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Interaction Effect of Selected Variables and Perceived Barriers of Performance of Rural SMEs

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ABSTRACT

Scientific surveys into performance of small and medium enterprises (SMEs) are gaining increasingly more popularity in emerging countries including South Africa. Rampant failures of these enterprises could be due to various perceived barriers including specific perceived barriers and owner-managers perceived barriers. The present study seeks to evaluate the interaction effect of specific perceived barriers and owner-managers' perceived barriers on SMEs performance. Two hundred and eighty-two rural owner-managers of small businesses participated in this empirical survey. Purposive sampling techniques was applied based on personal experiences of owner-managers of small businesses to select the participants for data. Being quantitative study, a self-designed questionnaire with open and closed-ended statements were distributed through a trained field worker to solicit primary data. The Statistical Package for Social Science version 23 was used to analyse data. Primary data analyses focused on descriptive and inferential statistics. In total four null and alternate hypotheses were formulated and assessed aided by a two-way ANOVA to determine the interactions between the selected variables and perceived barriers. Some key outstanding revelations emerged from this study. The performance of small businesses is affected by combinations of age and educational qualifications by owner-managers of small businesses. Besides, the study revealed combined effect of owner-managers perceived barriers and specific perceived barriers impact on business performance.

Keywords: Performance, purposive, quantitative study, emerging countries, SMEs.

1. INTRODUCTION

There is countless scientific evidence regarding the primary reasons for SMEs failures in South Africa and why owner-managers of small businesses (OMSBs) are unable to sustain their activities as expected. Given the growing levels and reasons for SME failures by academics and researchers [1-3], much remains to be unravelled regarding what constitutes high SMEs failures. Answers to these questions and more can be known through ongoing empirical evidence. Few empirical studies have cited numerous reasons for the lack of SMEs performance (SMEsPEF). According to [4] reasons for SMEs

failures are likely to be the factors that affect its ability to sustain long running operations. Globally, SMEs are known for socio-economic contributions aside its core mandate of creating economic opportunities, establish lasting job avenues and minimize growing poverty rates in developing countries [5-7]. In terms of providing growing growth rates in economic terms, SMEs must be commended for their enormous credit in respect of income distribution abilities [8]. It is also on record that SMEs are unable to grow as sustainable ventures due to the unstable business climate. Despite these overwhelming gains, SMEs in South Africa and elsewhere continue to display high failure rates which leads to lack performance. For instance, within the small business domain, there are series of barriers that impact on the long-term survival [9]. Recent scientific evidence indicates that SMEs in South Africa failed at an estimated rate between 70% and 80% which account for serious financial losses [10]. These high statistics on failures are linked to factors such as limited access to capital (seed capital), bureaucratic practices, government regulatory framework, lack of business knowledge, high entry-level costs, inability to access mentorship, lack of government support and recurring discriminatory attitudes [11]. Other scientific writers including [12-13] echoed similar sentiments that SMEs' failures stand as high as 90%. This study argues that for SMEs to improve their performance and achieve its mandate, with spin-off effect on positive unemployment reduction, generate income to reduce the growing income gaps, it is paramount that existing SMEs barriers be understood through empirical studies for lasting solutions.

In this empirical context, the concept *"SMEs"* as applied are explained and referred to as small businesses. These businesses are the sole responsibilities of individuals who are referred to as owner-managers. Daily management decisions including the provision of *"seed funding"* rests with OMSBs. Besides, additional funding is provided to support OMSBs by family members and extended family members. Drawing on the broad definitions of small businesses in South Africa, SMEs in this study employ lesser than five people with a minimum yearly turnover of R150000 and a total gross assets value not more than R100000 [14]. In general, SMEs are known for their primary characteristics of small sizes and structures. Besides being small in sizes, SMEs operates with fewer staff volumes in contrast to larger organisations. Considering its size and structures, small businesses are faced with various barriers including resource limitations as well as heavy reliance on only the expertise and motivation of owner-managers [15-16]. This study argues that these barriers are likely to limit the overall SMEs performance (SMEsPEF).

