

EFFECT OF ENTREPRENEURSHIP FINANCING ON SME's PERFORMANCE IN AKWA IBOM STATE, NIGERIA.

¹Prof. SAM, B. A. Tende, ²BASSEY Charles Effiok & ³IORPUU, Timothy

^{1,2&3}Department of Business Administration, Nasarawa State University, Keffi-Nigeria

²Basseychaes79@gmail.com ³Tmjulius1@gmail.com

Abstract

This study investigated the effect of entrepreneurship financing (venture capital, angels Investment and bank lending) on Small and Medium Enterprises (SMEs) Performance using selected registered SMEs in Akwa Ibom State, Nigeria. The study adopted a survey research design and the population for the study was 11,990 SMEs in Akwa Ibom State as obtained from the Ministry of Industry and the Association of Entrepreneurs and Artisan in Akwa Ibom State. The Taro Yamene's formula was used in determining the sample size of 386, convenience sampling technique was used to select the respondents for the study. A structured five-point Likert scale questionnaire was used as instrument for data collection, descriptive statistics and Smart PLS-SEM were used to analyze the data gathered for the study. The findings revealed the pivotal positive impact of Venture Capital and Bank Lending on SME performance, highlighting the imperative of creating conducive policies to facilitate access to Venture Capital funding and enhancing tailored banking solutions for SMEs. However, Angel Investment exhibited limited effects, necessitating further exploration for effective integration into the regional SME context. The study recommends collaborative efforts between government bodies, financial institutions, and venture capitalists to incentivize Venture Capital funding, further research to optimize Angel Investment strategies, and tailored approaches for improved access to bank loans, all aimed at fortifying SME resilience and growth in Nigeria's South-South region.

Keywords: Entrepreneurship Financing, Venture Capital, Angel Investment, Bank Lending, SMEs Performance

INTRODUCTION

The effect of entrepreneurship financing on the performance of Small and Medium Enterprises (SMEs) is a very critical area of study as it has to deal with economic crisis bedeviling many developing countries like Nigeria and other African countries. SMEs are fundamental to many economies globally, driving significant productive, economic, employment opportunities which foster economic growth and development. However, their growth potential often faces constraints due to limited access to affordable and adequate financing. This issue is particularly pronounced on a global scale, with SMEs encountering varying degrees of financial limitations across regions and countries. The sources of entrepreneurship financing on SMEs performance encompasses diverse funding sources such as bank loans/lending, venture capital, hedge-funds, crowd-funding, angel investment, Accelerators and incubators. It is pertinent to note, that; adequate financing has the potential to spur innovation, facilitate expansion, and enhance SMEs performance (Beck et al., 2008; Cassar, 2004). Factors like legal frameworks, institutional setups, financial market development, and collateral availability play pivotal roles in determining SMEs' access to capital and their efficient utilization (Demirguc, 2002; Kunt & Maksimovic, World Bank, 2019).

In Nigeria, SMEs frequently encounter challenges in accessing adequate financing, which significantly impedes their growth and performance. Entrepreneurship financing according to Giordani (2013), encompasses and captures the market frictions existing in financing of innovation, and describes entrepreneurial finance as the process of "searching and matching" between entrepreneurs proposing their innovative ventures and capitalists selecting and financing the most valuable projects. In his view entrepreneurship financing is a search and matching process between entrepreneurs and capitalists (Giordani, 2013). Entrepreneurial finance is also the study of value and resource allocation, applied to new ventures. It addresses key questions which challenge all entrepreneurs such as; how much money can and should be raised, when should it be raised and from whom? What is a reasonable valuation of the business start-up? and how should funding contracts and exit decisions be structured?

The effect of entrepreneurship financing on SME's performance is multifaceted, encompassing various sources of funding, such as bank loans/lending, venture capital, angel's investment, Hedge-funds, incubators and accelerators and Crowd-funding etc. The economic landscape and challenges in Akwa Ibom State exert a unique influence on entrepreneurship financing options. Multiple studies have highlighted that

insufficient financing remains a considerable constraint for SMEs in Nigeria (Adeyemi & Fagbemi, 2018). Despite the surge in entrepreneurial activities aiming at fostering economic development, SMEs in Akwa Ibom State region face substantial hurdles in accessing adequate financing, limiting their potential contributions to the regional economy (Olorunshola et al., 2020).

