

## INFLUENCE OF SOCIO-CULTURAL FACTORS ON THE PERFORMANCE OF SMALL SCALE AGRO-ALLIED MANUFACTURING FIRMS IN SOUTHWESTERN NIGERIA

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### ABSTRACT

*The study examined the influence of socio-cultural factors on the performance and efficiency of selected small-scale agro-allied manufacturing enterprises (SSAMFs) in the south western Nigeria. Data were collected with questionnaire administered on 438 purposively selected owners/managers of SSAMFs. The data were analyzed using Multiple Logistic Regression Model. The main findings of the study showed that there was a significant relationship between gender ( $\beta = 0.367$ ,  $t = 15.56$ ), Religious belief ( $\beta = 0.39$ ,  $t = 15.79$ ), dependency of extended family ( $\beta = 0.075$ ,  $t = 3.277$ ), ostentatious life-style of the owners/managers ( $\beta = 0.142$ ,  $t = 6.313$ ), education ( $\beta = 0.055$ ,  $t = 2.223$ ), previous experience of the owners/managers ( $\beta = 0.118$ ,  $t = 5.547$ ) and efficiency of SSAMFs. In the market coverage model, all explanatory variables accounted for 25% of the variation in SSAMFs performance measured by market coverage; religious belief ( $\beta = 0.133$ ,  $t = 5.361$ ), extended family dependency ( $\beta = 0.074$ ,  $t = 2.876$ ), ostentatious life-styles of owner's/managers ( $\beta = 0.142$ ,  $t = 3.13$ ), education ( $\beta = 0.099$ ,  $t = 3.587$ ), experience of the owners/managers ( $\beta = 0.55$ ,  $t = 2.299$ ) were found to be positively and significantly influenced by market coverage at 0.05 significant level. On the contrary, gender ( $\beta = -0.161$ ,  $t = 6.07$ ) had negative but significant influence on market coverage of SSAMFs, implying that the gender of the owners/managers did not have influence on market coverage. The study concluded that small-scale agro-allied manufacturing firms performance was a multi-dimensional phenomenon as it largely depended on the contingencies confronted by a particular SSAMF.*

**Keywords:** Small scale agro-allied manufacturing firms, Performance, Education, Gender, Ostentatious life-styles, Extended family and Experience of owners/managers,

## Introduction

Since the end of the oil boom of the 1970s, there has been a dramatic increase in the incidence of poverty and unemployment in Nigeria, arising in part from the dwindling performance of the agro-allied manufacturing sector where majority of the poor are employed. Poverty in Nigeria has been assuming wider dimensions including household poverty, food poverty/insecurity, poor access to public services and infrastructure, unsanitary environment, illiteracy and ignorance, insecurity of life and property and poor governance (Okarfor, 2011)

Focus on agro-allied manufacturing sector is generally believed to be a panacea for sustainable development of any nation. The steady increase in the number of small scale agro-allied manufacturing enterprises in the world over as a result of their growing importance as source of employment, wealth creation, foreign earnings, poverty alleviation and socio-cultural transformation demand attention of scholars and policy makers. In Nigeria, with the estimated population of 140, 431,790 (NPC, 2009), significant number of private sector is made up of small scale agro-allied manufacturing businesses employing over 32 million people representing three quarters of all jobs in Nigeria and which account for considerable amount of the Gross Domestic product (GDP) (Abdul Rasaki, 2014)

In spite of the importance of agro-allied manufacturing enterprises in terms of employment generation, its potential for contributing to economic growth is far from being adequately exploited. It has been observed that the sector's importance has fluctuated with the rise and fall of oil revenue. Over the past decades, the Nigerian agro-allied manufacturing sector has remained stagnant while its contribution to the GDP has declined significantly. Performance which is defined as the execution or accomplishment of work, tasks or goals to a certain level of

desired satisfaction has been observed in the recent time to be low in most of small scale agro-allied manufacturing firms in Nigeria. These small firms are operating below their capacity utilization while sizeable number even close shops as a result of constraints emanating from the business environment. This observation was confirmed by the following: persisting negative cash flow; declining profit; uncompetitive products or services; declining working capital; declining physical facilities; and Mismanagement. Other observable trends in SSAMEs performance include high debt rate, sales of goods and services at cost price, shortage of stock and inventories, high level of in serviceable assets, large-scale retirement of staff, premature resignation of key staff and persisting difficulty in securing new funds from banks and creditors.