2. THEORETICAL FRAMEWORK

This empirical survey employs a broader mix match of techniques. Two theories namely the resource-based view (RBV) and the theory of human capital formed the theoretical settings. Below are the definitions of the two underlining theories that provide guidance to this empirical study. Several academics and researchers indicated the significance of resources to impact the overall firm performance [17]. For instance, recent study by [18] points to RBV as very critical in placing firm's performance in competitive path. Accordingly, the theory further outlined that the provision of valuable resources is critical for firm growth.

2.1 Theory of Human Capital

This study argues that human capital is paramount in eradicating barriers such as owner-managers perceived barriers (OMPBs) as well as specific perceived barriers (SPBs).

Hence, successful applications of human capital are likely to increase the level of success and performance within the organization [20]. Human capital theory (HCT) is linked to variables such as education, and training among others. The theory is deeply engrained in the field of macroeconomic for the purposes of development [21]. Investment in employees according to a study by [22] constitutes much more than providing financial capital as highlighted by [23]. Human capital can either be viewed in organizational context or from the perspectives of individual employees in other to establish valuable assets for the [24]. Existing literature suggests several attributes such as adaptability as well the flexibility of individuals within the organization to increase performance. According to [26] and [27] of skills suggests that acquiring high volume of skills in the form of knowledge, creativity and various forms of expertise are vital ingredients to firm profitability and rising performance.

2.2 SMEs Performance (SMEsPEF)

Today's business climate is immensely competitive due to globalization. As such, it is becoming increasingly very difficult for businesses to improve their performance [28]. For businesses to continuously improve performance, human skills serve as the primary requisite for survival [29]. Past literature has demonstrated the influence of skills on business performance [30-33].

Defining and measuring performance lack adequate agreements among prolific researchers [34]. However, most applicable definitions of firm performance according to literature include sales and growth in employees' figures, rate of survival and profitability [35]. On the other hand, researchers [36] and [37] defined firm performance in terms of financial assessment which entails firm profitability, objective evaluation of firms as well as quantifying the firms as intangible assets. Despite its diverse form of definitions, firm performance has been defined in organizational literature to be linked to the concept of financial performance which include indicators such as share gains, growth in sales, profitability, increase in market and new product levels [38]. Several other empirical studies by [39] and [40] defined business performance as growth in customer base and sales increase in working capital. The primary intention of this empirical survey is to explore the impact of SPBs and OMPBs on SMEsPEF. Further, the study intends to assess the overall strength of these barriers on SMEsPEF.

2.3 Owner Managers' Perceived Barriers (OMPBs)

The working definition of OMPBs in this study is based on the personal or the individuals' barriers that inhibits SMEs performance to achieve its mandate. According to [41], gender stereotype plays major role in hampering OMSB efforts to improve and sustain their level of performance. Workplace attitudes where men are perceived to refuse or reluctant in accepting female counterparts is a major concern. Literature further adds that in a male dominated working environment, women owner managers (WOMs) in most workplaces are forced to leave the working climate. These forms of barriers create problems of promotional opportunities, high stress levels and inability by individuals towards opportunities of rediscovery [42]. Previous study by [43] add that the job market is vastly vertically and horizontally isolated; thus, make it impossible to easily render services and to provide value for potential clients.

2.4 Specific Perceived Barriers (SPBs)

This study used a working definition of SPBs as critical barriers that constraints SMEsPEF. Several research evidence suggest that OMSBs are faced with barriers such as uncertain competition, improper and reliable accounting systems [44-45]. It further emerged from the study that small businesses are constraint due to barriers including uncertainties in emerging markets besides exorbitant costs in terms of funding. Recent survey further adds that OMSBs continue to experience severe barriers such as inability to access the appropriate form of technology and business-related information. As such, OMSBs are unable to utilize the internet platforms and other devices in developing countries [46-48]. According to [49], OMSBs are unable to perform successful due to lack of equipment as well as growing corrupt practices, insufficient infrastructure. A recent survey revealed that OMSBs are faced with several barriers of inability to acquire land and access primary business infrastructure for business purposes [50]. To ensure that small businesses improve their performances, necessities to attain success are profoundly essential.