Akwa Ibom State region of Nigeria has witnessed increased entrepreneurial activities driving economic development, with SMEs playing a pivotal role in job creation, innovation, and overall economic growth (Ojo, 2019). Nevertheless, despite the region's abundant natural resources and diverse economic activities, SMEs encounter significant challenges in securing adequate and affordable financing. These obstacles include factors like stringent collateral requirements, high interest rates, prolonged approval processes from conventional banks, and the region's vulnerability to fluctuations in global oil prices due to its heavy reliance on the oil and gas industry (Egbo, 2017; Onyema et al., 2018). Understanding the correlation between entrepreneurship financing and SME performance in Akwa Ibom State is vital in formulating effective policies and strategies for sustainable economic development.

Furthermore, some studies have explored the effect of entrepreneurship financing on SMEs in other geographical regions in Nigeria, but there is a noticeable scarcity of research centered on the Akwa Ibom State (Oyinloye et al., 2019). This research gap underscores the importance of examining factors such as informal financing channels, bureaucratic hurdles, and limited financial literacy among SME owners in the region. Also, it is essential to consider the advantages of government initiatives like the Micro, Small, and Medium Enterprises Development Fund (MSMEDF) designed to support SMEs. Consequently, this research endeavors to explore the relationship between entrepreneurship financing (including venture capital, angel investment, and bank lending) on SME performance in Akwa Ibom State of Nigeria, considering the distinctive economic and environmental factors shaping the State.

Based on the forgoing, the study was guided by the following research objectives;

- i. examine the effect of venture capital on SMEs performance in Akwa Ibom State of Nigeria.
- ii. assess the effect of angel investment on SMEs performance in Akwa Ibom State of Nigeria.
- iii. identify the effect of bank lending on SMEs performance in Akwa Ibom State of Nigeria.

These objectives were converted into hypotheses which were stated in a null form as follows:

Ho₁: Venture capital has no significant effect on SMEs performance in Akwa Ibom State of Nigeria.

Ho₂: Angel investment has no significant effect on SMEs performance in Akwa Ibom State of Nigeria.

Ho₃: Bank lending has no significant effect on SMEs performance in Akwa Ibom State of Nigeria.

LITERATURE REVIEW

Concept of Venture Capital

Venture capital according to Kelly (2012), is a specialized form of private equity investment that supports high-risk startups and emerging companies by providing financial backing in exchange for equity ownership. Venture capitalists offer not only capital but also valuable expertise and industry connections, fostering a symbiotic relationship with entrepreneurs to navigate the challenging early growth stages. Bilyk (2020) emphasizes that this investment model drives innovation and economic growth by allowing unproven yet promising businesses to access resources they'd otherwise struggle to secure. Venture capital denotes the infusion of capital into startups and high-growth enterprises by professional venture capitalists who actively engage in the management and strategic direction of these firms. (Yitshaki, 2012). Venture capitalists' willingness to embrace risk and acquire substantial ownership enables them to influence strategic decisions, encouraging calculated risk-taking and fostering an ecosystem where groundbreaking innovations flourish. Basu (2021) underscores that this form of financing, unlike traditional sources, caters specifically to the unique needs of innovative firms, aligning the interests of investors and entrepreneurs and fueling an environment where innovation and rapid growth thrive, contributing significantly to economic dynamism and job creation.

Concept of Angel Investment

Angel investment involves the provision of capital by high-net-worth individuals or angels to early-stage startups in exchange for equity ownership, offering crucial funding for their growth and development (NS & Saleem, 2022). This form of early-stage venture capital entails individual investors, often with industry expertise, investing their personal funds to support innovative business ideas and startups (Corea et al., 2021). These investments play a pivotal role in nurturing the growth of early-stage startups and fostering innovation within the entrepreneurial ecosystem (Genc et al., 2023). Angel investment denotes the process by which private individuals invest their personal funds into startups or small businesses at an early stage, with the goal of achieving high returns if the business succeeds (Guterman, 2023). It stands for the financial support provided by experienced and affluent investors to promising startups, typically in exchange for equity or convertible debt, helping these companies grow and succeed (Horotan, 2012). This practice involves individual investors, often with industry-specific knowledge, providing critical funding to early-stage companies, acting as a bridge between friends and family funding and traditional venture capital (Li, 2023). These investments showcase the belief of experienced and affluent investors in the potential success of these early-stage companies, contributing substantially to the entrepreneurial ecosystem's innovation and development.

