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The Relationship between Investments Decisions and Financial Performance of Small and Medium Scale Enterprises, Gashua, Yobe State in Perspective

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Abstract
Making investment decisions is one of the most crucial business choices that a firm has to undertake to remain competitive and efficient. Given that the small and medium enterprises (SMEs) sector is vital to an economy, it has become essential to study the relationship between investment decisions made by these firms and their financial performance. This study aimed to assess this relationship specifically within small and medium scale enterprises in Gashua, Yobe State. To achieve this objective, the research was designed as a survey study. The population of interest comprised small and medium enterprise firms in Gashua, Yobe State, with firm owners serving as respondents who make investment decisions affecting their businesses. Questionnaires were utilized to gather primary data from these respondents, which were then presented using tables. Both descriptive and inferential statistics were employed to analyze the data by interpreting respondent information, ranking variables, and performing regression analysis, enabling the researcher to evaluate the relationship between investment decisions and financial performance. The study found that investment decisions significantly impacted the financial performance of small and medium scale enterprises. Therefore, the study recommended that SME owners should make prudent investment decisions, as these choices directly affect their firms' financial outcomes.

***Keywords**:* Investors, Investment, Financial, Performance, Decision

1.1 Introduction

Globally, the pursuit of sustained economic growth and social welfare prompted countries to create environments conducive for business activities, thereby promoting positive economic growth. A significant aspect of this effort was the enhancement of government policies and legislation aimed at nurturing small and medium-sized enterprises (SMEs) as engines of economic growth and employment creation. SMEs were recognized for their crucial role in fostering grassroots economic development and equitable sustainable growth. This support spurred increased entrepreneurial activity within the SME sector in developing countries.

According to the OECD report on promoting SMEs for sustainable development (2000), SMEs were vital in transition and developing economies. These enterprises were a major source of employment and generated significant domestic and export earnings. Consequently, SME development proved pivotal in poverty reduction strategies and was essential for sustained economic growth. SMEs were integral to a country's economic

framework, influencing societal well-being through job creation, economic growth, and innovation.

SMEs proved crucial for fostering innovation and enhancing competition both domestically and internationally. Investors, who allocated funds with the expectation of increasing their wealth through returns, utilized their assets, borrowed money, and savings (Leviauskait, 2010). When investors delayed consumption to invest their funds, they aimed to enhance future consumption possibilities by growing their wealth.

Farah and Altinkaya (2018) stated that investment decisions were long-term choices made by a firm's management. Madusanka, Rajini, and Rajini K (2016) categorized investment decisions into expansion, replacement, and renewal decisions. Firms' investment decisions included not only renewal but also replacement, expansion, strategic investment, and working capital investments (Purba & Bimantara, 2019). These decisions significantly impacted a firm's financial performance (Schurina & Prunenko, 2018). Stakeholders, such as investors and lenders, primarily considered the projected investment returns before committing funds. Investment decisions were rooted in analysis, aiming to guarantee the return of the principal sum and a satisfactory risk-adjusted return.

Investment practices existed as long as trading itself, with investors present globally (Leviauskait, 2010). Despite the critical role of financial management literacy in sound investment decision-making, many participants in the SME sector lacked sufficient knowledge in this area. Ogiji and Ejembi (2007) highlighted the widespread lack of basic investment knowledge needed for prudent decision-making. This knowledge gap led to extensive training for potential and existing investors in financial literacy, emphasizing that improved financial education boosted individual investment behaviour.

Investment involved sacrificing current consumption to increase future wealth. This sacrifice was made with certainty in the present, while the investor is expected to achieve a desired level of wealth at the end of the investment period. The challenge of portfolio choice and optimal allocation of resources across multiple investment options had long been discussed in economic literature. Tornell (2010) argued that in the uncertain environments of developing countries, firms in the real sector preferred to invest in more liquid, reversible assets in the financial sector, which could offer comparable or higher returns, rather than in irreversible fixed assets.

There was a persistent concern in strategy literature regarding the understanding of how organizational structure and decision-making affected performance. The lack of knowledge about how decision-making structures impacted organizational performance continued to emerge in various management areas. Despite the benefits of Investment Company funds, Kenyans remained cautious about investing in them, challenging the notion that improved market performance should attract new investments. At that time, only corporate and high-net-worth individuals utilized these investment channels.