2.5 Age and SMEsPEF

Large body of literature were operationalized to identify the concept of age in social science to provide distinction among individuals [51]. According to [52] age is a very controversial element that increases as individuals pursue successful firm performance and other entrepreneurial activities. Through individuals' age, much can be learnt regarding the general intentions and other related behaviors [53]. According to [54] the skill levels of individuals rise as the individual age grow. A study by [55] echoed the sentiments that individuals who become active participants in successful firm performance are over 25 years. Recent empirical study by [20] have linked the age of individual to better firm performance; in essence, age is perceived as the vital element that assists in the establishment of successful firm performance [20].

Given the various scientific sentiments [56] argued that at the age 24 individuals are reluctant to pursue any form of entrepreneurial activities due to fear of lack of performance. However, the study argued that individuals are open to more opportunities as age increases; yet are not willing to embark on successful firm performance [57] affirm that individuals' age in a way are linked to successful business performance as well as firm growth due to improved performance. As [58] put it, there is profound negative relationship with entrepreneurial activities; however, in a similar study, age is linked to poorer entrepreneurial activities because of the risky nature of entrepreneurial activities [59]. The study explained that the risky nature of firms increases rather due to age as well as a steady decrease in line with individual age [55]. Opinions differ regarding the effect of age and entrepreneurial activities. Other researchers link age to have positive effect on employment path on the bases that the depth of human and financial capital is paramount to start-ups as age increases [59].

2.6 Educational Qualifications and SMEsPEF

Firm performance depends critically on management and financial skills assisted by educational qualifications [60]. The general perception is that the level of education is positively linked to firm success [61]. Further scientific evidence found educational qualifications influence firm performance to the benefits of OMSBs [62]. More related empirical revelations point to variations in gender and work experiences that link to

educational status and OMSBs firm performance [63]. A study by [64] affirms that obtaining higher level of education is adequate to impact positively on entrepreneurial activities. As explained by [65] and [66] educational qualifications are not enough to enhance entrepreneurial activities. In the same token, proponents of human capital have identified investment in humans as the most valuable assets to firm performance [22]. Based on recent study by [67] human capital helps OMSBs to establish lasting platforms of innovation to improve firm performance. The fact that literature on firm performance seems to be influenced by traces of human capital, other studies are tilted towards the tackling of creativity and innovation [68-69].

3. CONCEPTUAL FRAMEWORK AND HYPOTHESES DEVELOPMENT

This study draws on various literature and theories in the form of a conceptual framework that forms the main platform to provide guidance to assess the formulated hypotheses as well as the objectives of this study. The framework sheds some critical information on related variables. Part of the conceptual framework include conditions of OMSBs age groups and educational qualifications. Besides, five constructs namely two predictor variables such as the specific perceived barriers (SPBs) and owner-managers' perceived barriers (OMPBs). Next, was one mediating variable referred to as the owner-managers of small businesses (OMSBs).

Finally, the framework included one dependent variable (outcome variable) known as *SMEsPEF.* The framework operationalized owner-managers perceived barriers *(OMPBs)* as: personal difficulties to understand tax policies, no sites for business premises, family pressure, lack of self-confidence and fear of business failures, lone decisions-making, absence of success stories, insufficient education, and training. Specific barriers *(SPBs)* used in this study are explained and evaluated as: no meaningful assistance, start-ups difficulties, and high costs of doing business, scare business skills, increasing crime levels, unable to compete, harsh regulatory policy climate and insufficient infrastructure.

The study defined owner-managers of small businesses *(OMSBs)* as self-employed individuals who established their own businesses and provide their own *"seed funds"*, make business decisions without much support. *SMEsPEF* is identified through literature to mean commitment of owners and staff, employees; unwillingness to enable high growth rates and success through high employee morale, more assets, growth in employee numbers and increase through expansions. Considering the context as outlined in this study, perceived barriers could impact negatively on SMEsPEF. Such impact is predicted by the two barriers throughout this study namely SPBs and OMPBs. Figure 1 depicts the predictor variables such as age, educational qualifications, SPBs and OMPBs while the outcome variable consists of SMEsPEF.