Concept of Bank Lending

Bank lending represents the essential process by which financial institutions, particularly commercial banks, provide funds to individuals, businesses, and governments for various purposes, expecting repayment with interest (Fabozzi, 2018). This fundamental function fuels economic growth, allowing borrowers to expand businesses, purchase homes, or finance public projects, while serving as a means for banks to generate income (Kosak et al., 2015). Assessing a borrower's credit worthiness is pivotal in determining loan terms, involving an in-depth analysis of financial health and credit history (Fabozzi, 2018). This extension of credit stimulates economic activities, enabling investments and opportunities that contribute to financial stability (Saunders & Cornett, 2017). Effective regulation and risk management are imperative to mitigate adverse outcomes such as non-performing loans and financial crises (Saunders & Cornett, 2017). Bank lending acts as a conduit between savers and borrowers, facilitating the efficient flow of funds necessary for economic function (Ho Han, 2017). In essence, the integrity and stability of the financial system heavily rely on sound lending practices guided by rigorous risk assessment and regulatory oversight.

SMEs Performance

Performance in business and organizational management is a multifaceted concept, as highlighted by various scholars. Barney et al. (2022), Li and Zhang (2022), O'Reilly and Tushman (2022), Rindova et al. (2022), and Slater and Narver (2022) collectively stress its complexity and diverse objectives, ranging from specific goal achievement to stakeholder value addition and competitive differentiation. Onuoha (2005), posits that organizational performance comprises the actual output or results of an organization as measured against its intended output goals or objectives. Park and Byun (2022) assert that SME performance anchors on fulfilling business objectives like profitability, growth, and sustainability, which is pivotal for ongoing success. Polishchuk and Ivashchenko (2019) emphasize the critical role of diverse key performance indicators—encompassing financial metrics, operational efficiency, and market competitiveness—to gauge SMEs' overall health effectively. Merritt and Zhao (2020) underline sales revenue, return on investment, and customer satisfaction as significant factors for SME evaluation, crucial metrics determining their success in a competitive landscape. Building strong customer relationships and delivering high-quality products or services are essential for maintaining a loyal customer base. Additionally, Murphy et al. (1996) delineates firm performance into financial (e.g., sales volume, profitability) and nonfinancial dimensions (e.g., product quality, customer satisfaction, market share), highlighting a holistic perspective essential for comprehensive assessment.

Empirical Review

Venture Capital and SMEs Performance

Several studies have delved into the effect of equity-based venture capital financing on the performance of small and medium-sized enterprises (SMEs) across different regions. Smolarski and Kut (2011) investigated various methods of equity-based venture funding, revealing that incremental financing, lump-sum funding,

syndication, and non-syndicated financing significantly affect firm performance. Their findings underscored the substantial influence of equity-based venture capital financing on SMEs. Similarly, Kato and Tsoka (2020) conducted a mixed-method study in Uganda, employing surveys and interviews to analyze the impact of venture capital financing on SME performance. Their results demonstrated a significant positive effect of venture capital on metrics such as sales turnover, profitability, and return on assets for VC-backed companies compared to non-VC-backed firms. This study served as an empirical confirmation of the beneficial impact of venture capital financing on SME development. Meanwhile, Memba (2015) explored the impact of venture capital on SME performance in Kenya through an exploratory research design. Employing case studies and a sample of 100 venture-capital-financed SMEs, the study utilized statistical techniques via SPSS and Excel for data analysis, highlighting the substantial impact of venture capital on the performance of the supported SMEs.