Factors constraining agro-allied manufacturing enterprises in Nigeria include those relating to technical constraints, resource constraints, socio-cultural constraints, socio-economic constraints financial/capital formation constraints and organisational constraints. These constraints are caused by narrow-based policy formulation, policy instability, poor policy implementations and weak institutional framework for policy co-ordination. insecurity, poor or absence of infrastructure, unstable power supply, corruption and insufficient capital, poor managerial experience, high level of illiteracy, lack of relevant skills and motivation of owner/manager. Also identified as contributing factors to the poor performance of these firms are socio-cultural variables such as: shared norms, values, attitudes, beliefs, education, occupation and experience of the owner/manager (Olagunju, 2004; Olawale, 2010). Review of literature revealed that it is personal and economic factors that have

received the lion share of attention with a focus upon either individual entrepreneurial behaviour or organisational performance. Nevertheless, scholars agree that SSEs performance variations are better understood by considering the socio-cultural environment in which firm is created, because, in addition to economic activity, SSE is a social phenomenon (Burns, 2001; Blackburn and Stokes; 2002. Oribarbor, 2012). While the economic/financial conditions may explain some of the variations, any convincing explanation must take account of the social and cultural aspects of SSE activities

It is evident from review of literature that small-scale enterprises in Nigeria is passing through turbulent period resulting into decline in performance (Ucha, 2010; Abdul-Azees & Opoola, 2010; Bowale & Akinlo, 2012; Salami, 2013; Sumberg & Okali, 2013). Poor performance of these enterprises have implications for critical shareholders such as owner/managers, employees, customers, suppliers and government and its agencies. Poor performance will not give the owners the expected profit; the employees will not get salaries and wages as of when due or even retrenched from their jobs. Customers (both buyers and suppliers) will not be able to relate profitably with firms while government will not get the desired taxes.

High level of unemployment, the possible consequences of SSAMEs poor performance, has been linked to many social problems such as: armed robbery, kidnapping, insurgency, suicide and general insecurity of lives and property. The social consequences of poor performance of SSAMEs brought the issue of small scale agro-allied manufacturing firms into focus as a panacea to the problems of unemployment, rural urban drift, higher want, deprivation and the strive that such a society force on the citizens. In addition, social unrest, conflict, poverty, and urban migration are usually causal factors of political and economic

instability (Okafor, 2011; Komarwa, 2011; Adesina, 2013; Ifeoma, 2013).

It is evident from literature that the influence of socio-cultural factors on small scale enterprises performance is inconclusive (Dore, 1973; Ahiauzu, 1986;; Blunt and Jones, 1986; Sorensen & Chang, 2006; Woldie, Leighton & Adesuwa, 2008; Zhou & Wit, 2009; Patrical, Domingo & Urbano, 2014). In spite of the importance of agro-allied manufacturing firms to the Nigerian economy, previous studies (Akomolafe, 1989; Alarape, 2001; Aremu, 2004; Aworemi, Abdul-Azeez & Opoola, 2010; Yusuf, Olagbemi & Atere, 2011; MAFAP, 2013; Sumberg & okali, 2013) on small scale enterprises concentrated on other sectors such as: education, wood products processing, equipment fabrications, cosmetics and chemical products with little attention given to small scale agro-allied manufacturing firms. The foregoing discussion generated the research question to be addressed by this study: (i) What socio-cultural factors capable of influencing the performance and efficiency of small scale agro-allied manufacturing enterprises in South-western Nigeria?