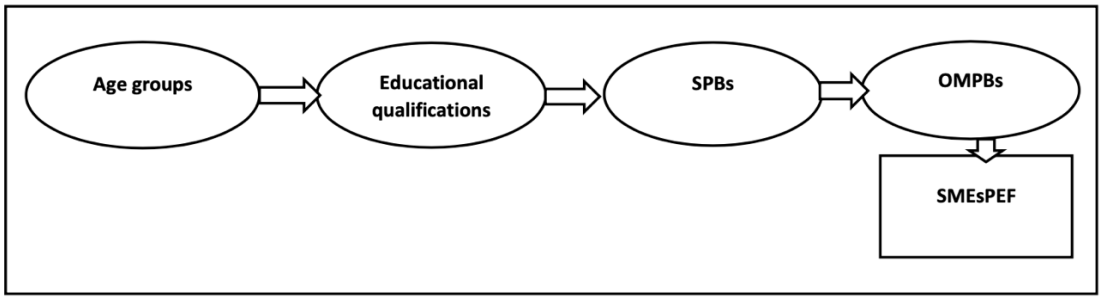

Figure 1. Conceptual Framework

3.1 Formulated Hypotheses.

Based on the conceptual framework above, the null hypotheses (H_0) that were designed to test the study objectives against alternative hypotheses (H_a) were formulated and assessed.

- $H1_0$: There is no significant interaction between the level of SPBs and the level of OMPBs on SMEsPEF
- $H1_a$: There is a significant interaction between the levels of SPBs and the level of OMPBs on SMEsPEF
- $H2_0$: There is no significant interaction between age group and educational qualifications on SMEsPEF
- $H2_a$: There is a significant interaction between age group and educational qualifications on SMEsPEF

4. METHODOLOGY

Without limitations scientists are permitted to make choices in selecting either inductive or the deductive approaches in framing study design. In this study, the author made the decision to apply a deductive approach to test the formulated hypotheses [70]. The deductive or a quantitative method was deemed appropriate for this study since it is proven to be suitable in offering flexibility to facilitate the study and collect primary data for analysis. Two main statistical tools; the descriptive and inferential were employed to make inferences from the empirical data.

4.1 Study Design

To ascertain the primary purpose of the study, the quantitative approach was applied to collect primary data [71]. Due to the rurality of the study, two trained field workers assisted the researcher to solicit and describe SPBs and OMPBs that inhibits SMEsPEF.

4.2 Instrumentation

This study used the quantitative approach. A self-designed 7-point Likert-scale questionnaire was applied to solicit primary data. The author ensure that instrument design was in line with validity processes and conform to every requisite for scientific instrument [72]. The instrument for this study contains various items based on extant literature review between two to three weeks. For the purposes of this empirical study, two barriers were selected and labelled as SPBs and OMPBs based on open-ended questions provided to owner-managers. The selected barriers consisted of 12 and 15 different statements of dichotomous in addition to self-evaluation statements drawn from literature on specific and owner managers' respectively. The author ensure that the statements bear close relationships with the selected barriers of SPBs and OMSBs. Based on stated principles, the Cronbach's alpha applied is valued over 0.70 to be accepted [73]. Besides, the validity of the research instrument was ascertained to ensure the free systemic as well as to avoid random mistakes [74]. The alphas for SPBs and OMPBs were 0.815, 0.695 respectively.

Based on the results of the Cronbach's Alphas, reliability and internal consistency of the research instrument were certified relatively high for every statement [75]. To ensure accurate responses, research scales were designed in line with the primary objectives. In addition, proper modifications were made to align the present context and primary

purposes of the study. Identified statements of SPBs and OMPBs were evaluated mainly on a 7-point Likert scale questionnaire ranging from *(1) strongly disagree to (7) strongly agree* with specific but related options that make it possible for the participants to express their levels of agreement and disagreement. Drawing on the questionnaire, higher mean values for every statement point to greater level of significance. Prior to distributions, the questionnaires were piloted with fewer participants for clarity and modifications as requested by experts in the field for content validity.

4.3 Target Population

The target population consists of all the owners of small business from two districts municipalities of South Africa. Individuals who availed themselves during data collection processes were drawn across the two district municipalities. Due to reliable data base, purposive sampling technique was applied to select 282 participants from various active small businesses. Two field workers were trained to assist in administering and to collect completed questionnaires. Justifications for training the field workers were to make sure that the questionnaires were error free thus allowing for high response rates. Initially, 300 questionnaires were distributed among the participants. After six weeks of extensive field work, the distribution yielded 94% response rate.