Angel Investment and SMEs Performance

Zhou et al. (2021) examined angel investment in the Chinese IPO market, identifying its institutionalization and its positive effect on reducing information asymmetry, leading to a delayed yet favorable impact on SMEs' long-term performance post-IPOs. Capizzi (2015) explored the returns on business angels' investments, revealing a U-shaped relationship between experience and internal rate of return (IRR), along with the confirmation that shorter holding periods tend to yield lower IRRs. Croce et al. (2018) investigated high-tech startups' performance with angel financing, linking the experience of business angels to increased follow-on financing and enhanced success probabilities, especially when combined with venture capital financing. Enuoh et al. (2023) focused on the lack of familiarity among Nigerian entrepreneurs with angel investing, emphasizing the need for greater awareness and education in this realm. Additionally, Croce et al. (2021) found that certain attributes of business angels, such as entrepreneurial experience, significantly impact sales growth, particularly in high-growth firms (gazelles). Lastly, Cannice et al. (2023) explored the investment impact of angel investors featured on Shark Tank, determining that while certain investor and deal characteristics matter, on average, these investors do not possess the ability to consistently select outperforming companies. However, the reputational impact of the show remains significant, offering insights into the broader angel investor community and the firms they support.

Bank Lending and SMEs Performance

Saidi et al. (2019) focused on Lagos, Nigeria, finding a positive association between access to bank loans and the expansion of SMEs, measured by business output. Ibrahim and Ndidi (2020) conducted a study that involves qualitative and quantitative research, emphasizing that bank lending to SMEs aids in reducing unemployment rates, decreasing crime, and fostering industrialization in Nigeria. Akinyi (2014) examined the impact of bank financing on SMEs' financial performance in Nairobi County, Kenya, noting a positive relationship between bank financing and SMEs' financial performance, while highlighting the need for continuous reforms in financing terms. Sanni et al. (2020) explored the effect of credit accessibility from deposit money banks on SMEs in Kwara State, Nigeria, identifying a significant positive impact on SME performance when finance is provided at relatively low costs, underscoring the challenges faced by SMEs in accessing affordable credit. Lastly, Wanambisi and Bwisa (2013) investigated the influence of microfinance institutions on Micro and Small Enterprises (MSEs) in Kitale Municipality, indicating a positive relationship between loan amounts and MSE performance, advocating for streamlined processes to accelerate access to microfinance loans.

Resource-based theory (RBT)

Resource-Based Theory (RBT) in strategic management underscores the pivotal role of internal resources and capabilities in securing enduring competitive advantages for organizations (Barney, 1991). This framework asserts that an organization's distinct bundle of resources—tangible assets, intangibles, and organizational competencies—can fuel and sustain its competitive edge over rivals (Barney, 1991; Wernerfelt, 1984). These resources must possess attributes like value, rarity, inimitability, and non-substitutability (Barney, 1991; Wernerfelt, 1984). RBT emphasizes leveraging these unique resources to create value, yield rents, and attain superior performance in dynamic and competitive environments (Peteraf, 1993). Particularly relevant for Small and Medium-sized Enterprises (SMEs), RBT highlights the significance of identifying and leveraging internal resources in resource-constrained settings (Barney, 2001). SMEs may

possess inherent advantages such as flexibility, localized knowledge, and an entrepreneurial mindset, deemed valuable resources contributing to competitive positioning (Barney, 2001). By effectively identifying, nurturing, and leveraging their unique resources—like human capital, innovation capacities, and customer relationships—SMEs can gain sustained competitive advantage and enhance performance within their niche markets (Eisenhardt & Martin, 2000). Embracing RBT enables SMEs to strategically allocate and exploit their limited resources, shaping their ability to compete effectively in challenging business landscapes (Barney, 1991; Eisenhardt & Martin, 2000).

