

The table shows that (4.0%) of the respondents disagree.(41.6%) of the respondents agree,(54.4%) of the respondents strongly agrees. Majority of the respondents strongly agree that bank loan-terms have made it difficult for their business to secure loans.

Table 14: Small loans does not promote business growth

Options	Frequency	Percent%	Valid%	Cumulative%
Strongly agree	73	58.4	58.4	58.4
Agree	51	40.8	40.8	99.2
Disagree	1	0.8	0.8	100
Strongly disagree	-	-	-	
Total	125	100	100	

Source :(field survey 2017)

The table shows that (0.8%) of the respondent disagrees, (40.8%) of the respondents agrees, (58.4%) of the respondents strongly agrees. Majority of the respondents strongly agrees that small loans do not promote business growth.

Test of Hypotheses

H_0: There is no significant relationship between Interest rate and entrepreneurship development

H_1: There is significant relationship between Interest rate and entrepreneurship development

Table 15: Descriptive Statistics

Variables	Mean	Std. Deviation	N
Interest Rate	4	1.251	137
Entrepreneurship Development	6.48	2.253	137

Table 16: Correlations

		Interest rate	Entrepreneurship ment
Interest rate	Pearson Correlation	1	.699**
	Sig.(2-Tailed)		.000
	No	137	137
Entrepreneurship development	Pearson Correlation	.699**	1
	Sig. (2- Tailed)	.000	
	No	137	137

**. Correlation is significant at the 0.01 level (2-tailed).

The table above shows the result obtained from the application of Pearson Product Moment Correlation [PPMC] on the relationship between interest rate and entrepreneurship development. From the Table, it showed that a significant relationship exist between the two variables (i.e., interest rate and entrepreneurship development). The computed significant (P) value is less than the 0.05, which is the criterion level of significance (5%), while the computed correlation coefficient of 0.699 is higher than the critical r (table value) of 0.117. The correlation coefficient of 0.699 shows a strong positive

relationship between interest rate and entrepreneurship development. Thus, the null hypothesis which states that "There is no significant relationship between Interest rate and entrepreneurship development" was rejected while the alternate hypothesis was accepted.

Hypothesis Two:

H_0: There is no significant relationship between bank recovery behaviour and entrepreneurship development.

H_1: There is significant relationship between bank recovery behaviour and entrepreneurship development

Table 17: Descriptive Statistics

Variables	Mean	Std. Deviation	N
Bank Recovery Behaviour	03	0.891	137
Entrepreneurship Development	3.79	1.223	137

Table 18: Correlations

		Bank Recovery Behaviour	Entrepreneurship ₁ment
Bank Recovery Behaviour	Pearson Correlation	1	.111**
	Sig.(2-Tailed)		.000
	No	137	137
Entrepreneurship Development	Pearson Correlation	.111**	1
	Sig. (2- Tailed)	.000	
	No	137	137

**. Correlation is significant at the 0.01 level (2-tailed).

The table above shows the result obtained from the application of Pearson Product Moment Correlation [PPMC] on the relationship between bank recovery behaviour and entrepreneurship development. From the Table, it showed that a significant relationship does not exist between the two variables (i.e., bank recovery behaviour and entrepreneurship development). The computed significant (P) value is greater than the 0.05, which is the criterion level of significance (5%), while the computed correlation coefficient of 0.111 is lesser than the critical r (table

value) of 0.117. The correlation coefficient of 0.111 shows a weak relationship between bank recovery behaviour and entrepreneurship development. Thus, the null hypothesis was accepted, that is, there is no significant relationship between bank recovery behaviour and entrepreneurship development.

Hypothesis Three:
H_0: There is no significant relationship between bank credit and entrepreneurship development.
H_1: There is significant relationship between bank credit and entrepreneurship development.

Table 19: Descriptive Statistics

Variables	Mean	Std. Deviation	N
Bank Credit	6	1.677	137
Entrepreneurship Development	6.99	2.996	137

Table 20: Correlations

		Bank Credit	Entrepreneurship ₁ment
Customers' Savings and ng Behaviour	Pearson Correlation	1	.701**
	Sig.(2-Tailed)		.000
	No	137	137
Entrepreneurship Development	Pearson Correlation	.701**	1
	Sig. (2- Tailed)	.000	

| No | 137 | 137 |

**. Correlation is significant at the 0.01 level (2-tailed).

The table above shows the result obtained from the application of Pearson Product Moment Correlation [PPMC] on the relationship between bank credit and entrepreneurship development. From the Table, it showed that a significant relationship exist between the two variables (i.e., bank credit and entrepreneurship development). The computed significant (P) value is less than the 0.05, which is the criterion level of significance (5%), while the computed correlation coefficient of 0.701 is higher than the critical r (table value) of 0.117. The correlation coefficient of 0.701 shows a strong positive relationship between bank credit and entrepreneurship development. Thus, the null hypothesis that stated that "There is no significant relationship between bank credit and entrepreneurship development" was rejected and the alternative accepted.

Discussion of findings

Hypothesis one result shows that there is significant relationship between Interest rate and entrepreneurship development.

This result was against the findings of Ojo (2014) who investigated impact of microfinance on entrepreneurial development: the case of Nigeria. The result of the findings revealed that financial institutions interest rate has no positive relationship with entrepreneurship development. Although, interest rate is not significantly influential, the results of findings of this study can still be summarized that the microfinance institutions and their activities go a long way in the determination of the pattern and level of economic activities and development in the Nigerian economy.

The result of hypothesis two shows that there is no significant relationship between bank recovery behaviour and entrepreneurship development. Despite the efforts and resources expended, banks loan repayment rates continue to be poor (Groose, 2010). The high transaction cost, poor loan recovery have reduced the ability of this sector to extend credit to rural borrowers (Osuagwu, 2001). In addition, the situation has created gaps for rural financial services that the informal sector must continue to fill. It provides a challenge for public policy reforms.

Hypothesis three shows that there is significant relationship between bank credit and entrepreneurship development. Commercial banks and other formal institutions fail to cater for the credit needs of smallholders, however, mainly due to their lending terms and conditions. It is generally the rules and regulations of the formal financial institutions that have created the myth that the poor are not bankable, and since they cannot afford the required collateral, they are considered uncreditworthy (Abianga, 2010). Hence despite efforts to overcome the widespread lack of financial services, especially among smallholders in developing countries, and the expansion of credit in the rural areas of these countries, the majority still have only limited access to bank services to support their private initiatives (Babagana, 2010)

Recommendations

In view of the result of this study, the following recommendations are suggested to assist on the subject matter under study not only to the company selected for this, but also to other organizations that have interest on the subject matter.

There is need to have a clear vision and mission on the policy. This is a double edged sword. It helps to have a well-focused professional management, diverse and professional board that have the policy at heart.

There is also the need to have an impartial, quick and simple approval and disbursement procedures that will support innovation and ensure the achievement of financial self-sufficiency. In every conducive investment environment that will guarantee competitive interest rate and definite and reliable source of on-lending funds cannot be over emphasized.

The financial institution need to put more effort in financing SMEs, their role need to be felt by the SMEs in terms of growth and development.

Thus, to ensure the ultimate viability of every enterprise, banks have to take over the reins of the enterprises and play a constructive role in order to attain this feat. The necessary infrastructure and skills needed to assist in improved quality of management in business enterprises and this will ultimately improve the quality of assists for banks.

With the introduction of variety of changes into the banking sector, it becomes pertinent that banks should keep a constant vigil over the enterprises being financed by them. The banks must ensure that funds are being properly utilized in business.

This can be possible if a proper monitoring system on credit administration and utilization is established in the banks.

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