## **Review of Literature/ Theoretical Framework**

Over the years, a number of theories have been used to explain the impact of socio-cultural factors on the performance of SSEs. However, there is a divide thought among scholars regarding these factors. Before now, the literature was dominated by the view that individuals who emerge as business owners are frequently individual with low level of education, poor background, mostly with a burning desire for upward social mobility and recognition. Although this view seems outdated and incorrect but it makes a lot of meaning with regards to the influence of social conditions on organisational performance. In his study on the impact of socio- cultural factors on organisational

performance. Abiola, 2010 (Cited in Kareem, 2016) showed strong indication of socio-culture factors on performance. He also argued that the failure of western theories to explain the organizational behaviour in developing countries is due to variation in socio-cultural factors among nations of the world. Leonard's (1987) discussion of the difference between western world and Africa also confirmed that socio-cultural factors do influence performance of small scale enterprises in both developed and developing countries of the world.

These socio-cultural elements intertwine and interact with other factors such as: technology, economic variables, legal/ political variables; internal variables and physical/ natural variables to exert influence on the performance of small scale enterprises (Onyeronoru, 2006; Kareem, 2016). These interactions are so complex, and this makes their study and comprehension exceptionally difficult, to forecast them so as to anticipate and prepare for changes is even much more difficult. Despite these difficulties, owners/managers must ensure that they understand these elements because they constitute the basis of human behaviour which is central to the effective performance of SSEs. Owners/managers must be attuned to the movement and structure of the population.

Religion is one of the socio-cultural variables that impact on SSEs performance. Religions have positive direct and indirect implicational effects as well as business network effect (Rahma & Farhama, 2014). Religion can impact on SSEs in several ways. First, religion is a cultural institution that drives human behavior. In both Islamic and Christian religions, culture encourages hard work and commercial activities. However Islamic religion discourage interest on loan (Quran' 3: 129; 2: 275 – 279, Aluko, 2001, 2004). For a successful business, banks

support and skill knowledge both are core components for business performance. Sometimes religions cultures are creating obstacles in practicing business. For example, in Bangladesh, fishing, saloon and leather business are not developed due to this problem (Rahma and Farhama, 2014). Some drugs are also prohibited by the religions. Tourism had a strong effect on alcohol consumption and electronic gambling machine when availability, income were control; Again, alcohol consumption is positively correlated with both duration of play and probability of participation for gambling (Markhan, Young, & Doran, 2012). Alcohol beverage and gambling both are strictly prohibited in Islam (Quran 5: 90- 92). It is one of the reason to under develop tourism in Bangladesh which results in entrepreneurs losing opportunities from tourism industry (Markhan, et al, 2012). Traditional beliefs and value system, fatalistic attitude, religiosity make a significant impact on level of performance of SSEs (Wikipedia, 2011).

Socio-cultural influence on SSEs performance is also noticeable from gender perspective. Generally, the function of man and woman in various environment of business varies widely. Certainly, in many societies, woman do not enjoy equivalence with man as participants in the economy especially in rural areas. The extent to which woman is allowed to participate in business activities affects their drive to become entrepreneurs. Also, values about family role for men and women affect small business performance between man and woman. It determines how families divide responsibilities for the well-being of the family unit. This varies among cultures to cultures, society to society. While in some societies and cultures, men are given the total role of economic related business and the women restricted to administering work in the family, in other societies, earning responsibilities for the

family is borne by both man and woman, this allowing the woman a space to engage in entrepreneurial activities. In most societies and cultures, it is believed that woman's role is in the home and engaging in activities outside the home is against the norms and values of the religion and culture. This point of view has accounted for the low level of entrepreneurship among women particularly in the rural areas. The low level of women involvement in business activities is also attributed to the general belief among men that business women are likely to be sexually abused by men. This make men to discourage women from business activities to avoid them being in contact with men.

Personal characteristics of the owners/managers are critical socio-cultural factors that influence the level of performance of SSEs (Storey, 1998; Cooper et al 1994; Thibault, Wilcock, & Kanetkar, 2002; Zhou & Wit, 2009; Makhbal, 2011; Okpara, 2011 Kidame, 2012). Personal characteristics include management and administrative experience, education, race, age, gender, skills, occupation of parents and entrepreneurial goal (ibid). In the most comprehensive summary of factors influencing performances of SSEs, Parera and Baker (2007); Blackburn and Brush, (2008); McNaughton and Bell, (2009) identified individual characteristics and parental influence as determinants of performance of SSEs. Storey (2000) also identified age, gender, ethnic background and education as determinants of performance of SSEs.