Several studies had been conducted in Kenya on this topic. Bowa (2001) explored risk-minimizing portfolios at the Nairobi Securities Exchange (NSE), Ngene (2002) investigated portfolio performance measures by pension fund managers and their

challenges, and Okwach (2001) studied the predictive ability of closed-end value-at-risk models on portfolio composition changes. Sallah (2005) analysed portfolio returns using different management styles at the NSE, Mwangangi (2006) surveyed the applicability of the Markowitz portfolio optimization model in asset allocation by pension fund managers, Obusubiri (2006) examined corporate social responsibility and portfolio performance at the NSE, and Karanja (2007) investigated factors influencing investment company portfolios.

However, a research gap remained concerning the impact of investment portfolio choice on the performance of investment companies. This study aimed to fill this gap by examining the impact of investment portfolio choice on the financial performance of investment companies in Nigeria, specifically in Yobe State. The research question addressed was: What is the impact of investment portfolio choice on the financial performance of investment companies?

Mong'o (2014) observed a strong relationship between the overall health of the economy and the condition of retail investors. Given their importance to economic growth and

poverty reduction, understanding the issues affecting retail businesses in Gashua, Yobe State, proved crucial to managing and preventing their failure. Based on this context, the lack of investment criteria posed a problem for financial performance. Thus, this study aimed to assess the effects of investment decisions on the financial performance of SMEs in Gashua, Bade Local Government, Yobe State.

The objective of this study is therefore to examine the relationship between investment expenditure decisions and gross sales revenue of SMEs.

1.2 Research Questions

The following research questions were addressed:

i. Was there a correlation between investment expenditure and gross sales revenue?
ii. What factors influenced the financial performance of SMEs and their investment decisions?
iii. How did investment decisions impact the firm's liquidity performance?

1.3 Research Hypothesis

Ho: There is no significant relationship between investment expenditure and gross sales revenue.
H1: There is a significant relationship between investment expenditure and gross sales revenue.

2.1 Literature Review

2.1.1 The Concepts of Investment and Financial Performance

Investment involved acquiring goods that were not intended for immediate consumption but for future use. This process allowed individuals or groups to enhance their well-being by foregoing current consumption. Investments could take various forms, such as

individuals purchasing intangible assets like education or tangible assets like houses. For individual firms, investments included employee training, research and development, and fixed capital stock.

Financial performance measured a firm's overall financial health over a specified period and allowed for comparison among similar firms within the same industry or across different industries. It reflected how effectively a firm used its assets to generate revenue from its core business activities. According to Almas and Loof (2008), financial

performance could be assessed using indicators such as sales growth, return on equity, liquidity, solvency, and profitability.

In this study, the variables representing investment decisions included property acquisition, plant and equipment acquisition, replacement of existing equipment with the same production capacity, upgrades to existing equipment, and portfolio diversification. These variables could be derived from financial statements and reports. Financial performance

information was crucial for predicting an enterprise's capacity and evaluating its performance against its objectives (Almas & Loof, 2008).

Financial literacy was essential for investors, as it enhanced their ability to make prudent investment decisions. Previous research indicated that improved financial education positively correlated with better decision-making in critical investment activities (Appiah, Possumah, Ahmat, & Sanusi, 2018).

2.1.2 Small and Medium Enterprises (SMEs)

The Central Bank of Nigeria (2010) defines Small and Medium Scale Enterprises (SMEs) as enterprises with an asset base (excluding land) of between N5 million and N500 million and a labor force of between 11 and 300 employees. Similarly, Banji (2010) defines SMEs as businesses with a turnover of less than N100 million and/or fewer than 300 employees. While these definitions are similar, this study adopts the definition provided by ASEM.

According to Ejembi and Ogiji (2007), many SME operators lack adequate knowledge of basic investment concepts, which are crucial for making prudent investment decisions. This deficit has led to extensive training initiatives aimed at enhancing financial literacy among potential and existing investors, as improved financial education can positively influence individual investment behavior.

Investment decisions involve selecting the best option from the available choices by weighing the positives and negatives of each and considering all alternatives. Effective decision-making requires forecasting the outcomes of each option and using previous performance as a guide to determine the best investment choice.

The financial performance of a firm measures how well it can use its assets to generate revenues from its primary business activities. However, several challenges impact the

overall performance of SMEs. These include inadequate technical and financial capacities

of SME owners, a lack of specialized support institutions for SMEs, and excessive taxation (Marus et al., 2021).

