

**Macro-Business Environment and Financial
Performance of Small and Medium Scale Enterprises (SMES) In
Lagos State, Nigeria
(A Study of Selected SMES in IKEJA and Lagos-Island Area of
Lagos State)**

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Abstract

The study examined Macro-Business Environment and Financial Performance of Small and Medium Scale Enterprises (Smes) in Lagos State, Nigeria. Indeed, survey research design was adopted and questionnaire was used as research instrument. The population of study constitutes the small and medium sale entrepreneurs in Ikeja and Lagos Island and the total population of respondents according to SMEDAN (2019) is 11,663. Thus, Krejcie and Morgan sample size determination technique was used to select three hundred and seventy (370) sample size. Indeed, questionnaires were administered to the 370 sample size while three hundred and forty four (344) were fully completed and returned. Simple random sampling technique was adopted and simple percentage was used to analyse the response of the questionnaire while regression statistics was adopted to test the hypothesis formulated. However, it was found that there is significant relationship between economic environment and financial performance of Small and Medium Scale Enterprises (SMEs) in Lagos State, Nigeria, there is significant relationship between social environment and financial performance of Small and Medium Scale Enterprises (SMEs) In Lagos State, Nigeria and that there is significant relationship between technological environment and financial performance of small and medium scale enterprises (SMEs) In Lagos State, Nigeria. It is therefore recommended that there should be shift to promote SME development by creating an enabling policy environment, which fosters SME competitiveness and reduces the transaction costs for smaller companies. It is important to pay attention to the fact that removal of regulatory and administrative barriers is expected to encourage enterprises operating in the informal economy to formalize their structures, which is a precondition for expanding their operations.

Keywords: Small and Medium scale enterprises in Nigeria, Results of positive and healthy competition in the Nigeria economy, Successes of small and medium scale business in Nigeria.