## Methodology

The study was carried out in the Southwest geo-political zones of Nigeria. The south western Nigeria is made up of six states; Ekiti, Ogun, Ondo, Oyo, Osun and Lagos state. The choice of this geographical area was due to the largest concentration of small scale enterprises because of its proximity to the

seaports, and the influx of people from other regions to this zone in search of job and income-generation ventures. Besides, there is dearth of information on the influence of socio-cultural factors on performance of small scale agro-allied manufacturing firms in the southwestern Nigeria. The study used descriptive survey design. Both primary and secondary data were collected and used for the study. Primary data were collected using questionnaire purposively designed for this study on the 438 respondents (owners/managers) from the three States of Ondo, Osun and Oyo. The respondents were the entire population of small scale agro-allied manufacturing firms drawn from the register of National Association of small Scale Industrialists (NASSI). Secondary data were obtained from relevant books, journals, magazines, and internet. The statistical analytical techniques employed were descriptive statistics such as simple percentage, frequency tabulation, and Multiple Logistic Regression was used for inferential statistical analyses.

## Results/ Findings

The analysis of the socio-demographic variables in Table 1 showed that age of the respondents' ranges from 24 years to 72 years; the mean age of the respondents was 40.1 years with 11.1 years standard deviation. The distribution of the respondents into age categories revealed that most of the agro-allied business owners sampled were concentrated in the age groups 30-39 years and 40-49 years with 31.7 per cent and 30.0 per cent of the business owners respectively. However, business owners who were below age 30 were 18.7 per cent, 12.3 per cent were in the age group 50-59 years while those who were 60 years and older constituted only 7.3 per cent of the respondents. The sex distribution of the respondent showed that male (71.7%) dominated agro-allied business

in the study area. The female agro-allied business owners sampled were only slightly above 28 per cent. The married business owners were in the majority (75.1%) among the respondents, while the least proportion (1.8%) of the respondents were widowed. Those who were never married were 16.4 per cent, while those who were divorced and those who were separated constituted 4.1 and 2.5 respectively.

The data on ethnicity revealed that Yoruba were in the majority (88.8%). This can be explained in terms of the fact that the study area, which are the Southwestern states of Nigeria, is region of Yoruba origin. The Ibos

were 9.6 per cent; the Hausa were 1.1 per cent while other ethnic groups who owned agro-allied businesses in the study areas constituted only 0.5 per cent of the total respondents. Information on religion of the respondents showed that majority of the respondents were of Christian faith (63.5%), while Muslims constituted 36.0 per cent of the respondents and 0.5 per cent of them were traditionalists. Most of the respondents were educated up to tertiary level (67.7%), 23.0 per cent of the respondents attained secondary education; about 5 per cent (4.9) had primary education while 4.4 per cent of them had no education.

**Table 1: Socio-Demographic Characteristics of Respondents**

| Variable       | Frequency | Percentage (%) |
|----------------|-----------|----------------|
| Age            |           |                |
| Below 30       | 82        | 18.7           |
| 30 – 39        | 139       | 31.7           |
| 40 – 49        | 131       | 30.0           |
| 50 – 59        | 54        | 12.3           |
| 60 and above   | 32        | 7.3            |
| Total          | 438       | 100.0          |
| Sex            |           |                |
| Male           | 314       | 71.7           |
| Female         | 124       | 28.3           |
| Total          | 438       | 100.0          |
| Marital Status |           |                |
| Single         | 72        | 16.4           |
| Married        | 329       | 75.1           |
| Divorced       | 18        | 4.1            |
| Separated      | 11        | 2.5            |
| Widowed        | 8         | 1.8            |
| Total          | 438       | 100.0          |
|                |           |                |

|              |            |              |
|--------------|------------|--------------|
| Ethnicity    |            |              |
| Yoruba       | 389        | 88.8         |
| Ibo          | 42         | 9.6          |
| Hausa        | 5          | 1.1          |
| Others       | 2          | 0.5          |
| <b>Total</b> | <b>438</b> | <b>100.0</b> |
| Religion     |            |              |
| Christianity | 278        | 63.5         |
| Islam        | 158        | 36.0         |
| Traditional  | 2          | 0.5          |
| <b>Total</b> | <b>438</b> | <b>100.0</b> |
| Education    |            |              |
| No education | 19         | 4.4          |
| Primary      | 28         | 4.9          |
| Secondary    | 99         | 23.0         |
| Tertiary     | 292        | 67.7         |
| <b>Total</b> | <b>438</b> | <b>100.0</b> |

Source: Field Survey, 2016.