2.2 Theoretical Review

2.2.1 Agency Theory

Jensen and Meckling (1976) introduced the widely recognized Agency Theory, which posits that shareholders (principals) delegate the responsibility of managing the firm's resources to managers (agents). However, the interests of management may not always align with those of the shareholders, leading to potential conflicts. According to Mitnick

(2012), managers may prioritize expanding the firm to enjoy more perks and allowances, potentially acquiring more property, plant, and equipment for production activities at the expense of short-term profits for shareholders. This expansion incurs costs that shareholders may be reluctant to bear, especially if it means reduced immediate returns.

Managers can choose to finance expansion through equity, borrowings, or retained earnings (Leepsa & Panda, 2017). Borrowings come with fixed repayment obligations, and the choice of funding significantly influences a firm's investment decisions. Firms relying on borrowings might opt for smaller expansion projects or short-term investments to avoid the risk of bankruptcy from failing to meet repayment obligations. While using borrowings can minimize conflicts between shareholders and managers, the lack of investment funds presents higher costs (Opler, Pinkowitz, Stulz, & Williamson, 1999).

Managers may also opt to pay out dividends rather than invest in expansion to reduce conflicts with shareholders (Foroughi & Fooladi, 2011). The relationship between managers and shareholders is crucial in investment decisions. When shareholder power indices are high, managers are less likely to pursue extensive expansion activities for fear of job loss (Dittmar, Mahrt-Smith, & Servaes, 2003). Conversely, when managers have high responsibilities, they may engage in more expansion decisions, which shareholders might view as a reduction in short-term returns.

This theory underscores the relationship between investment decisions and financial performance. Financial performance, being the dependent variable in this study, is the focus of every stakeholder in the firm (Foroughi & Fooladi, 2011). Shareholders, having delegated resource management to maximize profits, closely monitor returns at the end of each quarter or financial year (Leepsa & Panda, 2017). However, managers may seek to enhance their benefits and tenure, leading to conflicts of interest between them and the shareholders.

2.2.2 Cash Flow Theory of Investment

The Cash Flow Theory of Investment focuses on the relationship between available cash flow and a firm's investment spending capacity. This theory is divided into three models: the liquidity model, the information theoretical model, and the managerial model. Broadly, the managerial and information theoretical models can be considered modern

extensions of the liquidity theory. Both emphasize internal finance as a crucial determinant of investment and predict a positive relationship between cash flow and investment (East, 1993).

The liquidity model suggests that investment decisions are primarily influenced by cash flows and the availability of internal finance, such as retained earnings. This model posits that limited internal finance can constrain investment opportunities. According to Keynes (1936), a firm with a liquid balance sheet is better positioned to seize investment opportunities, as liquidity directly impacts investment decisions. Almeida, Campello, and Weisbach (2004) empirically support the notion that cash flow sensitivity positively correlates with a firm's investment capabilities and access to capital markets.

The liquidity theory also helps explain the financing hierarchy observed in corporate finance. The information theoretical model, within the cash flow theory, highlights the role of information symmetry in investment decisions. According to Samoye (2009), access to and control over information are critical for effective decision-making.

The managerial model, the third variant of the cash flow theory, asserts that managers, due to their extensive knowledge of the firm, are better positioned to make informed investment decisions. Akintoye and Olowolaju (2008) argue that managers possess more relevant information than other investors, making their involvement crucial in investment decision analysis. Historically, the managerial approach to investment has preceded the information theoretical approach.

The Cash Flow Theory supports this study by emphasizing that SMEs need to manage their cash effectively to meet short-term financial obligations and make sound investment decisions.

2.3 Empirical Review

A number of studies have examined the relationship between investment decisions and financial performance across various contexts and sectors.

Ogum and Jagongo (2022) investigated the impact of investment decisions on the financial performance of Deposit-Taking Savings and Credit Cooperative Societies (DT-SACCOS) in Nairobi City County, Kenya. Utilizing a causal research design and a sample of 40 DT-SACCOS, alongside secondary data sourced from finance managers, the study concluded that investments in real estate and Front Office Service Activities (FOSA) had insignificant effects on financial performance. Conversely, investments in member loans and money and bond markets exhibited mixed results, indicating a nuanced impact on financial outcomes.