4.4 Sample Characteristics

The sample characteristics consists of only the selected demographic variables mainly the OMSBs from two district municipalities as participants of the study. The sample of OMSBs who took part in this study were more males (63.4%) as compared to (35.4%) females. This implies that more men were involved in pursuing SMEs than women. This result in like previous study by [76] in which it was discovered that more male owner-managers pursued entrepreneurial activities. Similar study revealed that more males are willing to engage in entrepreneurial activities in contrast to females [77]. In terms of age distribution, (40.07%) of participants were between the ages of 30-39 years. This is followed by (33.3%) between the age groups of 40-49 years. This means the youth (10.2%) between the ages of 20-29 years does not participate in operating SMEs. Majority (51.7%) were married while (38.6%) remain single. Regarding education, all the OMSBs acquired post school qualifications. Similarly, majority (23.05%) of OMSBs got matric certificates, (7.09%) were university degrees holders while (1.77%) were unable to disclose their academic status. In terms of racial background, the bulk (53.9%) of the OMSBs were from the African population. This was followed by 18.08% OMSBs who did not divulge their race groups while 10.9% OMSBs represents the coloured population and 9.9% OMSBs were Indians.

5. DATA ANALYSIS AND RESULTS

Two commonly perceived barriers labelled as SPBs and OMPBs were identified and used in this empirical study. OMSBs were presented with open ended questions for responses and choices based on scores as indicated on the questionnaires namely strongly agree to strongly disagree. However, for the purposes of this empirical study, these scores were later converted to low, moderate, and high. Results from descriptive analysis depicts various levels of distributions including a two-way ANOVA based on extensive literature review. Descriptive analysis illustrated in Tables 1 and 2 are applied for profound insights into distributing of two independent variables namely the SPBs and OMPBs. Below are

the descriptive analyses. The following section shed some lights on the descriptive information aided by the means scores.

Table 1. Distribution level of SPBs

Level of SPBs	N	%
Low	33	12.9
Moderate	129	50.4
High	94	36.7
Total	256	100.0

From the table above, majority of respondents experienced moderate (50.4%) SPBs on SMEsPEF. The second largest proportion of respondents experience high (36.7%) while the remaining (12.9%) respondents are faced with low level of SPBs in terms of SMEsPEF. The implications are that SPBs are constrained in terms of SMEsPEF to fulfil its mandate of creating jobs and reduce poverty.

Table 2. Distribution level of OMPBs

Level of OMPBs	N	%
Low	55	20.1%
Moderate	94	34.4%
High	124	45.4%
Total	273	100.0%

The above table depicts that most respondents experienced high (45.4%) OMPBs in terms of SMEsPEF. The second largest proportion of respondents experience moderate (34.4%) level of OMPBs on SMEsPEF. While the remaining respondents according to the analysis experience low (20.1%) level of OMPBs on SMEsPEF**.**

5.1 Inferential Analysis

The tables below depict the final outcomes of null ***(H_0)*** and alternate ***(H_a)*** hypotheses through a two-way ANOVA buttressed by full factorial options. The author employed a two-way ANOVA to determine the interaction effect between the dependent variable SMEsPEF and independent variables of SPBs and OMPBs. In-dept evaluations of formulated hypotheses was conducted by means of a two-way ANOVA as outlined in tables 3 and 4 below.

5.2 Testing Formulated Hypotheses

To ensure that the stated objectives are realized, a two-way ANOVA is employed to test the formulated null and alternative hypotheses. Below are the formulated null and alternate hypotheses and the results that emerged from the analysis.