### Socio-cultural Factors Capable of Influencing Performance of Small Scale Agro-allied Manufacturing Enterprises

In order to achieve the objective, respondents were asked to mention the socio-cultural factors they knew in their areas that were capable of influencing SSAMFs performance. Table 2 revealed the various socio-cultural factors mentioned by the owners/managers of investigated firms as factors capable of influencing performance of Small Scale and Agro-allied Manufacturing Firms in the South Western Nigeria. Religious beliefs was the most often quoted socio-cultural factor (20.1%), followed by corruption (14.6%), ostentatious life-style (11.0%), nepotism (8.7%), spirituality (9.8%), illiteracy (10.7%), extended family (8.9%), commitments to wealth with (8.9% while time factor was with 7.3%. These findings revealed the significant

roles of religious beliefs, corruption, ostentatious life-style and illiteracy on the social structure of Nigerian society which in a way affected other social institutions and organisations within the social system. These four factors accounted for 56.4% of the total socio-cultural factors influence while the remaining six factors accounted for 43.7%. In order to achieve significant growth in SSAMFs contribution to the national economy, the government need to address the problems of corruption, illiteracy, ostentatious life-style and religious bigotry.

These findings confirmed the evidence from the previous studies (Dore, 1973; Brown, 1973; Hotstede, 1991; Ahiuzu, 1987; Igusi, 1994, Aluko, 2001, 2004) that socio-cultural

factors – beliefs, education, gender, extended family, corruption, norms, values and attitude of the people have significant influence on the organisation (SSEs inclusive) performance. Studies by, Blunt, (1973), Howell; Strauss and Forenson, (1975), Blunt and Jones (1986) produced similar results. Also Leonard's (1987) discussion of the difference between Western World and Africa confirmed that socio-cultural factors do influence performance of small-scale enterprises. For the owners/managers of small-scale

enterprises business to achieve maximum result, adequate attention must be paid to the socio-cultural environment which researches have shown to play significant role in the overall performance of business. These findings also confirmed the contingency theorists that no single factor determines the performance of small-scale business (French and Bell, 1990, Oribabor, 2012). These findings in Table 2 revealed the strength of each variables mentioned by the respondents and they were significant on their own right.

**Table 2: Socio-cultural factors influencing performance of SSAMFs in South-western Nigeria**

| Socio-cultural          | Frequency Distribution | Percentages (%) | Valid (%) | Cumulative (%) |
|-------------------------|------------------------|-----------------|-----------|----------------|
| Religious beliefs       | 88                     | 20.1            | 20.1      | 20.1           |
| Spiritual problem       | 43                     | 9.8             | 9.8       | 29.9           |
| Extended family         | 39                     | 8.9             | 8.9       | 38.8           |
| Ostentatious life style | 48                     | 11.0            | 11.0      | 49.8           |
| Corruption              | 64                     | 14.6            | 14.6      | 64.4           |
| Commitments to wealth   | 39                     | 8.9             | 8.9       | 73.3           |
| Time factor             | 32                     | 7.3             | 7.3       | 80.6           |
| Nepotism                | 38                     | 8.7             | 8.7       | 89.3           |
| Illiteracy              | 47                     | 10.7            | 10.7      | 100            |
| Total                   | 438                    | 100             | 100       | 100            |

Source: Field Survey, 2016

### **Multiple Regression Analysis linking Socio-Cultural Factors to Small Scale Agro-Allied Manufacturing Firms Performance**