METHODOLOGY

This study adopted the survey research design, a structured five-point Likert scale questionnaire was used to obtain data from SMEs owners in Akwa Ibom State of Nigeria. The population for the study was 11990 SMEs in Akwa Ibom State as obtained from the Ministry of Industry and the Association of Entrepreneurs and Artisan in Akwa Ibom State. The Taro Yamene's formula was used in determining the sample size of 386. A total of three hundred and eighty-six (386) copies of questionnaire were distributed to the selected respondents electronically, and 383 usable surveys were filled and used for analysis. The study data was collected using convenience sampling technique. The responses were coded and analyzed using the partial least structural equation modeling (PLS-SEM) using the measurement and the structural model. The model of study is specified below: -

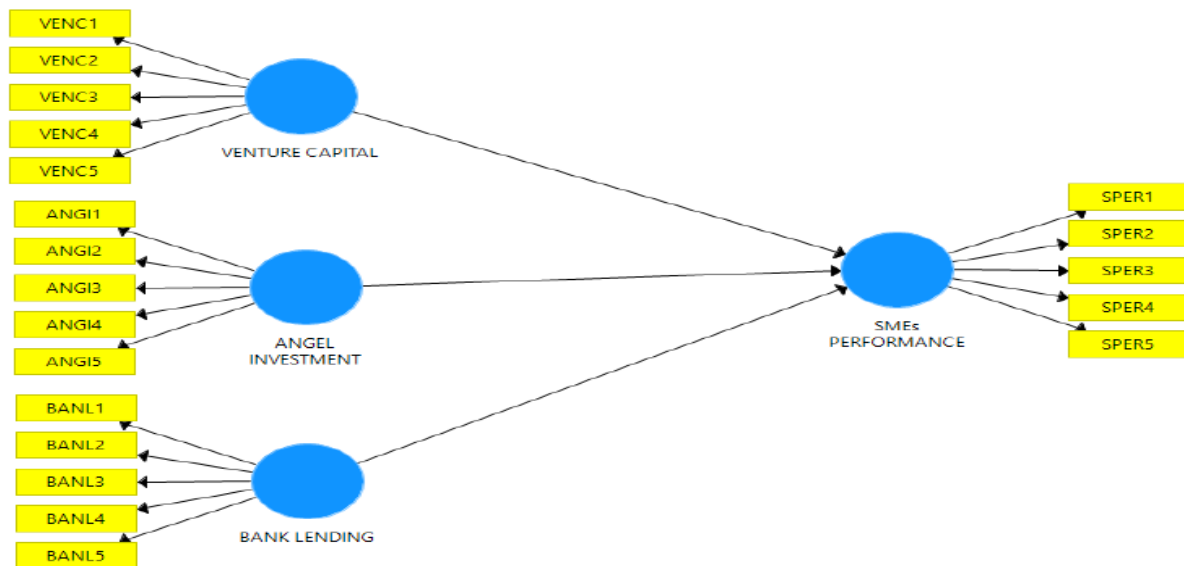


Figure 1: Theoretical model on the effect of entrepreneurship financing on SME's performance in south-south, Nigeria.

Result and Discussion

The study administered 386 copies of questionnaire to selected SMEs owners/operators who were available on ground and accepted to participate in the survey out of which 383 were filled representing a response rate of 99%. Preliminary check for missing values, outliers and bias test was conducted and the result show there is no missing values, outliers and bias responses.

Table 4.1 Descriptive Statistics

Variable	Mean	Median	Min	Max	Standard Deviation	Excess Kurtosis	Skewness
VENC	4.266	4.000	2.000	5.000	0.714	-0.677	-0.506
ANGI	4.336	4.000	2.000	5.000	0.640	0.268	-0.622
BANL	3.539	4.000	1.000	5.000	1.031	-0.103	-0.731
SPER	4.467	5.000	3.000	5.000	0.563	-0.809	-0.442

Source: PLS-SEM Output, 2023

Table 4.1 provides descriptive statistics for four variables; Venture Capital, Angel Investment, Bank Lending, and SMEs Performance. Overall, Venture Capital and Angel Investment share similar means and medians, indicating comparable central tendencies. However, Venture Capital demonstrates slightly higher variability (standard deviation of 0.714) compared to Angel Investment (standard deviation of 0.640). Bank Lending exhibits a noticeably larger standard deviation (1.031), suggesting greater variability in its data points, while SMEs Performance displays a relatively smaller standard deviation (0.563) among the listed variables. Furthermore, all variables showcase distributions with kurtosis values around or below zero, indicating a lighter tail than a normal distribution. Skewness values suggest a slight negative skew for Venture Capital, Angel Investment, and SMEs Performance, indicating a tendency towards the left in their distributions, while Bank Lending displays a slightly stronger negative skew. These statistics collectively provide insights into the central tendency, variability, and shape of the distributions for the respective variables.