$H1_0$: There is no significant interaction between the level of SPBs and the level of OMPBs on SMEsPEF

***$H1_a$*:** There is a significant interaction between the levels of SPBs and the level of OMPBs on SMEsPEF

Table 3. Tests of between-subject effects of dependent variable: SMEsPEF: SPBs

Source	Type III Sum of Squares	DF	Mean Square	F	p-value
Corrected Model	6036.487[a]	8	754.561	8.571	0.000
Intercept	50248.935	1	50248.935	570.758	0.000
Level SPBs	1192.039	2	596.019	6.770	0.001
Level OMPBs	14.807	2	7.403	.084	0.919
Level SPBs * Level OMPBs	1555.293	4	388.823	4.416	0.002
Error	20513.067	233	88.039		
Total	369944.000	242			
Corrected Total	26549.554	241			

ANOVA was conducted at 5% level of significance to test for the significant of interaction between SPBs and OMPBs on SMEsPEF; significant difference across the SPBs levels and the significant difference across the 0MPBs levels on SMEsPEF. From table 3 above the following observations emerged. There was significant interaction between SPBs and OMPBs on SMEsPEF at p-value <0.05, [F (4,233) =4.416, p-value =0.002]. The null hypothesis is rejected at 5% level of significance. Thus, the SMEsPEF was affected by the combined effect of SPB's and OMPBs. There was a statistically significant difference in SMEsPEF scores for the three levels of SPBs at p-value <0.05 [F (2,233) =6.77, p=0.001]. The null hypothesis is rejected at 5% level of significance. Therefore, the SMEsPEF was affected by the levels of SPBs. There was a statistically significant difference in SMEsPEF scores for the three levels of OMPBS at p-value <0.05 [F (2,233) = 0.084, p=0.002]. The null hypothesis ***(H6$_0$)*** is rejected at 5% level of significance

5.3 Testing Formulated Hypotheses

To ensure that the stated objectives are realized, a two-way ANOVA is employed to test the formulated null and alternative hypotheses. Below are the formulated null and alternate hypotheses and the results that emerged from the analysis.

H1$_0$: There is no significant interaction between the age group and the level of educational qualifications on SMEsPEF

***H1$_a$*:** There is a significant interaction between the age group and the level of educational qualifications on SMEsPEF

Table 4. Tests of between-subjects' effects of dependent variable: *SMEsPEF*

Source	Type III Sum of Squares	DF	Mean Square	F	p-value
Corrected Model	15305.052[a]	5	3061,010	12,098	0,000
Intercept	179351,147	1	179351,147	708,877	0,000
Age group	3681,895	1	3681,895	14,553	0,000
Educational qualification	3636,427	2	1818,214	7,186	0,001
Age group Educat. Qualific	2791,601	2	1395,801	5,517	0,005
Error	65275,944	258	253,008		
Total	576401,000	264			
Corrected Total	80580,996	263			

A two-way ANOVA was conducted at 5% level of significance to test the significant interaction between age group and educational qualifications on SMEsPEF. Besides, the significant difference of age groups and educational qualifications in respect of SMEsPEF were ascertained. Table 4 above revealed there was a significant interaction between age group and educational qualification on SMEsPEF at $p<0.05$, [F (2,258) =5,517 p=0.005]. The null hypothesis ***(H1$_0$)*** is rejected at 5% level of significance. Therefore, the SMEsPEF is affected by the combined effect of age group and educational qualifications. In addition, there was a significant difference across age groups on SMEsPEF at $p<0.05$, [F (1,258) =14.553 p-value =0.000]. The null hypothesis ***(H2$_0$***) is rejected at 5% level of significance. It follows that age groups have an impact on SMEsPEF. There was a significant difference across educational qualifications on SMEsPEF at $p<0.05$, [F (2,258) =7,186, p-value =0.001]. The null hypothesis is rejected at 5% level of significance. Hence, educational qualifications affect the SMEsPEF.

6. DISCUSSIONS OF EMPIRICAL FINDINGS

Drawing on the empirical results regarding the variables, OMPBs and SPBs it can be stated that these variables have positive relationships on SMEsPEF across the study setting. A two-way ANOVA is used to determine interaction effect of OMPBs and SPBs (refer to table 4). Based on the empirical outcomes, the null hypotheses ***(H1$_0$)*** were rejected since the result have shown significant interactions between the variables. This implies that the two variables affect the SMEsPEF. Thus, combined effect is very significant on the performance of small businesses. The two barriers as defined in the conceptual framework, are likely to have a combined effect on small business performance. This finding confirms recent work by researchers [78] and [79] that barriers hinder small business performance and growth possibilities. Given the age of OMSBs with varying conditions, the target population of this study ranges from 20 to 49 years resulting to the average age of 32 years while educational qualifications are paramount to ensuring growing SMEsPEF since it allows critical thinking in decision making [80-81].