Table 3 shows the mechanism linking social-cultural factors and SSAMFs performance. The explanatory variables accounted for approximately 50% of the variation in the SSAMFs performance measured by efficiency. Gender is found to be positive and significantly related to efficiency of SSMFs ( $\beta = 0.367$ ,  $t = 15.56$ ) at 0.5 level. The result indicated a direct relationship between gender and efficiency, implying that gender was found

to be significantly influencing the level of efficiency of SSAMFs. This view is in line with the general observation and findings of Bamiduro, (2007), Msomi, (2002), Yusuf, Olagbemi, and Atere (2014) that the gender of the owner/manages significantly have influence on the performance of SSAMFs;

Religious belief is also found to be positively and significantly ( $\beta = 0.39$ ,  $t = 15.79$ ) related to efficiency of SSAMFs. Dependency

of extended family members is also found to be positively and significantly ( $\beta = 0.075$ ,  $t=3.277$ ) related to efficiency of SSAMFs these findings imply that religious belief and burden of extended family exert influence on the performance of SSAMFs. Similarly ostentatious life-style of the owners/managers is found to be positive and significantly related to efficiency of SSAMFs ( $\beta = 0.142$ ,  $t=6.313$ ). The average Nigerian entrepreneur is found to be engaged in ostentatious life styles – during, expensive clothes, pleasurable and expensive cars, completed with excessive spending on social ceremony such as chieftaincy titles, naming, burial and funeral, birthday, house warming among others. The implication of this is low level of savings which made it difficult for many of the SSAMFs to raise needed working capital for their operations (Abdul Rasaq, 2014; Babagawa, 2010).

The findings also show that education to be positively and significantly related to efficiency of SSAMFs ( $\beta = 0.055$ ,  $t = 2.223$ ) the distribution of the educational attainment of owners/managers revealed that majority of the owners/managers (90.7%) had acquired secondary and tertiary education (table 5.12). These findings confirmed the assertion by Akinlo and Bowale (2012) that there was significant relationship between level of education of owners/managers and SSEs performance. Previous experience of the owners/managers is found to be positive and significantly related to efficiency of SSAMFs ( $\beta = 0.118$ ,  $t=5.547$ ). It is evident from the

literature that previous experience from the literature that previous experience (administrative, occupational, industry and managers) impact significantly on the performance of SSAMFs (Hamilton 2002, Bosma, Van Praage, Gerrit de Wit, 2004; Woldie et al, 2008).

In the market coverage model (model 2; table 5.14), all explanatory variables accounted for 25% of the variation in SSAMFs performance measured by market coverage. Religious beliefs ( $\beta = 0.133$ ,  $t = 5.361$ ) extended family dependency ( $\beta = 0.074$ ,  $t=2.876$ ) ostentatious life-styles ( $\beta = 0.142$ ,  $t = 3.13$ ) education ( $\beta = 0.099$ ,  $t = 3.587$ ) experience of owner/managers ( $\beta = 0.55$ ,  $t=2.299$ ) are found to be positively and significantly influenced by market coverage at 0.05 significant level. This implies that religious beliefs, dependency of extended family, ostentatious life-style, education and experience of owners/managers, impact directly on the market coverage of the firms. On the contrary, gender ( $\beta = -0.161$ ,  $t=-6.07$ ) have negative but significant influence on market coverage of SSAMFs, implying that the sex of the owners/managers do not have influence on market coverage.

In the staff expansion model (model 3) all explanatory variables accounted for 38% of the variation in SSAMFs performance measured by staff expansion. Gender ( $\beta = 0.184$ ,  $t=7.006$ ) is found to have negative but significant influence on SSAMFs performance.