The Measurement Model:

In assessing the measurement model, the outer loadings are assessed first, and as a rule loading above 0.70 are accepted as they indicate the construct explains more than 50% of the indicator's variance, thus providing acceptable item reliability (Hair et al 2019).

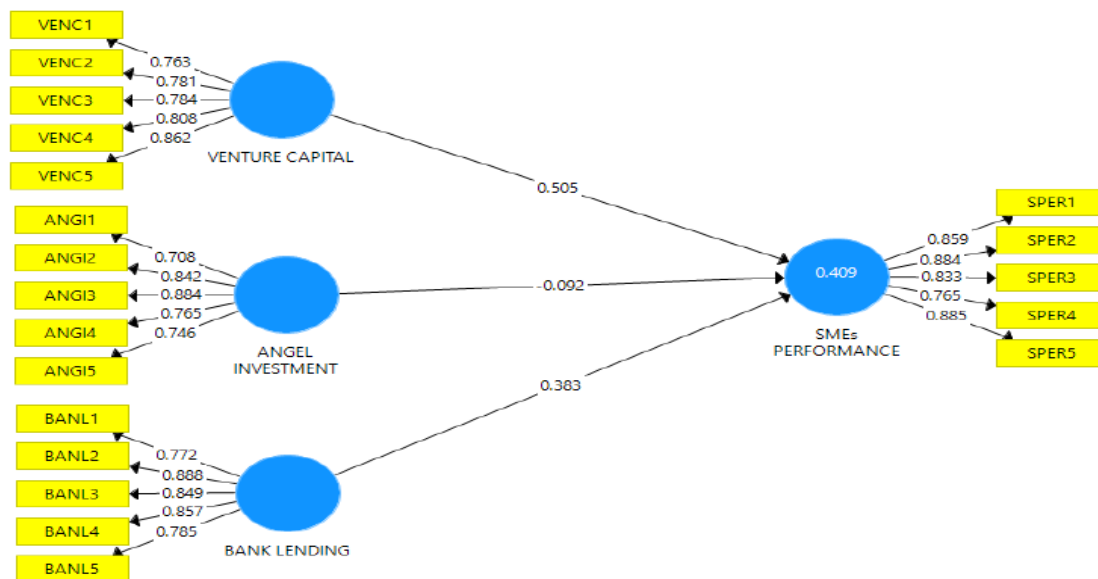


Figure 2: Indicator Outer Loadings

Table 4.2: Reliability of Study Scale

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
ANGEL INVESTMENT	0.855	0.888	0.893	0.627
BANK LENDING	0.893	0.934	0.918	0.691
SMEs PERFORMANCE	0.900	0.907	0.926	0.717
VENTURE CAPITAL	0.860	0.867	0.899	0.641

Source: SmartPLS Output 2023

Table presents the reliability and validity measures for the study constructs, Angel Investment, Bank Lending, SMEs Performance, and Venture Capital, assessed using Cronbach's Alpha (α), ρ_A (rho_A), Composite Reliability, Average Variance Extracted (AVE), and the number of loadings. These measures help evaluate the internal consistency and reliability of the constructs within a research study or model. Overall, all constructs demonstrate good reliability, with Cronbach's Alpha values ranging from 0.855 to 0.900, surpassing the generally accepted threshold of 0.7. The Composite Reliability values (ranging from 0.867 to 0.934) further affirm the constructs' reliability, with scores above 0.7 indicating satisfactory

consistency. Additionally, the Average Variance Extracted values (ranging from 0.627 to 0.717) exceed the recommended threshold of 0.5, signifying that a substantial amount of variance is captured by the constructs' indicators. Each construct consists of five loadings, indicating the number of items or indicators used to measure them.