Abdul, Drahomira, Sarfraz, and Tien (2022) focused on the manufacturing sector in Pakistan, examining how investment decisions influence firm performance amidst economic policy uncertainty. By employing System-GMM estimation for data collected between 2015 and 2020, the authors found that economic policy uncertainty adversely affected investments in tangible assets and financial leverage while simultaneously

promoting financial leverage. This highlights the intricate interplay between economic policy and firm performance.

In Nigeria's Federal Capital Territory, Njoku et al. (2022) assessed the relationship between investment decisions and financial performance among SMEs. Through a multi-stage sampling technique involving 400 SMEs, the study revealed a positive correlation between financial performance and new property acquisitions, whereas new plant acquisitions had a negative correlation. Influential factors in investment decisions included education, competition, initial capital, and infrastructure.

Dehkordi (2018) explored the mediating role of financial leverage in the relationship between investment decisions and financial performance among firms listed on the Tehran Stock Exchange from 2007 to 2013. The findings indicated that financial leverage partially mediated this relationship, with significant variations attributed to differing economic contexts.

In Ghana's oil and gas sector, Appiah et al. (2018a) analyzed investment constraints. Their binomial regression analysis of data from 497 SMEs identified capital inadequacy, competition, corruption, policy awareness, and other factors as significant barriers to investment.

Musa (2016) investigated the effect of financial statement analysis on investment decisions in Nigerian deposit money banks. Through correlational research and multiple regression analysis, the study found that earnings per share and dividends per share positively influenced the number of outstanding shares, while the price-earnings ratio exhibited a negative relationship.

Kegicha (2015) researched the impact of investment decisions on the performance of firms listed on the Nairobi Securities Exchange (NSE). Using descriptive and inferential statistics, the study found a positive relationship between return on assets (ROA) and investment decisions concerning financial leverage and liquidity.

Popoola, Akinsanya, and Babarinde (2014) evaluated how published financial statements correlate with investment decisions in Nigerian deposit money banks. Their findings indicated that various financial statements, including the income statement and cash flow statement, positively influenced investment decision-making.

Dyan, Minor, and Bryan (2015) examined how managers' investment risk selection impacts corporate performance. They noted that while managers with a higher risk tolerance might pursue better performance, they often operate in volatile conditions that can adversely affect financial outcomes.

Njuguna and Makori (2015) analyzed how FOSA activities influence the financial performance of savings and credit cooperative societies in Kenya. Their descriptive study revealed a significant positive effect of FOSA activities on financial performance.

Mercy (2014) explored the role of financial statement analysis in investment decision-making, concluding that financial statements are crucial for predicting firm performance and informing investment decisions.

Akinruwa, Awolusi, and Ibojo (2013) investigated the determinants of SME performance in Ekiti State, Nigeria, finding that funding, managerial skills, government policy, education, and infrastructure significantly impacted performance.

Cohen and Klepper (1996) highlighted that investment in research and development and labor efficiency often predicts financial performance, though they acknowledged the challenges in establishing causal relationships between investment and productivity growth.

Collectively, these studies underscore the multifaceted nature of investment decisions and their consequential impact on financial performance across various contexts and sectors.

3.1 Methodology

This study adopted a descriptive survey research design to examine the relationship between investment decisions and financial performance among SMEs in Gashua, Yobe State. This design was chosen to provide a comprehensive understanding of the characteristics of the study population.

The study population consisted of 1,248 small and medium enterprises (SMEs) in Gashua, Yobe State. This population served as a relevant context for investigating the research questions.

Sampling was fundamental to the research process, as it enhanced objectivity by narrowing the focus to a manageable size (Saunders et al., 2009). While a complete census could have yielded more accurate measures, sampling was preferred for its efficiency, convenience, and ability to produce quick results while ensuring representativeness.

Given the heterogeneous nature of the target population, a stratified sampling technique was employed. The strata were defined based on the type of sector the business operated in, alongside parameters such as the number of employees and years of existence. This approach ensured a more reliable estimate and a comprehensive view of the study population.

The sample size of 156 was determined using Taro Yamane's formula for population sampling (Yamane, 1967):

$$n = \frac{N}{1+N\,(e)^2}$$

Where
n= sample size
N = Research population/ target population
(e)= the sample error

This study adopted a 92% confidence level and an 8% sampling error. According to Ill and Rodger (2003), a sampling error of less than 10% and a confidence level greater than 90% is acceptable. Based on this, the study adopted an 8% sampling error to determine the minimum sample size suitable for the purposes of this research.