**Table 3: Mechanism Linking Socio-Cultural Factors to SSAMFs Performance**

| Explanatory variables         | Model 1 (efficiency) |        | Model 2 (market coverage) |        | Model 3 (staff expansion) |        |
|-------------------------------|----------------------|--------|---------------------------|--------|---------------------------|--------|
|                               | $\beta$              | t-stat | B                         | t-stat | $\beta$                   | t-stat |
| Gender                        | 0.367                | 15.56* | -0.161                    | -6.07* | 0.184                     | 7.006* |
| Religious belief              | 0.349                | 15.79* | 0.133                     | 5.361* | 0.382                     | 15.59* |
| Dependency of extended family | 0.075                | 3.277* | 0.074                     | 2.876* | 0.139                     | 5.422* |
| Ostentations life-style       | 0.142                | 6.313* | 0.258                     | 10.21* | 0.009                     | 0.372  |
| Education                     | 0.055                | 2.223* | 0.099                     | 3.587* | -0.104                    | -3.83* |
| Experience owners/managers    | 0.118                | 5.547* | 0.055                     | 2.299* | 0.035                     | 1.469* |
| Constant                      | -0.006               | -.086  | .864                      | 11.29  | 0.514                     | 6.936* |
| R <sup>2</sup>                | 0.5004               |        | 0.0250                    |        | 0.379                     |        |
| f-stat                        | 171.072*             |        | 56.064*                   |        | 102.669*                  |        |

Source: Data Analysis, 2016

### Test of Hypothesis I

H<sub>1</sub> - There is significant relationship between socio-cultural factors and performance of small-scale agro-allied manufacturing enterprises in southwestern Nigeria.

H<sub>0</sub> - There is no significant relationship between socio-cultural factors and performance of small-scale agro-allied manufacturing enterprises in southwestern Nigeria.

Central to the hypothesis one is the assumption that 'socio-cultural factors' are capable of influencing small-scale agro-allied firms performance, as such every small-scale business is subject to the dictates of its socio-cultural environments. A significant

relationship is therefore expected between performances on the one hand and socio-cultural factors on the other hand. It is expected that SSAMFs that are performing well or optimally will be found in extremely socio-cultural environment that are suitable for their operations. That is performance will be strongly related to the dominant values, norms and belief in society.

From the logistic regression Table 3 and ANOVA Table 4, the results of the test of hypothesis indicated a rejection of the null hypothesis at 0.05 level implying that socio-cultural factors do have significant influence on SSAMFs performance.

**Table 4: ANOVA results for test of hypotheses I**

| Model      | Sum of squares | Df   | Mean square | F       | p- value |
|------------|----------------|------|-------------|---------|----------|
| Regression | 540.462        | 9    | 60.051      | 102.669 | 0.000    |
| Residual   | 886.125        | 1515 | 0.585       |         |          |
| Total      | 14265.588      | 1524 |             |         |          |

## Hypothesis II

H<sub>1</sub> "Culture is not significantly related to "small scale agro-allied manufacturing firms' performance in a multi-dimensional way".

H<sub>0</sub> "Culture is not significantly related to "small scale agro-allied manufacturing firms' performance in a multi-dimensional way".

Central to the second hypothesis was the assumption that culture is a multi-dimensional criteria comprising of values, religious beliefs, attitude and norms in a particular ethno-geographical location and as such, its impact on SSAMFs performance will also be multi-dimensional. The analysis of both the qualitative and the quantitative data showed that all the indices of culture (extended family, religious beliefs, ostentatious life styles and social spending) exhibit positive significant relationship with SSAMFs performance. From the logistic regression Table 3, it could be concluded that culture related to SSAMFs performance in a multi-dimensional way, therefore, null hypothesis is rejected at 0.005 level of significant.

## Conclusion

From the findings of this study, it can be concluded that socio-cultural factors-extended family dependency; belief system, ostentatious life-style, educational attainment

and social spending of owners/managers influence positively the performance of Small Scale Agro-allied Manufacturing Firms. The findings of the study also revealed that socio-cultural factors significantly related to small scale agro-allied firms in a multidimensional way; while family dependency, marital status education and religion significantly influence performance, sex and ethnicity were not positively related to performance. However, there is significant relationship between type of spiritual power business owners/managers believe, social spending and performance of small scale agro-allied manufacturing.

The findings further revealed the strategies being adopted by owners/managers of these firms against socio-cultural factors influence; the suggested strategies by the leaders of National Association of Small Scale Industrialists (NASSI) included: Non-recruitment of relations as workers, widening of ownership structure base; inclusion of succession plan in the overall organisational management plan; separation of business account from personal account; cease less prayer against spiritual attack, restriction on the attendance of social outings and severance of family members from the management of the firm.

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