This empirical study strongly indicates the significance of education since majority 23.05% of participants obtained certificates. The formulated null and alternative hypotheses were tested using a two-way ANOVA to determine interaction effect of age and educational qualifications (refer to table 3). The null hypotheses ***(H2$_0$)*** are rejected since there are significant interactions between OMSBs age and educational qualifications. This implies that OMSBs age and levels of educational qualification plays significant roles in SMEsPEF.

The two variables (age and educational qualifications) must be taken into consideration when decisions are made regarding the performance of small businesses. This result further confirms similar scientific works by [82] besides [83] that there are positive relationships in terms of the age of OMSBs and firm performance. Similar study commissioned by [84] have shown no significant relationship between age and firm performance. Simply put, the implications are that older OMSBs' overall firm performance declines [85]. However, empirical evidence based on this study contradicts recent academic study by [86] that revealed that younger OMSBS displays better business performance in contrast to the older population.

7. IMPLICATIONS FOR OMSBS

Two contributory barriers to OMSBs have emerged as part of this empirical study. These barriers lack adequate control especially in developing countries. For instance,

improvement of OMPBs through sufficient training programmes could enhance individuals approaches to pursue better level of small business performances by offering adequate and relevant skills development initiatives. This study suggests therefore that increasingly high OMPBs can easily make small businesses failed and become unsuccessful. On the other hand, by acquiring enough training within favourable business climate can be stimulated to become beneficial to communities at large.

Similarly, based on the general outcomes of this study that there are significant relationships between OMPBs and SPBs offers OMSBs scientific information to increase SMEsPEF through various local-based programmes. In addition, OMSBs with minimal SPBs, shows greater levels of business performance could be associated with availability of competitive strengths, better systems of accounting practices to boost SMEsPEF in the environment. These empirical findings have clear implications for soliciting appropriate means to eradicate the barriers that impede the performances of small businesses. Simply put, the implications are that inability to reduce the barriers that allows for SMEsPEF in rural climate by putting together efficient measures in place to stimulate performance. It is significant to lessen the effect of the barriers to prevent small business failures to increase the level of performance. The empirical results as revealed by this study in relation to barriers and its impact on SMEsPEF are vital for crafting specific strategies that are earmarked to prevent small businesses failures and to increase SMEsPEF.

8. CONCLUSION AND RECOMMENDATIONS

The study seeks to determine the interactions between the effects on selected variables and perceived barriers on small businesses performance. Besides, this study aims to ascertain the significant effect of age and educational qualifications of OMSBs on SMEsPEF. The general continued stride of small business performance is vital to rural settings. Small businesses success is evidence to strengthen various economic activities while providing business opportunities to communities. Thus, creating the necessary stimulants through your educational and training needs and offering specific programmes. These programmes should be designed towards eradicating the perceived barriers to increase educational assistance to every category of the population with emphasis on the youth. This empirical study shows that OMPBs and SPBs hinder small business performance. Again, the study points to interaction effect between variables of age, educational qualifications. Hence, the findings imply that certain categories of age as well as the general level of education requires more attention for the purposes of skills training if performance of small businesses are to be increased.

The findings as detailed in this study proposes the broader significance of exposing the younger generation to entrepreneurial activities and operating small businesses through rural entrepreneurship education programmes (REEPs). This form of exposure could lead to capacity training and building youth initiatives to locate individual opportunities. In addition, this empirical finding points to barriers that obstructs small businesses. Similarly, further scholarship suggests perceived barriers of owner managers including severe lack of skills training and specific barriers of increasingly high crime levels hamper the success and business performance. Providing adequate rural credit options to OMSBs might decrease these critical barriers to enhance SEMsPEF.

CONFLICT OF INTEREST

The authors of this paper would like to confirm no conflict of interest associated with the present publication and no financial support for this research work that can impact its outcomes.

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