Data were collected from both primary and secondary sources. Primary data were gathered through interviews and questionnaires targeted at individuals responsible for making investment decisions within the firms or their agents. The questionnaire included closed-ended questions and Likert scale items was used to capture levels of agreement or disagreement. It was divided into two sections: general information about the entity and the investment decisions made by the business.

Secondary data were obtained from financial records such as cash flow statements, ledgers, receipt books, income statements, and balance sheets provided by respondents. These records were used to analyze the investment decisions and their corresponding financial performance.

A self-administered questionnaire (SAQ) was used to facilitate data collection. The SAQ was preferred as it allowed for the collection of comparable and analyzable data while minimizing bias. The design of the questionnaire ensured anonymity, encouraging respondents to provide sensitive information without hesitation (Amin, 2005). The researcher administered the questionnaires in a conducive environment to enhance response quality.

Selected respondents, particularly those who filled out the questionnaires, were also interviewed to explore issues that required further explanation. Open-ended interview guides were used for key informant interviews.

Validity refers to the accuracy and quality of the instruments used. To ensure validity, the researcher consulted practitioners and experts in the SME sector and sought feedback from peers familiar with the subject matter (Frankfurt & Nachmias, 1996).

To ensure reliability, the researcher conducted a random retest within the sample population and compared the results for correlation. Reliability was deemed acceptable at a coefficient of 0.70 or higher (Tavakol & Dennick, 2011).

Data analysis involved both descriptive and inferential statistics using the Statistical Package for the Social Sciences (SPSS) software. Descriptive statistics provided a meaningful description of independent factors, indicating response rates and ranking variables.

Inferential statistics, specifically regression analysis, were employed to examine the relationship between investment decisions and their effects on the financial performance of SMEs. Data were presented using pie charts, bar graphs, percentages, and frequency tables for ease of interpretation.

The general linear regression model adopted for this study was represented as follows:

$$y_i = \alpha + \beta_1 X_{1+\epsilon}$$

Where:

- α = intercept
- β1 = slope
- X = independent factors (investment expenditure)
- y = dependent factor (gross sales income)
- ϵ = error term

This model will illustrate the relationship between the variables, defined as follows:

Y=f(X)

Where:

- Y = financial performance (gross sales revenue per annum)
- X = investment expenditure undertaken by the firm per annum

Testing of Hypothesis

4.3.1 Hypothesis 1: There is no significant relationship between Investment expenditure and Gross sale revenue

Table 4.8.1 shows the regression analysis for the relationship between gross sale revenue and investment decision of SMEs of Gashua Bade Local Government, Yobe state.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.170[a]	.029	.023	621361.2544

a. Predictors: (Constant), VA R00001

ANOV A[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.77E+12	1	1.774E+12	4.596	.034[a]
	Residual	5.95E+13	154	3.861E+11		
Total		6.12E+13	155			

a. Predictors: (Constant), VAR00001

b. Dependent Variable: VAR0000

Coefficients[a]

	Unstandardized Coefficients	Standardi zed Coefficien Ts		

Model	B	Std. Error	Beta	T	Sig.
1 (Constant)	323654.6	56226.967		5.756	.000
VA R00001	.194	.090	.170	2.144	.034

a. Dependent Variable: VAR00002

From the regression analyses results table above, VAR 00001 represents the independent variable that is expenditure on investment activities whereas VAR 00002 represents the dependent variable that is gross sale income for the firm.

From the model summary the value R represents the correlation value which shows the strength between the independent and the dependent variable, from this study there was a weak relationship between the independent variable and the dependent variable since R was 17.0 %.

The coefficient of determination in this study represented by R squared from the model summary table and it explains how well the changes in the dependent variable (financial performance) can be explained by the change in the independent variable (investment expenditure), in this study the coefficient of determination is 29.0%.

The resultant regression equation in this study is shown as follows;

$Y= 323654.6 + 0.194X + 621361.2544$

4.1 Results and Discussion

The results analyzed relates to one hundred and fifty six respondents out of a total target population of one hundred and fifty six respondents thus the successful questionnaires represent a hundred percent of the targeted population by the researcher.