4.3: Heterotrait-Monotrait Ratio (HTMT)

	ANGEL INVESTMENT	BANK LENDING	SMEs PERFORMANCE	VENTURE CAPITAL
ANGEL INVESTMENT				
BANK LENDING	0.243			
SMEs PERFORMANCE	0.368	0.481		
VENTURE CAPITAL	0.850	0.227	0.583	

Source: SmartPLS Output 2023

Table 4.3 shows the Heterotrait-Monotrait Ratio (HTMT) values of Angel Investment, Bank Lending, SMEs (Small and Medium-sized Enterprises) Performance, and Venture Capital. The HTMT values assess the relationships between different constructs in a structural model, with values closer to 1 indicating higher heterogeneity between constructs compared to homogeneity within a single construct. Looking at the values in the table, it's observed that there are varying levels of heterogeneity and homogeneity between the constructs. For instance, the HTMT values between Angel Investment and Bank Lending (0.243), Bank Lending and SMEs Performance (0.481), SMEs Performance and Venture Capital (0.583) suggest moderate levels of heterogeneity, implying that these constructs might be relatively distinct from each other. However, the HTMT value between Angel Investment and Venture Capital (0.850) indicates a higher level of heterogeneity, suggesting more distinct differences between these two constructs.

The Structural Model

In assessing the structural model, the standard assessment criteria were considered which include the path coefficient, t-values, p-values and coefficient of determination (R^2), the bootstrapping procedure was conducted using a resample of 5000

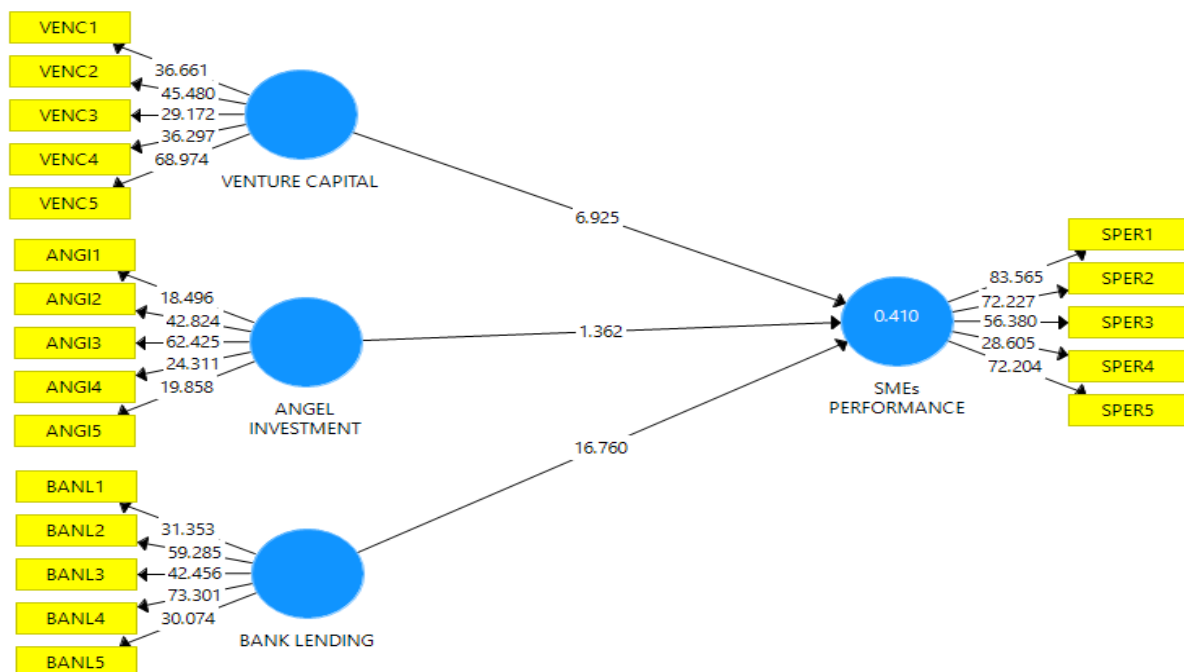


Figure 3: Path coefficient of the regression model

Table 4.4 R² Summary

	R Square	R Square Adjusted
SMEs PERFORMANCE	0.609	0.605

Source : SmartPLS Output 2023

The R-square value stood at 0.609 indicating that the variation in SMEs performance is explain by entrepreneurship financing dimensions of venture capital, angel investment and bank lending to the degree of 60%, the remaining 40% variation could be explained by other factors. The result of the path coefficient is presented in the table below:

