

## Documents

Yusuf, M.-B.O.<sup>a</sup>, Lawal, A.T.<sup>b</sup>, Binti Mahadi, N.F.<sup>c</sup>, Akande, O.S.<sup>d</sup>, Ayoola, A.V.<sup>e</sup>, Kabir, A.S.<sup>f</sup>, Amos, L.<sup>g</sup>

**Impact of Access to Credit, Credit Delivery, and Variation in Interest Rate on Business Performance: An Empirical Study of SMEs in Kwara, Nigeria**

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<sup>a</sup> Faculty of Management Sciences, Al-Hikmah University, Ilorin, Nigeria

<sup>b</sup> Department of Business Administration, Faculty of Management Sciences, Al-Hikmah University, Ilorin, Nigeria

<sup>c</sup> Development and Community Engagement, IIUM Institute of Islamic Banking and Finance, Kuala Lumpur, Gombak, Malaysia

<sup>d</sup> Nassau University Medical Center, New York, United States

<sup>e</sup> Federal Cooperative College, Eleyele, Ibadan, Nigeria

<sup>f</sup> Department of Marketing, Kwara State Polytechnic, Ilorin, Nigeria

<sup>g</sup> Department of Marketing, Ladoke Akintola University of Technology, Ogbomoso, Nigeria

### Abstract

Despite the importance and contribution of entrepreneurship to the national economy, challenges still remain with regard to its sustainability and growth, since small- and medium-scale enterprises (SMEs) need financial help to handle the challenging issues of survival and expansion. Therefore, the purpose of this study is to examine the effects of credit delivery, credit availability, and interest rate fluctuations on the performance of SMEs in Nigeria. The data used for the analysis was gathered from a survey of SMEs in Kwara State, Nigeria. The data was analyzed using the Partial Least Square of Structural Equation Modeling (PLS-SEM). The results of the analysis provided support for the idea that the main challenge facing SMEs in Nigeria is a financial issue that has a negative impact on their ability to expand. Similar to this, for SMEs to operate successfully, strong financial backing is required. In fact, the entire microfinance bank concepts used in this study demonstrated that they contribute significantly to the success of SMEs in the local area of Kwara State, Nigeria. Therefore, it is recommended that microfinance institutions develop a mechanism for delivering loans that is accommodating to SMEs. The Central Bank of Nigeria should put into effect policies that boost cash flow and direct it to SMEs in industries with a higher tendency to spur economic growth. In order to support them and improve their company operations, microfinance institutions should also charge minimal or no interest on loans for small and medium-sized businesses. © 2024 Common Ground Research Networks. All rights reserved.

### Author Keywords

Access to Credit; Business Performance; Credit Delivery; Credit Variation; Partial Least Square Method

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**Correspondence Address**

Yusuf M.-B.O.; Faculty of Management Sciences, Nigeria; email: yusufmbo2007@yahoo.com

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