Investment decisions are vital and integral in effective business operations; most SMEs do prefer diverse investment funding options with Sacco loans as the most preferred by 40% of the total respondents. This explains the emergence of numerous micro finance institutions as well as commercial banks that are introducing financial products which are targeted in to the micro enterprise sector of the economy and which do compete with micro finance institutions loan products. Other forms of internal financing like personal savings and retained earnings are also preferred since they attract no external servicing cost, the least sought form of investment financing as per the survey are the commercial bank loans.

The main forms of investment decisions taken by the respondents were acquiring plant and equipment as well as upgrading existing equipment, these two forms of investment decisions and expenditures attracted 60% of the respondents. The main reason behind taking investment decisions was indicated as the need to meet the firm's target output. This reason attracted a 95% score. Funds availability and need to diversify portfolio were the least considered reasons for undertaking investment decisions.

Financial performance is of essence to attain the objectives of this study, 55% of the respondents indicated that over the last three years, they had experienced a positive increase in overall financial performance. The main reasons stated regarding this were slightly improved market conditions, sustained loyalty by customers as well as personal

attributes like hard work and quality service provision to clients. There was also a substantial decrease in overall financial performance as indicted by 30% of the respondents, the main reasons stated for this observation were; increased operational costs and competition forces. 15% of the respondents indicated that they had noted no significant change in the overall financial performance for the last three years; the main reason cited for this was continuous increased operational costs thus resulting to a break even kind of business operation.

The respondents utilized various measures to assess the financial performance of the firms, the most commonly used type of measures are the liquidity measures of financial position with a score of 90% from the respondents stating that they preferred them. The main reason given for this was that in nature SMEs do have a continuous need for short term obligations.

Commitments, thus making continuous liquidity assessment an issue of great importance. Sales turnover assessment was also preferred by respondents attaining a score of 85%, the reason for this was the vital need for the firm to assess product or service demand by the customers on a continuous basis. Long term solvency measures and shareholder return measures attracted a minimal score with most respondents citing them as secondary measures with immediate business performance in terms of sales turnover and liquidity health as the measures of performance.

The financial position of most respondents has been affected by operational costs whereas more than 64 respondents (40%) indicated they had gross sales earnings of more than 700,000 only 36 respondents (23%) report an overall profitability of more than 700,000. The main reason they attributed to this was the increase in operational costs in form of marketing expenses, rent expenses and power bills.

The respondents indicated that investment decisions in the form of equipment upgrading and acquisition had the highest effect on the firms liquidity performance with equipment upgrading having a 90% score on its effect on liquidity performance whereas equipment purchase had a score of 90% effect on liquidity performance. In regard to the effect of investment decisions on sales turnover and profitability both equipment upgrading decisions and purchase decisions had the highest scores with both having 95% and 90% scores respectively. This observation can be attributed to the direct relationship that those decisions have on the production output whereby an upgrade in production efficiency boosts output levels and also quality.

In terms of financial performance in solvency capacity of the business, investment decisions in the form of property acquisition was indicated to have the highest effect on the solvency status of the firm, business portfolio diversification was also ranked to have a substantial effect on the solvency status of the firm, the reason behind this is because most of those capital expenditures require external financing due to the great amounts involved in this which has a direct effect on the long term financial obligations of the SMEs.

5.1 Conclusions and Recommendations

Though the overall financial performance in a firm is as a result of diverse attributes, like prudent operational decisions and undertaking of effective financing decisions, the survey shows that prudent investment decisions are vital in the improvement of effective

production efficiency which results to better financial performance in the firm. From the survey, it is evident that the financial decisions that the firm takes for instance; plant and equipment acquisition, property acquisitions, existing asset upgrading efforts and portfolio diversification do affect the efficiency of the concerned firm in terms of productivity, efficiency and its financial results.

The following recommendations were made from this study:

First, the study revealed that investment decisions had an effect on production efficiency and, thus, an effect on financial performance. SME operators needed to continuously analyze the investment decisions and expenditures they made and align them with the firm's objectives for them to be effectively accountable in their operations. Suitable documentation for SMEs was vital for their continuous analysis of business investment expenditure as well as their financial performance.

Finally, a collective effort by universities, private sectors, and other interested stakeholders, spearheaded by the government, should have sensitized the firms and general public on the importance of research to a country's development and, hence, the need to cooperate with researchers, especially during the data collection stages. Such a sensitization effort would have greatly increased response rates and the accuracy of research findings.

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