Table 4.5 Path Coefficient

	Original Sample (O) Beta**	T Statistics (O/STDEV)	P Values	Decision
VENTURE CAPITAL -> SMEs PERFORMANCE	0.500	6.925	0.000	Rejected
ANGEL INVESTMENT -> SMEs PERFORMANCE	-0.092	1.362	0.173	Accepted
BANK LENDING -> SMEs PERFORMANCE	0.389	16.760	0.000	Rejected

Source: SmartPLS Output 2023

Test of Hypotheses

Hypothesis One

The result from the analysis shows that Venture Capital have a significant effect on SMEs' performance in Akwa Ibom State of Nigeria. The T-statistic value was 6.925, higher than the standard deviation, and the corresponding p-value was 0.000, the p-value being less than the significance level indicates strong evidence against the null hypothesis. Thus, the null hypothesis is rejected in this case as well, signifying a significant relationship between Venture Capital and SMEs' performance.

Hypothesis Two

The result from the analysis shows that Angel Investment have an insignificant effect on SMEs' performance in Akwa Ibom State. The calculated T-statistic value for this relationship was -0.092, yielding a relatively low absolute value when compared to the standard deviation (1.362). The resulting p-value associated with this test was 0.173. As the p-value is higher than the conventional significance level of 0.05, the null hypothesis is accepted. Therefore, based on this analysis, there isn't enough evidence to suggest a statistically significant relationship between Angel Investment and SMEs' performance.

Hypothesis Three

The result from the analysis indicate that Bank Lending has a significant effect on SMEs' performance in Akwa Ibom State of Nigeria, the T-statistic value calculated was 16.760, which is notably higher than both the standard deviation (indicating a strong effect) and is accompanied by a p-value of 0.000. This extremely low p-value indicates strong evidence against the null hypothesis. Hence, the null hypothesis is rejected, suggesting a significant relationship between Bank Lending and SMEs' performance.

CONCLUSION AND RECOMMENDATIONS

The study examines the effect of entrepreneurship financing on SME's performance in Akwa Ibom State, Nigeria. The research underscores the pivotal roles played by both Venture Capital and Bank Lending in propelling the performance of Small and Medium Enterprises (SMEs) within Akwa Ibom State. Notably, Venture Capital demonstrates a pronounced positive influence, illuminating the imperative of cultivating an environment conducive to the accessibility of venture capital funding for SMEs. This finding underscores the transformative potential of such investment mechanisms in bolstering SMEs' growth and viability.

Likewise, Bank Lending emerges as a crucial factor contributing significantly to SMEs' performance, emphasizing the indispensable role of traditional financial institutions in supporting these enterprises. However, the study sheds light on the relatively inconsequential impact of Angel Investment on SMEs, signifying the necessity for further exploration and understanding of why this particular form of investment yields limited effects within this specific regional context. The results thus advocate for strategic initiatives aimed at enhancing venture capital accessibility and optimizing bank lending frameworks to fortify SMEs' resilience and prosperity in Akwa Ibom State region of Nigeria.

Based on the forgoing, the study recommends that

- i. Given the significant positive effect observed, concerted efforts should focus on creating policies and frameworks that incentivize and ease access to Venture Capital funding for SMEs in Akwa Ibom State. This involves collaborations between government bodies, financial institutions, and venture capitalists to support and encourage investments in promising SMEs.
- ii. Further investigation is essential to understand the reasons behind the insignificant impact of Angel Investment on SMEs' performance. This calls for research efforts aimed at refining strategies and frameworks related to Angel Investment, ensuring its effectiveness in contributing meaningfully to the growth and sustainability of SMEs in Akwa Ibom State.
- iii. Recognizing the substantial impact of Bank Lending on SME performance, strategies should be devised to improve SMEs' access to affordable and tailored bank loans. This could entail developing specialized financial products and streamlined procedures, alongside financial education initiatives, to empower SMEs in effectively utilizing banking resources for growth.

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